

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

## Membership

|                   |                            |
|-------------------|----------------------------|
| <b>Chair</b>      | Cllr Ian Brookfield (Lab)  |
| <b>Vice-Chair</b> | Cllr Stephen Simkins (Lab) |

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:

|                  |   |
|------------------|---|
| <b>Contact</b>   | Dereck Francis  |
| <b>Tel/Email</b> | Tel: 01902 555835 or <a href="mailto:dereck.francis@wolverhampton.gov.uk">dereck.francis@wolverhampton.gov.uk</a> |
| <b>Address</b>   | Democratic Services, Civic Centre, 1st floor, St Peter's Square,<br>Wolverhampton WV1 1RL                         |

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| <b>Email</b>   | <a href="mailto:democratic.services@wolverhampton.gov.uk">democratic.services@wolverhampton.gov.uk</a> |
| <b>Tel</b>     | 01902 550320   |

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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]

### DECISION ITEMS (RED - FOR DECISION BY THE COUNCIL)

- 4            **Capital Programme 2021-2022 to 2025-2026 Quarter Three Review and 2022-2023 to 2026-2027 Budget Strategy** (Pages 13 - 126)  
              [To approve the Capital Programme 2021-2022 to 2025-2026 Quarter Three Review and 2022-2023 to 2026-2027 Budget Strategy]
  
- 5            **Treasury Management Strategy 2022-2023** (Pages 127 - 218)  
              [To approve the Treasury Management Strategy 2022-2023]
  
- 6            **2022-2023 Final Budget and Medium Term Financial Strategy 2022-2023 - 2025-2026** (Pages 219 - 270)  
              [To present a balanced budget for 2022-2023 aligned to the Council Plan priorities and an update to the Medium Term Financial Strategy (MTFS) 2022-2023 to 2025-2026, for recommendation to Full Council]
  
- 7            **Our City: Our Plan** (Pages 271 - 334)  
              [To approve a refresh of the Council Plan 2019-2024 for the 2022-2023 municipal year]
  
- 8            **Pay Policy Statement 2022 -2023** (Pages 335 - 358)  
              [To approve the Pay Policy Statement 2022 -2023]
  
- 9            **Adoption of South Staffordshire District Council's delegated licensing function**  
              [To approve the adoption of South Staffordshire District Council's delegated licensing function][**Report to follow**]

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

- 10           **Gender Pay Gap Report - 2021** (Pages 359 - 380)

[To present the Gender Pay Gap Report 2021]

11 **Cannock Chase Special Area of Conservation Partnership Memorandum of Understanding and Planning Guidance** (Pages 381 - 448)

[To approve that the Council sign an updated Cannock Chase Special Area of Conservation Partnership Memorandum of Understanding (MOU), based on new evidence, and adopt planning guidance to implement the MOU requirements from 1 April 2022]

12 **Business Rates Discretionary Relief** (Pages 449 - 458)

[To approve the extension of the local Business Rates Discretionary Relief Policy in respect of charitable and voluntary organisations for one year from 1 April 2022]

13 **Rainbow City** (Pages 459 - 488)

[To approve the Rainbow City Plan for the City of Wolverhampton]

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| <b>CITY OF<br/>WOLVERHAMPTON<br/>COUNCIL</b> | <b>Meeting of the Cabinet</b><br><b>Minutes - 19 January 2022</b> |
|--|---|

## 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 Linda Leach (Virtually)  
Cllr Beverley Momenabadi (Virtually)

### Employees

|                  |   |
|------------------|---|
| Tim Johnson      | Chief Executive                                   |
| Mark Taylor      | Deputy Chief Executive                            |
| Emma Bennett     | Executive Director of Families                    |
| Ross Cook        | Director of City Housing and Environment          |
| John Denley      | Director of Public Health                         |
| 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              |
| Brenda Wile      | Deputy Director of Education                      |
| 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**

No apologies for absence were received for the meeting.

**2            Declaration of interests**

David Pattison, Chief Operating Officer reported that in relation to item 4 (Housing Revenue Account Business Plan 2022-2023 including Rent and Service Charges) there was a standing dispensation for Councillors in the Council's Constitution in

relation to members' allowances, business rates, housing matters and rents. Any Councillor who had a registered interest would be able to speak and vote on the report.

Mark Taylor, Deputy Chief Executive had submitted a note declaring an interest in items 4 and 11 (Purchase of Affordable Rent and Shared Ownership Units – Northcote Development (WV Living) due to being a Director of WV Living.

**3 Minutes of the previous meeting**

Resolved:

That the minutes of the previous meeting held on 8 December 2021 be approved as a correct record and signed by the Chair.

**4 Housing Revenue Account Business Plan 2022-2023 including Rent and Service Charges**

Councillor Bhupinder Gakhal presented the report on an updated Housing Revenue Account (HRA) Business Plan 2022- 2023 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 the Business Plan, a proposed HRA budget for 2022-2023, including proposed rents and service charges to take effect from 1 April 2022, and a proposed HRA Capital Programme for the period 2022-2023 to 2026-2027 for recommendation to Full Council.

Resolved:

That the Council be recommended to:

1. Adopt the Business Plan set out at Appendix 1 to the report as the approved Housing Revenue Account Business Plan including:
  - a. The revenue budget for 2022-2023 at Appendix 1 to the report.
  - b. The Capital Programme for 2022-2023 to 2026-2027 at Appendix 2 to the report that includes the following among the proposed investment plans:
    - £118.7 million for new build development.
    - £42.6 million provision for estate remodelling.
    - £50.4 million to complete the refurbishment of the Heath Town estate.
    - £79.8 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 4.1% 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 2022.
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 - £40,460,000

- Bushbury Hill Estate Management Board - £1,780,000
- New Park Village Tenants Management Organisation - £395,000
- Dovecotes Tenants Management Organisation - £1,148,000

That Cabinet notes:

1. 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 2022-2023.
2. From 1 April 2020 the Regulator of Social Housing has regulated social rents charged by Local Authorities. The Rent increase at 4.1% is chargeable in line with Government policy set out in the Rent Standard 2020.
3. The Charter for Social Housing Residents: Social Housing White Paper (2020) sets out the 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 2022-2023 would look at the future management and asset planning for non-traditional homes, including high-rise homes.

5 **SEND Inspection Outcome Written Statement of Action**

Councillor Dr Michael Hardacre presented for approval the Written Statement of Action (WSOA) developed as the Local Area response to the outcome of the Joint Inspection of the Local Area Special Educational Needs and Disabilities (SEND) services and provision conducted by Ofsted and the Care Quality Commission (CQC). The WSOA had been comprehensively and cooperatively put together following consultation with the large number of partners involved in Wolverhampton's SEND provision. There was agreement between all the groups on the WSOA. Councillor Dr Hardacre also informed Cabinet that the report no longer needed to go to Full Council as it had gone through full and comprehensive pre-decision scrutiny by the Children, Young People and Families Scrutiny Panel, who were in complete agreement the WSOA.

Resolved:

1. That the Local Area Written Statement of Action (WSOA) that is required to be submitted to Ofsted by the 16 February 2022 in response to the outcome of the Joint Inspection of the Local Area Special Educational Needs and Disabilities (SEND) services and provision conducted by Ofsted and the Care Quality Commission (CQC) between 20 and 24 September 2021 be approved.

2. That it be noted that the Written Statement of Action requires some final detail to be added following feedback from Parent/Carer surveys, the Clinical Commissioning Group. The Written Statement of Action would be prepared as a final designed document prior to submission to Ofsted by the 16 February.
3. That it be noted that the Written Statement of Action would also need sign off by the Clinical Commissioning Group governance structures as it is required to be developed as a co-produced document including input from a range of stakeholders following their engagement in the process through focus groups and surveys undertaken since the publication of the Inspection report and the DfE Senior Officials meeting with Local Area Leaders on the 29 November 2021.
4. That the '6 Focus Areas' which would outline the actions to be taken to address the 'Areas of Significant Weakness' as identified in the SEND inspection report in Appendix 1 to the report be noted.
5. That it be noted that the Joint SEND Strategy developed by the Wolverhampton SEND Partnership Board in 2020 and approved by the Cabinet and the Children and Families Together Board sets out the vision and key priorities of the Council and partners in the city to improve the lives of children and young people with SEND. Additional actions to those set out in the WSOA are also being closely monitored
6. That it be noted that the Strategy reflects the vision that Wolverhampton is an inclusive City where we work with children, young people, and their families with SEND so that they can achieve their full potential. It recognises that all children with SEND are individuals with aspirations to lead their own lives. While life for a child or young person with SEND and their family is anything but ordinary, the ordinary life principles are what extraordinary achievements are built on.

- 6 **Provisional Local Government Finance Settlement and Draft Budget Update**  
Councillor Ian Brookfield outline the key points from the report on an overview of the 2022-2023 Provisional Local Government Finance Settlement, which the Government announced in December 2021 and the impact of the provisional settlement on the Council's Draft Budget and Medium Term Financial Strategy.

Resolved:

1. That the outcome of the 2022-2023 Provisional Local Government Finance Settlement be noted.
2. That it be noted that the final budget report presented to Cabinet on 23 February 2022 would 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.



7 **Equality, Diversity and Inclusion Strategy 2022-2024**

Councillor Paula Brookfield asked Cabinet to approve the Council's Equality, Diversity and Inclusion Strategy 2022-2024. The Strategy outlined the Council's commitments, ambitions, current activities and future plans and brought together actions and activities designed to have an impact on equality and inclusion across the organisation. The document was structured around four key objectives, three with an internal focus and one externally focused, looking at ensuring services continue to remain accessible, inclusive and responsive. Councillor Paula Brookfield also asked Cabinet for delegated authority to approve corrections to typographical errors and additions to the Public Health directorate's priorities that came in after the report was published.

Resolved:

1. That the Council's Equality, Diversity and Inclusion Strategy 2022-2024 as attached at Appendix 1 to the report be approved.
2. That authority be delegated to the Cabinet Member for Governance and Equalities in consultation with the Chief Operating Officer to update certain departmental targets and to correct typographical errors in the Strategy.

8 **Corporate Parenting Strategy 2022-2025**

Councillor Ian Brookfield moved the recommendations in the report Corporate Parenting Strategy 2022-2025.

Councillor Beverley Momenabadi reported that the Strategy had been co-produced with Care Leavers Independent Collective and the Children in Care Council. It aimed to raise awareness about the strengths, and challenges with the Council's corporate parenting responsibilities. It showcased work and achievements over the last two years but also holds the Council to account in making sure that children in the care of the city and Councillors as corporate parents make sure that they have the best opportunities and life outcomes as children who are not in care.

Resolved:

1. That the Corporate Parenting Strategy 2022-2025 be endorsed.
2. That Cabinet member roles and responsibilities as Corporate Parents be noted.

9 **Determined Admission Arrangements for Community and Voluntary Controlled Schools 2023-2024**

Councillor Dr Michael Hardacre presented for approval the schemes for coordinated school admission arrangements for secondary and primary schools and admission arrangements for community and voluntary controlled schools for 2023-2024. No changes were proposed to the existing admission arrangements and they were compliant with the provisions of the School Admissions Code 2021.

Resolved:

1. That the Co-ordinated Admission Schemes for secondary and primary school admissions at the normal year of entry for 2023-2024 be approved and that the Secretary of State be notified by 28 February 2022.
2. That the proposed admission arrangements for community and voluntary controlled schools for 2023-2024 be approved.

10

### **Building Surveys of Large Panel System Blocks**

Councillor Bhupinder Gakhal presented the report on arrangements to carry out surveys of six council owned tower blocks constructed using the large panel system to determine their safety. The surveys were in response to a requirement in a circular issued to local authorities from the then Department for Communities and Local Government. Testing would be required of 18 flats in total. To enable the survey work to be undertaken and minimise the disruption to existing tenants, it would be necessary to utilise void properties in the tower blocks.

Resolved:

1. That the requirement to hold a total of 18 void properties within the six tower-blocks built using the Large Panel Systems (LPS) to enable the completion of specialist surveys be approved.
2. That suitable void properties within the each of the six tower-blocks be held to allow the survey work to be carried out.
3. That the rehousing of the tenants from these dwellings following a consultation period and housing needs assessment be approved.
4. That a level of compensation payment and disturbance payments as detailed in exempt Appendix 2 to the report for those tenants in identified properties within the six tower blocks to voluntarily move to suitable, alternative accommodation to decant the property in order to carry out the specialist surveys be approved.
5. That authority be delegated to the Cabinet Member for City Assets and Housing in consultation with the Director of City Environment, to agree any alternative compensation payment and disturbance payment to that detailed in exempt Appendix 2 to the report under exceptional circumstances.
6. That it be noted that a further report on the outcome of the testing and the future investment or regeneration of these tower blocks would be presented to a future meeting.

11

### **Purchase of affordable rent and shared ownership units - Northcote development (WV Living)**

Mark Taylor, Deputy Chief Executive left the meeting whilst Cabinet considered this item.

Councillor Bhupinder Gakhal presented the report on a proposal to purchase 29 affordable rents and 16 shared ownership units on the Northcote development site from WV Living. Once the 45 affordable housing units are completed the properties would be allocated through Homes in the City choice based letting system. The marketing of the shared ownership units would be managed through an appointed Sales and Marketing Agent. The purchase of the affordable rents units would meet the objectives within the Council's Plan Better Homes for All and the Housing Strategy's More and Better Homes by increasing the number of additional affordable housing to meet the house demands within the city. The purchase of the shared ownership units would provide an opportunity for residents to access low cost home ownership.

Resolved:

1. That the purchase of 29 homes for affordable rent and 16 homes for shared ownership units from WV Living on the Northicote housing development site through a standard form of development agreement at the agreed purchase as detailed in exempt Appendix 1 to the report be approved.
2. That approval be granted to enter into contract using a standard form of development agreement between the Council and WV Living including staged payments as detailed in exempt Appendix 2 to the report.
3. That Chief Operating Officer or other authorised officers be authorised to execute the contract agreement, transfers, associated wayleave agreements, deed of easements, deeds of grant, collateral warranties together with any ancillary agreements.

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| <b>CITY OF<br/>WOLVERHAMPTON<br/>COUNCIL</b> | <b>Cabinet</b><br><b>23 February 2022</b> |
|--|---|

|  |  |  |
|--|--|--|
| <b>Report title</b>                            | Capital Programme 2021-2022 to 2025-2026<br>Quarter Three Review and 2022-2023 to<br>2026-2027 Budget Strategy |  |
| <b>Decision designation</b>                    | RED  |  |
| <b>Cabinet member with lead responsibility</b> | Councillor Ian Brookfield<br>Leader of the Council   |  |
| <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<br>Tel<br>Email   | Director of Finance<br>01902 550478<br>Claire.Nye@wolverhampton.gov.uk |
| <b>Report to be/has been considered by</b>     | Strategic Executive Board<br>Council   | 10 February 2022<br>2 March 2022                                       |

**Recommendations for decision:**

That Cabinet recommends that Council approves:

1. The revised City of Wolverhampton Capital Strategy.
2. The revised, medium term General Revenue Account capital programme of £346.1 million, an increase of £47.7 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 £9.7 million;
  - ii. new projects totalling £6.3 million.

2. Approve the amendments to the Collaboration Agreement in relation to the Black Country Executive Joint Committee City Deal and Growth Deal dated the 7 May 2014, the aim being to simplify the governance arrangements and reduce timeframes for project approvals.
3. Approve Wolverhampton Council's entry into a Deed of Variation relating to the above Collaboration Agreement to these record changes as detailed within Appendix 6 to the report.
4. Delegate authority to the Deputy Leader: Inclusive City Economy in consultation with the Chief Operating Officer and Directors of Regeneration and Finance to conduct any negotiations and to agree any minor amendments and to subsequently authorise the sealing of this Deed of Variation.
5. Continue both delegations to the Portfolio Holder responsible for Resources, in consultation with the Director of Finance, to approve the allocation of:
  - i. The Corporate Provision for Future Programmes (previously known as the Corporate Contingency) budget 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.

**Recommendations for noting:**

The Cabinet is asked to note:

1. That description of the budget known as the Corporate Contingency was reviewed to better reflect its purpose. Therefore, it was renamed to the Corporate Provision for Future Programmes budget.
2. That Chartered Institute of Public Finance and Accountancy (CIPFA) have published changes to the Prudential Code for Capital Finance in Local Authorities. The Capital Strategy will be reviewed over the coming months in light of these changes and an update will be provided to Cabinet and Council for approval at a future meeting.

## **1.0 Purpose**

- 1.1 To provide Cabinet with an update on the 2021-2022 financial performance of the General Revenue Account and Housing Revenue Account (HRA) capital programmes, whilst also providing a revised forecast for 2021-2022 to 2025-2026 as at quarter three 2021-2022.
- 1.2 To recommend revisions to the current approved capital programme covering the period 2021-2022 to 2026-2027.

## **2.0 Executive summary**

- 2.1 The capital programme is underpinned by the Council Plan 2019-2024 which was approved by Full Council on 3 April 2019. To ensure that resource continues to be aligned to the needs of local people a refresh of the plan has been undertaken following extensive engagement with city partners and communities.
- 2.2 Our City, Our Plan incorporates key policy areas into a refreshed narrative and updated structure which has a focus on delivery and performance. The plan also aligns with the key priorities and objectives identified by the Relighting Our City Recovery framework.
- 2.3 The plan continues to identify an overarching ambition that 'Wulfrunians will live longer, healthier lives' delivered through six Council Plan priorities:
  - Strong families where children grow up well and achieve their full potential
  - Fulfilled lives with quality care for those that need it
  - Healthy, inclusive communities
  - Good homes in well connected neighbourhoods
  - More local people into good jobs and training
  - Thriving economy in all parts of the city
- 2.4 The Relighting Our City recovery framework identified three cross cutting principles which are now been taken forward and incorporated into the refreshed plan. These are:
  - Climate Conscious
  - Driven by Digital
  - Fair and Equal
- 2.5 Our City, Our Plan is presented to Cabinet and Full Council on this same agenda.
- 2.6 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.

- 2.7 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 to the Project Assurance Group, enabling robust governance and challenge. In addition to this, a Capital Projects Member Reference Group provides enhanced project governance and challenge.
- 2.8 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.
- 2.9 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.
- 2.10 In late December 2021, the Chartered Institute of Public Finance and Accountancy (CIPFA) published changes to the Prudential Code for Capital Finance in Local Authorities, with more detailed guidance notes published late January 2022. Over the next few months, the Capital Strategy will be reviewed in light of this new guidance and an update provided at mid-year to Cabinet and Council for approval.
- 2.11 The Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have, significant financial implications for the Council. The pandemic has understandably had an impact on the development of capital projects. Given the unprecedented circumstances, there has understandably been delays on some capital schemes due to Covid-19. To ensure that any potential costs are met, in June 2020, the Council approved budget provision for specific risks emerging from the Covid-19 global pandemic. The Council will continue 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.
- 2.12 On 1 December 2021, Council approved a General Revenue Account capital programme totalling £298.1 million for the period 2021-2022 to 2025-2026. Since then, an Individual Executive Decision Notice submitted to Councillors has been approved to increase this amount by £271,000 to £298.4 million, fully funded by Green Homes Grant allocated through the second round of the Local Authority Delivery (LAD) Scheme, originating from the Secretary of State for Business, Energy, and Industrial Strategy (BEIS).



- 2.13 In addition to this, a reallocation of resources totalling £954,000, from the Corporate Provision for Future Programmes budget to various individual projects, has been approved, details of which can be found in Appendix 2 to the report and are summarised below:
- £360,000 towards the replacement of obsolete central reservation infrastructure on Stafford Road;
  - £330,000 to fund the Ignite office fit out costs;
  - £102,000 to facilitate required works within the Corporate Asset Management capital programme;
  - £75,000 to fund the installation and purchase of audio-visual equipment and conference microphone system;
  - £66,000 to fund the replacement of the boiler at Bilston Market;
  - £21,000 to fund the replacement of the water heater at Wolverhampton Contact Centre.
- 2.14 Approval is sought to continue both delegations to the Portfolio Holder responsible for Resources in consultation with the Director of Finance to approve the allocation of the following;
- Corporate Provision for Future Programmes budget 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.
- 2.15 At the end of quarter three of the 2021-2022 financial year, expenditure for General Revenue Account existing projects totals £50.4 million compared to the projected budget of £100.0 million.
- 2.16 This report considers specific changes to budgets. A full list of the proposed capital programme can be found in Appendix 2 to the report.
- 2.17 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 | 2021 - 2022     | 2022 - 2023    | 2023 - 2024   | 2024 - 2025   | 2025 - 2026  | 2026 - 2027  | Total          |
|---|-----------------|----------------|---------------|---------------|--------------|--------------|----------------|
|   | £000            | £000           | £000          | £000          | £000         | £000         | £000           |
| <b>Budget</b>                             |                 |                |               |               |              |              |                |
| <b>Approved</b>                           | 112,930         | 117,038        | 43,566        | 23,740        | 1,068        | 54           | <b>298,396</b> |
| <b>Variations</b>                         |                 |                |               |               |              |              |                |
| New projects                              | 2,301           | 3,004          | 5,000         | 5,000         | -            | -            | <b>15,305</b>  |
| Existing projects                         | (15,236)        | 19,370         | 11,404        | 7,308         | 4,757        | 4,757        | <b>32,360</b>  |
|   | <b>(12,935)</b> | <b>22,374</b>  | <b>16,404</b> | <b>12,308</b> | <b>4,757</b> | <b>4,757</b> | <b>47,665</b>  |
| <b>Projected</b>                          | <b>99,995</b>   | <b>139,412</b> | <b>59,970</b> | <b>36,048</b> | <b>5,825</b> | <b>4,811</b> | <b>346,061</b> |
| <b>Financing</b>                          |                 |                |               |               |              |              |                |
| <b>Approved</b>                           |                 |                |               |               |              |              |                |
| Internal resources                        | 75,399          | 57,436         | 16,030        | 19,222        | 1,068        | 54           | <b>169,209</b> |
| External resources                        | 37,531          | 59,602         | 27,536        | 4,518         | -            | -            | <b>129,187</b> |
|   | <b>112,930</b>  | <b>117,038</b> | <b>43,566</b> | <b>23,740</b> | <b>1,068</b> | <b>54</b>    | <b>298,396</b> |
| <b>Variations</b>                         |                 |                |               |               |              |              |                |
| Internal resources                        | (10,589)        | 7,848          | 9,445         | 1,319         | -            | -            | <b>8,023</b>   |
| External resources                        | (2,346)         | 14,526         | 6,959         | 10,989        | 4,757        | 4,757        | <b>39,642</b>  |
|   | <b>(12,935)</b> | <b>22,374</b>  | <b>16,404</b> | <b>12,308</b> | <b>4,757</b> | <b>4,757</b> | <b>47,665</b>  |
| <b>Projected</b>                          |                 |                |               |               |              |              |                |
| Internal resources                        | 64,810          | 65,284         | 25,475        | 20,541        | 1,068        | 54           | <b>177,232</b> |
| External resources                        | 35,185          | 74,128         | 34,495        | 15,507        | 4,757        | 4,757        | <b>168,829</b> |
| <b>Projected</b>                          | <b>99,995</b>   | <b>139,412</b> | <b>59,970</b> | <b>36,048</b> | <b>5,825</b> | <b>4,811</b> | <b>346,061</b> |

- 2.18 This report recommends variations to the approved capital programme totalling an increase of £47.7 million, which brings the total revised programme to £346.1 million.
- 2.19 Details of all projects that have contributed to the overall increase of £47.7 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;
- There is an increase of £23.8 million relating to the Transportation capital programme due to new grant allocations from the Combined Authority (Transport for West Midlands) expected in 2022-2023 and future years. Of the £23.8 million increase, £16.6 million will fund the Maintenance of Classified Roads capital programme and £7.2 million for the Highway Improvement capital programme. Details of how the grants will be allocated to individual projects will be presented to Cabinet in the annual Transportation capital programme report at a future meeting;
  - The City Learning Quarter capital programme has been updated to reflect the overall financial status of the project following the conclusion of various funding applications that have been submitted during 2021. The change in this budget reflects realignment to the funding strategy which was presented to Cabinet (Resources) Panel on 19 January 2022;
  - An increase of £8.0 million is proposed for the Transformational Projects capitalisation programme. This will enable the Council to utilise capital receipt

flexibility to fund revenue transformation projects in 2023-2024 and 2024-2025 in line with the budget strategy outlined in the 2022-2023 Final Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026 also on the agenda for this meeting;

- An increase of £4.9 million relating to the Disabled Facilities Grant capital programme reflects a new grant award from the Department for Levelling Up, Housing and Communities;
- In addition, there is an increase totalling £780,000 relating to the Traffic Signal Maintenance project (£500,000) and the On-street Residential ChargePoint Scheme (£280,000) within the Transportation capital programme due to a grant allocation from the Department for Transport;
- Finally, an increase of £396,000 is proposed for the Schools Devolved Formula Capital reflecting a grant award from the Education and Skills Funding Agency.

2.20 On 26 January 2022, Council approved a revised HRA capital programme totalling £457.6 million. Of the approved £457.6 million HRA budget, £54.9 million relates to the 2021-2022 financial year. Expenditure to the end of quarter three 2021-2022 for existing projects totals £29.9 million compared to the projected budget of £54.9 million.

2.21 Table 2 shows the approved budget for information only as there are no proposed changes to the overall budget.

**Table 2: Summary of the HRA capital programme**

| Housing Revenue Account capital programme | 2021 - 2022   | 2022 - 2023   | 2023 - 2024   | 2024 - 2025   | 2025 - 2026   | 2026 - 2027   | Total          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
|   | £000          | £000          | £000          | £000          | £000          | £000          | £000           |
| <b>Budget</b>                             |               |               |               |               |               |               |                |
| <b>Approved</b>                           | 54,900        | 84,663        | 88,488        | 84,560        | 68,760        | 76,260        | <b>457,631</b> |
| <b>Projected</b>                          | <b>54,900</b> | <b>84,663</b> | <b>88,488</b> | <b>84,560</b> | <b>68,760</b> | <b>76,260</b> | <b>457,631</b> |
| <b>Financing</b>                          |               |               |               |               |               |               |                |
| <b>Approved</b>                           |               |               |               |               |               |               |                |
| Internal resources                        | 54,105        | 84,663        | 88,488        | 84,560        | 68,760        | 76,260        | <b>456,836</b> |
| External resources                        | 795           | -             | -             | -             | -             | -             | <b>795</b>     |
|   | <b>54,900</b> | <b>84,663</b> | <b>88,488</b> | <b>84,560</b> | <b>68,760</b> | <b>76,260</b> | <b>457,631</b> |
| <b>Projected</b>                          |               |               |               |               |               |               |                |
| Internal resources                        | 54,105        | 84,663        | 88,488        | 84,560        | 68,760        | 76,260        | <b>456,836</b> |
| External resources                        | 795           | -             | -             | -             | -             | -             | <b>795</b>     |
| <b>Projected</b>                          | <b>54,900</b> | <b>84,663</b> | <b>88,488</b> | <b>84,560</b> | <b>68,760</b> | <b>76,260</b> | <b>457,631</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 £47.7 million. A more detailed listing of the individual projects can be found in Appendices 2 and 3 to the report.

- 3.2 Proposed budget virements between existing projects within the General Revenue Account capital programme total £9.7 million, further details are provided in Appendix 5 to the report.
- 3.3 The following paragraphs provide commentary on the significant changes to budgets and an update on key projects.
- 3.4 The Civic Halls project continues to progress; the auditorium ceiling installation has now commenced and the concrete columns around the perimeter of the Civic Hall on the first-floor level have now been repaired to receive the heritage tiling, the lobby ceilings within the Civic Hall are also now completed. The internal scaffolding in the Wulfrun Hall has been removed and work has commenced on the flooring and wall linings. Repairs to the roof and parapet walls are continuing to progress. The external scaffolding has also started to be removed and cleaning of the building frontage has commenced.

Willmott Dixon have now relocated to the Civic Centre to allow the North Street area in front of the Civic Halls to be handed over to enable commencement of the Public Realm works. Kerb realignment has started and the public realm works are on programme.

- 3.5 In relation to Interchange, following completion of the Train Station a programme of activity to handover the facility to Network Rail and West Midlands Trains and achieve 'Entry into Service' has now been concluded. With redevelopment of Phase 2 of the station now complete, work is underway on the establishment of the plaza space, Metro connection and cycle parking as the final components of the multi-modal transport interchange. Engagement is ongoing with Network Rail and West Midlands Trains to ensure a detailed programme of further improvements to the trackside station facility, treatment of the multi-story car park facade and connections to the Station, including subway renewal works, is agreed and programmed.
- 3.6 City Learning Quarter is one of the Council's top regeneration priorities being fundamental to the levelling up approach for the City. The Council is responsible for the project management and delivery of the City Learning Quarter programme which includes Phase 1, CoWTechC (City of Wolverhampton College Technical Centre) and Phase 2, City Centre which will ultimately provide a new, refurbished and extended College building, integrated and improved Library and Adult Education facilities at land around the existing College's Metro One building at Bilston Street.

City Learning Quarter Phase 1, CoWTechC is fully funded with a budget of £8.1 million. The project is in the delivery phase with the programme on track to facilitate the contractor appointment in late Spring 2022, construction commencement during Summer 2022 and opening of the new College facilities for the academic year starting in 2023.

Funding of £31.1 million has been secured for the City Learning Quarter Phase 2 towards the pre-tender project costs estimate of approximately £51.5 million. There has been positive ongoing dialogue with the Department of Education for confirmation of further funds to close the funding gap. To meet the delivery timeline requirements of the

Levelling Up Fund and Town Fund, (funding already confirmed), the Council's Cabinet (Resources) Panel on 19 January 2022 agreed to proceed with the project whilst Government's confirmation of the remaining funds is secured. If full funding is achieved in the next few months, then the programme facilitates the opening of the main new College building in September 2024.

- 3.7 The Westside development has been re-phased to accelerate the hotel element subject to approval; following ongoing market engagement with possible hotel brands and operators. Work is ongoing to develop a full and considered options appraisal including the Council's preferred procurement route; the Council's level of involvement / intervention alongside appropriate holding and operational strategies; this in turn is leading to the development of an options appraisal and outline business case which will inform the future Cabinet report.
- 3.8 At quarter 2 it was reported that the Western Extension scheme, which is a joint venture construction project with Staffordshire County Council, had reached practical completion stage. Financial projections at the time indicated that there would be a significant saving against the joint venture budget of £38.5 million. Whilst the project is still incurring residual capital expenditure as it moves through to the final completion and full plot occupation phases, latest estimates indicate that there will be a project saving in the region of £13.9 million against the Joint Venture budget of £38.5 million. In addition, the Joint Venture has attracted further grant support as well as significant interest in the developed plots, all of which will have a positive impact on the Council's capital programme. There are several inter dependencies between the project expenditure, grant awarded, value of payments to Staffordshire County Council for its share of the capital receipts and the gross value of these capital receipts. As a result, the projections included in the quarterly capital reports will continue to reflect the original overall budgetary position, until there is greater certainty across these variables.
- 3.9 Following Practical Completion the i9 building is now substantially let to the following tenants – LGPS Central Ltd; West Midlands Pension Fund and the Department for Levelling up, Housing and Communities. i9 is the first government department headquarters outside of London and will include a ministerial presence. The award-winning design achieves BREEAM (Building Research Establishment's Environmental Assessment Method) 'Excellent' affirming the council's commitment to local and regional sustainability and climate change agendas and was awarded the prestigious Brick Award in November 2021. The Awards celebrate the very best in brick architecture and craftsmanship in the UK.
- 3.10 The forecast for the HRA 2021-2022 capital programme as at quarter 3 totals £54.9 million, as approved by Council on 26 January 2022 as part of the Housing Revenue Account Business Plan 2022-2023 including Rent and Service Charges Cabinet report of the 19 January. The report sets out investment plans up to 2026-2027 based on the commitment to maximise the provision of additional homes whilst also prioritising the needs of existing stock with emphasis on building safety, decency and energy efficiency.

3.11 The 2021-2022 forecast reflects rephasing of budgets of £7.2 million approved by Cabinet and Council in January 2022, which was necessary due to the ongoing impact of Covid working practices and supply chain issues including lack of availability of material supplies.

#### **4.0 Black Country Enterprise Zone**

- 4.1 The Black Country Enterprise Zone ('BCEZ') comprises two separately submitted Enterprise Zones to the Communities and Local Government Unit (CLGU): Wolverhampton and Walsall Enterprise Zone ('WWEZ'), which commenced on 1 April 2013 and ends on 31 March 2038; and the Dudley ('DY5') Enterprise Zone which commenced on 1 April 2017 and ends on 31 March 2042. Collectively the two zones are the Black Country Enterprise Zone ("BCEZ").
- 4.2 Wolverhampton Council, along with the three other Black Country Local Authorities are all parties to The Collaboration Agreement which was approved by the Black Country Joint Committee on 7 May 2014 this sets out the governance and operational arrangements for the City Deal and Growth Deal funding programmes, including the collaboration, governance, project approval, management and audit, and claw back arrangements. The agreement has been further updated in September 2016 to widen the scope of the Black Country Joint Committee (BCJC) to include decisions in relation to funding received from the West Midlands Combined Authority (WMCA) and again in February 2020 to include all funds secured by the Black Country LEP, including Growing Places and Enterprise Zone funding, together with any future funding or funding programmes approved, such as the Shared Prosperity Fund. The most recent update was December 2020 via a Supplemental Deed of Variation to add the governance and processes in relation to the Black Country Enterprise Zones. Walsall Council act as the Single Accountable Body on behalf of the Black Country LEP.
- 4.3 At its meeting on 5 November 2020, the Association of Black Country Authorities (ABCA) Chief Executives considered and endorsed proposals for streamlining the BCJC governance arrangements and processes, the option of removing Joint Committee Advisory Board approval stage and increasing the number of BCJC meetings. This was followed by ABCA Leaders (9 December 2020) and Joint Committee Advisory Board (1 February 2021) endorsements.
- 4.4 The removal of the Joint Committee Advisory Board resulted in Heads of Regeneration Working Group holding the responsibility for consultation on all reports requiring recommendation to BCJC, including with the Cabinet Portfolio Holders. To ensure continuous visibility and transparency Heads of Regeneration now brief their relevant Cabinet Portfolio Holder on all reports, from across the Black Country, which require Heads of Regeneration (HoR) Working Group endorsement.
- 4.5 The increase of BCJC meeting frequency ensures that key time-bound projects can receive approvals as required, reducing any delays. It should be noted the revised

process is still compliant with requirements set out within the National and Local Assurance Frameworks, following individual project assessments and spend recommendations by the BC LEP.

- 4.6 The overview of the changes made to the Collaboration Agreement reviewed by the four Black Country Authorities are detailed in Appendix 6, along with a copy of the Agreement.
- 4.7 This report therefore recommends the approval of the amendments as detailed in Appendix 6, and that Cabinet approves Wolverhampton Council's entry into Deed of Variation relating to the Collaboration Agreement in relation to the Black Country Executive Joint Committee City Deal and Growth Deal dated the 7 May 2014. Delegated approval to agree any minor amendments and to subsequently authorise the sealing of this Deed of Variation is also sought.

## 5.0 New projects and virements

- 5.1 Table 3 provides a summary of new projects requiring approval, covering the period 2021-2022 to 2026-2027, 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<br>outturn<br>£000 | 2021-2022 to 2026-2027                                  |   | Virements<br>from existing<br>projects<br>£000 |
|-------------------------|-----------------------------|---|---|--|
|                         |                             | Additional<br>internal<br>resources<br>required<br>£000 | Additional<br>external<br>resources<br>required<br>£000 |  |
| General Revenue Account | 15,305                      | 8,000   | 996   | 6,309  |
| <b>Total</b>            | <b>15,305</b>               | <b>8,000</b>  | <b>996</b>  | <b>6,309</b>                                   |

- 5.2 The new projects requiring approval are funded from a mixture of internal (£8.0 million) and external resources (£1.0 million), and virements totalling £6.3 million. A list of the virements can be found in Appendix 5 to the report.
- 5.3 Of the overall £15.3 million increase for the General Revenue Account capital programme, an increase of £8.0 million relates to the Transformational projects capitalisation programme. Due to the capital receipts flexibility being extended until 2024-2025, it is now proposed to utilise capital receipts to fund revenue transformation projects in 2023-2024 and 2024-2025. This is in line with the budget strategy outlined in the Final Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026 report also on the agenda for this meeting.
- 5.4 Of the £1.0 million increase funded externally, £731,000 relates to the Transportation capital programme. Approval is sought for new Traffic Signal Maintenance (£500,000) and UTC upgrade & CCTV Link (£231,000) projects funded by grant from the Department for Transport.

- 5.5 In addition to this, approval is sought for new project within the Disabled Facilities Grant capital programme funded by £250,000 grant from the Department for Levelling Up, Housing and Communities. Finally, an increase of £15,000 is proposed for the new Safe Haven Vehicle project within the Fleet capital programme funded by grant from the West Midlands Police and Commissioner.
- 5.6 New projects created through virements from existing projects relate to Fleet, Transformational projects capitalisation, i54 Western Extension, Education, Waste and Transportation capital programmes and are summarised below. A detailed list of new projects can be found in Appendix 4 to the report.
- 5.7 In summary approval for the following virements is sought in this report:
- £3.2 million for eight new projects within the Fleet programme for the acquisition of vehicles and equipment;
  - £2.0 million is proposed to support new Transformational projects capitalisation 2023-2024 project as explained in the paragraph 5.3 above;
  - £761,000 for the i54 Western Extension - Southern Plot Access Road project;
  - £183,000 for seven new Education projects to enable capital maintenance works across various schools;
  - £110,000 is required to facilitate five new projects within the Waste capital programme for the purchase of residential bins and equipment;
  - £34,000 is proposed for the Well Lane project within the Transportation capital programme to carry out road resurfacing works.

## **6.0 Medium term capital programme financing and budget strategy**

- 6.1 Table 4 details the approved financing for the capital programme for 2021-2022 to 2026-2027 and incorporates the requested approvals for projects included in this report.
- 6.2 As detailed in paragraph 2.19, of the overall increase of £47.7 million to the capital programme, £8.0 million relates to the Transformational projects capitalisation programme. The table below therefore reflects the need to increase the borrowing by this £8.0 million in order that capital receipts can be released to fund revenue transformation work.



**Table 4: Approved and forecast capital financing 2021-2022 to 2026-2027**

| General Revenue Account capital programme | 2021-2022 to 2026-2027 |                    |               |                              |
|---|------------------------|--------------------|---------------|------------------------------|
|   | Approved budget        | Recommended budget | Variance      | Resource as % of expenditure |
|   | £000                   | £000               | £000          |                              |
| <b>Expenditure</b>                        | <b>298,396</b>         | <b>346,061</b>     | <b>47,665</b> |                              |
| <b>Financing</b>                          |                        |                    |               |                              |
| Internal resources                        |                        |                    |               |                              |
| Capital receipts                          | 81,979                 | 82,022             | 43            | 23.7%                        |
| Prudential borrowing                      | 86,905                 | 94,862             | 7,957         | 27.4%                        |
| Revenue contributions                     | 325                    | 348                | 23            | 0.1%                         |
| Reserves                                  | -                      | -                  | -             | 0.0%                         |
| <b>Subtotal</b>                           | <b>169,209</b>         | <b>177,232</b>     | <b>8,023</b>  | <b>51.2%</b>                 |
| External resources                        |                        |                    |               |                              |
| Grants & contributions                    | 129,187                | 168,829            | 39,642        | 48.8%                        |
| <b>Subtotal</b>                           | <b>129,187</b>         | <b>168,829</b>     | <b>39,642</b> | <b>48.8%</b>                 |
| <b>Total</b>                              | <b>298,396</b>         | <b>346,061</b>     | <b>47,665</b> | <b>100.0%</b>                |

| Housing Revenue Account capital programme | 2021-2022 to 2026-2027 |                    |          |                              |
|---|------------------------|--------------------|----------|------------------------------|
|   | Approved budget        | Recommended budget | Variance | Resource as % of expenditure |
|   | £000                   | £000               | £000     |                              |
| <b>Expenditure</b>                        | <b>457,631</b>         | <b>457,631</b>     | <b>-</b> |                              |
| <b>Financing</b>                          |                        |                    |          |                              |
| Internal resources                        |                        |                    |          |                              |
| Capital receipts                          | 31,591                 | 31,591             | -        | 6.9%                         |
| Prudential borrowing                      | 291,467                | 291,467            | -        | 63.7%                        |
| Revenue contributions                     | 10,615                 | 10,615             | -        | 2.3%                         |
| Reserves                                  | 123,163                | 123,163            | -        | 26.9%                        |
| <b>Subtotal</b>                           | <b>456,836</b>         | <b>456,836</b>     | <b>-</b> | <b>99.8%</b>                 |
| External resources                        |                        |                    |          |                              |
| Grants & contributions                    | 795                    | 795                | -        | 0.2%                         |
| <b>Subtotal</b>                           | <b>795</b>             | <b>795</b>         | <b>-</b> | <b>0.2%</b>                  |
| <b>Total</b>                              | <b>457,631</b>         | <b>457,631</b>     | <b>-</b> | <b>100.0%</b>                |

- 6.3 Capital receipts totalling £82.0 million have been assumed within the General Revenue Account capital programme over the medium term period 2021-2022 to 2026-2027 and can be seen in Table 5. There is an increase of £43,000 when compared to the approved budget, which has arisen due to increased forecast from the sale of assets and re-phasing of receipts and capital requirements.
- 6.4 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.

6.5 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<br>£000 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------|
|                            | 2021 - 2022<br>£000 | 2022 - 2023<br>£000 | 2023 - 2024<br>£000 | 2024 - 2025<br>£000 | 2025 - 2026<br>£000 | 2026 - 2027<br>£000 |               |
| Capital programme receipts | 29,600              | 14,500              | 18,000              | 15,000              | 4,900               | -                   | 82,000        |

6.6 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.

6.7 Approval is also sought to continue both delegations to the Portfolio Holder responsible for Resources in consultation with the Director of Finance to approve the allocation of the following;

- Corporate Provision for Future Programmes budget 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.

## 7.0 Key budget risks

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

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

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

## 8.0 Evaluation of alternative options

8.1 This report provides an update on progress of capital projects during 2021-2022 and anticipated budget requirement for future years. The evaluation of alternative project options is detailed in individual investment proposals.

## 9.0 Reasons for decisions

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

## 10.0 Financial implications

- 10.1 The financial implications are discussed in the body of this report. The revenue implications of the new and existing projects seeking approval for additional or changes in resources for the General Fund Revenue Account are fully reflected in the treasury management budget forecasts included in the report 'Treasury Management Strategy 2022-2023' also on the agenda for approval at this meeting.
- 10.2 Table below represents new capital grant notifications received during quarter three 2021-2022:

| Service                                | Funding body  | Name of new grant                                   | £000          |
|--|---|---|---------------|
| Transport                              | Department for Transport  | S31 Transport Highway Maintenance Fund              | 7,370         |
| Transport                              | Department for Transport  | S31 Transport Pot Hole Action Fund                  | 7,370         |
| Transport                              | Department for Transport  | S31 Transport Integrated Transport Block            | 7,205         |
| Housing Strategy                       | Department for Levelling Up, Housing and Communities                    | Disabled Facilities Grant                           | 4,915         |
| Transport                              | Department for Transport  | S31 Transport Highway Maintenance Incentive Fund    | 1,840         |
| Transport                              | Department for Transport  | Traffic Signal Maintenance                          | 500           |
| Education & Skills                     | Education and Skills Funding Agency                                     | Devolved Formula Capital                            | 396           |
| Transport                              | Department for Transport  | Onstreet Residential Chargepoint Scheme             | 280           |
| City Housing                           | Secretary of State for Business, Energy, and Industrial Strategy (BEIS) | Green Homes Grant: Local Authority Delivery Phase 2 | 271           |
| Transport                              | Department for Transport  | UTC Upgrade and CCTV Link                           | 231           |
| Fleet                                  | West Midlands Police and Crime Commissioner                             | Violence Reduction Fund                             | 15            |
| <b>Grand total grant notifications</b> |   |   | <b>30,393</b> |

[RJ/15022022/X]

## 11.0 Legal implications

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

[TC/15022022/C]

## 12.0 Equalities implications

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

### **13.0 All other implications**

- 13.1 A wide range of projects delivered through the capital programme have significant environmental implications and are geared to promote improvements to the physical environment.
- 13.2 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.
- 13.3 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.
- 13.4 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.

### **14.0 Schedule of background papers**

- 14.1 Individual Executive Decision Notice, 25 August 2021 - Stafford Road central reservation work access to corporate contingency funding
- 14.2 Council, 1 December 2021 - [Capital Programme 2021-2022 to 2025-2026 Quarter Two Review](#)
- 14.3 Cabinet (Resources) Panel, 8 December 2021 – [Procurement – Award of Contracts for Works, Goods and Services](#)
- 14.4 Individual Executive Decision Notice, 17 December 2021 - Bilston Market Boiler replacement
- 14.5 Individual Executive Decision Notice, 20 December 2021 - Democratic Transparency, Accessibility and Accountability: Webcasting
- 14.6 Individual Executive Decision Notice, 23 December 2021, exempt - [Corporate Asset Management Fund – Approval of Schemes 2021-2022](#)
- 14.7 Individual Executive Decision Notice, 14 January 2022, exempt - [Corporate Asset Management Fund - Wolverhampton Contact Centre](#)
- 14.8 Cabinet (Resources) Panel, 19 January 2022 - [City Learning Quarter Delivery](#)
- 14.9 Council, 26 January 2022 - [Housing Revenue Account Business Plan 2022-2023 including Rent and Service Charges](#)

14.10 Individual Executive Decision Notice, 11 February 2022 – Green Homes Grant: Local Authority Delivery Phase 2 Grant Approval

**15.0 Appendices**

15.1 Appendix 1: Capital Strategy

15.2 Appendix 2: Detailed projected budget

15.3 Appendix 3: Detailed forecast change

15.4 Appendix 4: Projects requiring approval

15.5 Appendix 5: Virements for approval

15.6 Appendix 6: Summary of changes BCEJC Collaboration Agreement (2021) Removal of Advisory Board

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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 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 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 Council's Capital Strategy is underpinned by the strategic approach to align resources to Our Council Plan 2019-2024 which was approved by Full Council on 3 April 2019. To ensure that resource continues to be aligned to the needs of local people a refresh of the plan has been undertaken following extensive engagement with city partners and communities throughout the Covid-19 pandemic.
- 2.2 Our City, Our Plan incorporates key policy areas into a refreshed narrative and updated structure which has a focus on delivery and performance. The plan also aligns with the key priorities and objectives identified in the Relighting Our City Recovery framework.
- 2.3 The plan continues to identify an overarching ambition that 'Wulfrunians will live longer, healthier lives' delivered through six Council Plan priorities:
- Strong families where children grow up well and achieve their full potential
  - Fulfilled lives for all with quality care for those that need it
  - Healthy, inclusive communities
  - Good homes in well-connected neighbourhoods
  - More local people into good jobs and training
  - Thriving economy in all parts of the city.

- 2.4 Our City, Our Plan is presented to Cabinet and Full Council on this same agenda.
- 2.5 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.
- 2.6 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.
- 2.7 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.
- 2.8 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 2026-2027 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 city 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.
- 2.9 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.
- 2.10 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. This strategy has also been reviewed and refreshed to ensure that resources remain aligned to our priorities. 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:

- **Driven by Digital** - 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.
- **Managing 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 Safe 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

2.11 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.

- 2.12 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
- 2.13 In order to support communities and people in the City, the **City of Wolverhampton Education Place Planning 2020-2022 Strategy** 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.
- 2.14 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.
- 2.15 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.
- 2.16 The Council has also designed the **Youth Engagement Strategy**, #YES, to improve the well-being of all children and young people living in the City of Wolverhampton. This vision is 'Happy Healthy Children and Young People'. It recognises the importance of young people's voice in shaping services, valuing their contribution in making the City a great place to bring up families..
- 2.17 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.

- 2.18 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 recovery plan, 'Relighting Our City'.
- 2.19 The refreshed Council Plan aligns with the key priorities and objectives identified in the Relighting Our City Recovery framework.
- 2.20 Relighting Our City also references three cross cutting themes which cut across all our recovery work, namely being climate conscious, driven by digital and fair and equal 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 **The Council Plan**, 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 Council Plan priorities and is affordable. Capital projects will be assessed and prioritised based on:
- Council Plan priorities;
  - 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 or project boards and will also be provided to PAG, enabling robust governance and challenge. In addition to this, the Capital Projects Member Reference Group provides further enhanced project governance and challenge.
- 6.0 Governance**
- 6.1 The City of Wolverhampton Council's Full Council makes decisions on a variety of issues, primarily linked with the budgetary and policy framework. Full Council will provide overall direction and approval of 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 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 £800 million in the City over the next six years together with the funding to support that investment.

7.2 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 2021-2022 to 2026-2027**

| General Revenue Account capital programme | 2021 - 2022 | 2022 - 2023 | 2023 - 2024 | 2024 - 2025 | 2025 - 2026 | 2026 - 2027 | Total   |
|---|-------------|-------------|-------------|-------------|-------------|-------------|---------|
|   | £000        | £000        | £000        | £000        | £000        | £000        | £000    |
| <b>General capital programme</b>          |             |             |             |             |             |             |         |
| <b>Projected Budget</b>                   | 99,995      | 139,412     | 59,970      | 36,048      | 5,825       | 4,811       | 346,061 |
| <b>Projected Financing</b>                |             |             |             |             |             |             |         |
| Internal resources                        | 64,810      | 65,284      | 25,475      | 20,541      | 1,068       | 54          | 177,232 |
| External resources                        | 35,185      | 74,128      | 34,495      | 15,507      | 4,757       | 4,757       | 168,829 |
| <b>Projected</b>                          | 99,995      | 139,412     | 59,970      | 36,048      | 5,825       | 4,811       | 346,061 |
| <b>Housing Revenue Account</b>            |             |             |             |             |             |             |         |
| <b>Projected Budget</b>                   | 54,900      | 84,663      | 88,488      | 84,560      | 68,760      | 76,260      | 457,631 |
| <b>Projected Financing</b>                |             |             |             |             |             |             |         |
| Internal resources                        | 54,105      | 84,663      | 88,488      | 84,560      | 68,760      | 76,260      | 456,836 |
| External resources                        | 795         | -           | -           | -           | -           | -           | 795     |
| <b>Projected Financing</b>                | 54,900      | 84,663      | 88,488      | 84,560      | 68,760      | 76,260      | 457,631 |

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 is now complete, with work underway on the establishment of the plaza space, Metro connection and cycle parking as the final components of the multi-modal transport interchange.

- **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 £26.4 million.
- **City Learning Quarter** - this is one of the Council's top regeneration priorities being fundamental to the levelling up approach for the City that will provide a new learning campus within the City Centre. Phases 1 and 2 of the scheme is currently forecast as a £60.0 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 2021-2022 to 2026-2027**

| <b>2021-2022 to 2026-2027</b>                    |                                    |                                     |
|--|------------------------------------|-------------------------------------|
| <b>General Revenue Account capital programme</b> | <b>Recommended budget<br/>£000</b> | <b>Resource as % of expenditure</b> |
| <b>Expenditure</b>                               | <b>346,061</b>                     |                                     |
| <b>Financing</b>                                 |                                    |                                     |
| Internal resources                               |                                    |                                     |
| Capital receipts                                 | 82,022                             | 23.7%                               |
| Prudential borrowing                             | 94,862                             | 27.4%                               |
| Revenue contributions                            | 348                                | 0.1%                                |
| Reserves   | -                                  | 0.0%                                |
| <b>Subtotal</b>                                  | <b>177,232</b>                     | <b>51.2%</b>                        |
| External resources                               |                                    |                                     |
| Grants & contributions                           | 168,829                            | 48.8%                               |
| <b>Subtotal</b>                                  | <b>168,829</b>                     | <b>48.8%</b>                        |
| <b>Total</b>                                     | <b>346,061</b>                     | <b>100.0%</b>                       |

| 2021-2022 to 2026-2027                    |                            |                              |
|---|----------------------------|------------------------------|
| Housing Revenue Account capital programme | Recommended budget<br>£000 | Resource as % of expenditure |
| <b>Expenditure</b>                        | <b>457,631</b>             |                              |
| <b>Financing</b>                          |                            |                              |
| Internal resources                        |                            |                              |
| Capital receipts                          | 31,591                     | 6.9%                         |
| Prudential borrowing                      | 291,467                    | 63.7%                        |
| Revenue contributions                     | 10,615                     | 2.3%                         |
| Reserves                                  | 123,163                    | 26.9%                        |
| <b>Subtotal</b>                           | <b>456,836</b>             | <b>99.8%</b>                 |
| External resources                        |                            |                              |
| Grants & contributions                    | 795                        | 0.2%                         |
| <b>Subtotal</b>                           | <b>795</b>                 | <b>0.2%</b>                  |
| <b>Total</b>                              | <b>457,631</b>             | <b>100.0%</b>                |

7.6 Capital receipts totalling £82.0 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 Report](#) 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**

| <b>PI 2 - Estimates and actual capital financing requirement General and HRA.</b>   |                               |                  |                  |                  |
|---|-------------------------------|------------------|------------------|------------------|
| The capital financing requirement measures the authority's underlying need to borrow for a capital purpose.   |                               |                  |                  |                  |
|   | <b>As at 23 February 2022</b> |                  |                  |                  |
|   | <b>2021-2022</b>              | <b>2022-2023</b> | <b>2023-2024</b> | <b>2024-2025</b> |
|   | <b>Forecast</b>               | <b>Forecast</b>  | <b>Forecast</b>  | <b>Forecast</b>  |
|   | <b>£000</b>                   | <b>£000</b>      | <b>£000</b>      | <b>£000</b>      |
| General *   | 691,887                       | 723,620          | 707,006          | 691,987          |
| HRA   | 275,967                       | 316,145          | 359,879          | 396,978          |
| <b>Total capital financing requirement</b>  | <b>967,854</b>                | <b>1,039,765</b> | <b>1,066,885</b> | <b>1,088,965</b> |
| * Service investments included in General figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc. for service delivery purposes. | 42,350                        | 45,165           | 40,730           | 34,206           |
| <b>Movement in capital financing requirement represented by:</b>  |                               |                  |                  |                  |
| New borrowing for capital expenditure   | 58,536                        | 109,302          | 68,029           | 70,016           |
| Less minimum revenue provision/voluntary minimum revenue provision  | (32,765)                      | (37,391)         | (40,909)         | (47,936)         |
| <b>Movement in capital financing requirement</b>  | <b>25,771</b>                 | <b>71,911</b>    | <b>27,120</b>    | <b>22,080</b>    |

- 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**

| <b>PI 3 - Authorised limit for external debt.</b>   |                               |                  |                  |                  |
|---|-------------------------------|------------------|------------------|------------------|
| 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. |                               |                  |                  |                  |
|   | <b>As at 23 February 2022</b> |                  |                  |                  |
|   | <b>2021-2022</b>              | <b>2022-2023</b> | <b>2023-2024</b> | <b>2024-2025</b> |
|   | <b>Limit</b>                  | <b>Limit</b>     | <b>Limit</b>     | <b>Limit</b>     |
|   | <b>£000</b>                   | <b>£000</b>      | <b>£000</b>      | <b>£000</b>      |
| Borrowing   | 1,086,578                     | 1,080,693        | 1,139,076        | 1,208,188        |
| Other Long Term Liabilities   | 79,626                        | 82,628           | 79,660           | 76,416           |
| <b>Total Authorised Limit</b>   | <b>1,166,204</b>              | <b>1,163,321</b> | <b>1,218,736</b> | <b>1,284,604</b> |
| Forecast External Debt as at 23 February 2022:  |                               |                  |                  |                  |
| Borrowing   | 770,830                       | 872,611          | 940,699          | 996,023          |
| Other Long Term Liabilities   | 79,626                        | 80,628           | 77,660           | 74,416           |
|   | 850,456                       | 953,239          | 1,018,359        | 1,070,439        |
| Variance (Under)/ Over Authorised limit   | (315,748)                     | (210,082)        | (200,377)        | (214,165)        |
| <b>Authorised limit for service investments included in the above figures</b>   |                               |                  |                  |                  |
| Authorised Limit  | 47,014                        | 66,049           | 63,600           | 62,176           |
| Forecast External Debt as at 23 February 2022:  | 43,120                        | 45,935           | 44,500           | 43,076           |
| Variance (Under)/ Over Authorised limit   | (3,894)                       | (20,114)         | (19,100)         | (19,100)         |

- 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 Service and Commercial investments Commercial Activity**
- 9.1 The Council continues to ensure that opportunities for commercialism and shared services are considered. Investments in order to support income generation is part of the Council's financial strategy, however as detailed in the [Treasury Management Strategy](#), non-treasury/service and 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 and not held primarily for yield.
- 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 Department for Levelling Up Housing and Communities. The most recent version of this guidance released December 2021, 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 service 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 service investments, the Council's investments are held primarily in order to secure wider strategic objectives as detailed in [The 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 i9, i10 and i11
  - Equity investment in Help to Own – a new affordable housing product alongside the West Midlands Combined Authority.
- 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. The i9 building is now substantially let and includes the Department for Levelling Up, Housing and Communities. i9 is the first government department headquarters outside of London and will include ministerial presence. Investment in these assets encourages regeneration and inward investment into the City's local economy.
- 9.10 An advanced programme of 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 Help to Own – The Council entered into an equity investment alongside the West Midlands Combined Authority in 2021 for a new affordable housing product called 'Help to Own'. This scheme is for anyone who is struggling to get onto the property ladder and enables individuals to enter into a tenancy agreement to rent a home for 20 years with the option for a further tenancy of 5 years and to purchase the home outright along the way. 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.
- 9.13 All new service ideas/investment will follow the project establishment and approval process as detailed above. If the service 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.
- 9.14 In addition to this, the Director of Finance will receive quarterly updates on each investment asset which will highlight project progress and levels of income received. If there is a significant variance from the approved business case then the Director of Finance can request that an update on the business case be presented to Project Assurance Group or Strategic Executive Board. 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.
- 9.15 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 2021. 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 Jones Lang Lasalle while the other valuations were carried out by Bruton Knowles, registered RICS valuers. This ensures security of capital investment.

- 9.16 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.
- 9.17 The following table details the projected level of net service and commercial investment over the medium term period:

**Table 5 – Forecast Service and Commercial Investment**

|                        | As at 23 February 2022        |                               |                               |                               |
|------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                        | 2021-2022<br>Forecast<br>£000 | 2022-2023<br>Forecast<br>£000 | 2023-2024<br>Forecast<br>£000 | 2024-2025<br>Forecast<br>£000 |
| Service investments    | 21,030                        | 13,057                        | 10,000                        | 4,900                         |
| Commercial investments | -                             | -                             | -                             | -                             |
|                        | 21,030                        | 13,057                        | 10,000                        | 4,900                         |
|                        |                               |                               |                               |                               |

- 9.18 The following indicators are used to assess the Council's total risk exposure as a result of service and commercial investment decisions, as detailed below:

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

|  | 2021-2022<br>£000 | 2022-2023<br>£000 | 2023-2024<br>£000 | 2024-2025<br>£000 |
|--|-------------------|-------------------|-------------------|-------------------|
| Net Debt for Service and Commercial Investment | 42,350            | 45,165            | 40,730            | 34,206            |
| Net Service Expenditure                        | 258,497           | 267,150           | 268,326           | 277,311           |
| <b>Debt to NSE Ratio</b>                       | <b>16.4%</b>      | <b>16.9%</b>      | <b>15.2%</b>      | <b>12.3%</b>      |

The indicator above measures the forecast level of net debt for service and 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 service and commercial investments is projected to be less than 20% of the Council's forecast net revenue budget in each year.

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

|   | 2021-2022<br>£000 | 2022-2023<br>£000 | 2023-2024<br>£000 | 2024-2025<br>£000 |
|---|-------------------|-------------------|-------------------|-------------------|
| Forecast Service and Commercial Investment Income | 2,061             | 1,819             | 2,115             | 2,033             |
| Net Service Expenditure                           | 258,497           | 267,150           | 268,326           | 277,311           |
| <b>Commercial Income to NSE Ratio</b>             | <b>0.8%</b>       | <b>0.7%</b>       | <b>0.8%</b>       | <b>0.7%</b>       |

The indicator above measures the forecast level of service and commercial investment 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 service and commercial investment 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 service and commercial investment income.

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

|                            | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 |
|----------------------------|-----------|-----------|-----------|-----------|
| <b>Loan to Value Ratio</b> | 0.72      | 0.72      | 0.68      | 0.63      |

The indicator above measures the forecast net debt for service and 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 The Council Plan – Our City, Our 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 City of Wolverhampton Education Place Planning 2020-2022 Strategy
- 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

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Detailed projected budget

Appendix 2

| Division   | Project   | Projected budget      |                       |                       |                       |                       |                       | Total<br>£000 | Internal<br>resources<br>£000 | External<br>resources<br>£000 |
|--|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------|-------------------------------|-------------------------------|
|  |   | 2021-<br>2022<br>£000 | 2022-<br>2023<br>£000 | 2023-<br>2024<br>£000 | 2024-<br>2025<br>£000 | 2025-<br>2026<br>£000 | 2026-<br>2027<br>£000 |               |                               |                               |
| <b>General Revenue Account capital programme</b> |   |                       |                       |                       |                       |                       |                       |               |                               |                               |
| Finance  | Corporate Provision for Future Programmes   | 614                   | 13,543                | 6,240                 | 2,484                 | -                     | -                     | 22,881        | (22,881)                      | -                             |
|  | Transformation Development Efficiency Strategy  | 5,000                 | 3,000                 | 5,000                 | 5,000                 | -                     | -                     | 18,000        | (18,000)                      | -                             |
|  | WV Living - Loans   | 2,000                 | 13,000                | 10,000                | 4,900                 | -                     | -                     | 29,900        | (29,900)                      | -                             |
|  | Equity Investment - Help To Own - The Marches   | 5,700                 | -                     | -                     | -                     | -                     | -                     | 5,700         | (5,700)                       | -                             |
| Governance                                       | Governance Initiatives  | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | Webcasting Infrastructure   | -                     | 75                    | -                     | -                     | -                     | -                     | 75            | (75)                          | -                             |
| Strategy   | ICT General Programme   | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | Future Developments 2021-2022   | 100                   | -                     | -                     | -                     | -                     | -                     | 100           | (100)                         | -                             |
|  | Security Enhancement (ICT Main Prog)  | 40                    | 40                    | -                     | -                     | -                     | -                     | 80            | (80)                          | -                             |
|  | Software Upgrades (ICT Main Prog)   | 175                   | 196                   | -                     | -                     | -                     | -                     | 371           | (371)                         | -                             |
|  | Infrastructure Upgrades (ICT Main Prog)   | 268                   | 200                   | -                     | -                     | -                     | -                     | 468           | (468)                         | -                             |
|  | Data Centres (ICT Main Prog)  | 70                    | 80                    | -                     | -                     | -                     | -                     | 150           | (150)                         | -                             |
|  | IT Service Management   | 50                    | 30                    | -                     | -                     | -                     | -                     | 80            | (80)                          | -                             |
|  | Storage Refresh (ICT Main Prog)   | 475                   | 155                   | -                     | -                     | -                     | -                     | 630           | (630)                         | -                             |
|  | Disaster Recovery 2021-2022   | 51                    | -                     | -                     | -                     | -                     | -                     | 51            | (51)                          | -                             |
|  | Desk top refresh  | 715                   | 540                   | -                     | -                     | -                     | -                     | 1,255         | (1,255)                       | -                             |
|  | Service Led ICT Projects  | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | IDOX/GIS Cloud Migration  | -                     | 93                    | -                     | -                     | -                     | -                     | 93            | (93)                          | -                             |
|  | Fleet management system   | -                     | 75                    | -                     | -                     | -                     | -                     | 75            | (75)                          | -                             |
|  | Trade waste CRM   | 9                     | 51                    | -                     | -                     | -                     | -                     | 60            | (60)                          | -                             |
|  | Migrate Care First to Eclipse_Adults and Finance Module   | 231                   | 437                   | 402                   | -                     | -                     | -                     | 1,070         | (1,070)                       | -                             |
|  | Digital Inclusion   | 150                   | 300                   | 50                    | -                     | -                     | -                     | 500           | (500)                         | -                             |
|  | Full Fibre Network  | 3,835                 | 135                   | -                     | -                     | -                     | -                     | 3,970         | (295)                         | (3,675)                       |
| City Assets                                      | Corporate Asset Management  | 105                   | -                     | -                     | -                     | -                     | -                     | 105           | (105)                         | -                             |
|  | Wolverhampton Art Gallery - external renovation   | -                     | 10                    | -                     | -                     | -                     | -                     | 10            | (10)                          | -                             |
|  | Blakenhall Community Healthy Living Centre – roof works   | 467                   | -                     | -                     | -                     | -                     | -                     | 467           | (467)                         | -                             |
|  | Fordhouses Industrial Estate – security hut refurbishment   | 27                    | -                     | -                     | -                     | -                     | -                     | 27            | (27)                          | -                             |
|  | Bradley Resource Centre - FRA priority works  | 4                     | -                     | -                     | -                     | -                     | -                     | 4             | (4)                           | -                             |
|  | Claregate Youth Centre – FRA / electrical compliance works  | 5                     | -                     | -                     | -                     | -                     | -                     | 5             | (5)                           | -                             |
|  | Duke St Bungalows - FRA priority works  | 21                    | -                     | -                     | -                     | -                     | -                     | 21            | (21)                          | -                             |
|  | East Park (Changing Rooms) – Legionella works   | 1                     | -                     | -                     | -                     | -                     | -                     | 1             | (1)                           | -                             |
|  | Haymarkets – internal / external renovation works   | 25                    | 70                    | -                     | -                     | -                     | -                     | 95            | (95)                          | -                             |
|  | Low Hill Community Centre - FRA priority works  | 12                    | -                     | -                     | -                     | -                     | -                     | 12            | (12)                          | -                             |
|  | The Gorge - demolition of building  | 3                     | -                     | -                     | -                     | -                     | -                     | 3             | (3)                           | -                             |
|  | Wolverhampton Art Gallery - FRA priority works  | 10                    | 80                    | -                     | -                     | -                     | -                     | 90            | (90)                          | -                             |
|  | Merridale Fire Station - YOT relocation   | 19                    | -                     | -                     | -                     | -                     | -                     | 19            | (19)                          | -                             |
|  | Bantock House - FRA priority works  | 1                     | -                     | -                     | -                     | -                     | -                     | 1             | (1)                           | -                             |
|  | Bert Williams - FRA priority works  | 1                     | -                     | -                     | -                     | -                     | -                     | 1             | (1)                           | -                             |
|  | Grand Theatre - FRA priority works  | 3                     | 100                   | -                     | -                     | -                     | -                     | 103           | (103)                         | -                             |
|  | Lunt Community Centre - new hot water and heating system  | 97                    | -                     | -                     | -                     | -                     | -                     | 97            | (97)                          | -                             |
|  | Mortuary at Alfred Squire Road - roof replacement   | -                     | 69                    | -                     | -                     | -                     | -                     | 69            | (69)                          | -                             |
|  | Bingley Enterprise Centre - replace roof and insulate and replace 11 windows  | 80                    | -                     | -                     | -                     | -                     | -                     | 80            | (80)                          | -                             |
|  | Culwell Street – electrical / Legionella works (Phase 1)  | 10                    | -                     | -                     | -                     | -                     | -                     | 10            | (10)                          | -                             |
|  | East Park Library – roof replacement  | 6                     | -                     | -                     | -                     | -                     | -                     | 6             | (6)                           | -                             |
|  | Hickman Avenue Depot – electrical works / emergency lighting  | 8                     | -                     | -                     | -                     | -                     | -                     | 8             | (8)                           | -                             |
|  | Newhampton Centre For Arts - FRA / mechanical and engineering / building fabric / electrical / Legionella                         | 8                     | -                     | -                     | -                     | -                     | -                     | 8             | (8)                           | -                             |
|  | Tettenhall Library – roof works   | 2                     | -                     | -                     | -                     | -                     | -                     | 2             | (2)                           | -                             |
|  | Whitmore Reans Children's Centre (SFH) - main entrance door replacement, intercom system, remove and replace rotten fencing posts | 6                     | -                     | -                     | -                     | -                     | -                     | 6             | (6)                           | -                             |
|  | Pendeford Library – Fire Alarm System   | 4                     | -                     | -                     | -                     | -                     | -                     | 4             | (4)                           | -                             |
|  | Birch Street Car Park - FRA Works   | 8                     | -                     | -                     | -                     | -                     | -                     | 8             | (8)                           | -                             |
|  | Fordhouse Road Ind. Estate - roof replacement   | 300                   | 655                   | -                     | -                     | -                     | -                     | 955           | (955)                         | -                             |
|  | Wolverhampton United Football Club - demolition of Clubhouse  | 134                   | -                     | -                     | -                     | -                     | -                     | 134           | (134)                         | -                             |
|  | Bantock House – installation of new stair lift  | 5                     | -                     | -                     | -                     | -                     | -                     | 5             | (5)                           | -                             |
|  | Bradley Resource Centre – internal refurbishment to bedrooms, bathroom and reception and new flooring                             | 29                    | -                     | -                     | -                     | -                     | -                     | 29            | (29)                          | -                             |
|  | Eastfield Community Centre – boiler replacement   | 6                     | -                     | -                     | -                     | -                     | -                     | 6             | (6)                           | -                             |
|  | Ernest Bold Resource Centre - external lighting and new CCTV (option 1)   | 20                    | -                     | -                     | -                     | -                     | -                     | 20            | (20)                          | -                             |
|  | West Park – replace boilers within conservatory   | 90                    | -                     | -                     | -                     | -                     | -                     | 90            | (90)                          | -                             |
|  | Parkfields Centre - Plant room alteration and refurbishment   | 1,000                 | 187                   | -                     | -                     | -                     | -                     | 1,187         | (1,187)                       | -                             |
|  | 76 Worcester Street – internal/external refurbishment   | -                     | 3                     | -                     | -                     | -                     | -                     | 3             | (3)                           | -                             |
|  | Ashmore Park Community Hub – flooring replacement   | -                     | 40                    | -                     | -                     | -                     | -                     | 40            | (40)                          | -                             |
|  | 4 & 4A Salop Street – roof works, external refurbishment & window replacements  | 86                    | -                     | -                     | -                     | -                     | -                     | 86            | (86)                          | -                             |
|  | Aldersley Leisure Centre (Hockey Pitches) – external lighting to include electrical controls & lighting columns                   | 150                   | 105                   | -                     | -                     | -                     | -                     | 255           | (255)                         | -                             |

Detailed projected budget

Appendix 2

| Division   | Project   | Projected budget |           |           |           |           |           | Total | Internal resources | External resources |
|--|---|------------------|-----------|-----------|-----------|-----------|-----------|-------|--------------------|--------------------|
|  |   | 2021-2022        | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 |       |                    |                    |
|  |   | £000             | £000      | £000      | £000      | £000      | £000      | £000  | £000               | £000               |
| <b>General Revenue Account capital programme</b> |   |                  |           |           |           |           |           |       |                    |                    |
| City Assets                                      | Bushbury Crematorium – Fire Alarm System                                    | 10               | 30        | -         | -         | -         | -         | 40    | (40)               | -                  |
|  | Central Baths - flooring to male / female showers                           | 25               | -         | -         | -         | -         | -         | 25    | (25)               | -                  |
|  | Culwell Street (Portacabin) - roof replacement                              | 17               | -         | -         | -         | -         | -         | 17    | (17)               | -                  |
|  | Newhampton Arts Centre (Studio) - external roof works                       | 15               | -         | -         | -         | -         | -         | 15    | (15)               | -                  |
|  | Wednesfield offices (Alfred Squire Rd) - new air conditioning unit          | 9                | -         | -         | -         | -         | -         | 9     | (9)                | -                  |
|  | West Park (Bandstand) – refurbishment                                       | 22               | -         | -         | -         | -         | -         | 22    | (22)               | -                  |
|  | Wolverhampton Art Gallery - replace condenser unit                          | 30               | -         | -         | -         | -         | -         | 30    | (30)               | -                  |
|  | Bingley Enterprise Centre - boiler / mechanical system replacement          | 140              | -         | -         | -         | -         | -         | 140   | (140)              | -                  |
|  | Civic Centre - mechanical flue replacement                                  | 123              | -         | -         | -         | -         | -         | 123   | (123)              | -                  |
|  | Bilston Town Hall – new fire alarm system                                   | 5                | -         | -         | -         | -         | -         | 5     | (5)                | -                  |
|  | Bradley Resource Centre – fire door replacement                             | 10               | -         | -         | -         | -         | -         | 10    | (10)               | -                  |
|  | Bradley Resource Centre – mechanical plant upgrade                          | 84               | 100       | -         | -         | -         | -         | 184   | (184)              | -                  |
|  | Fowlers Park Playing Fields – flue and control panel                        | 14               | -         | -         | -         | -         | -         | 14    | (14)               | -                  |
|  | Graiseley Healthy Living Centre – roof replacement                          | 30               | -         | -         | -         | -         | -         | 30    | (30)               | -                  |
|  | Grand Theatre – fire door replacement                                       | 68               | -         | -         | -         | -         | -         | 68    | (68)               | -                  |
|  | Landport Industrial Estate – electrical works at units 9 and 10             | 13               | -         | -         | -         | -         | -         | 13    | (13)               | -                  |
|  | Wolverhampton Art Gallery – humidification unit                             | 28               | -         | -         | -         | -         | -         | 28    | (28)               | -                  |
|  | Wolverhampton Art Gallery - replacement of AHU in basement                  | 65               | -         | -         | -         | -         | -         | 65    | (65)               | -                  |
|  | Bradley Resource Centre – replacement of extractor fan and interlock system | 6                | -         | -         | -         | -         | -         | 6     | (6)                | -                  |
|  | Long Knowle Community Centre – mechanical heating system replacement        | 5                | -         | -         | -         | -         | -         | 5     | (5)                | -                  |
|  | Bilston Town Hall – refurbishment   | 45               | -         | -         | -         | -         | -         | 45    | (45)               | -                  |
|  | St Chads Community Centre – asbestos clearance / removal                    | 14               | -         | -         | -         | -         | -         | 14    | (14)               | -                  |
|  | Art Gallery – boiler replacement  | 17               | -         | -         | -         | -         | -         | 17    | (17)               | -                  |
|  | Land at Wednesfield Road – monument / brickwork enhancement                 | 15               | -         | -         | -         | -         | -         | 15    | (15)               | -                  |
|  | Wolverhampton Contact Centre – replacement of water heater                  | 21               | -         | -         | -         | -         | -         | 21    | (21)               | -                  |
|  | Disposals Programme (Non-Strategic)   | -                | -         | -         | -         | -         | -         | -     | -                  | -                  |
|  | Bilston Community Centre - demolition                                       | 2                | -         | -         | -         | -         | -         | 2     | (2)                | -                  |
|  | Public Sector Decarbonisation   | -                | -         | -         | -         | -         | -         | -     | -                  | -                  |
|  | Molineux Archives - Solar PV and LED lighting                               | 15               | -         | -         | -         | -         | -         | 15    | -                  | (15)               |
|  | Civic Centre - Air Handling units and LED lighting                          | 116              | -         | -         | -         | -         | -         | 116   | (13)               | (103)              |
|  | Wolverhampton Art Gallery - LED lighting                                    | 11               | -         | -         | -         | -         | -         | 11    | -                  | (11)               |
|  | Magistrates Courts - LED lighting   | 11               | -         | -         | -         | -         | -         | 11    | -                  | (11)               |
| City Housing and Environment                     | Disabled Facilities Grants  | -                | -         | -         | -         | -         | -         | -     | -                  | -                  |
|  | Mandatory Disabled Facilities Grants  | 600              | 1,500     | -         | -         | -         | -         | 2,100 | -                  | (2,100)            |
|  | Small Adaptations Grants  | 850              | 1,000     | -         | -         | -         | -         | 1,850 | -                  | (1,850)            |
|  | Stair Lift Maintenance  | 25               | 25        | -         | -         | -         | -         | 50    | -                  | (50)               |
|  | Care & Repair Fees  | 100              | 100       | -         | -         | -         | -         | 200   | -                  | (200)              |
|  | Social Care Minor Adaptations   | 39               | 40        | -         | -         | -         | -         | 79    | -                  | (79)               |
|  | Discretionary Bathrooms Adaptations Grant                                   | 702              | 1,500     | -         | -         | -         | -         | 2,202 | -                  | (2,202)            |
|  | Discretionary Top Up Grants   | 400              | 400       | -         | -         | -         | -         | 800   | -                  | (800)              |
|  | Contribution assistance grants  | 50               | 50        | -         | -         | -         | -         | 100   | -                  | (100)              |
|  | Dual residency grant  | 100              | 100       | -         | -         | -         | -         | 200   | -                  | (200)              |
|  | Technology enabled care   | 50               | 50        | -         | -         | -         | -         | 100   | -                  | (100)              |
|  | Living well grant   | 50               | 50        | -         | -         | -         | -         | 100   | -                  | (100)              |
|  | Home Not Hospital   | 100              | 100       | -         | -         | -         | -         | 200   | -                  | (200)              |
|  | Relocation grant  | 50               | 50        | -         | -         | -         | -         | 100   | -                  | (100)              |
|  | Rehabilitation equipment 2021-2022  | 250              | -         | -         | -         | -         | -         | 250   | -                  | (250)              |
|  | DFG Capitalised Salaries  | 400              | 700       | -         | -         | -         | -         | 1,100 | -                  | (1,100)            |
|  | Rehabilitation Equipment 2022-2023  | -                | 250       | -         | -         | -         | -         | 250   | -                  | (250)              |
|  | Housing General Fund General Schemes - Small Works Assistance (SWA)         | -                | -         | -         | -         | -         | -         | -     | -                  | -                  |
|  | Small Works Assistance  | 289              | -         | -         | -         | -         | -         | 289   | (289)              | -                  |
|  | Capitalised Salaries  | 80               | -         | -         | -         | -         | -         | 80    | (80)               | -                  |
|  | Housing General Fund General Schemes - Empty Properties Strategy            | 56               | 150       | -         | -         | -         | -         | 206   | (206)              | -                  |
|  | Two and a half Clifford Street  | 80               | -         | -         | -         | -         | -         | 80    | (80)               | -                  |
|  | 30 Victoria Road  | 80               | -         | -         | -         | -         | -         | 80    | (80)               | -                  |
|  | 10 Lloyd Street - Build   | 19               | -         | -         | -         | -         | -         | 19    | (19)               | -                  |
|  | 10 Lloyd Street - Land  | 25               | -         | -         | -         | -         | -         | 25    | (25)               | -                  |
|  | Affordable Warmth   | 101              | -         | -         | -         | -         | -         | 101   | -                  | (101)              |
|  | Sustainable Warmth  | -                | -         | -         | -         | -         | -         | -     | -                  | -                  |
|  | Local Authority Delivery 2: Green Homes                                     | -                | 271       | -         | -         | -         | -         | 271   | -                  | (271)              |

Detailed projected budget

Appendix 2

| Division   | Project   | Projected budget |           |           |           |           |           | Total  | Internal resources | External resources |
|--|---|------------------|-----------|-----------|-----------|-----------|-----------|--------|--------------------|--------------------|
|  |   | 2021-2022        | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 |        |                    |                    |
| <b>General Revenue Account capital programme</b> |   |                  |           |           |           |           |           |        |                    |                    |
| City Housing and Environment                     | Maintenance of classified roads   | -                | 3,316     | 3,316     | 3,316     | 3,316     | 3,316     | 16,580 | -                  | (16,580)           |
|  | Transport Structural Maintenance - Street Lighting  | 375              | -         | -         | -         | -         | -         | 375    | (111)              | (264)              |
|  | Response patching   | 200              | -         | -         | -         | -         | -         | 200    | -                  | (200)              |
|  | Specialist Surface Treatments   | 14               | 16        | -         | -         | -         | -         | 30     | (16)               | (14)               |
|  | Cannock Road - Phase II   | 270              | -         | -         | -         | -         | -         | 270    | (58)               | (212)              |
|  | Replacement of non-compliant safety fencing   | 30               | -         | -         | -         | -         | -         | 30     | -                  | (30)               |
|  | Development of the Highway Asset Management Plan and Strategy                                 | -                | 62        | -         | -         | -         | -         | 62     | (62)               | -                  |
|  | Griffiths Drive - resurface carriageways  | 110              | -         | -         | -         | -         | -         | 110    | (100)              | (10)               |
|  | Bushbury Lane (Stafford Road to Shaw Lane) - resurface carriageways                           | 225              | -         | -         | -         | -         | -         | 225    | (79)               | (146)              |
|  | Cross Street North - resurface carriageways   | 113              | -         | -         | -         | -         | -         | 113    | (100)              | (13)               |
|  | Compton Road – (Clark Road to Avenue Road)  | 165              | -         | -         | -         | -         | -         | 165    | -                  | (165)              |
|  | Cambridge Street and Water Street   | -                | 41        | -         | -         | -         | -         | 41     | (41)               | -                  |
|  | Woodland Road / Coppice Road Junction – (All junction only)                                   | -                | 45        | -         | -         | -         | -         | 45     | (45)               | -                  |
|  | Inkerman Street   | 225              | -         | -         | -         | -         | -         | 225    | -                  | (225)              |
|  | Showell Circus  | 185              | -         | -         | -         | -         | -         | 185    | -                  | (185)              |
|  | Purbrook Road   | -                | 150       | -         | -         | -         | -         | 150    | (150)              | -                  |
|  | Broad Lane South / Stubby Lane Jct  | 110              | -         | -         | -         | -         | -         | 110    | -                  | (110)              |
|  | Codsall Road  | 127              | -         | -         | -         | -         | -         | 127    | (97)               | (30)               |
|  | Stafford Street Reinstatement   | -                | 50        | -         | -         | -         | -         | 50     | (50)               | -                  |
|  | Well Lane   | 34               | -         | -         | -         | -         | -         | 34     | -                  | (34)               |
|  | Highway Improvement Programme   | -                | 1,441     | 1,441     | 1,441     | 1,441     | 1,441     | 7,205  | -                  | (7,205)            |
|  | Integrated Transport - Advance Design   | 189              | -         | -         | -         | -         | -         | 189    | -                  | (189)              |
|  | Integrated Transport - Cannock Road / Cross St North  | 4                | 2         | -         | -         | -         | -         | 6      | (6)                | -                  |
|  | UTC - Wireless Communications   | 85               | -         | -         | -         | -         | -         | 85     | -                  | (85)               |
|  | Ring Road & City Centre Signage   | 298              | -         | -         | -         | -         | -         | 298    | -                  | (298)              |
|  | Bus infrastructure improvements   | -                | 30        | -         | -         | -         | -         | 30     | (30)               | -                  |
|  | UTC Expansion ITS/CCTV/Driver Information/ANPR  | 180              | -         | -         | -         | -         | -         | 180    | -                  | (180)              |
|  | Lyndale Drive Culvert - Highways Improvement  | 10               | 30        | -         | -         | -         | -         | 40     | (40)               | -                  |
|  | Willenhall Road Culvert - Highways Improvement  | 10               | 30        | -         | -         | -         | -         | 40     | (40)               | -                  |
|  | UTC Expansion CCTV  | 143              | -         | -         | -         | -         | -         | 143    | -                  | (143)              |
|  | Traffic Signal Maintenance  | 500              | -         | -         | -         | -         | -         | 500    | -                  | (500)              |
|  | UTC upgrade & CCTV link   | 231              | -         | -         | -         | -         | -         | 231    | -                  | (231)              |
|  | Vehicles (Procurement)  | 748              | 3,620     | -         | -         | -         | -         | 4,368  | (4,353)            | (15)               |
|  | Bowman's Harbour Repository - Tech Investigation  | 41               | -         | -         | -         | -         | -         | 41     | (41)               | -                  |
|  | Bilston Market - boiler replacement   | 66               | -         | -         | -         | -         | -         | 66     | (66)               | -                  |
|  | Parks Strategy and Open Space   | -                | 175       | -         | -         | -         | -         | 175    | (175)              | -                  |
|  | Heath Town Park   | -                | 50        | -         | -         | -         | -         | 50     | -                  | (50)               |
|  | Spring Road - (Taylor Road / Hilton PF)   | -                | 34        | -         | -         | -         | -         | 34     | (34)               | -                  |
|  | Fowlers Park  | 12               | -         | -         | -         | -         | -         | 12     | -                  | (12)               |
|  | Land North East of 72 Church Street, Bilston  | 3                | -         | -         | -         | -         | -         | 3      | -                  | (3)                |
|  | Tettenhall Paddling Pool  | 1                | -         | -         | -         | -         | -         | 1      | (1)                | -                  |
|  | Ward Street Neighbourhood Park  | 208              | -         | -         | -         | -         | -         | 208    | -                  | (208)              |
|  | Penk Rise - refurbishment of Open Space   | 10               | -         | -         | -         | -         | -         | 10     | -                  | (10)               |
|  | Bushbury Recreation Ground - open space improvements  | -                | 109       | -         | -         | -         | -         | 109    | -                  | (109)              |
|  | Kingsclere Walk - refurbishment of existing play area   | -                | 55        | -         | -         | -         | -         | 55     | -                  | (55)               |
|  | Northwood Park - refurbishment of existing play area  | -                | 116       | -         | -         | -         | -         | 116    | -                  | (116)              |
|  | Ashmore Park, Wednesfield - open space improvements   | -                | 100       | -         | -         | -         | -         | 100    | -                  | (100)              |
|  | Ward Street railway cutting – gas main diversion works for new open space                     | 25               | -         | -         | -         | -         | -         | 25     | -                  | (25)               |
|  | Prouds Lane Open Space Improvements   | 10               | 112       | -         | -         | -         | -         | 122    | -                  | (122)              |
|  | Wednesfield Link Open Space Improvements  | -                | 72        | -         | -         | -         | -         | 72     | -                  | (72)               |
|  | Smestow 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   | -                | 275       | -         | -         | -         | -         | 275    | (250)              | (25)               |
|  | Wednesfield / Coleman Avenue Open Space - Play Area   | 57               | -         | -         | -         | -         | -         | 57     | -                  | (57)               |
|  | Bantock Park - Offsite Open Space Improvements  | -                | 70        | -         | -         | -         | -         | 70     | -                  | (70)               |
|  | Peascroft Wood - Open Space Improvements  | -                | 3         | -         | -         | -         | -         | 3      | -                  | (3)                |
|  | Black Country Blue Network Phase 2  | -                | -         | -         | -         | -         | -         | -      | -                  | -                  |
|  | Ward Street Railway Cutting   | 524              | 348       | 128       | -         | -         | -         | 1,000  | -                  | (1,000)            |
|  | Pendeford Park Open Space   | 289              | -         | -         | -         | -         | -         | 289    | -                  | (289)              |
|  | Fowlers Park  | 339              | -         | -         | -         | -         | -         | 339    | -                  | (339)              |
|  | Walsall MBC Parks and Open Space  | 12               | 23        | 5         | -         | -         | -         | 40     | -                  | (40)               |
|  | Dudley MBC Open Space   | 90               | 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  | 1,312            | -         | -         | -         | -         | -         | 1,312  | (1,312)            | -                  |
|  | Safety Programme  | -                | -         | -         | -         | -         | -         | -      | -                  | -                  |
|  | Local Safety Schemes - TROs/ Signs&Guardrails / Road Ma                                       | 224              | -         | -         | -         | -         | -         | 224    | -                  | (224)              |
|  | Vehicle actuated speed warning signs  | 30               | -         | -         | -         | -         | -         | 30     | -                  | (30)               |
|  | Lunt Road - traffic calming and zebra crossing  | 5                | 80        | -         | -         | -         | -         | 85     | (80)               | (5)                |
|  | Arterial route – Stafford Road – areas at risk of accidents                                   | 420              | -         | -         | -         | -         | -         | 420    | (420)              | -                  |
|  | Newhampton Road East & West - local safety improvement  | -                | 50        | -         | -         | -         | -         | 50     | (50)               | -                  |

Detailed projected budget

Appendix 2

| Division   | Project   | Projected budget |           |           |           |           |           | Total  | Internal resources | External resources |
|--|---|------------------|-----------|-----------|-----------|-----------|-----------|--------|--------------------|--------------------|
|  |   | 2021-2022        | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 |        |                    |                    |
|  |   | £000             | £000      | £000      | £000      | £000      | £000      | £000   | £000               | £000               |
| <b>General Revenue Account capital programme</b> |   |                  |           |           |           |           |           |        |                    |                    |
| City Housing and Environment                     | Dixon Street  | 100              | -         | -         | -         | -         | -         | 100    | -                  | (100)              |
|  | Bradley Lane - traffic calming  | 8                | -         | -         | -         | -         | -         | 8      | -                  | (8)                |
|  | Shaw Road/Hurst Road/Ettingshall Road   | 30               | -         | -         | -         | -         | -         | 30     | -                  | (30)               |
|  | Marston Road/Penn Road Junction   | 137              | -         | -         | -         | -         | -         | 137    | -                  | (137)              |
|  | Barnhurst Lane/Aldersley High School  | 55               | -         | -         | -         | -         | -         | 55     | (50)               | (5)                |
|  | Ettingshall Road/Manor Road   | 50               | -         | -         | -         | -         | -         | 50     | -                  | (50)               |
|  | Network Development - Safer Routes to School  | -                | -         | -         | -         | -         | -         | -      | -                  | -                  |
|  | School Gate Parking   | 40               | -         | -         | -         | -         | -         | 40     | (20)               | (20)               |
|  | Warstones Road/Warstones Primary - installation of new crossing                         | 30               | -         | -         | -         | -         | -         | 30     | (30)               | -                  |
|  | Active Travel Programme   | -                | -         | -         | -         | -         | -         | -      | -                  | -                  |
|  | Wednesfield Road - footway widening and introducing shared cycle route                  | 762              | 27        | -         | -         | -         | -         | 789    | (27)               | (762)              |
|  | St Peters Ring Road/ Waterloo Road Cycleway   | 110              | -         | -         | -         | -         | -         | 110    | -                  | (110)              |
|  | National Cycle Routes   | 440              | -         | -         | -         | -         | -         | 440    | -                  | (440)              |
|  | Ring Road 30 Mph and City Centre  | 180              | -         | -         | -         | -         | -         | 180    | -                  | (180)              |
|  | Accessing Growth Fund - Major Roads Network   | -                | 40        | -         | -         | -         | -         | 40     | (40)               | -                  |
|  | Black Country Ultra Low Emission Vehicle Programme – Dudley, Sandwell and Walsall share | 19               | -         | -         | -         | -         | -         | 19     | -                  | (19)               |
|  | Black Country Ultra Low Emission Vehicle Programme – Wolverhampton                      | 8                | -         | -         | -         | -         | -         | 8      | -                  | (8)                |
|  | A4123 Corridor - A4150 Ring Road to A456 Hagley Road                                    | 471              | -         | -         | -         | -         | -         | 471    | -                  | (471)              |
|  | A454 Wolverhampton to Neachells Lane, Phases 1,2 and 3                                  | 490              | -         | -         | -         | -         | -         | 490    | -                  | (490)              |
|  | A449 Stafford Road - M54J2 to A4150 Ring Road   | 141              | -         | -         | -         | -         | -         | 141    | -                  | (141)              |
|  | A449 Stafford Road North Only   | 399              | -         | -         | -         | -         | -         | 399    | -                  | (399)              |
|  | A41 Moxley Gyratory   | 73               | -         | -         | -         | -         | -         | 73     | -                  | (73)               |
|  | Street Lighting replacement programme (Invest to Save)                                  | 200              | 500       | 1,168     | -         | -         | -         | 1,868  | (1,868)            | -                  |
|  | Smart Intelligent Infrastructure Investment (ERDF)                                      | 2,426            | 1,000     | -         | -         | -         | -         | 3,426  | (2,001)            | (1,425)            |
|  | Disabled Access (rolling programme)   | -                | 20        | -         | -         | -         | -         | 20     | (20)               | -                  |
|  | Highway Structures (bridges, subways, retaining walls)                                  | -                | -         | -         | -         | -         | -         | -      | -                  | -                  |
|  | Highway Structures - Council Assets - Strengthening                                     | 121              | -         | -         | -         | -         | -         | 121    | (21)               | (100)              |
|  | Arthur Street Bridge  | 1,031            | -         | -         | -         | -         | -         | 1,031  | (201)              | (830)              |
|  | Moathouse Lane Bridge   | -                | 30        | -         | -         | -         | -         | 30     | (30)               | -                  |
|  | Replacement Asphaltic Joints  | 30               | -         | -         | -         | -         | -         | 30     | -                  | (30)               |
|  | Maintenance of unclassified roads   | -                | -         | -         | -         | -         | -         | -      | -                  | -                  |
|  | Carriageway Surfacing Treatment   | 697              | -         | -         | -         | -         | -         | 697    | (697)              | -                  |
|  | Dudley street Footways  | 51               | -         | -         | -         | -         | -         | 51     | (40)               | (11)               |
|  | Waterhead Drive flood defence works   | 94               | 50        | -         | -         | -         | -         | 144    | (20)               | (124)              |
|  | Public Rights of way improvements   | 20               | 25        | -         | -         | -         | -         | 45     | (25)               | (20)               |
|  | Church Hill - resurface footways  | 348              | -         | -         | -         | -         | -         | 348    | (348)              | -                  |
|  | Wright Avenue Estate  | 100              | 350       | -         | -         | -         | -         | 450    | (450)              | -                  |
|  | Castlecroft Road – remove concrete crossings  | -                | 130       | -         | -         | -         | -         | 130    | (130)              | -                  |
|  | Future High Street Fund   | 124              | 2,897     | 2,101     | 701       | -         | -         | 5,823  | (4,976)            | (847)              |
|  | Victoria Street Public Realm (Westside Link Phase 1)                                    | 2,507            | 7,220     | 1,610     | -         | -         | -         | 11,337 | (487)              | (10,850)           |
|  | Civic Halls Public Realm (Westside Link Phase 3)  | 2,001            | 2,323     | -         | -         | -         | -         | 4,324  | (165)              | (4,159)            |
|  | Security Enhancement works  | -                | -         | -         | -         | -         | -         | -      | -                  | -                  |
|  | Improving Pedestrian Safety   | 12               | -         | -         | -         | -         | -         | 12     | (12)               | -                  |
|  | Waste & Recycling Strategy  | -                | -         | -         | -         | -         | -         | -      | -                  | -                  |
|  | Garden waste bins 2020-2021   | 59               | -         | -         | -         | -         | -         | 59     | (59)               | -                  |
|  | Commercial Waste Services Bins 2020-2021  | 91               | -         | -         | -         | -         | -         | 91     | (91)               | -                  |
|  | Lighting up the City  | -                | 10        | -         | -         | -         | -         | 10     | (10)               | -                  |
|  | Smart and Accessible City   | -                | -         | -         | -         | -         | -         | -      | -                  | -                  |
|  | Ultra Low Emission Bus (ULEB) Pantograph  | 143              | -         | -         | -         | -         | -         | 143    | -                  | (143)              |
|  | ORCS Bid Local Contribution   | -                | 280       | -         | -         | -         | -         | 280    | -                  | (280)              |
|  | SupaTrak system and in-cab Garmin devices 2020-2021                                     | 15               | -         | -         | -         | -         | -         | 15     | (15)               | -                  |
|  | Traveller Transit Site  | -                | -         | -         | -         | -         | -         | -      | -                  | -                  |
|  | Traveller Transit Site Phase 1  | 357              | -         | -         | -         | -         | -         | 357    | (357)              | -                  |
|  | Highways Maintenance Challenge Fund 2021  | -                | -         | -         | -         | -         | -         | -      | -                  | -                  |
|  | Dunstall Road   | 133              | -         | -         | -         | -         | -         | 133    | -                  | (133)              |
|  | School Road   | 178              | -         | -         | -         | -         | -         | 178    | -                  | (178)              |
|  | Willenhall Road   | 5                | -         | -         | -         | -         | -         | 5      | -                  | (5)                |
|  | Waste Domestic Bins   | 97               | -         | -         | -         | -         | -         | 97     | (97)               | -                  |
|  | Cylindrical 'Paladin' Bins  | 12               | -         | -         | -         | -         | -         | 12     | (12)               | -                  |
|  | Palladin Bins 2021/22   | 32               | -         | -         | -         | -         | -         | 32     | (32)               | -                  |
|  | Domestic Bins 2021/22   | 13               | -         | -         | -         | -         | -         | 13     | (13)               | -                  |
|  | Mobile Weighbridge  | 10               | -         | -         | -         | -         | -         | 10     | (10)               | -                  |
|  | Digital Advertising Boards  | 30               | -         | -         | -         | -         | -         | 30     | (30)               | -                  |
|  | Lockers   | 25               | -         | -         | -         | -         | -         | 25     | (25)               | -                  |
|  | Brewers Yard, Culwell Street Depot  | -                | -         | -         | -         | -         | -         | -      | -                  | -                  |
|  | Culwell Street - demolition & remediation   | 100              | -         | -         | 1,597     | 602       | 54        | 2,353  | (2,253)            | (100)              |
|  | Wholesale market - demolition   | -                | 871       | -         | -         | -         | -         | 871    | -                  | (871)              |
|  | Wholesale market & Fleet Depot - new build  | 72               | 15        | 2,747     | 2,136     | 132       | -         | 5,102  | (2,268)            | (2,834)            |
|  | Fleet Depot - new build   | 70               | -         | 4,104     | 3,316     | 334       | -         | 7,824  | (1,529)            | (6,295)            |

Detailed projected budget

Appendix 2

| Division   | Project   | Projected budget      |                       |                       |                       |                       |                       | Total<br>£000 | Internal<br>resources<br>£000 | External<br>resources<br>£000 |
|--|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------|-------------------------------|-------------------------------|
|  |   | 2021-<br>2022<br>£000 | 2022-<br>2023<br>£000 | 2023-<br>2024<br>£000 | 2024-<br>2025<br>£000 | 2025-<br>2026<br>£000 | 2026-<br>2027<br>£000 |               |                               |                               |
| <b>General Revenue Account capital programme</b> |   |                       |                       |                       |                       |                       |                       |               |                               |                               |
| Regeneration                                     | i54 Access and Infrastructure                                     | 15                    | 105                   | 39                    | 296                   | -                     | -                     | 455           | (166)                         | (289)                         |
|  | Targeted Disposals Programme                                      | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | Disposal of Heath Town Baths                                      | 3                     | -                     | -                     | -                     | -                     | -                     | 3             | (3)                           | -                             |
|  | Targeted Disposals - Hoardings                                    | -                     | 36                    | -                     | -                     | -                     | -                     | 36            | (36)                          | -                             |
|  | South Side  | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | Burdett House Demolition  | -                     | 315                   | -                     | -                     | -                     | -                     | 315           | (315)                         | -                             |
|  | Wolverhampton Interchange Office/Retail Accommodation             | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | i9 Office Development   | 13,000                | -                     | -                     | -                     | -                     | -                     | 13,000        | (13,000)                      | -                             |
|  | i10 - IGNITE Business Project                                     | 330                   | -                     | -                     | -                     | -                     | -                     | 330           | (330)                         | -                             |
|  | Wolverhampton Interchange Block 11                                | -                     | 57                    | -                     | -                     | -                     | -                     | 57            | (57)                          | -                             |
|  | Bilston Urban Village   | 1,078                 | 40                    | -                     | -                     | -                     | -                     | 1,118         | (1,118)                       | -                             |
|  | Black Country Growth Deal – Cultural Programme                    | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | Civic Halls Improvements  | 16,000                | 6,480                 | -                     | -                     | -                     | -                     | 22,480        | (22,480)                      | -                             |
|  | Interchange - Ph2 Train Station/MSCP/Metro Extension              | 3,673                 | 2,017                 | -                     | -                     | -                     | -                     | 5,690         | (5,071)                       | (619)                         |
|  | i54 Western Extension   | 3,522                 | 17,244                | -                     | -                     | -                     | -                     | 20,766        | (14,981)                      | (5,785)                       |
|  | City Learning Quarter   | 930                   | 18,300                | 21,592                | 10,861                | -                     | -                     | 51,683        | (2,469)                       | (49,214)                      |
|  | War Memorial Restoration  | -                     | 5                     | -                     | -                     | -                     | -                     | 5             | -                             | (5)                           |
|  | Tettenhall War Memorial Restoration                               | 1                     | 3                     | -                     | -                     | -                     | -                     | 4             | -                             | (4)                           |
|  | Development of Cultural Estate                                    | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | Development of Bantock House Complex                              | 20                    | -                     | -                     | -                     | -                     | -                     | 20            | (20)                          | -                             |
|  | Art Gallery Improvement Scheme                                    | 1,331                 | -                     | -                     | -                     | -                     | -                     | 1,331         | (872)                         | (459)                         |
|  | Strategic Land Acquisitions                                       | -                     | 310                   | -                     | -                     | -                     | -                     | 310           | (310)                         | -                             |
|  | AIM for GOLD - ERDF   | 450                   | 1,813                 | -                     | -                     | -                     | -                     | 2,263         | -                             | (2,263)                       |
| Public Health                                    | Sports Investment Strategy  | -                     | 174                   | -                     | -                     | -                     | -                     | 174           | (172)                         | (2)                           |
|  | Barnhurst Land Pitches  | 3                     | -                     | -                     | -                     | -                     | -                     | 3             | (3)                           | -                             |
|  | Synthetic Pitch at Our Lady & St Chad's School                    | 30                    | 84                    | -                     | -                     | -                     | -                     | 114           | (114)                         | -                             |
|  | Peace Green sport facilities                                      | 3                     | -                     | -                     | -                     | -                     | -                     | 3             | (3)                           | -                             |
|  | Leisure Centres Enhancement                                       | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | WV Active - Aldersley Leisure Village Enhancement                 | 21                    | 35                    | -                     | -                     | -                     | -                     | 56            | (56)                          | -                             |
|  | WV Active Leisure Centres - Lockers                               | 134                   | -                     | -                     | -                     | -                     | -                     | 134           | (134)                         | -                             |
|  | Bowling provision   | -                     | 102                   | -                     | -                     | -                     | -                     | 102           | -                             | (102)                         |
|  | Grants to other organisations                                     | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | NACRO Premises Refurbishment                                      | 8                     | -                     | -                     | -                     | -                     | -                     | 8             | -                             | (8)                           |
|  | Safer Streets capital programme                                   | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | Safer Streets - CCTV  | 15                    | -                     | -                     | -                     | -                     | -                     | 15            | -                             | (15)                          |
|  | Safer streets - Street Lighting                                   | 45                    | -                     | -                     | -                     | -                     | -                     | 45            | -                             | (45)                          |
| 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)                           | -                             |
|  | Children and young people in care - extensions/vehicles           | 3                     | -                     | -                     | -                     | -                     | -                     | 3             | (3)                           | -                             |
|  | Extension - Mr and Mrs R  | 36                    | -                     | -                     | -                     | -                     | -                     | 36            | (36)                          | -                             |
| Education and Skills                             | Primary Expansion Programme                                       | -                     | 9,472                 | -                     | -                     | -                     | -                     | 9,472         | -                             | (9,472)                       |
|  | PEP Phase 3 - St Marys Catholic Primary School                    | 12                    | -                     | -                     | -                     | -                     | -                     | 12            | -                             | (12)                          |
|  | Loxdale Primary Phase 4   | 56                    | -                     | -                     | -                     | -                     | -                     | 56            | -                             | (56)                          |
|  | Spring Vale Primary Phase 4                                       | 30                    | -                     | -                     | -                     | -                     | -                     | 30            | -                             | (30)                          |
|  | Stowlawn Primary Phase 4  | 18                    | -                     | -                     | -                     | -                     | -                     | 18            | -                             | (18)                          |
|  | St Bartholomew's Church of England Primary School - phase 4       | 899                   | 800                   | -                     | -                     | -                     | -                     | 1,699         | -                             | (1,699)                       |
|  | Hill Avenue Academy - phase 4                                     | 600                   | 1,200                 | -                     | -                     | -                     | -                     | 1,800         | -                             | (1,800)                       |
|  | Bilston Church of England Primary - caretaker house renovation    | 140                   | -                     | -                     | -                     | -                     | -                     | 140           | -                             | (140)                         |
|  | Schools Devolved Formula Capital                                  | 370                   | 767                   | -                     | -                     | -                     | -                     | 1,137         | -                             | (1,137)                       |
|  | Prudential Loans  | -                     | 150                   | -                     | -                     | -                     | -                     | 150           | (150)                         | -                             |
|  | Asbestos Removal  | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | Claregate Primary - asbestos removal for windows replacement      | 20                    | -                     | -                     | -                     | -                     | -                     | 20            | -                             | (20)                          |
|  | Electrical Works  | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | Castlecroft Primary - rewiring inc. alarms and emergency lighting | 96                    | -                     | -                     | -                     | -                     | -                     | 96            | -                             | (96)                          |
|  | Low Hill Nursery - replacement door entry system                  | 36                    | -                     | -                     | -                     | -                     | -                     | 36            | -                             | (36)                          |
|  | Penn Hall Special - electrical upgrade                            | 117                   | -                     | -                     | -                     | -                     | -                     | 117           | -                             | (117)                         |
|  | Westacre Infants - replacement lighting                           | 70                    | -                     | -                     | -                     | -                     | -                     | 70            | -                             | (70)                          |
|  | Midpoint PRU - intruder alarm                                     | 43                    | -                     | -                     | -                     | -                     | -                     | 43            | -                             | (43)                          |
|  | Bushbury Hill Primary - replacement lighting                      | 30                    | -                     | -                     | -                     | -                     | -                     | 30            | -                             | (30)                          |
|  | Contingency for Emergency Works                                   | -                     | 1,517                 | -                     | -                     | -                     | -                     | 1,517         | -                             | (1,517)                       |
|  | Building Schools for Future ICT Infrastructure                    | -                     | 85                    | -                     | -                     | -                     | -                     | 85            | (85)                          | -                             |
|  | Post BSF ICT  | 97                    | -                     | -                     | -                     | -                     | -                     | 97            | (97)                          | -                             |
|  | Post BSF infrastructure upgrades                                  | 155                   | -                     | -                     | -                     | -                     | -                     | 155           | (155)                         | -                             |
|  | Capital Maintenance - Fire Safety                                 | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | The King's Church of England School - fire protection work        | 18                    | -                     | -                     | -                     | -                     | -                     | 18            | (18)                          | -                             |
|  | Colton Hills Community School - fire protection work              | 1                     | -                     | -                     | -                     | -                     | -                     | 1             | (1)                           | -                             |
|  | Tettenhall Wood Special - fire protection work                    | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | Uplands Junior - Fire Safety Work                                 | 35                    | -                     | -                     | -                     | -                     | -                     | 35            | -                             | (35)                          |
|  | St Andrews, Church of England Primary - Fire Safety Work          | 10                    | -                     | -                     | -                     | -                     | -                     | 10            | -                             | (10)                          |
|  | Capital Maintenance - heating pipework upgrades                   | -                     | -                     | -                     | -                     | -                     | -                     | -             | -                             | -                             |
|  | Springdale Junior - replacement heating pipework                  | 191                   | -                     | -                     | -                     | -                     | -                     | 191           | -                             | (191)                         |
|  | Rakegate Primary - hot water system                               | 75                    | -                     | -                     | -                     | -                     | -                     | 75            | -                             | (75)                          |

Detailed projected budget

Appendix 2

| Division   | Project   | Projected budget |                |               |               |              |              | Total          | Internal resources | External resources |
|--|---|------------------|----------------|---------------|---------------|--------------|--------------|----------------|--------------------|--------------------|
|  |   | 2021-2022        | 2022-2023      | 2023-2024     | 2024-2025     | 2025-2026    | 2026-2027    |                |                    |                    |
| <b>General Revenue Account capital programme</b>                 |   |                  |                |               |               |              |              |                |                    |                    |
| Education and Skills   | Dovecotes Primary - replacement boiler, pipework and                                | 130              | -              | -             | -             | -            | -            | 130            | -                  | (130)              |
|  | Ashmore Park Nursery - replacement boiler   | 66               | -              | -             | -             | -            | -            | 66             | -                  | (66)               |
|  | Bushbury Nursery - replacement water heaters  | 5                | -              | -             | -             | -            | -            | 5              | -                  | (5)                |
|  | Colton Hills Secondary - replacement boilers  | 1                | 79             | -             | -             | -            | -            | 80             | -                  | (80)               |
|  | Spring Vale Primary - replacement boilers   | 106              | -              | -             | -             | -            | -            | 106            | -                  | (106)              |
|  | Castlecroft Primary - replacement boiler flue                                       | 6                | -              | -             | -             | -            | -            | 6              | -                  | (6)                |
|  | Wodensfield Primary - boiler house flue   | 12               | -              | -             | -             | -            | -            | 12             | -                  | (12)               |
|  | Uplands Junior - replacement pipework   | 30               | -              | -             | -             | -            | -            | 30             | -                  | (30)               |
|  | Springdale Primary replace hot water system   | 40               | -              | -             | -             | -            | -            | 40             | -                  | (40)               |
|  | Capital Maintenance - roof / ceilings replacements                                  | -                | -              | -             | -             | -            | -            | -              | -                  | -                  |
|  | Christ Church, Church of England Infants (TW) - roof covering to link               | 10               | -              | -             | -             | -            | -            | 10             | -                  | (10)               |
|  | Green Park Special School - flat roof   | 13               | -              | -             | -             | -            | -            | 13             | -                  | (13)               |
|  | Spring Vale Primary - flat roof   | 63               | -              | -             | -             | -            | -            | 63             | -                  | (63)               |
|  | Merridale Primary - replacement roof covering phase 1                               | 107              | -              | -             | -             | -            | -            | 107            | (10)               | (97)               |
|  | Bantock Primary - replacement roof tiles phase 1                                    | 148              | -              | -             | -             | -            | -            | 148            | (23)               | (125)              |
|  | Fallings Park Primary - replacement roof covering phase 1                           | 70               | -              | -             | -             | -            | -            | 70             | (10)               | (60)               |
|  | Ashmore Park Nursery - flat roofing   | -                | 40             | -             | -             | -            | -            | 40             | -                  | (40)               |
|  | Bilston Nursery - pitched roofing   | 8                | -              | -             | -             | -            | -            | 8              | -                  | (8)                |
|  | Colton Hills Secondary - flat roofing   | 195              | -              | -             | -             | -            | -            | 195            | -                  | (195)              |
|  | Graiseley Primary - pitched and flat roofing  | 115              | -              | -             | -             | -            | -            | 115            | (20)               | (95)               |
|  | Stow Heath Primary - flat roofing   | 45               | -              | -             | -             | -            | -            | 45             | -                  | (45)               |
|  | Fallings Park Primary - replacement roof phase 2                                    | 60               | -              | -             | -             | -            | -            | 60             | (6)                | (54)               |
|  | Merridale Primary - replacement roof phases 2 and 3                                 | 167              | -              | -             | -             | -            | -            | 167            | (15)               | (152)              |
|  | Eastfield Primary - corridor roofing  | 8                | -              | -             | -             | -            | -            | 8              | -                  | (8)                |
|  | Castlecroft Primary - replacement roof to nursery play area                         | 10               | -              | -             | -             | -            | -            | 10             | (3)                | (7)                |
|  | Lanesfield Primary - replacement hall roof  | 60               | -              | -             | -             | -            | -            | 60             | -                  | (60)               |
|  | Capital Maintenance - Structural Works  | -                | -              | -             | -             | -            | -            | -              | -                  | -                  |
|  | Stow Heath Primary - flooring and damp proofing                                     | 50               | -              | -             | -             | -            | -            | 50             | -                  | (50)               |
|  | Christ Church, Church of England, Infant School - timber works to modular classroom | 1                | -              | -             | -             | -            | -            | 1              | -                  | (1)                |
|  | Kings CE School Priority Remedial Works   | 140              | 750            | -             | -             | -            | -            | 890            | (890)              | -                  |
|  | Wodensfield Primary - refurbish toilets   | 3                | -              | -             | -             | -            | -            | 3              | -                  | (3)                |
|  | Lanesfield Primary - refurbish toilets  | 38               | -              | -             | -             | -            | -            | 38             | (4)                | (34)               |
|  | Orchard PRU - security fencing installation   | 5                | -              | -             | -             | -            | -            | 5              | -                  | (5)                |
|  | Castlecroft Primary - internal restructuring  | 15               | -              | -             | -             | -            | -            | 15             | -                  | (15)               |
|  | Dovecotes Primary - replace fascias   | 25               | -              | -             | -             | -            | -            | 25             | -                  | (25)               |
|  | Dovecotes Primary - replace floors  | 10               | -              | -             | -             | -            | -            | 10             | -                  | (10)               |
|  | Wodensfield Primary - replacement floor screed and ramps                            | 10               | -              | -             | -             | -            | -            | 10             | -                  | (10)               |
|  | Rakegate Primary - firestopping works   | 25               | -              | -             | -             | -            | -            | 25             | -                  | (25)               |
|  | Midpoint PRU - fencing  | 25               | -              | -             | -             | -            | -            | 25             | -                  | (25)               |
|  | West Park Primary - replacement fascias and doors                                   | 13               | -              | -             | -             | -            | -            | 13             | -                  | (13)               |
|  | Colton Hills Secondary - replacement lift   | 100              | -              | -             | -             | -            | -            | 100            | -                  | (100)              |
|  | Eastfield Primary - hall flooring   | 8                | -              | -             | -             | -            | -            | 8              | -                  | (8)                |
|  | Castlecroft Primary - replacement sinks and associated fixtures                     | 5                | -              | -             | -             | -            | -            | 5              | -                  | (5)                |
|  | Capital Maintenance - Window Upgrade  | -                | -              | -             | -             | -            | -            | -              | -                  | -                  |
|  | Claregate Primary - replacement hall windows  | 77               | -              | -             | -             | -            | -            | 77             | -                  | (77)               |
|  | Christ Church, Church of England Infant and Nursery - replacement doors and windows | 15               | -              | -             | -             | -            | -            | 15             | -                  | (15)               |
|  | Midpoint PRU - replacement windows  | 13               | -              | -             | -             | -            | -            | 13             | -                  | (13)               |
|  | Westacre Infants - replacement hall windows   | 55               | -              | -             | -             | -            | -            | 55             | -                  | (55)               |
|  | Wodensfield Primary - replacement KS2 windows                                       | 32               | -              | -             | -             | -            | -            | 32             | -                  | (32)               |
|  | Wodensfield Primary - replacement windows and doors to KS1                          | 15               | -              | -             | -             | -            | -            | 15             | -                  | (15)               |
|  | Christ Church, Church of England, Junior School - replacement doors                 | 20               | -              | -             | -             | -            | -            | 20             | -                  | (20)               |
|  | Claregate Primary - replacement windows and doors to kitchen                        | 25               | -              | -             | -             | -            | -            | 25             | -                  | (25)               |
|  | Secondary School Expansion Programme  | -                | 6,659          | -             | -             | -            | -            | 6,659          | -                  | (6,659)            |
|  | Aldersley High  | 78               | -              | -             | -             | -            | -            | 78             | -                  | (78)               |
|  | St Edmund's Catholic Academy  | 1,684            | 600            | -             | -             | -            | -            | 2,284          | -                  | (2,284)            |
|  | West Midlands University Technical College (UTC)                                    | -                | 2,000          | -             | -             | -            | -            | 2,000          | -                  | (2,000)            |
|  | Moreton Academy   | 700              | 1,500          | -             | -             | -            | -            | 2,200          | -                  | (2,200)            |
|  | Schools improvements RCCO funded  | -                | -              | -             | -             | -            | -            | -              | -                  | -                  |
|  | Orchard PRU improvements - Sports Barn  | 5                | -              | -             | -             | -            | -            | 5              | (5)                | -                  |
|  | SPCF Special Provision Capital Fund   | -                | 422            | -             | -             | -            | -            | 422            | -                  | (422)              |
|  | SPCF Penn Hall Special School SEN sensory gym                                       | 13               | -              | -             | -             | -            | -            | 13             | (2)                | (11)               |
|  | SPCF Resource base St Michaels Church of England Primary                            | 555              | -              | -             | -             | -            | -            | 555            | -                  | (555)              |
|  | SPCF Resource base St Martins Church of England Primary                             | 50               | -              | -             | -             | -            | -            | 50             | -                  | (50)               |
|  | Broadmeadow Special School expansion Childrens Centre                               | 40               | -              | -             | -             | -            | -            | 40             | -                  | (40)               |
|  | Healthy Pupil Capital Fund  | -                | -              | -             | -             | -            | -            | -              | -                  | -                  |
|  | HPCF Special schools - sports & fitness   | 3                | -              | -             | -             | -            | -            | 3              | -                  | (3)                |
| <b>Total General Revenue Account - existing and new projects</b> |   | <b>99,995</b>    | <b>139,412</b> | <b>59,970</b> | <b>36,048</b> | <b>5,825</b> | <b>4,811</b> | <b>346,061</b> | <b>(177,232)</b>   | <b>(168,829)</b>   |

Detailed projected budget

Appendix 2

| Division   | Project   | Projected budget |               |               |               |               |               | Total          | Internal resources | External resources |
|--|---|------------------|---------------|---------------|---------------|---------------|---------------|----------------|--------------------|--------------------|
|  |   | 2021-2022        | 2022-2023     | 2023-2024     | 2024-2025     | 2025-2026     | 2026-2027     |                |                    |                    |
|  |   | £000             | £000          | £000          | £000          | £000          | £000          | £000           | £000               | £000               |
| <b>Housing Revenue Account capital programme</b>                 |   |                  |               |               |               |               |               |                |                    |                    |
| Housing Revenue Account  | Decent Homes - Stock Improvements               | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | High Rise M&E Infrastructure Refurbishment      | 4,500            | 10,300        | 15,000        | 11,700        | 8,600         | 7,800         | 57,900         | (57,900)           | -                  |
|  | Heath Town Refurbishment of Retained Properties | 11,100           | 11,200        | 12,400        | 10,600        | 3,600         | 1,500         | 50,400         | (50,400)           | -                  |
|  | Internal Decency Works                          | 2,930            | 4,900         | 5,800         | 6,000         | 4,300         | 3,800         | 27,730         | (27,730)           | -                  |
|  | Bushbury Improvement Programme                  | 900              | 220           | -             | -             | -             | -             | 1,120          | (1,120)            | -                  |
|  | Mid Rise Infrastructure                         | -                | -             | -             | -             | 4,000         | 10,500        | 14,500         | (14,500)           | -                  |
|  | Minor Works/Door Entry Rolling Programme        | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Door Entry                                      | 270              | 470           | 370           | 370           | 370           | 370           | 2,220          | (2,220)            | -                  |
|  | Pathway Improvement and Safety Programme        | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Repairs - Pathways/Unadopted Roads              | 209              | 200           | 200           | 200           | 200           | 200           | 1,209          | (1,209)            | -                  |
|  | External Improvement Programme                  | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | External Improvement Works (Pre Decent Homes)   | 600              | -             | -             | -             | -             | -             | 600            | (600)              | -                  |
|  | Adaptations for People with Disabilities        | 1,500            | 1,200         | 1,200         | 1,200         | 1,200         | 1,200         | 7,500          | (7,500)            | -                  |
|  | WH Service Sales Admin & Capitalised Salaries   | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Sale of Council Houses Admin                    | 60               | 60            | 60            | 60            | 60            | 60            | 360            | (360)              | -                  |
|  | Wolverhampton Homes - Capitalised Salaries      | 1,650            | 1,800         | 1,800         | 1,800         | 1,800         | 1,800         | 10,650         | (10,650)           | -                  |
|  | Housing services capitalised salaries           | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Housing Services Capitalised Salaries           | 500              | 500           | 500           | 500           | 500           | 500           | 3,000          | (3,000)            | -                  |
|  | Refurbishment of Voids                          | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Refurbishment of Voids to Decent Homes Standard | 6,075            | 5,000         | 5,000         | 5,000         | 5,000         | 5,000         | 31,075         | (31,075)           | -                  |
|  | Boiler Replacement Programme                    | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Boiler Replacement                              | 803              | 680           | 680           | 680           | 680           | 680           | 4,203          | (4,203)            | -                  |
|  | Heath Town                                      | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Heath Town                                      | -                | 563           | -             | -             | -             | -             | 563            | (563)              | -                  |
|  | Tap Works site                                  | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Tap works – Showell Road                        | 30               | -             | -             | -             | -             | -             | 30             | (30)               | -                  |
|  | Structural works                                | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Structural works                                | 1,100            | 1,000         | 1,000         | 1,000         | 1,000         | 1,000         | 6,100          | (6,100)            | -                  |
|  | Remedial Works to non-traditional properties    | -                | -             | 650           | 3,000         | 4,200         | 8,500         | 16,350         | (16,350)           | -                  |
|  | Jericho House                                   | 250              | -             | -             | -             | -             | -             | 250            | (250)              | -                  |
|  | Lift and DDA Improvements                       | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Lift Improvements                               | 710              | 400           | 400           | 400           | 400           | 400           | 2,710          | (2,710)            | -                  |
|  | Fire Safety Improvements                        | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Fire Safety Improvements - Medium and Low Rise  | 2,250            | 2,250         | 1,250         | 1,250         | -             | -             | 7,000          | (7,000)            | -                  |
|  | Roof Refurbishment Programme                    | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Roofing Refurbishment Programme - City wide     | 2,750            | 1,600         | 4,200         | 4,200         | 4,000         | 4,000         | 20,750         | (20,750)           | -                  |
|  | Tower and Fort Works                            | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Tower and Fort Works Project                    | 30               | -             | -             | -             | -             | -             | 30             | (30)               | -                  |
|  | New Build Programme                             | -                | -             | 2,250         | 2,000         | 5,000         | 5,000         | 14,250         | (14,250)           | -                  |
|  | Old Fallings Crescent                           | 100              | 2,300         | 2,448         | -             | -             | -             | 4,848          | (4,848)            | -                  |
|  | Sustainable Estates Programme                   | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Sustainable Estates Programme                   | 270              | 1,000         | 600           | 600           | 600           | 600           | 3,670          | (3,670)            | -                  |
|  | Non Trad Surveys                                | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Non Traditional Surveys                         | 50               | 150           | 200           | 500           | 50            | 50            | 1,000          | (1,000)            | -                  |
|  | Small Sites 4                                   | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Small Sites 4                                   | 21               | -             | -             | -             | -             | -             | 21             | (21)               | -                  |
|  | Commercial Conversions                          | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Bond House conversion to residential            | 700              | 3,500         | -             | -             | -             | -             | 4,200          | (3,880)            | (320)              |
|  | Burton Crescent                                 | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Burton Crescent                                 | 269              | -             | -             | -             | -             | -             | 269            | (269)              | -                  |
|  | Heath Town New Build Programme                  | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Heath Town New Build Phase 1                    | 4,000            | 5,500         | -             | -             | -             | -             | 9,500          | (9,500)            | -                  |
|  | Heath Town New Build Phase 2                    | 500              | 3,500         | 4,500         | 4,500         | -             | -             | 13,000         | (13,000)           | -                  |
|  | Heath Town New Build Phase 3                    | 500              | 3,500         | 3,000         | 3,000         | -             | -             | 10,000         | (10,000)           | -                  |
|  | Heath Town Phase 3                              | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | WVL Units                                       | -                | -             | 3,000         | 5,000         | 6,000         | 6,000         | 20,000         | (20,000)           | -                  |
|  | WVL Units - Prouds Lane                         | 30               | -             | -             | -             | -             | -             | 30             | (30)               | -                  |
|  | WVL Units - Wednesfield                         | 1,897            | -             | -             | -             | -             | -             | 1,897          | (1,777)            | (120)              |
|  | WVL Units - Former Residential care Home Sites  | 47               | -             | -             | -             | -             | -             | 47             | (47)               | -                  |
|  | WVL Units - Northcote                           | 1,600            | 4,000         | -             | -             | -             | -             | 5,600          | (5,600)            | -                  |
|  | Medium Sites                                    | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Medium Sites                                    | 200              | 3,900         | 3,780         | -             | -             | -             | 7,880          | (7,880)            | -                  |
|  | High Rise External Works                        | -                | -             | 2,400         | 7,000         | 6,200         | 6,300         | 21,900         | (21,900)           | -                  |
|  | Reedham Gardens                                 | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Reedham Gardens                                 | 429              | 2,000         | 1,800         | -             | -             | -             | 4,229          | (4,229)            | -                  |
|  | Additional Social Housing                       | -                | -             | -             | -             | -             | -             | -              | -                  | -                  |
|  | Additional Social Housing                       | 2,672            | 2,000         | 2,000         | 2,000         | 2,000         | 2,000         | 12,672         | (12,317)           | (355)              |
|  | Small Sites Programme                           | -                | -             | 3,000         | 3,000         | -             | -             | 6,000          | (6,000)            | -                  |
|  | Bushbury Hill Community Housing                 | 100              | 1,379         | -             | -             | -             | -             | 1,479          | (1,479)            | -                  |
|  | Inkerman Street Community Housing               | 100              | 1,379         | -             | -             | -             | -             | 1,479          | (1,479)            | -                  |
|  | Small Sites 5                                   | 2,000            | 3,412         | -             | -             | -             | -             | 5,412          | (5,412)            | -                  |
|  | Estate Remodelling                              | -                | 2,000         | 9,000         | 9,000         | 9,000         | 9,000         | 38,000         | (38,000)           | -                  |
|  | Estate remodelling - New Park Village           | 998              | 1,000         | -             | -             | -             | -             | 1,998          | (1,998)            | -                  |
|  | City Wide Non traditional structural repairs    | 200              | 1,800         | -             | -             | -             | -             | 2,000          | (2,000)            | -                  |
| <b>Total Housing Revenue Account - existing and new projects</b> |   | <b>54,900</b>    | <b>84,663</b> | <b>88,488</b> | <b>84,560</b> | <b>68,760</b> | <b>76,260</b> | <b>457,631</b> | <b>(456,836)</b>   | <b>(795)</b>       |

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Detailed forecast change

Appendix 3

| Division   | Project   | Approved budget<br>£000 | Proposed budget<br>£000 | Total change<br>£000 | Comments   |
|--|---|-------------------------|-------------------------|----------------------|--|
| <b>General Revenue Account capital programme</b> |   |                         |                         |                      |  |
| Finance  | Corporate Provision for Future Programmes                           | 15,688                  | 22,881                  | 7,193                | The change in this budget reflects virements as detailed in Appendix 5.  |
|  | Capitalisation Directives   | 10,000                  | 18,000                  | 8,000                | The change in this budget reflects revised budget requirement. Due to the use of capital receipts flexibility being extended until 2024-2025 it is proposed to utilise receipts to fund revenue transformation projects in 2023-2024 and 2024-2025 as per 2022-2023 Final Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026 report also on agenda for this meeting. |
|  | WV Living   | 29,900                  | 29,900                  | -                    |  |
|  | Other Equity Investments and Loans to Companies                     | 5,700                   | 5,700                   | -                    |  |
| Governance                                       | Governance Initiatives  | 75                      | 75                      | -                    |  |
| Strategy   | ICT General Programme   | 1,992                   | 1,879                   | (113)                | The change in this budget reflects virement as detailed in Appendix 5.   |
|  | ICT Disaster Recovery   | 51                      | 51                      | -                    |  |
|  | ICT Desktop Refresh   | 840                     | 1,255                   | 415                  | The change in this budget reflects virement as detailed in Appendix 5.   |
|  | Service Led ICT Projects  | 1,848                   | 1,798                   | (50)                 | The change in this budget reflects virement as detailed in Appendix 5.   |
|  | Full Fibre Network  | 3,730                   | 3,970                   | 240                  | The change in this budget reflects virement as detailed in Appendix 5.   |
| City Assets                                      | Corporate Asset Management  | 5,033                   | 5,033                   | -                    |  |
|  | Disposals Programme (Non-Strategic)                                 | 2                       | 2                       | -                    |  |
|  | Public Sector Decarbonisation                                       | 153                     | 153                     | -                    |  |
| City Housing and Environment                     | Disabled Facilities Grants  | 4,766                   | 9,681                   | 4,915                | The change in this budget reflects new grant allocation received from the Department for Levelling Up, Housing and Communities.  |
|  | Housing General Fund General Schemes - Small Works Assistance (SWA) | 289                     | 289                     | -                    |  |
|  | Housing General Fund General Schemes - Capitalised Salaries         | 80                      | 80                      | -                    |  |
|  | Housing General Fund General Schemes - Empty Properties Strategy    | 410                     | 410                     | -                    |  |
|  | Housing General Schemes - Affordable Warmth                         | 101                     | 101                     | -                    |  |
|  | Local Authority Delivery 2: Green Homes Grant                       | 271                     | 271                     | -                    |  |
|  | Maintenance of classified roads                                     | 2,547                   | 19,127                  | 16,580               | The change in this budget reflects an estimated grant allocation for future years from the Transport for West Midlands.  |
|  | Highway Improvement Programme                                       | 989                     | 8,947                   | 7,958                | The change in this budget reflects an estimated grant allocation for future years from the Transport for West Midlands.  |
|  | Vehicles (Procurement)  | 4,353                   | 4,368                   | 15                   | The change in this budget reflects contribution received from the West Midlands Police and Crime Commissioner for a new Safer Haven Vehicle project as detailed in Appendix 4.   |
|  | Bowman's Harbour - Former Landfill Sites                            | 41                      | 41                      | -                    |  |
|  | Markets Bilston Retail Market                                       | 66                      | 66                      | -                    |  |
|  | Parks Strategy and Open Space                                       | 1,523                   | 1,523                   | -                    |  |
|  | Bereavement Services  | 1,366                   | 1,366                   | -                    |  |
|  | Safety Programme  | 1,236                   | 1,189                   | (47)                 | The change in this budget reflects virement as detailed in Appendix 5.   |
|  | Active Travel Programme   | 1,529                   | 1,519                   | (10)                 | The change in this budget reflects virement as detailed in Appendix 5.   |
|  | Network Development - Safer Routes to School                        | 50                      | 70                      | 20                   | The change in this budget reflects virement as detailed in Appendix 5.   |
|  | Accessing Growth Fund - Major Roads Network                         | 1,591                   | 1,641                   | 50                   | The change in this budget reflects contribution from the Midlands Connect.   |
|  | Street Lighting   | 5,294                   | 5,294                   | -                    |  |
|  | Disabled Access (rolling programme)                                 | 20                      | 20                      | -                    |  |
|  | Highway Structures (bridges, subways, retaining walls)              | 1,212                   | 1,212                   | -                    |  |
|  | Maintenance of unclassified roads                                   | 13,191                  | 13,202                  | 11                   | The change in this budget reflects virement as detailed in Appendix 5.   |
|  | Security Enhancement works  | 12                      | 12                      | -                    |  |
|  | Waste & Recycling Strategy  | 142                     | 150                     | 8                    | The change in this budget reflects virement as detailed in Appendix 5.   |
|  | Lighting up the City  | 38                      | 10                      | (28)                 | The change in this budget reflects virement as detailed in Appendix 5.   |
|  | Smart and Accessible City   | 193                     | 423                     | 230                  | The change in this budget reflects new grant allocation received from the Department for Transport and virements as detailed in Appendix 5.  |
|  | General Waste Service Improvement                                   | 44                      | 15                      | (29)                 | The change in this budget reflects virement as detailed in Appendix 5.   |
|  | Traveller Transit Site  | 357                     | 357                     | -                    |  |
|  | Highways Maintenance Challenge Fund 2021                            | 412                     | 316                     | (96)                 | The change in this budget reflects virement as detailed in Appendix 5.   |
|  | Residential Waste Bins  | 88                      | 219                     | 131                  | The change in this budget reflects virements to existing projects as detailed in Appendix 5 and to new projects for which approval is now sought in Appendix 4.  |

Detailed forecast change

Appendix 3

| Division   | Project   | Approved budget<br>£000           | Proposed budget<br>£000 | Total change<br>£000 | Comments   |   |
|--|---|-----------------------------------|-------------------------|----------------------|--|---|
| <b>General Revenue Account capital programme</b>                                   |   |                                   |                         |                      |  |   |
| City Housing and Environment   | Future High Street Fund                                 | 10,023                            | 10,147                  | 124                  | The change in this budget reflects virement as detailed in Appendix 5.   |   |
|  | Black Country Blue Network Phase 2                      | 2,041                             | 2,041                   | -                    |  |   |
|  | Brewers Yard, Culwell Street Depot                      | 16,150                            | 16,150                  | -                    |  |   |
| Public Health  | Sports Investment Strategy                              | 294                               | 294                     | -                    |  |   |
|  | Leisure Centres Enhancement                             | 190                               | 190                     | -                    |  |   |
|  | Bowling provision                                       | 102                               | 102                     | -                    |  |   |
|  | Grants to other organisations                           | 8                                 | 8                       | -                    |  |   |
|  | Safer Streets capital programme                         | 60                                | 60                      | -                    |  |   |
| Regeneration   | i54 Access and Infrastructure                           | 455                               | 455                     | -                    |  |   |
|  | Targeted Disposals Programme                            | 39                                | 39                      | -                    |  |   |
|  | South Side  | 315                               | 315                     | -                    |  |   |
|  | Wolverhampton Interchange Office/Retail Accommodation   | 13,330                            | 13,330                  | -                    |  |   |
|  | Wolverhampton Interchange Block 11                      | 57                                | 57                      | -                    |  |   |
|  | Bilston Urban Village                                   | 1,118                             | 1,118                   | -                    |  |   |
|  | Black Country Growth Deal – Cultural Programme          | 22,480                            | 22,480                  | -                    |  |   |
|  | Interchange - Ph2 Train Station/MSCP/Metro Extension    | 5,690                             | 5,690                   | -                    |  |   |
|  | i54 Western Extension                                   | 20,766                            | 20,766                  | -                    |  |   |
|  | City Learning Quarter                                   | 49,892                            | 51,683                  | 1,791                |  | The change in this budget reflects the updated funding strategy reported to Cabinet (Resources) Panel on 19 January 2022. |
|  | War Memorial Restoration                                | 9                                 | 9                       | -                    |  |   |
|  | Development of Cultural Estate                          | 1,351                             | 1,351                   | -                    |  |   |
|  | Strategic Land Acquisitions                             | 310                               | 310                     | -                    |  |   |
|  | AIM for GOLD - ERDF                                     | 2,263                             | 2,263                   | -                    |  |   |
|  | Adult Services  | Aiming High for Disabled Children | 52                      | 52                   |  | -   |
| Children's Services  | Co-Location Programme                                   | 8                                 | 8                       | -                    |  |   |
|  | Children and young people in care - extensions/vehicles | 39                                | 39                      | -                    |  |   |
| Education and Skills   | Wilkinson Primary School - New Build                    | 8                                 | -                       | (8)                  | The change in this budget reflects virement as detailed in Appendix 5.   |   |
|  | Primary Expansion Programme                             | 13,227                            | 13,227                  | -                    |  |   |
|  | Schools Devolved Formula Capital                        | 741                               | 1,137                   | 396                  | The change in this budget reflects new grant allocation from the Education and Skills Funding Agency.  |   |
|  | Prudential Loans  | 150                               | 150                     | -                    |  |   |
|  | Asbestos Removal  | 62                                | 20                      | (42)                 | The change in this budget reflects virement as detailed in Appendix 5.   |   |
|  | Electrical Works  | 363                               | 392                     | 29                   | The change in this budget reflects virement as detailed in Appendix 5.   |   |
|  | Contingency for Emergency Works                         | 1,874                             | 1,517                   | (357)                | The change in this budget reflects virement as detailed in Appendix 5.   |   |
|  | Building Schools for Future ICT Infrastructure          | 337                               | 337                     | -                    |  |   |
|  | Capital Maintenance - Fire Safety                       | 73                                | 64                      | (9)                  | The change in this budget reflects virement as detailed in Appendix 5.   |   |
|  | Capital Maintenance - Heating Pipework Upgrades         | 636                               | 741                     | 105                  | The change in this budget reflects virements to support new and existing projects as detailed in Appendix 5.   |   |
|  | Capital Maintenance - Roof / Ceilings Replacements      | 932                               | 1,119                   | 187                  | The change in this budget reflects virements to support new and existing projects as detailed in Appendix 5 and school contribution towards the project costs. |   |
|  | Capital Maintenance - Structural Works                  | 1,206                             | 1,223                   | 17                   | The change in this budget reflects virements to support new projects as detailed in Appendix 5.  |   |
|  | Capital Maintenance - Window Upgrade                    | 215                               | 252                     | 37                   | The change in this budget reflects virements to support new and existing projects as detailed in Appendix 5.   |   |
|  | Secondary School Expansion Programme                    | 13,221                            | 13,221                  | -                    |  |   |
|  | Schools improvements RCCO funded                        | 5                                 | 5                       | -                    |  |   |
|  | SPCF Special Provision Capital Fund                     | 1,078                             | 1,080                   | 2                    | The change in this budget reflects school contribution towards the project costs.  |   |
|  |   | Healthy Pupil Capital Fund        | 3                       | 3                    | -  |   |
| <b>Total General Revenue Account capital programme - existing and new projects</b> |   | <b>298,396</b>                    | <b>346,061</b>          | <b>47,665</b>        |  |   |

Detailed forecast change

Appendix 3

| Division   | Project                                       | Approved budget<br>£000 | Proposed budget<br>£000 | Total change<br>£000 | Comments |
|--|---|-------------------------|-------------------------|----------------------|----------|
| <b>Housing Revenue Account</b>                           |   |                         |                         |                      |          |
| Housing Revenue Account                                  | Decent Homes - Stock Improvements             | 151,650                 | 151,650                 | -                    |          |
|  | Minor Works/Door Entry Rolling Programme      | 2,220                   | 2,220                   | -                    |          |
|  | Pathway Improvement and Safety Programme      | 1,209                   | 1,209                   | -                    |          |
|  | External Improvement Programme                | 600                     | 600                     | -                    |          |
|  | Adaptations for People with Disabilities      | 7,500                   | 7,500                   | -                    |          |
|  | WH Service Sales Admin & Capitalised Salaries | 11,010                  | 11,010                  | -                    |          |
|  | Housing services capitalised salaries         | 3,000                   | 3,000                   | -                    |          |
|  | Refurbishment of Voids                        | 31,075                  | 31,075                  | -                    |          |
|  | Boiler Replacement Programme                  | 4,203                   | 4,203                   | -                    |          |
|  | Heath Town                                    | 563                     | 563                     | -                    |          |
|  | Tap Works site                                | 30                      | 30                      | -                    |          |
|  | Structural works                              | 22,700                  | 22,700                  | -                    |          |
|  | Lift and DDA Improvements                     | 2,710                   | 2,710                   | -                    |          |
|  | Fire Safety Improvements                      | 7,000                   | 7,000                   | -                    |          |
|  | Roof Refurbishment Programme                  | 20,750                  | 20,750                  | -                    |          |
|  | Tower and Fort Works                          | 30                      | 30                      | -                    |          |
|  | New Build Programme                           | 19,098                  | 19,098                  | -                    |          |
|  | Sustainable Estates Programme                 | 3,670                   | 3,670                   | -                    |          |
|  | Non Trad Surveys                              | 1,000                   | 1,000                   | -                    |          |
|  | Small Sites 4                                 | 21                      | 21                      | -                    |          |
|  | Commercial Conversions                        | 4,200                   | 4,200                   | -                    |          |
|  | Burton Crescent                               | 269                     | 269                     | -                    |          |
|  | Heath Town New Build Programme                | 32,500                  | 32,500                  | -                    |          |
|  | WVL Units                                     | 27,574                  | 27,574                  | -                    |          |
|  | Medium Sites                                  | 7,880                   | 7,880                   | -                    |          |
|  | High Rise External Works                      | 21,900                  | 21,900                  | -                    |          |
|  | Reedham Gardens                               | 4,229                   | 4,229                   | -                    |          |
|  | Additional Social Housing                     | 12,672                  | 12,672                  | -                    |          |
|  | Small Sites Programme                         | 14,370                  | 14,370                  | -                    |          |
|  | Estate Remodelling                            | 41,998                  | 41,998                  | -                    |          |
| <b>Total Housing Revenue Account - existing projects</b> |   | <b>457,631</b>          | <b>457,631</b>          | <b>-</b>             |          |

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Projects requiring approval

Appendix 4

| New projects created from virements and additional resources  | 2021 - 2022 | 2022 - 2023 | 2023 - 2024 | 2024 - 2025 | 2025 - 2026 | 2026 - 2027 | Total | Virement | Additional resources |          |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------|----------|----------------------|----------|
| A full set of virements can be found in Appendix 4  | £000        | £000        | £000        | £000        | £000        | £000        | £000  | £000     | Internal             | External |
| General Revenue Account capital programme   |             |             |             |             |             |             |       |          | £000                 | £000     |
| <b>Schools Capital Maintenance</b>  |             |             |             |             |             |             |       |          |                      |          |
| Approval is sought for capital maintenance works across the following schools:  |             |             |             |             |             |             |       |          |                      |          |
| Claregate Primary - replacement windows and doors to kitchen  | 25          | -           | -           | -           | -           | -           | 25    | 25       | -                    | -        |
| Eastfield Primary - hall flooring   | 8           | -           | -           | -           | -           | -           | 8     | 8        | -                    | -        |
| Castlecroft Primary - replacement sinks and associated fixtures   | 5           | -           | -           | -           | -           | -           | 5     | 5        | -                    | -        |
| Uplands Junior - Fire Safety Work   | 35          | -           | -           | -           | -           | -           | 35    | 35       | -                    | -        |
| St Andrews, Church of England Primary - Fire Safety Work  | 10          | -           | -           | -           | -           | -           | 10    | 10       | -                    | -        |
| Lanesfield Primary - replacement hall roof  | 60          | -           | -           | -           | -           | -           | 60    | 60       | -                    | -        |
| Springdale Primary replace hot water system   | 40          | -           | -           | -           | -           | -           | 40    | 40       | -                    | -        |
| <b>Highway Improvement Programme</b>  |             |             |             |             |             |             |       |          |                      |          |
| Approval is sought for the following projects within the Transportation capital programme fully funded from new grants received from the Department for Transport and the Transport for West Midlands:            |             |             |             |             |             |             |       |          |                      |          |
| Traffic Signal Maintenance  | 500         | -           | -           | -           | -           | -           | 500   | -        | -                    | 500      |
| UTC upgrade & CCTV link   | 231         | -           | -           | -           | -           | -           | 231   | -        | -                    | 231      |
| <b>Disabled Facilities Grants</b>   |             |             |             |             |             |             |       |          |                      |          |
| Approval is sought for the following capital rolling project fully funded by new grant allocation from the Department for Levelling Up, Housing and Communities:  |             |             |             |             |             |             |       |          |                      |          |
| Rehabilitation Equipment  | -           | 250         | -           | -           | -           | -           | 250   | -        | -                    | 250      |
| <b>Vehicles (Procurement)</b>   |             |             |             |             |             |             |       |          |                      |          |
| Approval is sought for acquisition of the following vehicles and equipment within the Fleet capital programme funded from existing budgets and contribution from the West Midlands Police and Crime Commissioner: |             |             |             |             |             |             |       |          |                      |          |
| HWRC loading shovels  | -           | 356         | -           | -           | -           | -           | 356   | 356      | -                    | -        |
| Wheelchair accessible minibuses   | -           | 1,947       | -           | -           | -           | -           | 1,947 | 1,947    | -                    | -        |
| Plant & Equipment   | 651         | 108         | -           | -           | -           | -           | 759   | 759      | -                    | -        |
| Purchase of Vehicles  | -           | 154         | -           | -           | -           | -           | 154   | 154      | -                    | -        |
| Safe Haven Vehicle  | 20          | -           | -           | -           | -           | -           | 20    | 5        | -                    | 15       |
| <b>i54 Western Extension</b>  |             |             |             |             |             |             |       |          |                      |          |
| Approval is sought to carry out construction of access road to the southern plot fully funded from existing budget:   |             |             |             |             |             |             |       |          |                      |          |
| i54 Western Extension - Southern Plot Access Road   | 572         | 189         | -           | -           | -           | -           | 761   | 761      | -                    | -        |
| <b>Residential Waste Bins</b>   |             |             |             |             |             |             |       |          |                      |          |
| Approval is sought for acquisition of the following equipment required within Waste Services, fully funded from existing budgets:   |             |             |             |             |             |             |       |          |                      |          |
| Palladin Bins   | 32          | -           | -           | -           | -           | -           | 32    | 32       | -                    | -        |
| Domestic Bins   | 13          | -           | -           | -           | -           | -           | 13    | 13       | -                    | -        |
| Mobile Weighbridge  | 10          | -           | -           | -           | -           | -           | 10    | 10       | -                    | -        |
| Digital Advertising Boards  | 30          | -           | -           | -           | -           | -           | 30    | 30       | -                    | -        |
| Lockers   | 25          | -           | -           | -           | -           | -           | 25    | 25       | -                    | -        |

This report is PUBLIC  
[NOT PROTECTIVELY MARKED]

Projects requiring approval

Appendix 4

| New projects created from virements and additional resources   | 2021 - 2022  | 2022 - 2023  | 2023 - 2024  | 2024 - 2025  | 2025 - 2026 | 2026 - 2027 | Total         | Virement     | Additional resources |            |
|--|--------------|--------------|--------------|--------------|-------------|-------------|---------------|--------------|----------------------|------------|
| A full set of virements can be found in Appendix 4   | £000         | £000         | £000         | £000         | £000        | £000        | £000          | £000         | Internal             | External   |
| Maintenance of classified roads  |              |              |              |              |             |             |               |              | £000                 | £000       |
| Approval is sought to carry out road resurfacing works fully funded from existing budgets:<br>Well Lane  | 34           | -            | -            | -            | -           | -           | 34            | 34           | -                    | -          |
| <b>Transformation Development Efficiency Strategy</b>  |              |              |              |              |             |             |               |              |                      |            |
| Approval is sought to utilise capital receipt flexibility to fund new revenue transformation projects in line with the 2022-2023 budget strategy outlined in the Final Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026 report also on agenda to this meeting.<br>Transformational projects capitalisation | -            | -            | 5,000        | 5,000        | -           | -           | 10,000        | 2,000        | 8,000                | -          |
| <b>Total General Revenue Account capital programme new projects</b>  | <b>2,301</b> | <b>3,004</b> | <b>5,000</b> | <b>5,000</b> | <b>-</b>    | <b>-</b>    | <b>15,305</b> | <b>6,309</b> | <b>8,000</b>         | <b>996</b> |
| <b>Financing</b>   |              |              |              |              |             |             |               |              |                      |            |
| Internal resources   | 1,338        | 2,754        | 5,000        | 5,000        | -           | -           | 14,092        | 6,092        | 8,000                | -          |
| External resources   | 963          | 250          | -            | -            | -           | -           | 1,213         | 217          | -                    | 996        |
| <b>Grand total financing</b>   | <b>2,301</b> | <b>3,004</b> | <b>5,000</b> | <b>5,000</b> | <b>-</b>    | <b>-</b>    | <b>15,305</b> | <b>6,309</b> | <b>8,000</b>         | <b>996</b> |

Virements for approval

Appendix 5

| Capital project  | Virement                 |                     | Comments  |
|--|--------------------------|---------------------|---|
|  | Existing project<br>£000 | New project<br>£000 |   |
| <b>General Revenue Account</b>   |                          |                     |   |
| <b>Re-allocation virements to new projects</b>                               |                          |                     |   |
| i54 Western Extension  |                          |                     |   |
| i54 Western Extension - Site Preparation Works                               | (761)                    | -                   | A virement is proposed to reallocate resources to new project within the i54 Western Extension capital programme.   |
| i54 Western Extension - Southern Plot Access Road                            | -                        | 761                 |   |
| Vehicles (Procurement)   |                          |                     |   |
| Provision for future programmes  | (1,988)                  | -                   | Virements are proposed to reallocate resources to facilitate new projects within the Fleet Service Vehicles (Procurement) capital programme.  |
| Purchase of Vehicles 2020-2021 (7 years)                                     | (1,000)                  | -                   |   |
| Purchase of Vehicles 2021/22 (6 years)                                       | (133)                    | -                   |   |
| Purchase of Vehicles 2021/22 (4 years) - Refuse Collection Vehicles          | (100)                    | -                   |   |
| HWRC loading shovels   | -                        | 356                 |   |
| Wheelchair accessible minibuses  | -                        | 1,947               |   |
| Plant & Equipment 2021/22 - 5 years  | -                        | 252                 |   |
| Plant & Equipment 2021/22 - 6 years  | -                        | 399                 |   |
| Plant & Equipment 2022/23 - 5 years  | -                        | 43                  |   |
| Plant & Equipment 2022/23 - 10 years   | -                        | 65                  |   |
| Purchase of Vehicles 2022/23 - 7 years                                       | -                        | 154                 |   |
| Safe Haven Vehicle   | -                        | 5                   |   |
| Transport Structural Maintenance   |                          |                     |   |
| Cambridge Street and Water Street  | (34)                     | -                   | A virement is proposed to reallocate resources to a new project for road resurface within the Transportation capital programme.   |
| Well Lane  | -                        | 34                  |   |
| Corporate Provision for Future Programmes                                    | (110)                    |                     |   |
| Residential Waste Bins   |                          |                     | A virement is proposed to reallocate resources to new projects within the Residential Waste capital programme.  |
| Palladin Bins 2021/22  | -                        | 32                  |   |
| Domestic Bins 2021/22  | -                        | 13                  |   |
| Mobile Weighbridge   | -                        | 10                  |   |
| Digital Advertising Boards   | -                        | 30                  |   |
| Lockers  | -                        | 25                  |   |
| Schools Contingency for Emergency Works                                      |                          |                     |   |
| Provision for future programmes  | (183)                    | -                   | A virement is proposed to reallocate resources to support new projects within the Schools Capital Maintenance programme.  |
| Schools Capital Maintenance - Fire Prevention                                |                          |                     |   |
| Uplands Junior - Fire Safety Work  | -                        | 35                  |   |
| St Andrews, Church of England Primary - Fire Safety Work                     | -                        | 10                  |   |
| Schools Capital Maintenance - Boilers / Pipeworks                            |                          |                     |   |
| Springdale Primary replace hot water system                                  | -                        | 40                  |   |
| Schools Capital Maintenance - Roof / Ceiling                                 |                          |                     |   |
| Lanesfield Primary - replacement hall roof                                   | -                        | 60                  |   |
| Schools Capital Maintenance - Structural / Demolition / Ext.works / Security |                          |                     |   |
| Eastfield Primary - hall flooring  | -                        | 8                   |   |
| Castlecroft Primary - replacement sinks and associated fixtures              | -                        | 5                   |   |
| Schools Capital Maintenance - Windows  |                          |                     |   |
| Claregate Primary - replacement windows and doors to kitchen                 | -                        | 25                  |   |
| Corporate Provision for Future Programmes                                    | (2,000)                  |                     |   |
| Transformation Development Efficiency Strategy                               |                          |                     | A virement is proposed to utilise capital receipt flexibility to fund new revenue transformation project in line with the 2022-2023 budget strategy outlined in the Final Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026 report also on agenda to this meeting. |
| Transformational projects capitalisation 2324                                | -                        | 2,000               |   |
| <b>Re-allocation virements to existing projects</b>                          |                          |                     |   |
| Corporate Provision for Future Programmes                                    | (492)                    |                     |   |
| Service Led ICT Projects   |                          |                     | Virements are proposed to reallocate resources to individual project within the ICT capital programme.  |
| Provision for future programmes  | (50)                     | -                   |   |
| ICT General Programme  |                          |                     |   |
| Provision for future programmes  | (30)                     | -                   |   |
| ICT Desktop Refresh  |                          |                     |   |
| Desk top refresh 2022-2023   | 357                      | -                   |   |
| Local Full Fibre Network   |                          |                     |   |
| Full Fibre Network - Technical Project Management                            | 215                      | -                   |   |
| Housing General Fund General Schemes - Empty Properties Strategy             |                          |                     |   |
| Provision for future programmes  | (24)                     | -                   | A virement is proposed to reallocate resources to individual projects within the Empty Properties Strategy capital programme.   |
| 10 Lloyd Street - Build  | 16                       | -                   |   |
| 10 Lloyd Street - Land   | 8                        | -                   |   |
| Schools Capital Maintenance - Asbestos Removal                               |                          |                     |   |
| Provision for future programmes  | (52)                     | -                   | Virements are proposed to reallocate resources from the Provision for future programmes to individual projects to facilitate various Schools Capital Maintenance works within the Education capital programme.  |
| Claregate Primary - asbestos removal for windows replacement                 | 10                       | -                   |   |
| Schools Capital Maintenance - Emergency works                                |                          |                     |   |
| Provision for future programmes  | (174)                    | -                   |   |
| Schools Capital Maintenance - Roof / Ceiling                                 |                          |                     |   |
| Colton Hills Secondary - flat roofing  | 100                      | -                   |   |
| Fallings Park Primary - replacement roof phase 2                             | 4                        | -                   |   |
| Merridale Primary - replacement roof phases 2 and 3                          | 2                        | -                   |   |
| Schools Capital Maintenance - Boilers / Pipeworks                            |                          |                     |   |
| Rakegate Primary - hot water system  | 45                       | -                   |   |
| Uplands Junior - replacement pipework  | 20                       | -                   |   |
| Schools Capital Maintenance - Rewiring / Electrical works                    |                          |                     |   |
| Penn Hall Special - electrical upgrade                                       | 29                       | -                   |   |
| Schools Capital Maintenance - Windows  |                          |                     |   |
| Wodensfield Primary - replacement KS2 windows                                | 12                       | -                   |   |
| Schools Capital Maintenance - Structural / Demolition / Ext.works / Security |                          |                     |   |
| Midpoint PRU - fencing   | 4                        | -                   |   |

Virements for approval

Appendix 5

| Capital project<br>General Revenue Account                                   | Virement                 |                     | Comments  |
|--|--------------------------|---------------------|---|
|  | Existing project<br>£000 | New project<br>£000 |   |
| <b>Project to project virements</b>  |                          |                     |   |
| Corporate Asset Management   |                          |                     |   |
| The Gorge - demolition of building   | (47)                     | -                   |   |
| Newhampton Arts Centre - external renovation works to building               | (33)                     | -                   |   |
| Culwell Street depot - new gas main and duct                                 | (23)                     | -                   |   |
| Merridale Fire Station - YOT relocation                                      | (11)                     | -                   |   |
| Wednesfield offices (Alfred Squire Rd) - new air conditioning unit           | (2)                      | -                   |   |
| Duke St Bungalows - FRA priority works                                       | (1)                      | -                   |   |
| Eastfield Community Centre – boiler replacement                              | (1)                      | -                   |   |
| Provision for future programmes  | 76                       | -                   | Virements are proposed to reflect reallocation of resources across projects within the Corporate Asset Management capital programme. Regular rescheduling of works is required to ensure that current corporate priorities are met and reflected. |
| Ernest Bold Resource Centre - external lighting and new CCTV (option 1)      | 9                        | -                   |   |
| Landport Industrial Estate – electrical works at units 9 and 10              | 9                        | -                   |   |
| Civic Centre - mechanical flue replacement                                   | 8                        | -                   |   |
| Culwell Street – electrical / Legionella works (Phase 1)                     | 5                        | -                   |   |
| Bradley Resource Centre - FRA priority works                                 | 4                        | -                   |   |
| Fordhouses Industrial Estate – security hut refurbishment                    | 3                        | -                   |   |
| Culwell Street (Portacabin) - roof replacement                               | 2                        | -                   |   |
| East Park (Changing Rooms) – Legionella works                                | 1                        | -                   |   |
| Low Hill Community Centre - FRA priority works                               | 1                        | -                   |   |
| Desktop Refresh  |                          |                     |   |
| Desk top refresh 2022-2023   | (117)                    | -                   |   |
| Desk top refresh 2021-2022   | 175                      | -                   |   |
| ICT General Programme  |                          |                     |   |
| Future Developments 2022-2023  | (100)                    | -                   | Virements are proposed to reflect reallocation of resources across projects within the ICT capital programme. Regular rescheduling of works is required to ensure that current corporate priorities are met and reflected.                        |
| Storage Refresh (ICT Main Prog) 2022-2023                                    | (70)                     | -                   |   |
| Future Developments 2021-2022  | (49)                     | -                   |   |
| Storage Refresh (ICT Main Prog) 2021-2022                                    | 70                       | -                   |   |
| Software Upgrades (ICT Main Prog) 2021-2022                                  | 33                       | -                   |   |
| Infrastructure Upgrades (ICT Main Prog) 2021-2022                            | 33                       | -                   |   |
| Local Full Fibre Network   |                          |                     |   |
| Full Fibre Network - Technical Project Management                            | 25                       | -                   |   |
| Schools Capital Maintenance - Structural / Demolition / Ext.works / Security |                          |                     |   |
| Lanesfield Primary - refurbish toilets                                       | (4)                      | -                   |   |
| Rakegate Primary - firestopping works  | (5)                      | -                   |   |
| Orchard PRU - security fencing installation                                  | 3                        | -                   | Virements are proposed to utilise underspend within the Schools Capital Maintenance programme.  |
| Midpoint PRU - fencing   | 6                        | -                   |   |
| Schools Capital Maintenance - Window Upgrade                                 |                          |                     |   |
| Wodensfield Primary - replacement windows and doors to KS1                   | (5)                      | -                   |   |
| Wodensfield Primary - replacement KS2 windows                                | 5                        | -                   |   |
| Schools Capital Maintenance - Basic Need                                     |                          |                     |   |
| Wilkinson Primary School - New Build   | (8)                      | -                   |   |
| Schools Capital Maintenance - Fire Prevention                                |                          |                     |   |
| The King's Church of England School - fire protection work                   | (20)                     | -                   | Virements are proposed to reallocate unspent resources to the Corporate Provision for Future Programmes.  |
| Colton Hills Community School - fire protection work                         | (19)                     | -                   |   |
| Tettenhall Wood Special - fire protection work                               | (15)                     | -                   |   |
| Corporate Provision for Future Programmes                                    | 62                       | -                   |   |
| Leisure Centres  |                          |                     |   |
| WV Active - Aldersley Leisure Village Enhancement 2018-2019                  | (9)                      | -                   | A virement is proposed to reallocate resources for replacement of obsolete lockers and remedial works at WV Active Leisure Centres.   |
| WV Active Leisure Centres - Lockers  | 9                        | -                   |   |
| City Learning Quarter  |                          |                     |   |
| Provision for future programmes  | (6,165)                  | -                   | Virements to reflect the updated funding strategy presented to Cabinet (Resources) Panel on 19 January 2022.  |
| City Learning Quarter - Site Development                                     | (1,478)                  | -                   |   |
| City Learning Quarter - Paget Road   | (30)                     | -                   |   |
| Corporate Provision for Future Programmes                                    | 7,673                    | -                   |   |
| i54 Western Extension  |                          |                     |   |
| i54 Western Extension - Access Road  | (10)                     | -                   | A virement is proposed to reallocate resources within the i54 Western Extension capital programme.  |
| i54 Western Extension -Site Preparation Works                                | 10                       | -                   |   |
| Safety Programme   |                          |                     |   |
| Arterial route – Stafford Road – areas at risk of accidents                  | (60)                     | -                   | A virements is proposed to reallocate unspent resources to the Corporate Provision for Future Programmes.   |
| Corporate Provision for Future Programmes                                    | 60                       | -                   |   |
| General Waste Service Improvement  |                          |                     |   |
| Waste collection vehicles - Key Out System 2020-2021                         | (25)                     | -                   |   |
| SupaTrak system and in-cab Garmin devices 2020-2021                          | (4)                      | -                   |   |
| Residential Waste Bins   |                          |                     |   |
| Cylindrical 'Paladin' Bins 2020-2021   | (37)                     | -                   | Virements are proposed to utilise underspend within the Waste capital programme.  |
| Waste Domestic Bins 2020-2021  | 58                       | -                   |   |
| Waste & Recycling Strategy   |                          |                     |   |
| Garden waste bins 2020-2021  | 5                        | -                   |   |
| Commercial Waste Services Bins 2020-2021                                     | 3                        | -                   |   |
| Vehicles (Procurement)   |                          |                     |   |
| Purchase of Equipment 2021/22 (6 years)                                      | (122)                    | -                   | A virement is proposed to relocate resources to Provision for future programmes within the Fleet Service Vehicles (Procurement) capital programme.  |
| Provision for future programmes  | 122                      | -                   |   |



Virements for approval

Appendix 5

| Capital project  | Virement                 |                     | Comments |
|--|--------------------------|---------------------|----------|
|  | Existing project<br>£000 | New project<br>£000 |          |
| <b>General Revenue Account</b>   |                          |                     |          |
| Transport Structural Maintenance                                       |                          |                     |          |
| Development of the Highway Asset Management Plan and Strategy          | (13)                     | -                   |          |
| Cross Street North - resurface carriageways                            | 13                       | -                   |          |
| Cambridge Street and Water Street                                      | (60)                     | -                   |          |
| Inkerman Street  | 60                       | -                   |          |
| Integrated Transport   |                          |                     |          |
| Integrated Transport - Advance Design                                  | (11)                     | -                   |          |
| UTC Expansion ITS/CCTV/Driver Information/ANPR                         | 15                       | -                   |          |
| UTC Expansion CCTV   | 18                       | -                   |          |
| Safety Programme   |                          |                     |          |
| Local Safety Schemes - TROs/ Signs&Guardrails / Road Markings          | 12                       | -                   |          |
| Lunt Road - traffic calming and zebra crossing (ITB)                   | (15)                     | -                   |          |
| Bradley Lane - traffic calming   | 8                        | -                   |          |
| Dixon Street   | 20                       | -                   |          |
| Shaw Road/Hurst Road/Ettingshall Road                                  | 10                       | -                   |          |
| Marston Road/Penn Road Junction  | 17                       | -                   |          |
| Ettingshall Road/Manor Road  | (50)                     | -                   |          |
| Barnhurst Lane/Aldersley High School                                   | 5                        | -                   |          |
| Active Travel Programme  |                          |                     |          |
| Cycling - Cycle Route Improvements                                     | (30)                     | -                   |          |
| Walking, Cycling and SRTS - Cycle Parking                              | (20)                     | -                   |          |
| Wednesfield Road - footway widening and introducing shared cycle route | 40                       | -                   |          |
| Network Development - Safer Routes to School                           |                          |                     |          |
| School Gate Parking  | 20                       | -                   |          |
| Maintenance of unclassified roads                                      |                          |                     |          |
| Dudley street Footways   | 11                       | -                   |          |
| Vicarage Road  | (20)                     | -                   |          |
| Public Rights of way improvements                                      | 20                       | -                   |          |
| Lighting up the City   |                          |                     |          |
| Provision for future programmes  | (28)                     | -                   |          |
| Smart and Accessible City  |                          |                     |          |
| ORCS Bid Local Contribution  | (50)                     | -                   |          |
| Highways Maintenance Challenge Fund 2021                               |                          |                     |          |
| Highways Maintenance Challenge Fund 2021 - Ring Road Footways          | (96)                     | -                   |          |
| Future High Street Fund  |                          |                     |          |
| Civic Halls Public Realm (Westside Link Ph3)                           | 124                      | -                   |          |
| <b>Total General Revenue Account capital programme</b>                 | <b>(6,309)</b>           | <b>6,309</b>        |          |

Virements are proposed to reallocate resources across the projects within the Transportation capital programme to ensure that priorities are met and reflected.

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## Summary of Changes in the Collaboration Agreement

The overview of the changes made to the Collaboration Agreement reviewed by the four Black Country Authorities are as follows:

1. References to the Joint Committee Advisory Board removed from the Collaboration Agreement and its Schedules, and references to the HoR Working Group updated throughout Collaboration Agreement and its Schedules to reflect transferred responsibilities from the Joint Committee Advisory Board (Definitions, Clause 2 – Collaboration, Clause 4 - Project Approval, Clause 5 - Project Management , Clause 9 – Documentation, Clause 16- Publicity and Public Relations, Clause 18 - Priority of documents; removed Joint Committee Advisory Board Constitution, previously included as Schedule 1).
2. Clauses updated as follows:
  - Reference to four Councils are now replaced by Black Country Local Authorities;
  - Heads of Regeneration Working Group are now referred to as HoR Working Group;
  - Funding agreement between the Single Accountable Body and a Party of Collaboration Agreement defined as Grant Agreement (definition added);
  - Clause 2 (Collaboration) list of material variations (clause 2.8) are removed and instead referenced within the BC LEP Assurance Framework, Appendix 25; clause 2.10 with programmes list removed;
  - Clause 5 (Project Management) updated to reflect the Governance Principles for the Enterprise Zones;
  - Clause 15 (Variation) amended to remove the prescribed frequency requirement to vary the Collaboration Agreement;
  - Clause 23 on data protection – updated to reflect changes in Law post United Kingdom exit from European Union.
3. Schedules appended as follows:
  - SCHEDULE 1 - Constitution and Functions of the Heads of Regeneration Working Group (as agreed/adopted by the members of the HoR Working Group and appended to the BC LEP Assurance Framework, approved by BCJC on 23 June 2021);
  - SCHEDULE 2 - BC LEP Initial Proposal and Full Business Case Templates (as agreed by the BC LEP Board and appended to the BC LEP Assurance Framework, approved by BCJC on 23 June 2021);
  - SCHEDULE 3 - Black Country Executive Joint Committee (Constitution, Functions, Report template as agreed by BCJC on 23 June 2021);
  - SCHEDULE 4 - Decision and oversight Flow Chart (updated to reflect Joint Committee Advisory Board removal, approved by BCJC on 17 February 2021);

## Appendix 6

- SCHEDULE 5 - Supplemental Deed - Governance Principles: Enterprise Zones (approved by BCJC on 9 December 2020), note this is currently undergoing a separate review with Parties to the agreement.

**DATE: 7 MAY 2014**



**Walsall Council**

- (1) WALSALL METROPOLITAN BOROUGH COUNCIL**
- (2) DUDLEY METROPOLITAN BOROUGH COUNCIL**
- (3) SANDWELL METROPOLITAN BOROUGH COUNCIL**
- (4) WOLVERHAMPTON CITY COUNCIL**
- and-**
- (5) BLACK COUNTRY CONSORTIUM LIMITED**

**COLLABORATION AGREEMENT**

**in relation to the Black Country Executive Joint Committee for the funds secured by  
the Black Country Local Enterprise Partnership**

**(Incorporating the variations approved  
by the Black Country Executive Joint Committee on 7 September 2016, 12 February  
2020, 9 December 2020 and [to be confirmed] 2021)**

**Walsall Council  
Civic Centre  
Darwall Street  
Walsall, WS1 1T**

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**THIS AGREEMENT** is made on the 7 of May 2014

**BETWEEN:**

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

**WHEREAS:**

- (A) The Parties have agreed to collaborate to administer the allocation by central Government of funding (together "the Deal"), secured by the Black Country Local Enterprise Partnership, across the Black Country area, which comprises the administrative boundaries of Walsall, Dudley, Sandwell and Wolverhampton.
- (B) The Executives of each Party have agreed to establish a Joint Executive Committee, the Constitution, and Terms of Reference of which are set out at Schedule 3 pursuant to Section 101(5) of the Local Government Act 1972 and regulations issued under Section 9EB of the Local Government Act 2000. The decision dates respectively being Walsall Cabinet 11 September 2013, Dudley Cabinet 30 October 2013, Sandwell Cabinet 13 November 2013, Wolverhampton Cabinet 4 December 2013.
- (C) The Parties are empowered under Section 1 of the Localism Act 2011 to "do anything that individuals generally may do" and BCC, as a company limited by guarantee, may carry out general public administration activities and will help to facilitate the Deal.
- (D) The purpose of this Collaboration Agreement is to set out a framework for joint working between the Parties to enable delivery of the Deal.
- (E) This Agreement has been varied by each of the four Black Country Local Authorities, following Black Country Joint Committee approvals as follows:
  - (i) 7 September 2016 to incorporate all funding opportunities administered by or resulting from the West Midlands Combined Authority.
  - (ii) 12 February 2020 to incorporate all current and future funding opportunities secured or operated by or through the Black Country Local Enterprise Partnership (BC LEP).

## Appendix 6

(iii) 9 December 2020 via a Supplemental Deed of Variation to add the governance and processes in relation to the Black Country Enterprise Zones.



## 1. Definitions

### 1.1. Interpretation

In this Agreement the following words and expressions have the following meanings:

**Assurance Framework** means the National Assurance Framework as issued by central Government together with the Black Country Local Assurance Framework, which sets out how this is to be applied and adhered to by all Parties.

**Authority** means one of the four Black Country Local Authorities signatories to this Agreement, comprising of the Metropolitan Borough Councils of Dudley, Sandwell and Walsall and Wolverhampton City Council.

**Business Case** means the business case which sets out a Project proposal in the format as set out in Schedule 2 and which is ultimately approved by the Joint Committee to enable Project commencement.

**Combined Authority** means the West Midlands Combined Authority and/ or subsequent amended or replacement and its successors.

**Data Protection Legislation** means the GDPR, the Data Protection Act 2018 and all relevant codes of practice and directives regarding the processing of confidential, personal and/or special category data.

**Deal** means City Deal and / or Growth Deal, Land and Property Investment Fund (LPIF) and / or any subsequent amended or replacement for them as determined by central Government and/ or funding provided by the Combined Authority, generated through any Black Country Enterprise Zone/s and/or any funding secured by the Black Country Local Enterprise Partnership (BC LEP) requiring an accountable body.

**End Date** means the date specified in any grant or funding agreement by which the agreed activity must have been completed by, and when any claw-back provision may be exercised.

**Enterprise Zone** means those areas specified as such locally or externally and falling within the Black Country Local Enterprise Partnerships area.

**Force Majeure** means any circumstances beyond the reasonable control of any Party (including, without limitation, any strike, lock-out or other form of industrial action).

**Funding Agreement** means any Deal funding agreement or funding secured by the Black Country Local Enterprise Partnership (BC LEP) and related documents to be entered into between the Single Accountable Body and central Government.

**GDPR** as means the General Data Protection Regulation, (Regulation (EU) 2016/679).

**Governance Structure** means the decision making structure for the Joint Committee as set out in the constitution of the Joint Committee, and this Collaboration Agreement.

**Grant Agreement** means any Programme or Project funding agreement and related documents to be entered into between the Single Accountable Body and a Party of this Agreement.

**HoR Working Group** (Heads of Regeneration Working Group) means the body which comprises of the relevant Directors of each of the Authorities, the constitution for which is set out in Schedule 1.

## Appendix 6

**Intellectual Property Rights** means all patents, trademarks, copyright, moral rights, rights to prevent passing off, rights in designs, know-how and all other intellectual or industrial property rights, in each case whether registered or unregistered and including applications or rights to apply for them and together with all extensions and renewals of them, and in each and every case all rights or forms of protection having equivalent or similar effect anywhere in the world.

**Joint Committee** means the Joint Committee that has been established as a legally formed body of the Cabinets of Walsall, Dudley, Sandwell and Wolverhampton and is known as the "Black Country Executive Joint Committee" and which will carry out its decision making in accordance with the Governance Structure approved by each Party.

**Joint Executive Committee Terms of Reference and Constitution** means the Terms and Reference and Constitution as set out in Schedule 3 which has been approved by the Executive of each Black Country Local Authority.

**Lead Authority** means the Local Authority allocated by the Joint Committee to be the Lead authority for delivery of a particular Project.

**Material Change in Circumstances** means a change that does or is likely to significantly affect or impact upon delivery of the Programme or any Projects under it which necessitates a change in any decision made by the Joint Committee or if such circumstances were known at the time of the Joint Committee decision it would have potentially influenced the Joint Committee to make a different decision than the one that was made originally.

**Monitoring Procedures** means the Programme monitoring procedures, Programme audits and any other reporting, monitoring or audit processes required by a central Government department in relation to the Programme.

**Objectives and Outputs** means the successful delivery and completion of all Projects and/or initiatives as agreed by the Joint Committee together with such other objectives and outputs as are adopted by the Parties from time to time in accordance with this Agreement.

**Programme** means the operational element of the individual programme within the Deal, secured by the Black Country Local Enterprise Partnership, from central Government for the Black Country area, which comprises the administrative boundaries of Walsall, Dudley, Sandwell and Wolverhampton, including any individual Projects and/or funding streams.

**Programme Manager** means an officer appointed by Walsall Council to fulfil the roles and duties of the Programme Manager as detailed in this Agreement.

**Project** means an individual Project or initiative within the overall Deal that is subject to an application to the Joint Committee for funding to be allocated to it pursuant to the Programme.

**Single Accountable Body** means the Local Authority appointed by the Black Country Local Enterprise Partnership (BC LEP) and the Joint Committee to act in this role to manage on their behalf all funds forming part of the Deal with central Government, the West Midlands Combined Authority or any funding secured.

**Third Party** means any organisation which is not a Party to this Agreement.

## Appendix 6

- 1.2 In this Agreement:
- 1.2.1 The clause headings do not affect its interpretation,
- 1.2.2 Words in the singular shall include the plural and vice versa,
- 1.2.3 Unless otherwise indicated, references to clauses and Schedules are to clauses of and Schedules to this Agreement, and references in a Schedule to a paragraph are to a paragraph of that Schedule,
- 1.2.4 References to any statute or statutory provision include references to:
- 1.2.5 All Acts of Parliament and all other legislation having legal effect in the United Kingdom,
- 1.2.6 Any subsequent statutes directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute and also include any orders, regulations, instruments or other subordinate legislation made under that statute,
- 1.2.7 A person includes a natural person, corporate or unincorporated body or organisation and their successors and permitted assigns,
- 1.2.8 Including means including, without limitation,
- 1.2.9 If any provision is held to be illegal, invalid or unenforceable that provision shall be struck out and the legality, validity and enforceability of the remainder of the Agreement is to be unaffected.

## 2. Collaboration

- 2.1 The Parties agree to work in a spirit of mutual co-operation to fulfil their agreed roles and responsibilities to achieve the Objectives and Outputs, and to put in resources to the extent set out in this Agreement.
- 2.2 Each Party, which is an Authority, has agreed to form a Joint Committee, which will undertake the functions as set out in the Joint Committee Terms of Reference and Constitution as set out in Schedule 3.
- 2.3 Walsall, as secretary to the Joint Committee, will publish in accordance with its own constitution all agendas, reports, Forward Plan and minutes of the Joint Committee and will distribute all agendas, reports, and minutes of the Joint Committee to the Authority Parties within such timescales that will allow the Authority Parties to comply with their statutory Access to Information requirements. Walsall as secretary will maintain the Forward Plan of the Joint Committee and submit the plan to all Parties in a timely manner.
- 2.4 The Authority Parties have agreed the principles of how the Joint Committee will operate which is set out in the Governance Structure. Walsall will provide copies of all agendas, reports, and minutes to all Authority Parties as soon as they become available for publication in accordance with any legislative requirements.
- 2.5 Each Party shall:
- 2.5.1 Carry out the tasks and contribute sufficient resources and facilities to ensure that the Programme objectives are met and commitments under this Agreement are met,

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- 2.5.2 Co-operate with each other and do such acts, matters and things as may be necessary or desirable to implement the decisions of the Parties and in order to complete the Programme,
- 2.5.3 Keep the other Parties fully informed of the progress of and of any matters relevant to the Programme and make available to the other Party all relevant information, data, reports and opinions in relation to the Programme,
- 2.5.4 Immediately notify the other Parties in writing if there is an unexpected problem which are likely to cause a material delay to achievement of any of the objectives of the Programme, or any particular stage of the Programme, or any material increase in the costs of the Programme, or if any Party becomes aware of the action of any third party, which threatens to affect adversely the progress of the Programme, or the reasonable expectations of either Party hereunder.
- 2.6 The direction of the Programme shall be vested in the Joint Committee, which shall be advised by the HoR Working Group, which shall carry out its role in accordance with its Constitution and Functions.
- 2.7 The planning, and overall management of the Programme, including initial appraisal of Project proposals shall be vested in the HoR Working Group. The Constitution and Functions of the HoR Working Group are set out in Schedule 1. Without prejudice to the generality of the foregoing, the matters set out in Schedule 1 shall only be agreed by the HoR Working Group.
- 2.8 The final decision making on Project Approval, including material changes to approved Projects, shall be vested in the Black Country Executive Joint Committee. Material changes are variations to a Project that change the nature, outcome or objectives of a Project, for the avoidance of doubt material variations are outlined in the Black County Local Assurance Framework, Appendix 25.
- 2.9 Where a Material Change in Circumstances occurs after a Project has been approved by the Joint Committee, the Joint Committee must be advised of that Material Change in Circumstances as soon as practicable, after the Lead Authority for a Project becomes aware of the Material Change in Circumstances.
- 3. Appointment to Roles**
- 3.1 Following instructions received from central Government in 2019, the Black County Local Enterprise Partnership (BC LEP) is required to appoint a Single Accountable Body, effective from February 2020. The Joint Committee will be required to approve the appointment of one of the Authorities into the role of the Single Accountably Body.
- 3.2 Working with or to the Single Accountable Body, it may be required to appoint a Lead Authority to deliver agreed projects and/or activities. This appointment will require approval by both the Black County Local Enterprise Partnership (BC LEP) and the Joint Committee.
- 3.3 Where the Single Accountably Body and Lead Authority are one and the same, the respective duties of those roles, as defined in this Agreement, agreed by the Joint Committee, or otherwise set out in a Joint Committee approved Project Business Case, shall be concurrent.
- 3.4 The Joint Committee will, with the agreement of the Single Accountable Body, decide how the Single Accountable Body will recover the costs associated with the implementation of the Projects. Except as specifically agreed between the Parties, the cost of all officer time and

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resources necessary to perform the role of Single Accountable Body shall be met from the funding available and not from the budgets of the Parties to this Agreement.

### 4. Project Approval

- 4.1 Project proposals shall be worked up by the Parties to this Agreement, for the avoidance of doubt, any Project proposal put forward by the Parties can be a Project proposal initiated by a third Party. Where such a Project proposal is initiated by a third Party the Project proposer must detail the third Party who intuited the Project proposal.
- 4.2 The process for Project proposals shall be:
- 4.3 All project proposals will follow / meet the requirements of the central Government National Assurance Framework, as articulated through the Black Country Local Assurance Framework. As the Government amends or places additional duties or responsibilities, these will be reflected in the Local Assurance Framework and must be adhered to by all parties to this Agreement.
- 4.4 Project proposals and Business cases will be submitted in accordance with the Black Country Local Assurance Framework as part of the decision making process and governance arrangements.
- 4.5 Each Project will have a designated (Sponsoring) Senior Project Officer and a proposed Lead Authority for preparing and for approval and submission of the Business Case to the Joint Committee. HoR Working Group will ensure that the Programme and all projects recommendations are reviewed and approved by their own Council's Portfolio Holders for Regeneration and that the projects recommendations within their geographical area are reviewed and approved via consultation process by relevant officers (including legal and finance) in their respective authorities.
- 4.6 Where agreement of the HoR Working Group is given for the submission of Business Case in a form of a project report to the Joint Committee, BCC shall present the Business Case to the Joint Committee for approval. This will be in the format agreed by the Joint Committee and where required presentation of the report shall be supported by the relevant Head of Regeneration/Senior Responsible Officer from the Local Authority. For the avoidance of doubt, the final decision on the status of any Project is at the point of Project approval by the Joint Committee.
- 4.7 The above stages enable the appropriate approval bodies to approve or reject a project to move to the next stage in the lifecycle. All projects within the cycle will move through the same Project Lifecycle and Stage Gates as outlined in the Black Country Local Assurance Framework, leading up to final Project approval by the Joint Committee.

### 5. Project Management

- 5.1 When appointed Single Accountable Body or Lead Authority, the relevant Authority will assign a member of staff to the role of Project Manager and provide sufficient support to officers to ensure delivery of the Programme and the Projects.
- 5.2 The Lead Authority shall be responsible for writing and submitting updates and progress reports jointly with BCC as set out in the Business Case and in any event as requested by the HoR Working Group and Joint Committee. For the avoidance of doubt, the Lead Authority for any Project will send its relevant Executive Director or his representative to all meetings at which the Projects for which they are Lead Authority are being considered.

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- 5.3 The Parties set up a HoR Working Group in accordance with Schedule 1 and the role of the HoR Working Group is as set out in Schedule 1. Notwithstanding, anything contained within this Agreement and the Schedules, the Parties role at the HoR Working Group will be to have overall operational responsibility for the implementation of the Programme and all of its elements.
- 5.4 The Governance Principles for the Enterprise Zones, Schedule 5, sets out the principles and a framework for managing and monitoring the Black Country Enterprise Zone Programme, including: the process for the collection, distribution and monitoring of the business rates and business rates surpluses; collaborative working between the Local Authorities, including joint working on the Financial Model and roles and responsibilities; prioritisation of costs to be funded from business rates; and principles of borrowing and payback.
- 5.5 Unless agreed otherwise with central Government and subject to at all times compliance with UK procurement law requirements, all procurement of goods, works and/or services needed for or in the delivery of Projects shall be procured in accordance with the Lead Authorities constitution and in particular contract and/or procurement rules.
- 5.6 The Parties roles and responsibilities in relation to the Programme's, the Joint Committee and/or the HoR Working Group as set out in this Agreement shall be carried out by personnel of the Parties and no charge shall be made to the Programme in respect of costs except for where costs have been agreed to claimed by a Party either as part of an approved Business Case and/or by the Joint Committee at any time.
- 5.7 The Single Accountable Body Programme Manager will be responsible for arranging the HoR Working Group meetings, their agenda, minuting decisions, and will be responsible for providing written updates to HoR Working Group and Joint Committee on the progress of specific Programme tasks and Projects as appropriate.
- 5.8 The Parties agree that they shall ensure officers attend Programme/ Project meetings, as appropriate, as set out in the Black Country Local Assurance Framework to enable management of the Programme, projects and the Deal effectively.

### 6. Project Audit and Claw-back

- 6.1 Each Party shall be responsible for ensuring compliance with all financial requirements imposed under any grant terms imposed by central Government for any element of the Programme or Project for which they are the Lead Authority.
- 6.2 At all times each Party will be responsible for ensuring that adequate audit arrangements are in place for any element of the Programme or Project for which they are the Lead Authority including providing free and unfettered access to all information and documentation in relation to the Programme and/or Project for which they are the Lead Authority.
- 6.3 Each Party agrees to give the Single Accountable Body and Lead Authority unrestricted and unfettered access to all information and documentation in relation to any element of the Programme and/or Project for which they are the Lead Authority, including providing copies of any such information and/or documentation free of charge.
- 6.4 In the event of any irregularity of any expenditure declared by any, the auditor of a Party or the Single Accountable Body's auditor, that Party shall be liable in respect of such irregularity and shall be required to repay to the Single Accountable Body any amounts unduly paid.

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- 6.5 Subject to Clause 6.4, and unless agreed otherwise by the Joint Committee, the Parties agree that in the event that any monies are clawed back from the Single Accountable Body by central Government as the Single Accountable Body pursuant to any Funding Agreement, then all of the Parties will:
- 6.5.1 Take all reasonable steps to mitigate the amount of monies clawed back from the Single Accountable Body; and
  - 6.5.2 Where there is an administrative irregularity by the Single Accountable Body or Lead Authority declared by an auditor of a Party and accepted by the Joint Committee, the Parties shall meet the costs of the claw-back in the same proportion to the programme funding that has been expended within their administrative area.
  - 6.5.3 Where fault is proven or accepted, the Party / Parties concerned will be responsible for meeting all costs associated with the claw-back and / or costs incurred by the Single Accountable Body.

### 7. General Obligations

- 7.1 The Parties agree that they will be bound by the terms of any funds secured by the Black Country Local Enterprise Partnership Funding Agreement(s) entered into by the Single Accountable Body or Lead Authority as if they had entered into the agreement in so far as the actions of a Party causes or Leads to a breach of the Funding Agreement by the Single Accountable Body or Lead Authority.
- 7.2 The Parties agree that they shall be required to comply directly with the terms of any Grant Agreement if they are a recipient of any funding derived from the Funding Agreement.
- 7.3 The Parties agree to assist, co-operate and comply with the Monitoring Procedures and will work together to resolve or rectify any errors or irregularities identified during the Monitoring Procedures or otherwise.
- 7.4 Each Party shall be liable for any cost implications or irregularities or errors attributable primarily to it and identified during any Monitoring Procedures.
- 7.5 Each Party indemnifies the others against all claims, liabilities, costs, expenses, damages or losses suffered by the others arising out of the negligence, default or breach by such Party of this Agreement or the Grant Agreement, and each Party shall be responsible for maintaining sufficient insurance where available in respect of such liabilities under this Agreement.
- 7.6 Each Party shall at all times take all reasonable steps to minimise and mitigate any loss for which the relevant Party is entitled to bring a claim against another pursuant to this Agreement.

### 7A. Rights of the Single Accountable Body

- 7A.1 Where the Single Accountable Body enters into a grant agreement with a Third Party, the Single Accountable Body will require formal security in the form of a legal charge, mortgage, performance bond or similar as it considers fit and prudent.
- 7A.2 Where a Lead Authority either
  - (a) enters into a Grant Agreement with the Single Accountable Body, or

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- (b) agrees in writing to indemnify a Third Party project due to their inability to meet security requirements as per 7A.1,

the Lead Authority agrees to indemnify the Single Accountable Body against all claims, liabilities, costs, expenses, damages or losses suffered by the Single Accountable Body arising out of the negligence, default or breach by either the Lead Authority or the Third Party in respect of the Grant Agreement.

7A.3 such an indemnity shall, for the avoidance of doubt, apply where:

7A.3.1. the Lead Authority or the Third Party indemnified by the Lead Authority has failed to repay all or any of the grant funding upon demand within fourteen days of being requested by the Single Accountable Body to make such repayment, in circumstances including (but not limited to) a breach of the grant agreement;

7A.3.2 where there has otherwise been a claw-back (or demand for claw-back) made by central Government to the Single Accountable Body in respect of all or any part of the grant funding.

7A.4 Where any grant for capital expenditure is time limited, the Lead Authority will make any such payment (as set out in clauses 7.A.2 and 7A.3.) if they or the Third Party have failed to demonstrate and evidence by the End Date of such grant that it is highly probable that a Fixed Asset will be delivered and meets Accounting Standards for Capitalisation. The minimum evidence requirements to avoid repayment pursuant to this clause would be a full business case, approved by all the funders of the Project, including the evidence of any required match funding.

7A.5 The Lead Authority understands and agrees that the Single Accountable Body will be entitled to satisfy any such sums demanded from them or Third Parties under clause 7A by offsetting the amount of such sums against any payments due whatsoever from the Single Accountable Body to the Lead Authority.

7A.6 Where any grant is in excess of a monetary threshold (*to be advised by the Single Accountable Body*) clauses 7.A2 to 7.A5 will be set out in a Side letter to be signed by the Section 151 Officer and Chief Executive of the other Party to confirm that they understand the obligations of this Agreement. Such a Side letter will be appended as a Schedule to any grant agreement to which this Clause applies.

### **7B National Local Growth Assurance Framework, the Black Country Local Assurance Framework and the Section 151 Officer**

7B.1 All parties to this agreement agree to adhere in full to all elements of the Government's National Local Growth Assurance Framework, as administered by the Ministry of Housing Communities and Local Government that apply to the Black Country Local Enterprise Partnership.

7B.2 The requirements of the National Local Growth Assurance Framework have been taken as the basis of and have been articulated within the Black Country Local Assurance Framework. All parties to this agreement will at all times comply with the requirements, processes and procedures as set out within the Black Country Local Assurance Framework, together with all / any amendments subsequently approved by the Black Country Local Enterprise Partnership.



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- 7B.3 The Local Authority appointed as the Local Enterprise Partnership's Single Accountable Body will ensure that their Section 151 Officer understands, and delivers / ensures the delivery of the roles and principles as set out within the Chartered Institute of Public Finance & Accountancy (CIPFA), Principles for Section 151 Officer in accountable bodies working with local enterprise partnerships document, including any future revisions or adaptations.
- 7B.4 All parties to this agreement will ensure that they fully understand what's expected of them in relation to meeting these Section 151 Officer requirements, and will work collaboratively with the appointed Single Accountable Body to achieve them.
- 7B.5 The receipt of funding from the Black Country Local Enterprise Partnership requires full compliance with the National Local Growth Assurance Framework, the Black Country Local Assurance Framework and the requirements of the Single Accountable Bodies Section 151 Officer, failure to meet these requirements will place all funding, approved and planned at risk of being placed on hold or being withdrawn or reclaimed by the LEP.

### 8. Scrutiny of Joint Committee decisions

- 8.1 As and when required, by an Overview and Scrutiny Committee or Board or an Audit Committee of any Party, the member of the Joint Committee for the Authority, whose Overview and Scrutiny Committee or Board or Audit Committee has instigated an investigation, shall take the lead responsibility for accounting for the activities of the Joint Committee to the Overview and Scrutiny Committee or Board or Audit Committee, and shall attend such meetings of those committees of its Authority as necessary.
- 8.2 The Parties shall liaise and co-operate at all times with the Authority whose Overview and Scrutiny Committee or Audit Committee have made requests for information and/or reports and use all reasonable endeavours to assist that Authority in responding to such requests, but for the avoidance of doubt, no Party, its officers or members shall be required to attend the Overview and Scrutiny Committee or Board or an Audit Committee of any other Party.

### 9. Documentation

The HoR Working Group will produce the initial drafts of the standard documentation for the Programme for approval by the Joint Committee, and will ensure that the Programme and all projects recommendations are reviewed and approved by their own Council's Portfolio Holders for Regeneration and that the projects recommendations within their geographical area are reviewed and approved via consultation process by relevant specialist officers (including finance and legal) in their respective authorities.

### 10. Confidentiality

- 10.1 Each Party shall use all reasonable endeavours to keep in strict confidence, and shall bind all its employees and agents to keep in strict confidence, all commercial and technical information in whatever form acquired by it (whether directly or indirectly) concerning another Party in consequence of this Agreement (hereinafter called Confidential Information). No Party shall save, as hereinafter provided, use or disclose any such Confidential Information other than for the purposes of the Programme or as expressly permitted by this Agreement. The foregoing restriction shall not apply to:
- 10.2 Information which at the time of disclosure is generally available to the public,

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- 10.3 Information which the Parties obliged to release under the provisions of the Freedom of Information Act 2000,
- 10.4 Information which after disclosure becomes generally available to the public through no fault of the receiving Party,
- 10.5 Information which the receiving Party can show was in its possession prior to the disclosure and which was not acquired directly or indirectly from the other Party, and
- 10.6 Information which the receiving Party can show was received by it after the time of disclosure from any Party without any obligation of confidentiality and which was not acquired directly or indirectly from the other Party,
- 10.7 The confidentiality obligations set out in this clause shall survive for a period of five (5) years after the termination of the Programme,
- 10.8 Each Party shall impose the same confidentiality obligations set out in this clause 9 upon its affiliates, consultants and other third parties who are in association with it and may have access to any Confidential Information during the term of this Agreement.

### **11. Intellectual Property**

The Parties agree that all Intellectual Property Rights relating to the Programme shall, unless otherwise agreed in writing, belong to the Parties jointly, and that the Parties will use all reasonable endeavours to ensure that each receive appropriate rights to any Intellectual Property Rights created during and relating to the Programme.

### **12. Warranties**

- 12.1 Each Party warrants to the other Parties that:
- 12.2 It has the necessary right and authority to enter into this Agreement,
- 12.3 The signatories hereto for and on behalf of that Party are authorised and fully empowered to execute this Agreement on that Party's behalf.

### **13. Force Majeure**

- 13.1 If any Party is affected by Force Majeure it shall forthwith notify the other Parties of the nature and extent thereof.
- 13.2 No Party shall be deemed to be in breach of this Agreement, or otherwise be liable to the other, by reason of any delay in performance, or the non-performance, of any of its obligations hereunder, to the extent that such delay or non-performance is due to any Force Majeure of which it has notified the other Parties, and the time for performance of that obligation shall be extended accordingly.
- 13.3 If the Force Majeure in question prevails for a continuous period in excess of three months, the Parties shall enter into bona fide discussions with a view to alleviating its effects, or to agreeing upon such alternative arrangements as may be fair and reasonable.

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### 14. Duration and termination

- 14.1 The provisions of this Agreement shall come into force on the Commencement Date and, subject to the provisions of clause 14.2, shall continue in force until the completion of the Programme(s) objective and outputs within the Deal.
- 14.2 A Party may only withdraw from this Agreement by three month's written notice to the others Parties and the Joint Committee if the Party has not received funding or the benefit of funding under the Deal within their administrative area and/or the Programme and or the Deal is terminated.
- 14.3 In the event of any one or more Party giving notice to terminate this Agreement then the Joint Committee shall meet within one month of the service of any such notice of termination for the purposes of preparing an implementation plan for the termination. The Parties shall each act reasonably in co-operating with each other to facilitate the termination and the Party giving notice of termination (or if there is more than one such Party then each of them in equal shares) shall bear all costs arising out of or in connection with such termination and shall indemnify the remaining Parties against all costs and expenses incurred or to be incurred by them arising out of or in connection with that termination
- 14.4 No relaxation, forbearance, delay or indulgence by any Party in enforcing any of the terms of this Agreement or the granting of time by any Party to any other shall prejudice, affect or restrict the rights and powers of that Party in relation to the other, nor shall any waiver by any Party of a breach of this Agreement be considered as a waiver of any subsequent breach of the same or any other provision.
- 14.5 The rights to terminate or withdraw from this Agreement given by this clause 14 shall not prejudice any other right or remedy of any Party in respect of the breach concerned (if any) or any other breach.

### 15. Variation

The Joint Committee shall from time to time review the operation of this Agreement and implementation of the Programme(s) and or the Deal. The Joint Committee shall make proposals to the Parties for any changes which seem to the Joint Committee to be reasonable and appropriate in the circumstances which shall be dealt with by a Deed of Variation appended to this Agreement.

### 16. Publicity and Public Relations

The Parties shall co-operate and consult with each other in respect of any matter involving public relations in so far as reasonably practicable having regard to the nature and urgency of the issue involved. The Parties acting through the Joint Committee may agree protocols for the handling of public relations from time to time.

### 17. Disputes

- 17.1 If any dispute arises between the Parties arising out of the provisions of this Agreement, the Parties shall endeavour to resolve the dispute by agreement as quickly as possible, but if the dispute has not been resolved within ten (10) Working Days, then either Party may request the others to participate in a meeting of their Chief Executives. The Parties in dispute shall exchange statements at least three (3) clear Working Days prior to the date of the meeting, setting out their respective views of the disputed issues. If the Chief Executives do agree a strategy for the

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resolution of the dispute, the Parties shall then liaise in good faith to arrange and implement the strategy for resolution within ten (10) Working Days of the meeting.

- 17.2 If notwithstanding any steps taken by the Parties pursuant to clause 17.1, the dispute between them remains unresolved then at the request of any Party it shall be referred (in the absence of any express provision to the contrary) to an Independent Person appointed jointly by the Parties.
- 17.3 The Independent Person is to have at least 10 years relevant post qualification experience and his/her identity shall be agreed between the Parties.
- 17.4 If the Parties cannot agree on the Independent Person's identity, the Independent Person is to be appointed at the request of any of the Parties by the president or chairman for the time being of whichever of the following bodies is most appropriate having regard to the nature of the dispute:
- 17.5 The Royal Institution of Chartered Surveyors;
- 17.6 The Institute of Chartered Accountants in England and Wales; or
- 17.7 The Law Society of England and Wales.
- 17.8 The Independent Person is to act as arbitrator in accordance with the Arbitration Act 1996 and the costs of the arbitration shall be payable by the Parties in the proportions determined by the Independent Person unless agreed otherwise the default position being as determined under the Arbitration Act 1996.
- 17.9 Where costs of the Independent Person remain unpaid by the Party liable to pay them pursuant to this clause, the other Parties or any of them may discharge those costs and recover the sum so paid from the defaulting Party as a debt on written demand.

### 18. Priority of documents

- 18.1 In the event of any inconsistencies between the terms of this Agreement and its Schedules the Parties are the following order of priority of documents:
- 18.1.1 This Agreement;
- 18.1.2 The Constitution and Terms of Reference of the Black Country Executive Joint Committee;
- 18.1.3 The Constitution and Functions of the HoR Working Group.

### 19. Complaints

In the event of a complaint about a Project being received, the Lead Authority for that Project will manage the complaint and shall report regularly as necessary upon the complaint and in any event at the conclusion of the complaint.

### 20. Local authority powers

Nothing in this Agreement shall prejudice or affect any of the statutory rights powers obligations and duties for the time being vested in the Parties.

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### 21. Notices and service

- 21.1 Any notice or other information required or authorised by this Agreement to be given by any Party to the other Parties shall be given by:
- 21.2 Delivering the same by hand,
- 21.3 Sending the same by pre-paid registered post, or
- 21.4 Sending the same by facsimile transmission,
- 21.5 To the other Party or Parties at the address given at the beginning of this Agreement or such other address as has been notified to the Parties in writing.
- 21.6 Any notice or information sent by post in the manner provided by clause 21.1, which is not returned to the sender as undelivered, shall be deemed to have been given on the second day after the envelope containing it was posted, and proof that the envelope containing any such notice or information was properly addressed, pre-paid, registered and posted, and that it has not been returned to the sender, shall be sufficient evidence that the notice or information has been duly given.
- 21.7 Any notice or information sent by facsimile transmission shall be deemed to have been duly given on the date of transmission, provided that a confirming copy is sent to the other Party or Parties at the appropriate address within.

### 22. Freedom of Information

- 22.1 The Parties acknowledges that they are subject to the requirements of the code of practice on access to Government information, the Freedom of Information Act 2000 ("FOIA") and the Environmental Information Regulations ("EIR") and shall assist and cooperate with each other to enable the Parties to comply with their information disclosure obligations.
- 22.2 The Parties shall provide all necessary assistance as reasonably requested by the other Parties to enable the other Parties to respond to any requests for information that falls under the FOIA or EIR and is related to the Project ("Request for Information") within the time for compliance set out in section 10 of the FOIA or regulation 5 of the EIR.
- 22.3 The Party who received the initial Request for Information shall be responsible for responding to the initial request and determining in its absolute discretion and notwithstanding any other provision in this Agreement or any other agreement whether any information is exempt from disclosure in accordance with the provisions of the code of practice on access to Government information, FOIA or the EIR.
- 22.4 The Parties shall ensure that all information produced in the course of this Agreement is retained for disclosure and shall permit the other Parties to inspect such records as requested from time to time.

### 23. Data Protection Legislation

With respect to the parties' rights and obligations under this Agreement, the Parties agree to each comply with the obligations imposed on them by the Data Protection Legislation and to ensure that Personal Data (as defined in the Data Protection Legislation) is processed only in

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accordance with their own policies on data protection, information security and retention of personal data to comply with their obligations under the Data Protection Legislation.

### 24. Equality Act 2010

The Parties agree to each comply with the obligations imposed on them by the Equality Act 2010.

### 25. General

- 25.1 This Agreement is personal to each of the Parties and no Party may assign, mortgage, charge or (except as otherwise provided in this Agreement) license any of its rights hereunder, or sub-contract or otherwise delegate any of its obligations hereunder, except with the written consent of all the other Parties.
- 25.2 Nothing in this Agreement shall create or be deemed to create a partnership or the relationship of principal and agent, between the Parties.
- 25.3 The Parties will act in good faith towards each other in relation to the Deal and in achieving the Objectives and Outputs of the Programme and in complying with this Agreement and the Funding Agreement.
- 25.4 If any provision of this Agreement is held by any competent authority to be invalid or unenforceable in whole or in part, this Agreement shall continue to be valid as to the other provisions thereof and the remainder of the affected provision.
- 25.5 This Agreement, the Funding Agreement and the documents referred to in it, constitutes the entire agreement and understanding of the Parties and supersedes any previous agreement between the Parties relating to the subject matter of this Agreement.
- 25.6 All of the Parties acknowledge and agree that in entering into this Agreement, and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether Party to this Agreement or not) other than as expressly set out in this Agreement. Nothing in this clause shall, however, operate limit or exclude any liability for fraud.
- 25.7 All payments by any Party pursuant to this Agreement are exclusive of any applicable Value Added Tax (VAT), except where expressed to the contrary, and if any such VAT is payable, the Party in question shall be additionally liable for such tax, which shall accordingly be shown on the relevant VAT invoice.
- 25.8 No variation to this Agreement or of any of the documents referred to in it shall be valid unless it is in writing and signed by and on behalf of all of the Parties.
- 25.9 Every Party shall from time to time do all such acts and execute all such documents as may be reasonably necessary in order to give effect to the provisions of this Agreement.
- 25.10 The Parties shall bear their own costs of and incidental to the preparation, execution and implementation of this Agreement.
- 25.11 The Parties do not intend that any of this Agreement should be enforceable pursuant to the Contracts (rights of Third Parties) Act 1999 by any person who is not a Party to this Agreement.

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25.12 This Agreement shall be governed by and construed in accordance with the laws of England and Wales.

SIGNED by or on behalf of the Parties on the date which first appears in this Agreement.

## SCHEDULE 1 Constitution and Functions of the Heads of Regeneration Working Group

The Black Country Heads of Regeneration Working Group (HoR Working Group) will oversee the delivery of the programme making key recommendations to the Black Country Executive Joint Committee (BCJC)

### CONSTITUTION

1. The HoR Working Group shall comprise of:

**Decision making (voting) membership:**

- 4 Relevant Directors<sup>1</sup> (or their nominated proxy).

**Adviser/support membership (none decisions making members):**

- Joint Committee Programme Manager;
- BC Transport Director;
- Single Accountable Body Officers;
- BCC Ltd Officers;
- BC LEP representatives;
- Regeneration Managers;
- Other officers as appropriate.

2. The HoR Working Group shall at its Annual Meeting (AGM, held in line with the start of municipal year) elect a Chair from among its voting members. In the event of the Chair being absent from the meeting, the HoR Working Group shall elect a Chair from amongst the voting members present for that meeting. Only a full voting member is entitled to be elected as a Chair of the Group.

3. The voting members can nominate an alternate member (nominated proxy) to attend on their behalf, who will for that meeting be considered a voting member, but may not chair the Group.

4. Two voting members shall constitute a quorum.

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<sup>1</sup> Directors of Regeneration, Environment/Housing (CWC); Director of Regeneration & Enterprise (DMBC); (Interim) Director Regeneration and Growth (SMBC); Executive Director Economy, Environment and Communities (WMBC).



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5. All questions shall be decided by a majority of the votes of the voting members present, the Chair having the casting vote in addition to his/her vote as a member of the Group.
6. The HoR Working Group shall meet as agreed at AGM and set the forthcoming year's timetable of meetings.
7. A meeting of the HoR Working Group may also be convened by the Chair within 14 days of the receipt of a requisition of voting member of the group. All requisitions shall be in writing and no business other than that specified in the requisition shall be transacted at such a meeting. However, in cases of genuine urgency a meeting may be convened at any time by the Chair, upon 5 working days of notice to all members of the Group.
8. Should urgent items occur that require immediate decisions, the Chair may through the appropriate mediums (phone, email, etc.) contact the voting members and agree a decision, which must be confirmed in writing by each voting members contacted as soon as possible and discussed at the next scheduled meeting date.
9. The HoR Working Group shall from time to time appoint such sub-Working Groups to consider and deal with any of the functions of the Group as may be thought desirable. Membership of which is determined by the HoR Working Group.
10. The HoR Working Group Secretary shall be Walsall Council, and all meetings of the Group shall take place at Walsall Council, unless agreed otherwise by the Chair.
11. The role of the Secretary shall include:
  - i. Preparing the agenda and submitting reports prepared by the Black Country Consortium Ltd Programme Management Office (BCC Ltd PMO) either of the Black Country Local Authorities' or other bodies to the Group and minutes of the meetings.
  - ii. Arrangements for recommendations from the Group, including supporting reports and Consultation Sheets, to the BCJC.
12. Members of the HoR Working Group or sub- Groups that are representatives appointed by a Black Country Local Authority must comply with their own Council's Code of Conduct.

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13. Members of the HoR Working Group or sub-Groups with Conflicts of Interest must comply with the following rules:

- a. A conflict-of-interest arises where any decision potentially gives direct commercial or financial payment or benefits to:
  - a. you,
  - b. a close member of your family,
  - c. an organisation that you are either:
    - i. are employed by or hold office with or
    - ii. in which you own more than 10% of the issued share capital
- b. a conflict-of-interest as set out in situations above does not arise in relation to any business regarding allocation of funding streams or Projects to be allocated to or benefit the area of any of the four Black Country Local Authorities.
- c. Upon a conflict-of-interest arising:
  - i. in the case of a voting member that member must declare an interest and not vote, but may remain in the room to make representations;
  - ii. in the case of non-voting members that member must declare an interest but may remain in the room to make representations.

14. Gifts and Hospitality policy for elected members attending the group meeting will be the same as that of their own Black Country Local Authority. For non-elected voting members, they should declare any gifts or hospitality that has a value over £25, which may be seen as related to their role on the HoR Working Group and or any specific scheme, Project or funding stream.

15. The HoR may invite external visitors to attend meetings; this can be for an individual meeting to make, for example, a presentation, or for a number of meetings against a theme of work commissioned, etc. Visitors can take part in the debates associated with the agenda items for which they are invited, but not for the remainder of the meeting, unless invited to do so by the Chair. Visitors can not take part in any voting and must declare any Conflicts of Interest on joining the meeting.

## **FUNCTIONS**

### **Functions of the Heads of Regeneration Working Group:**

1. To manage the Programme(s) on an operational basis.
2. To manage promotion of the Programme(s).
3. To lead the Consultation on the funding proposals and projects recommendations with their own Council's Portfolio Holder for Regeneration.
4. To ensure alignment between decision making on all funds secured by the BC LEP and decisions on other areas of policy such as land use, transportation, economic development and wider regeneration with the LEPs. Ensuring that business views are taken on board and that LEP growth plans are reflected in strategic priorities.
5. To act as a strategic advisory body; reviewing and recommending objectives for strategic investment across the Black Country in relation to all funds secured by the BC LEP including:
  - a. Providing a coherent single position on the major strategic issues for the funds secured by the BC LEP;
  - b. Formulating proposals for allocation of spending;
  - c. Formulating proposals for major priorities;
  - d. Considering and agreeing recommendations made by BC LEP;
  - e. Recommending Lead and/or Single Accountable Body status for a body or organisation;
  - f. Referring final recommendations from the HoR Working Group as to items a) to e) above to the BCJC for formal approval.
6. To agree the timeline for delivery of the implementation of the Programme(s), monitor progress and ensure that the key milestones are achieved.
7. Review and approval of reports with supporting Project Business Cases/Initial Proposals as necessary and provide recommendations to the BCJC in the form of a report.

## Appendix 6

8. To devise, oversee, manage and monitor the Programme(s) and elements of it generally and specifically review and evaluate on a regular basis ongoing individual Projects progression and delivery against the Business Case for the Project, including any key miles stones, financial spend and compliance with any central Government/ WMCA grant terms.
9. To identify and manage risk for the Programme(s) and individual Projects.
10. To ensure appropriate financial management is in place and complies with any government grant terms, EU (Withdrawal) Act 2018 and UK law, and accounting good practice.
11. To receive from Lead Authorities as appropriate detailed updates on Projects in accordance with the timescales set out in the Business case or otherwise as necessary, and Provide written updates along with appropriate recommendations on the progress of the specific Projects as necessary.
12. To advise the BCJC in relation to all funds secured by the BC LEP, i.e. capital expenditure programmes and potential programs, and ensuring policy and programmes are delivered effectively through partners.
13. Executive Directors will ensure that the Project Register on Verto is undertaken by officers, in their respective authorities, setting out Project details including, Project Authority, Project Authority Project Lead officer, Project Objectives, funding amount, Key dates, specific tasks/targets that need to be delivered to ensure Project success, Project key risks and mitigation measures in place, any relevant cut of date for funding spend and latest Project position.
14. Executive Directors will ensure that the Project Register is kept fully up-to-date by officers, in their respective authorities, who are responsible for leading on the Projects for which their Authority is the Lead Authority.
15. Executive Directors will ensure that the programme(s) and all projects recommendations are reviewed and approved by their own Council's Portfolio Holders for Regeneration via consultation process and ensure that any concerns, feedback or queries are raised and if possible resolved at the HoR Working Group meeting.
16. Executive Directors will ensure that the projects recommendations within their geographical area are reviewed and approved via consultation process by relevant officers (including legal and finance) in their respective authorities.



**SCHEDULE 2 BC LEP Initial Proposal and Full Business Case Templates**

**Delivering the Black Country Strategic Economic Plan**



**Initial Proposal** - For all Projects requesting Black Country LEP funding

|   |                      |                          |                               |               |
|---|----------------------|--------------------------|-------------------------------|---------------|
| <b>Project Name:</b>  |                      |                          |                               |               |
| <b>1. Applicant Details:</b>  |                      |                          |                               |               |
| <b>Applicant/Lead contact:</b>  |                      | <b>Position:</b>         |                               |               |
| <b>Applicant/Lead Organisation:</b>   |                      |                          |                               |               |
| <b>Phone number:</b>  |                      | <b>Email address:</b>    |                               |               |
| <b>Postal Address:</b>  |                      |                          |                               |               |
| <b>Registration No:</b>   |                      |                          |                               |               |
| <b>Project Sponsor:</b>   |                      |                          |                               |               |
| <b>Project SRO / SSRO (Senior Responsible Officer)</b>  |                      |                          |                               |               |
| <b>Local Authority area (please highlight)</b>  | Dudley               | Sandwell                 | Walsall                       | Wolverhampton |
| <b>Have you, or any associated organisations, previously delivered projects using or having been awarded public sector funding?</b>     |                      |                          |                               |               |
| <b>If yes, please provide details</b>   |                      |                          |                               |               |
| <b>2. What opportunity or barrier will this investment unlock?</b>  |                      |                          |                               |               |
| <i>Explain the strategic ambition and how this bid will support delivery of that ambition. What are the key drivers for investment?</i> |                      |                          |                               |               |
| <b>3. Please highlight which of the SEP Growth Objective/s the project will contribute to:</b>  |                      |                          |                               |               |
| 1. New Jobs   |                      | 3. Land Remediated       |                               |               |
| 2. New Homes  |                      | 4. Commercial Floorspace |                               |               |
| <b>4. Please highlight which SEP theme(s) and strategic programme(s) the project will contribute to:</b>                                |                      |                          |                               |               |
| <b>Place Theme:</b>   | <b>People Theme:</b> |                          | <b>Competitiveness Theme:</b> |               |

## Appendix 6

|                                  |                                 |  |
|----------------------------------|---------------------------------|--|
| PL1. Sites & Premises            | P1. Skills for the supply chain | B1. Supply chain development including Innovation & Enterprise |
| PL2. Infrastructure              | P2. Skills Capital              | B2. Global Opportunities                                       |
| PL3. Housing                     | P3. Schools                     | B3. Access to Finance  |
| PL4. Local Distinctive Economies | P4. Upskilling                  |  |
| PL5. Environment                 |                                 |  |

### 5. How will this project unlock the specified SEP Growth Objectives?

*Demonstrate how the proposal is aligned to the at least one of the 12 strategic programmes and will contribute towards achieving these growth objectives, whether directly or by acting as an enabler for economic growth.*

### 6. What are the expected tangible Outputs/Outcomes to be realised?

*(Please profile Skills Outputs as per the financial year, NOT the academic year)*

| Outputs/Outcomes  | Metric    | Direct / Indirect | 2020/21 | 2021/22 | 2022/23 | 2023+ | Total |
|---|-----------|-------------------|---------|---------|---------|-------|-------|
| Businesses Assisted   | no.       |                   |         |         |         |       |       |
| Businesses Created  | no.       |                   |         |         |         |       |       |
| Skills – Learners assisted (exc. Apprenticeships)             | no.       |                   |         |         |         |       |       |
| Skills – Apprenticeships Starts                               | No.       |                   |         |         |         |       |       |
| Skills – Apprenticeships Completed                            | no.       |                   |         |         |         |       |       |
| Employment – Jobs Created (FTE)                               | no.       |                   |         |         |         |       |       |
| Employment – Jobs Safeguarded (FTE)                           | no.       |                   |         |         |         |       |       |
| Place – Houses Started  | Units     |                   |         |         |         |       |       |
| Place – Houses Completed                                      | Units     |                   |         |         |         |       |       |
| Place – Land Remediated                                       | Hectares  |                   |         |         |         |       |       |
| Place – New Employment floor space – [specify use class here] | Sq. metre |                   |         |         |         |       |       |
| Length of newly built roads                                   | Km        |                   |         |         |         |       |       |
| Length of resurfaced roads                                    | Km        |                   |         |         |         |       |       |
| Length of new cycle ways                                      | Km        |                   |         |         |         |       |       |
| Other (please specify)  |           |                   |         |         |         |       |       |

**Appendix 6**

| 7. Site Details   |                 |         |                             |       |       |
|---|-----------------|---------|-----------------------------|-------|-------|
| Location<br>(include full address and postcode)   |                 |         |                             |       |       |
| Overall Site Area (Ha)  |                 |         |                             |       |       |
| Ownership / Occupation  |                 |         |                             |       |       |
| Existing / Former Use   |                 |         |                             |       |       |
| Existing Condition  |                 |         |                             |       |       |
| Planning Status of Project  |                 |         |                             |       |       |
| Any Other Comments  |                 |         |                             |       |       |
| 8. For Learners Assists/Apprenticeships please specify the course offering and the level of learning supported<br>(Apprenticeships, specify the framework duration (years)) |                 |         |                             |       |       |
| Course Details  |                 |         | Level of Learning Supported |       |       |
|   |                 |         |                             |       |       |
|   |                 |         |                             |       |       |
|   |                 |         |                             |       |       |
| 9. Expected TOTAL Project Costs & Source of Funding<br><i>(Please insert full figures only, rounded to the nearest £)</i>   |                 |         |                             |       |       |
|   | % of Total Cost | 2020/21 | 2021/22                     | 2023+ | Total |
| Total Project Cost  |                 |         |                             |       |       |
| Applicant Own Funds   |                 |         |                             |       |       |
| Other Public Funds<br><i>specify</i>  |                 |         |                             |       |       |
| Private Sector Funds<br><i>specify</i>  |                 |         |                             |       |       |
| Funding Requested from BC<br>LEP - GRANT  |                 |         |                             |       |       |
| Total Project Value (if<br>site/property)   |                 |         |                             |       |       |
| If Grant funding is sought, explain why grant is required as opposed to a loan. (Less than 100 words)   |                 |         |                             |       |       |



**Appendix 6**

| <b>10. What will LEP Funding be spent on?</b><br><i>(Please provide a detailed cost breakdown)</i>  |                            |                |              |              |
|---|----------------------------|----------------|--------------|--------------|
| <b>Project Costs</b>  | <b>2020/21</b>             | <b>2021/22</b> | <b>2023+</b> | <b>Total</b> |
| <i>Example: Construction Costs</i>  |                            |                |              |              |
|   |                            |                |              |              |
|   |                            |                |              |              |
|   |                            |                |              |              |
|   |                            |                |              |              |
| <b>11. What are the main issues likely to derail the project?</b>   |                            |                |              |              |
| <b>Issues</b>   | <b>Means of Resolution</b> |                |              |              |
|   |                            |                |              |              |
|   |                            |                |              |              |
|   |                            |                |              |              |
|   |                            |                |              |              |
| <b>12. What are the main risks the Project will need to manage?</b>   |                            |                |              |              |
| <b>Risks</b>  | <b>Means of Managing</b>   |                |              |              |
|   |                            |                |              |              |
|   |                            |                |              |              |
|   |                            |                |              |              |
|   |                            |                |              |              |
| <b>13. Please indicate how your project complies with Subsidy Control Regulations without contravening the Subsidy Control Legislation</b>  |                            |                |              |              |
| <i>All applicants need to take steps to satisfy themselves that any BC LEP funding approved does not amount to unlawful Subsidy Aid. Further confirmation to this effect will be requested at the Full Business Case Stage. A declaration of compliance with UK Subsidy Control Regulations will be required prior to any BC LEP funding being provided. If your project is awarded funds from the BC LEP it will be subject to a condition requiring the repayment of any BC LEP funding in the event that the funding constitutes unlawful Subsidy.</i> |                            |                |              |              |
| <b>14. Any other Significant Constraints to deliver the Project not mentioned above</b>   |                            |                |              |              |

### 15. Submission Checklist

Please ensure that the following documentation is submitted with this application:

- Site Plan
- Title Certificate
- Key Milestones
- Project Team
- Measures of Success
- Planning Consent (where available)
- Scheme Plans (where available)
- Summary Development Appraisal (where available)

**For Site Investigation bids ONLY, please provide:**

- 3 quotations in support of cost of works for which funding is sought
- Stage 2 Due Diligence Checklist (BC LEP Accountable Body)
- Small Amounts of Financial Assistance Declaration (applicable for grants approx. £350,000)

### 16. Proposer Declaration

I confirm that I am authorised by my organisation to make applicants for funding and to make legally binding commitments on its behalf and that the information contained in this proposal is correct to the best of my knowledge.

I confirm that I/we have read the generic BC LEP conditions of Grant (Grant Agreement) and that I/we understand that our/my application will need to provide security to the Council, suggested security would be:

- A Charge over Land or Property
- Restriction on the registered title and possible a deed of covenant
- A charge over Bank Account
- Parent Company Guarantee / Underwriting agreement
- A Performance Bond

I/we also confirm that I/we understand the conditions of grant for Site Investigations/Development Studies, including the obligation to repay the Grant if we do not choose to deliver a scheme on the Site following the development/investigation phase.

I confirm I/we have read and understand the Due Diligence Checklist and that I/we agree to the following:

- Submission of all required organisational and financial information during Due Diligence;
- Completion and submission of a fully completed Due Diligence Checklist and supporting information at the same time as submission of a Full Business Case (FBC). I understand that I/we are completing this work at risk with no guarantee of funding.

I confirm that I/we have read and understood the Accountable Body's Monitoring, Compliance and Audit Framework and understand our obligation to provide the record-keeping and monitoring information require by the Accountable Body.

## Appendix 6

I confirm that I/we understand my/our obligations to procure services and goods in line with UK Procurement Rules.

I confirm that I/we have checked/been advised and are able to accept this grant without being in contravention to Subsidy Control rules.

**Data Protection** – Any Personal Data collected will be processed in accordance with our Privacy Policy available at [www.blackcountryconsortium.com](http://www.blackcountryconsortium.com) or provided on request.

I/we consent to Black Country Consortium, Local Enterprise Partnership and Black Country Councils processing of any personal data associated with this proposal for the purpose of processing the proposal and managing the proposal process.

|                 |  |
|-----------------|--|
| <b>Signed</b>   |  |
| <b>Name</b>     |  |
| <b>Position</b> |  |
| <b>Date</b>     |  |

## Delivering the Black Country Strategic Economic Plan



### Full Business Case (for Projects requesting Black Country LEP funding)

|                              |  |                       |  |
|------------------------------|--|-----------------------|--|
| <b>Project Name:</b>         | <b><i>[Insert project name here]</i></b> |                       |  |
| <b>1. Applicant Details:</b> |  |                       |  |
| <b>Project Sponsor:</b>      | (name and title)                         |                       |  |
| <b>Lead organisation:</b>    |  |                       |  |
| <b>Registration No:</b>      |  |                       |  |
| <b>Lead contact:</b>         |  | <b>Position:</b>      |  |
| <b>Phone number:</b>         |  | <b>Email address:</b> |  |
| <b>Postal address:</b>       |  |                       |  |
| <b>Project SRO / SSRO</b>    |  |                       |  |

## Appendix 6

|  |                 |                                 |                          |  |               |             |
|--|-----------------|---------------------------------|--------------------------|--|---------------|-------------|
| <b>(Senior Officer Responsible)</b>  |                 |                                 |                          |  |               |             |
| <b>Local Authority area</b><br>(please highlight)  | Dudley          | Sandwell                        | Walsall                  | Wolverhampton  |               |             |
| <b>Have you, or any associated organisations, previously delivered projects using or having been awarded public sector funding?</b>  |                 |                                 |                          |  |               |             |
| <b>If yes, please provide details</b>  |                 |                                 |                          |  |               |             |
| <b>What opportunity or barrier will this investment unlock?</b><br><i>(Provide the overall project information conveying what the project will do, highlighting the key drivers for investment)</i>  |                 |                                 |                          |  |               |             |
| <b>Please indicate which of the SEP Growth Objective/s the project will contribute to:</b>   |                 |                                 |                          |  |               |             |
| 5. New Jobs  |                 |                                 | 7. Land Remediated       |  |               |             |
| 6. New Homes   |                 |                                 | 8. Commercial Floorspace |  |               |             |
| <b>Please indicate which SEP theme(s) and strategic programme(s) the project will contribute to:</b>   |                 |                                 |                          |  |               |             |
| <b>Place Theme:</b>  |                 | <b>People Theme:</b>            |                          | <b>Competitiveness Theme:</b>                                  |               |             |
| PL1. Sites & Premises  |                 | P1. Skills for the supply chain |                          | B1. Supply chain development including Innovation & Enterprise |               |             |
| PL2. Infrastructure  |                 | P2. Skills Capital              |                          | B2. Global Opportunities                                       |               |             |
| PL3. Housing   |                 | P3. Schools                     |                          | B3. Access to Finance  |               |             |
| PL4. Local Distinctive Economies   |                 | P4. Upskilling                  |                          |  |               |             |
| PL5. Environment   |                 |                                 |                          |  |               |             |
| <b>How will this project unlock the specified SEP Growth Objectives?</b><br><i>(The bidder is required to demonstrate how the proposal is aligned to the at least one of the 12 strategic programmes and will contribute towards achieving these growth objectives, whether directly or by acting as an enabler for economic growth)</i> |                 |                                 |                          |  |               |             |
| <b>Expected TOTAL Project Cost &amp; Source of Funding</b>   |                 |                                 |                          |  |               |             |
|  | % of Total Cost | 2020/21<br>£m                   | 2021/22<br>£m            | 2022/23<br>£m  | 2023/24<br>£m | 2024+<br>£m |
| <b>Total Project Cost</b>  |                 |                                 |                          |  |               |             |
| <b>Applicants own funds</b>  | %               |                                 |                          |  |               |             |

**Appendix 6**

|   |                       |               |               |               |               |             |
|---|-----------------------|---------------|---------------|---------------|---------------|-------------|
| Other Public funds<br>(Specify)   | %                     |               |               |               |               |             |
| Private sector funds  | %                     |               |               |               |               |             |
| Funding requested from BC LEP -<br><b>LOAN</b>  | %                     |               |               |               |               |             |
| Funding requested from BC LEP -<br><b>GRANT</b>   | %                     |               |               |               |               |             |
| Total Project Value (if site /<br>property)   |                       |               |               |               |               |             |
| If Grant funding is sought, explain why grant is required as opposed to loan. (Less than 100 words)   |                       |               |               |               |               |             |
| What will LEP funding be spent on?  |                       |               |               |               |               |             |
| For the BCLEP element of the funding only, please specify the projected costs using summary spend areas. What will the grant be spent on?           |                       |               |               |               |               |             |
| Projects costs  | % of<br>Total<br>Cost | 2020/21<br>£m | 2021/22<br>£m | 2022/23<br>£m | 2023/24<br>£m | 2024+<br>£m |
|   |                       |               |               |               |               |             |
|   |                       |               |               |               |               |             |
|   |                       |               |               |               |               |             |
|   |                       |               |               |               |               |             |
|   |                       |               |               |               |               |             |
| What are the expected tangible Outputs/Outcomes to be realised?<br>(Please profile Skills Outputs as per the financial year, NOT the academic year) |                       |               |               |               |               |             |
| Outputs/Outcomes  | Metric                | 2020/21       | 2021/22       | 2022/23       | 2023/24       | 2024+       |
| Businesses Assisted   | no.                   |               |               |               |               |             |
| Businesses Created  | no.                   |               |               |               |               |             |
| Skills – Learners assisted<br>(exc. Apprenticeships)  | no.                   |               |               |               |               |             |
| Skills – Apprenticeships Starts   | no.                   |               |               |               |               |             |
| Skills – Apprenticeships<br>Completed   | no.                   |               |               |               |               |             |
| Employment – Jobs Created (FTE)   | no.                   |               |               |               |               |             |
| Employment – Jobs Safeguarded<br>(FTE)  | no.                   |               |               |               |               |             |

## Appendix 6

|  |           |  |  |  |  |  |
|--|-----------|--|--|--|--|--|
| Place – Houses Started                                 | Units     |  |  |  |  |  |
| Place – Houses Completed                               | Units     |  |  |  |  |  |
| Place – Land Remediated                                | Hectares  |  |  |  |  |  |
| Place – New Employment floor space [Specify Use Class] | Sq. metre |  |  |  |  |  |
| Length of newly built roads                            | Km        |  |  |  |  |  |
| Length of resurfaced roads                             | Km        |  |  |  |  |  |
| Length of new cycle ways                               | Km        |  |  |  |  |  |
| Other (please specify)                                 |           |  |  |  |  |  |

**For the outputs included above, please state whether they are direct outputs or indirect. If indirect, explain how the project is enabling the delivery of these outputs.**

*Example 1: The scope of the project is to purchase and install capital machinery for the training of apprentices and the up-skilling of existing employees. The Apprentices delivered are a direct output of the project.*

*Example 2: The scope of the project is remediation works to facilitate future development of the site to deliver 'x'sqm of office space. The creation of jobs connected to the delivery of office space are indirect outputs)*

### For Place (property & infrastructure projects only) - Site Details

|   |  |
|---|--|
| Location<br>(include full address and postcode) |  |
| Overall Site Area (Ha)                          |  |
| Ownership / Occupation                          |  |
| Existing / Former Use                           |  |
| Existing Condition                              |  |
| Planning Status of Project                      |  |
| Any Other Comments                              |  |

**9. For Learners Assists/Apprenticeships please specify the course offering and the level of learning supported.  
(For Apprenticeships specify framework duration in years)**

| Course Details | Level of Learning Supported |
|----------------|-----------------------------|
|                |                             |
|                |                             |
|                |                             |

**10. Main Issue (s) likely to derail the Project  
(These are the fundamental issues, raised as highest priority on the project Issue register that would prevent the project from delivering its objectives and intended outputs/outcomes)**

## Appendix 6

| Issues  |  | Means of Resolution |  |
|---|--|---------------------|--|
|   |  |                     |  |
|   |  |                     |  |
|   |  |                     |  |
| <b>11. What are the main risks the Project will need to manage?</b><br><i>(These are the fundamental risks, raised as high impact on the project Risk register that if they were to materialise could prevent the project from delivering its objectives and achieving intended outputs/outcomes)</i>   |  |                     |  |
| Risks   |  | Means of Managing   |  |
|   |  |                     |  |
|   |  |                     |  |
|   |  |                     |  |
| <b>12. Please indicate how your project complies with Subsidy Control Regulations without contravening the Subsidy Control Legislation</b>  |  |                     |  |
| <i>(All applicants need to take steps to satisfy themselves that any BC LEP funding approved does not amount to unlawful Subsidy Aid. Further confirmation to this effect will be requested at the Full Business Case Stage. A declaration of compliance with UK Subsidy Control Regulations will be required prior to any BC LEP funding being provided. If your project is awarded funds from the BC LEP it will be subject to a condition requiring the repayment of any BC LEP funding in the event that the funding constitutes unlawful Subsidy Aid.)</i> |  |                     |  |
| <b>13. Any other Significant Constraints to delivering the Project not mentioned above.</b>   |  |                     |  |
|   |  |                     |  |
| <b>14. Submission Checklist</b>   |  |                     |  |
| <b>(See Appendix J7 – Stage 1 Due Diligence Checklist)</b>  |  |                     |  |

## Introduction to the Project

| Section A: Introduction to the Project   |
|--|
| <b>Project Description: (50 words max)</b><br><i>(Short statement about what the project is targeting to achieve)</i>  |
| <b>Project Need &amp; Additionally:</b><br><i>(State the overall impact on GVA (Growth Value Add). GVA is the difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production.)</i> |

*GVA therefore measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom and is used in the estimation of GDP at regional and Sub-regional level)*

## Background to the Project

|  |   |
|--|---|
| <b>Section B: Background to Project Bid</b>                    |   |
| <b>Section B1: Status &amp; Progress to-date</b>               |   |
| <b>17. Present status of the Project. (approx. 100 words)</b>  |   |
| <b>18. Progress achieved prior to Bid. (approx. 300 words)</b> |   |
| <b>Section B2: Content of the Business Case</b>                |   |
| <b>Section C</b>   | Strategic case and fit to Strategic Economic Plan Themes  |
| <b>Section D</b>   | Economic case – Options Appraisal   |
| <b>Section E</b>   | Commercial case – External Procurement (if appropriate)   |
| <b>Section F</b>   | Financial Case – Financial Analysis of the recommended Option   |
| <b>Section G</b>   | Programme Management Case – Achievability of Project Components   |
| <b>Section H</b>   | Recommendation  |
| <b>Section I</b>   | <p>Appendices</p> <ul style="list-style-type: none"> <li>➤ Profile for each Output / Outcome</li> <li>➤ Detailed breakdown of Project Costs by month</li> <li>➤ Risk &amp; Issue Register</li> <li>➤ Project Plan / Development Programme</li> <li>➤ Stakeholder Map</li> <li>➤ Evidence of planning permission</li> <li>➤ Stage 1 Technical Due Diligence Checklist (applicable to land/property bids)</li> <li>➤ Stage 2 Financial Due Diligence Checklist</li> <li>➤ Small Amounts of Financial Assistance Declaration (applicable for grants approx. £350,000)</li> </ul> |

## Strategic Case

|   |
|---|
| <b>Section C: Strategic Case for Change and fit to BC LEP Strategic Economic Plan Themes</b>  |
| <p><b>19. Context/Project Background</b></p> <p><i>(This section should describe the setting, background and context of the Business Case. Describe the compelling case for change. Detail the problem or opportunity the project is intended to address, in terms of market failure or demand, and the contribution the project will make to the delivery of the Black Country Strategic Economic Plan (SEP) and other relevant plans and strategies. Ensure to demonstrate how the project will contribute to the Growth Objectives and Strategic Programmes identified in the SEP. A copy of the SEP can be found at <a href="http://www.blackcountrylep.co.uk/about-us/black-country-plans-for-growth/strategic-economic-plan">www.blackcountrylep.co.uk/about-us/black-country-plans-for-growth/strategic-economic-plan</a>). (Word limit 750)</i></p> |



**Appendix 6**

|   |
|---|
| <p><b>20. Objectives and Outcomes</b><br/><i>(Detail the specific objectives to achieve the anticipated outcomes. The objectives and outcomes should be stated in clear and measurable terms with a specified time frame)</i></p>   |
| <p><b>21. How does the project fit with national, sub-regional and local investment plans and strategies?</b><br/><i>(Demonstrate how the proposal is aligned to any relevant Government, sectoral or regional goals and priorities and reflects the organisational strategy)</i></p>   |
| <p><b>22. Detail the elements that are within scope of the project, this defines the range and boundaries of the project.</b><br/><i>(A critical first step is establishing the parameters of the project. Be aware that these parameters may change over the course of developing the Full Business Case. Please identify the areas both in and out of scope i.e. what will be delivered by the project and won't be delivered by the project)</i></p>   |
| <p><b>23. What stakeholder consultation has been undertaken/support received? What stakeholder consultation remains to be undertaken? (approx. 100 words)</b><br/><i>(The objective of Stakeholder Management is to maximise/optimize the objectives of the Project/Programme through the considered identification, analysis and engagement of all those that are engaged in it, or impacted by it. Stakeholders come in many 'shapes and sizes' and, as such, contingent effort/management is the key to success in this regard. It is important initially to understand each Stakeholder's level of support for the Project/Programme, the influence they wield over it and the degree to which they are impacted by the scope of work.</i></p> <p><i>This analysis then provides the basis for targeted Stakeholder Management activity. Identify which stakeholders have been consulted on the objectives and outcomes of the project/programme. Describe any obstacles that have been highlighted and how they are going to be managed to ensure success, including the consultation that remains to be undertaken.</i></p> <p><i><b>Stakeholder consultation</b> involves the development of constructive, productive relationships over the period of the project/programme. It results in a relationship of mutual benefit; enabling identification of trends and emerging challenges which are currently or will in the future impact the project/programme. Listening to stakeholder concerns and feedback is a valuable source of information that can be used to improve project design and outcomes, and help an organisation to identify and control external risks. It can also form the basis for future collaboration and partnerships)</i></p> |
| <p><b>24. List the Key stakeholders and their Interest areas? (approx. 50 words)</b><br/><i>(Include a Stakeholder Map if you have one)</i></p> <p><b>Stage 1 - Identification of stakeholders</b><br/><i>A typical approach which could be used to gather the complete list of Stakeholders impacted by a Project/Programme is to Brainstorm; a guided brainstorm session that identifies a long list of Stakeholders who are both internal and external to the Project/Programme.</i></p> <p><b>Stage 2 - Analysis and Prioritisation</b><br/><i>The next step is to analyse and prioritise each Stakeholder based on their levels of Influence and Interest the Stakeholder Influence and Interest matrix, shown below, can be used to present a Stakeholders position, both current and desired. This process is fairly subjective since the Project/Programme may not fully understand Stakeholders or their agendas. Therefore, the more Stakeholder engagement throughout this process, the more robust the output will be.</i></p> <div style="text-align: center; margin: 10px 0;"> </div> <p><b>Stage 3 - Stakeholder Engagement</b><br/><i>The following table provides an indication of the engagement required for each type of Stakeholder based on their level of interest to the project and their influence on the success or otherwise of the Project</i></p>   |

**Appendix 6**

| No. | Type:                             | General engagement required:  | Power/Influence | Interest/Support |
|-----|-----------------------------------|---|-----------------|------------------|
| 1   | <b>Detractor - Keep Satisfied</b> | <i>The greatest risk to project delivery. Spend the greatest attention, time and resource with them.<br/>Listen to concerns and issues, identify their agenda, key influencers and engage them on project purpose and objectives, look for win-win solutions and compromises.<br/>Ask Champions or Advocates to support this influencing.</i> | Medium - High   | Low - Medium     |
| 2   | <b>Monitor</b>                    | <i>Monitor these people and only keep informed about progress and successes via general communication. Do not spend too much time or resource on these Stakeholders.</i>  | Low - Medium    | Low - Medium     |
| 3   | <b>Advocate</b>                   | <i>Keep informed and aware of progress and success. Solicit their help in influencing others.</i>   | Low - Medium    | Medium - High    |
| 4   | <b>Champion</b>                   | <i>Engage and consult regularly. Keep informed and aware of progress and success. Solicit their help in influencing others, especially with blockers and the highest risk detractors</i>  | Medium - High   | Medium - High    |

**25. What are the Strategic Issues preventing successful delivery of the project? List. (approx. 100 words)**

*(These are the fundamental issues, raised as highest priority on the project Issue register would prevent the project from delivering its objectives and intended outputs/outcomes)*

**26. What are the Strategic Risks that could prevent successful delivery of the project? List. (approx. 100 words)**

*(These are the fundamental risks, raised as high impact on the project Risk register that if they were to materialise could prevent the project from delivering its objectives and achieving intended outputs/outcomes)*

**27. Summarise the overall assumptions that have been made when planning this project. State the impact to the project if these turn out to be wrong.**

*(Assumptions are circumstances and events that need to occur for the project to be successful, but are outside the total control of the project team. Assumptions are accepted as true and are often without proof or demonstration)*

**28. Summarise any project dependencies that the project has or if there are other projects/initiatives that are dependent on this delivery. State the impact to the project if these are not met.**

*(Dependencies are the relationships among tasks which determine the order in which activities need to be performed. There are four (4) types of dependency relationships:*

- *Finish to Start - Land must be purchased before road building can start*
- *Start to Start - Road excavating must start before Asphalt can be laid*
- *Finish to Finish - Laying Asphalt must be complete before line painting can be completed*
- *Start to Finish - Road excavating must start before line painting can be completed)*

**29. Define any constraints that may impact the success of the project, e.g. resource, legal, 3rd party agreement constraints.**

*(Constraints are things that might restrict, limit, or regulate the project. Generally, constraints are outside the total control of the project team)*

## Economic Case

### Section D: Economic Case - Options Appraisal

#### Section D1: Short List of Options considered

**30. Please describe the options that have been considered in selecting the project proposal. This should include a minimum of 3 options: -**

- A **reference case option** (the position in terms of outputs that would occur if the project did not proceed);
- The **proposed option** (as set out in Section A); and
- An **alternative option** (which may be based on changes to the scale, scope and cost of the proposed option).

**Box 1:**

| Option Name:         | Description: | Total Cost: | Amount requested: | Outputs |
|----------------------|--------------|-------------|-------------------|---------|
| Reference Case       |              |             |                   |         |
| Proposed Option      |              |             |                   |         |
| Alternative Options: |              |             |                   |         |

**Box 2:**

Please explain why the proposed option has been selected.

| Option Name:         | Advantages: | Disadvantages: | Fit with Project Objectives: |
|----------------------|-------------|----------------|------------------------------|
| Reference Case       |             |                |                              |
| Proposed Option      |             |                |                              |
| Alternative Options: |             |                |                              |

**31. Specify the Preferred Option, with supporting justification for selection. (approx. 200 words)**

*(There must be a clear statement of the decisive factors and why they are considered sufficient to influence the decision)*

**32. Outline Opportunities for Innovation and increased Collaboration. (approx. 200 words)**

*(For example, the LEP would be particularly interested to see industry collaborating with educational institutions to create new investment, business and products)*

**33. Service Delivery options considered, with Pro's & Con's. e.g. using a 3rd party for delivery (approx. 200 words)**

*(Specify key Issues, and state resolution plan for each Issue)*

## Appendix 6

|  |
|--|
| <b>34. Provide a profile for each Output (Complete Appendix 11)</b><br><i>(Templates are provided in Appendix to this document. Please indicate any other non-quantifiable benefits from your project. Think about any intangible benefit that will be realised. For example, a project involving the redevelopment/regeneration of a piece of land, may result in an improved perception of the area)</i>   |
| <b>35. What is the evidence of demand / market interest that supports your case for investment in this project? (approx. 500 words)</b><br><i>(Detail all market research, primary and secondary. Ensure that for:</i> <ul style="list-style-type: none"><li>• Quantitative Research - Data is fully representative of target group and statistically robust</li><li>• Qualitative - Evidence given that data has been validated</li></ul> <i>OR</i> <ul style="list-style-type: none"><li>• Direct approach from market to meet defined need)</li></ul>   |
| <b>36. Outline any market testing which has been undertaken to evidence the demand case. (approx. 300 words)</b><br><i>(Your answer should provide robust evidence of demand that has been validated, e.g. evidence that businesses are interested in pursuing opportunities that BC LEP investment creates. Include stats/data to support claim)</i>  |
| <b>37. Have the running costs of this investment been calculated and are they financed by you or your partners?</b><br><i>(As well as the capital cost invested there are post implementation costs to consider. There may be ongoing running (operating) costs and/or maintenance costs. E.g. a capital investment to build a new office block, once occupied will involve operating costs such as rent &amp; rates, staff salaries etc. who will finance these costs?</i><br><br><i>Running costs will inform the viability of the project. The author must consider the ongoing costs to support the recommended option against anticipated benefits)</i> |

## Commercial Case

|   |
|---|
| <b>Section E: Commercial case – External Procurement (if appropriate)</b>   |
| <b>38. If private development partners will be required to deliver project outputs, at what stage are discussions/negotiations? (approx. 300 words)</b>   |
| <b>39. Detail any 3rd party services that will be used to deliver this project, e.g. Legal, Finance, other consultancy.</b><br><i>(E.g. Consultancy - A technical advisor will be appointed to prepare the works brief and secure planning consent for the remediation works. They will then manage the appointment of a contractor to undertake the remediation works)</i>   |
| <b>40. Will your Procurement follow the 'Find a Tender' (FTS) process?</b><br><a href="https://www.find-tender.service.gov.uk/Search">https://www.find-tender.service.gov.uk/Search</a><br><i>(Please provide clear statement on the procurement process followed for this project)</i>   |
| <b>41. Outline the sourcing Options: with a rationale for preferred option. (approx. 200 words)</b><br><i>(Sourcing options include:</i> <ul style="list-style-type: none"><li>• supplier panels</li><li>• collaborative procurement</li><li>• open tender</li><li>• closed tender</li></ul> <i>The most appropriate sourcing option will be dependent on:</i> <ul style="list-style-type: none"><li>• the total value of the procurement</li><li>• what contracts, frameworks, or supplier panels are already in place</li><li>• the overall risk to the organisation if performance expectations are not met</li><li>• the nature and complexity of the product or service)</li></ul> |

## Appendix 6

### 42. Are there any Personnel Implications, Inc. TUPE? (approx. 200 words)

(Does the proposal impact on any existing personnel associated with the lead or delivery organisation/s? Please give details of any recruitment required for delivery See <https://www.gov.uk/transfers-takeovers/overviewfor> information on TUPE)

### 43. Outline the Procurement Project Plan and Timescales, including statutory and other consents.

(The procurement plan should include the following:

- Type of contract to be used
- Risks associated with procurement management
- How procurement risks will be mitigated through contract performance metrics, insurance, or other means
- Determining costs and if/how they're used as evaluation criteria
- Any standardised procurement templates or documents to be used
- How multiple suppliers will be managed if applicable
- Contract approval process
- Decision criteria
- Establishing contract deliverables and deadlines
- How procurement and contracts are coordinated with project scope, budget, and timeline.

NB: Where the purchase of property or land is involved please confirm ownership status and state whether there are any charges over land/property interests critical to project delivery)

### 44. Please provide evidence of planning permission (submit a copy of decision notice or committee resolution with this application), or a clear explanation of the timeframe for achieving this and how it fits with broader planning strategy.

(This should include status of planning permission. If obtained:

- outline any key planning conditions
- strategy for discharging planning conditions.
- Specify the likely sectional costs/agreements (e.g. s106, s278, CIL etc.)

If NOT obtained:

- the timeframe for achievement, and how it fits in with the broader planning strategy
- has any pre application consultation with the Local Planning Authority taken place? Please give details
- you also need to provide evidence of discharge of key planning conditions, or your strategy for undertaking these)

## Financial Case

### Section F: - Financial Analysis of the recommended Option

#### 45. Outline the anticipated cost and funding profile:

|   | Capital/<br>Revenue | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025+ | TOTAL |
|---|---------------------|---------|---------|---------|---------|---------|-------|-------|
|   |                     | £m      | £m      | £m      | £m      | £m      | £m    | £m    |
| BCLTB (Pre-Committed Transport Funding) * |                     |         |         |         |         |         |       |       |
| BCLEP Grant                               |                     |         |         |         |         |         |       |       |
| BCLEP Loan                                |                     |         |         |         |         |         |       |       |
| Other Public Source (please indicate)     |                     |         |         |         |         |         |       |       |
| Applicants Own Funds                      |                     |         |         |         |         |         |       |       |
| Private (3rd party)                       |                     |         |         |         |         |         |       |       |
| Total Capital                             |                     |         |         |         |         |         |       |       |
| Total Revenue                             |                     |         |         |         |         |         |       |       |
| <b>Overall Total</b>                      |                     |         |         |         |         |         |       |       |

\*LTB funding for Transport Major schemes

## Appendix 6

**46. Please outline the strategy for securing the match funding as outlined above, and the progress made to date. What is the level of certainty of match funding remaining in place across the project duration? Please provide evidence to support any assumptions made.**

*(Explanation to support the information provided above, i.e. reasons for date available, approval status etc. Specify any other lenders involved and please provide details of agreed terms and security required)*

**47. Project slippage – is there provision for dealing with the financing of any time or cost overruns? How will you deal with the impact on LEP & Match funding, & Private Investment?**

**48. For the BCLEP element of the funding only, please set out the projected costs using summary spend areas.**

*(Please note that a full a detailed breakdown of Costs by month will need to be included in the Appendices)*

### State date of this Estimate

| Projects costs<br>(delete as appropriate):                             | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | Total |
|--|---------|---------|---------|---------|---------|---------|-------|
|  | £m      | £m      | £m      | £m      | £m      | £m      | £m    |
| Land acquisition   |         |         |         |         |         |         |       |
| Planning and Feasibility Study   |         |         |         |         |         |         |       |
| Surveys  |         |         |         |         |         |         |       |
| Land Remediation   |         |         |         |         |         |         |       |
| Construction, Inc. materials,<br>equipment and labour                  |         |         |         |         |         |         |       |
| Fit Out (Equipment and<br>furnishings not included in<br>construction) |         |         |         |         |         |         |       |
| Project Management   |         |         |         |         |         |         |       |
| Consultancy  |         |         |         |         |         |         |       |
| Legal Services   |         |         |         |         |         |         |       |
| Other (please specify)   |         |         |         |         |         |         |       |
| Contingency*   |         |         |         |         |         |         |       |

**\*Note - Contingency:** Where an element of contingency has been added on top of individual cost elements it is assumed that there is a significant level of doubt about the future costs (the level of contingency is influenced by the extent of the doubt).

**49. What risk contingencies are included in your cost estimates?**

*(Outline the areas where contingency has been applied, the level of the contingency in each case and the reason for the contingency in each case)*

### CONFIRMATION BY APPLICANT:

Please confirm that the funding requested is sufficient to deliver the Project as detailed above.

## Management Case

Section G: Programme Management Case - Achievability of Project Components

Section G: Project Plan (Extract of Key Milestones)

**50. Please set out the Key Project Milestones, including those Milestones shown below.**

*(Or extract Key Milestones view from your Gantt chart & insert the picture here).*



## Appendix 6

Initially a high-level communications strategy will be developed by specifying how the communications will be approached in each of the key Project/Programme phases and how the communication responsibilities will be allocated. An example of a communications strategy is shown below.

| <b>Project/Programme Phase:</b> | <b>Strategy:</b>  |
|---------------------------------|---|
| <b>Example: Design</b>          | Communication inside the project/programme team only.<br>Reporting within the project/programme governance structure.<br>No communication to any staff that could be affected |
| <b>Implementation</b>           | All end-users to be communicated in a transparent manner.<br>Majority of communications via email, website and newsletter   |

### Section G: Communications Plan or strategy

Consider the following information.

| <b>Column:</b>             | <b>Contents:</b>   |
|----------------------------|--|
| <b>Communication Title</b> | What is the name of the communication item?  |
| <b>Frequency</b>           | When does information and key messages need to be provided? For regular communications, how frequently is communication given, monthly, weekly, ad hoc?                    |
| <b>Key Stakeholders</b>    | Include a list of the different audiences that should be communicated to by the piece of communication. The list of Stakeholders identified is the key input to this list. |
| <b>Key Messages</b>        | What messages and information should be provided, e.g. progress updates, issues raised, decisions required, key messages?  |
| <b>Channels</b>            | What approach is used for communicating: face-to-face, email, newsletter, updates to website, workshop, user group, etc.   |
| <b>Responsibility</b>      | Who is responsible for ensuring the communication occurs? A named person.  |
| <b>Desired objectives</b>  | Aim of the communication – what is expected to change as a result of the communication, raising awareness, make decisions, get involved.                                   |
| <b>Feedback mechanism</b>  | How does feedback get received, and what happens with feedback?  |

#### 53. Issues log:

Please attach all your full Issue register as an Appendix.

**(Please see the Risk and Issue Log Template for guidance. Provided by the BCC Programme Office)**

### Section G: Risk Management Plan

#### 54. Risks Register:

Please attach your full risk register as an Appendix.

**(Please see the Risk and Issue Log Template for guidance. Provided by the BCC Programme Office)**

### Section G: Quality Assurance

#### 55. Outline your proposed monitoring and evaluation arrangements to assess whether the project achieves its objectives and outputs. (approx. 300 words)

*(Should include an extract of Milestones & Summary tasks) and align to the realisation planned activity stated in the Output/Outcome profile)*

### Section G: Project Team

#### 56. Please describe the experience of the project team and attach the team structure. (approx. 100 words)

### Section G: Freedom of Information



## Appendix 6

**57. Please indicate whether any information in this proforma is considered exempt from release under Section 41 of the Freedom of Information Act 2000.**

### Section G: Subsidy Control Requirements

*All applicants need to take steps to satisfy themselves that any BCLEP funding approved does not amount to unlawful Subsidy Aid. A declaration of compliance with UK Subsidy Control regulations will be required prior to any BCLEP funding being provided.*

*If your project is awarded funds from the BCLEP it will be subject to a condition requiring the repayment of any BCLEP funding in the event that that the funding constitutes unlawful Subsidy Aid.*

**58. Please confirm your acceptance to this condition:**

Yes

No

### H. Recommendation / Conclusion

**59. Please state clearly the recommended action this Business Case supports. (approx. 100 words)**

### I. Security Against Grant

**60. Each bidder is asked to confirm in their Initial Proposal that they understand the requirements for security against any BC LEP Grant. Please confirm what form of security against the Grant you propose to offer the Council, if required.**

*Examples include a legal charge over land or assets, a charge over bank account, a Performance Bond, money held in escrow or personal guarantees. Please include details of the nature of the security, when the security will be in place, any existing charges or other encumbrances over the security, and who will put in place the security if not you, the Grantee.*

*Please note that the Council will not be able to accept a second legal charge. Further information about the Council's security requirements, as confirmed at the Initial proposal stage.*

### 61. Proposer Declaration

I confirm that I am authorised by my organisation to make applications for funding and to make legally binding commitments on its behalf and that the information contained in this proposal is correct to the best of my knowledge.

I confirm that I/we have read the generic BC LEP conditions of Grant (Grant Agreement) and that I/we understand that our/my application will need to provide security to the Council in the form of:

- A Charge over Land or Property
- A Charge over Bank Account
- A Performance Bond

I/we also confirm that I/we understand the conditions of grant for Site Investigations/Development Studies, including the obligation to repay the Grant if we do not choose to deliver a scheme on the Site following the development/investigation phase.

## Appendix 6

I confirm I/we have read and understand the Due Diligence Checklist and that I/we agree to the following:

- Submission of all required organisational and financial information at the first and second stages of Due Diligence;
- Completion and submission of a fully completed Due Diligence Checklist and supporting information at the same time as submission of a Full Business Case (FBC). I understand that I/we are completing this work at risk with no guarantee of funding.

I confirm that I/we have read and understood the Single Accountable Body's Monitoring, Compliance and Audit Framework and understand our obligation to provide the record-keeping and monitoring information required by the Single Accountable Body

I confirm that I/we understand my/our obligations to procure services and goods in line with UK Procurement Rules. I confirm that I/we have checked/been advised and are able to accept this grant without being in contravention of Subsidy Control rules.

**Data Protection** – Any Personal Data collected will be processed in accordance with our Privacy Policy available at [www.blackcountryconsortium.co.uk](http://www.blackcountryconsortium.co.uk) or provided on request

I/we consent to Black Country Consortium, Local Enterprise Partnership, Black Country Local Authorities and specific third parties processing of any personal data associated with this proposal for the purpose of processing the proposal and managing the proposal process.

|                  |  |
|------------------|--|
| <b>Signed:</b>   |  |
| <b>Name:</b>     |  |
| <b>Position:</b> |  |
| <b>Date:</b>     |  |

### Section J: Appendices

**J1: A Profile for each Output**

**J2: Detailed Spend Profile**

**J3: Risk & Issue Register**

**J4: Project Plan / Development Programme**

**J5: Stakeholder Map**

**J6: Evidence of planning permission**

**J7: Stage 1 Technical Due Diligence Checklist (applicable to land/property bids)**

**J8: Single Accountable Body Stage 2 Financial Due Diligence Checklist**

**J9: Subsidy Control Declaration (applicable for grant award approx. £350,000)**

### Document Status

#### REVISION HISTORY

| Revision Date | Version No. | Summary of Changes | Author / Editor |
|---------------|-------------|--------------------|-----------------|
|               | Draft 1     | Initial draft      |                 |
|               | Draft 2     | Project team input |                 |
|               | Draft 3     |                    |                 |
|               | Draft 4     |                    |                 |

**DOCUMENT LOCATION**

This document is only valid on the day it was printed or revised.

**DOCUMENT AUTHOR**

| Name | Title | Organisation | E-mail address | Telephone |
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**SCHEDULE 3 Black Country Executive Joint Committee**

**CONSTITUTION**

26 March 2014  
(Updated June 2021)

1. Dudley MBC, Sandwell MBC, Walsall MBC and Wolverhampton City Council established an Executive Joint Committee known as the Black Country Executive Joint Committee (BCJC) for the purpose of discharging the functions mentioned in **Annex A**. The BCJC is a joint committee of the Executive for the purposes of Part VI of the Local Government Act 1972 and Part I Chapter 2 of the Local Government Act 2000 and the provisions of thereof that are applicable to Joint Committees of the Executive shall apply to the BCJC.
2.
  - (i) The BCJC shall comprise four members, each Council being entitled to appoint one voting member who shall be a member of the Councils Cabinet making the appointment. In the event of a voting member of the BCJC ceasing to be a member of the Council which appointed him/her, the Council shall forthwith appoint another voting member in his/her place. Only a voting member is entitled to be elected as Chair or Vice-Chair of the BCJC.
  - (ii) Each Council may appoint members of its Executive as substitute for the voting members appointed under (i) above to attend meetings of the BCJC and its sub-committees in the absence for any reason of the voting members or observer members. The substitute voting members or observer members shall be treated in all respects if they were appointed under (i) above as the case may be. The Secretary for the Committee shall be informed prior to the commencement of the meeting of the names of the substitute members.

## Appendix 6

- (iii) The Chairman of the Black Country Local Enterprise Partnership shall be an ex officio member of the BCJC on matters relating to City Deal, Growth Deal, Combined Authority and the funds secured by the Black Country Local Enterprise Partnership. Ex officio members may speak at meetings of the BCJC but not vote.
  - (iv) The Head of the Programme Management Office at the Black Country Consortium Ltd will be responsible for writing reports to the BCJC from the Heads of Regeneration Working Group in the format provided for at **Annex B**. All other reports from any subcommittee and or Council will also take the form as set out in **Annex B**. The Head of the Programme Management Office at the Black Country Consortium Ltd, supported by the relevant Head of Regeneration/Senior Responsible Officer from the Local Authority, will present all of the reports regarding funding at meetings of the BCJC on matters relating to City Deal, Growth Deal, Combined Authority and the funds secured by the Black Country Local Enterprise Partnership.
  - (v) The BCJC shall at its Annual Meeting, elect a Chair and Vice-Chair from among its voting members or chose to adopt for that year to have a rolling Chair and Vice Chair being upon rotation. In the event of both being absent from the meeting, the Chair and Vice-Chair for whatever reason, the BCJC shall elect a Chair from amongst the voting members present for that meeting but shall not count for purposes of rotation.
  - (vi) Three voting members of the BCJC shall constitute a quorum. Except as otherwise provided by statute, all questions shall be decided by a majority of the votes of the voting members present, the Chair having the casting vote in addition to his/her vote as a member of the BCJC.
  - (vii) The BCJC shall meet as agreed at its AGM. However a meeting of the BCJC may be convened at any time by the Secretary in consultation with the Chair for the meeting. A meeting of the BCJC must also be convened by the Chair within 28 days of the receipt of a requisition of any two voting members of the BCJC addressed to the Secretary of the Committee. All requisitions shall be in writing and no business other than that specified in the requisition shall be transacted at such a meeting.
  - (viii) The BCJC shall from time to time make such standing orders for the carrying on of the business of the BCJC as the BCJC shall deem necessary and or desirable.
  - (ix) For the avoidance of doubt and subject to there being no changes to the law on this issue, where a Council is operating Executive arrangements pursuant to the Local Government Act 2000 (and any regulations made under it), it will be a matter for the Executive of the Council to appoint any voting member, or substitute member of the Committee as long as that member is a member of the appointing Councils Cabinet.
3. The BCJC (as could a Cabinet) can delegate authority, but the law restricts that delegation only to officers of the Black Country Local Authorities not any other persons. **Annex C** lists delegations to officers.
  4. The BCJC shall from time to time appoint such sub-committees and Advisory Boards to consider and deal with any of the functions of the BCJC as may be thought desirable.
  5. The BCJC Secretary and such other officers as may be deemed necessary for the due conduct of the business of the BCJC shall be Walsall Metropolitan Borough Council.
  6. Meetings of the BCJC shall be held at the date, time and place agreed at the AGM and published by the Secretary of the BCJC following the AGM unless otherwise directed by the BCJC.

## **Appendix 6**

7. The Secretary shall be responsible for collating, preparing and publishing (in accordance with Access to Information requirements) the Forward Plan, the Agenda, reports, decision notices and minutes as appropriate.
8. That the relevant Standing Orders for BCJC are those of Walsall Metropolitan Borough Council.

## FUNCTIONS OF BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

1. To receive reports from from the Heads of Regeneration Working Group and any Sub Committee of the Black Country Executive Joint Committee (BCJC) or Advisory Board of the BCJC.
2. At any time review and agree proposed changes to the Functions of the BCJC, and seek approval of the same from the four Council Executives of the Black Country Local Authorities.
3. To agree and approve any proposed governance and or reporting structure that the BCJC sees fit.
4. In relation to the City Deal, Growth Deal, Combined Authority and funds secured by the Black Country Local Enterprise Partnership:
  - 4.1 To act as a strategic body; setting and reviewing objectives for strategic investment across the Black Country, including;
    - a. Providing a coherent single position on the major strategic City Deal, Growth Deal, Combined Authority matters and in relation to the funds secured by the Black Country Local Enterprise Partnership;
    - b. Agreeing allocation of spending;
    - c. Agreeing major priorities;
    - d. Consider and agree recommendations made by the Heads of Regeneration Working Group and any Sub Committee of the or Advisory Board of the BCJC;
    - e. Refer recommendations received back from the Heads of Regeneration Working Group any Sub Committee or Advisory Board of the BCJC for further consideration as and when minded in the first instance to not follow recommendations at all or to materially change the substance of the decision except in the case of genuine urgency requiring a decision to be made at that time;
  - 4.2 Agreeing Lead and or (Single) Accountable Body status for a body or organisation;
  - 4.3 Agree, review and amend options at any time for any Sub Committee or Advisory Board of the BCJC governance which is fit for purpose;
  - 4.4 Influence and align government investment in order to boost economic growth;
  - 4.5 Have regard to the duty to cooperate and BCJC's overall function as set out above;
  - 4.6 To ensure alignment between decision making on City Deal, Growth Deal, Combined Authority and funds secured by the Black Country Local Enterprise Partnership and decisions on other areas of policy such as land use, transportation, economic development and wider regeneration;

- 4.7 Co-ordinate and align decision making on transport with the Black Country Local Enterprise Partnership ensuring that business views are taken on board and that Black Country Local Enterprise Partnership growth plans are reflected in strategic priorities;
- 4.8 Deciding on capital expenditure programmes and ensuring policy and programmes are delivered effectively through partners;



**Black Country Executive Joint Committee**  
Dudley, Sandwell, Walsall and Wolverhampton

**REPORT OF THE HEADS OF REGENERATION WORKING GROUP**

**(OR COUNCIL)**

**TO**

**BLACK COUNTRY EXECUTIVE JOINT COMMITTEE**

**ON**

**(DAY, MONTH, YEAR)**

**(INSERT TITLE OF REPORT)**

**CAPITAL FUNDING, DEVELOPMENT FUNDING, SITE INVESTIGATION** (please delete  
project types not appropriate)

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|                      |               |
|----------------------|---------------|
| <b>Key Decision:</b> | <b>Yes/No</b> |
| <b>Forward Plan:</b> | <b>Yes/No</b> |

---

**1. PURPOSE OF REPORT**

1.1 Set out the main points of the report and details of what is being sought in summary.

**2. RECOMMENDATIONS**

2.1 Specific recommendation from the **Heads of Regeneration Working Group** with approval requested by the Joint Committee.



- 2.2 The recommendation(s) should be clear, concise and include all relevant information. No abbreviations or acronyms are to be used. No statements are to be used. Value of grant to be approved should be included in the recommendation.
- 2.3 It is not acceptable to recommend “That the course of action set out in the report be approved” as this does not give sufficient clarity.
- 2.4 There must be a separate recommendation for each recommendation you wish the Joint Committee to make.
- 2.5 Do not set out any recommendations elsewhere in the report.
- 2.6 If you only have one recommendation there is no need to number it. It looks like there should be others.

### **3. REPORT DETAIL**

- 3.1 Write clearly, concisely and focus on relevant material information. Do not use acronyms.
- 3.2 All relevant and pertinent information should be included so as to enable a fully informed recommendation to be made by the Heads of Regeneration Working Group.
- 3.3 Sufficient weight and emphasis should be made on key points.
- 3.4 Sufficient information to enable an informed decision must be contained within the report.

### **4. BENEFITS COST RATIO (VALUE FOR MONEY)**

- 4.1 Benefit-Cost Ratios (BCRs) are utilised in capital budgeting to analyse the overall value for money of undertaking a new project. It is an indicator showing the relationship between the relative costs and benefits of a proposed project, expressed in monetary or qualitative terms. For the purposes of BC LEP funding, the Economic Intelligence Unit has developed the formula, deployed by the Programme Management Office, to identify the BCR for a project requiring public sector funding. The threshold for any project that has been assessed is 1.5 and would be considered ‘good value for money’ should this threshold be exceeded. The BCR calculation however does not take into consideration the Strategic fit and proposition of a project.
- 4.2 Please state individual project BCR and provide further explanation why the project is put forward for consideration if the project ration is under 1.5.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 All relevant financial implications. You must to consult the appropriate finance officer at the outset of the project. Your report will not be considered if the Finance Officer has not commented.
- 5.2 Please state match funding and intervention rate of LGF.

## **6. LEGAL IMPLICATIONS**

- 6.1 The appropriate grant agreement[s] [is/are or will be put] in place, which will include all necessary conditions passed onto the LEP by Government, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from Government or approved by the LEP Board or the Joint Committee.
- 6.2 Please see paragraph 6.1 for suggested wording to include. You must consult legal services at the outset of the project. Set out any legal obligations on and consequences for the BCJC arising from the proposals. You must give sufficient time for legal services to comment on your report. Your report will not be considered if legal services have not commented.

## **7. RISK MANAGEMENT**

- 7.1 Key risk identified and explanations as to how they will be managed are to be inserted.
- 7.2 For Site Investigation and Development funding, insert a paragraph covering the risk that this will not result in a capital asset. State when the full business case is expected to be approved, where the funding will come from and the risk of the business case not being approved (i.e. likelihood etc.).

## **8. EQUALITY IMPLICATIONS**

- 8.1 An equality impact assessment to be done and equality implications set out in the report as well as how they will be managed.

## **9. CONSULTATION**

- 9.1 Identify who has been consulted and why, the outcome of the consultation and if there is any planned future consultation. For example, do not use “the report is prepared in consultation with relevant managers and executive directors”.

- 9.2 There is an expectation that wherever possible, Ward Councillors should be consulted and involved in matters affecting their Ward.
- 9.3 Consultees mentioned in this part of the report should match with those referred to in the Forward Plan entry, if it is a key decision. Include other consultees if they have been identified since.
- 9.4 If scrutiny panels have considered this issue, provide feedback on their recommendations/views.

**Note:**

- It is the responsibility of the author of the report to identify and consult with relevant officers and external parties about the proposals and the contents of the draft reports. Should any changes be made before the report appears before the Heads of Regeneration Working Group and Joint Committee in final form then you must consult relevant people again. If the revised circumstances could impact on the legal and financial position, you must consult afresh with legal and finance colleagues.
- A report consultation sheet is available from the Programme Manager and **must be completed and accompany your report at all times**. The consultation sheet template should not be amended. If any amendments are made to your report at any stage which requires the re-consultation of colleagues, this must be reflected in the form when submitted at the final stage.

**Background papers**

- List any background documents that you have used or which are associated with the report being produced. (This is to satisfy the legal requirements that govern public access to local authority papers and the Freedom of Information Act.) You should not list acts of Parliament or any documents that give confidential information. Do not quote file references. Such files will be open to public scrutiny if asked.

**Attachments**

- I. List any attachments that will accompany the report, if no attachments are required, state 'None'

**“DELETE AS APPROPRIATE”**

**Report Author**

**SRO (all projects)**

**SSRO (if SRO non-LA, then requires LA SSRO)**

**Contact Officer**

**[DELETE AS APPROPRIATE]**

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**Stuart Everton**

BC Director of Transport

City of Wolverhampton Council

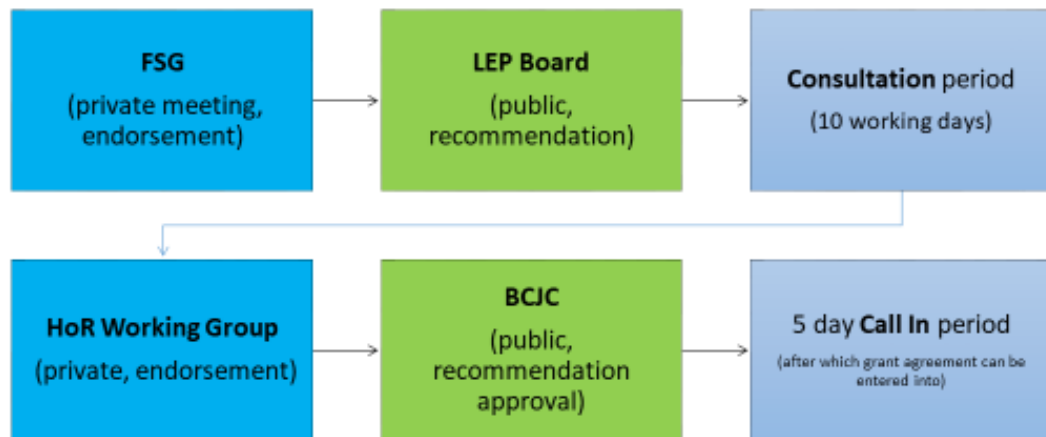
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## SCHEDULE 4 Decision and oversight Flow Chart



## SCHEDULE 5 Supplemental Deed - Governance Principles: Enterprise Zones

[on-going separate review]

|  |   |
|--|---|
| <b>CITY OF<br/>WOLVERHAMPTON<br/>COUNCIL</b> | <b>Cabinet</b><br><b>23 February 2022</b> |
|--|---|

|  |  |  |
|--|--|--|
| <b>Report title</b>                            | Treasury Management Strategy 2022-2023                             |  |
| <b>Decision designation</b>                    | RED  |  |
| <b>Cabinet member with lead responsibility</b> | Councillor Ian Brookfield<br>Leader of the Council                 |  |
| <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<br>Tel<br>Email   | Director of Finance<br>01902 550478<br>Claire.Nye@wolverhampton.gov.uk |
| <b>Report to be/has been considered by</b>     | Strategic Executive Board<br>Council<br>Our Council Scrutiny Panel | 11 February 2022<br>2 March 2022<br>TBC                                |

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### Recommendations for decision:

The Cabinet recommends that Council approves:

1. The authorised borrowing limit for 2022-2023 to support the capital strategy as required under Section 3(1) of the Local Government Act 2003 to be set at £1,163.3 million (PI3, Appendix 3 to this report). The authorised borrowing limit includes a forecast provision for potential business cases that may be brought forward during the year, additional borrowing will only be authorised if the business case proves to be affordable over the medium term. The forecast borrowing is below the authorised borrowing limit.
2. The Treasury Management Strategy Statement 2022-2023 as set out in Appendix 1 to this report.
3. The Annual Investment Strategy 2022-2023 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 2022-2023 as set out in Appendix 4 to this report.
6. The Treasury Management Policy Statement and Treasury Management Practices as set out in Appendix 6 to this report.
7. That authority be delegated to Cabinet to approve updates to the Treasury Management Strategy and corresponding practices during 2022-2023 to reflect the additional reporting requirements detailed in the most recent publication of the revised Treasury Management and Prudential Codes. It is important to note that, the Council complies with the principles of the codes however due to the timing of the release of the new Codes, CIPFA has allowed reporting on the Codes to be deferred until 2023-2024.
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 Portfolio Holder 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 current economic climate.
10. That authority is delegated to the Portfolio Holder for Resources, in consultation with the Director of Finance, to amend the MRP statement should this be required following the outcome of the consultation.

The Cabinet is recommended to approve:

1. That authority is delegated to the Portfolio Holder 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 2022-2023 will be £19.8 million; it is forecast to increase to £21.1 million in 2023-2024 (paragraph 2.20 of the report).
2. That Cabinet or Cabinet (Resources) Panel and Council will receive regular Treasury Management reports during 2022-2023 on performance against the key targets and Prudential and Treasury Management Indicators in the Treasury Management Strategy and Investment Strategy, as set out in the paragraph 2.18 and Appendices 2 and 3 to this report.



3. That the new Treasury Management and Prudential Codes have been published and are effective immediately. However, due to the date of their release some elements, mainly changes to the capital strategy, prudential indicators and investment reporting can be deferred until 2023-2024. The documents covered in this report have been updated where possible to reflect the new Codes, any changes not reflected due to the timescales will be implemented and approval sought during 2022-2023.
4. That the documents covered in this report have been updated to reflect the latest interest rate forecasts available, however, due to uncertainties with the economy, should interest rates increase quicker than forecast, this may create a budget pressure on the treasury management budget. In the event that this were to occur, approval would be sought to accommodate the budget pressure by making a call on the Budget Contingency Reserve. This will continue to be monitored and reviewed in light of the changing economic environment, with updates provided to Councillors throughout 2022-2023 as part of the quarterly update reports.

## **1.0 Purpose**

1.1 This report sets out the Council's Treasury Management Strategy for 2022-2023 for approval by Full Council. The report 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, including 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 For the financial year 2022-2023 the Council needs to comply with a new accounting standard for leases. Under the 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 With effect from 1 April 2022, where the Council is the lessee, almost all lease contracts will become on balance sheet, the only exemptions being for short term leases and low value assets, these exemptions are optional. The Council is reviewing all of its lease contracts to establish the impact of this accounting rule change. As this work is continuing an estimate of £5.7 million has currently been included in the authorised borrowing limit.

2.6 On 3 February 2022 CIPFA issued an exceptional consultation on emergency proposals for updating the 2021-2022 Code of Practice on Local Authority Accounting in the United

Kingdom and the 2022-2023 Code. This follows a request from the Department of Levelling Up, Housing and Communities to CIPFA to consider ways in which the Code may alleviate delays to the publication of audited financial statements. Only 9% of local authority accounts in England met the audit publication deadline of 30 September 2021. One of the proposals within the consultation is the deferral of the implementation of the new accounting standard for leases mentioned above to 2023-2024. As the consultation will close on 3 March 2022 this report assumes the implementation date of 2022-2023 still stands as the outcome will not be known.

- 2.7 As reported to Councillors in previous treasury management reports during 2021, CIPFA has been undertaking consultations on proposed changes to the Treasury Management Code and the Prudential Code. In December 2021 the revised Codes were published with the detailed guidance notes being released in late January 2022. The Council must have regard to the new codes from the date of publication, however additional reporting requirements are recommended. It is important to note that the Council complies with the principles of the codes, however due to the timing of the release of the new Codes, CIPFA has allowed reporting on the codes to be deferred until 2023-2024, including changes to the capital strategy, prudential indicators and investment reporting.
- 2.8 The Treasury Management Code introduces strengthened requirements for skills and training, and for investments that are not specifically for treasury management purposes. With regards the Prudential Code, there are two new required indicators; net income from commercial and service investments to net revenue stream and a new debt liability benchmark treasury indicator. Quarterly reporting of approved indicators will continue and will now incorporate the non-treasury management investment indicators required by the statutory guidance on local government investments.
- 2.9 The Prudential Code provides details of what is classed as legitimate examples of borrowing and what is classed as not prudent. Definitions are also provided for investments for treasury management, commercial and service purposes and the additional capital strategy requirements of these categories.
- 2.10 Where possible the changes to the Codes have been implemented in the documents covered in this report. However, due to timescales, some areas will be implemented during 2022-2023. It is therefore proposed that Council delegate authority to Cabinet to approve updates to the Treasury Management Strategy and corresponding practices.
- 2.11 It should be noted that the Council does not undertake commercial investments, that is those held primarily for financial return. However, to be compliant with the code, commercial investments will be referenced within our Treasury Management documentation.
- 2.12 The documents covered in this report have been updated to reflect the latest interest rate forecasts available, however, due to uncertainties with the economy, should interest rates increase quicker than forecast, this may create a budget pressure on the treasury management budget. In the event that this were to occur, approval would be sought to

accommodate the budget pressure by making a call on the Budget Contingency Reserve. This will continue to be monitored and reviewed in light of the changing economic environment, with updates provided to Councillors throughout 2022-2023 as part of the quarterly update reports.

- 2.13 The Council's Treasury Management Strategy will continue to 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.
- 2.14 This Council will adopt the following reporting arrangements in accordance with the requirements of the Code.

| <b>Area of Responsibility</b>  | <b>Council /<br/>Committee /<br/>Employee</b> | <b>Frequency of<br/>Update and<br/>Approval</b>    |
|--|---|--|
| 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  |

**2.15 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.

2.16 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.

#### 2.17 **Treasury Management Strategy (Appendix 1)**

Attached at Appendix 1 to the report is the recommended Treasury Management Strategy for 2022-2023. 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 2022-2023. 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.

#### 2.18 **Annual Investment Strategy (Appendix 2)**

The recommended Annual Investment Strategy for 2022-2023 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 the conditions under which the Council will place treasury management 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.

#### 2.19 **Prudential and Treasury Management Indicators (Appendix 3)**

Attached at Appendix 3 to the report are the recommended prudential indicators for the Council for 2022-2023. 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. The new Codes created two further indicators: net income from commercial and service investments to net revenue stream and a new debt liability benchmark treasury indicator. The first of these has been included for approval, whereas, the liability benchmark will be implemented, and approval sought, during 2022-2023 due to timescales. Non-treasury management investment indicators required by the statutory guidance on local government investments are also now included in this Appendix as required by the new Codes.

#### 2.20 **MRP Statement (Appendix 4)**

The recommended MRP statement for 2022-2023 is attached at Appendix 4 to the report. The formula for calculating MRP is unchanged from the annuity basis used in 2021-2022.

However, the Government are currently consulting on an amendment which removes the ability to use future capital receipts to reduce the MRP charged in relation to the acquisition of share capital. Under this proposal, MRP would be charged on all borrowings.

If the change in the MRP calculation were to be implemented, this has an impact on the financial position that was outlined when the Help To Own Scheme was approved in March 2021. The financial strategy, at the time of writing the business case, recognised that the future return of investment through a capital receipt would be used to repay the borrowing and therefore this mitigated the need to set aside MRP. An annual review was going to be undertaken to assess any risk to the return of investment and a provision through MRP would have been made if it was determined as necessary. Whilst in practical terms the financial strategy is still correct the Council would need to set aside funds through MRP throughout the life of the business plan if the change were to be implemented. This is a very prudent approach and fully mitigates any future risk of impairment of the equity investment from the start of the programme. It is therefore proposed that authority be delegated to the Portfolio Holder for Resources, in consultation with the Director of Finance, to amend the MRP statement should this be required following the outcome of the consultation.

The change outlined does not affect the level of MRP currently charged as no receipts have now been included in the calculation for 2021-2022 onwards. The forecast MRP charge would be £19.8 million for 2022-2023; increasing to £21.1 million in 2023-2024. This allowance has been incorporated into the Treasury Management budget and the Council's Section 151 Officer considers that this approach is prudent.

## **2.21 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 Department for Levelling Up, Housing and Communities (DLUHC) detailing their budgeted plans for capital expenditure and borrowing requirements. Appendix 5 to the report details the main information that will be required to enable the Council to submit a return for 2022-2023.

## **2.22 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. As noted in the body of the report, where possible the changes to the Code have been implemented, however, due to timescales, some areas will be implemented, and approval sought, during 2022-2023.

### **2.23 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 2021-2022 (the inferred net cash balance of each fund).

### **3.0 Evaluation of alternative options**

3.1 The Treasury Management Strategy 2022-2023 outlined reflect the new requirements of CIPFA's Code of Practice on Treasury Management and the Prudential Code for Capital Finance along with the DLUHC's Guidance on Local Government Investments and Minimum Revenue Provision. As noted in the body of the report, where possible the changes to the Codes have been implemented in the documents covered in this report, however due to timescales, some areas will be implemented, and approval sought, during 2022-2023.

3.2 The DLUHC 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 2022-2023 in accordance with both government guidance and Codes of Practice.

### **5.0 Financial implications**

5.1 These are detailed within the report.  
[SH/15022022/N]

### **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 'DLUHC Guidance on Local Government Investments' issued initially in 2004 and reissued in 2010 and 2018. Part 2 of this Guidance is statutory guidance.

- 6.4 The aim of these reporting arrangements as detailed in paragraph 2.13 are 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.

[TC/15022022/E]

## **7.0 Equalities implications**

- 7.1 Whilst there are no direct equalities implications arising from treasury management activity, the Council's capital programme of individual projects can have significant impact on specific groups and equality implications. These implications are considered when the individual capital projects are being developed.

## **8.0 All other implications**

- 8.1 Due to the Covid-19 pandemic, there has been re-phasing of the capital programme which reduces the borrowing need in year. This is to reflect new timescales for completing projects to take into account any social distancing measures which may be required or for any disruptions due to supply chains. 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 suite 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.

## **9.0 Schedule of background papers**

- 9.1 Cabinet, 23 February 2022 – [2022-2023 Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026](#)
- 9.2 Cabinet, 23 February 2022 – [Capital Programme 2021-2022 to 2025-2026 quarter three review and 2022-2023 to 2026-2027 Budget Strategy](#)



## **10.0 Appendices**

- 10.1 Appendix 1 - Treasury Management Strategy Statement 2022-2023
- 10.2 Appendix 2 – Annual Investment Strategy 2022-2023
- 10.3 Appendix 3 – Prudential and Treasury Management Indicators 2022-2023
- 10.4 Appendix 4 – Annual MRP Statement 2022-2023
- 10.5 Appendix 5 – Disclosure for Certainty Rate
- 10.6 Appendix 6 – Treasury Management Policy Statement and Treasury Management Practices February 2022

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## Treasury Management Strategy Statement 2022-2023

### 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, including 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 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 2022-2023 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 includes both conventional treasury investments, (the placing of residual cash from the Council's functions), and more service and commercial type investments, such as investment properties, property funds and equity investments. The service and commercial type investments require specialist advisers, and the Council uses a range of consultants with relevant industry knowledge, dependant on the specific aspects of the project, in relation to this activity.

## **2.0 Treasury limits for 2022-2023 to 2024-2025**

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 2022 is shown below:

|   | Forecast<br>£000 | Average Rate<br>% |
|---|------------------|-------------------|
| <b>External Debt</b>                            |                  |                   |
| Fixed rate borrowing - PWLB / Local Authorities | 667,030          | 3.6947            |
| Fixed rate borrowing - Market                   | 55,800           | 4.4700            |
| Variable rate borrowing - Market                | 48,000           | 4.2823            |
| <b>Total Gross Borrowing</b>                    | <b>770,830</b>   | <b>3.7939</b>     |
| Other Long Term Liabilities*                    | 79,626           | -                 |
| <b>Total External Debt</b>                      | <b>850,456</b>   | <b>-</b>          |
| <b>Total Investments **</b>                     | <b>5,000</b>     | <b>0.0103</b>     |

\*Other long term liabilities are finance leases and Private Finance Initiatives (PFIs)

\*\*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                                  | 2021-2022        | 2022-2023        | 2023-2024        | 2024-2025        |
|--|------------------|------------------|------------------|------------------|
|  | Forecast<br>£000 | Forecast<br>£000 | Forecast<br>£000 | Forecast<br>£000 |
| Borrowing at 1 April                           | 720,447          | 770,830          | 872,611          | 940,699          |
| Expected change in borrowing                   | 50,383           | 101,781          | 68,088           | 55,324           |
| Other long term liabilities at 1 April         | 82,238           | 79,626           | 80,628           | 77,660           |
| Expected change in other long term liabilities | (2,612)          | 1,002            | (2,968)          | (3,244)          |
| Forecast debt at 31 March                      | 850,456          | 953,239          | 1,018,359        | 1,070,439        |
| Capital Financing Requirement                  | 967,854          | 1,039,765        | 1,066,885        | 1,088,965        |
| Under / (over) borrowing                       | 117,398          | 86,526           | 48,526           | 18,526           |
| <b>External debt for service investments</b>   |                  |                  |                  |                  |
| Forecast debt at 31 March                      | 43,120           | 45,935           | 44,500           | 43,076           |
| 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 there could be a further increase in March, May and November 2022.

## 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 07.02.22 |        |        |        |        |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
| <b>BANK RATE</b>                       | 0.75   | 1.00   | 1.00   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   |
| 3 month ave earnings                   | 0.80   | 1.00   | 1.00   | 1.20   | 1.20   | 1.20   | 1.20   | 1.20   | 1.20   | 1.20   | 1.20   | 1.20   | 1.20   |
| 6 month ave earnings                   | 1.00   | 1.10   | 1.20   | 1.30   | 1.30   | 1.30   | 1.30   | 1.30   | 1.30   | 1.30   | 1.30   | 1.30   | 1.30   |
| 12 month ave earnings                  | 1.40   | 1.50   | 1.60   | 1.70   | 1.70   | 1.60   | 1.60   | 1.50   | 1.40   | 1.40   | 1.40   | 1.40   | 1.40   |
| 5 yr PWLB                              | 2.20   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   |
| 10 yr PWLB                             | 2.30   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   |
| 25 yr PWLB                             | 2.40   | 2.50   | 2.50   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   |
| 50 yr PWLB                             | 2.20   | 2.30   | 2.30   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   |

**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.

## Annual Investment Strategy 2022-2023

### 1.0 Annual Investment Strategy

#### 1.1 Investment policy

The Department of Levelling Up, Housing and Communities (DLUHC), formerly 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 treasury financial investments, as managed by the Treasury Management team. Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the separate Capital Strategy report.

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

- DLUHC'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 2021 ("the TM Code")
- CIPFA Treasury Management Guidance Notes 2021.

The Council's investment priorities are:

- (a) firstly, the security of capital and
- (b) secondly, the liquidity of its investments
- (c) finally, the yield or return.

The Council will also aim to achieve the optimum yield/return on its investments commensurate with proper levels of security and liquidity. In relation to treasury management investments, the risk appetite of this Council is low in order to give priority to the security of its investments. 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 2022-2023 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, DLUHC 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**

Significant levels of downgrades to short and long-term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

#### 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. However, market view can change, 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 the 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+<br>Long-term AA- | £10.0 million per Bank | 5 years             |

## 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:** Link have indicated that Bank Rate is forecast for a further increase in March, May and November 2022.

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 2022-2023 the Council will budget for an investment return of 0.10% on investments placed during the financial year. In addition, an upper limit for long term treasury management investments (previously called '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 2022-2023.

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.

#### **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 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 7.2.22 |        |        |        |        |        |        |        |        |        |        |        |        |        |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                      | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
| <b>BANK RATE</b>                     | 0.75   | 1.00   | 1.00   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   |
| 3 month av. earnings                 | 0.80   | 1.00   | 1.00   | 1.20   | 1.20   | 1.20   | 1.20   | 1.20   | 1.20   | 1.20   | 1.20   | 1.20   | 1.20   |
| 6 month av. earnings                 | 1.00   | 1.10   | 1.20   | 1.30   | 1.30   | 1.30   | 1.30   | 1.30   | 1.30   | 1.30   | 1.30   | 1.30   | 1.30   |
| 12 month av. earnings                | 1.40   | 1.50   | 1.60   | 1.70   | 1.70   | 1.60   | 1.60   | 1.50   | 1.40   | 1.40   | 1.40   | 1.40   | 1.40   |
| 5 yr PWLB                            | 2.20   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   |
| 10 yr PWLB                           | 2.30   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   |
| 25 yr PWLB                           | 2.40   | 2.50   | 2.50   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   |
| 50 yr PWLB                           | 2.20   | 2.30   | 2.30   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   |
| <b>Bank Rate</b>                     |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Link                                 | 0.75   | 1.00   | 1.00   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   |
| Capital Economics                    | 0.50   | 0.75   | 1.00   | 1.25   | 1.25   | 1.25   | 1.25   | 1.25   | -      | -      | -      | -      | -      |
| <b>5yr PWLB Rate</b>                 |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Link                                 | 2.20   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   | 2.30   |
| Capital Economics                    | 2.00   | 2.10   | 2.10   | 2.20   | 2.20   | 2.30   | 2.40   | 2.40   | -      | -      | -      | -      | -      |
| <b>10yr PWLB Rate</b>                |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Link                                 | 2.30   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   |
| Capital Economics                    | 2.20   | 2.20   | 2.20   | 2.30   | 2.30   | 2.40   | 2.50   | 2.50   | -      | -      | -      | -      | -      |
| <b>25yr PWLB Rate</b>                |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Link                                 | 2.40   | 2.50   | 2.50   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   | 2.60   |
| Capital Economics                    | 2.40   | 2.40   | 2.50   | 2.60   | 2.60   | 2.70   | 2.80   | 2.90   | -      | -      | -      | -      | -      |
| <b>50yr PWLB Rate</b>                |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Link                                 | 2.20   | 2.30   | 2.30   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   | 2.40   |
| Capital Economics                    | 2.10   | 2.20   | 2.30   | 2.40   | 2.50   | 2.60   | 2.70   | 2.90   | -      | -      | -      | -      | -      |

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

| <b>Institution</b>                                | <b>Country<br/>(Sovereign Rating)</b> | <b>Limit<br/>£000</b> | <b>Term<br/>Limit</b> |
|---|---------------------------------------|-----------------------|-----------------------|
| 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>                         |                                       | <b>Fund Rating</b>    |                       |
| Invesco STIC Account                              | Fitch AAmmf                           | 20,000                | Instant Access        |
| Aberdeen Liquidity Fund (LUX) Class 2             | Fitch AAmmf                           | 20,000                | Instant Access        |
| Federated Short-Term Sterling Prime Fund          | Fitch AAmmf                           | 20,000                | Instant Access        |
| Black Rock Sterling Liquidity Fund                | Moody's Aaa-mf                        | 20,000                | Instant Access        |

**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 2021-2022 report.

|   | As at 23 February 2022 |           |           |           |
|---|------------------------|-----------|-----------|-----------|
|   | 2021-2022              | 2022-2023 | 2023-2024 | 2024-2025 |
|   | Forecast               | Forecast  | Forecast  | Forecast  |
|   | £000                   | £000      | £000      | £000      |
| General *   | 99,995                 | 139,412   | 59,970    | 36,048    |
| HRA   | 54,900                 | 84,663    | 88,488    | 84,560    |
|   | 154,895                | 224,075   | 148,458   | 120,608   |
| * Service investments included in General figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc. for service delivery purposes. | 21,030                 | 13,057    | 10,000    | 4,900     |

**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 23 February 2022 |           |           |           |
|---|------------------------|-----------|-----------|-----------|
|   | 2021-2022              | 2022-2023 | 2023-2024 | 2024-2025 |
|   | Forecast               | Forecast  | Forecast  | Forecast  |
|   | £000                   | £000      | £000      | £000      |
| General *   | 691,887                | 723,620   | 707,006   | 691,987   |
| HRA   | 275,967                | 316,145   | 359,879   | 396,978   |
| Total capital financing requirement   | 967,854                | 1,039,765 | 1,066,885 | 1,088,965 |
| * Service investments included in General figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc. for service delivery purposes. | 42,350                 | 45,165    | 40,730    | 34,206    |
| <b>Movement in capital financing requirement represented by:</b>  |                        |           |           |           |
| New borrowing for capital expenditure   | 58,536                 | 109,302   | 68,029    | 70,016    |
| Less minimum revenue provision/voluntary minimum revenue provision  | (32,765)               | (37,391)  | (40,909)  | (47,936)  |
| Movement in capital financing requirement   | 25,771                 | 71,911    | 27,120    | 22,080    |

**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 23 February 2022 |           |           |           |
|---|------------------------|-----------|-----------|-----------|
|   | 2021-2022              | 2022-2023 | 2023-2024 | 2024-2025 |
|   | Limit                  | Limit     | Limit     | Limit     |
|   | £000                   | £000      | £000      | £000      |
| Borrowing   | 1,086,578              | 1,080,693 | 1,139,076 | 1,208,188 |
| Other Long Term Liabilities   | 79,626                 | 82,628    | 79,660    | 76,416    |
| Total Authorised Limit  | 1,166,204              | 1,163,321 | 1,218,736 | 1,284,604 |
| Forecast External Debt as at 23 February 2022:                                |                        |           |           |           |
| Borrowing   | 770,830                | 872,611   | 940,699   | 996,023   |
| Other Long Term Liabilities   | 79,626                 | 80,628    | 77,660    | 74,416    |
|   | 850,456                | 953,239   | 1,018,359 | 1,070,439 |
| Variance (Under) / Over Authorised limit                                      | (315,748)              | (210,082) | (200,377) | (214,165) |
| <b>Authorised limit for service investments included in the above figures</b> |                        |           |           |           |
| Authorised Limit  | 47,014                 | 66,049    | 63,600    | 62,176    |
| Forecast External Debt as at 23 February 2022:                                |                        |           |           |           |
|   | 43,120                 | 45,935    | 44,500    | 43,076    |
| Variance (Under) / Over Authorised limit                                      | (3,894)                | (20,114)  | (19,100)  | (19,100)  |

Prudential Indicators (PI) required by The Prudential Code

| <b>PI 4 - Operational boundary for external debt.</b>   |                        |                  |                  |                  |
|---|------------------------|------------------|------------------|------------------|
| 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 23 February 2022 |                  |                  |                  |
|   | 2021-2022              | 2022-2023        | 2023-2024        | 2024-2025        |
|   | Limit                  | Limit            | Limit            | Limit            |
|   | £000                   | £000             | £000             | £000             |
| Borrowing   | 1,050,255              | 1,054,388        | 1,122,138        | 1,191,978        |
| Other Long Term Liabilities   | 79,626                 | 80,628           | 77,660           | 74,416           |
| <b>Total Operational Boundary Limit</b>   | <b>1,129,881</b>       | <b>1,135,016</b> | <b>1,199,798</b> | <b>1,266,394</b> |
| Forecast External Debt as at 23 February 2022:  |                        |                  |                  |                  |
| Borrowing   | 770,830                | 872,611          | 940,699          | 996,023          |
| Other Long Term Liabilities   | 79,626                 | 80,628           | 77,660           | 74,416           |
|   | 850,456                | 953,239          | 1,018,359        | 1,070,439        |
| Variance (Under) / Over Operational Boundary Limit  | (279,425)              | (181,777)        | (181,439)        | (195,955)        |
| <b>Operational boundary for service investments included in the above figures</b>   |                        |                  |                  |                  |
| Operational Boundary Limit  | 45,874                 | 65,035           | 63,600           | 62,176           |
| Forecast External Debt as at 23 February 2022:  | 43,120                 | 45,935           | 44,500           | 43,076           |
| Variance (Under) / Over Operational Boundary Limit  | (2,754)                | (19,100)         | (19,100)         | (19,100)         |

| <b>PI 5 - Gross debt and the capital financing requirement.</b>  |                        |           |           |           |
|--|------------------------|-----------|-----------|-----------|
| "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 23 February 2022 |           |           |           |
|  | 2021-2022              | 2022-2023 | 2023-2024 | 2024-2025 |
|  | Forecast               | Forecast  | Forecast  | Forecast  |
|  | £000                   | £000      | £000      | £000      |
| Forecast Capital Financing Requirement at end of Second Year   | 1,066,885              | 1,088,964 | 1,088,964 | 1,094,833 |
| Gross Debt   | 850,456                | 953,239   | 1,018,359 | 1,070,439 |
| 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

| <b>PI 6 - Estimates and actual ratio of financing costs to net revenue stream.</b>  |                        |           |           |           |
|---|------------------------|-----------|-----------|-----------|
| This represents the cost of financing capital expenditure as a % of net revenue for both the General and HRA.   |                        |           |           |           |
|   | As at 23 February 2022 |           |           |           |
|   | 2021-2022              | 2022-2023 | 2023-2024 | 2024-2025 |
|   | Forecast               | Forecast  | Forecast  | Forecast  |
| General *   | 17.7%                  | 18.1%     | 18.6%     | 18.4%     |
| HRA   | 30.4%                  | 31.4%     | 31.7%     | 32.2%     |
| * Service investments included in General figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc. for service delivery purposes. | 1.1%                   | 1.1%      | 1.2%      | 1.0%      |

| <b>PI 7 - Estimates and actual ratio of net income from commercial and service investments to net revenue stream.</b>  |                        |           |           |           |
|--|------------------------|-----------|-----------|-----------|
| This represents the financial exposure of the Council to the loss of income from commercial and service investments. Only costs directly attributable to the investments are netted off, so unlike PI 6, the costs of borrowing (interest and MRP) cannot be deducted as they are not directly attributable to managing the investments and will continue regardless of the existence or performance of the investments. |                        |           |           |           |
|  | As at 23 February 2022 |           |           |           |
|  | 2021-2022              | 2022-2023 | 2023-2024 | 2024-2025 |
|  | Forecast               | Forecast  | Forecast  | Forecast  |
| Commercial   | -                      | -         | -         | -         |
| Service  | 0.7%                   | 0.6%      | 0.8%      | 0.7%      |

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

**TMI 1 - Upper limits for long-term treasury management investments (previously called '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 23 February 2022 |               |               |               |
|---|------------------------|---------------|---------------|---------------|
|   | 2021-2022              | 2022-2023     | 2023-2024     | 2024-2025     |
|   | Limit<br>£000          | Limit<br>£000 | Limit<br>£000 | Limit<br>£000 |
| Upper limit for long-term treasury management investments | 35,000                 | 35,000        | 35,000        | 35,000        |
| Actual and Forecast Invested at 23 February 2022          | -                      | -             | -             | -             |
| 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 23 February 2022 |                |  | March 2022<br>Forecast |
|--------------------------------|------------------------|----------------|--|------------------------|
|                                | Upper<br>Limit         | Lower<br>Limit |  |                        |
| Under 12 months                | 25%                    | 0%             |  | 1.32%                  |
| 12 months and within 24 months | 25%                    | 0%             |  | 0.92%                  |
| 24 months and within 5 years   | 40%                    | 0%             |  | 3.17%                  |
| 5 years and within 10 years    | 50%                    | 0%             |  | 10.23%                 |
| 10 years and within 20 years   | 50%                    | 0%             |  | 13.11%                 |
| 20 years and within 30 years   | 50%                    | 0%             |  | 23.77%                 |
| 30 years and within 40 years   | 50%                    | 0%             |  | 25.84%                 |
| 40 years and within 50 years   | 50%                    | 0%             |  | 21.64%                 |
| 50 years and within 60 years   | 50%                    | 0%             |  | -                      |

**Non-treasury management investment indicators**

The statutory guidance on local government investments 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.

**NTM 1 - Estimates and actual non-treasury management investment expenditure.**

This identifies the level of any non-treasury management investments ( e.g. service and commercial investments).

|                        | As at 23 February 2022 |           |           |           |
|------------------------|------------------------|-----------|-----------|-----------|
|                        | 2021-2022              | 2022-2023 | 2023-2024 | 2024-2025 |
|                        | Forecast               | Forecast  | Forecast  | Forecast  |
|                        | £000                   | £000      | £000      | £000      |
| Service investments    | 21,030                 | 13,057    | 10,000    | 4,900     |
| Commercial investments | -                      | -         | -         | -         |
|                        | 21,030                 | 13,057    | 10,000    | 4,900     |

**NTM 2 - Estimates and actual net debt for service and commercial investment to net service expenditure ratio.**

This indicator measures the level of net debt for service and 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.

|   | As at 23 February 2022 |           |           |           |
|---|------------------------|-----------|-----------|-----------|
|   | 2021-2022              | 2022-2023 | 2023-2024 | 2024-2025 |
|   | Forecast               | Forecast  | Forecast  | Forecast  |
|   | £000                   | £000      | £000      | £000      |
| Net debt for service and commercial investments | 42,350                 | 45,165    | 40,730    | 34,206    |
| Net service expenditure                         | 258,497                | 267,150   | 268,326   | 277,311   |
| Debt to net service expenditure ratio           | 16.4%                  | 16.9%     | 15.2%     | 12.3%     |

**NTM 3 - Estimates and actual service and commercial income to net service expenditure ratio.**

This indicator measures the level of service and commercial investment generated income in comparison to the Council's net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority. The % indicates the Council's financial resilience and how reliant on the service/commercial investment income it is. A low % indicates the Council is not heavily reliant on service/commercial investment income.

|  | As at 23 February 2022 |           |           |           |
|--|------------------------|-----------|-----------|-----------|
|  | 2021-2022              | 2022-2023 | 2023-2024 | 2024-2025 |
|  | Forecast               | Forecast  | Forecast  | Forecast  |
|  | £000                   | £000      | £000      | £000      |
| Service and commercial investment income                       | 2,061                  | 1,819     | 2,115     | 2,033     |
| Net service expenditure  | 258,497                | 267,150   | 268,326   | 277,311   |
| Service and commercial income to net service expenditure ratio | 0.8%                   | 0.7%      | 0.8%      | 0.7%      |

**NTM 4 - Estimates and actual loan to value ratio**

This indicator measures the net debt for service and commercial investments compared to the forecast total asset value. A decrease in the ratio over the medium term indicates a reducing level of borrowing due to repayments, whereas an increase indicates an increase in the level of borrowing due to new loans being issued.

|                     | As at 23 February 2022 |           |           |           |
|---------------------|------------------------|-----------|-----------|-----------|
|                     | 2021-2022              | 2022-2023 | 2023-2024 | 2024-2025 |
|                     | Forecast               | Forecast  | Forecast  | Forecast  |
| Loan to value ratio | 72.2%                  | 72.1%     | 68.3%     | 62.7%     |



## Annual MRP Statement 2022-2023

### 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 Department for Levelling Up, Housing and Communities (DLUHC) 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 2022, 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 <b>direction under s.16(2)(b)</b>                             | "C" equals 20 years.   |
| <b>Regulation 25(1)(a)</b><br>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><br>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><br>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><br>Acquisition of share capital   | "C" equals 20 years.   |
| <b>Regulation 25(1)(e)</b><br>Expenditure on works to assets not owned by the authority              | "C" equals UEL of the assets.  |
| <b>Regulation 25(1)(ea)</b><br>Expenditure on assets for use by others.                              | "C" equals UEL of the assets.  |
| <b>Regulation 25(1)(f)</b><br>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

| <b>Certainty Rate</b>  |                               |                               |                               |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| This table details the information that is required to enable the Council to submit a return for 2022-2023 |                               |                               |                               |                               |
|  | As at 23 February 2022        |                               |                               |                               |
|  | 2021-2022<br>Forecast<br>£000 | 2022-2023<br>Forecast<br>£000 | 2023-2024<br>Forecast<br>£000 | 2024-2025<br>Forecast<br>£000 |
| <b>Net Borrowing Requirement:</b>  |                               |                               |                               |                               |
| Borrowing to finance planned capital expenditure   | 58,224                        | 105,219                       | 67,750                        | 69,840                        |
| Existing maturity loans to be replaced during the year   | 22,000                        | 41,071                        | 95,095                        | 70,000                        |
| Less:  |                               |                               |                               |                               |
| Minimum Revenue Provision for debt repayment   | (18,338)                      | (19,817)                      | (21,121)                      | (22,316)                      |
| Voluntary debt repayment   | (11,503)                      | (14,493)                      | (16,541)                      | (22,200)                      |
|  | (29,841)                      | (34,310)                      | (37,662)                      | (44,516)                      |
| Loans replaced less debt repayment   | (7,841)                       | 6,761                         | 57,433                        | 25,484                        |
| <b>Net Advance Requirement</b>   | <b>50,383</b>                 | <b>111,980</b>                | <b>125,183</b>                | <b>95,324</b>                 |
| <b>Analysed by:</b>  |                               |                               |                               |                               |
| Service delivery   | 29,884                        | 28,743                        | 8,374                         | 2,503                         |
| Housing  | 9,674                         | 58,821                        | 57,275                        | 54,199                        |
| Regeneration   | 18,666                        | 17,655                        | 2,101                         | 13,138                        |
| Preventative action  | -                             | -                             | -                             | -                             |
| Treasury Management  | (7,841)                       | 6,761                         | 57,433                        | 25,484                        |
| Primarily for yield  | -                             | -                             | -                             | -                             |
| <b>Total</b>   | <b>50,383</b>                 | <b>111,980</b>                | <b>125,183</b>                | <b>95,324</b>                 |

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## Treasury Management Policy Statement and Treasury Management Practices February 2022

### 1.0 Introduction

- 1.1 In December 2021 CIPFA issued a revised Code of Practice on Treasury Management with strengthened requirements for skills and training, and for investments which are not specifically for treasury management purposes. It is a requirement of the Code that the Council should formally adopt the Code. The Council must have regard to the new codes from the date of publication, however additional reporting requirements are recommended. Where possible the changes to the Codes have been implemented, however, due to timescales, some areas will be implemented during 2022-2023. It is therefore proposed that Council delegate authority to Cabinet to approve updates to the Treasury Management Strategy and corresponding practices during 2022-2023.
- 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, thereby adding 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 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, non-treasury management investments e.g. service and commercial investments 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. The West Midlands Pension Fund has adopted its own Treasury Management Policy which is overseen by its in-house Finance Team.
- 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 (investments for treasury management purposes) 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.
- 1.8 The new Code introduces definitions for non-treasury management investments:
- Investments for commercial purposes (commercial investments)** – these are taken or held primarily for financial return and not linked to treasury management activity or directly part of delivering services.
- This includes non-financial assets such as commercial property, where they are held primarily for financial return.
  - This type of investment will usually constitute capital expenditure.
- Investments for service purposes (service investments)** – these are taken or held primarily and for the purposes of delivering public services (including housing, regeneration and local infrastructure), or in support of joint working with others to deliver such services.
- Service investments may or may not involve commercial returns; however, obtaining those returns will not be the primary purpose of the investment.
  - Service investments will normally constitute capital expenditure and it may be appropriate to borrow to finance these investments.



## 2.0 Adoption of the code

2.1 The revised 2021 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 and investment 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.
  - Investment management practices (IMPs) for investments that are not for treasury management purposes.

The content of the policy statement, TMPs and IMPs will follow the recommendations contained in Sections 6, 7 and 8 of the TM 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 TM Code's key principles.

2. Full Council will receive reports on its treasury and investment 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 and IMPs.

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, TMPs and IMPs and if they are a CIPFA member, 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, including 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 TM 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 or investments made, and it 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 and overdraft or standby facilities to enable it at all times to have the level of funds available to it that are necessary for the achievement of its business/service objectives.

The Council will not borrow earlier than required to meet cash flow needs unless there is a clear business case for doing so and will only do so for the current capital programme, to fund future debt maturities, or to ensure an adequate level of short-term investments to provide liquidity for the Council.

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

The Council will manage its exposure to fluctuations in interest rates with a view to containing its net interest costs or revenues, in accordance with its treasury management policy and strategy and 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 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 and other long-term liabilities are negotiated, structured and documented, and the maturity profile of the monies so raised is managed, with a view to obtaining offer terms for renewal or refinancing, if required, that are competitive and as favourable to the Council as can reasonably be achieved in 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 Council, 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 manage the risk of these impacting adversely on the Council.

**[8] Operational risk, including fraud, error and corruption**

The Council will ensure that it has identified the circumstances that may expose it to the risk of loss through inadequate or failed internal processes, people and systems from external events. 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 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. The criteria will include measures of effective treasury risk management and not only measures of financial performance (income or savings).

### **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 reaching those decisions, both for the purposes of learning from the past and for accountability, e.g. 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, for the reduction of the risk of fraud or error, and for 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 Council's policy statement and TMPs and, if a CIPFA member, the 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; the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and 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, the effects of the decisions taken and the transactions executed in the past year, and 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 and any other investment indicators required by regulation 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 will 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, and for the purpose of identifying future borrowing needs. 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, including the specification of the expertise, knowledge and skills required by each role or member of staff.

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 that have been submitted to a 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. 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 treasury management activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of the TM Code. As stated in paragraph 1.1, due to timing of the release of the Code and guidance notes some aspects of the changes will be developed and approval sought during 2022-2023, this is allowable by the Code.

This, together with the other arrangements detailed in Schedule 12 to this document, is 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.

#### **5.0 Investments that are not part of treasury management activity**

5.1 The definition of treasury management in section 3 above includes all the investments of the Council. This may include investments that are outside the purposes of normal treasury management and that may be managed elsewhere in the organisation. Investments may be held for various purposes as detailed below.

#### **5.2 Investments for treasury management purposes (or treasury management investments)**

These are investments that arise from the Council's cash flows or treasury risk management activity and ultimately represent balances that need to be invested until the cash is required for use in the course of business.

- Treasury investments may include an allowance for a reasonable level of short-term investments to provide access to liquidity.
- This may also include the investment of borrowing proceeds where it has been prudent for the Council to borrow in advance of the need for cash, e.g. in order to reduce financing and interest rate risks.
- Treasury investments may also arise from other treasury risk management activity that seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.
- Treasury management investments should always be on commercial terms and will rarely constitute capital expenditure for the Council.

- For those organisations with long-term surplus cash, this category may include long-term investments such as equities, bonds and property, whether accessed through a fund or directly, but unless there is a link to cash flow management or treasury risk management activity, it is likely that such investments would be for commercial purposes, i.e. primarily for financial return.

### 5.3 **Investments for commercial purposes (or commercial investments)**

These are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services.

- This includes non-financial assets such as commercial property, where they are held primarily for financial return.
- Investments of this type will usually constitute capital expenditure.
- 'Commercial' in this context refers to the purpose of the investment. Commercial investments are not taken to meet treasury management cash flow needs and do not result from treasury risk management activity to prudently manage the risks, costs or income from existing or forecast debt or treasury investments. They are additional investments voluntarily taken primarily to generate net financial return or profit.

The Council will not undertake any investments of this nature.

### 5.4 **Investments for service purposes (or service investments)**

These are taken or held primarily for the provision and for the purposes of delivering public services (including housing, regeneration and local infrastructure), or in support of joint working with others to deliver such services.

- Service investments may or may not involve commercial returns; however, obtaining those returns will not be the primary purpose of the investment.
- Service investments will normally constitute capital expenditure, and it may be appropriate to borrow to finance service investments.

### 5.5 **TM Code requirements and Investment Management Practices (IMPs) for investments that are not part of treasury management activity**

For the purposes of reporting under the TM Code, any investments that are not taken or held for treasury management purposes described above should be clearly identified and reported in appropriate categories reflecting their service or commercial purposes. At the point of writing this information is summarised in the Council's capital strategy. During 2022-2023, the capital strategy will be reviewed alongside the new requirements of the TM Code and an update will be provided to reflect the additional reporting requirements.

The Council must not borrow to invest for the primary purpose of financial return.

## Treasury management schedules

### Schedule 1 : TMP 1 – Risk management

#### 1.1 Credit and counterparty risk

This is the risk of failure by a counterparty to meet its contractual obligations to the Council under an investment, borrowing, derivative instrument, or capital, project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources.

#### 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 DLUHC's Guidance on Local Government Investments, the Audit Commission's report on Icelandic investments and the 2021

revised CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (“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                | £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             |

### 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 risk

This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, compromising the Council’s business/service objectives.

## 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 |
|--------------|------------|

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 risk

This is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances against which the Council has failed to adequately protect itself.

#### **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%

#### **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 risk

This is the risk that fluctuations in foreign exchange rates creates an unexpected or unbudgeted burden on the Council's finances against which the Council has failed to adequately protect itself.

#### **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 risk**

This is the risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the Council for those refinancing's, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

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 Legal and regulatory risk**

This is the risk that the Council itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements and that the Council suffers losses accordingly.

## References to relevant statutes and regulations

The Council's treasury management activities are prescribed by statute, in England the source of the Council's power is the Local Government Act 2003. The Council can borrow or invest for any purpose relevant to its functions, under any enactment, or "for the purpose of the prudent management of its financial affairs". The above requires the Council to have regard to the CIPFA 'Treasury Management in the Public Services Code of Practice and Cross-sectoral Guidance Notes.'

In addition, investments are constrained by the statutory 'Guidance on Local Government Investments.'

## Procedures for evidencing the organisations powers/authorities to counterparties

The Local Government Act 2003 states a lender to local authorities in England "shall not be bound to enquire whether a local authority has power to borrow money and shall not be prejudiced by the absence of any such power."

The treasury management delegations to the Director of Finance (E1 and E10) can be found in the Council's Constitution using the following link:

[Part 3e - Delegations to the Director of Finance.pdf \(modern.gov.co.uk\)](#)

## Statement on the organisation's policy management of risks

The Council will assess the risks that might materialise as a result of changes to Government policy including future legislative or regulatory changes and will provide regular updates to councillors on potential risks in quarterly monitoring reports.

### 1.7 Operational risk, including fraud, error and corruption, and contingency management

This is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes the risk of fraud, error, corruption or other eventualities in treasury management dealings.

#### 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.

## 1.8 **Price risk/Market value of investments**

This is the risk that through adverse market fluctuations in the value of the principal sums the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to adequately protect itself.

### **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.

## **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 SONIA; 1 month SONIA; 3 month SONIA

LIBOR and LIBID rates will cease from the end of 2021 with the replacement being SONIA (Sterling Overnight Index Average).

## **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-broking 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 (part of the TPICAP Group)

- 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
- UK Infrastructure Bank
- 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-broking services

- ICAP (part of the TPICAP Group)
- 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/updates.
- 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.

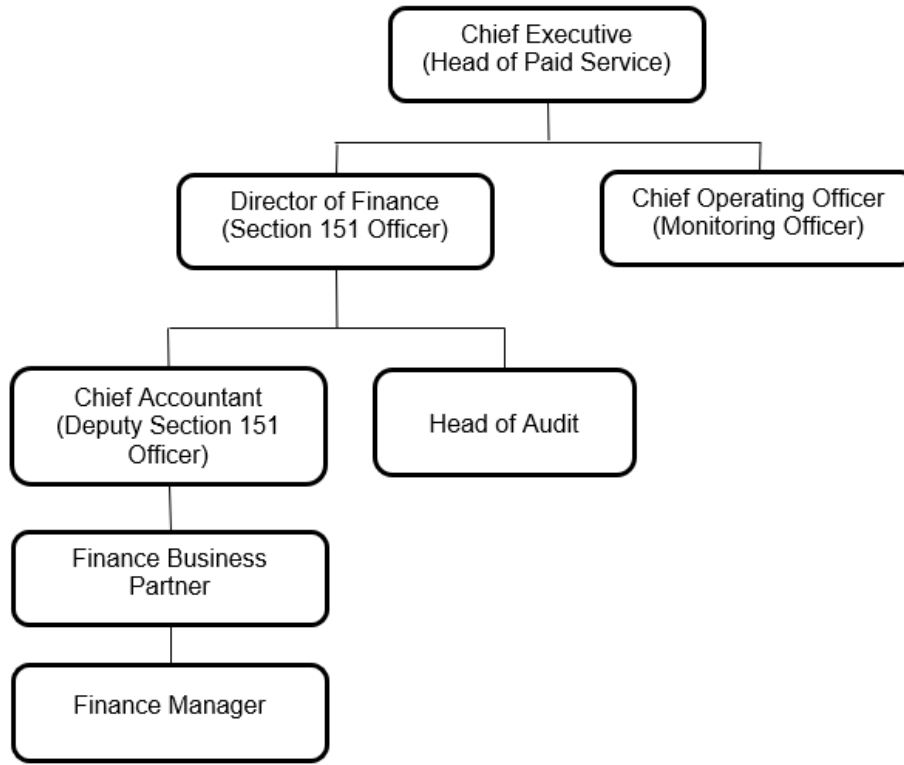
### **5.2 Principles and practices concerning segregation of duties**

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 Chief Operating Officer has responsibility for ensuring compliance with the law.

### 5.3 Treasury management organisation chart

The treasury management organisation chart as at February 2022 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 Chief Operating Officer 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 Chief Operating Officer, 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.

### **Chief Operating Officer (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 (part of the TPICAP Group)  
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 short-term 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
  - Profile of Dedicated Schools Grant
  - Profile of other 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 Arrangements for preparing/submitting medium to long-term forecasts of the Council's net debt (or net investment) requirements consistent with its approved plans, e.g. through development of a liability benchmark.**

The Council will develop a liability benchmark (in accordance with CIPFA guidance) as a minimum for the forthcoming financial year and the following two financial years, and this will be reported to Councillors during 2022-2023. It will then develop this further to cover the recommendation of at least ten years and ideal of covering the full debt maturity profile. The liability benchmark will then be reported each quarter along with the other required indicators. The benchmark will be analysed as part of the annual treasury management strategy and any substantial mismatches between actual loan debt outstanding and the liability benchmark will be explained.

### **8.3 Bank statement procedures**

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

### **8.4 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 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 by the service.

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. However, due to the Covid 19 pandemic, to assist the local economy the 30 days terms have temporarily been suspended so payments are made quicker.

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

With regards debtors, the levels of credits and debits held are regularly analysed by Revenues and Benefits to identify action required.

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

### **8.6 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 receipted 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 – Chief Operating Officer/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**

The revised Treasury Management Code, issued in December 2021, introduces strengthened requirements for skills and training. Due to the timing of the release of the new Code and guidance notes, this section will be reviewed and updated during 2022-2023.

### **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.

The contract is currently being reprocured for a new contract award date from 1 April 2022.

#### **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.

The contract is currently being reprocured for a new contract award date from 1 April 2022.

#### **Money-broking services**

ICAP (part of the TPICAP Group)

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 second option to extend the contract until 31 December 2022 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<br/>WOLVERHAMPTON<br/>COUNCIL</b> | <b>Cabinet</b><br><b>23 February 2022</b> |
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|--|--|--|
| <b>Report title</b>                            | 2022-2023 Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026 |  |
| <b>Decision designation</b>                    | RED  |  |
| <b>Cabinet member with lead responsibility</b> | Councillor Ian Brookfield<br>Leader  |  |
| <b>Key decision</b>                            | Yes  |  |
| <b>In forward plan</b>                         | Yes  |  |
| <b>Wards affected</b>                          | All  |  |
| <b>Accountable Director</b>                    | Tim Johnson, Chief Executive   |  |
| <b>Originating service</b>                     | Strategic Finance  |  |
| <b>Accountable employee</b>                    | Claire Nye<br>Tel<br>Email   | Director of Finance<br>01902 550478<br>Claire.nye@wolverhampton.gov.uk |
| <b>Report to be/has been considered by</b>     | Strategic Executive Board<br>Scrutiny Board<br>Council                     | 31 January 2022<br>8 February 2022<br>2 March 2022                     |

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### Recommendations for decision:

The Cabinet recommends that Council approves:

1. The net budget requirement for 2022-2023 of £267.2 million for General Fund services.
2. The Medium Term Financial Strategy (MTFS) 2022-2023 to 2025-2026 as detailed in Table 5 and the key assumptions underpinning the MTFS as detailed in Appendix 1 to this report.
3. A Council Tax for Council services in 2022-2023 of £1,818.27 for a Band D property, being an increase of 2.99% on 2021-2022 levels, which incorporates the 1% in relation to Adult Social Care.

The Cabinet are recommended to approve:

1. The updated assumptions used in the Budget 2022-2023 and the MTF5 2022-2023 to 2025-2026 as detailed in section 7.
2. That authority be delegated to the Portfolio Holder 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 2022-2023 and future years to be passported to the West Midlands Combined Authority (WMCA).
3. That authority be delegated to the Portfolio Holder for Resources and the Cabinet Member for Education, Skills and Work, in consultation with the Director of Finance and the Executive Director of Families, to approve changes to the local funding formula for Schools including method, principles and rules adopted.
4. That authority continues to be delegated to the Portfolio Holder for Resources in consultation with the Director of Finance to consider further opportunities to accelerate pension contribution payments to secure additional budget reductions.
5. The continuation of the policy to fully disregard income that claimants receive from the War Widows (Widowers), War Disablement Scheme and the Armed Forces Compensation Schemes in any housing benefit assessment.
6. That the Council enter into the Better Care Fund Section 75 Agreement along with the necessary ancillary agreements from the main agreement for 2022-2023 with the Black Country and West Birmingham Clinical Commissioning Group, and delegate authority to the Portfolio Holder for Resources, Cabinet Member for Adult Services and the Cabinet Member for Public Health and Wellbeing, in consultation with the Executive Director of Families and the Director of Finance to approve the final terms of the agreement.
7. That approval is given to build in supplementary budgets, fully funded by grant for the £150 council tax energy rebate for all households in England whose primary residence is valued in council tax bands A – D and delegate authority to the Portfolio Holder for Resources, in consultation with the Director of Finance to approve any changes to the Council Tax Discretionary Discount Scheme including the establishment of supplementary budgets as required.

**Recommendations for noting:**

The Cabinet are asked to note:

1. That the budget for 2022-2023 is in balance without the use of general reserves.

2. 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.
3. That it estimated that a further £12.6 million needs to be identified for 2023-2024, rising to £25.8 million over the medium term to 2025-2026 in order to address the projected budget deficit.
4. 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.
5. That, there continues to be considerable amount of uncertainty with regards to future funding streams for local authorities over the Spending Review period. At the point that further information is known it will be incorporated into future reports to Councillors. Any reduction in the Government's allocation of funding to the Council would have a significant detrimental impact and further increase the budget deficit forecast over the medium term.
6. That, the overall level of risk associated with the Medium Term Financial Strategy to 2025-2026 is assessed as Red.
7. That Councillors must have due regard to the public sector equality duty (Section 149 of the Equality Act 2010) when making budget reduction decisions.
8. That the Council continues to engage with residents, businesses and other key stakeholders throughout the year which focuses on understanding people's priorities for Wolverhampton.
9. The impact of related parties on the Medium Term Financial Strategy.

## **1.0 Purpose**

- 1.1 The purpose of this report is to present a balanced budget for 2022-2023 aligned to the Council Plan priorities and an update on the Medium Term Financial Strategy (MTFS) 2022-2023 to 2025-2026, for recommendation to Full Council.
- 1.2 The Council has a balanced budget for 2022-2023, without the need to use general reserves, however, these proposals are mainly one-off and not sustainable over the medium term. There is still a high level of uncertainty going forward and a significant financial challenge over the medium term with a projected deficit for 2023-2024 of £12.6 million, rising to £25.8 million by 2025-2026.

## **2.0 Background**

- 2.1 The City of Wolverhampton Council has built up a strong track record over many years of managing its finances well and, despite austerity; consistently setting a balanced budget. Over the last twelve years budget setting processes, the Council has identified budget reductions in the region of £239 million. Our approach to strategic financial management, aligning budgets to service priorities and improving services, and investing in transformation priorities, continues to put us in a strong financial position.
- 2.2 On 3 March 2021, the Council approved the net budget requirement for 2021-2022 of £258.5 million for General Fund services. This was the seventh year running the Council was able to set a balanced budget without the need to make use of general fund reserves. It is projected that the Council would be faced with finding further estimated budget reductions totalling £25.4 million in 2022-2023 rising to £29.6 million by 2023-2024.
- 2.3 Cabinet have been updated throughout the year as work progressed to address the budget deficit. In October 2021, Cabinet received a report in which it was stated that the Council was on track to set a balanced budget for 2022-2023, and work would continue to review the assumptions in the draft budget strategy in order to close the remaining forecast budget deficit of £1.1 million for 2022-2023. However, these proposals are mainly one-off and not sustainable over the medium term.
- 2.4 The Covid-19 pandemic has significantly distorted the budget and MTFS. It is difficult to confirm the exact costs and loss of income directly associated with the pandemic and it is important to note that we do not know how long the Council's finances will be affected.
- 2.5 Since October, the 2022-2023 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 2022-2023 and reduce the forecast budget deficit over the medium term, work has also continued to identify further efficiency measures.
- 2.6 The MTFS has been rolled forward to encompass the financial years up to 2025-2026. Assumptions have been made about the forecast levels of budget growth and inflation,

and the forecast level of resources that could be available over the medium term. Due to the short term nature of Government funding streams, and the one-off nature of some of the efficiency measures, the projected deficit increases to £25.8 million over the medium term to 2025-2026.

- 2.7 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 £13.7 million. This level of reserve is approximately 5% of the 2022-2023 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 these funds to meet the budget deficit.
- 2.8 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.

### **3.0 Covid-19 – Our role in the crisis**

- 3.1 The Council has played a proactive, leading role in responding to the Covid-19 emergency. 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 residents and businesses in Wolverhampton. As the situation evolved, so has the Council's response and financial support in order to ensure recovery.
- 3.2 The pandemic has significantly distorted the budget and MTFS, and the cost of dealing with the pandemic and loss of income extends beyond the immediate period. It is not yet known how long the pandemic will go on for or what the level of future financial impact will be. During 2020-2021 and 2021-2022, local authorities received one-off Covid-19 Emergency grant to support the cost implications of the pandemic. In addition, local authorities could apply for funding to part fund the loss of non-commercial income. Neither of these grants have been announced for 2022-2023, however the costs of the pandemic extend beyond 2021-2022.
- 3.3 As detailed in paragraph 7.13 the Council has seen a significant reduction in the income as a result of the pandemic and is projecting that this will continue into 2022-2023. It is therefore proposed that a Covid-19 contingency budget be incorporated into the 2022-2023 to support these cost pressures.

### **4.0 Our Council, Our Plan – The City of Wolverhampton Council Plan**

- 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. To ensure that resource continues to be aligned to the needs of local people a refresh of the plan has been undertaken following extensive engagement with city partners and communities throughout the Covid-19 pandemic.

- 4.2 Our City, Our Plan incorporates key policy areas into a refreshed narrative and updated structure which has a focus on delivery and performance. The plan also aligns with the key priorities and objectives identified in the Relighting Our City Recovery framework.
- 4.3 The plan continues to identify an overarching ambition that ‘Wulfrunians will live longer, healthier lives’ delivered through six Council Plan priorities:
- Strong families where children grow up well and achieve their full potential
  - Fulfilled lives with quality care for those that need it
  - Healthy, inclusive communities
  - Good homes in well connected neighbourhoods
  - More local people into good jobs and training
  - Thriving economy in all parts of the city
- 4.4 The Relighting Our City recovery framework identified three cross cutting principles which are now been taken forward and incorporated into the refreshed plan. These are:
- Climate Conscious
  - Driven by Digital
  - Fair and Equal
- 4.5 Our City, Our Plan is presented to Cabinet and Full Council on this same agenda.

## 5.0 Five Year Financial Strategy

- 5.1 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. This strategy has also been reviewed and refreshed to ensure that resources remain aligned to our priorities. 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:**

- **Driven by Digital** 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.
- **Managing 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 Safe 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.

## 6.0 Local Government Financial Settlement

- 6.1 On 16 December 2021, the Government announced the provisional local government finance settlement, referred to herein as the provisional settlement, for 2022-2023. A report to Cabinet on 19 January 2022 outlined the headlines from the settlement including: confirmation of the council tax referendum limit at 1.99% for 2022-2023, confirmation that local authorities with adult social care responsibility could raise an additional 1% in 2022-2023 via the adult social care precept. It should be noted that when Government publish what funding is available to councils, they include an assumption regarding the raising of council tax – this also includes the precept to fund adult social care. Not increasing the level of council tax would mean making more cuts to essential services over the medium term and being unable to deliver on residents' priorities.
- 6.2 They also confirmed the continuation of new homes bonus scheme for a further year with no legacy payments, and the continuation of the Lower Tier Services Grant. The sum of the provisional allocation for the Council is £2.1 million.
- 6.3 Additional funding totalling £5.4 million for adult and children's social care was also announced taking our total provisional allocation for 2022-2023 to £31.1 million. This grant has helped to contribute to the level of growth required for adult social care.

6.4 The Government also announced their proposal to introduce a one-off 2022-2023 Services Grant. This new grant will provide funding to all tiers of local government in recognition of the vital services, including social care, delivered at every level of local government. This grant also includes funding for the cost of the increase in employers national insurance contribution of 1.25%. The provisional allocation for the Council is £5.5 million, of which we estimate that in the region of £1 million will be used to cover our increased costs in employer national insurance contributions.

6.5 On 7 February 2022, the Secretary of State for Levelling Up, Housing and Communities published a written statement on the Final Local Government Finance Settlement 2022-2023; the final settlement was debated in the House of Commons on 9 February 2022. The final settlement is in broadly in line with the provisional settlement announcement.

6.6 Appendix 1 provides further details 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 The major budget assumptions used in the preparation of the MTFs are set out in Appendix 3. Appendix 1 provides details of the changes to growth and inflation and corporate resource assumptions, which are recommended for inclusion in the 2022-2023 Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026.

7.4 On 27 October 2021, the Government announced the outcome of the Spending Review 2021, the headlines of which were reported to Cabinet on 8 December 2021. The Spending Review covered the period from 2022-2023 to 2024-2025. However, the provisional settlement announced on 16 December was for one year only – 2022-2023, with further details on the proposed funding reform and consultation expected to follow in 2022. The final settlement announced on 7 February 2022 confirmed the one year settlement.

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 2022-2023. However, work has been ongoing to project a forecast medium term position as detailed in this report. It is projected that the medium term forecast budget deficit could be in the region of £25.8 million by 2025-2026. In order to project the potential budget 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 2022-2023 budget and medium term financial strategy 2022-2023 to 2025-2026 are detailed in Table 5 below and in more detail in Appendix 1. Some of the key budget assumptions are also detailed in the paragraphs below. A full list of all budget reduction, income generation and efficiency targets incorporated in the MTFs are detailed in Appendix 2.

### **Pay Related Pressures**

7.7 At the time of writing this report national negotiations are ongoing in respect of the pay award for 2021-2022. The 2021-2022 budget includes provision within employee budgets for a 1% pay award. However, it is anticipated that there is some provision within corporate budgets to accommodate an increase of up to 2% without having to find offsetting budget reductions in year. Any increase above 2% would require in year efficiencies to be made in both 2021-2022 and 2022-2023 and increase the budget deficit for future years. In the event that the pay award is above 2% and in year efficiencies cannot be identified in 2022-2023, the budget contingency reserve will be called upon to fund the shortfall.

7.8 As reported to Cabinet in October 2021, on 7 September 2021, Government published 'Building Back Better: Our Plan for Health and Social Care'. The Government have announced they will levy in additional funding of around £12 billion per year from an increase of 1.25% on both employers and employees national insurance contributions. As detailed in paragraph 6.4, the Government have announced a new one-off Services Grant which is in part to fund the increase in employers national insurance contributions. The estimated cost of this increase is £1 million per year.

7.9 Detailed work has been undertaken to assess the likely impact of pay related pressures for 2022-2023, including costs of increments, changes to pension contributions, increases in national insurance and potential pay award – pay award is currently assumed at 2%.

7.10 The projected budget adjustments arising from the combined pay related pressures is detailed in Appendix 1.

### **Budget Pressures**

7.11 A number of emerging pressures have been identified throughout the current financial year and in order to be prudent those pressures have been recognised into the 2022-2023 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.

7.12 As part of the ongoing revenue budget monitoring during 2021-2022 and budget updates for 2022-2023, potential pressures have been flagged within Adult Services due to: increases in demand for services, the impact of any fee uplift, the impact of the Covid-19 pandemic, cost pressures associated with supporting additional reablement and discharges from hospital - which are currently funded by Health, managing demand across the current system, the delivery of the adult redesign and delivery of the 'Build

Back Better: Our Plan for Health and Social Care' as outlined in paragraph 7.36. Additional budget growth totalling £5.7 million has therefore been incorporated into the 2022-2023 budget, taking the overall growth for Adult Services in 2022-2023 to £9.2 million. The additional grant and Adult social Care Precept have contributed to the £9.2 million of growth. Based on current financial modelling, we believe that this additional growth built into the budget is sufficient to cover these forecast cost pressures. However, we will continue to monitor and review this position in light of the situation, with updates provided to Councillors as part of the quarterly performance and budget monitoring reports.

- 7.13 As detailed in section 3, the pandemic has significantly distorted the budget and MTFs, and the cost of dealing with the pandemic extends 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. As previously reported to Cabinet, there continues to be a level of uncertainty associated with emerging behavioural and operational changes arising as a result of the pandemic. This includes, but not limited to, income generating services, such as parking services and markets. During 2020-2021 and for the first quarter of 2021-2022, local authorities could apply for grant funding from Government to part fund losses from sales, fees and charges. This scheme did not continue beyond quarter 1 of 2021-2022 and no announcements have been made that any further funding will be made available. As part of the ongoing revenue budget monitoring it has been reported throughout 2021-2022, there has been a significant reduction in income from income generating services, in particular, parking services and this is likely to continue into 2022-2023. It is therefore proposed that a Covid-19 Contingency budget be held corporately for 2022-2023 to mitigate against any income losses from sales, fees and charges as a result of a reduction in economic activity and changes to behaviours. Income losses will be monitored throughout the year and updates provided in the quarterly performance and budget monitoring reports to Cabinet. In the event that this budget is not required in full, the Director of Finance will seek to reduce the level of capital receipt flexibility utilised in 2022-2023.
- 7.14 Our City, Our Plan – The City of Wolverhampton Council Plan sets out the priorities which will guide the Council's approach for the organisation and city as we start to move towards a new normal. In order that the Council can deliver on its priorities, a Corporate Contingency budget to support Council Priorities will be incorporated into the 2022-2023 budget totalling £1.6 million. Proposals are currently being developed and once business cases are completed, funding will be realised. Priorities include, but not limited to, discretionary housing support and financial wellbeing, support for businesses, Rainbow City, Youth Employment and Climate Change. Cabinet approval is therefore sought to delegate authority to the Portfolio Holder for Resources and the responsible Cabinet Member for the service area in question, in consultation with the Director of Finance and the relevant Director to allocate budgets from the Corporate Contingency to support Council Priorities once business cases have been completed. All budget allocations will

be incorporated into the performance and budget monitoring updates to Cabinet during 2022-2023.

- 7.15 During 2021-2022 wholesale energy prices have soared due to levels of supply and demand: therefore, resulting in increased gas and electricity costs for consumers. The Council's MTFs includes provision for increases in utility costs, however the Council is currently signed up for gas and electricity contracts until 31 March 2023 and 30 September 2024 respectively. During 2021-2022, the Council has been undergoing a procurement exercise using the Eastern Shires Purchasing Organisation (ESPO) framework to ensure value for money for the period after the existing contracts cease. Whilst energy prices are increasing, consumption is reducing in light of a change in working practices during the ongoing Covid-19 pandemic. At the point of writing, it is anticipated that the budget allocated for utilities will be sufficient for 2022-2023, however given the increasing costs, energy costs will continue to be monitored and reviewed, with updates provided to Councillors as part of the performance and budget monitoring reports.
- 7.16 Each year the Council is required to recognise the potential future credit losses that may be incurred on financial or contractual assets, loan commitments and financial guarantees. This has also previously been referred to as a 'bad debt allowance'. Following a review of existing and forecast commitments, it is projected there will be an in-year reduction totalling £500,000 on the future credit losses budget which can be released in 2022-2023. It is therefore proposed that this one-off reduction be incorporated into the budget.

### **Efficiencies**

- 7.17 As part of the detailed budget review, a number of efficiencies have been identified for 2022-2023 and future years, as detailed in Appendix 1. It is important to note however that the efficiencies identified are predominantly one-off in nature.
- 7.18 It was reported to Cabinet in the 2021-2022 revenue monitoring that there were efficiencies across some services. In accordance with the 2022-2023 budget strategy as approved by Cabinet in October 2021, it is proposed that 2021-2022 underspends in the region of £4.0 million be transferred to a specific reserve to support the budget strategy for 2022-2023. Following a review of the overall budget position including the outcome of the provisional settlement, it is proposed that £1.0 million of this reserve supports the 2022-2023 budget strategy whilst £3.0 million is set aside to support the 2023-2024 budget strategy.
- 7.19 In addition to this, in October 2021 it was reported to Cabinet that the use of capital receipts flexibility to fund revenue transformation has been extended until 2024-2025 and it was proposed that £5.0 million was built into the 2022-2023 budget strategy. Following a review of the overall budget position including the outcome of the provisional settlement, it is proposed that the level of capital receipts which can be utilised in 2022-2023 to support the budget strategy is reduced to £3.0 million.

### **Revisions to Budget Reduction Targets**

- 7.20 In October 2021, it was reported to Cabinet that £1.8 million of savings would not be delivered in 2022-2023 as originally planned. Since then, a further review has been undertaken on existing budget reduction and income generation proposals to ensure that the targets included in the MTFS remain deliverable over the medium term. This has been particularly important in light of the Covid-19 pandemic and changes to the environment in which we currently operate. Taking into account the pressures in Adult Services, as referenced in paragraph 7.12 above, it has been identified that a further £2.2 million of savings will not be delivered in 2022-2023.
- 7.21 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 Appendix 1 and a full list of all proposed budget reduction, income generation and efficiency targets can be found in Appendix 2.

### **Corporate Resources**

- 7.22 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 2022-2023. This is due to the uncertainty regarding potential resources that will be available to the Council due to the proposed funding reform and consultation that is expected in 2022.
- 7.23 The data used to assess funding allocations has not been updated for a number of years, dating from 2013-2014 to a large degree, and even as far back as 2000. Over the coming months, Government will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes.
- 7.24 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.
- 7.25 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**

- 7.26 On 8 December 2021, Cabinet received a report detailing the estimated outturn on the Collection Fund for 2021-2022 which consisted of a projected cumulative deficit in the region of £3.5 million on Council Tax, and a projected cumulative deficit in the region of £15.4 million on Business Rates. It is important to note that both elements include 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.
- 7.27 As previously reported, the Covid-19 pandemic has had a significant impact on the Wolverhampton community and economy. It continues to be difficult to arrive at an

accurate forecast for council tax and business rates collection, however collection performance for 2021-2022 is now improving when compared to 2020-2021.

- 7.28 The forecast Business Rates deficit includes Covid-19 business rates reliefs granted to businesses under Government initiatives. The Government have provided Section 31 grant, in order to compensate local authorities for the reduction in business rates income.
- 7.29 On 15 December 2021, the Government confirmed the Covid-19 Additional Relief Fund (CARF) allocations. This additional business rates relief will reduce the overall net rates payable in 2021-2022, however the Council will be compensated in full through additional Section 31 grant.
- 7.30 On 31 January 2022 under delegated authority, the Portfolio Holder for Resources in consultation with the Director of Finance approved the final Business Rates estimated outturn for 2021-2022 at a cumulative deficit of £20.8 million, from £15.4 million as previously reported to Cabinet on 8 December 2021.
- 7.31 Furthermore, following revisions arising as a result of further data becoming available, the Portfolio Holder for Resources in consultation with the Director of Finance also approved the final Business Rates baseline net rate yield at £65.454 million from £65.551 million as previously reported to Cabinet on 8 December 2021.
- 7.32 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 amendments detailed above.

### **Adult and Children's Social Care**

- 7.33 On 19 January 2022, Cabinet were informed that the Government had announced £700 million of new grant specifically for social care. Of this, the Government proposes to increase the Social Care Grant allocations by £636 million when compared to 2021-2022 levels and to increase the improved Better Care Fund (iBCF) allocations by £63 million, an inflationary uplift on the 2021-2022 allocations. The final settlement confirms the Council's allocation at £30.1 million for 2022-2023, an uplift of £4.5 million when compared to 2021-2022. As mentioned in paragraph 7.12, the additional grant has contributed to an overall growth in Adult Social Care budgets of £9.2 million for 2022-2023.
- 7.34 Local authorities are required to pool the iBCF allocation in a 'pooled budget' with their Clinical Commissioning Groups (CCG) and have a Section 75 Agreement in place. The Section 75 agreement is a fundamental requirement of the Better Care Fund (BCF) and must be signed by both organisations in order for the pooled fund to be set up and the relevant funding to be received. BCF first announced in June 2013 and came into effect in full in 2015-2016. The Section 75 Agreement details the level of funds to be pooled by each organisations and any risk sharing arrangements for any over / underspend within the pool fund. In 2020-2021 and 2021-2022, due to the Covid-19 pandemic, the risk sharing arrangement were paused. The BCF pooled budget for 2021-2022 is £81 million, £49 million from the CCG and £32 million from the Council.

- 7.35 The details of the BCF pooled budget for 2022-2023 are still to be confirmed with the Black Country and West Birmingham CCG. It is therefore proposed that authority be delegated to the Portfolio Holder for Resources, Cabinet Member for Adult Services and the Cabinet Member for Public Health and Wellbeing, in consultation with the Executive Director of Families and the Director of Finance to approve to agree the final terms of the agreement
- 7.36 In addition to this, as announced on the 7 September in the 'Build Back Better: Our Plan for Health and Social Care', the Government announced their proposal to allocate £162 million to support local authorities in preparing their markets for adult social care reform and to help move towards paying a fair cost of care. Adult Services and Finance are working collectively to estimate the additional costs associated with the reform when compared to the provisional allocation. Wolverhampton's provisional allocation for the Market Sustainability and Fair Cost of Care Fund is £929,000. There are a number of conditions attached to this funding, including the submission of plans to the Department of Health and Social Care by September 2022 for formal approval; detailed guidance and supporting templates are expected to be published in early 2022. Funding for 2023-2024 and 2024-2025 will be conditional upon satisfying these grant conditions.

### **Services Grant**

- 7.37 In the final settlement, the Government confirmed the new one-off 2022-2023 Services Grant worth £822 million to support a range of additional services provided by local government. This new grant will provide funding to all tiers of local government in recognition of the vital services, including social care, delivered at every level of local government. This grant also includes funding for the cost of increasing the employer National Insurance contribution by 1.25%. Wolverhampton's provisional allocation is £5.5 million, of which it is estimated that in the region of £1 million will be used to cover our increased costs in our National Insurance contributions.

## **8.0 Council Tax and Housing Benefits**

- 8.1 The Council Tax Base and NDR (Business Rates) Net Rate Yield 2022-2023 and Draft Budget Update report was presented to Cabinet on 8 December 2021. Cabinet approved the council tax base for 2022-2023 at 64,936.94 Band D equivalent properties.
- 8.2 In the Spending Review 2021 Statement and the provisional settlement, the Government announced that local authorities with social care responsibilities can increase the adult social care precept by up to 1% per year over the spending review period from 2022-2023 to 2024-2025. This is in addition to the council tax referendum limit and is to be used for adult social care only. As outlined in paragraph 7.12, in order to fund the increasing pressures across Adult Social Care, it is necessary for the Council to apply the ASC precept. The 1% ASC precept, would generate an additional income in the region of £1.2 million for 2022-2023 which totals £4.8 million over the period to 2025-2026 (taking into account anticipated growth in the council tax base of 1% from 2023-2024 onwards).



- 8.3 Further to this, in the provisional settlement the Government confirmed the council tax referendum limit remains at 2% for 2022-2023. This would therefore enable the Council to increase Council Tax by a maximum of 2.99% in 2022-2023; the sum of 1.99% council tax plus the 1% adult social care precept. The 1.99% increase would levy on average additional income of approximately £2.3 million per year. Taking both increases into account the additional income is around £3.5 million per year.
- 8.4 When Government publish what funding is available to councils, they include an assumption regarding the raising of council tax – this also includes the precept for adult social care. Not increasing the level of council tax would mean making more cuts to essential services over the medium term and being unable to deliver on residents’ priorities.
- 8.5 Projections in the MTFS beyond 2022-2023 assume that Council Tax will continue to increase by 1.99%, whilst the tax base is anticipated to rise by 1% in each financial year, this generates on average £3.5 million per year. Furthermore, the MTFS assumes that the adult social care precept will increase by 1% in each financial year over the spending review period to 2024-2025 which generates on average a further £1.2 million per year.
- 8.6 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 1%, totalling 2.99%.
- 8.7 The resulting impact on the level of the Council element of Council Tax for a Band D property in 2022-2023 is detailed in the table below, whilst details of the impact on all bands can be found in Appendix 4.

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

| <b>Band D</b>  | <b>£</b>        |
|--|-----------------|
| 2021-2022 Council Element of Council Tax (including adult social care) | 1,765.49        |
| 1.99% increase   | 35.13           |
| 1% Adult Social Care Precept   | 17.65           |
|  | <b>1,818.27</b> |

- 8.8 It is projected that income from Council Tax will rise in subsequent years, based upon the latest collection rates and tax base.
- 8.9 On 3 February 2022, the Government announced measures to support households from rising energy costs, including a one-off £150 council tax energy rebate for all households in England whose primary residence is valued in council tax bands A-D. In addition to this, billing authorities will operate a discretionary fund for households in need who would not otherwise be eligible. The Council will be compensated for the cost of both measures.
- 8.10 At the time of writing this report, the details of the scheme are unknown, this report therefore seeks approval to build in supplementary budgets fully funded by grant once the grant allocation is known and to delegate authority to the Portfolio Holder for

Resources, in consultation with the Director of Finance to approve any changes to the Council Tax Discretionary Discount Scheme.

### **Local Council Tax Support Scheme**

- 8.11 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.
- 8.12 There are no changes proposed to the Council Tax Support scheme for 2022-2023, to the scheme agreed by Council 3 March 2021 for 2021-2022.
- 8.13 The full details of the scheme are published on our website, with the current scheme available at: [Council Tax Support Scheme | City Of Wolverhampton Council](#)

### **War Pensions Disregard**

- 8.14 Housing Benefit Regulations 2006 make provision for the first £10.00 of income from War Disablement Pension, War Widows (Widowers) Pension and the Armed Forces Compensation Scheme to be disregarded in any housing benefit assessment. The Social Security Administration Act 1992 gives the Council discretion to disregard any amount it chooses in addition to the statutory provision. It is recommended that Cabinet approve the continuation to fully disregarded income claimants receive from the War Widows (Widowers), War Disablement Scheme and the Armed Forces Compensation Schemes. The cost to the Council in 2019-2020 of fully disregarding this income was £30,320, which reduced to £21,323 in 2020-2021 and is expected to continue to reduce in future years. The policy can be found at Appendix 6.

## **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 Medium Term Financial Strategy to 2025-2026 is assessed as Red.

**Table 2 – General Fund Budget Risks to 2025-2026**

| <b>Risk</b>             | <b>Description</b>  | <b>Level of Risk</b> |
|-------------------------|---|----------------------|
| Medium Term Forecasting | Risks that might materialise as a result of the impact of interest rates, energy costs, 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  | Red                  |

|                                     |  |       |
|-------------------------------------|--|-------|
|                                     | particularly applies to adults and childrens' social care.   |       |
|                                     | 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.<br><br>The risk of successful appeals against business rates.  | Amber |
| Third Parties                       | Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.  | Amber |
| Government Policy                   | Risks that might materialise due to structural uncertainties including the impact of exiting the European Union.   | Amber |

|          |   |     |
|----------|---|-----|
|          | Risks that might materialise as a result of changes to Government policy including changes in VAT, taxation rules and economic measures.  | 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 |

9.2 Due to the level of risk associated with pressures in Adult Services and the potential variation in the Collection Fund assumptions, particularly with regards to the allocation of the Covid-19 Additional Relief Fund by 31 March 2022, in order to be prudent, it is proposed that £1.8 million be contributed to a specific reserve during 2022-2023 to mitigate against those risks. Should those risks not materialise, there would be an opportunity to call on this reserve to support the 2023-2024 budget strategy.

## 10.0 Budget Consultation and Scrutiny

- 10.1 The budget engagement process forms part of a continuous process of engagement with residents, businesses and other key stakeholders throughout the year which focuses on understanding people's priorities for Wolverhampton.
- 10.2 During December 2021, the Leader of the Council and the Cabinet Member for Children and Young People, as part of continuous engagement through the 'Ask Ian' series, invited residents and businesses to submit questions via social media. The Leader of the Council and Cabinet Member for Children and Young People then responded to as many of these questions as possible in a video which was available on social media.
- 10.3 In addition to this, as previously reported to Cabinet, in January 2022 the Council relaunched a digital tool to enhance public engagement, with a focus on the ongoing challenge to set a balanced budget in each financial year over the medium term. The Budget Simulator, relaunched in January, gives respondents a chance to set their own draft Council budget in line with the preferences. Updates will be provided in future budget reports to Councillors.
- 10.4 The Council will continue to engage with our residents and key stakeholders to get their feedback around what matters to them most.
- 10.5 In addition to this, on 8 February 2022, Scrutiny Board were presented with the draft budget and medium term financial position and were asked to scrutinise the budget and how it aligned to the priorities of the Council. Scrutiny Board considered the Council Plan, Medium Term Financial Strategy and Performance framework as a pre decision

scrutiny item. Scrutiny Board noted the aims and objectives highlighted in the Council Plan and what it would be seeking to achieve for residents, businesses and the City.

## 11.0 Updated Budget and Medium Term Financial Strategy

### 2022-2023 Budget

- 11.1 The net budget requirement for 2022-2023 for the General Fund Services is £267.2 million. In the opinion of the Director of Finance (Section 151 Officer) the 2022-2023 budget estimates are robust. The Council's proposed budget for 2022-2023 does not require the use of general reserves in order set a balanced budget. We will continue to monitor the risks associated with the budget, detailed in the table above, and provide updates to Councillors as part of the quarterly performance and revenue budget monitoring reports.
- 11.2 The Council's proposed budget for 2022-2023 is shown at Table 3.

**Table 3 – Draft 2022-2023 Controllable Budget**

| <b>Division</b>                       | <b>2022-2023<br/>Draft Net<br/>Controllable<br/>Budget<br/>£000</b> |
|---------------------------------------|---|
| Adult Services                        | 81,395  |
| Children's Services                   | 50,725  |
| Chief Executive                       | 193   |
| City Assets                           | 9,581   |
| City Housing and Environment          | 28,692  |
| Corporate Accounts                    | 45,567  |
| Communications and External Relations | 2,273   |
| Deputy Chief Executive                | 205   |
| Education                             | 1,435   |
| Finance                               | 14,640  |
| Governance                            | 12,321  |
| Public Health & Wellbeing             | 5,428   |
| Regeneration                          | 2,984   |
| Strategy                              | 11,720  |
| <b>Total Net Budget Requirement</b>   | <b>267,159</b>  |

### Medium Term Financial Strategy

- 11.3 Table 5 details the MTFs projections for the period to 2025-2026. It incorporates extensive budget preparation work that has been ongoing in recent months for the period up to 2025-2026, in addition to those adjustments arising as a result of changes in assumptions, as detailed in this report and corresponding appendices.

- 11.4 The table details incremental changes to forecast expenditure, starting from the base position of the 2021-2022 budget. The forecast expenditure is then compared with anticipated resources available to arrive at the projected deficit.
- 11.5 Due to the uncertainty the Council currently faces, it is particularly challenging to establish a MTFS beyond 2022-2023. 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.
- 11.6 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 as the provisional settlement announced on 16 December was for one year only – 2022-2023, with further details on the proposed funding reform and consultation expected to follow in 2022. The MTFS currently assumes the following:

**Table 4 – Grants**

| <b>Grant</b>                | <b>MTFS Assumptions<br/>(2023-2024 onwards)</b>   |
|-----------------------------|---|
| Top-up Grant                | Uplifted by inflation at 2%   |
| Social Care Grants          | Flatlined at 2022-2023 levels   |
| Services Grant 2022-2023    | Assumed one year only with the exception of increases to employers National Insurance contributions.  |
| New Homes Bonus             | Assume that this grant does not continue beyond 2022-2023.  |
| Lower Tier Services Funding | Assume that this grant does not continue beyond 2022-2023.  |
| Business Rates              | Assumption that the business rates multiplier increases each year by 2%, whilst the business rates base remains static.<br>Also, the Business Rates retention scheme will continue beyond 2022-2023 with no detrimental impact of a Business Rates reset or changes to the retention scheme |
| Council Tax                 | Assume that council tax will continue to increase by 1.99%, whilst the tax base is anticipated to rise by 1% in each financial year. Furthermore, the MTFS assumes  |

| Grant | MTFS Assumptions<br>(2023-2024 onwards)  |
|-------|--|
|       | that the adult social care precept will increase by 1% in each financial year over the spending review period, in line with the Government's announcement. |

- 11.7 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, conversely any additional unringfenced funding would have a positive impact on the MTFS.
- 11.8 Taking this into account, the Council is now faced with finding further projected budget reductions estimated at £12.6 million in 2023-2024, rising to £25.8 million over the medium-term period to 2025-2026. Work to develop budget reduction and income generation proposals for 2023-2024 onwards in line with the Five Year Financial Strategy will continue.
- 11.9 It is proposed an update on progress on tackling the projected deficit is reported to Cabinet in July 2022.
- 11.10 It is important to note that the updated projected budget deficit assumes the achievement of budget reduction, income generation and efficiency proposals amounting to £900,000 over the period from 2022-2023 to 2025-2026. Those proposals are largely one-off in nature. Having identified budget reductions in the region of £239.0 million over the last twelve years budget setting processes, the extent of the financial challenge over the medium term continues to represent the most significant that the Council has ever faced.

**Table 5 – Medium Term Financial Strategy 2022-2023 to 2025-2026**

|   | <b>2022-2023</b> | <b>2023-2024</b> | <b>2024-2025</b> | <b>2025-2026</b> |
|---|------------------|------------------|------------------|------------------|
|   | <b>£000</b>      | <b>£000</b>      | <b>£000</b>      | <b>£000</b>      |
| Previous Years Net Budget brought forward   | 258,497          | 267,159          | 280,956          | 294,627          |
| Increasing / (Decreasing) Cost Pressures  |                  |                  |                  |                  |
| - Pay Relates Pressures   | 6,050            | 5,226            | 5,405            | 5,585            |
| - Treasury Management   | 2,379            | -                | -                | (500)            |
| - Budget Growth   | 10,130           | 3,953            | 6,766            | 5,038            |
| - Budget Reduction, Income Generation & Efficiency targets                        | (11,017)         | 4,618            | 1,500            | 4,000            |
| - Net Impact of changes to specific grants  | 1,120            | -                | -                | -                |
| <b>Net Budget (Before Use of Resources)</b>                                       | <b>267,159</b>   | <b>280,956</b>   | <b>294,627</b>   | <b>308,750</b>   |
| <b>Projected Corporate Resources</b>  |                  |                  |                  |                  |
| - Council Tax (including Adult Social Care precept)                               | (118,072)        | (122,818)        | (127,756)        | (131,601)        |
| - Business Rates (net of WMCA growth payment)                                     | (64,000)         | (70,461)         | (71,768)         | (73,001)         |
| - Enterprise Zone Business Rates  | (1,422)          | (1,408)          | (1,375)          | (1,340)          |
| - Section 31 Grant – business rates support                                       | (21,170)         | (15,245)         | (15,245)         | (15,245)         |
| - Collection fund deficit/ (surplus) forecast (net of irrecoverable losses grant) | 1,781            | 1,619            | (595)            | (595)            |
| - Top Up Grant  | (27,399)         | (27,947)         | (28,506)         | (29,076)         |
| - New Homes Bonus   | (1,632)          | -                | -                | -                |
| - Improved Better Care Fund   | (14,761)         | (14,761)         | (14,761)         | (14,761)         |
| - Social Care Grants  | (16,305)         | (16,305)         | (16,305)         | (16,305)         |
| - Services Grant 2022-2023  | (5,492)          | -                | -                | -                |
| - Services Grant – element to fund NI increase                                    | -                | (1,000)          | (1,000)          | (1,000)          |
| - Lower Tier Funding  | (487)            | -                | -                | -                |
| - Contribution to reserves  | 1,800            | -                | -                | -                |
| <b>Total projected resources</b>  | <b>267,159</b>   | <b>268,326</b>   | <b>277,311</b>   | <b>282,924</b>   |
| <b>Projected Budget Annual Change in Budget Deficit / (Surplus)</b>               | <b>-</b>         | <b>12,630</b>    | <b>17,316</b>    | <b>25,826</b>    |
| <b>Projected Cumulative Budget Deficit</b>  |                  | <b>12,630</b>    | <b>4,686</b>     | <b>8,510</b>     |



## 12.0 Update on Reserves

- 12.1 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.
- 12.2 The Council's General Fund Balance stands at £13.7 million. The level of reserve is approximately 5% of the 2022-2023 net budget which is in line with recommended best practice. As detailed in paragraph 11.1 the Council is able to set a balanced budget for 2022-2023 without the use of General Fund Reserves.
- 12.3 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 5 without calling on general reserves.
- 12.4 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).
- 12.5 The table below details the level of the specific reserves held by the Council at 31 March 2021 and the anticipated balances at 31 March 2022. 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**

| Directorate                  | Actual<br>Balance as at<br>1 April 2021<br>£000 | Forecast Net<br>Use/(Contribution)<br>2021-2022<br>£000 | Forecast<br>Balance as at<br>31 March 2022<br>£000 |
|------------------------------|---|---|--|
| Adult Services               | (2,616)   | 1,926   | (690)  |
| Children's and Education     | (206)   | -   | (206)  |
| City Housing and Environment | (855)   | 370   | (485)  |
| Corporate                    | (35,688)  | 7,668   | (28,020)   |
| Finance                      | (2,447)   | 200   | (2,247)  |
| Governance                   | (330)   | 147   | (183)  |
| Public Health                | (4)   | -   | (4)  |
| Regeneration                 | (2,118)   | 616   | (1,502)  |
| <b>Total</b>                 | <b>(44,264)</b>                                 | <b>10,927</b>   | <b>(33,337)</b>                                    |

- 12.6 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**

| <b>Corporate Reserves</b>  | <b>Actual<br/>Balance as at<br/>1 April 2021<br/>£000</b> | <b>Forecast Net<br/>Use/(Contribution)<br/>2021-2022<br/>£000</b> | <b>Forecast<br/>Balance as at<br/>31 March 2022<br/>£000</b> |
|----------------------------|---|---|--|
| Efficiency Reserve         | (5,368)   | 233   | (5,135)  |
| Budget Strategy Reserve    | (7,569)   | -   | (7,569)  |
| Transformation Reserve     | (2,554)   | 862   | (1,692)  |
| Budget Contingency Reserve | (4,964)   | (52)  | (5,016)  |
| <b>Total</b>               | <b>(20,455)</b>   | <b>1,043</b>  | <b>(19,412)</b>  |

- 12.7 As detailed in paragraph 9.2 above, due to the level of risk associated with pressures in Adult Services and the potential variation in the Collection Fund assumptions, particularly with regards to the allocation of the Covid-19 Additional Relief Fund by 31 March 2022, it is proposed that £1.8 million be contributed to a specific reserve during 2022-2023 in order to be prudent and to mitigate against those risks. Should those risks not materialise, there would be an opportunity to call on this reserve to support the 2023-2024 budget strategy.

### **13.0 Related Parties**

- 13.1 The Council has a financial interest in a number of related parties. The financial position of each related party is monitored throughout year. At the end of the financial year the council undertakes a detailed review of each and considers the impact on the balance sheet, in particular in relation to the provision for future losses in respect of loan repayments, probability of guarantees being called upon and the value of investments held.
- 13.2 The Council has provided guarantees in respect to the City of Wolverhampton College for the West Midlands Pension Fund and the College's bank. Monitoring of the financial position of the College indicates that there is currently no impact on the MTFs because of the guarantees.
- 13.3 Yoo Recruit Limited is a wholly owned company of the Council. The financial position of the company indicates that there is no financial impact on the MTFs at this time.
- 13.4 Wolverhampton Homes is the Council's Arms Length Management Organisation. The council provides over 95% of the funding for Wolverhampton Homes through the management fees and reflected in the HRA Business Plan approved by Council on 26 January.

- 13.5 WV Living is a wholly owned company. The Council has equity investment of £8 million in WV Living. There is currently no requirement to impair this investment. The position will be reviewed again at the end of the financial year.
- 13.6 The Council has provided loans to WV Living. The council maintains a provision of 5% for future losses in respect of these loans. The current level of loans outstanding has reduced during the last 12 months, with all repayments being made when they fell due. It is therefore anticipated that the provision will be reduced at the end of the financial year, this has been reflected in the MTFS projections in this report.
- 13.7 The Council has an investment in Help to Own. The Treasury Strategy report on this agenda identifies the potential need to make an adjustment to the way that MRP is calculated in respect to this investment. This adjustment has been reflected in the Treasury management projections detailed in this report.

#### **14.0 Funding Formula for Schools**

- 14.1 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.
- 14.2 2022-2023 is a continuation of this implementation period and Local Authorities are still required to set a local funding formula. In December 2021, the Department for Education announced the Schools Block DSG allocation for 2022-2023.
- 14.3 The agreed local funding formula for 2021-2022 fully adopted the same factors as the National Funding Formula. Schools' forum received and approved a report in January 2022 stating that this was again affordable within allocations for 2022-2023.
- 14.4 In line with the Schools Revenue Funding 2022-2023 Operational Guidance, delegation of authority to the Portfolio Holder for Resources and Cabinet Member for Education, Skills and Work, in consultation with the Director of Finance and Executive Director of Families is sought to approve proposed changes to local funding formula including method, principles and rules adopted.

#### **15.0 Evaluation of alternative options**

- 15.1 In determining the proposed 2022-2023 Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026, 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 2022-2023.

#### **16.0 Reasons for decisions**

- 16.1 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.

## **17.0 Financial implications**

17.1 The financial implications are discussed in the body of the report.  
[AS/15022022/B]

## **18.0 Legal implications**

- 18.1 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.
- 18.2 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.
- 18.3 This report also sets out the Council's Medium Term Financial Strategy. The Chief Financial officer has a statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, to ensure that there are proper arrangements in place to administer the Council's financial affairs.
- 18.4 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.
- 18.5 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).
- 18.6 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.

- 18.7 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.
- 18.8 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirement for 2022-2023.
- 18.9 It is the responsibility of members to ensure the Council sets a balanced budget for the forthcoming year. In setting such a budget members and officers of the council have a legal requirement to ensure it is balanced in a manner which reflects the needs of both current and future taxpayers in discharging these responsibilities. In essence this is a direct reference to ensure that council sets a financially sustainable budget which is mindful of the long-term consequences of any short-term decisions.  
[TC/15022022/D]

## **19.0 Equalities implications**

- 19.1 The council's annual budget and medium term financial strategy supports a range of services designed to meet key equalities objectives.
- 19.2 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.
- 19.3 In the body of the report, we refer to efficiency proposals that are being put forward for approval as part of the Council's MTFs. Those efficiency proposals are one-off and in the main linked to the one-off use of funding, including reserves and grants, or forecast in-year underspends, and therefore have no equality impact on citizens or the communities that the Council serves.
- 19.4 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.
- 19.5 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.

## **20.0 All other implications**

- 20.1 The Covid implications are detailed in the body of the report.
- 20.2 Any human resource implications will be managed in accordance with the Council's HR policies and processes.

## **21.0 Schedule of background papers**

- 21.1 [2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024](#), report to Cabinet on 17 February 2021 and Full Council 3 March 2021
- 21.2 [Performance, Budget Monitoring and Budget Update 2021-2022](#), report to Cabinet on 28 July 2021
- 21.3 [Draft Budget and Medium Term Financial Strategy 2022-2023 to 2023-2024](#), report to Cabinet on 20 October 2021
- 21.4 [Council Tax Base and Business Rates \(NDR\) Net Rate Yield 2022-2023 and Draft Budget Update 2022-2023](#), report to Cabinet on 8 December 2021
- 21.5 [Collection Fund Estimated Outturn 2021-2022](#), report to Cabinet on 8 December 2021
- 21.6 [Provisional Local Government Finance Settlement and Draft Budget Update](#), report to Cabinet on 19 January 2022
- 21.7 Final Business Rates (NDR) Net Rate Yield 2022-2023 and Collection Fund Estimated Outturn 2021-2022, Individual Executive Decision Notice, 31 January 2022

## **22.0 Appendices**

- 22.1 Appendix 1 - Medium Term Financial Strategy 2022-2023 to 2025-2026– Update on Key Assumptions
- 22.2 Appendix 2 - Budget Reduction, Income Generation and Efficiency Targets
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## Medium Term Financial Strategy 2022-2023 to 2025-2026 – Update on Key Assumptions

### 1.0 Introduction

- 1.1 The assumptions used in the preparation of the Budget and Medium Term Financial Strategy (MTFS) 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 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 and in paragraphs 7.7 to 7.9 of the report.

**Table 1 – Pay Related Pressures**

|  | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |
|--|-----------|-----------|-----------|-----------|
|  | £000      | £000      | £000      | £000      |
| Pay Award, Employers Pension, National Insurance and Annual Increments | 6,050     | 5,226     | 5,405     | 5,585     |

### Pay Award

- 1.3 At the time of writing this report national negotiations are still ongoing in respect of the pay award for 2021-2022. The 2021-2022 budget includes provision within employee budgets for a 1% pay award. However, it is anticipated that there is some provision within corporate budgets to accommodate an increase of up to 2% without having to find offsetting budget reductions in year. Any increase above 2% would require in year efficiencies to be made in both 2021-2022 and 2022-2023 and increase the budget deficit for future years. In the event that the pay award is above 2% and in year efficiencies cannot be identified in 2022-2023, the budget contingency reserve will be called upon to fund the shortfall.
- 1.4 The 2022-2023 Budget and MTFS currently assumes a pay award of 2% per year over the medium term until 2025-2026.

### Employers National Insurance Contributions

- 1.5 As reported to Cabinet in October 2021, on 7 September 2021, Government published 'Building Back Better: Our Plan for Health and Social Care'. The Government have

announced they will levy in additional funding of around £12 billion per year from an increase of 1.25% on both employers and employees national insurance contributions. As detailed in paragraph 6.4 of the main report, the Government have announced a new one-off Services Grant which is in part to fund the increase in employers national insurance contributions. The estimated cost of this increase is in the region of £1 million per year.

### Employer's Pension Payments

- 1.6 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.
- 1.7 The next triennial actuarial review will be undertaken during 2022-2023, therefore the pension costs for 2023-2024 onwards will be subject to the outcome of this review.
- 1.8 In accordance with delegated authority, the Portfolio Holder 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

- 1.9 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

- 1.10 Table 2 below details budget growth that has been incorporated into the MTFs.

**Table 2 – Budget Pressures**

|   | 2022-2023<br>£000 | 2023-2024<br>£000 | 2024-2025<br>£000 | 2025-2026<br>£000 |
|---|-------------------|-------------------|-------------------|-------------------|
| Inflationary Pressures,<br>Demographic and Demand Pressures | 10,130            | 3,953             | 6,766             | 5,038             |

- 1.11 Inflationary pressures include, but not limited to: utilities, the impact of changes to demographic growth, increases in relation to external contracts and investment in Council priorities.
- 1.12 In paragraphs 7.11 to 7.16 of the main report, a number of key budget pressures in Adult Services, impact of loss of income due to covid, growth for Council priorities and the impact on inflationary pressures are discussed in more detail.
- 1.13 The Budget and MTFs reported to Cabinet in February 2021, approved growth and inflation totalling £716,000 for 2022-2023 and £4.9 million for 2023-2024. Work has been



ongoing to identify growth and inflation across the Council, including the impact of rolling forward the MTFS to 2025-2026.

- 1.14 A full list of all budget growth and emerging budget pressures that have been reflected in the draft budget and MTFS, and in order to be prudent, is provided in the table below:

**Table 3 – Budget Pressures**

|   | 2022-2023     | 2023-2024    | 2024-2025    | 2025-2026    |
|---|---------------|--------------|--------------|--------------|
|   | £000          | £000         | £000         | £000         |
| Adult Social Care pressures                                   | 9,150         | 4,705        | 4,766        | 3,538        |
| Children and Young People in Care                             | 100           | -            | -            | -            |
| #Yes  | 50            | -            | -            | -            |
| City Environment – waste inflation                            | 142           | 142          | 142          | 142          |
| City Environment – Coroners                                   | 137           | -            | -            | -            |
| Public Health and Wellbeing – PFI contract                    | 90            | 90           | 90           | 90           |
| Regeneration – City Investments                               | 81            | -            | -            | -            |
| Strategy – ICT for contract inflation and Microsoft licences  | 413           | -            | -            | -            |
| Finance – contract management improvements                    | 136           | -            | -            | -            |
| Governance – elections and occupational health                | 82            | -            | -            | -            |
| West Midlands transportation levy                             | 98            | -            | -            | -            |
| General Inflation and demographic growth (includes utilities) | 1,194         | 1,230        | 1,268        | 1,268        |
| Growth to support Council Priorities                          | 1,647         | (1,514)      | 1,000        | -            |
| Corporate Contingency for Corporate Landlord                  | (250)         | (250)        | -            | -            |
| Reversal of growth held for Covid implications 2021-2022      | (4,310)       | -            | -            | -            |
| Covid implications 2022-2023 – loss of income                 | 1,870         | (950)        | -            | -            |
| Review of future credit losses                                | (500)         | 500          | (500)        | -            |
| <b>Total</b>  | <b>10,130</b> | <b>3,953</b> | <b>6,766</b> | <b>5,038</b> |

- 1.15 In addition to this, the level of borrowing required to support the capital programme has been reviewed and the treasury management forecast tested to ascertain the budget requirement for 2022-2023. It is therefore proposed the Treasury Management budget is reduced by £1.5 million in 2022-2023 with proposed revisions to growth assumptions over the medium term also incorporated into the MTFS. The table below shows the changes to the Treasury Management budget over the MTFS period.

**Table 4 – Changes to the Treasury Management Budget**

|                            | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |
|----------------------------|-----------|-----------|-----------|-----------|
|                            | £000      | £000      | £000      | £000      |
| Treasury Management Budget | (1,500)   | (1,000)   | (1,500)   | (500)     |

**Efficiencies**

- 1.16 Cabinet in February 2021 approved the 2021-2022 Budget and MTFs 2021-2022 to 2023-2024. Due to the one-off nature of Budget Reduction, Income Generation and Efficiencies in 2021-2022, this resulted in a net growth of £634,000 being built back into the MTFs for the period of 2022-2023 to 2023-2024. This is summarised in the table below:

**Table 5 – Budget Reduction, Income Generation and Efficiency totals as at February 2021**

|  | 2022-2023 | 2023-2024 |
|--|-----------|-----------|
|  | £000      | £000      |
| Budget Reduction, Income Generation and Efficiency targets | 3,164     | (2,530)   |

- 1.17 As part of the detailed budget review, a number of efficiencies have been identified for 2022-2023 and future years. As detailed in paragraphs 7.17 of the report, the majority of efficiencies are predominantly one-off in nature.

**Capital Receipts Flexibilities**

- 1.18 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 taking it to 2021-2022. The use of capital receipts to fund revenue transformation has been extended further until 2024-2025.
- 1.19 On 28 July 2021, Cabinet approved the draft budget strategy which included the continuation of the capital receipts flexibility until 2024-2025. In October 2021, it was proposed that £5 million was built into the 2022-2023 budget strategy.
- 1.20 Following on from the announcement the additional one-off grants for 2022-2023, and the overall budget position it is proposed that the level of capital receipts which can be utilised in 2022-2023 to support the budget strategy is reduced to £3 million.
- 1.21 The Capital Programme, as presented to Councillors for approval at this meeting, includes assumptions about the level of capital receipts to be generated in 2022-2023 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.

- 1.22 Throughout the year, capital receipts generated will be reviewed and assessed to ensure that capital receipts are applied in the most effective way.

**One-off Opportunities**

- 1.23 In June 2021 the outturn position for 2020-2021 was presented to Cabinet. It was noted that as a result of the overall outturn position, there was no call on the Future Years Budget Strategy (£2.3 million) and the Job Evaluation (£1.0 million) reserves. It is proposed that the use of these reserves is built into the 2022-2023 budget. In addition, it is also proposed that the Treasury Management Equalisation Reserve of £1.7 million be released in 2022-2023.
- 1.24 It was reported to Council that in the budget for 2021-2022 there was an estimated net cost of £6.4 million relating to the impact of Covid-19. Efficiencies across the Council enabled the Council to set a balanced budget despite this pressure. The Council has managed the use of Covid-19 grants very carefully which enabled some grant to be carried forward into the current financial year. It is proposed that in the first instance, £5.0 million of Covid-19 Emergency Grant is drawn down to support the underlying budget pressures in 2021-2022, thereby releasing general fund resources which can be utilised to meet the budget deficit in 2022-2023.
- 1.25 In addition, Cabinet were informed in the 2021-2022 revenue monitoring that there were efficiencies across some services. In accordance with the 2022-2023 budget strategy as approved by Cabinet in October 2021, it is proposed that 2021-2022 underspends in the region of £4.0 million be transferred to a specific reserve to support the budget strategy for 2022-2023. Following a review of the overall budget position including the outcome of the provisional settlement, it is proposed that £1.0 million of this reserve supports the 2022-2023 budget strategy whilst £3.0 million is set aside to support the 2023-2024 budget strategy.
- 1.26 These efficiencies and their impact across financial years are also listed in full in the table below. A full list of all budget reduction, income generation and efficiencies are shown in Appendix 2:

**Table 6 –Efficiencies**

|  | 2022-2023<br>£000 | 2023-2024<br>£000 | 2024-2025<br>£000 | 2025-2026<br>£000 |
|--|-------------------|-------------------|-------------------|-------------------|
| Use of budget strategy reserve   | (2,347)           | 2,347             | -                 | -                 |
| Use of Job Evaluation Reserve  | (1,000)           | 1,000             | -                 | -                 |
| Use of Treasury Management Reserve   | (1,651)           | 1,651             | -                 | -                 |
| Capital Receipts flexibility   | (3,000)           | (2,000)           | -                 | 5,000             |
| Use of Covid-19 emergency grant in 2021-2022 (creation of reserve from efficiencies) | (5,000)           | 5,000             | -                 | -                 |
| Use of one-off grants  | (1,000)           | 1,000             | -                 | -                 |

|   | 2022-2023       | 2023-2024    | 2024-2025    | 2025-2026    |
|---|-----------------|--------------|--------------|--------------|
|   | £000            | £000         | £000         | £000         |
| Anticipated underspends in 2021-2022 to carry forward | (1,000)         | (2,000)      | 3,000        | -            |
| In year efficiencies from across services             | (1,500)         | (1,000)      | (1,000)      | (1,000)      |
| Review of corporate pot                               | -               | (500)        | -            | -            |
| Vacancy Factor – to replace Staff                     | (1,200)         | -            | -            | -            |
| Terms and Conditions saving                           | -               | -            | -            | -            |
| One-off efficiencies from up-front pension payment    | (650)           | 650          | -            | -            |
| <b>Total</b>  | <b>(18,348)</b> | <b>6,148</b> | <b>2,000</b> | <b>4,000</b> |

### Revisions to Budget Reduction Targets

- 1.27 As reported to Cabinet in October 2021, 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 identified that £4.2 million of savings will not be delivered in 2022-2023 as originally planned and £1.0 million in 2023-2024. More details can be found in paragraph 7.20 of the report.
- 1.28 The table below provides a list of the financial impact of the proposed revisions.

**Table 7 – Revisions to Budget Reduction proposals**

|   | 2022-2023    | 2023-2024    | 2024-2025 | 2025-2026 |
|---|--------------|--------------|-----------|-----------|
|   | £000         | £000         | £000      | £000      |
| Revision – deletion of budget reduction targets                                 |              |              |           |           |
| - Staff Terms and Conditions – (replaced with vacancy factor see table 6 above) | 1,200        | -            | -         | -         |
| - HR Business Improvement review (2021-2022 and 2022-2023)                      | 300          | -            | -         | -         |
| - Efficiencies from contract procurement and management                         | 500          | -            | -         | -         |
| - Adult Social Care   | 2,167        | -            | -         | -         |
| - Waste Services – Phase 2  | -            | 1,000        | -         | -         |
| <b>Total</b>  | <b>4,167</b> | <b>1,000</b> | <b>-</b>  | <b>-</b>  |

- 1.29 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.

### Corporate Resources

- 1.30 As detailed in paragraphs 7.22 to 7.25 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 2022-2023. A number of assumptions have been made on the level of resources that will be available to the Council.
- 1.31 On 27 October 2021, the Government announced the outcome of the Spending Review 2021, the headlines of which were reported to Cabinet on 8 December 2021. The Spending Review covered the period from 2022-2023 to 2024-2025.
- 1.32 On 16 December 2021, the Government announced the Provisional Local Government Settlement, details of this were reported to Cabinet in January 2022. On 7 February 2022, the Secretary of State for Levelling Up, Housing and Communities published a written statement on the Final Local Government Finance Settlement 2022-2023, the final settlement was debated in the House of Commons on 9 February 2022. 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

- 1.33 Further details regarding the assumptions made on the Collection Fund estimated outturn and corresponding Government announcements can be found in paragraphs 7.26 to 7.32 in the report, whilst the table below provides details of the collection fund deficit that will be retained by the Council.

**Table 8 – Retained Element of Collection Fund Deficit**

| Elements of Collection Fund | Deficit       | Retained | Retained Deficit |
|-----------------------------|---------------|----------|------------------|
|                             | £000          | %        | £000             |
| Council Tax                 | 3,505         | 88.3%    | 3,095            |
| Business Rates              | 20,824        | 99.0%    | 20,616           |
| <b>Total</b>                | <b>24,329</b> |          | <b>23,711</b>    |

- 1.34 The estimate on the Collection Fund for 2021-2022 set out above includes assumptions about collection rates. It is forecast that there will be an accumulated deficit on both elements of the collection fund as at the 31 March 2022. It is important to note that this 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.
- 1.35 Furthermore, within the 2021-2022 deficit stated above for business rates, 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.

- 1.36 This also includes the Covid-19 Additional Relief Fund (CARF) allocations, which were announced by the Government on 15 December 2021. This additional business rates relief will reduce the overall net rates payable in 2021-2022, and is included in the assumptions above, however the Council will be compensated in full through additional Section 31 grant.

### **Business Rates**

- 1.37 The National Non-Domestic Rates Return 1 (NNDR1) was compiled and returned to the Department of Levelling Up, Housing and Communities (DLUHC) by the deadline of 31 January 2022.
- 1.38 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 2022-2023 was confirmed in the provisional settlement in December 2021. 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.
- 1.39 On 8 December 2021, Cabinet approved the Collection Fund Business Rates Net Yield for 2022-2023 at £65.6 million. Following revisions arising as a result of further data becoming available, the Portfolio Holder for Resources in consultation with the Director of Finance approved the revised Business Rates baseline net rate yield to £65.454 million. Of the £65.454 million net rate yielded by business rates forecast to be collected in 2022-2023 the Council would retain in the region of £64.8 million under the 99% business rate retention scheme pilot. The estimate of net rates payable in 2022-2023 assumes continued pressure on business rates collection, including the potential for further business rates appeals.
- 1.40 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 2022-2023, and grant to compensate for business rates relief. Overall, Section 31 grant income for business rates policies totalling £21.2 million is projected for 2022-2022 based upon the NNDR1 form returned to the Department for Levelling Up, Housing and Communities (DLUHC) by 31 January 2022. The Covid-19 business rates relief for Retail, Leisure and Hospitality is at the point of writing is not known to be extended beyond 2022-2023, and therefore the level of section 31 grant over the medium term reduces. However, this business rates income would therefore be levied on these businesses and is therefore assumed in the business rates base for 2023-2024 onwards.

- 1.41 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.
- 1.42 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 attributable 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 from Wolverhampton in the region of £680,000.
- 1.43 The basis for growth assumptions and distribution for 2022-2023 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 Portfolio Holder for Resources, in consultation with the Director of Finance, to approve the calculation and allocation of growth in the central share for 2022-2023 and future years to be passported to the WMCA.
- 1.44 It is important to note, the MTFS assumes the Business Rates retention scheme continues at the current level of business rates retention (99%) over the medium term up to 2025-2026 with no detrimental impact of a Business Rates reset or changes to the retention scheme. In addition, only inflationary growth in the business rates multiplier is assumed in the MTFS. Any amendments arising of funding reforms could impact on the councils MTFS.

### **Council Tax**

- 1.45 On 8 December 2021, Cabinet approved the council tax base for 2022-2023 at 64,936.94 Band D equivalent properties. Section 8 in the report provides further details on Government announcements regarding council tax and the adult social care precept.
- 1.46 The report recommends an increase in Council Tax of 1.99%, in addition to the Government's social care precept of 1%, totalling 2.99%. This would result in a council tax for council services in 2022-2023 of £1,818.27 for a Band D property in Wolverhampton. When Government publish what funding is available to councils, they include an assumption regarding the raising of council tax – this also includes the 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. Projections in the MTFS assume that Council Tax will continue to increase by 1.99%, whilst the tax base is anticipated to rise by 1% in each financial year, this generates on average £3.5 million per year. Furthermore, the MTFS assumes that the adult social care precept will increase by 1% in each financial year over the spending review period, which generates on average a further £1.2 million per year.

## **Grants**

- 1.47 Paragraphs 7.33 to 7.37 in the report provide further details on grant funding for Social Care, and the Services Grant 2022-2023 announced as part of the final settlement for 2022-2023.

### **Lower Tier Services Grant**

- 1.48 The Government have also announced the continuation of the 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 final allocation is £487,000. The MTFS assumes this grant will not continue beyond 2022-2023.

### **New Homes Bonus**

- 1.49 The Government have announced the continuation of the New Homes Bonus scheme for a further year with no new legacy payments.
- 1.50 The Council's final allocation for 2022-2023 has been announced at £1.6 million, which includes an additional £1.4 million for 2022-2023. The MTFS did not assume any additional New Homes Bonus being awarded for growth from 2022-2023 onwards therefore the £1.4 million allocation represents additional income to the budget for 2022-2023. The MTFS assumes this grant will not continue beyond 2022-2023.

### **Top Up Grant**

- 1.51 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 2022-2023 has been uplifted by inflation, this is an increase of £697,000, above current the assumptions previously built into the MTFS, this takes the 2022-2023 allocation to £27.4 million. The MTFS assumes the that this grant will be uplifted by inflation (at 2%) for future years.

### **Section 31 Grant – Business Rates Retention**

- 1.52 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 £21.2 million is projected for 2022-2023 based upon the NNDR1 form returned to DLUHC by 31 January 2022.
- 1.53 The MTFS currently assumes that that this grant will continue at 2022-2023 levels over the medium term period to 2025-2026, with the expectation of the Section 31 grant element that funds the Retail, Leisure and Hospitality business rates relief. Therefore, the level of Section 31 grant assumed annually from 2023-2024 is £15.2 million.



1.54 The overall impact of the revisions to the Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026, 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**

|   | <b>2022-2023</b> | <b>2023-2024</b> | <b>2024-2025</b> | <b>2025-2026</b> |
|---|------------------|------------------|------------------|------------------|
|   | <b>£000</b>      | <b>£000</b>      | <b>£000</b>      | <b>£000</b>      |
| Previous Years Net Budget brought forward   | 258,497          | 267,159          | 280,956          | 294,627          |
| Increasing / (Decreasing) Cost Pressures  |                  |                  |                  |                  |
| - Pay Relates Pressures   | 6,050            | 5,226            | 5,405            | 5,585            |
| - Treasury Management   | 2,379            | -                | -                | (500)            |
| - Budget Growth   | 10,130           | 3,953            | 6,766            | 5,038            |
| - Budget Reduction, Income Generation & Efficiency targets                        | (11,017)         | 4,618            | 1,500            | 4,000            |
| - Net Impact of changes to specific grants  | 1,120            | -                | -                | -                |
| <b>Net Budget (Before Use of Resources)</b>                                       | <b>267,159</b>   | <b>280,956</b>   | <b>294,627</b>   | <b>308,750</b>   |
| <b>Projected Corporate Resources</b>  |                  |                  |                  |                  |
| - Council Tax (including Adult Social Care precept)                               | (118,072)        | (122,818)        | (127,756)        | (131,601)        |
| - Business Rates (net of WMCA growth payment)                                     | (64,000)         | (70,461)         | (71,768)         | (73,001)         |
| - Enterprise Zone Business Rates  | (1,422)          | (1,408)          | (1,375)          | (1,340)          |
| - Section 31 Grant – business rates support                                       | (21,170)         | (15,245)         | (15,245)         | (15,245)         |
| - Collection fund deficit/ (surplus) forecast (net of irrecoverable losses grant) | 1,781            | 1,619            | (595)            | (595)            |
| - Top Up Grant  | (27,399)         | (27,947)         | (28,506)         | (29,076)         |
| - New Homes Bonus   | (1,632)          | -                | -                | -                |
| - Improved Better Care Fund   | (14,761)         | (14,761)         | (14,761)         | (14,761)         |
| - Social Care Grants  | (16,305)         | (16,305)         | (16,305)         | (16,305)         |
| - Services Grant 2022-2023  | (5,492)          | -                | -                | -                |
| - Services Grant – element to fund NI increase                                    | -                | (1,000)          | (1,000)          | (1,000)          |
| - Lower Tier Funding  | (487)            | -                | -                | -                |
| - Contribution to reserves  | 1,800            | -                | -                | -                |
| <b>Total projected resources</b>  | <b>267,159</b>   | <b>268,326</b>   | <b>277,311</b>   | <b>282,924</b>   |
| <b>Projected Budget Annual Change in Budget Deficit / (Surplus)</b>               | <b>-</b>         | <b>12,630</b>    | <b>17,316</b>    | <b>25,826</b>    |
| <b>Projected Cumulative Budget Deficit</b>  |                  | <b>12,630</b>    | <b>4,686</b>     | <b>8,510</b>     |

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**Budget Reduction, Income Generation and Efficiency Targets**

The table below provides a full list of all budget reduction, income generation and efficiency targets incorporated into the 2022-2023 budget and Medium Term Financial Strategy 2022-2023 to 2025-2026

| Directorate                           | Proposal   | 2022-2023<br>£000 | 2023-2024<br>£000 | 2024-2025<br>£000 | 2025-2026<br>£000 |
|---------------------------------------|--|-------------------|-------------------|-------------------|-------------------|
| Adult Services                        | Transforming Adult Social Care   | -                 | (2,000)           | -                 | -                 |
| Adult Services                        | Undeliverable prior year savings within Adult Services                     | 167               | -                 | -                 | -                 |
| Adult Services                        | One-off efficiencies from DoLs – reversal of prior year one-off saving     | 230               | -                 | -                 | -                 |
| Children’s Service and Education      | One-off efficiencies on Section 17 – reversal of prior year one-off saving | 150               | -                 | -                 | -                 |
| Children’s Service and Education      | Transforming Children’s Services   | (100)             | -                 | -                 | -                 |
| Children’s Service and Education      | Efficiencies across Children’s Service and Education                       | (100)             | -                 | -                 | -                 |
| Children’s Service and Education      | Use of one-off grants  | (1,000)           | 1,000             | -                 | -                 |
| City Housing and Environment          | Efficiencies from the depot review   | -                 | -                 | (500)             | -                 |
| City Housing and Environment          | Environmental Services – efficiencies                                      | (250)             | (250)             | -                 | -                 |
| City Housing and Environment          | Delivering Independent Travel  | (315)             | -                 | -                 | -                 |
| City Assets                           | Asset Management – reversal of prior year one-off saving                   | 120               | -                 | -                 | -                 |
| Communications and External Relations | Communications service review – efficiencies                               | (50)              | -                 | -                 | -                 |
| Finance                               | Finance efficiencies   | (150)             | (150)             | -                 | -                 |
| Governance                            | Governance efficiencies  | (100)             | (100)             | -                 | -                 |
| Governance                            | Undeliverable savings – HR Business Improvement Review                     | 200               | -                 | -                 | -                 |
| Strategy                              | ICT Review – efficiencies  | (150)             | (150)             | -                 | -                 |
| Strategy                              | Insight and Performance Review – efficiencies                              | (50)              | -                 | -                 | -                 |

| Directorate        | Proposal  | 2022-2023<br>£000 | 2023-2024<br>£000 | 2024-2025<br>£000 | 2025-2026<br>£000 |
|--------------------|---|-------------------|-------------------|-------------------|-------------------|
| Regeneration       | Regeneration Service review – efficiencies  | (250)             | (600)             | -                 | -                 |
| Regeneration       | Adult Education – target to break even  | (30)              | (30)              | -                 | -                 |
| Regeneration       | Wolves at Work 2020-2021 income generation target   | (400)             | -                 | -                 | -                 |
| Corporate Accounts | Efficiencies through contract procurement and management (reversal of prior year in 2022-2022 target) | 250               | (250)             | -                 | -                 |
| Corporate Accounts | Use of Capital Receipts flexibility   | 2,000             | (2,000)           | -                 | 5,000             |
| Corporate Accounts | Reduction in apprenticeship levy budget – reversal of prior year one-off saving                       | 45                | -                 | -                 | -                 |
| Corporate Accounts | Underspends from 2020-2021 (to be transferred into a reserve)   | 3,164             | -                 | -                 | -                 |
| Corporate Accounts | Efficiencies from corporate contingency budgets – reversal of one-off prior year saving               | 1,950             | -                 | -                 | -                 |
| Corporate Accounts | Use of Revenues and Benefits Strategy reserve   | (2,000)           | 2,000             | -                 | -                 |
| Corporate Accounts | Staff turnover vacancy factor   | (1,200)           | -                 | -                 | -                 |
| Corporate Accounts | Efficiencies from up front pension payment  | (650)             | 650               | -                 | -                 |
| Corporate Accounts | Use of Covid Emergency Grant to support underlying budget pressures                                   | (5,000)           | 5,000             | -                 | -                 |
| Corporate Accounts | Use of Treasury Management Equalisation reserve   | (1,651)           | 1,651             | -                 | -                 |
| Corporate Accounts | Underspend from 2021-2022 transferred to a reserve  | (1,000)           | (2,000)           | 3,000             | -                 |

**APPENDIX 2**

| <b>Directorate</b> | <b>Proposal</b>  | <b>2022-2023</b> | <b>2023-2024</b> | <b>2024-2025</b> | <b>2025-2026</b> |
|--------------------|--|------------------|------------------|------------------|------------------|
|                    |  | <b>£000</b>      | <b>£000</b>      | <b>£000</b>      | <b>£000</b>      |
| Corporate Accounts | Use of Budget Strategy Reserve (not required in 2020-2021) | (2,347)          | 2,347            | -                | -                |
| Corporate Accounts | Use of Job Evaluation Reserve (not required in 2020-2021)  | (1,000)          | 1,000            | -                | -                |
| Corporate Accounts | In-year efficiencies from across services                  | (1,500)          | (1,000)          | (1,000)          | (1,000)          |
| Corporate Accounts | Efficiencies from review of corporate contingency budgets  | -                | (500)            | -                | -                |
| <b>Total</b>       |  | <b>(11,017)</b>  | <b>4,618</b>     | <b>1,500</b>     | <b>4,000</b>     |

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**Budget Preparation Parameters**

The following key parameters have been reflected in the budget and medium term projections.

|   | <b>2022-2023<br/>Forecast</b> | <b>2023-2024<br/>Forecast</b> | <b>2024-2025<br/>Forecast</b> | <b>2025-2026<br/>Forecast</b> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Council Tax Annual Increase (Council element) | 1.99%                         | 1.99%                         | 1.99%                         | 1.99%                         |
| Growth in Council Tax Base                    | 2.1%                          | 1.0%                          | 1.0%                          | 1.0%                          |
| Adult Social Care Precept (Council element)   | 1.0%                          | 1.0%                          | 1.0%                          | 0.0%                          |
| Pay Award                                     | 2.0%                          | 2.0%                          | 2.0%                          | 2.0%                          |
| Price Inflation (Gas)*                        | 40%                           | 15%                           | 15%                           | 15%                           |
| Price Inflation (Electricity)*                | 35%                           | 15%                           | 15%                           | 15%                           |
| Price Inflation (NNDR)                        | 0.0%                          | 2.0%                          | 2.0%                          | 2.0%                          |
| Borrowing Interest Rate (PWLB 25 year rate)   | 2.6%                          | 2.6%                          | 2.6%                          | 2.6%                          |
| Return on Investment                          | 0.1%                          | 0.1%                          | 0.1%                          | 0.1%                          |
| NNDR Income Annual Increase                   | 0.0%                          | 2.0%                          | 2.0%                          | 2.0%                          |
| Growth in NNDR Tax Base                       | 0.0%                          | 0.0%                          | 0.0%                          | 0.0%                          |

\*The MTFS incorporates provision for general inflation and demographic growth. During 2021-2022 wholesale energy prices have soared due to levels of supply and demand: therefore, resulting in increased gas and electricity costs for consumers. Whilst energy prices are increasing, consumption is reducing in light of a change in working practices during the ongoing Covid-19 pandemic. At the point of writing, it is anticipated that the budget allocated for utilities will be sufficient for 2022-2023, however, given the economic environment this will be kept under review and subject to further updates.

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Forecast Council Element of Council Tax for 2022-2023 per Band

| Valuation Band<br>(1 April 1991)   | Values not<br>exceeding<br>£40,000 | Values<br>exceeding<br>£40,000 but<br>not exceeding<br>£52,000 | Values<br>exceeding<br>£52,000 but<br>not exceeding<br>£68,000 | Values<br>exceeding<br>£68,000 but<br>not exceeding<br>£88,000 | Values<br>exceeding<br>£88,000 but<br>not exceeding<br>£120,000 | Values<br>exceeding<br>£120,000 but<br>not exceeding<br>£160,000 | Values<br>exceeding<br>£160,000 but<br>not exceeding<br>£320,000 | Values<br>exceeding<br>£320,000 |
|--|------------------------------------|--|--|--|---|--|--|---------------------------------|
|  | A<br>6/9                           | B<br>7/9   | C<br>8/9   | D<br>9/9   | E<br>11/9   | F<br>13/9  | G<br>15/9  | H<br>18/9                       |
| Council Tax 2021-2022 (Council element including<br>2021-2022 ASC precept) | 1,177.00                           | 1,373.16   | 1,569.33   | 1,765.49   | 2,157.82  | 2,550.15   | 2,942.49   | 3,530.98                        |
| 1.99% increase in Council Tax  | 23.42                              | 27.32  | 31.22  | 35.13  | 42.94   | 50.74  | 58.55  | 70.26                           |
| 1% Adult Social Care Precept   | 11.76                              | 13.73  | 15.69  | 17.65  | 21.57   | 25.50  | 29.41  | 35.30                           |
| <b>Council Tax 2022-2023 (Council element)</b>                             | <b>1,212.18</b>                    | <b>1,414.21</b>  | <b>1,616.24</b>  | <b>1,818.27</b>  | <b>2,222.33</b>   | <b>2,626.39</b>  | <b>3,030.45</b>  | <b>3,636.54</b>                 |

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Collection Fund Estimated Outturn 2021-2022

Forecast Council Tax Outturn 2021-2022

|  | £000      | £000             |
|--|-----------|------------------|
| <b>Actual accumulated deficit at 1 April 2021</b>  |           | 6,602            |
| <b>Apportionment of 2021-2022 estimated deficit calculated January 2021 (payments made during 2021-2022)</b> |           |                  |
| <b>Pre 2020-2021 deficit</b>   |           |                  |
| City of Wolverhampton Council  | (936)     |                  |
| West Midlands Police and Crime Commissioner  | (88)      |                  |
| West Midlands Fire and Rescue Authority  | (34)      | (1,058)          |
| <b>One third 2020-2021 estimated deficit</b>   |           |                  |
| City of Wolverhampton Council  | (1,971)   |                  |
| West Midlands Police and Crime Commissioner  | (191)     |                  |
| West Midlands Fire and Rescue Authority  | (72)      | (2,234)          |
| <b>Net deficit 2020-2021 to be apportioned in 2022-2023 and 2023-2024</b>                                    |           | <b>3,310</b>     |
| <b>Estimated income 2021-2022</b>  |           |                  |
| Income from Council Tax  | (133,248) |                  |
| Council Tax Hardship Fund relief reimbursement – funded by grant   | (58)      |                  |
| <b>Total estimated income</b>  |           | <b>(133,306)</b> |
| <b>Estimated expenditure 2021-2022</b>   |           |                  |
| 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     |                  |
| <b>Total estimated expenditure</b>   |           | <b>133,501</b>   |
| <b>Net estimated deficit 2021-2022</b>   |           | <b>195</b>       |
| <b>Estimated accumulated deficit at 31 March 2022</b>  |           | <b>3,505</b>     |

Forecast Business Rates Outturn 2021-2022

|  | £000     | £000            |
|--|----------|-----------------|
| <b>Actual accumulated deficit at 1 April 2021</b>  |          | 40,300          |
| <b>Apportionment of 2020-2021 estimated deficit calculated as at January 2021 (payments made during 2021-2022)</b> |          |                 |
| <b>Pre 2020-2021 deficit</b>   |          |                 |
| City of Wolverhampton Council  | (809)    |                 |
| West Midlands Fire and Rescue Authority  | (8)      | (817)           |
| <b>2020-2021 deficit linked to Covid-19 reliefs funded by grant</b>  |          |                 |
| City of Wolverhampton Council  | (30,354) |                 |
| West Midlands Fire and Rescue Authority  | (307)    | (30,661)        |
| <b>One third 2020-2021 estimated deficit</b>   |          |                 |
| City of Wolverhampton Council  | (2,701)  |                 |
| West Midlands Fire and Rescue Authority  | (27)     | (2,728)         |
| <b>Net deficit 2020-2021 to be apportioned in 2022-2023 and 2023-2024</b>  |          | <b>6,094</b>    |
|  |          |                 |
| <b>Estimated income 2021-2022</b>  |          |                 |
| Income from Business Rates (NDR)   | (60,854) |                 |
| Transitional payment   | (103)    |                 |
| Reconciliation payment   | 700      |                 |
| <b>Total estimated income</b>  |          | <b>(60,257)</b> |
| <b>Estimated expenditure 2021-2022</b>   |          |                 |
| Demands on Collection Fund   |          |                 |
| City of Wolverhampton Council<br>(including designated areas and renewable energy)                                 | 68,858   |                 |
| West Midlands Fire and Rescue Authority  | 688      |                 |
| Provision for non-collection of NDR (incl. appeals)  | 5,109    |                 |
| Cost of Collection Allowance   | 332      |                 |
| <b>Total estimated expenditure</b>   |          | <b>74,987</b>   |
| <b>Net estimated deficit 2021-2022</b>   |          | <b>14,730</b>   |
|  |          |                 |
| <b>Estimated accumulated deficit at 31 March 2022</b>  |          | <b>20,824</b>   |

**City of Wolverhampton Council**

**Housing Benefit War Pension Disregard Policy**

**Contents**

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| 3. Background .....                           | <b>Error! Bookmark not defined.</b> |
| 4. Policy.....                                | <b>Error! Bookmark not defined.</b> |

## **1. Introduction**

This policy sets out the circumstances in which War Pensions are fully disregarded when working out a person's income in the assessment of Housing Benefit.

## **2. Purpose and principles of the policy**

2.2. The purpose of this policy is to:

- a) Ensure income is treated consistently when assessing entitlement to Housing Benefit
- b) Ensure that all assessments are dealt with in a fair, consistent and equal manner
- c) Make clear the types of pensions to be disregarded under the Housing Benefit War Pensions Disregard Policy.

## **3. Background**

3.1 The Housing Benefit Regulations 2006 make provision for the first £10.00 of income from War Disablement Pension, War Widows (Widowers) Pension and the Armed Forces Compensation Scheme to be disregarded in any housing benefit assessment. The cost of this disregard is fully reimbursed to the Council.

3.2 The Social Security Administration Act 1992 gives the Council discretion to disregard any amount it chooses in addition to the statutory provision. The Council has taken advantage of this provision and fully disregarded income claimants receive from the War Widows (Widowers), War Disablement Scheme and the Armed Forces Compensation Schemes.

## **4. Policy**

4.1 The Council will fully disregard income from War Disablement Scheme, War Widows (Widowers) Pension and the Armed Forces Compensation Scheme when assessing entitlement to Housing Benefit.

|  |   |
|--|---|
| <b>CITY OF<br/>WOLVERHAMPTON<br/>COUNCIL</b> | <b>Cabinet</b><br><b>23 February 2022</b> |
|--|---|

|  |  |  |
|--|--|--|
| <b>Report title</b>                            | Our City: Our Plan                                 |  |
| <b>Decision designation</b>                    | RED  |  |
| <b>Cabinet member with lead responsibility</b> | Councillor Ian Brookfield<br>Leader of the Council |  |
| <b>Key decision</b>                            | Yes  |  |
| <b>In forward plan</b>                         | Yes  |  |
| <b>Wards affected</b>                          | All Wards  |  |
| <b>Accountable Director</b>                    | Charlotte Johns, Director of Strategy              |  |
| <b>Originating service</b>                     | Policy and Strategy                                |  |
| <b>Accountable employee</b>                    | Laura Collings                                     | Head of Policy and Strategy  |
|  | Tel  | 01902 550414   |
|  | Email  | <a href="mailto:laura.collings@wolverhampton.gov.uk">laura.collings@wolverhampton.gov.uk</a> |
| <b>Report to be/has been considered by</b>     | Core Services                                      | 18 January 2022  |
|  | Strategic Executive Board                          | 27 January 2022  |
|  | Scrutiny Board                                     | 8 February 2022  |

---

### Recommendations for decision:

That Cabinet recommends that Council:

1. Approves the Our City: Our Plan, the City of Wolverhampton Council Plan.
2. Seeks cross party engagement to deliver the priorities set out in Our City: Our Plan the strategic framework to level up our city.

### Recommendations for noting:

The Cabinet is asked to note:

1. That the priorities of Our City: Our Plan have been developed through a continuous conversation with our communities and partners with over 3,000 people engaged building on the Relighting Our City recovery commitment.
2. That a presentation and draft strategy of Our City: Our Plan was received by Scrutiny Board on the 8 February 2022.

## **1.0 Purpose**

- 1.1 The purpose of this report is to approve the refreshed council plan, Our City: Our Plan show in appendix 1. This report will also provide an update on the new council performance framework and how we will monitor our progress towards delivering our city priorities.

## **2.0 Background**

- 2.1 The Council Plan 2019 – 2024 was approved by Full Council on the 4 April 2019 and covers a five-year period. Since the launch of the plan the world we live and work in has changed significantly. To ensure that the Council's resource continues to be aligned to the needs and priorities of local people the plan has been refreshed. Our City: Our Plan sets out how the Council will continue to work alongside its local, regional, and national partners to improve outcomes for local people. It is good practice to review and refresh the Council Plan on annual basis.
- 2.2 The Government announcement on the 3 February 2022, of 'Levelling Up' funding for the City of Wolverhampton is a major endorsement of the Council's ambitious plans to invest in and further regenerate the city. Fundamentally, it provides the opportunity to establish an effective partnership between national and local government. This plan sets out a framework for how through a shared strategy we can level up our city together.
- 2.3 This item was considered as pre-decision scrutiny on 8 February by Scrutiny Board and will therefore not be available to call in once a decision is made by Cabinet. Scrutiny Panel supported to the key priorities, outcomes and planned performance framework contained within Our City: Our Plan.

## **3.0 Our City, Our Plan**

- 3.1 The plan sets out an ambition that 'Wulfrunians will live longer, healthier lives.' Delivery of this ambition will be supported by six overarching priorities.
- Strong families where children grow up well and achieve their full potential
  - Fulfilled lives for all with quality care for those that need it
  - Healthy, inclusive communities
  - Good homes in well-connected neighbourhoods
  - More local people into good jobs and training
  - Thriving economy in all parts of the city
- 3.2 These priorities together with the associated key outcomes, objectives and activity form a framework to improve outcomes for local people and deliver our levelling up ambitions. Supporting the six overarching priorities are three cross cutting principles.



- **Climate Conscious:** The plan is aligned to the Council's climate change strategy 'Future Generations' and our target to make the Council net carbon zero by 2028. Reducing carbon emissions will continue to be a local and national priority.
- **Driven by Digital:** Wolverhampton is at the forefront of digital infrastructure and innovation, and now more than ever we have seen the importance of digital skills and connectivity to social and economic participation for the City's residents.
- **Fair and Equal:** The Council will continue to tackle the inequalities in our city which impact on the opportunities of local people. The plan is aligned to our Equality, Diversity and Inclusion strategy which is underpinned by directorate level action plans.

3.3 The priorities included in Our City: Our Plan are aligned to the Relighting Our City Covid-19 recovery commitment and the City Vision 2030.

#### **4.0 Strategic Framework**

4.1 The plan takes forward a new approach to the structure of the plan with a focus on aligning our strategic objectives with operational delivery and performance. Each of the six overarching priorities includes:

- A policy position outlining the Council's key areas of focus, challenge, and opportunity under the priority.
- Outcomes which are clear about the impact the Council is seeking to achieve.
- Objectives which are measurable, specific, and achievable to support delivery of the outcomes.
- Key activity highlighting planned projects, investment and activity which will support delivery of the priority areas.

#### **5.0 Continuous Conversation with Communities**

5.1 The refreshed plan has been developed through regular, continued engagement with key stakeholders and communities which builds on the:

- Relighting Our City Engagement Programme – 2,500 people
- Two Life in Lockdown Employee Surveys - 1270 (May 2020) and 763 (November 2020) respondents.
- Young People's Design Jam and Focus Groups
- Engagement sessions with key stakeholders, city partners, businesses, and the voluntary and community sector.
- Council Plan Refresh Resident Survey – 470 responses.

- 5.2 Through our Relighting Our City engagement and further engagement on the refresh of the Council Plan more than 3,000 people have fed back their priorities for the future. The Our City: Our Plan document was further subject to consultation period during January and February 2022. Responses to the consultation are attached as appendix 2 (76 responses).
- 5.3 It is vital that we continue to engage with communities and city partners as we deliver our council plan. This will be taken forward as a continuous conversation with our communities and targeted opportunities to co-produce innovative solutions to the City's challenges.

## **6.0 Council Performance Framework**

- 6.1 The Council continues to use a variety of means in which to assess the efficiency and effectiveness of operations against organisational strategic priorities and statutory requirements. Using data and analysis across all areas of the business, the Council actively encourages a golden thread of performance monitoring throughout all parts of every service.
- 6.2 A new performance framework has been developed to reflect how the Council is performing against the refreshed Council Plan and will be reported to Cabinet quarterly alongside financial monitoring. This performance framework will provide high-level city data on key priorities, benchmark city performance against national and regional data, highlight the impact of targeted interventions and inform strategic decision-making.
- 6.3 The Council Plan incorporates clear performance indicators against each of the six overarching priorities and Our Council, including the missions as set out by government in the Levelling Up White Paper (February 2022), and key system and council measures.
- 6.4 These measures will show performance against the outcomes of the council plan and are based on national indicators to enable benchmarking where possible, and other best practice.
- 6.5 In addition to quarterly reports to Cabinet on performance against these measures, regular reporting on performance will also be taken to Scrutiny Board and relevant Scrutiny panels. This process will help embed the golden thread of data flowing between all levels of Council activity ensuring data driven decision making and that an understanding of performance is evident in everything we do.

## **7.0 Evaluation of alternative options**

- 7.1 Option 1 would be to use our existing Council Plan 2019- 2024. This would mean that the Council's main strategic framework would not reflect the significant change the city has faced as a result of the coronavirus pandemic.
- 7.2 Option 2 and the chosen option is to refresh the Council Plan which will enable the city to address key challenges and capitalise on new opportunities as we transition to a new normal and level up our city.

## **8.0 Reasons for decision(s)**

- 8.1 Cabinet is recommended to approve the Our City: Our Plan to ensure the Council's strategic framework continues to reflect the needs and priorities of local people.

## **9.0 Financial implications**

- 9.1 There are no direct financial implications to the plan itself although the actions outline projects and programmes that will have financial implications; these will be subject to individual reports as appropriate.
- 9.2 All costs associated with engagement and the preparation of the plan will be accommodated within existing budgets.
- 9.3 In addition, the 2022-2023 Final Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026 report on this same agenda incorporates a Corporate Contingency budget to support Council Priorities totalling £1.6 million.  
[AS/11022022/V]

## **10.0 Legal implications**

- 10.1 There are no direct legal implications arising from this report. The approval of the Council Plan is a function reserved to Council under the constitution and that includes a refresh of the Plan and as such Cabinet can make a recommendation but ultimately the decision must be taken by Council.  
[DAP/11022022/A]

## **11.0 Equalities implications**

- 11.1 An equalities analysis for Our City: Our Plan has been undertaken and mitigations to any negative impacts identified. The Citizen Allies Network have been involved in the development of this plan during the consultation and engagement period. Fair and Equal is one of the three cross cutting principles of the refreshed plan. All activity noted in the plan will also be subject to individual equalities analysis.

## **12.0 All other implications**

- 12.1 Our City: Our Plan has implications across the Council, including climate change, health, and wellbeing and digital which will continue to be considered and managed as part of the delivery of this plan.
- 12.2 Health and wellbeing is an important part of everyday life. It is integral to leading a happy and healthy lifestyle. As only 20% of a person's health outcomes are attributed to the ability to access good quality health care, the wider determinants of health, made up of the diverse range of social, economic, and environmental factors which impact on people's health, play a crucial role in the health and wellbeing of communities and local people. Through its focus on these wider determinants the delivery of the Our City: Our

Plan priorities recognises the role of the Council in contributing to ensuring that our communities are stronger, healthier, and thriving places to live.

- 12.3 We will continue to contribute to the delivery of the Council's climate change action plan to meet our commitment to be next carbon neutral as a Council by 2028, with regular progress reports to Cabinet.
- 12.4 The plan is aligned to the new Digital Wolves strategy setting out how as a city and as a council we can harness the benefits of digital and technology for local people.
- 12.5 The performance framework for each thematic area of the Corporate Plan will enable continued oversight of the indicators that underpin the central commitment to Wulfrunians living longer, healthier lives.

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

- 13.1 None

### **14.0 Appendices**

- 14.1 Appendix 1: Our City: Our Plan Document
- 14.2 Appendix 2: Our City: Our Plan Consultation Response



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# OUR CITY: OUR PLAN

Created: 2019  
Last published February 2022





## Our city

The City of Wolverhampton is a place which is proud of its history, celebrates its diversity and is ambitious for the future.

Our Vision for 2030 is that Wolverhampton will be a place where people come from far and wide to work, shop, study and enjoy our vibrant city. It will be transformed while still retaining all of those attributes that give our city its unique identity. A healthy, thriving and sustainable international 'smart city' - renowned for its booming economy and skilled workforce, rich diversity and a commitment to fairness and equality that ensures everyone has the chance to benefit from success.

# FOREWORD

**The Covid-19 pandemic has been an unprecedented national challenge with a profound impact on communities in the city.** We want to start by remembering those residents of the city who have lost their lives to Covid-19. Their loss will be felt by friends and relatives every single day.

We also want to pay tribute to the many services, organisations, teams and volunteers across the city who have all played their part to support the people of this city in such challenging times. We have all been dedicated to protecting the health, wellbeing and livelihoods of the communities we serve. The long-term impacts of the crisis are emerging and will extend beyond the scope of this plan.

As we move towards a new normal, we remain dedicated to improving services and outcomes for local people. Our Council Plan was developed following feedback with thousands of residents and the principles and priorities that they told us about are still central to this plan. We committed to reviewing the plan regularly and this latest refresh introduces a number of improvements.

It focuses on the core areas where we need to make the biggest difference, more jobs, better opportunities for young people and tackling the climate emergency.

These priorities are your priorities, and the council is determined to work with partners across the city to make sure that we deliver upon them.

The announcement of major 'Levelling Up' funding for the City of Wolverhampton is very welcome and a major endorsement of the Council's ambitious plans to invest in - and further regenerate the city. Fundamentally, it provides us with the opportunity to establish an effective partnership between national and local government - for us both to focus our respective resources on delivering a shared strategy to level up through this plan.

We will continue to look after our own, together, as 'one city' and we'll be bold and ambitious about transforming the lives of our residents.



Councillor  
Ian Brookfield  
Leader of the Council



Tim Johnson  
Chief Executive





**KEEP LEFT**

to help social distancing  
please keep to the left.

 CITY OF WOLVERHAMPTON COUNCIL

 HM Government

 European Union  
European Regional  
Development Fund

# INTRODUCTION

**Our Council Plan sets out how we will work with our partners and communities to build a more prosperous and inclusive Wolverhampton where everyone can share in the opportunities and success of our city.**

The city is going through a period of significant transformation with new investment, new opportunities and new challenges. We are an ambitious city and council. This plan sets out how we will continue to deliver consistently good services, in tough financial times, whilst managing our money so we can invest in the things that matter to local people and continue to transform our city together.

We know that the Covid-19 pandemic has had a profound impact on our communities. In response we launched the Relighting Our City Plan in September 2020. This plan provides a framework to support the city's transition from the response to the recovery phase of the pandemic and as we know now, a new normal. Our Council Plan outlines the council's role and continued commitment to Relight Our City, working in partnership to keep communities safe and protect our most vulnerable.

We will work with all of our partners to connect people, places and communities to unlock potential and create change. We will do this by using a systematic place-based approach within wards in the city, which will provide opportunities to co-design and co-produce with our communities, developing long term resilience and capacity to tackle inequalities and reduce deprivation. This signifies how our council will operate moving forward as we develop a new community relationship, helping to eliminate barriers and develop networks between local people and key partner organisations in the city. Our focus will be on prevention and support and tackling the root causes to shape neighbourhoods around what people need.

Our Council Plan was launched in 2019 and covers a five-year period to 2024. Since its launch the world we live and work in has changed significantly. This plan updates the six priority areas identified when the plan was launched acknowledging that the needs and priorities of local people have changed over the last two years.

**Our plan is structured around 6 priorities:**

- Strong families where children grow up well and achieve their full potential
- Fulfilled lives for all with quality care for those that need it
- Healthy, inclusive communities
- Good homes in well-connected neighbourhoods
- More local people into good jobs and training
- Thriving economy in all parts of the city

All that we do as an organisation will be to support delivery of these priorities. Whilst they are presented as six separate priorities, they are interlinked and support one another. We can not deliver in isolation and we will continue to work as 'one council' and 'one city'. This plan is for residents, local businesses, people who work and visit here and all those providing services for the city. We will work alongside our partners to ensure that no community is left behind and that everyone can share and benefit from the opportunities being created in our city.

# OUR PRINCIPLES

Our six overarching priorities are supported by three cross cutting principles.



## CLIMATE CONSCIOUS

The climate emergency remains one of the biggest long-term challenges facing the world today. Our climate change strategy 'Future Generations' sets a target to make the City of Wolverhampton Council carbon-neutral by 2028. We are committed to delivering on the recommendations of our Climate Citizen Assembly and to upholding the promises we made when the Council declared a climate emergency in July 2019.



## DRIVEN BY DIGITAL

The city is at the forefront of digital infrastructure and innovation. Wolverhampton is one of the first cities in the world to host a 5G accelerator hub making us truly a world leader in emerging technology. Now more than ever digital skills and connectivity are vital to ensure our residents can access services, interact with friends and family, and enter the job market.



## FAIR AND EQUAL

We will continue to tackle the inequalities in our communities which impact on the opportunities of local people. The Council's 'Excellent' rated equalities framework and Equality, Diversity and Inclusion Strategy are at the heart of this plan. Everybody in our city, whatever their background, should have a pathway to achieve their potential and succeed. No community will be left behind as we transform our city together.

# OUR CITY: OUR PLAN

Working together to be a city of opportunity, a city for everyone and deliver our contribution to Vision 2030



We will deliver our vision and key priorities through:

Our City Outcomes

**1 Strong families where children grow up well and achieve their full potential**

- Children have the best start in life, with good early development
- High quality education which closes the attainment gap
- Children and young people grow up happy with good physical, social, mental health and wellbeing
- Every young person in the city is equipped for adulthood with life skills and ready for work
- Strengthen families where children are vulnerable or at risk.

**2 Fulfilled lives for all with quality care for those that need it**

- Support the Health and Social Care system to respond to and recover from Covid-19
- Maximise independence for people with care and support needs
- Work as a system to make sure people get the right support at the right time

**3 Healthy, inclusive communities**

- Keep residents safe by containing and reducing the spread of Covid-19
- Close the gap on healthy life expectancy
- Help people live happier more active lives
- Protect vulnerable people at risk of harm and exploitation
- Inclusive, welcoming communities where people feel safe and look out for each other

**4 Good homes in well connected neighbourhoods**

- Work together to deliver more new homes
- Safe and healthy homes for all
- Access to a secure home for all
- Clean, green neighbourhoods and community space

**5 More local people into good jobs and training**

- Help create good quality jobs
- Work in partnership to support local people into work and better jobs
- Flexible skills system which supports local businesses to grow and residents to access good jobs

**6 Thriving economy in all parts of the city**

- Support local businesses to start up, scale up and thrive
- Attract new investment which brings social and economic benefit to all
- Well-connected businesses and residents
- Vibrant high streets with quality culture and leisure offer
- Grow the low carbon and circular economy

Our Principles



**CLIMATE CONSCIOUS**



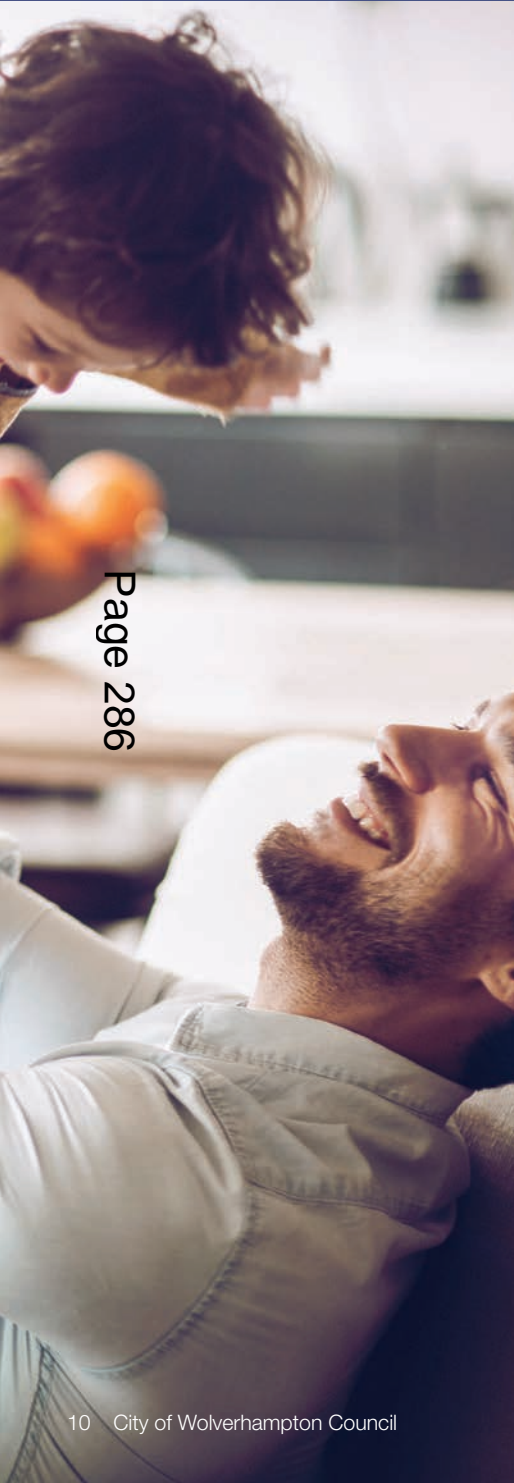
**DRIVEN BY DIGITAL**



**FAIR AND EQUAL**

Measuring Success

Our Corporate Performance Framework



## **STRONG FAMILIES** WHERE CHILDREN GROW UP WELL AND ACHIEVE THEIR FULL POTENTIAL

**We want all children and young people in our city to grow up happy and healthy and to realise their full potential.** Families, wider social networks, communities and schools are important to helping children and young people achieve this, but at different times in their lives they may face challenges and need different types of support. Our aim is to help families early, preventing problems from becoming entrenched and responding to early warning signs so that children and young people have the right support to thrive.

There is strong evidence to show that the first 1,000 days of a child's life have a profound effect on outcomes for that child's entire life. Well supported parents, good health advice and opportunities for high quality early learning provide the foundation all children need to be healthy and to make the most of their abilities and talents as they grow up. This is particularly important for disadvantaged children where support in the early years can have the greatest impact. Working with our city-wide network of partners we will continue to deliver integrated high quality early years support increasing the number of children who are school ready.

Good education is key to delivering on our high ambitions for children and young people in the city. Our vision is to create an inclusive education system which promotes the highest standards for all children and young people, closes the attainment gap and allows every pupil to achieve their full potential. Education standards across the city continue to improve and 87% of schools are judged to be 'good' or better. We will continue to build on this upward trend ensuring that all children whatever their background leave the education system with the skills, confidence, and drive to succeed.

We are already aware that disruption to education during the pandemic risks widening the gap in outcomes, with children and young people from disadvantaged backgrounds more likely to have experienced a greater deterioration in their educational outcomes. Issues such as digital exclusion also disproportionately impacted some individuals, young people and families more than others, affecting their ability to access remote learning and services.

If our city and communities are to thrive, our young people must have a clear pathway from education into good quality work. Too many of our young people are finding it difficult to get into and to sustain employment. A challenge made harder by the impact of the Covid-19 pandemic. We will continue to work in an integrated way with education providers, businesses, and families to prepare young people for the world of work. We need to ensure that young people get the highest quality careers advice and guidance throughout their education which is aligned to labour market opportunities and helps them make informed decisions about their next steps. We will support all young people to make successful transitions into adulthood in particular those who are looked after, with special education needs, disabilities or vulnerabilities.

Children and young people's emotional wellbeing, physical and mental health are vitally important and underpin positive outcomes in childhood and success as an adult. Through our #YES Youth Engagement Strategy we will continue to help our young people be healthy, be connected and be heard, valuing their contribution in making Wolverhampton a great place to grow up and learn. The strategy also recognises the need to involve young people in shaping services, with co-production a key element.

We continue to make real progress supporting some of our most vulnerable residents through our Supporting Families programme which over the last year has worked with over 450 families to improve their life chances. Moving forward we will continue to build on this to transform services which support families, investing in early help approaches and intervening early to prevent problems developing or escalating. We want all children and young people to grow up in a safe and secure home, stepping in to safeguard and protect them to improve their long-term outcomes.

## Strong families where children achieve their full potential

| Outcomes   | Objectives   |  |
|--|--|--|
| <p>1.1 Children have the best start in life and good early development</p>                                 | <ul style="list-style-type: none"> <li>All families will have a healthy start in life from healthy early pregnancy to healthy early years.</li> <li>Every child in the city can attend a high-quality early year setting.</li> </ul>   | <ul style="list-style-type: none"> <li>Families will be supported by multi-agency early help offer to ensure they get the right information and support at the right time.</li> <li>Support parents and families to ensure children are school ready and make a successful transition into education.</li> </ul>   |
| <p>1.2 High quality education which closes the attainment gap</p>  | <ul style="list-style-type: none"> <li>Support our education system to recover from the impact of Covid-19 to enable all children and young people in the city to 'catch up' on missed learning.</li> <li>Every child or young person in the city will have a positive learning experience at school.</li> <li>Work in partnership with our schools and education settings to build a system with the highest quality education through continuous improvement and support.</li> </ul> | <ul style="list-style-type: none"> <li>Support all schools and education settings to have effective provision for children and young people with special educational needs and disabilities so they can make good progress in their learning and aspire for employment and an independent life.</li> <li>Work with our partners to reduce the attainment gap of children from black, Asian and minority ethnic (BAME) backgrounds, looked after children or those from deprived households and close the attainment gap.</li> <li>Inclusive education within the city lays the foundation of high aspirations and ambitions for our young people.</li> </ul> |
| <p>1.3 Children and young people grow up happy with good physical, social, mental health and wellbeing</p> | <ul style="list-style-type: none"> <li>Children and young people will be physically and mentally healthy and well.</li> <li>Work with partner agencies to continue to build up a strong network and information base of positive and healthy activities and opportunities for all children and young people across the city.</li> <li>Support children and young people to build healthy relationships, in their network, communities and schools.</li> </ul>                          | <ul style="list-style-type: none"> <li>Further develop our multi-agency approach to mental health services for children and young people ensuring pathways to support are clear and accessible.</li> <li>Ensure there are structured ways for young people to engage with statutory services at a strategic and operational level to help shape delivery.</li> </ul>   |

**Strong families where children achieve their full potential**

| Outcomes  | Objectives   |  |
|---|--|--|
| <p>1.4 Every young person in the city is equipped for adulthood with life skills and ready for work</p> | <ul style="list-style-type: none"> <li>• Support all young people to make successful transitions into adulthood in particular those who are looked after, with special education needs, disabled or vulnerable.</li> <li>• Work in an integrated way with education providers, businesses, and families to prepare young people for the world of work and to live independently'.</li> <li>• Build pathways for young people to stay on in full time education, employment, or training, including apprenticeships, internships and business start-up.</li> </ul>              | <ul style="list-style-type: none"> <li>• Have high quality education, employment and training post-16 which meets the needs of all our children and in particular supports those with special educational needs and disability (SEND), those from a black, Asian and minority ethnic (BAME) background, young people who are looked after, and those living with deprivation.</li> </ul> |
| <p>1.5 Strengthen families where children are vulnerable or at risk</p>                                 | <ul style="list-style-type: none"> <li>• Work with parents and carers to try to remove the barriers which some children face in achieving their full potential, stepping in to safeguard and protect children and young people.</li> <li>• Collaborate with schools, parents and carers and a range of stakeholders to identify early those most at risk of missing education and build the skills to intervene successfully.</li> <li>• Offer tailored specialist support to parents and carers of children with additional needs who may require additional help.</li> </ul> | <ul style="list-style-type: none"> <li>• Support parents and carers affected by drug or alcohol misuse, domestic abuse or poor emotional health and wellbeing making sure that their children are safe and cared for.</li> <li>• Support our care leavers into secure accommodation, training, education or employment as they move into adulthood.'</li> </ul>                          |

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## To achieve these outcomes, key activity we will deliver includes:

- Ensure that we offer consistently high-quality services to children, young people and families across the city.
- Continue to deliver half-termly Yo! Holiday Squad activities building on the huge success of our Yo! Summer Festival.
- Further develop a multi-agency approach to supporting children and young people's mental health and wellbeing through mental health support services.
- Improve opportunities and services for children and young people with special educational needs and Education Health and Care Plans ages 0 - 25 years old through our SEND Strategy and Written Statement of Action.
- Deliver co-produced strategies and services with children and families by embedding the co-production charter across the city.
- Further embed and deliver our multi-agency Exploitation and Missing hub and Power 2 team to support vulnerable young people and adults at risk of exploitation.
- Further develop our early help offer for families with children with special educational needs and disabilities.
- Ensure every child and young person in the city has the tech and connectivity they need to succeed with their learning.
- Develop a programme of activity to promote the importance of the first 1001 days and how everyone in Wolverhampton can play a part in developing resilient children who are ready to learn and are school ready.'

## Measuring Performance

In the Levelling Up White Paper (February 2022), the government have set out the following long term mission in relation to this area:

- By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.

### Key System Indicators

We aim to improve performance and meet / exceed national averages in the following key system indicators:

- % of Early Years and Childcare settings rated Good or Outstanding
- % of take up of 2-year-olds benefitting from early education
- % of schools in the city that are rated Good or Outstanding
- Average Attainment 8 score per pupil
- % gap in Attainment 8 score gap between advantaged and disadvantaged children
- Children in year 6 with excess weight
- % of 16 and 17 year-olds in education, employment or training
- % of 16 and 17 year-olds with SEND in education, employment or training
- % of care leavers in education, employment or training
- First time entrants into the Youth Justice System

### Key Council Indicators

We aim to improve performance and meet / exceed national averages in the following key council indicators:

- Attendance at holiday schemes run by the council
- Rate of children open to social care per 10,000 population under 18
- % of repeat referrals into Childrens Social Care with 12 months
- % of children and young people in care who have had 3 or more placements in the year





## FULFILLED LIVES FOR ALL WITH QUALITY CARE FOR THOSE THAT NEED IT

**We want all residents of the city to live independent lives for longer and to have a good quality of life.** Being in good health for as long as possible impacts on our relationships with family and friends, ability to fully participate in the community, and to contribute to the local economy. Staying in good health into older age is also closely related to how much support and care a person needs and their use of services such as adult social care.

Social care supports adults of all ages including young people moving into adulthood and those of working age with a diverse range of needs, including people with a learning disability or physical disability, people with mental health conditions, people who experience substance misuse, and other people with long-term conditions.

Through Adult Social Care we will continue 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 will be shaped to focus on what a good life looks like for that individual and their family. This can include support to engage in work, training, education, volunteering, or support to socialise with family and friends and maintain personal relationships.

We will continue to invest in preventative services and new technology which increase quality of life for people with care and support needs. We will intervene early to support families and individuals, helping people retain or regain their skills and confidence to prevent needs from developing. We will continue to provide the right information and advice to support individuals to plan for the future, helping them to remain in their own homes and communities for longer and giving them real choice and control to live healthier, happier more fulfilled lives.

Like many parts of the country the Covid-19 pandemic has placed unprecedented demands on our health and care system. Together, with our partners we have worked tirelessly to make sure that our most vulnerable residents are supported to stay safe within their local communities. There are currently 69 care homes in Wolverhampton that look after some of our most vulnerable residents, around 1,700 residents are looked after in these nursing and residential care homes at any given time. These settings have acutely experienced the effects of Covid-19. Similarly, homecare providers, supported living and extra care providers have faced many challenges in maintaining the high level of care they deliver.

As we move forward to a period of living with Covid-19 we will continue to strengthen the health and care system. We will do this through our Wolverhampton Cares programme, which is our commitment as a Council to work with partners to support the city's care sector, care workers and family carers ensuring equality of access to high quality care for all. We will support our family and young carers by ensuring they are aware of the help and support that is available to them. We will work to improve access to and the provision of the best possible services by developing a Wolverhampton Cares set of standards.

Working together alongside our partners including the NHS, care providers, voluntary and community groups and the wider sector we will seek to increase capacity across the care sector, encourage recruitment of care workers and help providers keep the fantastic workers they already have. A well skilled and resilient health and care workforce is key to achieving our future vision for care and support in the city.

## Fulfilled lives for all with quality care for those that need it

| Outcomes   | Objectives  |   |
|--|---|---|
| <p>2.1 Support the Health and Social Care system to respond to and recover from Covid-19</p> | <ul style="list-style-type: none"> <li>Strengthen the health and care system working with providers and local people to support them to live with Covid-19.</li> <li>Ensure health and care settings have the support they require to provide safe care with robust approaches to vaccination, testing and tracing of Covid-19.</li> </ul>  | <ul style="list-style-type: none"> <li>Develop new ways to support care providers to recruit and retain staff to build a stable and sustainable care workforce in the city.</li> <li>Support health and care providers to build resilience and thrive in a changing health and care market.</li> </ul>  |
| <p>2.2 Maximise independence for people with care and support needs</p> <p>Page 293</p>      | <ul style="list-style-type: none"> <li>Connect more people to their communities and ensure they have easy access to information and advice when they need it.</li> <li>Support people with care and support needs to live as independently as they can in their own homes, for as long as possible.</li> <li>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.</li> </ul> | <ul style="list-style-type: none"> <li>Make sure people are able to leave hospital as soon as they are well enough with support from community care.</li> <li>Support disabled and older people to regain their independence following time in hospital or personal crisis.</li> <li>Continue to invest in preventative services and technology to increase independence and reduce long term pressure on the health and social care sector.</li> <li>Work with partners to tackle the barriers to sustainable employment and participation for disabled people.</li> </ul> |
| <p>2.3 Work as a system to make sure people get the right support at the right time</p>      | <ul style="list-style-type: none"> <li>We will develop our local integrated care networks to provide responsive and integrated care linking primary care, community health services, mental health and social care.</li> <li>Work across health and care to develop integrated and place-based care to support residents in their neighbourhoods, with a focus on prevention.</li> </ul>  | <ul style="list-style-type: none"> <li>Work in partnership with local people to ensure health and care pathways are informed and co-produced by people with lived experience, under-represented and protected groups.</li> <li>Safeguard adults whose circumstances make them vulnerable and protect them from harm.</li> <li>Support families to build financial resilience so they can thrive.</li> </ul>   |

## To achieve these outcomes, key activity we will deliver includes:

- Improving services with £2 million investment in early help, local support and to safeguard those at risk of abuse and neglect.
- Launching Wolverhampton Cares – our joint plan with the NHS to help elderly residents live safe, independent lives – including investment in digital tools to keep them in their own home where they want to be - and supporting our city’s vital care homes.
- Boost support services for all of our city’s fantastic carers – the unsung partners, children, relatives and friends who support their loved ones through ‘thick and thin’.
- A new financial wellbeing plan to help struggling city families cope with the cost of living crisis.
- Continue to embed co-production principles into how we work so people who use adult social care services and their families work alongside us sharing their experience to help shape, design and develop our services.
- Continue to develop our whole family approach to ensure that those within our communities that will needs a lifetime of care have a positive transition as they move childhood into adulthood.
- We will continue to improve quality and assurance of the social care provider market, ensuring we are future proofing adult social care through the development and delivery of a new technology strategy.
- We will continue to develop our activity and offer at the frontdoor to make sure people can access the right support, in the right place at the right time.
- We will continue to transform adult social care in the city working alongside our local, regional and national partners.

## Measuring Performance

In the Levelling Up White Paper (February 2022), the government have set out the following long term missions in relation to this area:

- By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
- By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.

### Key System Indicators

We aim to improve performance and meet / exceed national averages in the following key system indicators:

- % of older people (aged 65 and older) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services
- % of adults with learning disabilities in paid employment

### Key Council Indicators

We aim to improve performance and meet / exceed national averages in the following key council indicators:

- % of social care users supported to remain in their own homes
- % of adults who use services who say social care services help them to feel safe and secure
- % of adults in receipt of long-term services who are in control of their own lives



## HEALTHY, INCLUSIVE COMMUNITIES

**A good start in life, high-quality education and employment, 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.** 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.

The City of Wolverhampton is similar to most local authorities in that it faces common public health challenges. These include high obesity levels, smoking, alcohol misuse and a high prevalence of long term conditions. There are a number of factors which strongly influence these challenges, making them very complex and difficult to tackle.

Covid-19 has brought these challenges into sharp focus and further exacerbated many of the existing health inequalities facing the city. Alongside the bereaved, there are many people who are suffering from long term physical and mental impacts of Covid-19. There are also many who have been affected financially, which brings its own health consequences.

The virus continues to pose a significant challenge for our city, and we will remain alert and prepared to respond to the ever-changing nature of the Covid-19 landscape. Through our Local Outbreak Control Plan we will continue to work with our partners to prevent and manage outbreaks of the virus. Identifying cases of the virus early on through community testing and increasing vaccine uptake across all of our communities to support efforts to ensure that our local health services do not come under unmanageable pressure.

One of the most stark features of the pandemic so far has been the impact that Covid-19 has had on particular communities and groups, including people from black, asian, and minority ethnic communities, people living in more deprived areas, elderly residents, those working in higher risk occupations, people living in overcrowded conditions and those with pre-existing health conditions. The impact of Covid-19 has reinforced existing health inequalities and, in some cases, has increased them.

Our Health Inequalities Strategy outlines how we will pro-actively work with partners through our Health and Wellbeing Board to address these inequalities with a renewed sense of urgency and pace. Community empowerment is central to our efforts to reduce health inequalities. We are committed to further embedding an approach which builds on local assets and works with local people to 'co-produce' sustainable solutions to local issues, creating capacity and resilience.

Nationally, the pandemic has impacted mental health and physical health. Evidence shows that self-reported mental health and wellbeing worsened during the first national lockdown. Psychological distress, anxiety and depressive symptoms increased; lockdowns, economic insecurity, social distancing, and restrictions on travel resulted in some people reporting higher rates of loneliness and poorer well-being. We will continue to engage with communities to assess the impact of the pandemic on their mental health and wellbeing and roll out new initiatives which support local people to be active and well.

We want all people in our communities to feel safe. Restrictions around Covid-19 have been particularly challenging for the most vulnerable in our communities and those at risk of exploitation and harm. For victims of domestic abuse there have been fewer opportunities to seek help, and they have faced further isolation and reduced contact with those who support them. Strong partnerships and a shared approach to supporting victims and children have been vital in safeguarding the most vulnerable during this difficult time. We will continue to build on these relationships with our public, private, and voluntary and community sector partners to ensure that we protect those who need us most.

Asylum seekers and refugees are some of the most vulnerable in our communities and can have a range of different and complex needs. We are a city of sanctuary in Wolverhampton, and we will continue to play our part and welcome our fair share of the world's most vulnerable people. Through a multi-agency approach we will promote the health economic and social inclusion of new communities in our city through skills, housing, and wellbeing support.



## Healthy, inclusive communities

| Outcomes   | Objectives   |  |
|--|--|--|
| <p>3.1 Keep residents safe by containing and reducing the spread of Covid-19</p> | <ul style="list-style-type: none"> <li>• Work with partners to prevent and manage Covid-19 outbreaks through community testing and contact tracing.</li> <li>• Work with individuals, settings and communities to enable good habits and approaches to reduce the spread of the virus using our compliance and enforcement powers where appropriate.</li> </ul>                              | <ul style="list-style-type: none"> <li>• Use data in partnership with key stakeholders to help us understand the spread of Covid-19 in our city and direct our efforts to areas where it will have the biggest impact.</li> <li>• Work with partners to increase vaccine uptake, especially amongst our most vulnerable and deprived communities.</li> <li>• Support UK Health Security Agency and the wider public health system to respond quickly and appropriately to any emerging outbreaks, with a particular focus on care settings.</li> </ul> |
| <p>3.2 Close the gap on healthy life expectancy</p> <p>Page 297</p>              | <ul style="list-style-type: none"> <li>• Increase our understanding around health inequalities and our local population – including developing and implementing an approach to data capture, data linkage and data sharing.</li> </ul>   | <ul style="list-style-type: none"> <li>• Work collaboratively across all parts of the health and care system to join-up and promote and embed action to reduce health inequalities.</li> <li>• Work with partners to enable access to high quality health and care services.</li> </ul>  |
| <p>3.3 Help people live happier more active lives</p>                            | <ul style="list-style-type: none"> <li>• Maximise the use of our city's green spaces to get local people active and healthy.</li> <li>• Upgrade our council leisure facilities and offer so that resident have first class facilities.</li> <li>• Support behaviour change through the launch of the Government's pilot Health Incentives Programme utilising digital technology.</li> </ul> | <ul style="list-style-type: none"> <li>• Utilise Better Mental Health Funding to understand the impact of the Covid-19 pandemic on mental health and wellbeing in the city, and based on this deliver and evaluate interventions to improve the mental health and wellbeing of residents.</li> </ul>   |

## Healthy, inclusive communities

| Outcomes   | Objectives  |  |
|--|---|--|
| <p>3.4 Protect vulnerable people at risk of harm and exploitation</p>                          | <ul style="list-style-type: none"> <li>• Safeguard young people on the cusp of, or at risk of, becoming involved in youth violence.</li> <li>• Increase domestic abuse reporting to tackle offenders.</li> </ul>  | <ul style="list-style-type: none"> <li>• Increase reporting of modern slavery to protect victims and disrupt offenders.</li> <li>• Produce a robust city-wide response to interpersonal violence including violence against women and girls.</li> </ul>  |
| <p>3.5 Inclusive, welcoming communities where people feel safe and look out for each other</p> | <ul style="list-style-type: none"> <li>• Growing voluntary and community sector which supports local people to thrive in their communities.</li> <li>• Develop multi-agency approaches to tackle and reduce Hate Crime based on a zero-tolerance approach: crime targeted at people because of their race, religion, disability, sexual orientation or transgender identity.</li> <li>• New communities in the city are welcomed and supported to settle into their local areas.</li> </ul> | <ul style="list-style-type: none"> <li>• Raise community confidence and reduce the fear of crime using our relationships with partners and communities as well as our physical assets including the built environment.</li> <li>• Target hyper local areas of high deprivation working collaboratively with system partners and co-producing interventions with residents and communities contributing to wider ward based interventions.</li> </ul> |

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## To achieve these outcomes, key activity we will deliver includes:

- Help our city live with Covid-19 by working with partners to prevent and manage outbreaks, increase testing and vaccinations and continue the delivery of an effective and agile Local Outbreak Control Plan to keep people safe from harm and help the city recover.
- Continue to collaborate with Environmental Health and partners across the city, including local business and the voluntary and community sector, to support them to operate safely and deliver services.
- Develop and launch our Healthier, Happier, Active City Plan.
- Take action to improve mental health and wellbeing in the city including support for working age adults and isolated older people.
- Coordinate and commission targeted, multi-agency interventions to safeguard those on the cusp of, or at risk of, becoming involved in exploitation and youth violence, and victims of domestic abuse and modern slavery.
- Refresh the current interpersonal violence strategy ensuring the voices of victims and survivors of violence and abuse are central in determining priorities.
- Deliver targeted, partnership interventions to tackle the harm caused in our families through alcohol and drug abuse.
- Fund your local GP to carry out a healthy heart check for all residents aged 40 and over to help identify health risks such as high blood pressure and cholesterol levels and also provide advice to keep residents healthy.
- Work with partners to deliver targeted, multi-agency interventions in our most deprived neighbourhoods and streets to transform the livelihoods of local families and individuals in the places they live.
- Refresh the city's joint strategic needs assessment, building on the success of partnership working during the pandemic, to focus on joint priorities which tackle health inequalities and improve outcomes for our city's residents.

## Measuring Performance

In the Levelling Up White Paper (February 2022), the government have set out the following long term missions in relation to this area:

- By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
- By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
- By 2030, homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas.

### Key System Indicators

We aim to improve performance and meet / exceed national averages in the following key system indicators:

- % of adult residents in the city who have received their COVID-19 vaccination
- Years of life lost
  - Infant deaths per 100,000
  - Coronary heart disease mortality rates per 100,000
  - Alcohol related mortality per 100,000
- % of physically inactive adults
- % of 40-74 years attending offered health checks
- Number of Domestic Violence incidents reported to the police

### Key Council Indicators

We aim to improve performance and meet / exceed national averages in the following key council indicators:

- Personal well-being estimates by local authority
  - Life satisfaction
  - Worthwhile
  - Happiness
  - Anxiety



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## GOOD HOMES IN WELL-CONNECTED NEIGHBOURHOODS

**The home in which a family lives is one of the most important factors in determining their wellbeing and prosperity.** We are committed to ensuring that every resident has a safe, stable and affordable home so they can achieve their full potential and build communities where everyone can thrive.

Key to achieving this ambition is to ensure that we have enough homes to meet local need and to attract new people to live and work in the city. Our Housing Strategy 2019 – 2024 sets out how we will work with partners to increase housing development, improve quality, choice and affordability of homes on offer so that our housing market meets the aspirations of existing and future residents.

The city has been named one of the top UK city's to raise a family and there are over 600 new homes were built last year in the city. We're delivering our ambitious plans to revitalise our city centre with a new high quality living offer at key sites including The Royal, Brewers Yard and Canalside South which will increase footfall, diversify our city centre offer and support local businesses to grow. Through our council owned housing company WV Living we will support the development of new homes. We will continue to ensure that new housing developments have the right housing to support older, disabled and vulnerable residents.

We're continuing to drive up the quality of existing housing in the city, so all residents have a safe and healthy home. Working with private landlords and tenants to improve the standards of housing and security of tenure in the private rented sector. Our Rent with Confidence scheme is continuing to improve greater customer choice and raise the bar for the quality of private sector rented housing in the city. We're pushing forward with ambitious plans to transform our housing estates with new homes, refurbished housing, and improved leisure space.

Focusing on just the number of new houses is not enough. That is why we will continue to raise the quality of life for all our residents by ensuring neighbourhoods in the city are places of opportunity with good quality education, excellent transport links and local health services close by. Good local amenities and services are a key component to growing resilient, inclusive communities, helping to reduce isolation, and building connections that enable residents to support each other.

We will continue to protect and invest in our parks and green open space. The benefits of spending time outside are widely recognised, with access to green spaces, including trees and woodland, proven to improve both our physical and mental wellbeing. Access to green spaces can encourage physical activity and help reduce obesity, relieve stress, encourage social interaction and improve quality of life.

Increasing the energy efficiency of homes is now more important than ever to reduce carbon emissions, tackle fuel poverty and ultimately deliver on our ambition to make the city carbon neutral. 35% of all carbon emissions in the city come from housing. That is why we are working with city partners to invest in retrofit programmes, and to build new homes up to the maximum possible energy efficiency standards, including Passivhaus wherever possible.

We are committed to ending rough sleeping in the city and through our Homelessness Prevention Strategy we will tackle the underlying causes which can lead people to become homeless, including mental health, family breakdown, substance misuse and poverty. Working with our public, private and voluntary, community and social enterprise (VCSE) partners to offer early assistance and timely advice to help people secure suitable accommodation and support services which enable them to live independently and to stay in their own homes. This will include continuing our successful work through the Housing First programme which has supported 48 people into secure tenancies since its launch.

## Good homes in well-connected neighbourhoods

| Outcomes   | Objectives   |   |
|--|--|---|
| <p>4.1 Work together to deliver more new homes</p> | <ul style="list-style-type: none"> <li>• Work in partnership with Government, the West Midlands Combined Authority, housing associations and developers to secure the new homes the city needs.</li> <li>• Continue to progress the review of the Local Plan to make sure we have the right site opportunities available to help meet our long-term housing needs.</li> <li>• Provide high quality planning service which supports high quality new developments and monitors housing supply.</li> </ul> | <ul style="list-style-type: none"> <li>• Use our own land and assets to facilitate and support the development of new homes and neighbourhoods.</li> <li>• Ensure that the city has supported housing which meets the needs of older, disabled, and vulnerable people.</li> <li>• Ensure that new developments have the right mix of tenures and affordable homes so that all residents have the opportunity to access good quality housing.</li> </ul> |
| <p>4.2 Safe and healthy homes for all</p>          | <ul style="list-style-type: none"> <li>• Continue to use our enforcement powers and landlord licensing to ensure local people have access to good quality private rented housing.</li> <li>• Use the full range of legal actions available including compulsory purchase orders to ensure empty properties are brought back into use for rent or sale, to be lived in as homes.</li> </ul>   | <ul style="list-style-type: none"> <li>• Work with our partners to increase the energy efficiency of homes in the city to reduce carbon emissions and fuel poverty.</li> <li>• Work with our network of housing providers in the city to ensure we have a robust, consistent approach to housing standards.</li> <li>• Work with the police and other partners to ensure neighbourhoods are safe and free from anti-social behaviour.</li> </ul>        |

## Good homes in well-connected neighbourhoods

| Outcomes  | Objectives   |   |
|---|--|---|
| <p>4.3 Access to a secure home</p>                      | <ul style="list-style-type: none"> <li>• Prevent homelessness wherever possible intervening early to provide high quality support services to keep people in their own homes.</li> <li>• Work in partnership with other services to find long-term, affordable housing solutions for people threatened with homelessness.</li> </ul>   | <ul style="list-style-type: none"> <li>• Work with city partners in the public and voluntary sectors to offer targeted and flexible support to help people off the street and reduce rough sleeping.</li> <li>• Increase the number of employment opportunities for vulnerable residents, including those who are homeless or at risk of homelessness.</li> </ul>   |
| <p>4.4 Clean, green neighbourhoods and public space</p> | <ul style="list-style-type: none"> <li>• All residents have access to clean open space and parks in their neighbourhoods and local areas.</li> <li>• Protect and enhance our environment, improve air quality and support resident’s health and wellbeing by delivering an ambitious tree planting programme.</li> <li>• Minimise the amount of waste generated by our residents and businesses and increase levels of recycling.</li> </ul> | <ul style="list-style-type: none"> <li>• Provide safe and accessible roads, pavements and other public spaces for everyone, especially vulnerable users.</li> <li>• Maintain cleanliness across all of our neighbourhoods and take a robust pro-active approach to fly tipping.</li> <li>• Provide an attractive and well-maintained public realm across our city and town centres.</li> </ul>                    |
| <p>4.5 Well-connected businesses and residents</p>      | <ul style="list-style-type: none"> <li>• Continue to roll out digital infrastructure and data ‘Smart City’ technology to drive innovation and futureproof our city.</li> <li>• Work with partners to deliver major infrastructure projects to improve transport links in the city.</li> <li>• Invest in sustainable transport infrastructure such as electric vehicle charging points which reduce carbon emissions.</li> </ul>              | <ul style="list-style-type: none"> <li>• Improve walking, cycling and bus networks, as well as public transport interchanges, enabling people to move easily around the city to encourage residents to make travel choices which minimise air pollution.</li> <li>• Coordinate and manage all street works, liaising with utility companies to minimise disruption and congestion on the road network.</li> </ul> |

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## To achieve these outcomes, key activity we will deliver includes:

- Deliver over 1,000 new low carbon homes and thousands of new local jobs at our Canalside South development – one of the largest city centre residential developments in the West Midlands.
- Use our council owned housing company, WV Living, to build 800 new homes over the next 5 years
- Through our Council-owned housing company, WV Living, require that any external contract appointments evidence a commitment to the training and employment of local people.
- Deliver up to 200 new homes and 40 new Council homes as we transform the Heath Town estate driving up the number of decent and affordable homes in our city.
- Establish a Wolverhampton Social Housing Provider Forum to bring local housing providers and other agencies together to share innovation and inform good practice.
- Help rough sleepers rebuild their lives and sending out a clear message that no-one needs to sleep out on our streets with £4.5 million investment in a new, city centre hub and multi-agency support team.
- Continue to deliver our Housing First programme to support people with a history of entrenched rough sleeping to access secure homes with intensive wrap-around support, so they can start to rebuild their lives.
- Work in partnership to deliver the New Green Homes Grant scheme which will enable city homeowners on low incomes, who may be struggling to pay their heating bills, to make energy efficient improvements to their homes that will help to keep them warmer and reduce energy use.
- Tackle climate change and make our city greener and healthier by planting 20,000 new trees over the next two years including building on the Tiny Forests in Bilston and Merridale.
- Switch all 30,000 street-lights across our city to energy-efficient LED lighting with smart sensors by the end 2022 - saving around 4,000 tonnes of carbon a year.
- Tackle fly-tipping in our city through partnership working keeping our neighborhoods clean and green.
- Work to resettle and integrate over 200 refugees in the city utilising affordable and sustainable privately rented accommodation.
- Improve the city's transport infrastructure with investment in new, major schemes such as the City East Gateway, investment in upgrading existing infrastructure and investment in digital and new technology.

## Measuring Performance

In the Levelling Up White Paper (February 2022), the government have set out the following long term missions in relation to this area:

- By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
- By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.

### Key System Indicators

We aim to improve performance and meet / exceed national averages in the following key system indicators:

- Number of new builds completed in the city
- Net additional dwellings in the city
- % of dwelling stock that is vacant in the city
- Housing affordability ratio
- Total crime recorded per 1000 population

### Key Council Indicators

We aim to improve performance and meet / exceed national averages in the following key council indicators:

- % of planning application decisions made with 13 weeks or agreed timescales
- Number of homeless families moved into secure housing
- Energy efficiency of housing stock
- % fly tipping incidents resolved in 5 working days
- % of trees on public land every serviced every two years
- % of carriageways in city assessed as high quality



## MORE LOCAL PEOPLE INTO GOOD JOBS AND TRAINING

**All residents in the city need an income which can support them and their family.** We want all local people to have the right support and opportunities to get a stable job with decent pay so that they can build a future and help us grow our city together.

Wolverhampton is home to thousands of businesses which offer fantastic employment opportunities. We know that some of our residents find it harder than others to access good quality work and face a range of barriers to employment from poor health, lack of skills or caring responsibilities.

These challenges have been made more difficult by the Covid-19 pandemic and our young people in particular have seen their employment prospects disproportionately impacted. Working with our partners we will deliver a package of targeted interventions to get people back to work. We will do this through initiatives like our Wolves at Work 18 – 24 programme which aims to get young people into sustainable employment, apprenticeships, education or training.

Locally and nationally our economy is changing, and the skills local people will need to be successful in the workplace is changing with it. Covid-19 has accelerated the adoption of digital technologies and having good digital skills is now more important than ever, the climate change challenge is leading to increasing demand for skills to support the low carbon economy whilst our aging population means our reliance on our critical health and social care workforce will continue to rise. We must ensure we have a flexible, adaptable and resilient skills system which is able to respond to these emerging opportunity areas. We will do this by joining up activity within schools, further education and training providers to ensure that there is a seamless, whole-system approach to education, work and skills.

An individual's skills are the single most important factor in determining their employment status and whether they have a good job. There has been a significant improvement in workforce skills in the city over the last five years, the number of people with no qualifications has fallen by 35% whilst those with a degree level qualification has risen by 32%.

Higher skills will not be enough to get more people into good jobs if local businesses are unable to utilise those skills. That is why we will work with our partners to align the city's education and skills system with our business support offer. This will ensure that residents have the skills local employers need now and in the future.

We will continue to futureproof our skills system and ensure that local people have access to first class learning facilities in the city. The University of Wolverhampton's £100 million built environment super campus at Springfield will provide the skills for tomorrow's workforce. Our ambitious City Learning Quarter project will establish a state of the art skills and learning hub in our city centre.

We are committed to creating even more quality job opportunities in the city and will work with our businesses to enhance apprenticeship and training opportunities for local people. We will also work more closely with local big employers and anchor institutions to deliver local economic benefit. This will include employing more local unemployed residents, increasing the amount we spend in our supply chains with small and medium sized enterprise (SMEs) and social enterprises, and offering volunteering, mentoring and work experience opportunities.

## More local people into good jobs and training

| Outcomes   | Objectives   |  |
|--|--|--|
| <p>5.1 Help create good quality local jobs</p>   | <ul style="list-style-type: none"> <li>• Ensure investment in the city increases the number of quality jobs for local people.</li> <li>• Incorporate and monitor social value/local employment clauses through the council's supply chain.</li> <li>• Leverage agreements with investors and partners to maximise benefits for local people, including by securing the delivery of S106 skills and training opportunities.</li> </ul>  | <ul style="list-style-type: none"> <li>• Through our business support offer grow those sectors of the economy which offer the best employment opportunities for our residents.</li> <li>• Work with our public sector partners and the Wolverhampton Anchor Network to set a high standard for employment across the city.</li> </ul>  |
| <p>5.2 Work in partnership to support local people into work and better jobs</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 309</p> | <ul style="list-style-type: none"> <li>• Continue to work with partners to ensure that employment support in the city is joined up and new national programmes complement existing local activity.</li> <li>• Establish clear pathways and entry routes for unemployed adults, particularly those from underrepresented groups to access employment in growth sectors or where there are skills shortages.</li> <li>• Build on the city centre youth hub at The Way, using our community hubs to deliver co-located employment and skills support to young people in their local areas.</li> </ul> | <ul style="list-style-type: none"> <li>• Grow and diversify our adult and community education offer to support local people to develop digital and other skills to increase their employability and wellbeing.</li> <li>• Provide wrap around support and a dedicated work coach for local people looking for work or to retrain through our Wolves at Work programme.</li> <li>• Provide a one stop shop for employment and skills support in the city through our Wolves Workbox digital platform making easier for local people to find advice and support.</li> <li>• Work with employers and other city partners to champion inclusive employment practices to ensure there is a pathway to success for all residents in our city.</li> </ul> |
| <p>5.3 Flexible skills system which supports local businesses to grow and residents to access good jobs</p>  | <ul style="list-style-type: none"> <li>• Work with partners to maximise the number of apprenticeship and training opportunities for young people and adults in the city.</li> <li>• Work with our partners including businesses, job centres, training providers, colleges and the University to develop flexible pathways for local people who are in work to retrain and progress.</li> </ul>  | <ul style="list-style-type: none"> <li>• Support local businesses with workforce recruitment and planning particularly in those sectors which face recruitment and retention challenges.</li> <li>• Align our education and skills system with our business support offer to ensure local people have the skills employers needs now and in the future.</li> <li>• Ensure we have a range of higher-level skills and training support available in the city aligned to growth sectors to support productivity and higher wage jobs.</li> </ul>   |

## To achieve these outcomes, key activity we will deliver includes:

- Invest £3 million to tackle youth unemployment in our city with new job, training and apprenticeship opportunities through our Wolves at Work 18-24 programme.
- Launch a Youth Employment Taskforce bringing together key city partners to deliver a 'one city' approach to increasing employment opportunities for young people.
- Futureproof our skills system through the City Learning Quarter, a partnership between the City of Wolverhampton Council and Wolverhampton College which will establish a skills and learning hub, safeguarding hundreds of jobs and increasing footfall in the city centre as the scheme will see thousands of students located at the new city centre campus.
- Scale up Wolves Online device and connectivity lending scheme to reach more residents taking into account individualised needs in relation to the type of devices and connectivity options.
- Launch a new digital infrastructure academy to connect local people to booming digital and telecoms job opportunities.
- Continue to deliver jobs and opportunities for city residents through our employment and skills programmes. Since 2016, over 6,000 people have received our help and support to enter employment, education or training.
- Working alongside our city and regional partners we will continue to align training and education opportunities to the industries of the future.
- Scale up our Connexions programme in the city so that young people get the very best careers advice and support.

## Measuring Performance

In the Levelling Up White Paper (February 2022), the government have set out the following long term missions in relation to this area:

- By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.

### Key System Indicators

We aim to improve performance and meet / exceed national averages in the following key system indicators:

- Number of working age adults (16-64) claiming unemployment benefits
- Number of young adults (18-24) claiming unemployment benefits

### Key Council Indicators

We aim to improve performance and meet / exceed national averages in the following key council indicators:

- Number of jobs created / safeguarded in the city through the Investment Team
- Number of young adults (18-24) supported by Wolves at Work who are in sustained employment after 12 weeks
- Spend through Wolves at Work 18-24 City Ideas Fund
- Local Authority spend on apprenticeship levy
- Number of apprentices and graduate placements within the council

## THRIVING ECONOMY IN ALL PARTS OF THE CITY

The city is enjoying record levels of public and private investment with £4.4 billion being injected into citywide regeneration projects. Our aim is to ensure that all residents and businesses can benefit from this investment and the new opportunities it will bring to the city. We will deliver this aim through inclusive growth, increasing access to good quality jobs, raising skill levels and improving health and wellbeing outcomes for all in our city.

Our economy is doing well with established clusters in advanced manufacturing, aerospace, and many sector leading firms calling the city home. We have growing sectors in professional services, creative and digital as well as green technologies and construction which have the potential to create new local jobs with higher wages. We will continue to support the growth of emerging and existing sectors in our city through new targeted support programmes. Helping local businesses to adapt and thrive in a changing economy which is seeing rapid shifts towards new digital technologies and a low carbon economy.

We have a strong foundation as we look towards recovery. Supporting the long-term resilience of the city's economy is a priority. There are several sectors in the city which have been hit hard by the Covid-19 pandemic such as retail and hospitality. Through our ongoing grants, rate relief and other support for business we will give the city's economy and labour market the best chance of effectively bouncing back, protecting jobs and livelihoods.

We will build on the city's long history of innovation and entrepreneurship to support residents who want to become entrepreneurs to start their own businesses. Supporting the growth of new enterprise in all parts of our city to drive inclusivity and equality across the business base, ensuring ethnicity, gender and socio-economic background are not barriers to starting and growing a business.

Through the Wolverhampton Anchor Network, we will work with our public sector partners and large employers in the city to use our collective spending power to support the local economy, spread opportunity and build resilience. This includes our commitment to the Wolverhampton Pound which places a greater emphasis on procuring goods and services locally increasing the amount we spend through our supply chains with SMEs and social enterprise. Every public pound spent will provide maximum benefit to local people and businesses.

Sourcing more goods and services locally is also critical to realising our ambitious plans to tackle climate change. Our commitment to sustainable transport and a circular economy reflects the Council's 2019 declaration of a climate emergency and our ambition to work towards being net carbon zero by 2028.

The £150 million investment in our Interchange programme, incorporating a new bus, tram and rail hub, provides a fantastic gateway into the heart of the city and will improve access for residents and businesses via sustainable modes of travel. We will continue to support the rollout of 5G and full fibre broadband to improve digital connectivity for local people and businesses. Our connected places strategy will deliver smart technology into our city to improve connectivity and accessibility for all, supporting electric vehicle growth, improved digital infrastructure and promote more sustainable transport options, through our active travel strategy.

Thriving high streets and town centres are crucial to the future of our local businesses and communities. Covid-19 has accelerated many trends already present before the pandemic in the way we choose to live, work, travel and spend our leisure time. Now more than ever, it is vital that we continue to deliver our ambitious plans to reimagine and transform our city and town centres, encouraging more mixed-use spaces and driving forward our bold 'Event City' plans.



## Thriving economy in all parts of the city

| Outcomes  | Objectives  |  |
|---|---|--|
| <p>6.1 Support local businesses to start up, scale up and thrive</p>              | <ul style="list-style-type: none"> <li>• Grow emerging sectors in the city to strengthen supply chains and create new skilled jobs locally, including those in the green economy, creative and digital, professional services and others.</li> <li>• Support those businesses hardest hit by the pandemic in our hospitality, retail and leisure sector to adapt to a changing economy.</li> <li>• Increase the numbers of entrepreneurs who develop new start-ups in the city and who choose Wolverhampton as a place to grow their business.</li> </ul> | <ul style="list-style-type: none"> <li>• Drive inclusivity and equality across the business base in the city, ensuring ethnicity, gender and socio-economic background are not barriers to starting and growing a business.</li> <li>• We will simplify access to business support services in the city and wider region through partnership working and digital technology making it easier to do business in Wolverhampton.</li> <li>• Use data and insight to identify trends, understand needs, targeting our resources and interventions in an evidence-based way.</li> </ul> |
| <p>6.2 Attract new investment which brings social and economic benefit to all</p> | <ul style="list-style-type: none"> <li>• Champion the city's offer continuing to raise the profile of the city nationally and internationally as a great place to invest and do business.</li> <li>• Ensure public and private investment opportunities create good work opportunities for local people and support our businesses to grow.</li> <li>• Work proactively to attract new businesses to the city to diversify our business base and increase the resilience of our local economy.</li> </ul>   | <ul style="list-style-type: none"> <li>• Develop and deliver sector specific action plans to support growth of key sectors in the city.</li> <li>• Building an even closer relationship with investors and strategic employers through effective account management to better understand their needs and how they can contribute to growth in our city.</li> <li>• Support the delivery of a range of workspaces to meet the needs of a growing economy, attracting new businesses and allowing existing businesses to grow and diversify.</li> </ul>                              |

## Thriving economy in all parts of the city

| Outcomes   | Objectives  |   |
|--|---|---|
| <p>6.3 Vibrant high streets with quality culture and leisure offer</p> | <ul style="list-style-type: none"> <li>Secure and deliver investment in our high streets and town centres to help them thrive, including public realm, events, meanwhile uses, arts and culture.</li> <li>Support and deliver a range of events in the city, from sport at the Molineux, music festivals in our parks, through to activities in our libraries and culture in venues across the city (Civic Halls and Bilston Town Hall).</li> </ul> | <ul style="list-style-type: none"> <li>Safeguard and strengthen the city's cultural heritage by investing in, and encouraging access to our heritage assets, museums, and libraries.</li> <li>Promote creative and cultural activity and infrastructure that enables people to gain skills and employment in creative industries and increases investment into the city.</li> <li>Ensure that all of our communities and visitors can engage with and benefit from our city wide culture and arts offer.</li> </ul> |
| <p>6.4 Grow the low carbon and circular economy</p>                    | <ul style="list-style-type: none"> <li>Encourage the development of a more circular economy with better design, maintenance, repair, reuse and recycling of goods.</li> <li>Work with the public and private sectors to transform how resources are procured, used, consumed and disposed of.</li> </ul>  | <ul style="list-style-type: none"> <li>Embed low carbon practices within procurement and other services through increased knowledge and training as part of both publicly funded business support activity and private sector led activity.</li> </ul>  |

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## To achieve these outcomes, key activity we will deliver includes:

- Be the best place in the region to start and grow a business bolstered by a new, first-class business support service shaped by city businesses.
- Deliver IGNITE our new city centre business hub offering advice and incubation support for existing and emerging businesses in the city.
- Leverage the Wolverhampton Pound's spending power so millions more are spent in our city to create job and business opportunities.
- Speed up the roll out of ultra-fast broadband and 5G to every home and business in our city and developing the region's first super-smart networked council tower block to help hundreds of residents access health and wellbeing support and jobs.
- Bring in hundreds of thousands of visitors a year and millions to the local economy with a new five-year 'Event City' plan, reopening our new £43 million Civic Halls and multi-million-pound investment in new public spaces.
- Investing £1.5 million in our fantastic Art Gallery to improve the experience for visitors with a new café and better accessibility – just in time for the British Art Show in 2022 which is set to bring 45,000 people into the city centre.
- Develop new employment land at Bilston Urban Village to create up to 300 new jobs on the back of £20 million investment with strong market interest from occupiers.
- Deliver thousands of new, local jobs by expanding i54, growing our commercial district, building 10,000 new homes and developing new employment land covering the same area as 77 football pitches.

## Measuring Performance

In the Levelling Up White Paper (February 2022), the government have set out the following long term missions in relation to this area:

- By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.
- By 2030, domestic public investment in R&D outside the Greater Southeast will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
- By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
- By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.

## Key System Indicators

We aim to improve performance and meet / exceed national averages in the following key system indicators:

- Business that survive one year in city
- % change in activity in city retail & recreational settings – Google Analytics
- % of premises in the city with full fibre coverage
- Number of rapid charging electric car points in the city
- Empty properties in the city centre

## Key Council Indicators

We aim to improve performance and meet / exceed national averages in the following key council indicators:

- Wolverhampton based businesses supported by the Council
- New of new investment opportunities generated
- Wolverhampton based businesses supported through Business Relight Programme
- New businesses supported by commissioned service Access to Business

# Our Council Programme

To deliver our ambitions for the city and the priorities set out in this plan, the council needs to ensure it has the right people, technology, assets and resources. The Our Council Programme sets out six workstreams to achieve this;

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### Our Assets

Sustainable assets which support our workforce, partners and communities.



### Our Data

Evidence led decision making and analytics with robust performance framework.



### Our Digital

Maximise how we use digital and other technologies to deliver better services and outcomes.



### Our Money

Financially sustainable making the best use of our resources ensuring timely, transparent and accountable local decision making and governance.



### Our People

Retain and attract the best talent, support all of our workforce to develop in an inclusive organisation.

We will deliver this plan in line with our **PRIDE values**. These values define what is important to us and how we will work to deliver the city's priorities. We will:

P

Put people first

R

Raise the city's profile and reputation

I

Inspire trust and confidence

D

Deliver together

E

Empower people to innovate

## Measuring Performance

### Key Council Indicators

We aim to improve performance and meet / exceed national averages in the following key council indicators:

- Gender pay gap of council employees
- Ethnicity pay gap of council employees
- Customer Service call wait times
- Sickness absence rates
- Employee turnover rate
- Spend with local businesses
- LGA Resident Satisfaction Polling

Overall, how well informed do you think your council keeps residents about the services and benefits it provides?

# OUR PARTNERS



**Partnership working is a key theme running through the plan, highlighting the importance of working across sectors and service areas.** It builds on achievements to date, but with renewed focus and actions to tackle cross-cutting issues such as homelessness, health inequalities, youth skills and employment.

Working across partners locally, regionally and nationally we will continue to take a whole system approach to driving change and delivering improved outcomes for local people. To realise our vision, we must continue to work closely with partners, we will continue to build on the strong partnerships with all stakeholders locally, nationally and globally to provide a strong and influential voice for the city's residents and businesses.

Our ask of city partners;

1. To work with the Council to design and deliver innovative solutions to improve outcomes for local people.
2. To help us hear as widely as possible the views of communities and businesses by using your own networks to engage.
3. To provide robust data and evidence that you have for your area that could help ensure we are reaching those most in need.
4. To look at how you can support your communities and ensure nobody in our city is left behind.



# RELIGHTING OUR CITY

The Relighting Our City framework was launched in September 2020 to guide the Council as it moved from the response to the recovery phase of the pandemic. The Council Plan takes forward this recovery framework acknowledging that we are now operating in a 'new normal'.

Support people who need us most

Create more opportunities for young people

Generate more jobs and learning opportunities

Grow our vital local businesses

Stimulate vibrant high streets and communities

## COUNCIL PLAN

Wulfrunians live longer, healthier and more fulfilling lives

## VISION 2030

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### OUR PRINCIPLES

We will underpin our work with the following key principles;



#### CLIMATE FOCUSED

This recovery commitment is aligned to our climate change strategy 'Future Generations' and our target to make the City of Wolverhampton Council carbon-neutral by 2028. We are committed to delivering on the recommendations of our Climate Citizen Assembly and to upholding the promises we made when the Council declared a climate emergency in July 2019.



#### DRIVEN BY DIGITAL

The city is at the forefront of digital infrastructure and innovation, Wolverhampton will be one of the first cities in the world to host a 5G accelerator hub making us truly a world leader in emerging technology. Now more than ever digital skills and connectivity are vital to ensure our residents can access services, interact with friends and family, and enter the job market.



#### FAIR AND INCLUSIVE

We will continue to tackle the inequalities in our communities which impact on the opportunities of local people. The Council's 'Excellent' rated equalities framework is at the heart of our recovery commitment. No community will be left behind as we transform our city together.

# MONITORING AND EVALUATION



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**This Council Plan was launched as a ‘living’ document and we will regularly review and refresh it to ensure that it continues to reflect the priorities of local people and capture the fast-changing nature of the pandemic and impact it is having on the city’s residents.**



We will do this through a ‘Continuous Conversation’ with communities with opportunities for local people to shape our approach to delivering the plan and it’s priorities.

We will use this plan to align service area plans and operational activity with the strategic objectives in our priority areas. It will support decision making and determine how we use the resource we have to deliver the best outcomes, in the most effective and efficient way. We will monitor and closely manage our performance against this plan, use it to drive delivery of our objectives.

Supporting the plan is our corporate performance framework. A set of key indicators aligned to our priority areas informed by national and local data sets. This framework will be reported alongside an update on deliver of this plan to Cabinet on a quarterly basis.



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[wolverhampton.gov.uk/customerservices](http://wolverhampton.gov.uk/customerservices)

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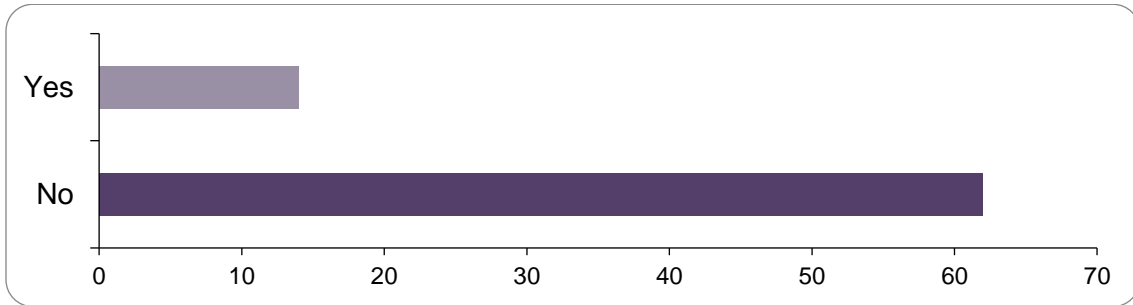
City of Wolverhampton Council, Civic Centre, St. Peter's Square,  
Wolverhampton WV1 1SH

Appendix 2

# Our City, Our Plan

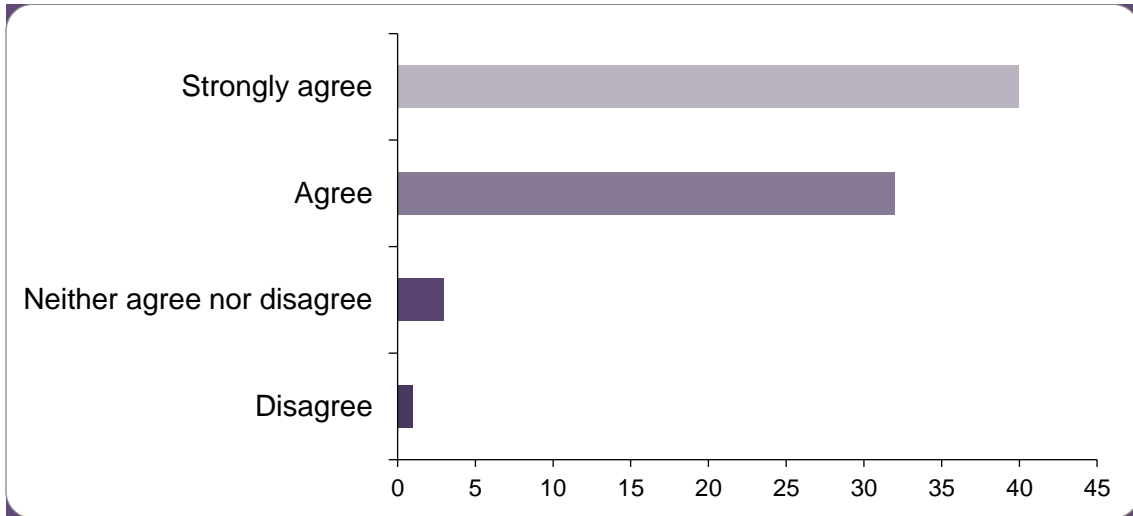
## Consultation Responses

**Are you responding on behalf of an organisation?**



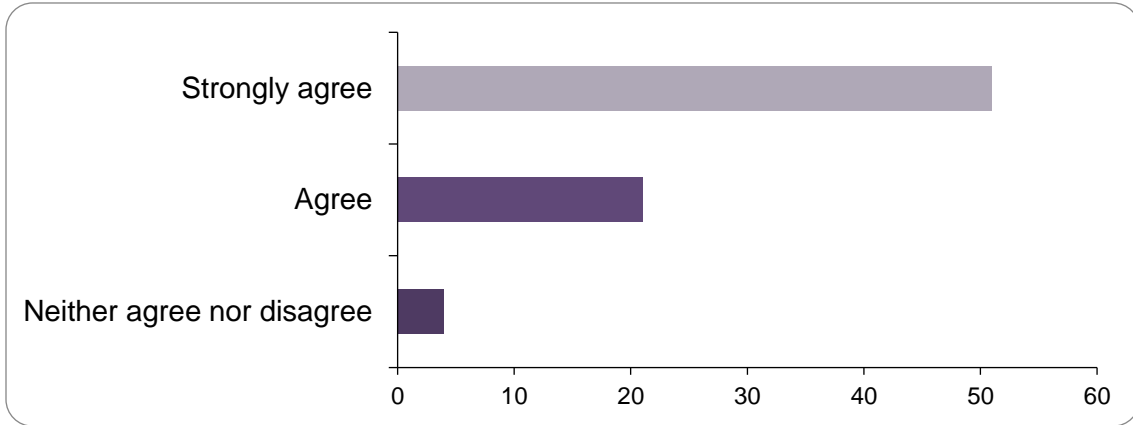
| Option       | Total | Percent |
|--------------|-------|---------|
| Yes          | 14    | 18.42%  |
| No           | 62    | 81.58%  |
| Not Answered | 0     | 0.00%   |

**To what extent do you agree or disagree with our six priorities?**



| Option                     | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree             | 40    | 52.63%  |
| Agree                      | 32    | 42.11%  |
| Neither agree nor disagree | 3     | 3.95%   |
| Disagree                   | 1     | 1.32%   |
| Strongly disagree          | 0     | 0.00%   |
| Not Answered               | 0     | 0.00%   |

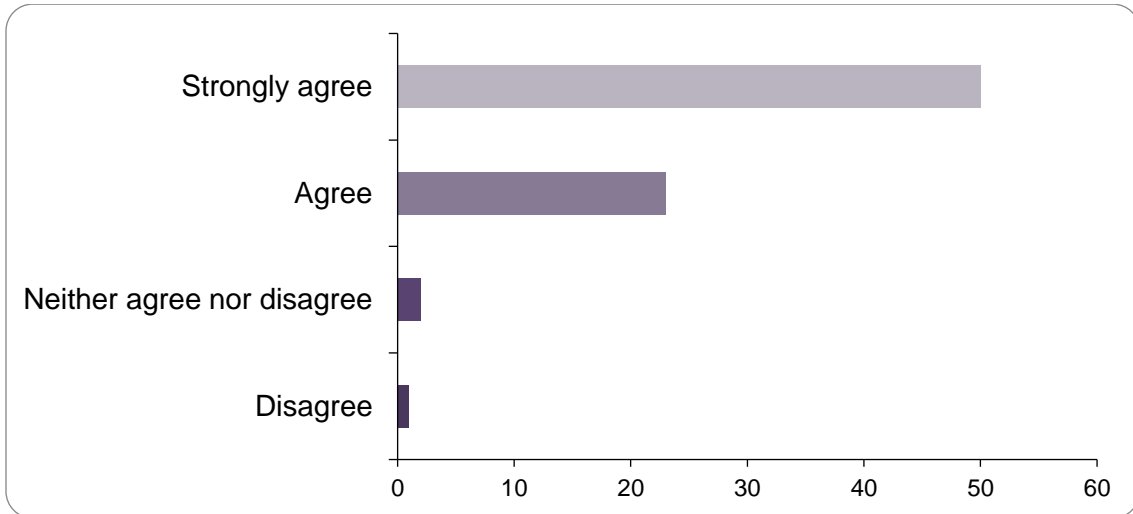
**To what extent do you agree or disagree with our proposals for the ‘Strong families where children grow up well and achieve their full potential’ priority?**



| Option                            | Total | Percent |
|-----------------------------------|-------|---------|
| <b>Strongly agree</b>             | 51    | 67.11%  |
| <b>Agree</b>                      | 21    | 27.63%  |
| <b>Neither agree nor disagree</b> | 4     | 5.26%   |
| <b>Disagree</b>                   | 0     | 0.00%   |
| <b>Strongly disagree</b>          | 0     | 0.00%   |
| <b>Not Answered</b>               | 0     | 0.00%   |

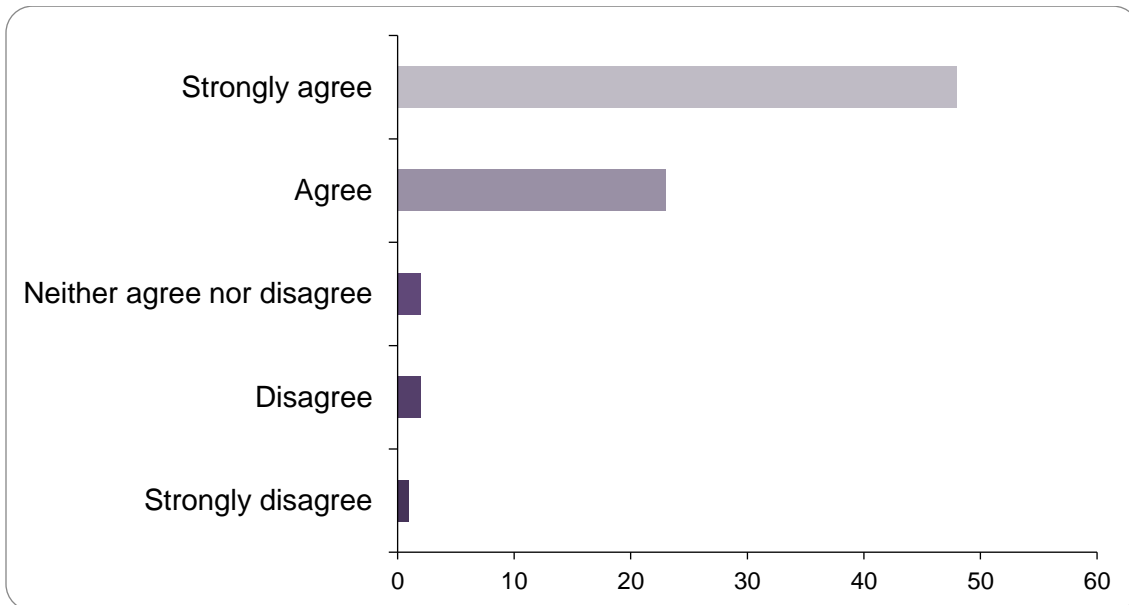


**To what extent do you agree or disagree with our proposals for the  
‘Fulfilled lives with quality care for those that need it’ priority?**



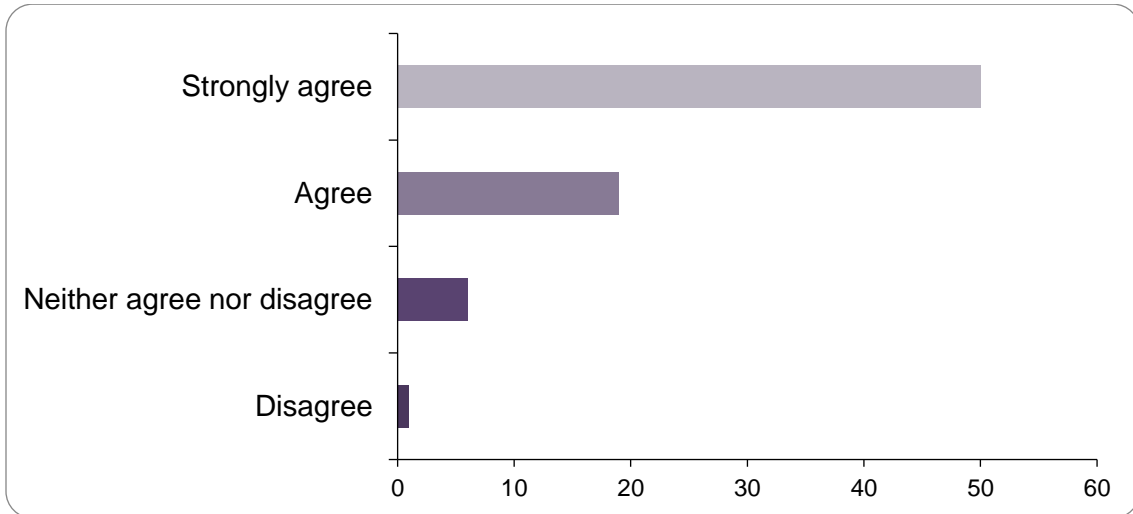
| Option                            | Total | Percent |
|-----------------------------------|-------|---------|
| <b>Strongly agree</b>             | 50    | 65.79%  |
| <b>Agree</b>                      | 23    | 30.26%  |
| <b>Neither agree nor disagree</b> | 2     | 2.63%   |
| <b>Disagree</b>                   | 1     | 1.32%   |
| <b>Strongly disagree</b>          | 0     | 0.00%   |
| <b>Not Answered</b>               | 0     | 0.00%   |

**To what extent do you agree or disagree with our proposals for the 'Healthy, inclusive communities' priority?**



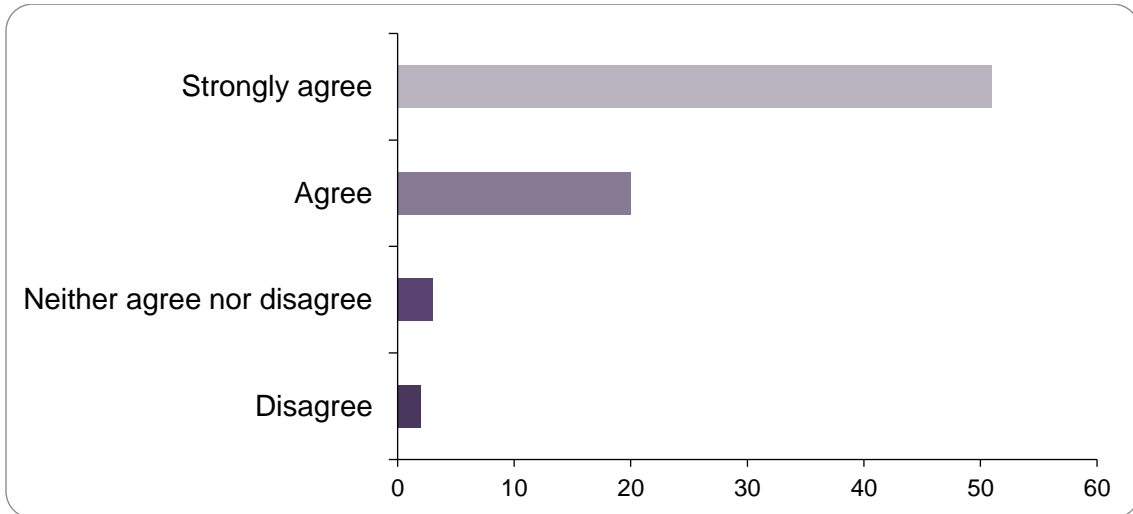
| Option                            | Total | Percent |
|-----------------------------------|-------|---------|
| <b>Strongly agree</b>             | 48    | 63.16%  |
| <b>Agree</b>                      | 23    | 30.26%  |
| <b>Neither agree nor disagree</b> | 2     | 2.63%   |
| <b>Disagree</b>                   | 2     | 2.63%   |
| <b>Strongly disagree</b>          | 1     | 1.32%   |
| <b>Not Answered</b>               | 0     | 0.00%   |

**To what extent do you agree or disagree with our proposals for the 'Good homes in well-connected neighbourhoods' priority?**



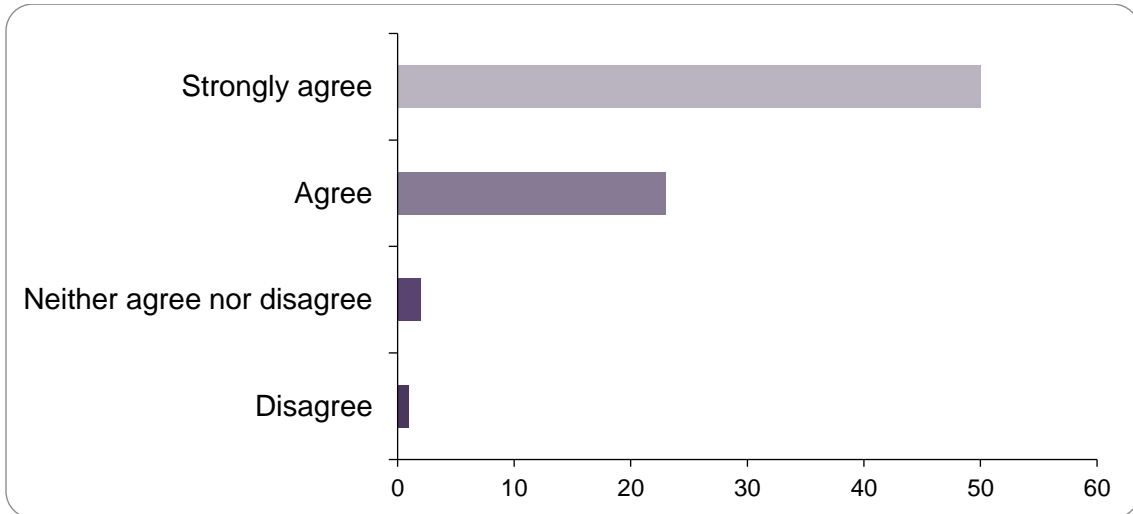
| Option                     | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree             | 50    | 65.79%  |
| Agree                      | 19    | 25.00%  |
| Neither agree nor disagree | 6     | 7.89%   |
| Disagree                   | 1     | 1.32%   |
| Strongly disagree          | 0     | 0.00%   |
| Not Answered               | 0     | 0.00%   |

**To what extent do you agree or disagree with our proposals for the 'More local people into good jobs and training' priority?**



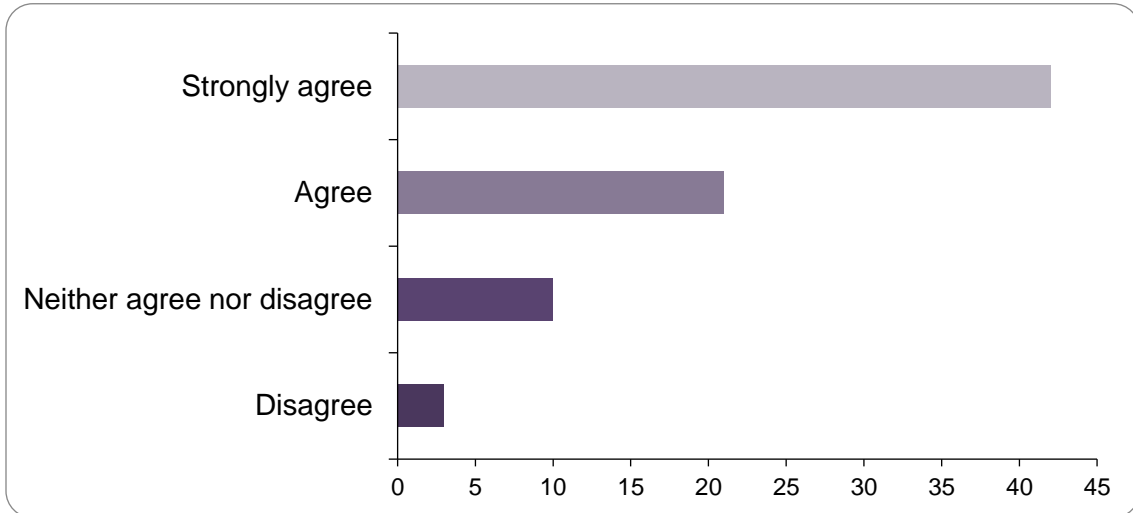
| Option                     | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree             | 51    | 67.11%  |
| Agree                      | 20    | 26.32%  |
| Neither agree nor disagree | 3     | 3.95%   |
| Disagree                   | 2     | 2.63%   |
| Strongly disagree          | 0     | 0.00%   |
| Not Answered               | 0     | 0.00%   |

**To what extent do you agree or disagree with our proposals for the ‘Thriving economy in all parts of the city’ priority?**



| Option                     | Total | Percent |
|----------------------------|-------|---------|
| Strongly agree             | 50    | 65.79%  |
| Agree                      | 23    | 30.26%  |
| Neither agree nor disagree | 2     | 2.63%   |
| Disagree                   | 1     | 1.32%   |
| Strongly disagree          | 0     | 0.00%   |
| Not Answered               | 0     | 0.00%   |

**Our Council Plan is supported by three cross cutting principles:**



| Option                            | Total | Percent |
|-----------------------------------|-------|---------|
| <b>Strongly agree</b>             | 42    | 55.26%  |
| <b>Agree</b>                      | 21    | 27.63%  |
| <b>Neither agree nor disagree</b> | 10    | 13.16%  |
| <b>Disagree</b>                   | 3     | 3.95%   |
| <b>Strongly disagree</b>          | 0     | 0.00%   |
| <b>Not Answered</b>               | 0     | 0.00%   |

|  |   |
|--|---|
| <b>CITY OF<br/>WOLVERHAMPTON<br/>COUNCIL</b> | <b>Cabinet</b><br><b>23 February 2022</b> |
|--|---|

|  |  |  |
|--|--|--|
| <b>Report title</b>                            | Pay Policy Statement 2022 - 2023                         |  |
| <b>Decision designation</b>                    | RED  |  |
| <b>Cabinet member with lead responsibility</b> | Councillor Paula Brookfield<br>Governance and Equalities |  |
| <b>Key decision</b>                            | Yes  |  |
| <b>In forward plan</b>                         | Yes  |  |
| <b>Wards affected</b>                          | All Wards  |  |
| <b>Accountable director</b>                    | David Pattison, Chief Operating Officer                  |  |
| <b>Originating service</b>                     | Human Resources  |  |
| <b>Accountable employee(s)</b>                 | Laura Phillips<br>Tel<br>Email                           | Deputy Director People and Change<br>01902 558892<br>Laura.phillips@wolverhampton.gov.uk |
| <b>Report to be/has been considered by</b>     | Strategic Executive Board<br>Full Council                | 7 February 2022<br>2 March 2022  |

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**Recommendations for decision:**

The Cabinet recommends that Council approves:

1. The Pay Policy Statement for 2022 - 2023.
2. The publication of the Pay Policy Statement in line with the requirements of the Localism Act 2011.

**Recommendation for noting:**

The Cabinet recommends that Council notes:

1. That the national pay award for National Joint Council (NJC) and Joint Negotiating Committee (JNC) Chief Officers and Chief Executives had not been agreed, at the time of writing the Pay Policy Statement.

2. That in the absence of the NJC having yet reached a pay agreement for 2021, SCPs 1 and 2 will fall below the statutory NLW. Organisations must therefore ensure that employees currently paid on those two pay points have their pay increased with effect from 1 April 2022 to £9.50 per hour. These updated figures will continue to be paid until NJC reaches a settlement on pay for 2021.



## **1.0 Purpose**

- 1.1 To refer to Council for approval the new Pay Policy and the publication of the Pay Policy.
- 1.2 This report has been compiled to comply with the requirements of section 38 (1) of the Localism Act 2011.

## **2.0 Background**

- 2.1 Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”.
- 2.2 Section 38 of The Localism Act 2011 requires that each council prepares an annual pay policy statement setting out the following:
  - a. The remuneration of its chief officers. In this context a ‘chief officer’ is defined as:
    - The head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;
    - Its Monitoring Officer designated under section 5(1) of the act;
    - A statutory chief officer mentioned in section 2(6) of that Act;
    - A non-statutory chief officer mentioned in section 2(6) of that Act;
    - A deputy chief officer mentioned in section 2(8) of that Act.
  - b. The remuneration of its lowest-paid employees, and
  - c. The relationship between:
    - The remuneration of its chief officers, and
    - The remuneration of its employees who are not chief officers.
- 2.3 It should be noted that provisions of the Act do not apply to the staff based in local authority schools.
- 2.4 Additionally the Act requires that the pay policy statement must set out the Council’s policies relating to:
  - a. The level and elements of remuneration for each chief officer covered by the Act
  - b. The remuneration of chief officers on recruitment
  - c. Increases and additions to remuneration for each chief officer
  - d. The use of performance related pay for chief officers
  - e. The use of bonuses for chief officers
  - f. The publication of, and access to, information relating to remuneration of chief officers.

- 2.5 The Localism Act requires that a local authority publish the pay policy statement “in such manner as they see fit which must include publication on the authority’s website”. In addition, section 38 (4) requires authorities to set out in their pay policy statements their approach to the publication of and access to information relating to the remuneration of chief officers.
- 2.6 The requirements to publish a pay policy statement and details of senior pay have been underpinned by the mandatory requirements in the Local Government Transparency Code 2015. The City of Wolverhampton Council will publish the relevant data sets under the transparency code on the Wolverhampton data share site following the approval of the Pay Policy.
- 2.7 The act requires the Pay Policy statement to include the data confirming the relationship between the remuneration of its chief officers, and employees who are not chief officers. The City of Wolverhampton Council’s pay ratio is 9.39:1, this maintains the City of Wolverhampton Council’s pledge to have a pay ratio below 10:1.
- 2.8 The pay ratio has been impacted by the national NJC pay negotiations for local government employees annual pay award. As this has not yet been agreed the lowest earnings have remained static and the pay ratio has increased from 9.25:1 to 9.39:1.
- 2.9 Comparative data for this financial year is not yet available, however figures for last year show Birmingham as 10.29:1, Sandwell at 8:1 and Dudley at 10:1. Walsall Council report on the pay ratio between the highest pay and the median pay so would not be comparative.
- 2.10 The senior pay scale (appendix 2) sets out the grades that will be applied to senior managers in 2022 - 2023. The senior pay data (appendix 3) covers senior posts in line within the definitions in the guidance. Decisions on individual increments will not at this point have been taken, as these are subject to performance management criteria and will not take effect, if approved, until after 1 April 2022.
- 2.11 Senior managers pay was independently reviewed by West Midlands Employers (WME) in 2021. Posts have been evaluated using the Local Government Employer (LGE) Senior Job Evaluation scheme. The LGE scheme evaluates roles based on four criteria; knowledge requirement, creative thinking/policy direction, impact on people/organisation and responsibility for resources.
- 2.12 The Council’s senior leadership team, are required to work effectively to deliver the priorities of Council as well as dealing with the unprecedented ongoing challenges Covid has created, whilst not losing our sense of ambition, or vision, for our City or our external reputation to reap benefits for our City.
- 2.13 Data on all senior salaries in 2022 - 2023 will be published on the Wolverhampton data share site at <http://data.wolverhampton.gov.uk/View/employees/senior-salaries-wcc> and on the City Council’s web site, following approval. Data relating to posts with salaries over £100,000 are available in appendix 4.

- 2.14 Data required by the Local Government Transparency Code 2015, will also be available by 31 March 2022. This includes employees whose remuneration in the year 2021 – 2022 was at least £50,000 in brackets of £5,000. This information is recorded by job title. For senior managers whose salaries are £150,000 or more a name must also be given. At City of Wolverhampton Council this would only apply to the Chief Executive.

### **3.0 Evaluation of alternative options**

- 3.1 The authority is required to prepare and publish a Pay Policy in accordance with the Localism Act 2011.

### **4.0 Reasons for decision**

- 4.1 To ensure that the authority complies with the relevant legislation and best practice guidance.

### **5.0 Financial implications**

- 5.1 As outlined in section 7 of the Pay Policy (appendix 1) the costs of payments in recognition of election responsibilities are met from Central Government.
- 5.2 At the time of writing this report national negotiations are ongoing in respect of the pay award for 2021-2022. The 2021-2022 budget includes provision within employee budgets for a 1% pay award. However, it is anticipated that there is some provision within corporate budgets to accommodate an increase of up to 2% without having to find offsetting budget reductions in year. Any increase above 2% would require in year efficiencies to be made and increase the projected deficit for 2022-2023 and future years. The Council's Medium Term Financial Strategy currently assumes a 2% pay award for 2022-2023.  
[MH/31012022/O]

### **6.0 Legal implications**

- 6.1 The preparation and approval of a senior pay policy statement is a requirement of section 38 of the Localism Act 2011. The Act prescribes information to be included in the statement, its manner of publication and the requirement for the Council to act in accordance with its approved Policy Statement.  
[JB/24012022/J]

### **7.0 Equality implications**

- 7.1 This report sets out the policies used to manage senior pay across the Council and the current relationship between the highest and the lowest salary levels. All posts are subject to Job Evaluation, as agreed by the Trade Unions in the signing of our collective agreement.
- 7.2 Data on pay and grading, gender and race pay gaps are reported in quarterly and annual reports.

7.3 All public sector employers are required under the Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 to provide and publish data on gender pay gap between male and female employees.

7.4 Appointments into the senior pay structure are made in line with the Council's Constitution and relevant policies and procedures.

## **8.0 All other implications**

8.1 There are no direct human resources implications arising from this report. Appointments into the senior pay structure are made in line with the Council's Constitution and relevant policies and procedures.

## **9.0 Schedule of background papers**

9.1 Gender Pay Gap Report 2022.

## **10.0 Appendices**

10.1 Appendix 1 - Pay Policy Statement.

10.2 Appendix 2 - Senior Management Pay Scale.

10.3 Appendix 3 - Pay Policy Data.

10.4 Appendix 4 - Current roles where pay range exceeds £100,000 per annum

## Senior Pay Policy Statement – 2022-2023

### General Principles

This Policy Statement has been compiled to comply with the requirements of section 38 (1) of the Localism Act 2011, which requires local authorities to state their policy on the level and elements of remuneration for each Chief Officer (as defined by the Act).

#### 1. Appointment and increments

- 1.1 The Appointment of Senior Managers is governed by the Employee Employment Procedure Rules detailed in the Constitution of the City of Wolverhampton Council. A Special Appointment Committee will be established to appoint the Head of Paid Service, Section 151 Officer, Monitoring Officer and roles graded 15 and above, on a politically balanced basis and will usually comprise of the Leader and Deputy Leader of the Council, any appropriate Cabinet Member, the Cabinet Member with lead responsibility for Human Resources and their opposition counterparts or their substitutes and a nominated employee from an equality forum group in an observer capacity . The recommendation of the Special Appointments Committee for these posts must be confirmed by Full Council. The Council may provide delegation to the Special Appointments Committee to approve the appointments.
- 1.2 To comply with the guidance from the Secretary of State, Full Council approval is required, to agree appointment packages including salary, bonus, fees allowances and benefits in kind, to posts exceeding a pay range of £100,000. For existing posts where the salary range exceeds £100,000 (Directors and above currently), the Council is reaffirming its approval to the current and any future appointment to these already established roles. These posts are detailed in appendix 4. Where the creation of a comparable post (salary range exceeding £100,000) is required, this will need the approval of Full Council. To appoint to any already established role, a Special Appointments Committee will be established on a politically balanced basis and will usually comprise the Leader of the Council, Deputy Leader of the Council, Leader of the opposition, appropriate Cabinet Member and appropriate Scrutiny Panel chairs or their substitutes. These appointments will not require Full Council approval.
- 1.3 All other Senior Manager roles are subject to appropriate HR recruitment policy and process.
- 1.4 The salary scale upon appointment will usually be at the “minimum point of advantage”, in certain circumstances it may be appropriate to appoint at a higher pay point within the grade. This must be agreed by the Chief Executive and the Deputy Director of People & Change.
- 1.5 Senior Management roles who meet the eligible criteria, receive the appropriate pay increment on 1 April each year, to the maximum of the grade (see 4.1).
- 1.6 The Senior Management pays scales for 2022-2023 are detailed in appendix 2.

## **2. Annual Pay Award**

- 2.1 All annual pay awards are set in line with nationally negotiated rates. The last nationally agreed pay award for JNC Chief Officer and Chief Executives was a 2.75% pay award and applied to salaries on 1 April 2020. The JNC Chief Officer and Chief Executive pay award applies to Senior Managers on Grade 12 and above. At the time of writing the Policy Statement, the pay award for April 2021 and April 2022 had not been agreed.
- 2.2 Employees at Grade 11 and below receive the pay award agreed through collective bargaining with the National Employers and the relevant Trade Unions (NJC). The last nationally agreed pay award for NJC Local Government Employers was 2.75% and applied to salaries on 1 April 2020. At the time of writing the Policy Statement, the pay award for April 2021 and April 2022 had not been agreed.
- 2.3 In the absence of the NJC having yet reached a pay agreement for 2021, SCPs 1 and 2 will fall below the statutory NLW. Organisations must therefore ensure that employees currently paid on those two pay points have their pay increased with effect from 1 April 2022 to £9.50 per hour. These uprated figures will continue to be paid until NJC reaches a settlement on pay for 2021.

## **3. Market forces supplements**

- 3.1 The City of Wolverhampton Council has a policy to offer market forces supplements in instances where the substantive grade of the post is insufficient to attract or retain post holders in skill shortage areas. Market forces supplements are awarded for a defined period and subject to regular review. Currently there are no senior managers receiving Market Force Supplements.

## **4. 'Earn Back,' bonus and performance related pay**

- 4.1 None of the posts featured in this report are eligible for bonus or performance related pay. However, there is no automatic incremental progression within senior management grades, movement within grade is dependent on performance. Progression for Senior Managers who do not sit on the Strategic Executive Board (SEB), is agreed by SEB. For SEB Members progression is agreed by the Chief Executive in consultation with the Leader of the Council and any incremental progression for the Chief Executive is agreed by the Leader of the Council. Senior Managers who meet the performance criteria are expected to receive an increment in April 2022.

## **5. Cessation of Employment**

- 5.1 If made redundant, post holders covered by this policy will be compensated in the same way as other Council employees and within the confines of the Council's approved redundancy scheme. The extent of any payment will depend on the individual's age, length of service and whether the redundancy is voluntary or compulsory.

5.2 The Council retains provision to make additional payments, or payments for some reason other than redundancy. Approval for payments under £100,000, is delegated to the Leader of the Council, in consultation with the Head of Paid Service. This is approved through an Independent Executive Decision Notice (IEDN) and reported to Cabinet.

5.3 Section 40, a supplement to the original Localism 2011 Act, stated that we should have regard for any guidance issued or approved by the Secretary of State. Guidance issued recommends that Full Council should be given the opportunity to vote on salary packages and severance payment of £100,000 and over. Appointment processes are detailed in 1.1 of the Pay Policy and have been agreed by Full Council. Any severance packages in excess of £100,000, (not inclusive of pension capital costs), will be agreed by Full Council.

## **6. Re-engagement of senior employees in receipt of a local government pension**

6.1. The City of Wolverhampton Council recognises that the re-employment of retired local government officers is likely to be perceived negatively and bring into question the use of retirement packages in the public sector. The Council's Voluntary Redundancy Scheme makes clear that employees, regardless of salary level, should not seek re-employment into council roles for 12 months after accepting early retirement/voluntary redundancy. Appointment of former employees as either agency staff or consultants is also prohibited if the arrangement could have been foreseen at the time of retirement. The Council is, however, not averse to appointing senior staff who have retired from other public sector employers. This is because the City of Wolverhampton Council has no control over the decision-making of other employers and could potentially benefit from the skills and experience of the individual concerned.

## **7. Payments made in recognition of election responsibilities**

7.1 In accordance with the regulations, at times of General or Mayoral Elections the council appoints an Acting Returning Officer, by convention, the Head of Paid Service, whose fee for overseeing the election process, is paid by central government. The fee is set nationally. However, at times of a Local Election it forms part of the Head of Paid Services' contract of employment to be Returning Officer and no additional payment is made by Central Government for his role. Other Senior Managers may act as Returning Officer at times of a Local Election and will receive payment from Central Government.

## **8. Pension Contributions and other elements of remuneration**

8.1 Employer pension contributions have been included in the pay data included in this policy; this is in line with the definitions of remuneration in the Local Government Transparency Code 2015. The employer contribution rate for LGPS in 2021-2022 was 26.16% and for Teachers Pension was 23.68%.

## **9. Interim Senior Managers**

9.1. There is a requirement from time to time to appoint senior managers on an interim basis in response to short term vacancies or skill shortages, the engagement of all interim senior managers is subject to the necessary approvals and council processes.

## 10. Pay comparison between the highest and the lowest paid

- 10.1. In setting the requirement that the policy statement includes a comparison between the highest and the lowest paid, the Act gives no definition of 'lowest paid' and specifies that authorities should set their own and explain why it has been chosen.
- 10.2. For the purposes of this policy statement, to comply with the Localism Act, the identification of the lowest paid role has been identified as a full-time job, performed all year round, with the exclusion of posts that include an on-going training requirement, such as an apprenticeship.
- 10.3. The lowest pay point is pay point 1 currently £17,842. This point is part of City of Wolverhampton Council's Grade 2. Grade 2 is from pay point 1 £17,842 – pay point 3 £18,562 per annum.
- 10.4. The type of roles that fall within Grade 2 are Catering and Cleaning roles, School Crossing Patrol and Passenger Assistant. There were 642 employees on Grade 2 as of 01 April 2021.
- 10.5. The City of Wolverhampton Councils pay ratio of 9.39:1 falls below the City of Wolverhampton Councils pledge to keep the pay ratio below 10:1.

| City of Wolverhampton Council's Pay Multiple | Highest and Lowest paid salaries | Highest and Lowest paid roles |
|--|----------------------------------|-------------------------------|
| 9.39:1                                       | £167,688<br>£17,842              | Chief Executive<br>Cleaner    |

- 10.6. Comparative data for this financial year is not yet available, however figures for last year show Birmingham as 10.29:1, Sandwell at 8:1 and Dudley at 10:1. Walsall council report on the pay ratio between the highest pay and the median pay therefore data would not be comparative.
- 10.7. In addition to reporting the above as part of the Localism Act, there is a requirement under the Transparency Code 2015, to report the pay multiple, defined in this case, as the ratio between the highest taxable earnings for a given year (2020-2021) and the median figure for the whole authority's workforce. The median figure should be calculated using all employees on a fixed date each year. The date of 1 April 2021 has been used to provide the most current data. The highest salary is the Chief Executive on Grade 17 £167,688 and the lowest full time pay is £17,620, with 13 Apprentices on this salary. The median earning figure used as the denominator is £27,041, giving a pay ratio of 6.20:1.



10.8 The median earning figure has remained static at £27,041. Comparative data for this financial year is not yet available, however data from last year show Birmingham reporting 7.59:1, Walsall 7.1:1, Dudley 7:1 and Sandwell 6:1

## **11. Publication**

11.1. The Pay Policy Statement 2022-2023 will be published on the City of Wolverhampton Council's website, alongside the data published under the Local Government Transparency code, at <http://www.wolverhampton.gov.uk/article/1889/Corporate>

11.2 As good practice the actual remuneration of Chief Officers (as defined by the Localism Act) for 2021-2022 will also be published on the City of Wolverhampton Council's website.

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## Appendix 2

### City of Wolverhampton Council Senior Management Pay Structure

| Revised Structure 04 August 2021 |           |                |       |
|----------------------------------|-----------|----------------|-------|
| DESCRIPTION                      | Pay Point | 01 April 2021* | Grade |
| LEAD                             | 47        | £70,910        | GR12  |
|                                  | 48        | £73,482        | GR12  |
|                                  | 49        | £76,051        | GR12  |
|                                  | 50        | £78,624        | GR12  |
|                                  | 51        | £81,199        | GR12  |
| DEPUTY DIRECTOR                  | 52        | £87,317        | GR13  |
|                                  | 53        | £91,090        | GR13  |
|                                  | 54        | £94,866        | GR13  |
|                                  | 55        | £96,449        | GR13  |
| DIRECTOR                         | 56        | £99,580        | GR14  |
|                                  | 57        | £105,113       | GR14  |
|                                  | 58        | £109,050       | GR14  |
|                                  | 59        | £112,703       | GR14  |
|                                  | 60        | £116,356       | GR14  |
|                                  | 61        | £119,954       | GR14  |
| EXECUTIVE DIRECTOR               | 62a       | £127,296       | GR15  |
|                                  | 62b       | £129,842       | GR15  |
|                                  | 62c       | £132,438       | GR15  |
|                                  | 62d       | £134,957       | GR15  |
| DEPUTY CHIEF EXECUTIVE           | 63        | £138,337       | GR16  |
|                                  | 64        | £141,765       | GR16  |
|                                  | 65        | £143,746       | GR16  |
|                                  | 66        | £145,581       | GR16  |
| CHIEF EXECUTIVE                  | 67        | £157,208       | GR17  |
|                                  | 68        | £159,828       | GR17  |
|                                  | 69        | £162,448       | GR17  |
|                                  | 70        | £165,068       | GR17  |
|                                  | 71        | £167,688       | GR17  |

\*Pay award to be agreed.

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Appendix 3 - Pay Policy Data

| <b>Position</b>                                     |
|---|
| Chief Executive                                     |
| Deputy Chief Executive                              |
| Chief Operating Officer                             |
| Executive Director of Families                      |
| Executive Director of Pensions                      |
| Director of Finance                                 |
| Director of Communications and External Relations   |
| Director of Regeneration                            |
| Director of Strategy                                |
| Director of Public Health                           |
| Director of City Housing and Environment            |
| Black Country Transport Director                    |
| Deputy Director Social Care                         |
| Deputy Director of Adults Services                  |
| Deputy Director of People and Change                |
| Deputy Director of Education                        |
| Assistant Director Pensions                         |
| Chief Accountant                                    |
| Head of Revenues and Benefits                       |
| Head of The Hub                                     |
| Head of Procurement                                 |
| Head of Commercial                                  |
| Head of Service Health & Safety                     |
| Head of Equality, Diversity and Inclusion           |
| Head of Legal Services                              |
| Head of City Development                            |
| Head of Enterprise                                  |
| Head of City Planning                               |
| Head of Adult Education                             |
| Head of Assets                                      |
| Head of Project and Works                           |
| Head of Facilities                                  |
| Assistant Director - Investment Strategy            |
| Head of Finance                                     |
| Head of Governance and Corporate Services           |
| Head of Operations                                  |
| Consultant in Public Health                         |
| Consultant in Public Health                         |
| Head of Communities (Public Health)                 |
| Head of Service - Leisure & wellbeing               |
| Head of Service Children's Strategy and Partnership |
| Responsible Investment Officer                      |
| Investment Pooling Partner Support Officer          |
| Head of City Investment                             |
| Head of Skills                                      |
| Resilience Manager                                  |
| Head of Partnerships (Public Health)                |
|   |
|   |

|                             |
|-----------------------------|
|                             |
|                             |
|                             |
| <b>Position (Leavers)</b>   |
| Consultant in Public Health |
|                             |
|                             |
|                             |
|                             |
|                             |
|                             |
|                             |
|                             |

**Localism Act**

- (2) In this Chapter “chief officer”, in relation to a relevant authority, means each of:
  - (a) the head of its paid service designated under section 4(1) of the Local Government Act 2002;
  - (b) its monitoring officer designated under section 5(1) of that Act;
  - (c) a statutory chief officer mentioned in section 2(6) of that Act.
  - (d) a non-statutory chief officer mentioned in section 2(7) of that Act;
  - (e) a deputy chief officer mentioned in section 2(8) of that Act.

**Local Gov’t & Housing Act**

- (7) In this section “non-statutory chief officer” means, subject to the following provisions:
  - (a) a person for whom the head of the authority's paid service is directly responsible;
  - (b) a person who, as respects all or most of the duties of his post, is required to be a member of the authority;
  - (c) any person who, as respects all or most of the duties of his post, is required to be a member of the authority.
- (8) In this section “deputy chief officer” means, subject to the following provision:
  - (9) A person whose duties are solely secretarial or clerical or are otherwise in the nature of those of a secretary or clerk.

| Annual Salary | Pay Ceiling |
|---------------|-------------|
| £167,688      | £167,688    |
| £145,581      | £145,581    |
| £127,296      | £134,957    |
| £127,296      | £134,957    |
| £141,765      | £145,581    |
| £119,954      | £119,954    |
| £109,050      | £119,954    |
| £119,954      | £119,954    |
| £109,050      | £119,954    |
| £119,954      | £119,954    |
| £116,356      | £119,954    |
| £116,356      | £119,954    |
| £91,090       | £96,449     |
| £91,090       | £96,449     |
| £91,090       | £96,449     |
| £87,317       | £96,449     |
| £91,090       | £96,449     |
| £78,624       | £81,199     |
| £65,929       | £67,916     |
| £59,984       | £60,969     |
| £64,933       | £67,916     |
| £58,993       | £60,969     |
| £58,993       | £60,969     |
| £58,993       | £60,969     |
| £67,916       | £67,916     |
| £67,916       | £67,916     |
| £67,916       | £67,916     |
| £67,916       | £67,916     |
| £54,332       | £67,916     |
| £67,916       | £67,916     |
| £67,916       | £67,916     |
| £67,916       | £67,916     |
| £105,113      | £119,954    |
| £73,482       | £81,199     |
| £66,922       | £67,916     |
| £67,916       | £67,916     |
| £78,192       | £90,387     |
| £78,192       | £90,387     |
| £70,910       | £81,199     |
| £59,984       | £60,969     |
| £81,199       | £81,199     |
| £44,863       | £48,847     |
| £30,451       | £33,782     |
| £58,993       | £60,969     |
| £67,916       | £67,916     |
| £47,845       | £48,847     |
| £70,910       | £81,199     |
|               |             |
|               |             |

|                      |                    |
|----------------------|--------------------|
|                      |                    |
|                      |                    |
|                      |                    |
| <b>Annual Salary</b> | <b>Pay Ceiling</b> |
| £70,203              |                    |
|                      |                    |
|                      |                    |
|                      |                    |
|                      |                    |
|                      |                    |
|                      |                    |
|                      |                    |

of the following—  
ment and Housing Act 1989;

visions of this section—  
sible;  
report directly or is directly accountable to the hea  
to report directly or is directly accountable to the lo  
s of this section, a person who, as respects all or r  
e nature of support services shall not be regarded



| Employers Pension Contribution forecast | Employers Rate % |
|---|------------------|
| N/A                                     | N/A              |
| £37,244.87                              | 26.16%           |
| £16,638.86                              | 26.16%           |
| £17,399.02                              | 26.16%           |
| £39,714.22                              | 26.16%           |
| £33,604.04                              | 26.16%           |
| £30,549.35                              | 26.16%           |
| £31,806.32                              | 26.16%           |
| £30,549.35                              | 26.16%           |
| £33,604.04                              | 26.16%           |
| £32,596.07                              | 26.16%           |
| £32,596.07                              | 26.16%           |
| £25,518.00                              | 26.16%           |
| £25,253.80                              | 26.16%           |
| £25,518.00                              | 26.16%           |
| £24,461.06                              | 26.16%           |
| £25,518.09                              | 26.16%           |
| £22,025.77                              | 26.16%           |
| £16,538.73                              | 26.16%           |
| £16,803.97                              | 26.16%           |
| £18,190.38                              | 26.16%           |
| £16,465.54                              | 26.16%           |
| £16,487.35                              | 26.16%           |
| £16,526.38                              | 26.16%           |
| £19,026.02                              | 26.16%           |
| £19,026.02                              | 26.16%           |
| £19,026.02                              | 26.16%           |
| £19,026.02                              | 26.16%           |
| £14,385.95                              | 26.16%           |
| £19,026.02                              | 26.16%           |
| £19,026.02                              | 26.16%           |
| £19,026.02                              | 26.16%           |
| £29,446.43                              | 26.16%           |
| £20,585.37                              | 26.16%           |
| £18,747.56                              | 26.16%           |
| £17,571.84                              | 26.16%           |
| £4,206                                  | 14.38%           |
| £11,398                                 | 14.38%           |
| £10,973.69                              | 26.16%           |
| £16,803.98                              | 26.16%           |
| £22,747.14                              | 26.16%           |
| £12,568.01                              | 26.16%           |
| £8,530.60                               | 26.16%           |
| £16,323.53                              | 26.16%           |
| £19,026.02                              | 26.16%           |
| £13,403.39                              | 26.16%           |
| £9,541.16                               | 26.16%           |
|   |                  |
|   |                  |

|        |                         |
|--------|-------------------------|
|        |                         |
|        |                         |
|        |                         |
|        | <b>Employers Rate %</b> |
| £4,206 | 14.38%                  |
|        |                         |
|        |                         |
|        |                         |
|        |                         |
|        |                         |
|        |                         |
|        |                         |
|        |                         |

d of the authority's paid service; and  
ical authority themselves or any committee or sub-committee of the authority  
most of the duties of his post, is required to report directly or is directly accou  
as a non-statutory chief officer or a deputy chief officer for the purposes of tl



|                  |
|------------------|
|                  |
|                  |
|                  |
|                  |
| <b>Left Role</b> |
| 31/08/2021       |
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|                  |
|                  |
|                  |
|                  |

ntable to one or more of the statutory or non-statutory chief officers.  
his Part.

Appendix 4 - Current roles where pay range exceeds £100,000 per annum

| Post  |
|---|
| Chief Executive                                   |
| Deputy Chief Executive                            |
| Executive Director of Pensions                    |
| Chief Operating Officer                           |
| Executive Director of Families                    |
| Director of Finance                               |
| Director of Communications and External Relations |
| Director of Regeneration                          |
| Director of Strategy                              |
| Director of Public Health                         |
| Director of City Housing and Environment          |
| Black Country Transport Director                  |
| Assistant Director - Investment Strategy          |
|   |

000 per annum

| Grade |
|-------|
| 17    |
| 16    |
| 16    |
| 15    |
| 15    |
| 14    |
| 14    |
| 14    |
| 14    |
| 14    |
| 14    |
| 14    |
| 14    |
| 14    |
|       |

|  |   |
|--|---|
| <b>CITY OF<br/>WOLVERHAMPTON<br/>COUNCIL</b> | <b>Cabinet</b><br><b>23 February 2022</b> |
|--|---|

|  |  |   |
|--|--|---|
| <b>Report title</b>                            | Gender Pay Gap Report – 2021                             |   |
| <b>Decision designation</b>                    | AMBER  |   |
| <b>Cabinet member with lead responsibility</b> | Councillor Paula Brookfield<br>Governance and Equalities |   |
| <b>Key decision</b>                            | No   |   |
| <b>In forward plan</b>                         | Yes  |   |
| <b>Wards affected</b>                          | Not applicable   |   |
| <b>Accountable Director</b>                    | David Pattison, Chief Operating Officer                  |   |
| <b>Originating service</b>                     | Human Resources  |   |
| <b>Accountable employee</b>                    | Sukhvinder Mattu   | Service Lead – HR Policy & Strategy       |
|  | Tel  | 01902 553571                              |
|  | Email  | Sukhvinder.mattu@<br>wolverhampton.gov.uk |
| <b>Report to be/has been considered by</b>     | Strategic Executive Board                                | 10 February 2022                          |

---

**Recommendations for noting:**

The Cabinet is asked to note:

1. The contents of the attached report on the Gender Pay Gap as of the snapshot date of 31 March 2021.
2. That the median Gender Pay Gap for 31 March 2021 is 0.64% and the mean is 4.04%.
3. The comparison with March 2020 data – the median Gender Pay Gap was 0.00% and the mean was 4.24%.
4. The proportion of men and women in each quartile in our pay structure as of 31 March 2021.
5. The actions the Council has taken so far to improve equality, diversity and inclusion within the workplace (section 3.15 and 3.16).

6. The actions proposed to continue to remove inequality and further promote equality, diversity and inclusion (section 3.17).
7. The Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 only requires organisations to report on the gender pay gap. In addition to this, the Council have chosen to report on the race pay gap and the disability pay gap to identify areas for improvement. The Council will continue to expand this portfolio and hopes to include a review of the LGBTQ+ pay gap soon.



## 1.0 Purpose

- 1.1 To report on the Gender Pay Gap as of the snapshot date of 31 March 2021.
- 1.2 Compare the Council's performance with other neighbouring local authorities.

## 2.0 Background

- 2.1 Following the introduction of the statutory requirement in 2017, all employers with 250 or more employees are required to publish various figures to demonstrate how large their gender pay gap is between their male and female employees.

All public sector employers are required under the Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 to provide data on the following six calculations:

- The mean gender pay gap
- The median gender pay gap
- The mean bonus gender pay gap\*
- The median bonus gender pay gap\*
- The proportion of males and females receiving a bonus payment\*
- The proportion of males and females in each quartile band

*\*This is not applicable to City of Wolverhampton as there is no bonus scheme in place.*

- 2.2 The data includes all employees of the Council but excludes employees from maintained schools. The data is correct as of the snapshot date of 31 March 2021.
- 2.3 The information must be published on both the employer's website and on a designated government website at [www.gov.uk/genderpaygap](http://www.gov.uk/genderpaygap).
- 2.4 It is a legal requirement for all relevant employers to publish their gender pay report. Failing to do this within one year of the snapshot date is unlawful.
- 2.5 The deadline for publishing is 30 March for Public Sector employers.

## 3.0 Progress

- 3.1 The report has been compiled in accordance with Pay Gap reporting requirements as stipulated by the aforementioned legislation (in section 2.1).
- 3.2 The mean gender pay gap is a comparison of the average pay for a female and the average pay for a male. Mean averages are useful because they place the same value on every number used, giving a good overall indication of the gender pay gap.
- 3.3 The median gender pay gap shows the difference between the 'middle' hourly rate for a female and male where pay amounts are arranged from low to highest pay points. Median averages are useful to indicate what the 'typical' situation is – i.e. the middle of the organisation, not distorted by very large or small pay rates.
- 3.4 Positive figures demonstrate typically, or overall, female employees have lower pay than male employees.

- 3.5 Negative figures reveal that typically, or overall, male employees have lower pay than female employees.
- 3.6 Zero percentage figures illustrate no gap between the pay of typical male and female employees.
- 3.7 The Council's mean pay gap shows that males are paid on average 4.04% higher than women, this has reduced slightly from our 2020 figure which was 4.24%. In monetary value this equates on average (mean hourly rate) to males being paid £16.32 per hour compared to females being paid £15.66 per hour (66 pence difference per hour).
- 3.8 The national median gender pay gap among all employees in April 2021 was 15.4%, which is up from 14.9% in 2020 (figures obtained from the Office for National Statistics (ONS) - Annual Survey of Hours and Earnings (ASHE) April 2021 which reports on median figures).
- 3.9 The City of Wolverhampton Council's median pay gap is 0.64% which has increased from 2020 (0.0%). The data shows that the median average overall hourly rate for both male and female is £14.02.
- 3.10 The Council must also report on the proportion of men and women in each quartile in our pay structure. This is split into four equal sized groups based on calculated hourly pay rates with a lower (apprenticeship rates to local pay points within grade 4), lower middle (local pay points within grades 4-5), upper middle (local pay points within grades 5-7) and upper quartile (local pay points within grades 7-16).
- 3.11 Figures reveal that in the lower middle quartile, female employees on average earned more than their male counterparts. However, in the other three quartiles, the data shows males earned more than females.
- 3.12 Upper middle quartile data illustrates a positive shift from 31 March 2020, the gap being reduced from 2.21% (2020) to 2.08% (2021). But shows an increase in the upper quartile from 2.88% (2020) to 3.29%.
- 3.13 A benchmarking exercise was conducted to review the Council's position in comparison to local authorities of a similar size. The table below shows the findings for **2019 and 2020**:

|               | 2019        | 2020        | 2019        | 2020        |
|---------------|-------------|-------------|-------------|-------------|
|               | Mean %      |             | Median %    |             |
| Coventry      | 1.7         | 3.81        | -1.2        | 3.83        |
| Sandwell      | 6.4         | 5.1         | 14.4        | 12.1        |
| Solihull      | 15.2        | 13.5        | 25.1        | 20.3        |
| Walsall       | 7.9         | 5.9         | 9.8         | 5.7         |
| Wolverhampton | 4.24 (2020) | 4.04 (2021) | 0.00 (2020) | 0.64 (2021) |

- 3.14 The data reveals that the Council's mean gender pay gap is smaller than three other local authorities and the median is smaller than each. 2021 information is currently unavailable.

3.15 Equality and Diversity is at the heart of everything the Council does – positive action has been taken to address equality and inclusion. Some of the actions undertaken so far include:

- Strategic leadership and holding ourselves to account.
- Strong commitment from the Strategic Executive Board (SEB) and senior managers
- Four staff equality forums established covering the following: Gender, Maternity and Paternity; Race, Religion and Belief; Disability and Age and Rainbow forum. Each of the forums are sponsored by a member of SEB.
- Corporate Equalities Steering Group meeting on a quarterly basis where all Chairs and Vice Chairs of the staff equality forums meet to discuss issues with input from external stakeholders.
- Implementation of Safe Space for employees to raise any issues anonymously to 'SeeHearSpeakUp' - an independent external service.
- Review of the recruitment process to remove barriers and support diverse candidates to apply for our vacancies.
- Development of an external 'career' microsite that informs potential candidates of the opportunities within the Council including benefits of working for the Council, type of careers, Core HR policies for transparency, case studies from our diverse employees etc.
- Unconscious Bias training provided to 1,463 employees since 2017.
- Wrap around support provided to candidates unsuccessful at interview to help with future applications.
- Establishment and delivery of a mentoring scheme to encourage employees to take action to progress their career aspirations and develop own skills. A total of 61 employees have been mentored since september 2020 by senior managers.
- Coaching through West Midlands Employers has been promoted.
- Introduction of a Brilliant leaders programme delivered independently with 15 employee participants.
- Chair or Vice chair of the staff equality forums attend SEB meetings and are actively involved in council decisions demonstrating our commitment to diversity and inclusion.
- Launch of Our People Strategy refresh structured around the employee lifecycle and built on extensive employee engagement. The Our People Strategy has six key themes - to attract the right people to work at the Council, create a good first impression; support and enhance employee wellbeing; facilitate development of skills and knowledge; create opportunities for growth and progression; ensure employees are managed fairly and effectively and help employees leave well.

3.16 Gender specific initiatives in addition to the above already undertaken include:

- Advertising vacancies using a range of media.
- Use of gender-neutral language in all communication.
- Appointment of an Equality Officer to lead on gender equality issues.

- Engagement with businesses, the community and the voluntary sector to ensure discrimination is eliminated.
- Women involved in all decision-making panels, e.g. recruitment, discipline, grievance and management of attendance (stage 3). Panels must be race and gender diverse as a minimum but inclusive of as many protected characteristics as possible.
- Continued use of structured interviews and skill-based assessments in recruitment
- Transparency around promotions, pay and reward.
- Flexible working arrangements, including flexible hours to attract and retain women in employment.
- Launch of Allyship programme with an ally from Senior Management for the Gender, Maternity and Paternity staff forum to build trusting relationships, advocate issues and drive improvements.
- Introduction of a Menopause policy and a mandatory eLearning module to supplement.
- Survey conducted to understand fears and anxieties faced by female employees in their working lives to tackle violence against women.
- Trans Equality policy and Transitioning guidance is being revised to ensure that trans, non-binary and gender fluid employees are treated with dignity and respect and are supported when undergoing transition.
- Domestic Abuse Policy and managers guide introduced to create a safer workplace and send out a strong message that domestic abuse is wholly unacceptable and will not be tolerated. Guidance is provided to managers on how to deal with disclosures of domestic abuse and the completion of SafeLives DASH Risk Checklist.
- Mandatory No Offence eLearning modules launched on Age and Menopause Gender and Maternity, Disability and Race.

### 3.17 Future aspirations and actions

It is recognised that the Median Gender Pay Gap has slightly increased to 0.64% and that the Mean Gender Pay Gap continues to fall but further actions are still needed to achieve equality. Human Resources will continue to work in partnership with the Equality Diversity and Inclusion team to consider future actions that could be undertaken in addition to the following:

- Continue to work closely with the Gender, Maternity and Paternity staff equality forum to identify methods of reducing the pay gap.
- Conduct a 'deep dive' review into the data available to understand the barriers faced in reducing the gap to zero and identify how these barriers can be overcome.
- Introduce Key Performance Indicators to monitor progress in becoming a more inclusive employer throughout all levels within the organisation.
- Quarterly workforce monitoring reports to inform the organisation, identified trends, patterns, issues of concern, and progress against KPIs.
- Introduce pre-recruitment briefings to ensure candidates are informed about the council as an employer, including the job role supporting shortlisted candidates to feel at ease with the process and able to perform to the best of their ability.

- Engagement with key stakeholders and employees on 'Relighting Our Council' to support future ways of working and supporting our employees to deliver effective services for the diverse community we serve.
- Brilliant leaders programme procurement to continue the current offer and reviewing other training packages which may support with the promotion of female employees.
- Training programme being developed for employees who are aspiring to management roles which will assist in supporting a pipeline of female employees into senior roles.
- Continue to benchmark against similar organisations and share good practice.

#### **4.0 Evaluation of alternative options**

4.1 There are no alternative options in terms of the way that data is collected as legislation defines the requirement for gender pay gap reporting.

#### **5.0 Reasons for decisions**

5.1 Information is being provided to meet legislative requirements as prescribed in section paragraph 2.0.

#### **6.0 Financial implications**

6.1 No financial implications are anticipated to arise from the actions currently being considered to reduce the mean pay gap further. As future strategies to tackle pay gaps are developed any emerging costs will be assessed and reported as required.  
[GE/28012022/Q]

#### **7.0 Legal implications**

7.1 Any actions that are undertaken need to comply with the Equality Act 2010. Legislation requires Gender Pay Gap data to be published on a yearly basis. Failing to do this within one year of the snapshot date is unlawful.  
[TC/25012022/D]

#### **8.0 Equalities implications**

8.1 It is important to note that there is no evidence of inequality as such in our Gender Pay Gap, however societal factors may play a part in the difference. The Equality forums and Equality Team have been engaged with and are aware of the findings of the gender pay report.

#### **9.0 All other implications**

9.1 No other implications are envisaged.

#### **10.0 Schedule of background papers**

10.1 There are no background papers.

## **11.0 Appendices**

### 11.1 Appendix 1 – Gender Pay Gap Report 2021.

# Gender Pay Gap Report 2021

City of Wolverhampton Council

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## Introduction

Following the introduction of the statutory requirement in 2017, all employers with 250 or more employees are required to publish various figures to demonstrate the difference in average earnings between their male and female employees.

### What gender pay gap reporting involves:

All public sector employers are required under the Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 to provide data on the following 6 calculations:

- The mean gender pay gap
- The median gender pay gap
- The mean bonus gender pay gap\*
- The median bonus gender pay gap\*
- The proportion of males and females receiving a bonus payment\*
- The proportion of males and females in each quartile band

*\*This is not applicable to City of Wolverhampton as there is no bonus scheme in place.*

For the purposes of our analysis our data consists of all City of Wolverhampton Council employees but excludes employees from maintained schools. Our data is correct as of the snapshot date of 31 March 2021.

### Gender pay gap versus Equal pay - What is the difference?

It is important to note that whilst both gender pay and equal pay deal with the disparity of pay women receive in the workplace the two are different:

- Equal pay means that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010. It is unlawful to pay employees unequally based on their gender.
- The gender pay gap is a measure of the difference between men's and women's average earnings across an organisation or the labour market. It is expressed as a percentage of men's earnings.

## Gender Pay Gap at City of Wolverhampton Council

City of Wolverhampton Council's workforce covers a diverse range of service areas rather than a single sector. Grades vary according to the level of responsibility and roles are evaluated through a job evaluations process to ensure we pay men and women the same salary for work of equal value. The workforce comprised of 68.97% female and 31.03% male split on the snapshot date of 31 March 2021.

The Gender Pay Gap at the City of Wolverhampton Council for 2021 was as follows:

| Narrative          | Male and Female | Male  | Female | Gender Pay Gap |
|--------------------|-----------------|-------|--------|----------------|
| Mean Hourly Rate   | 15.87           | 16.32 | 15.66  | 4.04%          |
| Median Hourly Rate | 14.02           | 14.11 | 14.02  | 0.64%          |

The table below illustrates that there has been a reduction of 0.2% in the Mean Gender Pay Gap since the 2020 report, however the Median Gender Pay Gap has increased by 0.64% from 0% in the previous year.

|                       | 2020  | 2021  | Change | Difference |
|-----------------------|-------|-------|--------|------------|
| Mean Gender Pay Gap   | 4.24% | 4.04% | ↓      | - 0.2%     |
| Median Gender Pay Gap | 0.00% | 0.64% | ↑      | + 0.64%    |

This suggests that whilst the average hourly pay for male and female employees is now slightly closer than it had been in the previous year, the difference between the distribution of employees along the pay scale by gender has increased slightly.

### Mean gender pay gap

4.04%

The Mean gender pay gap shows the difference between the average pay of female employees compared to male employees. The difference between the two average hourly pay amounts is calculated as a percentage of the male average. Where the

pay gap is a negative (-) figure, this indicates that the male average pay is less than the female average pay. Where the pay gap is a positive figure, this indicates the female average pay is lower than the male average pay.

The City of Wolverhampton Council's mean pay gap shows that male employees were paid on average 4.04% more than female employees per hour, this has reduced slightly from the 2020 figure which was 4.24%. In monetary values this equates to male employees being paid on average £16.32 per hour compared to female employees being paid £15.66 per hour (66 pence difference per hour).

## Median gender pay gap

0.64%

To calculate the Median Gender pay gap, all pay amounts for each gender are arranged from the lowest pay point to the highest, and then the 'middle' hourly rate is identified. The Median Gender Pay Gap between the two is then displayed as a percentage of the Median male hourly rate.

The City of Wolverhampton Council's Median Gender pay gap is 0.64% which is a slight increase from 2020 from 0.0%. The data shows that our median average overall hourly rate for male and female employees combined was £14.02.

The national median gender pay gap among all employees in April 2021 was 15.4%, which is up from 14.9% in 2020 (figures obtained from the Office for National Statistics (ONS) - Annual Survey of Hours and Earnings (ASHE) April 2021 which reports on median figures).

## Bonus payments

As mentioned previously, the City of Wolverhampton Council does not have a bonus scheme nor performance related pay and therefore there is no data to report on the following:

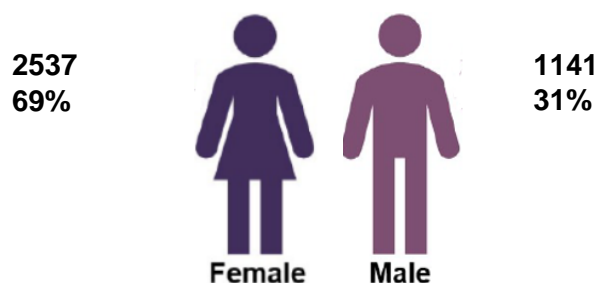
- The mean bonus gender pay gap
- The median bonus gender pay gap
- The proportion of males and females receiving a bonus payment

## Quartile Pay Bands

It is important to understand that where there is a negative (-) figure in the data below, this will indicate that women are paid more than men for that group. A positive figure indicates that men are paid more than women and a zero figure indicates male and females are paid equally.

City of Wolverhampton Council is required to report on the proportion of men and women in each quartile in our pay structure. The national reportable quartiles are lower, lower middle, upper middle and upper quartile pay bands.

The quartile data below shows the workforce divided into four equal sized groups based on calculated hourly pay rates, whereby each quartile is made up of 25% of the workforce. The lowest paid 25% of employees are the lower quartile and the highest paid 25% are the upper quartile.



| Total Workforce<br>3,678 | Female employees<br>2537 (69%) | Male employees<br>1141 (31%) | Pay gap | Minimum Grade within quartile | Maximum Grade within quartile |
|--------------------------|--------------------------------|------------------------------|---------|-------------------------------|-------------------------------|
| Lower Quartile           | 75.3%                          | 24.7%                        | 2.63%   | Apprenticeship Rate           | Within GR04                   |
| Lower Middle Quartile    | 65.7%                          | 34.3%                        | -1.77%  | Within GR04                   | Within GR05                   |
| Upper Middle Quartile    | 66.4%                          | 33.6%                        | 2.08%   | Within GR05                   | Within GR07                   |
| Upper Quartile           | 68.5%                          | 31.5%                        | 3.29%   | Within GR07                   | Within Gr16                   |

The pay gap in the lower quartile has increased from 2.28% in 2020 to 2.63% in 2021 with men being paid an average £10.26 and women in this quartile being paid an average of £9.99 per hour. This quartile covers apprenticeship pay grades and grades GR01 to GR03, with some employees from the lower pay points of grade GR04.

The pay gap in the lower middle quartile has changed from -2.01% in 2020 to -1.77% in 2021 with women being paid an average £12.65 compared to £12.43 for men. This is the only quartile where women earn more than men.

The pay gap in the upper middle quartile decreased from 2.56% to 2.08% in 2021 with the average pay being £16.37 for men and £16.03 for women.

The upper quartile pay gap increased from 2.88% in 2020 to 3.29% in 2021, with the average pay being £25.25 per hour for men and £24.42 per hour for women.

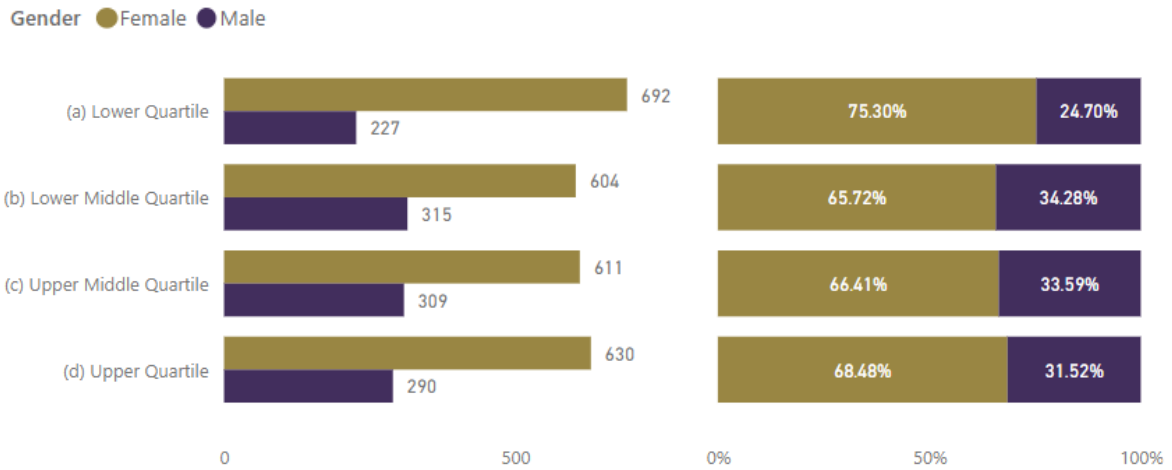


The overall picture shows that in the lower middle quartile (Grades GR04 to GR05) female employees on average earned more than their male counterparts. However, in the other 3 quartiles, males earned more than females and Grades GR07 and above showed a larger pay gap of 3.29%. However, it does show some positive movement in the Upper middle quartile, whereby the pay gap has reduced from 2.21% in 2020 to 2.08% in 2021.

The table below shows the gender split in each of the quartiles and shows that the largest proportion of the female workforce sit within the lower quartile and therefore will impact the pay gap. The lower data gives the gender split in terms of numbers.

Women represent around two thirds of employees in each quartile. The highest percentage of female workers sit within the lower quartile, this is a consistent trend across public sector as these roles predominantly include catering, cleaning and administration.

### Percentage within Quartiles



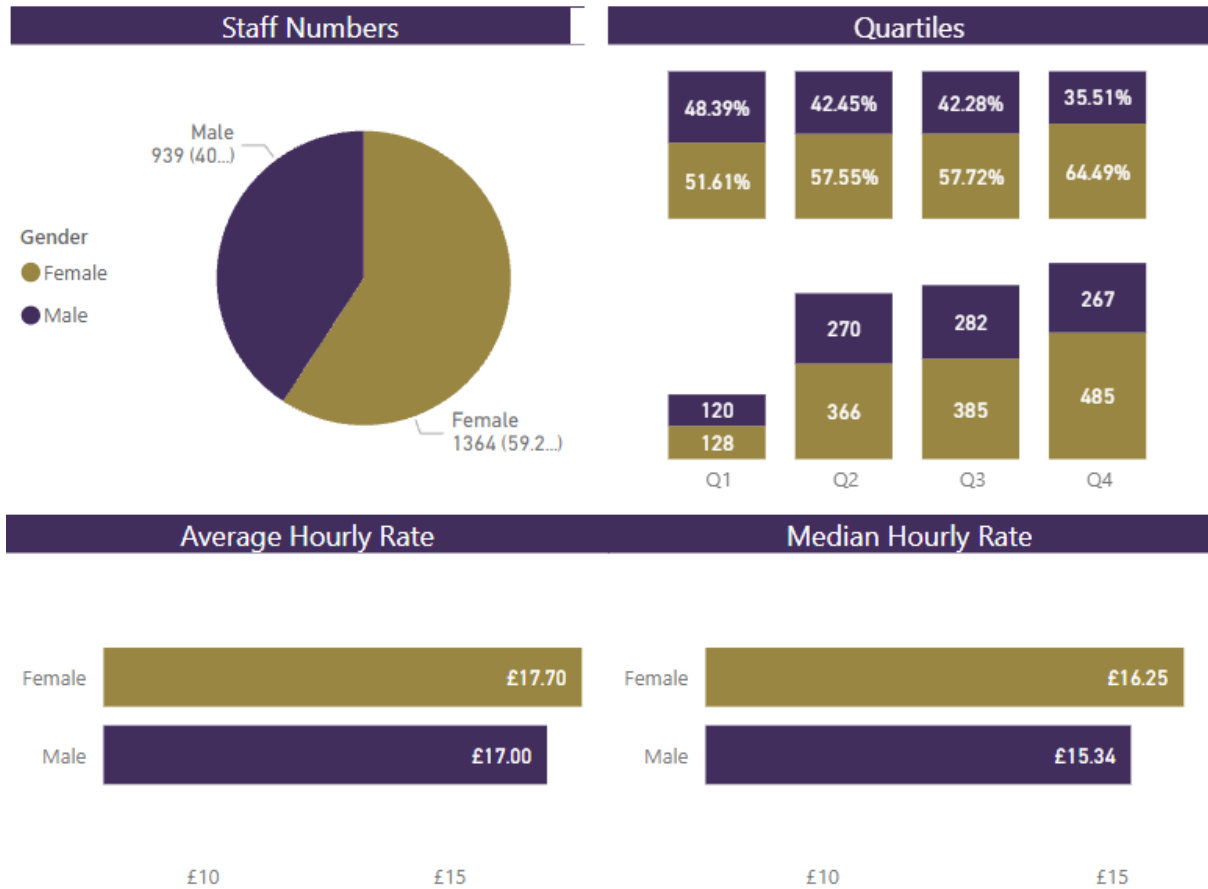
### Full Time vs Part Time Gender Pay Gap

In addition to the requirements to report on the mean and median Gender Pay Gap, further analysis has been provided on the impact of working hours on the pay gap for individuals who work full time or part time.

Of a total of 3678 employees, there were 2303 full-time employees, and 1375 part-time employees. Whilst female employees make up a larger proportion of the workforce as a whole, and of both full-time and part-time workers, the difference in the Male:Female ratio is much more significant for part-time employees, as evidenced in the table below:

|                  | Female | Female% | Male | Male% | Difference | Percentage difference |
|------------------|--------|---------|------|-------|------------|-----------------------|
| <b>Part-Time</b> | 1173   | 85.3%   | 202  | 14.7% | 971        | 70.6%                 |
| <b>Full-Time</b> | 1364   | 59.2%   | 939  | 40.8% | 425        | 18.4%                 |

## Full-Time analysis

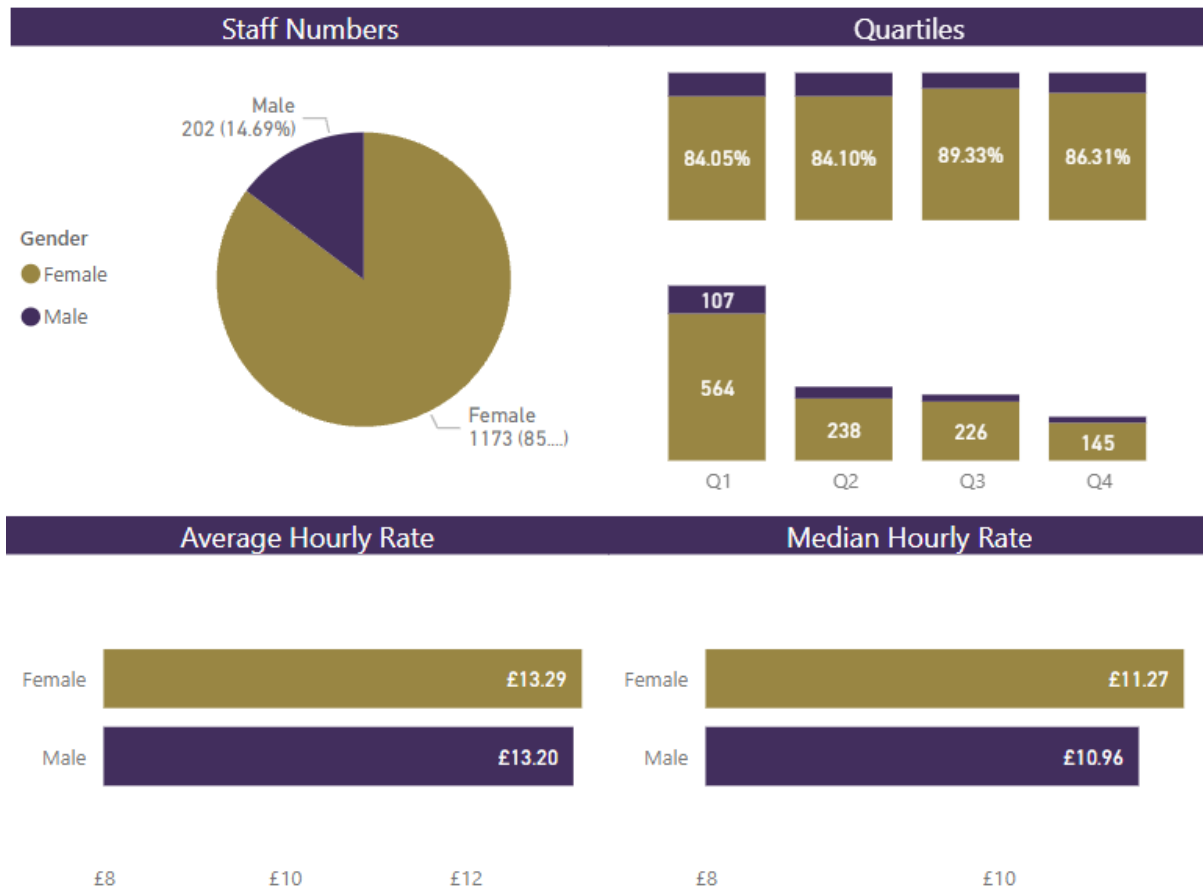


For Full-Time employees, women are paid an average hourly rate of £17.70, whilst men are paid an average of £17. This is a difference of 70p per hour, with women working full-time earning more than their male colleagues and a gender pay gap of -4.12%.

The Median hourly earnings of Full-Time, female employees are £16.25, which is 91p per hour higher than the median male full-time hourly rate of £15.34. For Full-time employees the Median Gender Pay Gap is -5.93%.

Some explanation for this can be identified in the quartile pay for full-time employees, which highlights that whilst full-time female employees make up the highest proportion of employees in all quartiles, this is more pronounced in the upper quartile.

## Part-Time analysis



The gender pay gap for part-time employees is noticeably smaller than the gap between full-time employees. Proportionately, female employees make up more of the part-time workforce at 85.3%, than of the workforce as a whole (68.9%), or of full-time employees (59.2%).

With an average hourly rate of £13.29, compared to £13.20 for male part-time employees, female part-time employees earn around 9p per hour more than male part-time employees, with a gender pay gap for this group of - 0.68%.

The Median pay for female employees in this group is £11.27 per hour, which is 31p more than male employees in this group (£10.96), giving a Median Gender Pay Gap for part-time employees of -2.83%.

The highest proportion of part-time female employees are in the lowest pay quartile (564 / 48% of all part-time, female employees), and the lowest proportion of female employees are in the highest pay quartile (145 / 12.4%).



## Gender Pay Gap Full-time vs Part-time

Whilst the overall Gender Pay Gap for all employees continues to show that Male employees earn on average more than female employees, this is reversed when analyzing the pay of either full-time employees only, or part-time employees only.

| Narrative                      | Male and Female | Male  | Female | Gender Pay Gap |
|--------------------------------|-----------------|-------|--------|----------------|
| Mean Hourly Rate (full time)   | 17.41           | 17.00 | 17.70  | -4.12%         |
| Mean Hourly Rate (part time)   | 13.28           | 13.20 | 13.29  | -0.68%         |
| Median Hourly Rate (full time) | 15.78           | 15.34 | 16.25  | -5.93%         |
| Median Hourly Rate (part time) | 11.27           | 10.96 | 11.27  | -2.83%         |

This suggests that the high proportion of female employees in the part-time workforce may be one explanation for the persistent pay gap. Employees in the part-time workforce are more likely to be in the lowest pay quartile based on hourly rate, regardless of gender. However, female employees make up 84% of this lowest quartile group in part-time positions, and 85.3% of the part-time workforce overall.

## Our Gender Pay Gap Journey

Comparatively, the City of Wolverhampton Council's performance around the mean gender pay gap has improved overall and has reduced in comparison to the 2020 pay gap.

Reviewing our data from 2015 the mean pay gap has decreased significantly. There is still more to do in terms of identifying the gap and ensuring we continue to minimise the gender pay gap. However, the changes implemented have shown positive results so far.

|                       | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|
| <b>Mean Pay Gap</b>   | 9.43% | 9.37% | 7.76% | 7.14% | 4.54% | 4.24% | 4.04% |
| <b>Median Pay Gap</b> | 6.27% | 6.23% | 3.12% | 0.0%  | 0.23% | 0.0%  | 0.64% |

Below is a comparison of the City of Wolverhampton Council Gender pay gap for 2021 to the gender pay gap of similarly sized local authorities in the region for 2020. The pay gap for 2020 has been used for other local authorities as the pay gap for 2021 has not yet been published and so is not available for comparison.

|                    | Mean % | Median % |
|--------------------|--------|----------|
| Coventry 2020      | 3.81   | 3.83     |
| Sandwell 2020      | 5.1    | 12.1     |
| Solihull 2020      | 13.5   | 20.3     |
| Walsall 2020       | 5.9    | 5.7      |
| Wolverhampton 2021 | 4.04   | 0.64     |

In comparison to other local authorities our data for 2021 shows that our mean and median pay gap is smaller than other regional local authorities than in 2020 but data for 2021 is not currently available.

### Action taken by City of Wolverhampton Council

Equality, diversity and inclusion is at the heart of everything the council does. Some of the actions undertaken so far include the following:

- Strategic leadership and holding ourselves to account
- Strong commitment from the Strategic Executive Board (SEB) and senior managers
- Four staff equality forums established covering the following: Gender, Maternity and Paternity; Race, Religion and Belief; Disability and Age and Rainbow forum. Each of the forums are sponsored by a member of SEB
- Corporate equalities Steering Group meeting on a quarterly basis where all Chairs and Vice Chairs of the staff equality forums meet to discuss issues with input from external stakeholders
- Implementation of Safe Space for employees to raise any issues anonymously to 'SeeHearSpeakUp' - an independent external service
- Review of the recruitment process to remove barriers and support diverse candidates to apply for our vacancies
- Development of an external 'career' microsite that informs potential candidates of the opportunities within the council including benefits of working for the council, type of careers, Core HR policies for transparency, case studies from our diverse employees etc.
- Unconscious Bias training provided to 1,463 employees since 2017
- Wrap around support provided to candidates unsuccessful at interview to help with future applications. Of the 15 employees that sought support, 5 were successful in attaining new opportunities
- Establishment and delivery of a mentoring scheme to encourage employees to take action to progress their career aspirations and develop own skills. A total of 61 employees have been mentored since September 2020 by Senior Managers
- Coaching through West Midlands Employers has been promoted with 7 employees

- Introduction of a Brilliant leaders programme delivered independently with 15 employee participants
- Chair or Vice chair of the staff equality forums attend SEB meetings and are actively involved in council decisions demonstrating our commitment to diversity and inclusion
- Launch of Our People Strategy refresh structured around the employee lifecycle and built on extensive employee engagement. The Our People Strategy has six key themes - to attract the right people to work at the council, create a good first impression; support and enhance employee wellbeing; facilitate development of skills and knowledge; create opportunities for growth and progression; ensure employees are managed fairly and effectively and help employees leave well.

Gender Specific Initiatives in addition to the actions already undertaken included:

- Advertising vacancies using a range of media
- Use of gender-neutral language in all communication
- Appointment of an Equality Officer to lead on gender equality issues
- Engagement with businesses, the community and the voluntary sector to ensure discrimination is eliminated
- Women involved in all decision-making panels, e.g. recruitment, discipline, grievance and management of attendance (stage 3). Panels must be race and gender diverse as a minimum but inclusive of as many protected characteristics as possible
- Continued use of structured interviews and skill-based assessments in recruitment
- Transparency around promotions, pay and reward
- Flexible working arrangements, including flexible hours to attract and retain women in employment
- Launch of Allyship programme with an ally from Senior Management for the Gender, Maternity and Paternity staff forum to build trusting relationships, advocate issues and drive improvements
- Introduction of a Menopause policy and a mandatory eLearning module to supplement
- Survey conducted to understand fears and anxieties faced by female employees in their working lives to tackle violence against women
- Trans Equality policy and Transitioning guidance is being revised to ensure that trans, non-binary and gender fluid employees are treated with dignity and respect and are supported when undergoing transition
- Domestic Abuse Policy and managers guide introduced to create a safer workplace and send out a strong message that domestic abuse is wholly unacceptable and will not be tolerated. Guidance is provided to managers on how to deal with disclosures of domestic abuse and the completion of SafeLives DASH Risk Checklist

- Mandatory No Offence eLearning modules launched on Age and Menopause Gender and Maternity, Disability and Race.

### **Future aspiration and actions**

It is recognised that the Median Gender Pay Gap has slightly increased to 0.64% and that the Mean Gender Pay Gap continues to fall but further actions are still needed to achieve equality. Human Resources will continue to work in partnership with the Equality Diversity and Inclusion team to consider future actions that could be undertaken in addition to the following:

- Continue to work closely with the Gender, Maternity and Paternity staff equality forum to identify methods of reducing the pay gap
- Conduct a 'deep dive' review into the data available to understand the barriers faced in reducing the gap to zero and identify how these barriers can be overcome
- Introduce Key Performance Indicators to monitor progress in becoming a more inclusive employer throughout all levels within the organisation
- Quarterly workforce monitoring reports to inform the organisation, identified trends, patterns, issues of concern, and progress against KPIs
- Introduce pre-recruitment briefings to ensure candidates are informed about the council as an employer, including the job role supporting shortlisted candidates to feel at ease with the process and able to perform to the best of their ability
- Engagement with key stakeholders and employees on 'Relighting Our Council' to support future ways of working and supporting our employees to deliver effective services for the diverse community we serve
- Brilliant leaders programme procurement to continue the current offer and reviewing other training packages which may support with the promotion of female employees.
- Training programme being developed for employees who are aspiring to management roles which will assist in supporting a pipeline of female employees into senior roles.
- Continue to benchmark against similar organisations and share good practice.

|  |   |
|--|---|
| <b>CITY OF<br/>WOLVERHAMPTON<br/>COUNCIL</b> | <b>Cabinet</b><br><b>23 February 2022</b> |
|--|---|

|  |  |                                   |
|--|--|-----------------------------------|
| <b>Report title</b>                            | Cannock Chase SAC Partnership<br>Memorandum of Understanding and Planning<br>Guidance                                  |                                   |
| <b>Decision designation</b>                    | AMBER  |                                   |
| <b>Cabinet member with lead responsibility</b> | Councillor Stephen Simkins<br>Deputy Leader: Inclusive City Economy  |                                   |
| <b>Key decision</b>                            | Yes  |                                   |
| <b>In forward plan</b>                         | Yes  |                                   |
| <b>Wards affected</b>                          | Bushbury North, Bushbury South and Low Hill, Fallings Park,<br>Heath Town, Oxley, Wednesfield North, Wednesfield South |                                   |
| <b>Accountable Director</b>                    | Richard Lawrence, Director of Regeneration   |                                   |
| <b>Originating service</b>                     | Planning   |                                   |
| <b>Accountable employee</b>                    | Michele Ross   | Lead Planning Manager             |
|  | Tel  | 01902 554038                      |
|  | Email  | Michele.Ross@wolverhampton.gov.uk |
| <b>Report has been considered by</b>           | Regeneration Leadership Team   | 1 February 2022                   |
|  | Strategic Executive Board  | 3 February 2022                   |

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**Recommendations for decision:**

The Cabinet is recommended to:

1. Approve the adoption of a new developer contribution charge of £290.58 (subject to an annual index linked increase) for each net new home within 15km of the Cannock Chase Special Area of Conservation, to apply to all planning applications for net new homes submitted to City of Wolverhampton Council from 1 April 2022 onwards.
2. Delegate authority to the Deputy Leader: Inclusive City Economy. in consultation with the Director of Regeneration, to sign the final version of the draft Cannock Chase Special Area of Conservation Partnership Memorandum of Understanding attached as Appendix 1 to this report on behalf of City of Wolverhampton Council.
3. Delegate authority to the Deputy Leader: Inclusive City Economy. in consultation with the Director of Regeneration, to sign the final version of the draft Cannock Chase Special

Area of Conservation Partnership Financial Agreement attached as Appendix 2 to this report on behalf of City of Wolverhampton Council.

4. Approve the Planning Guidance to Mitigate the Impact of New Residential Development on Cannock Chase SAC attached as Appendix 3 to this report.

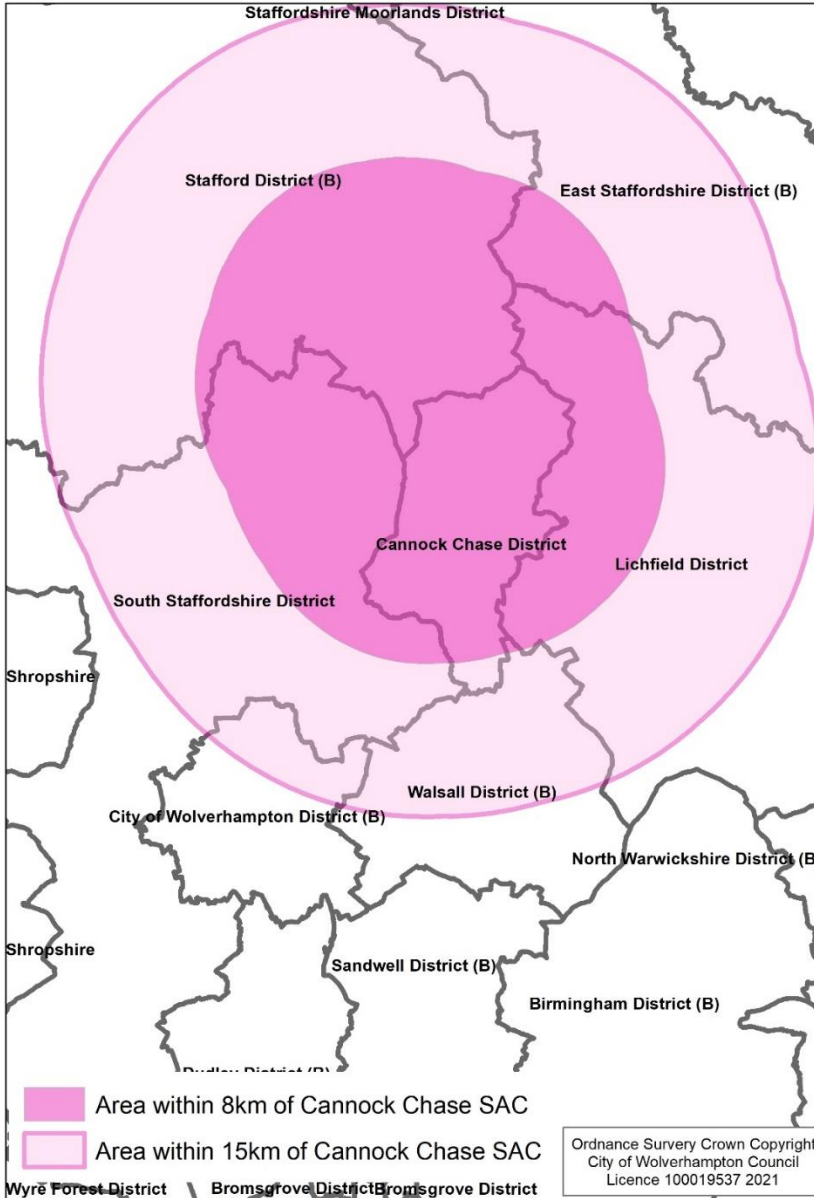
## **1.0 Purpose**

- 1.1 To introduce, from 1 April 2022, a charge on all net new homes proposed within City of Wolverhampton which fall within 15km of Cannock Chase Special Area of Conservation (SAC), to contribute towards the Cannock Chase SAC mitigation programme, in accordance with the Conservation of Habitats and Species Regulations 2017 (as amended).
- 1.2 To provide approval for City of Wolverhampton Council (CWC) to sign up to a new Cannock Chase SAC Partnership Memorandum of Understanding (MOU) and Cannock Chase SAC Financial Agreement and to adopt Planning Guidance to Mitigate the Impact of New Residential Development on Cannock Chase SAC to allow introduction of the new contributions system from 1 April 2022.

## **2.0 Background**

- 2.1 The Cannock Chase Special Area of Conservation (SAC) is designated under the Conservation of Habitats and Species Regulations 2017 (as amended), also known as the Habitat Regulations. This designation conveys the highest level of protection, reflecting its international significance for its unique heathland habitat. The area is also protected nationally as a Site of Special Scientific Interest (SSSI) and lies within the Area of Outstanding Natural Beauty (AONB). It supports species which are protected at a national and international level.
- 2.2 The key objective of the Cannock Chase Special Conservation Area (SAC) Partnership is to use statutory planning processes and specific site and visitor management measures to secure appropriate mitigation for the impacts on the Cannock Chase SAC of Development Plan policies and proposals contained in individual planning applications and projects, thereby ensuring that the integrity of the Cannock Chase SAC is maintained and the requirements of the Habitats Regulations are met.
- 2.3 City of Wolverhampton Council (CWC) has a duty as a Competent Authority to ensure that planning application decisions comply with the Habitat Regulations and do not result in adverse effects on the integrity of the Cannock Chase Special Area of Conservation (SAC). The duty is delivered through the Council's involvement in the Cannock Chase SAC Partnership and through the statutory planning process, with the Cabinet Lead for Inclusive City Economy sitting on the Cannock Chase SAC Joint Strategic Board (JSB) which makes key decisions on behalf of the Partnership. The Partnership includes all local authorities within 15km of the SAC, as this is where the majority of visitors to Cannock Chase live. The north east part of Wolverhampton falls within 15 km of the SAC, as shown on Map 1.

**Map 1 Cannock Chase SAC Zone of Influence**



2.4 On 11 August 2015, following Individual Executive Decision Notice (IEDN) approval, CWC signed a Cannock Chase SAC Partnership Memorandum of Understanding (MOU), which allowed the Council to progress planned housing growth in line with the Habitat Regulations and with the support of Natural England and neighbouring authorities. The MOU was based on evidence from a comprehensive Visitor Survey (2012) and Visitor Impacts Mitigation Study (2013) commissioned by the Partnership.



2.5 The MOU acknowledges that all housing developments of one home or more within 15km of the SAC (the “Zone of Influence”) are likely to increase visitors to the SAC, and that these visits would, in combination, have a harmful impact on the wildlife value of the SAC. However, as those living closer to the SAC visit more frequently, the MOU requires housing developments within 0-8 km of the SAC to make a financial contribution to the Partnership which is spent on a programme of mitigation measures (e.g. fencing, habitat restoration, visitor education). These contributions effectively mitigate for the total harm caused by all housing developments within 0-15 km. Therefore, the current MOU does not require housing developments in Wolverhampton to make any financial contributions. However, this position is dependent upon participation in the Partnership.

### **3.0 Changes to Evidence and Contributions System**

3.1 To support Local Plan reviews, including the emerging Black Country Plan (BCP), the Partnership commissioned a new Visitor Survey in 2018 and a new Impact Study (called the Planning Evidence Base Review) in 2020. The Visitor Survey found that the geographical spread of visitors to the SAC had not changed significantly since 2012. However, the Impact Study found that the amount of new housing planned from 2022-40 within the 8-15km zone had increased dramatically since 2013. A large proportion of this extra housing originates in Walsall, and to a lesser extent Wolverhampton, through green belt releases proposed in the draft BCP. This means that the combined harm to the SAC from visitors will now be greater, and more of that harm will originate from within the 8-15 km zone.

3.2 The Impact Study proposes a new mitigation programme costing £6.3 million, which would be sufficient to mitigate for the harm caused by visitors from planned new housing over the period 2022-2040. In accordance with the amount and geographical spread of new housing proposed across the 15km zone, the JSB agreed on 4 August 2021 that a single charge of £290.58 (subject to annual index linked increase) per net new home within 15km of the SAC would be adopted across the Partnership area, commencing on 1 April 2022.

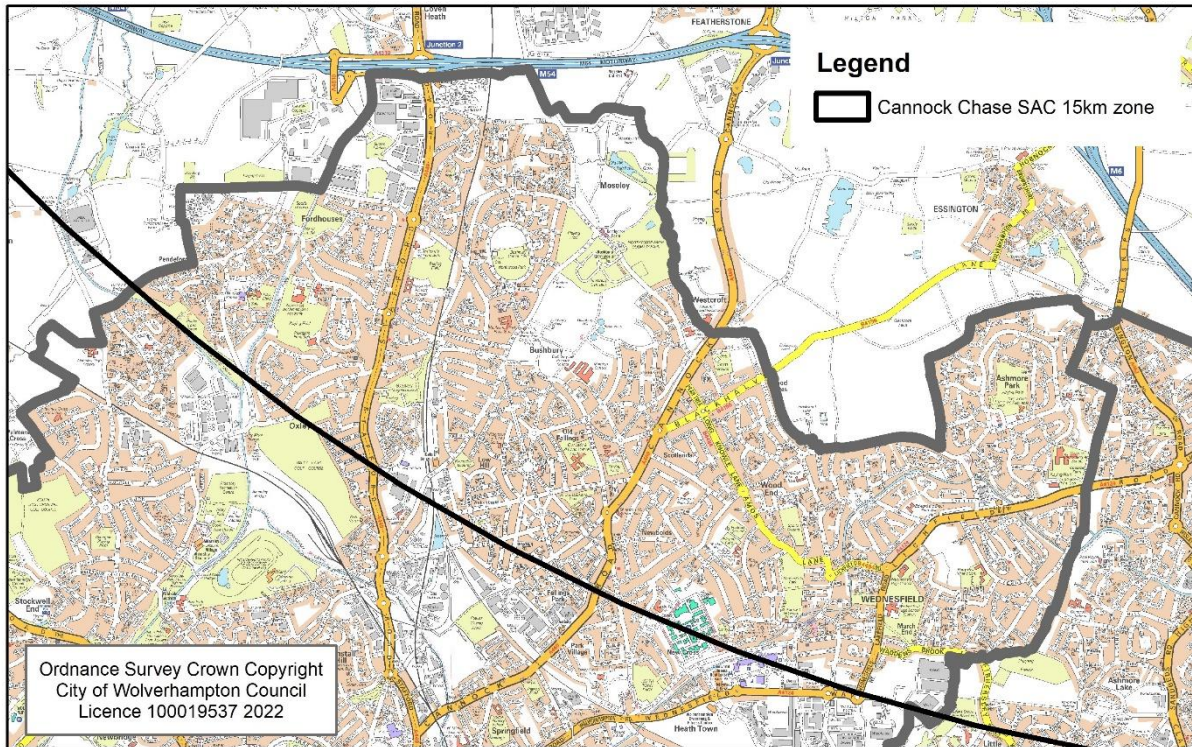
3.3 In order to implement the new contributions system, the Partnership authorities agreed to sign up to a new Cannock Chase SAC Partnership MOU (draft attached as Appendix 1 to this report) and a new Cannock Chase SAC Partnership Financial Agreement (draft attached as Appendix 2 to this report), which will enable Stafford Borough Council to administer funds on behalf of the Cannock Chase SAC Partnership and the other competent authorities. The MOU is anticipated to operate for five years, after which evidence will be updated and the MOU reviewed.

### **4.0 Implications for Wolverhampton**

4.1 It is anticipated that 1,364 new homes will be given planning consent within the 15km Cannock Chase SAC Zone of Influence during 2022-2040, including 835 homes on sites proposed in the draft BCP and a windfall allowance for small sites of less than ten homes (of which there are approximately 13 each year).

- 4.2 To facilitate the introduction of the new contributions system, which will affect all planning applications submitted from 1 April 2022 onwards within 15km of Cannock Chase SAC (as shown on Map 2), “Planning Guidance to Mitigate the Impact of New Residential Development on Cannock Chase SAC” for Wolverhampton has been produced (attached as Appendix 3 to this report).

**Map 2 Area of Wolverhampton within 15km of Cannock Chase SAC**



- 4.3 Under the new Guidance, from 1 April 2022 onwards, all outline or full planning permissions granted which generate net new homes will be required to make a contribution of £290.58 per home towards Cannock Chase SAC mitigation measures, subject to an annual index linked increase. The requirement will also apply to prior approval applications and permitted development which propose net new homes and other forms of development which may increase visitors to the SAC, such as hotels. This contribution will be secured either through a Unilateral Undertaking (UU) or a Section 106 agreement, to comply with the Habitat Regulations. A template UU forms part of the Planning Guidance. The contribution will be paid by the developer before development commences.
- 4.4 Developers will retain the option to carry out a Habitat Regulations Assessment of their development and propose bespoke mitigation measures. However, the contributions system should be cheaper and simpler and therefore most developers are expected to choose this option.

4.5 Under the Financial Agreement (Appendix 2), the contributions paid by developers to CWC will be paid to Stafford Borough Council, as scheme administrator, on 1 April and 1 October each year. The contributions will then be spent by the Partnership on projects forming part of the Detailed Implementation Plan which forms Appendix 2 of the MOU.

## **5.0 Evaluation of alternative options**

5.1 The following alternative options have been considered:

- Option one would be to make no change to the existing planning contributions system. This could result in challenges to the legal basis of planning decisions made within 15km of Cannock Chase SAC and the soundness of the emerging Black Country Plan.
- Option two would be to implement the recommendations of this report. This would result in a more robust legal basis for planning decisions and the Black Country Plan review.

## **6.0 Reasons for decisions**

6.1 Option two (to implement the recommendations of this report) has been selected because the proposed contributions system and participation in the Cannock Chase SAC Partnership would result in a more robust legal basis for planning decisions and the Black Country Plan review.

## **7.0 Financial implications**

7.1 All costs associated with participation in the Cannock Chase SAC Partnership are covered within existing approved Planning revenue budgets. There are no direct financial costs to the Council from implementing the new Cannock Chase SAC contributions system.

[VS/09022022/L]

## **8.0 Legal implications**

- 8.1 Cannock Chase is a Special Area of Conservation (SAC). A SAC is a strictly protected site designated under the European Community Habitats Directive. The Habitats Directive is primarily transposed in England under the Conservation of Habitats and Species Regulations 2017 (as amended).
- 8.2 The UK Government and devolved administrations are required to establish a network of important high-quality conservation sites that will make a significant contribution to conserving the habitats and species and to take appropriate steps to avoid deterioration of the natural habitats and habitats of species, as well as significant disturbance of species, for which the site is designated.
- 8.3 A formal assessment of the implications of new plans or projects which are capable of affecting the designated interest features of a SAC is required before deciding whether to undertake, permit or authorise such a plan or project.

8.4 As detailed in the body of the report and subject to approval the Council is required to enter into a Memorandum of Understanding and a Funding Agreement. The Council's Legal Services has reviewed and provided advice on both of these agreements.  
[JA/14022022/E]

## **9.0 Equalities implications**

9.1 The adoption of a contributions system to mitigate the potential impact of new housing development upon Cannock Chase SAC is required to meet the Council's obligations under the Conservation of Habitats and Species Regulations 2017 and to support the emerging Black Country Plan. An equalities impact assessment will be produced for each iteration of the Plan as part of the Sustainability Appraisal. The Planning Guidance attached as Appendix 3 to this report will be a material planning consideration in the determination of planning applications to be weighed in the balance alongside the Council's duties under the Equalities Act.

## **10.0 All other implications**

10.1 Introduction of the contributions system and participation in the Cannock Chase SAC Partnership will have positive environmental implications and support the emerging Black Country Plan (BCP). A Sustainability Appraisal (SA) is being carried out throughout the BCP process. SA is a process for evaluating the environmental consequences of proposed policies and proposals to ensure sustainability issues are fully integrated and addressed at the earliest appropriate stage. The overall aim of the SA process is to inform and influence the development of the Plan and maximise its sustainability value.

10.2 Visitors to Cannock Chase from Wolverhampton may have the opportunity to appreciate the enhanced environment created by the proposed mitigation.

10.3 There are no human resources implications arising from the recommendations of this report.

## **11.0 Schedule of background papers**

11.1 Cabinet, 8 December 2010, [Black Country Core Strategy Adoption](#)

11.2 Individual Executive Decision Notice, 11 August 2015, [Cannock Chase Special Area of Conservation Partnership Memorandum of Understanding](#)

11.3 Cannock Chase SAC Planning Evidence Base Review Stage 2, Footprint Ecology (July 2021)

## **12.0 Appendices**

12.1 Appendix 1: Cannock Chase SAC Partnership Memorandum of Understanding (draft)

12.2 Appendix 2: Cannock Chase SAC Partnership Financial Agreement (draft)

12.3 Appendix 3: Planning Guidance to Mitigate the Impact of New Residential Development on Cannock Chase SAC

**MEMORANDUM OF UNDERSTANDING**  
**of the**  
**CANNOCK CHASE SPECIAL AREA OF CONSERVATION (SAC)**  
**PARTNERSHIP**

between

**The Partner Authorities**

Cannock Chase District Council  
East Staffordshire Borough Council  
Lichfield District Council  
South Staffordshire District Council  
Stafford Borough Council  
Wolverhampton City Council  
Walsall Borough Council

**Key Facilitators**

Natural England  
Cannock Chase Area of Outstanding Natural Beauty (AONB) Partnership  
Staffordshire County Council  
Forest England  
National Trust  
Staffordshire Wildlife Trust

**Relating to:**

**The impact of residential development on  
the Cannock Chase Special Area of Conservation**

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## Definition of Terms

In this Agreement the following words and expressions shall have the following meanings unless the context requires otherwise:

|  |  |
|--|--|
| <b>AONB Visitor Management Strategy (VMS)</b>    | aims to deliver a sustainable quality visitor experience to the Cannock Chase AONB. The Cannock Chase SAC mitigation proposals (SAMMM) sit within the VMS.   |
| <b>Appropriate Assessment (AA)</b>               | is the second stage in a Habitats Regulations Assessment process where consideration is given to the potential impacts on the integrity of a European site (e.g. SAC), either alone or in combination with other plans and projects, with regard to the site's conservation objectives and to its structure and function.  |
| <b>Area of Outstanding Natural Beauty (AONB)</b> | <p>means Cannock Chase Area of Outstanding Natural Beauty which the Cannock Chase SAC sits within. The Cannock Chase Area of Outstanding Natural Beauty (AONB) is a legal designation confirmed under the Countryside and Rights of Way Act 2000 (CROW). Please note that this may be updated with an addendum when the Environment Bill is enacted.</p> <p>An AONB is an outstanding landscape whose distinctive character and natural beauty are so precious that it is in the nation's interest to safeguard them. The designation seeks to protect and enhance natural beauty whilst recognising the needs of the local community and economy. For further information please see <a href="http://www.cannock-chase.co.uk/">http://www.cannock-chase.co.uk/</a>.</p> |
| <b>Competent Authority</b>                       | An organisation becomes a competent authority under the Habitats Regulations when the exercise of its functions will, or may affect European Sites (for example classified Special Protection Areas and designated SACs).  |
| <b>Conservation Objectives</b>                   | objectives defined by Natural England to secure the favourable conservation status of the qualifying features. Each SAC has a formal description of the reasons why the site has been designated, which is contained in the SAC citation and which when combined with the Conservation Objectives provide a framework which should inform any 'Habitats Regulations Assessments' that a competent authority may be required to undertake. The Conservation Objectives also inform any measures necessary to conserve or restore the SAC and/or to prevent the deterioration or significant disturbance of its qualifying features.   |
| <b>Detailed Implementation Plans (DIPs)</b>      | a plan of actions to mitigate for the likely increase in the number of visits resulting from new housing development within 15km of the Cannock Chase SAC. A summary of the two DIPs (Car Park and Site User Infrastructure, Education and Engagement) can be found attached to Appendix 2.  |

**Habitats Regulations**

the Conservation of Habitats and Species Regulations 2017 (as amended).

**Habitats Regulations Assessment (HRA)**

a formal assessment of the implications of new plans or projects which are capable of affecting the designated interest features of a European Site (e.g. SAC) before deciding whether to undertake, permit or authorise such a plan or project. This assessment comprises several distinct stages which are conveniently and collectively described as a 'Habitats Regulations Assessment' (or HRA).

**Key Facilitators**

means key facilitators to the Partnership with no voting rights

**Partnership**

means the organisations listed as the Partner Authorities.

**Relevant period**

the residential development forecast within the Zone of Influence that relates to each of the Partnership Authorities' Local Plan periods.

**Special Area of Conservation (SAC)**

is a strictly protected site designated under the EC Habitats Directive, described by the UK Government as 'Our best examples of habitats that are either threatened or valuable within the EU'. The overall objective of the Habitats Directive is defined in Article 2 which specifies in particular that: *Measures taken pursuant to this Directive shall be designed to maintain and restore, at a favourable conservation status, natural habitats and species of wild fauna and flora of Community interest.*

SAC designation requires Member States to establish conservation measures which correspond to the ecological requirements of Annex I habitats and Annex II species present on the site (Article 6.1), and to take appropriate steps to avoid deterioration of the natural habitats and habitats of species, as well as significant disturbance of species, for which the site is designated (Article 6.2) The Habitats Directive is primarily transposed in England under the Conservation of Habitats and Species Regulations 2017 (as amended).

**Strategic Access Management and Monitoring Measures (SAMMM)**

the plan of actions to mitigate for the likely increase in the number of visits as a result of new housing development within 15km of the Cannock Chase SAC that ran from April 2015 until March 2022. The mitigations after this date will also be referred to as the DIPs.

**Windfall Housing**

windfall housing sites are those that have come forward unexpectedly and not identified for housing through the Local Plan preparation process.



**Zone of Influence**

Research has shown that 75% of all visitors to the Cannock Chase SAC are from within a 15km radius of the SAC<sup>12</sup>. The planned level of residential growth within a 15 kilometre radius from the edge of Cannock Chase SAC is likely to have a significant effect on the SAC in the absence of mitigation. For the purpose of this MOU the 0-15km radius is defined as the Zone of Influence.

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<sup>1</sup> 'Cannock Chase SAC Visitor Survey' Footprint Ecology/Durwyn Liley, February 2013

<sup>2</sup> 'Cannock Chase SAC Visitor Survey 2018' Footprint Ecology/Durwyn Liley, May 2019

## 1.0 Purpose

- 1.1 The Cannock Chase Special Area of Conservation (SAC) Partnership provides a framework for coordination between statutory bodies having land use planning responsibilities in relation to Cannock Chase SAC.
- 1.2 The key objective of the Partnership is to use statutory planning processes and specific site and visitor management measures to secure appropriate mitigation for the impacts on the Cannock Chase SAC of Development Plan policies and proposals contained in individual planning applications and projects, thereby ensuring that the integrity of the Cannock Chase SAC is maintained and the requirements of the Habitats Regulations are met.
- 1.3 This Memorandum of Understanding (MOU) sets out how the Cannock Chase SAC Partnership will take responsibility for a programme of measures to mitigate for the impact residential development has upon the Cannock Chase SAC, and how the Partnership will work together to review, prepare and implement common plans and policies to protect the Cannock Chase SAC, and promote its understanding and appreciation to help to deliver sustainable development.
- 1.4 This Partnership approach is to provide simplicity for planners and developers providing a consistent approach to the protection of the SAC from the significant effects of residential development through the delivery of a programme of mitigation. It must however be recognised that other forms of development<sup>3</sup> within the 0-15km zone which may give rise to additional visits to Cannock Chase SAC may need to carry out a Habitats Regulations Assessment (HRA). Participation in the developer contributions scheme is optional and if applicants do not wish to participate they will need to provide appropriate information to the Local Planning Authority to allow a bespoke Habitats Regulations Assessment.

## 2.0 Background

- 2.1 Sitting within the wider Cannock Chase Area of Outstanding Natural Beauty (AONB), the Cannock Chase SAC was designated in 2005 under the provisions of the European Habitats Directive, the majority of the site having previously been designated as a Site of Special Scientific Interest (SSSI) in 1987. Cannock Chase represents the largest area of heathland habitat surviving in the English Midlands and though much diminished in area from its original extent, as with all lowland heathland zones, the habitat and dependent species are of very high nature conservation importance.
- 2.2 The Annex I habitat, European Dry Heath is the primary reason for designation of the SAC. The character of this vegetation is intermediate between the upland or northern heaths of England and Wales and those of southern counties. Dry heathland communities belong to NVC types H8 *Calluna vulgaris* – *Ulex gallii* and H9 *Calluna vulgaris* – *Deschampsia flexuosa* heaths. Within the heathland,

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<sup>3</sup> Other development include but are not limited to Bed and Breakfast establishments, self catering holiday lets, hotels and gypsy sites.

species of northern latitudes occur, such as cowberry *Vaccinium vitis-idaea* and crowberry *Empetrum nigrum*. Cannock Chase has the main British population of the hybrid bilberry *Vaccinium intermedium*, a plant of restricted occurrence. There are important populations of butterflies and beetles, as well as European nightjar and five species of bats. The Annex I habitat that is present as a qualifying feature, but note a primary reason for selection of this site is **Northern Atlantic wet heaths with *Erica tetralix***. Wet heath usually occurs on acidic, nutrient-poor substrates, such as shallow peats or sandy soils with impeded drainage. The vegetation is typically dominated by mixtures of cross-leaved heath *Erica tetralix*, heather *Calluna vulgaris*, grasses, sedges and *Sphagnum* bog-mosses.

- 2.3 The evidence base shows a range of impacts consistent with high visitor numbers<sup>45</sup>. An increase in visitor numbers on the scale expected is likely to have a significant effect on the Cannock Chase SAC unless measures are taken to prevent harm. The main impacts are the fragmentation of habitat from a multiplicity of paths and tracks, track and path widening with erosion, trampling and compaction, and eutrophication from dog fouling.
- 2.4 In October 2005, the judgment the European Court of Justice in the case of Flood Management Plans and the implications of Case C-6/04 Commission Vs United Kingdom, required the UK to extend the requirements of Article 6(3) and (4) of the Habitats Directive to include the assessment of the potential effects of spatial and land use plans on European sites. Evidence commissioned by the SAC Partnership suggests that the planned level of growth within a 15 kilometre radius of the SAC (as set out in Map 1) is likely to have a significant effect on the designated site. The effect of increased visitor numbers consists of additional damage from site use and vehicle emissions<sup>6</sup>. In granting planning permissions the Local Planning Authorities must comply with their duty under the Habitats Regulations as Competent Authorities to ensure appropriate mitigation is delivered prior to developments being built and new visits generated.

### **3.0 Conservation Objectives**

#### **3.1 European Site Conservation Objectives for Cannock Chase Special Area of Conservation**

##### **Site Code: 0030107**

With regard to the SAC and the natural habitats and / or species for which the site has been designated (the 'Qualifying Features' listed below), and subject to natural change;

Ensure that the integrity of the site is maintained or restored as appropriate, and ensure that the site contributes to achieving Favourable Conservation Status of its Qualifying Features, by maintain or restoring:

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<sup>4</sup> 'Cannock Chase SAC Planning Evidence Base Review' Footprint Ecology/Durwyn Lily, July 2017

<sup>5</sup> 'Cannock Chase SAC Planning Evidence Base Review Stage 2' Footprint Ecology/Durwyn Lily, July 2021

<sup>6</sup> NE advice letter to the partnership dated 10/04/2013 – Vehicle emission issues are dealt with outside the SAMMM and through the Local Plan or development process.

- The extent and distribution of qualifying natural habitats;
- The structure and function (including typical species) of qualifying natural habitats; and,
- The supporting processes on which the qualifying natural habitats rely.

3.2 This document should be read in conjunction with the accompanying Supplementary Advice document, which provides more detailed advice and information to enable the application and achievement of Objectives set out above.

### 3.3 Qualifying Features:

H4010. Northern Atlantic wet heaths with *Erica tetralix*; Wet heathland with cross-leaved heath

H4030. European dry heaths

## 4.0 Objectives of the Partnership

4.1 The Partnership's overall objective is to facilitate sustainable residential development whilst ensuring compliance with the Habitats Regulations through securing appropriate developer contributions towards a programme of mitigation. Participation in the developer contribution scheme (as detailed at Appendix 1) is optional. Applicants will need to supply information to the Local Planning Authority to allow a bespoke Habitats Regulations Assessment to be undertaken if they do not wish to participate.

4.2 The objectives of the Cannock Chase SAC Partnership are to secure measures to mitigate for the effects of development<sup>7</sup> by:

- Ensuring that the integrity of the site is maintained, that the site contributes to achieving the Favourable Conservation Status of its Qualifying Features and enabling the sustainable development of the area
- Conserving the Cannock Chase SAC by ensuring that new development does not undermine the delivery of its Conservation Objectives
- Raising awareness and understanding of the biodiversity of the Cannock Chase SAC
- Achieving 'joined up' management with neighbouring protected landscapes and habitats.<sup>8</sup>

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<sup>7</sup> Housing and other development such as tourist accommodation which requires HRA and would have an impact on the SAC.

<sup>8</sup> The SAC mitigation proposals (SAMMM) sit within the wider AONB Visitor Management Strategy.

## 5.0 Key Commitments

### 5.1 The Partner Authorities:

- a) Will work together to develop and implement consistent planning policies in respect of Development Plan documentation and development processes which provide a framework to mitigate for the impact of residential development on Cannock Chase SAC.
- b) Will collectively and individually ensure that all plans, projects, and management activities meet the requirements of the Habitats Regulations
- c) Agree an evidenced planning obligations and Community Infrastructure Levy charging process will be used to seek contributions from housing proposals
- d) Agree that from the date of this MOU, appropriate assessment of housing proposals within the 0-15km Zone of Influence (ZOI) set out in Map 1 will not be required unless these fall beyond the scope of established local housing targets as set out in Appendix 1 or where the applicant does not agree to make contributions.
- e) Will develop, agree and monitor, through collaboration and engagement with key facilitators, landowners, including landowners and managers, a 15 year programme of mitigation for Cannock Chase SAC as set out in the Delivery Implementation Plans (DIPs) and based on the delivery of 21,671 dwellings<sup>9</sup>. The effectiveness of the DIPs mitigation proposals will be reviewed on a 5 year basis as part of the MOU review. The Partner Authorities acknowledge that specific projects may require decisions by landowners through their internal governance arrangements.
- f) Will on an annual basis monitor housing delivery numbers on which the current mitigation actions in the DIPs are based. A review of the MOU and DIPs will be triggered if the annual review indicates the 21,671 homes figure is being approached within the 15 km ZOI.
- g) Will work closely with key facilitators, including landowners, and other complementary designations and initiatives such as the AONB and the Connecting Cannock Chase Partnership and take account of other statutory designations
- h) Agree that the area within which the mitigation will be undertaken is the statutorily designated areas of the Cannock Chase SAC, but on occasions will also extend to the wider adjoining areas in relation to specific issues, for example visitor and access network management, where a wider working area may be required to maintain favourable condition of a qualifying feature within the SAC.
- i) Agree on the identity of the host Partner Authority which will hold the developer contributions and will act as the financially accountable body. The developer contributions will be spent collectively based on the DIPs. The details of these arrangements will be set out in a legally binding financial agreement between the contributing Partner Authorities and the host Partner

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<sup>9</sup> Table 2 Cannock Chase Special Area of Conservation Planning Evidence base Review Stage 2 ( 2021)

Authority. The level of contributions from each Partner Authority towards the DIPs, whilst this MOU is in force, is provided in Appendix 1 and will be monitored annually by agreement of the Partnership.

- j) The finance agreement shall contain provisions to deal with the following matters:
  - o The scope of the duties, rights and obligations of the host Partner Authority to the other Partner Authorities and third parties;
  - o Responsibility for the recruitment and employment of the SAC Project Team;
  - o An indemnity from the other Partner Authorities in favour of the employing Partner Authority in relation to the costs of employing the SAC Team, including on-costs and redundancy payments; and
  - o Obligations on the host Partner Authority to report regularly and comply with audit and other public sector requirements
- k) Will agree a protocol for decision making on spending the developer contributions based on the mitigation plan (DIPs).

## **6.0 Roles and Responsibilities**

- 6.1 Although only Competent Authorities have statutory responsibilities, it is acknowledged that other key facilitators participate in the management of the SAC in order to deliver programmes and specific projects.
- 6.2 The governance of the project will be determined through the Terms of Reference (Appendix 3).

## **7.0 Governance**

- 7.1 The following governance arrangements and protocols will be maintained to ensure that the requirements of the programme of mitigation and therefore the Habitats Regulations are satisfied. It is proposed that the following governance arrangements are established, with the partnership management structure to be reviewed on a 12 month basis:
  - Cannock Chase SAC Joint Strategic Board to meet, or receive reports a minimum of quarterly or as required, with an annual rotating chair from each local authority (as listed in the table at Appendix 1), and supported by the Cannock Chase SAC Project Officer. It will consist of senior representatives from each of the organisations listed in this MoU. Advisory members may be co-opted to represent a specific area of interest or issue of consideration. Terms of Reference have been agreed and are at Appendix 3<sup>10</sup>.

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<sup>10</sup> Terms of Reference including membership and voting powers agreed through supporting documents at Appendix 3.

- Cannock Chase SAC Project Group will meet monthly or as required, to coordinate and quality assure project delivery, i.e. what is being delivered, where, when and by whom to avoid duplication of effort. This Group will be supported by the Cannock Chase SAC Project Officer and consist of officers from each of the organisations listed in this MOU along with representatives from appropriate organisations in advisory roles. Terms of Reference have been agreed and are at Appendix 3<sup>11</sup>.

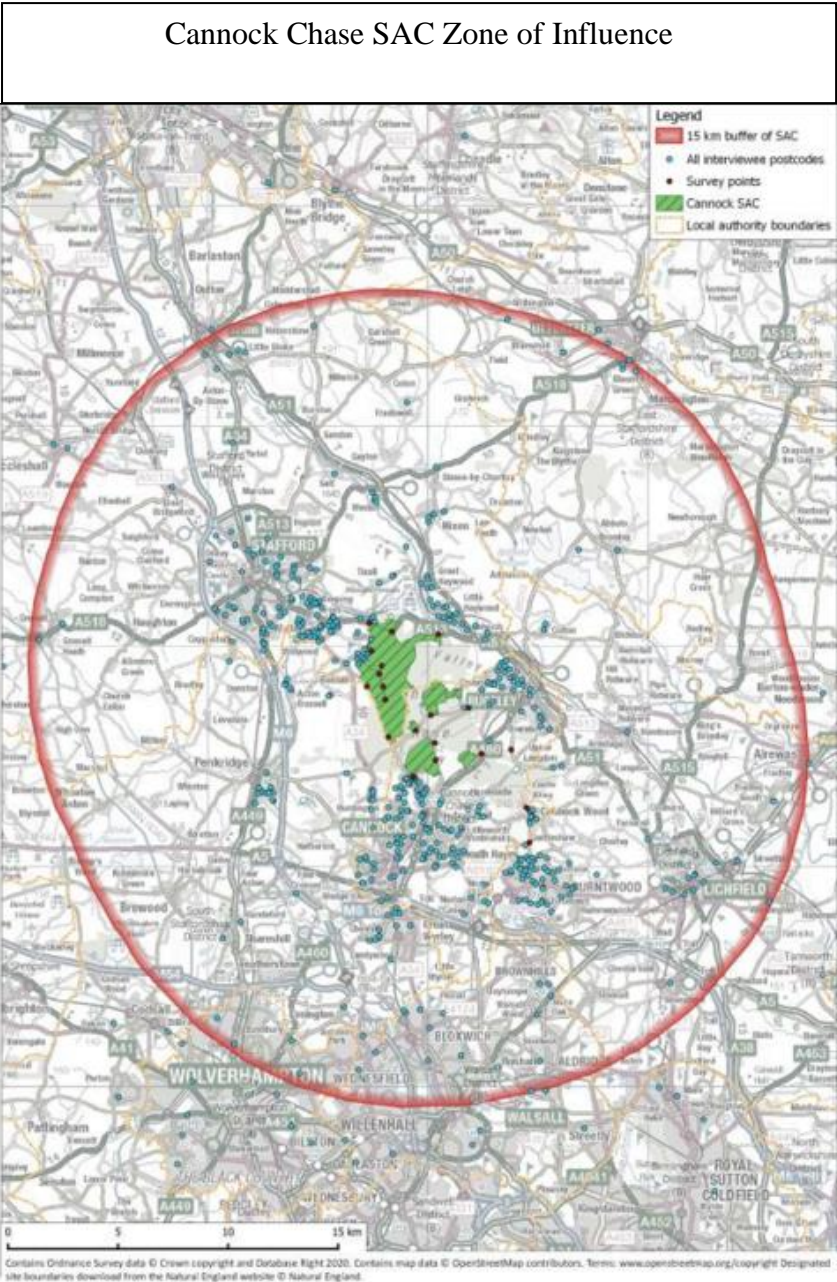
## **8.0 Commencement and Termination**

- 8.1 This MOU will take effect when it has been signed by all Partners or agreed by the Joint Strategic Board. It is anticipated that this MOU will operate for a period of five years when it will be reviewed. It may be amended by agreement in writing between all Partners. A Partnership member may withdraw from the Partnership at any time by giving 12 months' notice in writing to all Parties.

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<sup>11</sup> Terms of Reference including membership and voting powers agreed through supporting documents at Appendix 3.

Map 1





**The Level of Contributions**

- A1.1 The total cost of the programme of measures required to mitigate for the impact on Cannock Chase SAC of residential development within 15km of the Cannock Chase SAC proposed in current and emerging Local Plans over their Relevant Period is £6,297,104. The details of this programme are provided in the DIPs at Appendix 2.
- A1.2 To provide certainty for the Development Plan process and for developers within the Zone of Influence, and to ensure transparency and accountability, a formulae approach has been adopted that sets out a mechanism for the calculation of developer contributions.
- A1.3 The total cost of the DIPs has been divided between the Partner Authorities in proportion to the number of homes proposed within the 15km ZOI of Cannock Chase SAC (as illustrated on Map 1) from 1<sup>st</sup> April 2022 onwards (excluding those which are likely to have planning permission as of end March 2022). The table below sets out the housing numbers, percentage split and proportion of funding which each Partner Authority falling within the 15km ZOI is required to contribute.

**Table 1**

| <b>Local Authority in the 15km ZOI of the Cannock Chase SAC</b> | <b>Housing Numbers proposed in the 15km ZOI from April 2022 (excluding sites with planning permission)</b> | <b>Percentage (%) of total housing delivery</b> | <b>Monies to collect for the DIPs*</b> |
|---|--|---|--|
| <b>Cannock Chase</b>  | 2,378  | 11  | £690,993                               |
| <b>City of Wolverhampton</b>                                    | 1,364  | 6.3   | £396,348                               |
| <b>East Staffordshire</b>                                       | 155  | 0.7   | £45,040                                |
| <b>Lichfield</b>  | 851  | 3.9   | £247,281                               |
| <b>South Staffordshire</b>                                      | 4,205  | 19.4  | £1,221,878                             |
| <b>Stafford</b>   | 5,412  | 25  | £1,572,605                             |
| <b>Walsall</b>  | 7,306  | 33.7  | £2,122,959                             |
| <b>TOTAL</b>  | 21,671   |   |  |
| <b>DIPs Cost</b>  | <b>£6,297,104</b>  |   |  |

- A1.4 These contributions will be index linked and subject to an annual review each April in line with the 'All Items Group' (Item reference CHAW) of the Retail Prices Index.

- A1.5 It is at the discretion of individual Partner Authorities how to collect their total contribution from developments with the 15km ZOI. These contributions systems will be set out in each Partner Authority's 'Guidance to Mitigate the Impact of New Residential Development'. These documents and the calculations they contain may be subject to review. Other types of development and windfall housing sites not included in the calculations within the aforementioned guidance have the potential to impact upon Cannock Chase SAC, and these will need to be assessed and mitigation provided on an individual basis through discussions with Natural England and/or the relevant local authority. The estimated costings in the DIPs will be monitored and may be reviewed and rates recalculated when the MOU is reviewed.
- A1.6 The option remains for developers to undertake a Habitats Regulations screening assessment and, where necessary, a full appropriate assessment to demonstrate that a proposal will not, either alone or in combination, adversely affect the integrity of the Cannock Chase SAC.
- A1.7 In order for the Developer Contributions Scheme to mitigate the negative effects of development, it is important that the mitigation measures are implemented in a timely manner which reflects the rate at which development comes forward. Each local planning authority will agree the timescale prior to granting planning consent for the collection of developer contributions, which are required to ensure that mitigation is in place prior to occupation to prevent additional harm arising to the Cannock Chase SAC.
- A1.8 The new mitigation programme relates to the delivery of 21,671 homes<sup>12</sup> (which did not have planning permission as of 1<sup>st</sup> April 2022) within the 15km ZOI from 1<sup>st</sup> April 2022 onwards. Monitoring of housing delivery and housing numbers proposed will be undertaken on an annual basis by the SAC Partnership. Where monitoring shows that delivery of any of the housing numbers proposed for a Partner authority, as set out in Table 1, are being approached, a review of this MOU will be triggered and new housing numbers and new mitigation measures will be considered.
- A1.9 The monies that have and will contribute to the DIPs, previously referred as the SAMMM are outlined in Table 2.

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<sup>12</sup> Table 2 Cannock Chase SAC Planning Evidence Base Review Stage 2 (2021)

**Table 2**

| Local Authority in the ZOI of the Cannock Chase SAC | Housing Numbers proposed in the ZOI | Percentage (%) of total housing delivery | Monies to collect for the DIPs, previously SAMMMs* |
|---|-------------------------------------|--|--|
| <b>Cannock Chase</b>                                | 1700                                | 20.0                                     | £394,232   |
| <b>City of Wolverhampton</b>                        | 0                                   | 0.0                                      | £0   |
| <b>East Staffordshire</b>                           | 30                                  | 0.4                                      | £6,957   |
| <b>Lichfield</b>                                    | 1715                                | 20.2                                     | £397,710   |
| <b>South Staffordshire</b>                          | 150                                 | 1.8                                      | £34,785  |
| <b>Stafford</b>                                     | 4900                                | 57.7                                     | £1,136,315   |
| <b>Walsall</b>                                      |                                     | 0  | £0   |
| <b>TOTAL</b>  | <b>8495</b>                         |  |  |
| <b>DIPs Cost</b>                                    | <b>£1,970,000</b>                   |  |  |

A1.10 Developer contributions provided prior to the start date of the new mitigation programme (Table 3) will contribute to the 2011 – 2021 Strategic Access Management and Monitoring Measures plan (SAMMMs) relating to the 0-8km Zone of Payment, outlined in the 2011 MoU and subsequent update in 2017<sup>13</sup>. It should be noted that the monies collected for the DIPs, previously the SAMMMs, or committed before April 2022 both exceed the original budget of £1,970,000.

**Table 3**

| Local Authority in the ZOI of the Cannock Chase SAC | Monies already collected or committed before April 2022 |
|---|---|
| <b>Cannock Chase</b>                                | £816,374.00   |
| <b>City of Wolverhampton</b>                        | £0  |
| <b>East Staffordshire</b>                           | £1,610.00   |
| <b>Lichfield</b>                                    | £247,896.80   |
| <b>South Staffordshire</b>                          | £90,480.00  |
| <b>Stafford</b>                                     | £896,283.00   |
| <b>Walsall</b>                                      | £0  |
| <b>TOTAL</b>  | £2,052,643.80   |

A1.11 As shown in Table 3, a supplementary £82,643.80 is expected to be collected prior to the commencement of the new DIPs from April 2022, because of higher number of homes being built than originally planned within the ZOI. Any supplementary monies that are to be collected through the previous SAMMM will be reallocated in order to finance mitigation measures in the new DIPs, as the SAMMM has been subsumed into the DIPs.

<sup>13</sup> Memorandum of Understanding for the Cannock Chase Special Area of Conservation Partnership 2011-2021. 2011

**Detailed Implementation Plan**

A2.1 The following table of mitigation measures and estimated costings has been prepared by independent consultants in collaboration with the Cannock Chase SAC Partnership to set out Detailed Implementation Plans relating to the Cannock Chase SAC.

| <b>Item of Works</b>   | <b>Amount remaining to be funded</b> |
|--|--------------------------------------|
| Resources/events for Engagement Key Stages 1-2 (2020-2040)   | £99,195                              |
| Resources/events for Engagement Key Stages 3-4 (2020-2040)   | £99,195                              |
| Resources/events for Engagement with key visitor groups (2020-2040)                                  | £30,000                              |
| Creation of Central Website and hosting until 2040   | £10,500                              |
| Special Project, Forestry England Visitor/mountain bike centre south of A460                         | £25,000                              |
| Special Project, Marquis Drive Masterplan  | £25,000                              |
| Special Project, Museum of Cannock Chase, Community Hub  | £25,000                              |
| Circular routes created at each main Car Park: pathworks   | £90,000                              |
| Orientation panel in each main car-park showing main promoted routes, replacement after 10 years     | £15,800                              |
| Additional staffing to increase face-to face engagement, (equivalent to 3 full time posts 2020-2040) | £2,364,000                           |
| Special Project. Chase Rd  | £25,000                              |
| Close Car Parks  | £150,000                             |
| Material (temporary signs etc.) to close damaging habitat fragmentation desire lines                 | £10,000                              |
| New road signs to replace existing ones  | £75,000                              |
| Installation of Car Park Charging Machines   | £70,000                              |
| Cost to maintain improved car-parks 2020-2040  | £704,900                             |
| Circular routes created at each main Car Park: way-markers, replacement after 10 years               | £18,750                              |

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|  |                   |
|--|-------------------|
| Circular routes created at each main Car Park: finger posts, replacement after 10 years          | £30,300           |
| Orientation panel in each main car-park showing main promoted routes, replacement after 10 years | £22,000           |
| CC SAC Team Admin Assistant (part time, 2020-2040)   | £420,000          |
| CC SAC SAMMM Delivery Officer (2020-2030)  | £400,000          |
| Project manager/Project officer post   | £765,000          |
| Monitoring: visitor survey at 5 year intervals   | £160,000          |
| Monitoring: Automated counters (15 counters)   | £90,000           |
| Contingency (10%)  | £572,464          |
|  | <b>£6,297,104</b> |

# Terms of Reference

## Terms of Reference

### Cannock Chase SAC Joint Strategic Board

#### 1.0 Introduction

- 1.1 The Cannock Chase Special Area of Conservation (SAC) Partnership provides a framework for coordination between statutory bodies having land use planning responsibilities in Cannock Chase SAC. These Terms of Reference set out how the Cannock Chase SAC Joint Strategic Board (JSB) will work together to coordinate the delivery of a programme of mitigation, prepare and implement common plans and policies to protect the SAC, promote its understanding and appreciation to help to deliver sustainable development.
- 1.2 The objective of the Partnership is to use statutory planning processes and specific site and visitor management measures to secure appropriate mitigation for the impacts on the Cannock Chase SAC through Development Plan policies and proposals contained in individual planning applications and projects, thereby ensuring that the integrity of the Cannock Chase SAC is maintained.
- 1.3 The Cannock Chase SAC Partnership as a whole will provide a vehicle for the agreement of mitigation measures, collection and use of planning obligation monies and monitoring of work carried out.

#### 2.0 Status

**Competent Authorities** include any statutory body or public office exercising legislative powers, whether on land or sea.

- 2.1 Each Competent Authority is individually responsible for meeting its duties under the Habitats Regulations. However by jointly preparing, implementing and reviewing the Detailed Implementation Plans (DIPs), it is anticipated that the Competent Authorities will be able to more effectively achieve the aims of the Habitats Regulations in relation to the Cannock Chase SAC, than if they acted alone. This will also relieve individual applicants from the burden of preparation of evidence for Habitats Regulations Assessment and will streamline this aspect of the development management process. To this end the Competent Authorities for the Cannock Chase SAC have formed this legal partnership overseen by this JSB with the Project Group coordinating the delivery, the accumulation of funds and undertaking additional works as directed. The JSB has no additional powers but serves to ensure that all Competent Authorities contribute to the implementation of the mitigation measures.

#### 3.0 Composition

- 3.1 The membership of the JSB will comprise representatives of all the Competent Authorities, as defined in the Habitats Regulations, for the Cannock Chase SAC and who have signed the Memorandum of Understanding.
  - The JSB will comprise one senior representative or their delegated officer representative from each of the Competent Authorities. Additional representatives may attend at the discretion of the Chairman.

#### **4.0 Board Structure and Procedures**

- No Competent Authority will have authority over any of the other JSB members.
- The JSB will meet, or receive reports produced by an officer in a project management role, a minimum of quarterly or when required;
- Meetings of the Board will be chaired by each Competent Authority in turn annually.
- Officer support and secretariat services will be provided by the Cannock Chase SAC Project Officer (as defined in the DIPs)
- Agendas, reports and minutes of meetings will be circulated to relevant facilitators.
- The Project Group will be represented at meetings of JSB.
- Wherever possible, decisions made at the JSB will be by means of consensus. A quorum of 50% attendance plus one member will be required for decisions to be ratified. Where a decision is needed urgently, the incoming Chair has delegated authority to make the decision. This must then be reported to the next meeting for retrospective agreement.
- Where a member of the Partnership has proposed a project outside the agreed measures (SAMMM) that body is not entitled to vote on that item.
- Voting rights are limited to the full members of Cannock Chase SAC Partnership, one vote per full member authority.
- The Cannock Chase SAC Project Officer is not entitled to vote.
- With the agreement of members of the JSB members, advisory members may be co-opted to represent a specific area of interest or issue of consideration

#### **5.0 Remit**

##### **5.1 The JSB:**

- Will exercise its function to secure compliance with the requirements of the Habitats Regulations.
- Will provide a forum for discussion of issues and coordination of activity in a private and confidential setting due to commercial sensitivity of the projects but make relevant reports available to the public where appropriate.
- Will oversee the development, implementation and monitoring of the DIPs, and agree an annual work programme and milestones based upon future projections in order to work towards achieving the Conservation Objectives for the SAC.
- Will collaborate with key facilitators when required on individual projects within the programme.
- Receive and review an annual report on the collection, management and spending of the planning obligations funding.
- Expects that representatives will commit to the actions for delivery within their respective organisations;
- Will review performance and delivery of actions within the plan and make decisions to ensure timely corrective action can be taken where necessary.
- Will advise/steer the Project Group on changing priorities based on evidence and commit to new actions where there is a shortfall in a timely manner.
- Will approve a working budget for the Cannock Chase SAC Project Officer or the officer undertaking this role whilst the post is vacant.



## Memorandum of Understanding

- Will assess projects outside the DIPs over £10,000 for evidence that they are cost effective and provide greater additional mitigation than those within the SAMMM.
- Will rely on input from the Project Group to help inform their decisions and will direct the Project Group where additional/different actions are required.
- Will agree the frequency of the Project Group meetings.
- Will act on behalf of the Partnership organisations in commissioning studies, surveys and reports or other work on relevant matters (with landowner collaboration, where required), including making bids for joint funding and grants relating to the objectives of the body.
- Represent the Cannock Chase SAC and its objectives at public meetings, events, workshops and conferences as and when necessary and, promote and champion the work of the Partnership.
- Will review its Terms of Reference as may be appropriate.

## Cannock Chase SAC Project Group

### Terms of Reference

#### 1.0 Introduction

- 1.1 The Cannock Chase Special Area of Conservation (SAC) Partnership provides a framework for coordination between statutory bodies having land use planning responsibilities in Cannock Chase SAC. These Terms of Reference set out how the Cannock Chase SAC Project Group will work together to coordinate the delivery of a programme of mitigation, prepare and implement common plans and policies to protect the SAC, promote its understanding and appreciation to help to deliver sustainable development.
- 1.2 The objective of the Partnership is to use statutory planning processes and specific site and visitor management measures to secure appropriate mitigation for the impacts on the Cannock Chase SAC of Development Plan policies and proposals contained in individual planning applications and projects, thereby ensuring that the integrity of the Cannock Chase SAC is maintained.
- 1.3 The Cannock Chase SAC Partnership as a whole will provide a vehicle for the agreement of mitigation measures, collection and use of planning obligation monies and monitoring of work carried out.

#### 2.0 Status

**Competent Authorities** include any statutory body or public office exercising legislative powers, whether on land or sea.

- 2.1 Each Competent Authority is individually responsible for meeting its duties under the Habitats Regulations. However by jointly preparing, implementing and reviewing the Detailed Implementation Plans (DIPs), it is anticipated that the Competent Authorities will be able to more effectively achieve the aims of the Habitats Regulations in relation to the Cannock Chase SAC, than if they acted alone. This will also relieve individual applicants from the burden of preparation of evidence for Habitats Regulations Assessment and will streamline this aspect of the development management process. To this end the Competent Authorities for the Cannock Chase SAC have formed this legal partnership overseen by the Joint Strategic Board (JSB) with the Project Group coordinating the delivery, the accumulation of funds and undertaking additional works as directed. The JSB has no additional powers but serves to ensure that all Competent Authorities contribute to the implementation of the mitigation measures.

#### 3.0 Composition

- 3.1 The membership of the Project Group will comprise all of the Competent Authorities, as defined in the Habitats Regulations, for the Cannock Chase SAC and who have signed the Memorandum of Understanding.
  - The Project Group will comprise appropriate officers of the Competent Authorities
  - Officers or technical / professional representatives of stakeholder organisations, by invitation.

#### **4.0 Structure and Procedures**

- The Project Group will meet a minimum of quarterly.
- Meetings of the Project Group will be chaired by each Competent Authority in turn.
- Officer support and secretariat services will be provided by Cannock Chase SAC Project Officer (as defined in the DIPs) when in post.
- A minimum of 1 member of the Project Group will represent the group at the JSB meetings.
- A quorum of 50% attendance plus one member will be required for decisions to be ratified. Where a decision is needed urgently, the incoming Chair has delegated authority to make the decision. This must then be reported to the next meeting for retrospective agreement.
- Where a member of the Partnership has proposed a project outside the agreed DIPs that body is not entitled to vote on that item.
- Voting rights are limited to the representatives of the Competent Authorities, one vote per full member authority.
- The Cannock Chase SAC Project Officer will not be entitled to vote.
- With the agreement of members of the Project Group, advisory members may be co-opted to represent a specific area of interest or issue of consideration.

#### **5.0 Remit**

5.1 The Project Group will be responsible, with external support where agreed, for undertaking the following:

- Advise the JSB as necessary on issues relating to and impacting upon the SAC
- Will coordinate the implementation of the DIPs.
- Provide technical support to the JSB, prepare reports for the JSB's consideration and carry out such actions as may be instructed by the JSB.
- Undertake work identified in the annual work programme or as otherwise prioritised.
- Agree an annual monitoring report for the year ending 31<sup>st</sup> March prepared by the Cannock Chase SAC Project Officer, together with regular updates on progress for the Board.
- Prepare, agree and maintain a five-year rolling project plan, based upon the objectives of the Partnership.
- The Project Group may establish small project or working groups, resourced as necessary, to progress issues related to delivering the agreed annual work programme.
- Use of delegated authority to consider project substitution up to a value of £10K where projects outside of the DIPs can be proved to provide greater or additional mitigation to those within the DIPs.
- Identification of alternative mitigation projects
- Represent the Cannock Chase SAC and its objectives at public meetings, events, workshops and conferences as and when necessary and, promote and champion the work of the Partnership.
- Annually review the collection, management and spending of the planning obligations funding and prepare an annual report for the JSB.
- Provide information to allow the levels of residential development, spend and outcomes of project work to be monitored.
- Will review its Terms of Reference as may be appropriate.



**Signatories:**

Signed for and on behalf of  
**CANNOCK CHASE DISTRICT COUNCIL**

Authorised signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Signed for and on behalf of  
**EAST STAFFORDSHIRE BOROUGH COUNCIL**

Authorised signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Signed for and on behalf of  
**LICHFIELD DISTRICT COUNCIL**

Authorised signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Signed for and on behalf of  
**SOUTH STAFFORDSHIRE DISTRICT COUNCIL**

Authorised signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Memorandum of Understanding

Signed for and on behalf of  
**STAFFORD BOROUGH COUNCIL**

Authorised signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Signed for and on behalf of  
**WOLVERHAMPTON CITY COUNCIL**

Authorised signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Signed for and on behalf of  
**WALSALL BOROUGH COUNCIL**

Authorised signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_



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DATED: \_\_\_\_\_ 2022

STAFFORD BOROUGH COUNCIL (1)

And

CANNOCK CHASE DISTRICT COUNCIL (2)

And

EAST STAFFORDSHIRE BOROUGH COUNCIL (3)

And

LICHFIELD DISTRICT COUNCIL (4)

And

SOUTH STAFFORDSHIRE DISTRICT COUNCIL (5)

And

WOLVERHAMPTON CITY COUNCIL (6)

And

WALSALL BOROUGH COUNCIL (7)

.....  
AGREEMENT IN RELATION TO  
DEVELOPER FINANCIAL CONTRIBUTIONS AND  
THE CANNOCK CHASE SPECIAL AREA OF CONSERVATION (SAC)  
DETAILED IMPLEMENTATION PLANS (DIPs)  
.....



- (D) The parties have agreed to secure the collection of financial contributions from developers in their area by way of agreements or unilateral undertakings under section 106 of the Town and Country Planning Act 1990 or via the Community Infrastructure Levy Regulations 2010 (as amended) to assist in the delivery of the DIPs . This approach is set out in the 'Guidance to Mitigate the Impact of new Residential Development document, as prepared by each party.
- (E) SBC has agreed to be the Financially Accountable Body for the Contributions and for the delivery of the Guidance to Mitigate the Impact of new Residential Development in accordance with the terms of this Agreement.

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

The following definitions shall apply throughout this Agreement:

|   |  |
|---|--|
| <b>Agreed Dates</b>   | means the dates upon which the Contribution is payable, being the 1 <sup>st</sup> October and 1 <sup>st</sup> April in each year during the Term.  |
| <b>Authorised Representatives</b>                             | means the people appointed from time to time as representatives for the parties;   |
| <b>Board</b>  | means the Cannock Chase Special Area of Conservation Joint Strategic Board;  |
| <b>Business Day</b>   | means any day that is not a Saturday, Sunday or bank holiday or public holiday in England;   |
| <b>Cannock Chase SAC</b>                                      | means the Cannock Chase Special Area of Conservation designated in 2005 under the provisions of European Habitats Directive and located within the Cannock Chase Area of Outstanding Natural Beauty and shown on the plan attached in Schedule 1;  |
| <b>Cannock Chase Special Area of Conservation Partnership</b> | means the Partner Authorities who collect the Contributions to ensure compliance with the Habitat Regulations in relation to the DIPs Assessment in order to mitigate for residential development through the Partner Authorities' local plans;  |
| <b>Confidential Information</b>                               | means any information received from a disclosing party for the purposes of this Agreement or otherwise relating in any way to the business, operations and activities of the disclosing party that if disclosed in tangible form is marked confidential or if disclosed otherwise is confirmed in writing as being confidential or, whether disclosed in tangible form |

or otherwise, is manifestly confidential (including this Agreement and the relationship between the parties);

**Contributing Partners**

means the parties responsible for paying the Contributions to SBC in accordance with the terms of this Agreement, namely CCDC, ESBC, LDC, SSDC, WCC and WBC;

**Contributions**

means the financial contributions paid by developers to the respective parties in respect of residential development within the Zone of Payment and secured by the parties under section 106 of the Town and Country Planning Act 1990 or via the Community Infrastructure Levy Regulations 2010 in accordance with the Partnership Memorandum of Understanding and to facilitate the delivery of the DIPs.

**Data Protection Legislation**

all applicable data protection and privacy legislation in force from time to time in the UK including the UK GDPR; the Data Protection Act 2018 (DPA 2018) (and regulations made thereunder) and the Privacy and Electronic Communications Regulations 2003 (*SI 2003/2426*) as amended;

**Detailed Implementation Plans (DIPs)**

a plan of actions to mitigate for the likely increase in the number of visits to the Cannock Chase SAC resulting from new residential development within 15km of the Cannock Chase SAC.

**EIRs**

means the Environmental Information Regulations 2004;

**Financial Year**

a year as reckoned for taxing or accounting purposes, from 6 April of each year;

**Financially Accountable Body**

means SBC, the body who has been appointed for the purpose of ensuring the collection and expending of the Contributions and for the delivery of the GMIRD on behalf of the Partners in accordance with the terms of this Agreement;

**FOIA**

means the Freedom of Information Act 2000;

**Force Majeure**

means any circumstance not within a party's reasonable control including, without limitation: a prohibitive act of parliament or, prohibitive governmental regulations; acts of God; epidemic or pandemic; war and other hostilities / national emergency (whether war is declared or not), invasion, act of foreign enemies or terrorism; national strikes; exceptional weather conditions; pressure waves caused by aircraft or aerial devices travelling at sonic or supersonic speeds, rebellion, revolution, civil commotion, riots or disorder; ionising radiation, or contamination by radioactivity from any nuclear fuel or nuclear waste, or combustion of

nuclear fuel, radioactive, toxic, explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; explosives on site and their removal; or other similar circumstances which are beyond the reasonable control of each of the parties, provided that Force Majeure shall not include any strike or labour dispute involving any parties' personnel or any failure to provide the Services by any of SBC's sub-contractors;

**GMIRD**

means the Guidance to Mitigate The Impact of Residential Development on the Cannock Chase SAC which forms part of the DIPs and prepared by each individual party to mitigate the impact of residential development within the Zone of Payment on the Cannock Chase SAC;

**Habitats Regulations**

means the Conservation of Habitats and Species Regulations 2017 (as amended);

**Intellectual Property Rights**

means patents, rights to inventions, copyright and related rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, Confidential Information (including know-how) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

**Partner Authorities**

means the partner authorities who make up the Cannock Chase Special Area of Conservation Partnership and the parties to this Agreement; "Partners" shall be construed accordingly;

**Partnership Memorandum of Understanding**

Memorandum of Understanding of the Cannock Chase Special Area of Conservation Partnership signed by the Partner Authorities on or around 18 January 2017 in the form set out in Schedule 3;

**Personal Data**

as defined in the Data Protection Legislation;

**Services**

as defined in clause 4.1;

**Term**

means the term of this Agreement as set out in clause 2.1;

|                        |   |
|------------------------|---|
| <b>UK GDPR</b>         | has the meaning given to it in section 3(10) (as supplemented by section 205(4)) of the Data Protection Act 2018.           |
| <b>Zone of Payment</b> | means residential developments within a 0 - 15 km radius of the boundary of the Cannock Chase SAC as set out in Schedule 2. |

## 1.2 Interpretation

### 1.2.1 In this Agreement:

- a) a reference to this Agreement includes its schedules, appendices and annexes;
- b) the table of contents, background section and any clause, schedule or other headings in this Agreement are included for convenience only and shall have no effect on the interpretation of this Agreement;
- c) a reference to a 'party' includes that party's successors and permitted assigns;
- d) a reference to a 'person' includes a natural person, corporate or unincorporated body (in each case whether or not having separate legal personality) and that person's personal representatives, successors and permitted assigns;
- e) a reference to a 'company' includes any company, corporation or other body corporate, wherever and however incorporated or established;
- f) a reference to a gender includes the other gender;
- g) reference to party means the parties named in this Agreement;
- h) words in the singular include the plural and vice versa;
- i) any words that follow 'include', 'includes', 'including', 'in particular' or any similar words and expressions shall be construed as illustrative only and shall not limit the sense of any word, phrase, term, definition or description preceding those words;
- j) a reference to 'writing' or 'written' includes any method of reproducing words in a legible and non-transitory form.

### 1.2.2 Any reference to a statute, statutory provision or subordinate legislation shall be construed as referring to:

- (i) such legislation as amended and in force from time to time and to any legislation that (either with or without modification) re-enacts, consolidates or enacts in rewritten form any such legislation; and
- (ii) any subordinate legislation made under the same before (but not after) the date of this Agreement.

## 2. TERM

- 2.1. This Agreement shall commence on the date of this Agreement and shall automatically expire after five (5) years unless extended in accordance with clause 2.2 or terminated earlier in accordance with clause 10 of this Agreement (the "**Term**")

2.2. This Agreement may be extended at any time by mutual written agreement between all the parties.

### **3. THE CONTRIBUTIONS**

3.1. During the Term, the Contributing Partners shall use reasonable endeavours to collect the Contributions and pay those Contributions to SBC on the Agreed Dates or, if not paid on the Agreed Dates, within fourteen (14) days of the Agreed Dates.

3.2. The Contributing Partners shall remit the Contributions to SBC by way of BACS payment or a telegraphic transfer for the attention of the Finance Department by quoting reference 'SAC LA payments'. SBC shall acknowledge receipt in writing of each Contribution received within fourteen (14) days.

3.3. In the event that any or all of the Contributing Partners fail to pay the Contributions to SBC in accordance with clause 3.1, SBC shall refer the relevant details to the Board.

3.4. SBC will keep accurate books of account and financial records in relation to the deposit and expenditure of the Contributions in accordance with sound and prudent financial management.

3.5. SBC shall ensure that all Contributions received from the Contributing Partners are deposited in a high interest-bearing bank account until such time that the Contributions have been expended in accordance with the provisions of the DIPs and the terms of the Partnership Memorandum of Understanding.

3.6. At the beginning of each Financial Year, SBC shall provide and submit to the Contributing Partners:

- (a) a written record of all Contributions received during the preceding Financial Year; and
- (b) a written record of the expenditure of the Contributions during the preceding Financial Year.

### **4. ADDITIONAL OBLIGATIONS OF SBC**

4.1. SBC shall be responsible for and carry out the project management of the GMIRD (the "**Services**") on behalf of the Board, acting as its agent.

4.2. SBC shall not be obliged to deliver the Services personally and may contract in whole or in part to deliver the Services. SBC shall not be obliged to seek the approval or endorsement of the parties in procuring the Services. SBC shall follow its own corporate governance procedures in relation to the Services.

4.3. SBC and its contractors shall have reference in the provision of the Services to the most up to date version of the DIPs as approved by the Board from time to time.

- 4.4. SBC shall, for the duration of this Agreement, be responsible for the recruitment and employment of the SAC Project Officer and the SAC Engagement Officer (the “**SAC Officer Roles**”).

## **5. REVIEW & MANAGEMENT**

- 5.1. The DIPs will be reviewed and agreed by the Board from time to time.
- 5.2. The parties may meet to review the operation of this Agreement annually at the anniversary of this Agreement or at such other times as the parties may agree.

## **6. FREEDOM OF INFORMATION**

- 6.1 Each party will use reasonable endeavours to assist the other parties to comply with their obligations under the FOIA, the EIRs and any other applicable legislation governing access to information.
- 6.2 If a party receives a request for information under such legislation (“the Receiving Party”) and requires the other parties’ assistance in obtaining that information, the other parties will provide such assistance within such reasonable timeframe requested by the Receiving Party (and in any case no later than ten (10) Business Days after receiving the Receiving Party’s request) in order for the Receiving Party to comply with its statutory obligations.
- 6.3 If a request is made under such legislation for information which relates to either the Agreement or one of the other parties, the Receiving Party will immediately consult with the other party(ies) and take their views into consideration when making a decision as to whether or not the requested information should be disclosed, giving serious consideration to whether any statutory exemptions apply.
- 6.4 If the Receiving Party determines that information (including Confidential Information) must be disclosed, it will notify the other party(ies) of such decision as soon as reasonably practicable.

## **7. DATA PROTECTION**

- 7.1 No Personal Data is being transferred from one party to another. Should this change in the future, all parties shall agree data processing agreements from time to time that honour each party’s obligations under the Data Protection Legislation, such agreement not to be unreasonably withheld.

## **8. CONFIDENTIALITY**

- 8.1. Subject to clause 8.2, each party shall keep the other parties’ Confidential Information confidential and shall not:
  - 8.1.1. use such Confidential Information except for the purpose of performing its rights and obligations under or in connection with this Agreement; or



- 8.1.2. disclose such Confidential Information in whole or in part to any third party, except as expressly permitted by this clause 8.
- 8.2. The obligation to maintain confidentiality of Confidential Information does not apply to any Confidential information:
- 8.2.1. which the other party confirms in writing is not required to be treated as Confidential Information;
  - 8.2.2. which is obtained from a third party who is lawfully authorised to disclose such information without any obligation of confidentiality;
  - 8.2.3. which a party is required to disclose by judicial, administrative, governmental or regulatory process in connection with any action, suit, proceedings or claim or otherwise by applicable law, including the FOIA or the EIRs;
  - 8.2.4. which is in or enters the public domain other than through any disclosure prohibited by this Agreement;
  - 8.2.5. which a party can demonstrate was lawfully in its possession prior to receipt from another party; or
  - 8.2.6. which is disclosed by a party on a confidential basis to any central government or regulatory body.
- 8.3. A party may disclose another party's Confidential information to those of its Authorised Representatives who need to know such Confidential Information for the purposes of performing or advising on the party's obligations under this Agreement, provided that:
- 8.3.1. it informs such Authorised Representatives of the confidential nature of the Confidential Information before disclosure; and
  - 8.3.2. it procures that its Authorised Representatives shall, in relation to any Confidential Information disclosed to them, comply with the obligations set out in this clause as if they were a party to this Agreement,
  - 8.3.3. and at all times, it is liable for the failure of any Authorised Representatives to comply with the obligations set out in this clause 8.3.
- 8.4 The provisions of this clause shall apply during the continuance of the Agreement and indefinitely after its expiry or termination.

## 9. **INTELLECTUAL PROPERTY**

- 9.1 The parties agree that all rights, title and interest in or to any information, data, reports, documents, procedures, forecasts, technology and any other Intellectual Property Rights whatsoever owned by a party before the date of this Agreement or developed by any party during the Term, shall remain the property of that party.
- 9.2 Where a party has provided the another party (the "**Receiving Party**") with any of its Intellectual Property Rights for use in connection with the Agreement (including without limitation its name and logo), the Receiving Party shall, on termination of this Agreement, cease to use such Intellectual Property Rights immediately and shall either return or

destroy such Intellectual Property Rights as requested by the party who provided the Intellectual Property Rights.

## **10. TERMINATION**

- 10.1 Any party may terminate this Agreement with immediate effect by serving notice in writing on the other parties where a party has breached a material obligation under this Agreement and the breach cannot, in the reasonable opinion of the terminating party, be remedied.
- 10.2 SBC may terminate this Agreement with immediate effect by serving notice in writing on the other parties where:-
- (a) any statute law, primary or secondary legislation should alter the status of the Cannock Chase SAC or alter or affect the validity of the DIPs; or
  - (b) If the Board determines that the GMIRD and / or the DIPs are no longer needed or are changed in such a way as to render the provisions of this Agreement superseded or unlawful.
- 10.3 Any Contributing Partner may terminate this Agreement with immediate effect by serving notice in writing to the other parties where:
- (a) a Force Majeure Event has disrupted the ability of SBC to perform its obligations under this Agreement for a period of at least 30 consecutive days; or
  - (b) it becomes unlawful for SBC to continue to act as the Financially Accountable Body (either in whole or in part).
- 10.4 Any party may terminate this Agreement at any time by giving the other parties no less than three (3) months' notice in writing.
- 10.5 Any delay by a party in exercising the right to terminate shall not constitute a waiver of such rights.
- 10.6 On termination or expiry of this Agreement, any Contributions held by SBC, but not spent on the Services, shall be retained by SBC exclusively for the purposes set out in the DIPs or for such other purposes reasonably related the protection or improvement of the Cannock Chase Special Area of Conservation as the Board may determine.

## **11 LIABILITY AND INDEMNITY**

- 11.1 Subject to clause 11.3 and for the duration of this Agreement, SBC shall indemnify the Contributing Partners for and against all direct damages, losses, costs, claims, charges, liabilities and expenses (including reasonably incurred legal expenses) arising from the arrangement agreed under this Agreement or its termination thereof, which arises as a result of any act or omission of SBC, its officers, employees or contractors.

- 11.2 Subject to clause 11.3 and for the duration of this Agreement, the Contributing Partners shall each separately indemnify SBC for and against all direct damages, losses, costs, claims, charges, liabilities and expenses (including reasonably incurred legal expenses) arising from the arrangement agreed under this Agreement which arise as a result of any act or omission of any of the Contributing Partners, their officers, employees or contractors.
- 11.3 Each party's liability under this Agreement shall be limited to the sum of the Contributions handled by SBC under this Agreement in the twelve (12) months preceding the date of the event giving rise to liability.
- 11.4 If pursuant to this Agreement SBC receives Contributions which have been incorrectly and / or unlawfully collected by a party, that party shall be entitled to request in writing that the unspent Contributions and any accrued interest be returned to them and SBC shall return such Contributions together with any accrued interest which have not been spent at the time of the request, within 30 days of receipt of such a request.
- 11.5 Each party warrants that the Contributions they pay to SBC can lawfully be spent on delivery of the GMIRD and agrees to indemnify SBC against any claims related to reimbursement of Contributions spent for this purpose.
- 11.6 For the duration of this Agreement, the Contributing Partners shall each separately indemnify SBC for and against all costs, losses, charges, liabilities, expenses and claims relating to the employment of the SAC Officer Roles, including recruitment and redundancy payments. The Contributing Partners shall not be responsible for any costs, losses, charges, liabilities, expenses or claims if and to the extent that it is caused by the negligence or wilful misconduct of SBC or by breach by SBC of its obligations under clause 4.4.

## **12 PUBLICITY**

- 12.1 Subject to clause 12.2 no announcement or other public disclosure concerning this Agreement or any of the matters contained in it shall be made by, or on behalf of, a party without the prior written consent of the other parties, such consent not to be unreasonably withheld or delayed (the parties shall consult on the form and content of any such announcement or other public disclosure, as well as the manner of its release).
- 12.2 If a party is required to make an announcement or other public disclosure concerning this Agreement or any of the matters contained in it by law, any court, any governmental, regulatory or supervisory authority (including any recognised investment exchange) or any other authority of competent jurisdiction, it may do so. Such a party shall:
- a) notify the other parties as soon as is reasonably practicable upon becoming aware of such requirement to the extent it is permitted to do so by law, by the court or by the authority requiring the relevant announcement or public disclosure;
  - b) make the relevant announcement or public disclosure after consultation with the other parties so far as is reasonably practicable; and

- c) make the relevant announcement or public disclosure after taking into account all reasonable requirements of the other parties as to its form and content and the manner of its release, so far as is reasonably practicable.

### **13 FORCE MAJEURE**

- 13.1 A party shall not be liable to the other parties for failure to perform its obligations under this Agreement if that failure is caused by events beyond its reasonable control that constitute Force Majeure.
- 13.2 If a party is prevented or delayed in performing any of its obligations under this Agreement by Force Majeure, then:
  - a) it shall diligently take all reasonable steps and act in good faith at all times in order to avoid or minimise its failure caused by the Force Majeure;
  - b) promptly serve written notice on the other parties without delay, setting out the nature of the circumstances that constitute Force Majeure and stating on what date the Force Majeure took effect, how this will affect its performance of the Agreement and its actions (or proposed actions) to mitigate the effect of the Force Majeure on its performance of this Agreement.
- 13.3 If at any time during the Term SBC is prevented from performing its obligations under this Agreement due to Force Majeure for a period of at least 30 consecutive days then any Contributing Partner may terminate this Agreement with immediate effect in accordance with clause 10.3.
- 13.4 In the event of a Contributing Partner terminating this Agreement pursuant to clause 10.3, SBC shall not be liable to any of the Contributing Partners for any delay or non-performance of its obligations under this Agreement to the extent that such non-performance is due to a Force Majeure event.

### **14 DISPUTE RESOLUTION**

- 14.1 The parties shall make every reasonable effort (acting in good faith at all times) to resolve by agreement any dispute which arises between them concerning any issue relating to this Agreement.
- 14.2 If a mutually satisfactory resolution cannot be reached within ten (10) Business Days of a dispute being notified in writing by one party to the others, the parties shall comply with the following procedure:
  - a) The dispute shall be discussed at a meeting of the parties' Authorised Representatives, to be held within ten (10) Business Days of referral to them.

- b) If the dispute is not resolved within ten (10) Business Days after the above meeting, the dispute shall be referred to the chief executives of the parties (or their authorised representatives).
  - c) If the parties' chief executives fail to resolve the dispute within ten (10) Business Days of its referral to them, any party may refer the dispute for mediation in accordance with the CEDR Model Mediation Procedure.
- 14.3 The parties shall bear their own legal costs of this dispute resolution procedure, but the costs and expenses of mediation shall be borne by the parties equally.

## **15. GENERAL**

### **15.1 Costs**

- 15.1.1 Each of the parties will pay their own costs and expenses incurred in connection with the negotiation, preparation, execution, completion and implementation of this Agreement.

### **15.2 Assignment and Other Dealings**

- 15.2.1 SBC may assign, subcontract or encumber any right or obligation under this Agreement, in whole or in part, without the Contributing Partners' prior written consent.

### **15.3 Entire Agreement**

- 15.3.1 This Agreement together with any documents referred to in it constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 15.3.2 Each party acknowledges that in entering into the Agreement it does not rely on and shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in the Agreement. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in the Agreement.

### **15.4 Variation**

- 15.4.1 No variation of the Agreement shall be effective unless it is in writing and signed by the parties (or their Authorised Representatives).

## 15.5 Waiver

- 15.5.1 A waiver of any right or remedy under the Agreement or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy.
- 15.5.2 A failure or delay by a party to exercise any right or remedy provided under the Agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under the Agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy.

## 15.6 Severance

- 15.6.1 If any provision or part-provision of the Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Agreement.

## 15.7 Notices

- 15.7.1 Any notice or other communication given to a party under or in connection with the Agreement shall be in writing and shall be delivered by hand or by first-class post or recorded delivery to the address set out at the beginning of this Agreement and addressed to the Authorised Representative.
- 15.7.2 Any notice or communication shall be deemed to have been served:
- (i) if delivered by hand, at the time the notice is left at the proper address;
  - (ii) if sent by first-class post, at 9.00 am on the second Business Day after posting;  
and
  - (iii) if sent by recorded delivery, at the time the delivery was signed for.
- 15.7.3 If a notice is served after 4.00pm on a Business Day, or on a day that is not a Business Day, it is to be treated as having been served on the next Business Day.
- 15.7.4 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

## 15.8 Third Party Rights

15.8.1 The Agreement does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Agreement.

## 15.9 Counterparts

15.9.1 This Agreement may be executed in any number of counterparts, each of which shall constitute a duplicate original of this Agreement, but all the counterparts shall together constitute the one Agreement.

## 15.10 Governing Law

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

## 15.11 Jurisdiction

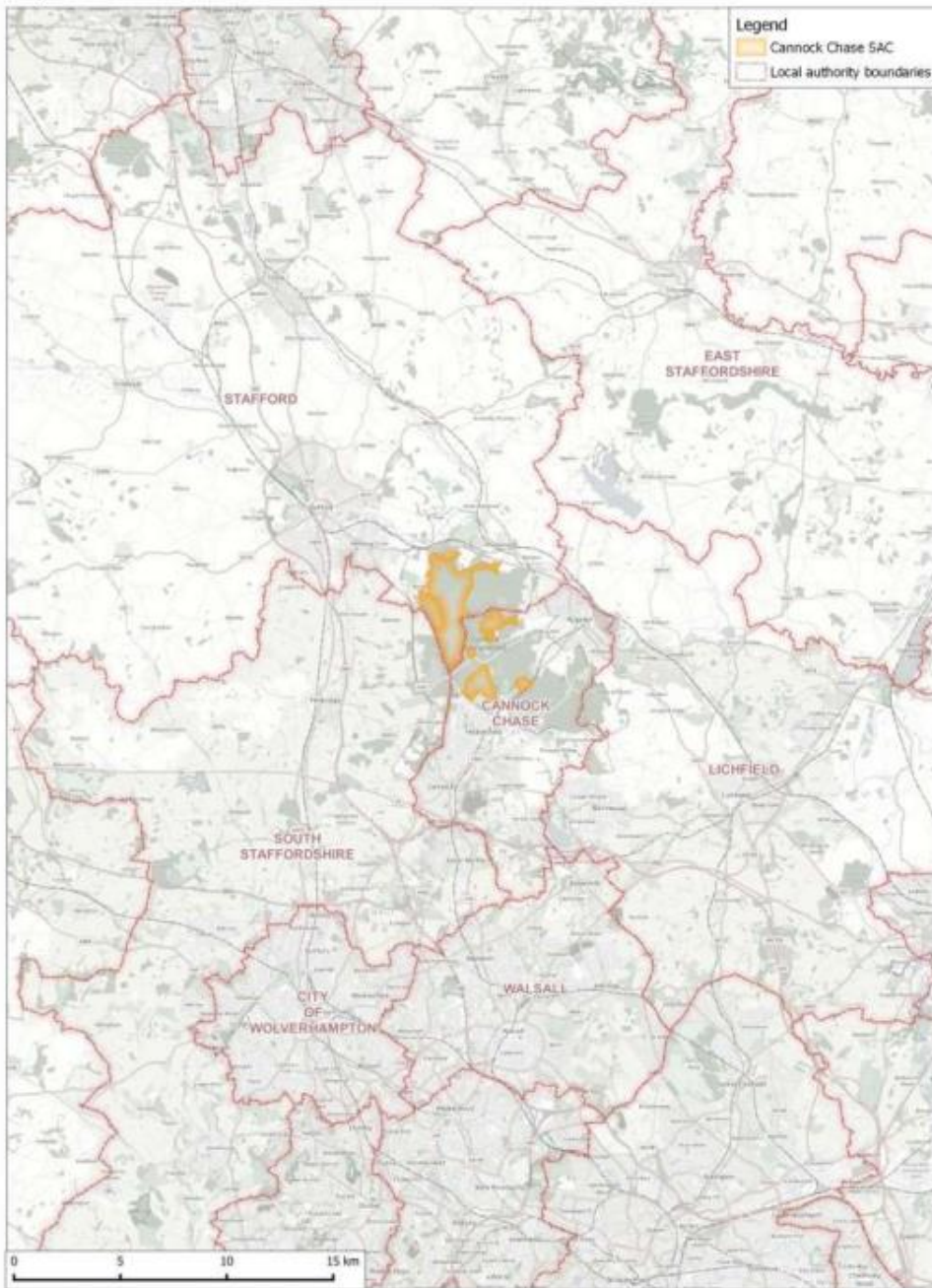
15.11.1 Each party irrevocably agrees that the courts of England shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with the Agreement or its subject matter or formation.

**EXECUTED** as a **DEED** and is delivered and takes effect on the date stated at the beginning of it.

# SCHEDULE 1

## Map 1: Plan of Cannock Chase SAC

Map 1: Location of the Cannock Chase SAC.

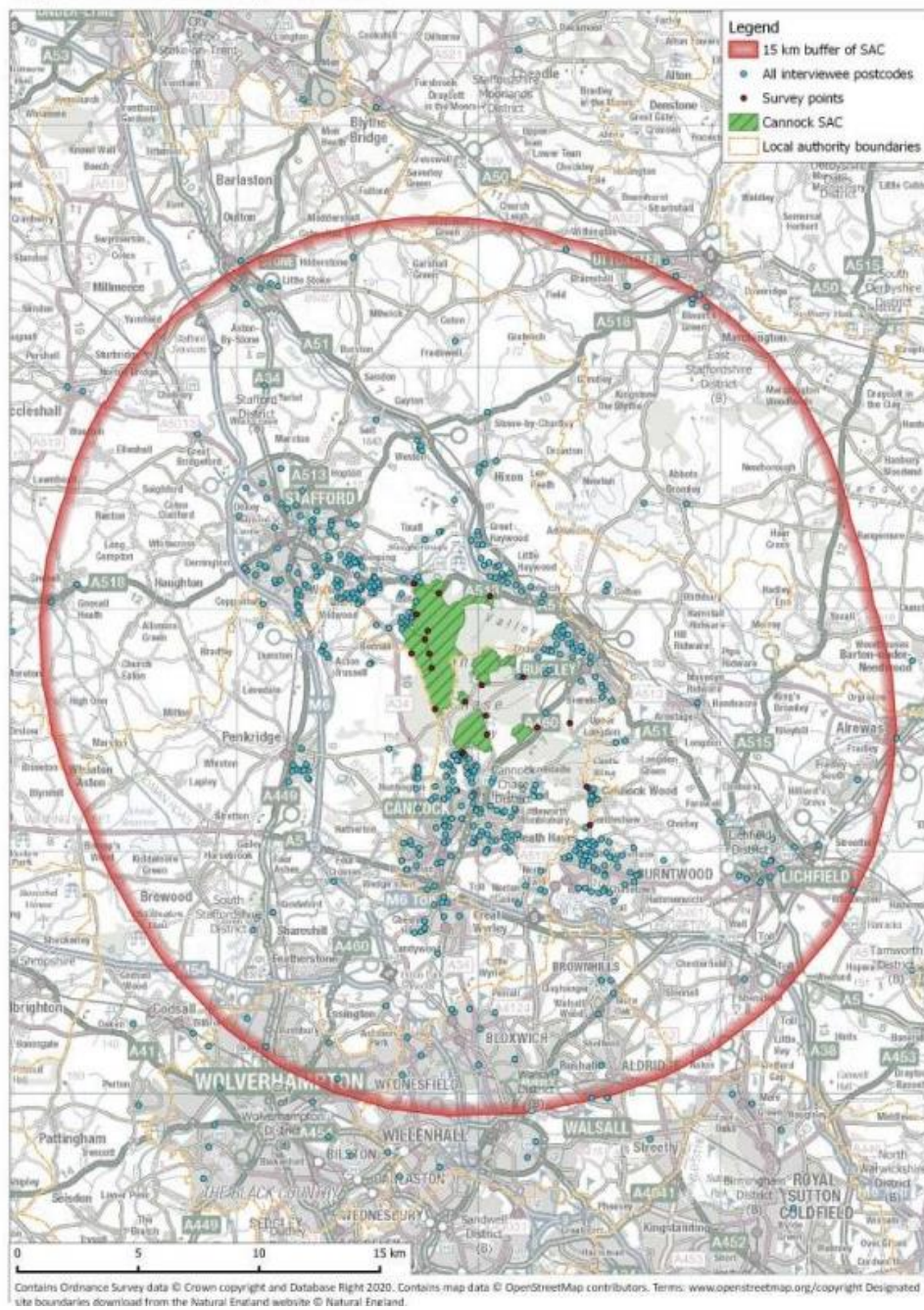


Contains Ordnance Survey data © Crown copyright and Database Right 2020. Contains map data © OpenStreetMap contributors, Terms: [www.openstreetmap.org/copyright](http://www.openstreetmap.org/copyright). Designated site boundaries download from the Natural England website © Natural England.



## SCHEDULE 2

Map 2: Plan of the Cannock Chase SAC 15km Zone of Payment



## SCHEDULE 3

---

### Partnership Memorandum of Understanding



Memorandum of  
Understanding.docx

By affixing the **COMMON SEAL**  
of **STAFFORD BOROUGH**  
**COUNCIL**

In the presence of:

.....  
Authorised Signatory

By affixing the **COMMON SEAL**  
of **CANNOCK CHASE DISTRICT**  
**COUNCIL**

In the presence of:

.....  
Authorised Signatory

By affixing the **COMMON SEAL**  
of **LICHFIELD DISTRICT**  
**COUNCIL**

In the presence of:

.....  
Authorised Signatory

By affixing the **COMMON SEAL**  
of **EAST STAFFORDSHIRE**  
**BOROUGH COUNCIL**

In the presence of:

.....  
Authorised Signatory

By affixing the **COMMON SEAL**  
of **SOUTH STAFFORDSHIRE**  
**DISTRICT COUNCIL**

In the presence of:

.....  
Authorised Signatory

By affixing the **COMMON SEAL**  
of **WOLVERHAMPTON CITY**  
**COUNCIL**

In the presence of:

.....  
Authorised Signatory

By affixing the **COMMON SEAL**  
of **WALSALL BOROUGH**  
**COUNCIL**

In the presence of:

.....  
Authorised Signatory

**CITY OF WOLVERHAMPTON**  
**PLANNING GUIDANCE TO MITIGATE THE IMPACT OF**  
**NEW RESIDENTIAL DEVELOPMENT ON CANNOCK CHASE**  
**SPECIAL AREA OF CONSERVATION (SAC)**  
**(MARCH 2022)**

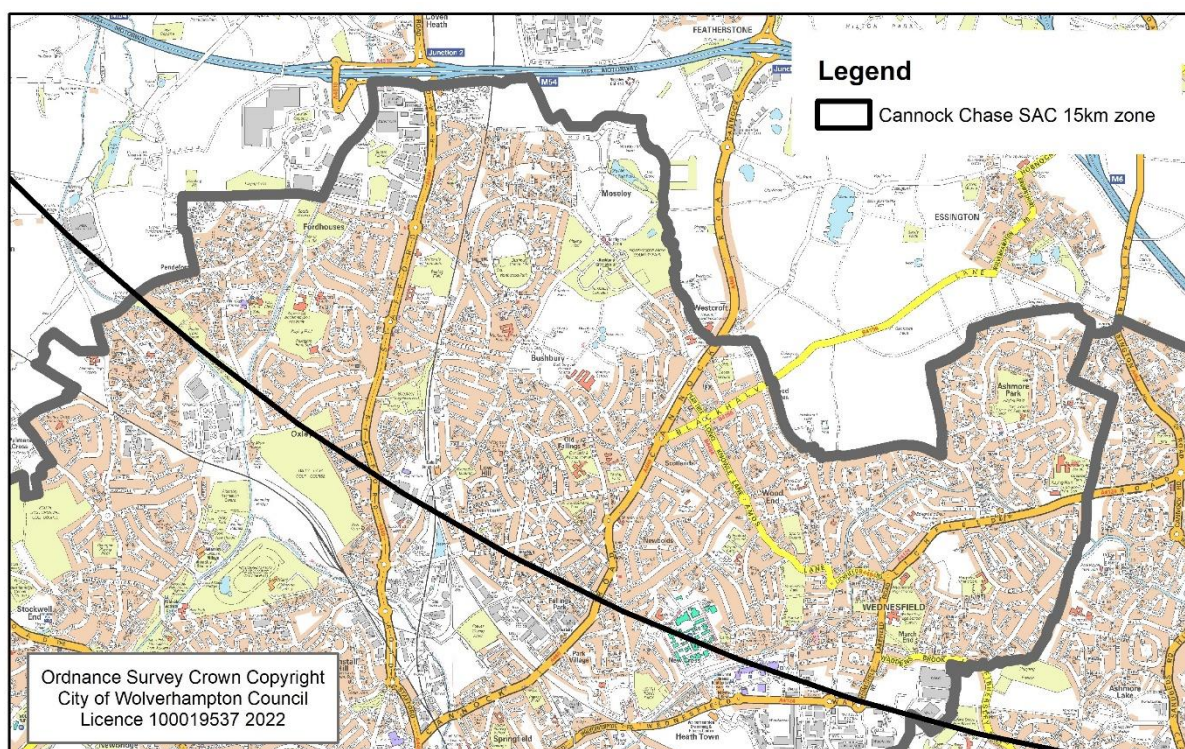
**1. Background**

- 1.1 City of Wolverhampton Council (CWC) has a duty as a Competent Authority under the Conservation of Habitats and Species Regulations 2010 (Habitat Regs.) to ensure that planning application decisions comply with the Habitats Regulations.
- 1.2 Parts of Cannock Chase have been designated as a Special Area of Conservation (SAC) under the Habitats Regulations for its unique heathland habitat. Evidence shows that any developments which would increase the number of homes within a 15 kilometre radius of the Cannock Chase SAC are likely to generate visitors to the SAC and potentially harm habitat value unless mitigation measures are in place.
- 1.3 CWC must ensure that any planning decisions made will mitigate recreation impacts on Cannock Chase SAC. If there are any likely significant effects the Council must either refuse development or ensure there are appropriate mitigation measures in place.
- 1.4 CWC, together with other local authorities within the 15km radius of Cannock Chase SAC, have agreed to collect financial contributions from housing developments within the 15km zone and to spend these on a package of mitigation measures to mitigate harmful impacts on the SAC. This is a simple alternative to requiring each developer to provide Habitats Regulations Assessment information and mitigation proposals for each individual development.
- 1.5 CWC has produced this Guidance for developers of sites in Wolverhampton to explain which developments will be affected by the requirements and the process involved. **This Guidance should be read alongside other documents produced by the Cannock Chase SAC Partnership, including the most recent Cannock Chase SAC Partnership Frequently Asked Questions document and Cannock Chase SAC HRA form, which are available on the CWC Planning Policy webpages (<https://www.wolverhampton.gov.uk/planning/planning-policies>).**

## 2. Which Developments are Affected?

- 2.1 Any development which would produce a net increase in the number of homes within 15km of Cannock Chase SAC will be required to undertake a Habitats Regulations Assessment (HRA) or make a financial contribution before development takes place. The map below shows the area of Wolverhampton within 15km of the SAC.

**Map 1 Area of Wolverhampton within 15km of Cannock Chase SAC**



- 2.2 The types of development affected include new homes arising through the conversion of existing buildings, houses in multiple occupation, sheltered accommodation and care homes falling within Use Class C3 and gypsy and traveller pitches.
- 2.3 Hotels, holiday lets and camping and caravan sites will also need to undertake a Habitats Regulations Assessment (HRA) or provide a financial contribution, if they could generate visitors to Cannock Chase SAC.
- 2.4 Prior approval and permitted developments, such as conversion of offices into new homes, are also affected by the Cannock Chase SAC requirement. The HRA process and consultation with Natural England must be undertaken before CWC can determine if a development is permitted development or if prior approval can be granted.
- 2.5 Further detail on developments affected by the requirement and the prior approval / permitted development process can be found in the current Cannock Chase SAC Partnership Frequently Asked Questions document.

- 2.6 **Where a development is affected by the Cannock Chase SAC mitigation requirement, a Cannock Chase SAC HRA form must be completed and submitted with the planning application.** This form will be used to consult Natural England.
- 2.7 If the developer wishes to undertake a Habitats Regulations Assessment rather than make use of the financial contributions system further advice can be provided by the City Planning Team.

### **3. How are Payments Calculated and Secured?**

- 3.1 **City of Wolverhampton Council (CWC) will require a payment of £290.58 for each net new home created through development within 15km of Cannock Chase SAC.** This figure will be subject to an annual increase which will apply each 1st April from 2023 onwards, in line with the All Items Group (Item reference CHAW) of the Retail Prices Index published by HM Government Office for National Statistics. CWC may also make a charge for the administration costs of entering into the relevant legal agreement required to secure this financial contribution.
- 3.2 CWC will require the developer to enter into either a S106 agreement or a Unilateral Undertaking in order to secure the contribution. The template Unilateral Agreement provided in Appendix 1 is recommended for developments of less than 10 homes, as these are unlikely to require a Section 106 Agreement. However, parties should take their own independent legal advice before entering into such an agreement.
- 3.3 In order to meet the requirements of the Habitats Regulations, any legal agreement must ensure that the financial contribution is paid before commencement of development.

## Appendix 1      **Template Unilateral Undertaking**

# CITY OF WOLVERHAMPTON COUNCIL

### UNILATERAL UNDERTAKING

Under Section 106 of the Town and Country Planning Act 1990 (as amended) and in accordance with the requirements under the Conservation of Habitats and Species Regulations 2010 (as amended) Relating to:

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX (include address of application site)

Planning Application Reference: XXXXXXXX (planning application no.)

Legal Services  
City of Wolverhampton Council  
Civic Centre  
St. Peter's Square  
Wolverhampton  
WV1 1SH



THIS UNDERTAKING is made as a Deed on the day of

2022

BY:

1. PARTIES

(1) XXXXXXXXXXXXXXXXXXXXXXXXXXXX (name and address of owner(s) of the application site), of XXXXXXXXXXXXXXXXXXXXXXXXXXXX ("the Owner(s)")

(2) XXXXXXXXXXXXXXXXXXXX (name and address of charge/mortgagee) of XXXXXXXXXXXXXXXXXXXXXXXXXXXX ("the Chargee")

TO:

CITY OF WOLVERHAMPTON COUNCIL of Civic Centre, St. Peter's Square, Wolverhampton, WV1 1SH ("the Council")

2. DEFINITIONS

In this Undertaking (except where the content otherwise requires):

2.1 "the Act" means the Town and Country Planning Act 1990

2.2 "the Application" means the planning application numbered XXXXXXXXXXXXXXXXXXXX

2.3 "the Charge" means a legal charge dated XXXXXXXXXXXXXXX and made between the Owner (1) and the Chargee (2) by which the Land became charged with the repayment of certain monies to the Chargee

2.4 "Commencement of the Development" means the earliest date upon which any material operations are begun in accordance with the provisions of Section 56(4) of the Act save for the purposes of this Undertaking none of the following operations shall constitute a material operation:-

2.4.1 site preparation works;

2.4.2 archaeological investigations;

2.4.3 site investigation works (including environmental investigations)

2.4.4 works of demolition and "Commence the Development" shall be construed accordingly.

2.5 "the Development" means the development to be authorised by the Planning Permission.

2.6 "Dwelling" means any dwelling (including a house, flat or bungalow) permitted to be constructed pursuant to the Planning Permission and "Dwellings" shall be construed accordingly;

2.7 "the Index" means the All Items Group (Item reference CHAW) of the Retail Prices Index published by HM Government Office for National Statistics provided that during any period where no such index exists, the index which replaces the same or is the nearest equivalent thereto (which shall be agreed by the parties or in default of agreement fixed by the President for the time being of the Law Society on the application of any party) shall be used

2.8 "Index Linked" means increased (if appropriate) each 1 April in proportion to movements in the Index between the date of this Agreement and the date the particular payment is made

2.9 "Implementation Notice" means the notice in writing to be served upon the Council by the Developer/Owner notifying it of Commencement of Development annexed hereto

2.10 "the Land" means the land at XXXXXXXXXXXXXXXXXXXX shown, for the purposes of identification and edged red on the attached plan annexed hereto

2.12 "the Planning Permission" means the planning permission to be granted pursuant to the Application

2.12 "the Cannock Chase Special Area of Conservation Contribution" means the sum of £290.58 per Dwelling which shall be Index Linked and shall be paid towards XXXXXXXXXXXXXXXXXXXX to mitigate the adverse impact of recreational activities on the integrity of the Cannock Chase Special Area of Conservation

### 3. INTERPRETATION

3.1 References to the masculine, feminine and neuter genders shall include the other genders

3.2 References to the singular include the plural and vice versa unless the contrary intention is expressed

3.3 References to natural persons are to include corporations and vice versa

3.4 Headings in this Undertaking are for reference purposes only and shall not be taken into account in interpretation

3.5 The expressions "the Owner", "the Chargee" and "the Council" shall include their respective successors in title and assigns

3.6 A reference to a clause, paragraph or schedule is (unless the context otherwise requires) a reference to a clause, paragraph or schedule of this Undertaking

3.7 Words denoting an obligation on a party to do any act or thing include an obligation to procure that it be done and words placing a party under a restriction include an obligation not to cause, permit or suffer any infringement of such restriction

3.8 Where in the Undertaking a party includes more than one person any obligations of that party shall be joint and several

3.9 Any reference in this Undertaking to any statute, or to any section of a statute, includes any statutory re-enactment or modification of it and any reference to any statute

### 4. RECITALS

4.1 The Owner owns the freehold interest in the Land and is registered as proprietor of it with Title Absolute at HM Land Registry free from incumbrances other than those matters contained or referred to in the Property and Charges Registers of Title Number XXXXXXXX at the date of this Undertaking

4.2 The Council is the local planning authority for the purposes of the Act for the Land

4.3 The Owner has by the Application applied to the Council for approval to carry out the Development

4.4 The Land is situated within 15km of Cannock Chase Special Area of Conservation.

4.5 The purpose of the planning obligations set out in the First Schedule to this Deed is to avoid and mitigate any impact which the Development might otherwise have upon the integrity of the Cannock Chase Special Area of Conservation

4.6 The obligations in this Undertaking are in accordance with the requirements of Regulation 122 of the Community Infrastructure Levy Regulations 2010 and are entered into for the purpose of granting planning permission and securing compliance with the Conservation of Habitats and Species Regulations 2010 (as amended).

#### 5. STATUTORY AUTHORITY AND LEGAL EFFECT

5.1 This Undertaking shall constitute a planning obligation for the purposes of and made pursuant to Section 106 of the Act

5.2 The obligations of the Owner in this Undertaking are planning obligations for the purposes of Section 106 of the Act and are enforceable by the Council as local planning authority

5.3 Subject to clause 5.4 the Owner covenants with the Council to the intent that this Undertaking shall be enforceable without limit of time (other than as expressly mentioned in this Undertaking) against the Owner and any person deriving title through or under it to the Land or any part or parts of it as if that person had also been an original covenanting party in respect of the interest or estate for the time being held by that person

5.4 No person shall be bound by any obligations, rights and duties contained in this Undertaking and/or be liable for any breach of a covenant and/or obligation contained in this Undertaking after they shall have parted with all interest in the Land or the part in respect of which such obligation relates or such breach occurs PROVIDED THAT they shall remain liable for any subsisting breach of covenant prior to parting with their interest

5.5 No statutory undertaker shall be bound by any obligations, rights and duties contained in this Undertaking and/or be liable for any breach of a covenant and/or obligation contained in this Undertaking in respect of any site used only as an electricity substation, gas governor or pumping station

5.6 If the Planning Permission expires (within the meaning of Sections 91, 92 or 93 of the Act) or is revoked or otherwise withdrawn before Commencement of the Development, this Undertaking shall forthwith determine and cease to have effect

5.7 Nothing in this Undertaking shall be construed as prohibiting or limiting any right to develop any part of the Land in accordance with a planning permission (other than the Planning Permission) granted (whether or not on appeal) after the date of this Undertaking

5.8 Nothing in this Undertaking shall be construed as restricting the exercise by the Council of any powers exercisable by the Council under the Act or under any other Act or any statutory instrument, order or byelaw in the exercise of their functions as a local authority

#### 6. CONDITION PRECEDENT

The planning obligations contained in this Undertaking shall not be enforceable until the grant of the Planning Permission by the Council

#### 7. OBLIGATIONS

The Owner further covenants, agrees and declares in respect of the Land as set out in Schedule 1 of this Undertaking

#### 8. COSTS

The Owner agrees to pay to the Council on the signing of this Undertaking their reasonable costs and disbursements incidental to the approval and completion of this Undertaking

#### 9. THE CHARGE

The Chargee for itself and its successors in title consents to the Owner entering into this Undertaking and covenants with the Council that in the event that the Chargee takes possession of the Land or any part of it and/or exercising its power of sale under the provisions of the Charge then the Chargee and its successors in title will observe and perform and be bound by the terms and conditions of this Undertaking so far as the same remain to be observed and performed

#### 10. INVALIDITY

It is agreed and declared that if any clause or sub-clause of this Undertaking shall be deemed to be unenforceable or ultra vires the remainder of the Undertaking shall remain in full force and effect provided severance from this Undertaking is possible.

#### 11. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Nothing contained in this Undertaking shall give, or be construed as giving, any rights, privileges, powers or enforceability other than to the Council and to the specific person executing this Undertaking as the Owner and its successors (if any) as defined in this Undertaking and the provisions of the Contracts (Rights of Third Parties) Act 1999 and any benefits or rights which could arise from it are expressly excluded to the intent that no other third party within the meaning of that Act shall have any rights or enforcement in respect of any matter contained in this Undertaking

#### 12. OTHER MATTERS

12.1 The Owner shall indemnify the Council for any expenses or liability arising to the Council in respect of breach by the Owner of any obligations contained in this Undertaking

12.2 The provisions of Section 196 of the Law of Property Act 1925 (as amended) shall apply to any notice or approval to be served under or in connection with this Undertaking and any such notice or approval shall be in writing and shall specifically refer to the name, date and parties to this Undertaking and shall cite the number and clause of this Undertaking to which it relates

12.3 This Undertaking shall be registered as a Local Land Charge

## SCHEDULE 1

### OWNER'S OBLIGATIONS

The Owner covenants with the Council with the intent that these are planning obligations for the purposes of Section 106 of the Act:

1. Following the grant of Planning Permission to permit the Council's Head of City Planning and any person or persons authorised by him access to the Land or any part of it at all reasonable times on reasonable notice and in compliance with the Owner's reasonable requirements and to permit him or them to inspect the Development and all materials intended for use in it
2. To serve on the Council the Implementation Notice no later than 14 days prior to the anticipated Commencement of the Development.
3. Not to Commence Development until the Implementation Notice has been served on the Council of the anticipated Commencement of Development.
4. Prior to Commencement of Development to pay the Cannock Chase Special Area Conservation Contribution to the Council.
5. Not to Commence the Development until the Cannock Chase Special Area of Conservation Contribution has been paid to the Council.

IN WITNESS of which the Owner and the Chargee has executed this deed and have delivered it upon dating the day and year first before written

Executed as a Deed by the said ) XXXXXXXX ) In the presence of: )

Signature of Witness ..... Witness Name (BLOCK CAPITALS)

..... Witness Address .....

..... Witness Occupation .....

Executed as a Deed by the said ) XXXXXXXXXXXX ) In the presence of: )

Signature of Witness ..... Witness Name (BLOCK CAPITALS)

.....

Witness Address

Witness Occupation

Executed as a DEED by [the

CHARGE]

in the presence of: Director Director/Secretary

.....

Annex 1

IMPLEMENTATION NOTICE

NOTICE TO CITY OF WOLVERHAMPTON COUNCIL ON COMMENCEMENT OF DEVELOPMENT

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Planning Permission Reference: Development Site:

Description of Development:

Date of Unilateral Undertaking:

.....  
.....  
.....  
.....  
.....

Notice is hereby given to City of Wolverhampton Council that works to implement the above planning permission will commence on .....

Signed:

For and on behalf of:

Contact name and telephone no. Contact e-mail address:

.....  
.....

Date: .....

Complete and send this Notice to the address below together with the Contribution:

City Planning  
City of Wolverhampton Council  
Civic Centre  
St. Peter's Square  
Wolverhampton  
WV1 1SH

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|  |   |
|--|---|
| <b>CITY OF<br/>WOLVERHAMPTON<br/>COUNCIL</b> | <b>Cabinet</b><br><b>23 February 2022</b> |
|--|---|

|  |  |                                      |
|--|--|--------------------------------------|
| <b>Report title</b>                            | Business Rates Discretionary Relief                |                                      |
| <b>Decision designation</b>                    | AMBER  |                                      |
| <b>Cabinet member with lead responsibility</b> | Councillor Ian Brookfield<br>Leader of the Council |                                      |
| <b>Key decision</b>                            | Yes  |                                      |
| <b>In forward plan</b>                         | Yes  |                                      |
| <b>Wards affected</b>                          | All Wards  |                                      |
| <b>Accountable Director</b>                    | Claire Nye, Director of Finance                    |                                      |
| <b>Originating service</b>                     | Revenues and Benefits                              |                                      |
| <b>Accountable employee</b>                    | Tracey Richards                                    | Head of Revenues and Benefits        |
|  | Tel  | 01902 552493                         |
|  | Email  | Tracey.richards@wolverhampton.gov.uk |
| <b>Report to be/has been considered by</b>     | Finance<br>Leadership Team                         | 10 January 2022                      |

---

### Recommendations for decision:

The Cabinet is recommended to:

1. Approve the following extensions to the local Business Rates Discretionary Relief Policy:
  - a. In respect of charitable and voluntary organisations for one year from 1 April 2022
  - b. In respect of Retail, Hospitality and Leisure Business Rates relief scheme for one year from 1 April 2022
  - c. In respect of transitional relief for one year from 1 April 2022
  - d. In respect of supporting small businesses for one year from 1 April 2022
  - e. In respect of local newspaper relief for one year from 1 April 2022.
  
2. Delegate authority to the Director of Finance in consultation with the Head of Revenues and Benefits to award relief in individual cases which satisfy the criteria for the categories of discretionary rate relief in accordance with Section 47 Local Government Finance Act 1988.

## **1.0 Purpose**

- 1.1 To seek approval to extend the Council's local Scheme for Business Rates Discretionary Relief with effect from 1 April 2022.

## **2.0 Background**

- 2.1 Discretionary rate relief is granted under Section 47 of the Local Government Finance Act 1988.
- 2.2 The local scheme consists of different categories of relief based on Government guidance.

## **3.0 Business Rates Discretionary Relief**

- 3.1 The existing scheme relating to charitable and voluntary organisations is set out in appendix 1. The scheme approved on 17 February 2021 expires on 31 March 2022.
- 3.2 This category provides either up to 20% of relief for registered charities (on top of 80% mandatory relief) or up to 100% of relief for organisations that are not established or conducted for profit.
- 3.3 In the Budget on 27 October 2021, the Government announced the Retail, Hospitality and Leisure Business Rates relief scheme for 2022-2023, which is required to be awarded as a discretionary reduction in accordance with government guidance at 10.1 and is fully reimbursed through Section 31 grant.
- 3.4 In the budget on 27 October 2021, the Government announced that it would extend the current transitional relief scheme and the supporting small business scheme for one year to the end of the current revaluation cycle, being 31 March 2023. Awards are to be made as a discretionary reduction in accordance with government guidance at 10.2 and is fully reimbursed through Section 31 grant.
- 3.5 Local newspaper relief is a discretionary rate relief of £1,500 reduction in business rates for eligible properties for the 2022-2023 financial year, which is required to be awarded as a discretionary reduction in accordance with government guidance and is fully reimbursed through Section 31 grant.
- 3.6 It is recommended that discretionary awards under Section 47 of the Local Government Finance Act 1988 are delegated to the Director of Finance in consultation with the Head of Revenues and Benefits, to ensure timely awards are made to businesses who satisfy the criteria either held within the Council's Discretionary Business Rates Relief policy, or where a new scheme is introduced by Government which is fully funded by Section 31 Grant where awards are made which comply with the required criteria.

## **4.0 Evaluation of alternative options**

- 4.1 The Council could choose not to extend the discretionary relief schemes.

- a. In respect of relief for charitable and voluntary organisations, this option has been discounted because of the beneficial impact to local communities of the services provided. In addition, there could potentially be increased demand for Council services should these services be withdrawn.
  - b. In respect the other business rates discretionary relief schemes, this option has been discounted as the criteria for award will match the requirement to be fully funded by Government and they provide an opportunity to reduce rates bills for local businesses.
- 4.2 The Council could choose to top up the Government funding from its own resources. This option has been discounted because of affordability and the impact on the medium-term financial strategy.

## **5.0 Reasons for decisions**

- 5.1 Extending the scheme for charitable and voluntary organisations continues to support a range of organisations providing support to vulnerable groups allowing the Council to foster good relations and enhance equal opportunities.
- 5.2 Providing discretionary rate relief to businesses in accordance with Government guidance reduces the business rate bill at no cost to the Council.

## **6.0 Financial implications**

- 6.1 The City of Wolverhampton Council, as one of the constituent members of the West Midlands Combined Authority, has been participating 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 retains 99% of business rates, no longer receives revenue support grant and receives a top up grant adjustment to account for the net effect of changes.
- 6.2 Under the 99% business rates retention scheme, the cost to the Council of awarding discretionary (charitable and voluntary organisations) relief in 2022-2023 will be in the region of £612,000.
- 6.3 There are no direct financial costs for awards of discretionary rate relief for the Retail, Hospitality and Leisure Business Rates Relief scheme, transitional relief, supporting small businesses and the local newspaper relief schemes, as they will be funded by Section 31 grant.  
[MH/10022022/J]

## **7.0 Legal implications**

- 7.1 Section 47 of the Local Government Finance Act 1988 gives discretionary power to billing authorities to grant partial or full relief to certain categories of non-domestic ratepayer. The Non-Domestic Rating (Discretionary Relief) Regulations 1989 allow for this relief to be restricted to a fixed period.

7.2 It will be for the Council to adopt a local scheme and determine in each individual case, having regard to the Government's guidance to grant relief and ensure that any relief granted does not transgress subsidy control limits.

7.3 In accordance with the Government's guidance, the Council will need to collect data to enable it to monitor and report the take-up of the scheme.

[JA/07022022/G]

## **8.0 Equalities implications**

8.1 A full equality analysis has been completed in respect of the Business Rates Discretionary Policy which indicates that the Council's approach allows it to foster good relations and advance equal opportunities.

8.2 Except for extending the policy for another year, nothing has changed regarding relief for charities and voluntary organisations. The policy developed for all other categories is strictly in line with Government guidance to obtain 100% funding.

## **9.0 All other implications**

9.1 None

## **10.0 Schedule of background papers**

10.1 [2022/23 Retail, Hospitality and Leisure Relief Scheme: local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/2022-23-retail-hospitality-and-leisure-relief-scheme-local-authority-guidance)

10.2 [Extension of Transitional Relief and Supporting Small Business Relief for small and medium properties - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/extension-of-transitional-relief-and-supporting-small-business-relief-for-small-and-medium-properties)

## **11.0 Appendices**

11.1 Appendix 1 - Business Rates Discretionary Relief (Charitable and Voluntary Organisations)

**City of Wolverhampton Council**

**Business Rates Discretionary Relief  
(Charitable and Voluntary Organisations) Policy**

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## **1. Introduction**

- 1.1. This policy sets out circumstances in which reductions in rate liability will be granted to charitable and voluntary, not for profit organisations.

## **2. Purpose and principles of the policy**

- 2.2. The purpose of this policy is to:

- a) Ensure that all considerations for awards are dealt with in a fair, consistent and equal manner
- b) Set a framework for how the council will make the award
- c) Make clear the limited criteria under which relief will be awarded.

## **3. Requirements for applications**

- 3.1. Applications will only be considered where a written application is received from a person properly authorised to make an application on behalf of the organisation.
- 3.2. The Council will request any supporting evidence it considers necessary to properly assess the merits of the application.
- 3.3. The ratepayer must allow a council officer access to the property by appointment during normal working hours within two weeks of the Council receiving the application if it is necessary to verify the use of the property.

## **4. Eligibility for the scheme and decision making**

- 4.1. The following criteria are considered when deciding applications for discretionary rate relief and each application will be treated on its merits. The criteria set out below are consistent with recommendations of the Department for Communities and Local Government and local authority associations.
- a) The organisation should ensure that membership is open to all sections of the community and membership rates/subscriptions should not be set at such a high level as to exclude the general community. The club should, if required, be able to demonstrate the criteria by which applications for membership are consistent with the principle of 'open membership' and in accordance with equal opportunities policies.

- b) Sympathetic consideration will be given to applications from groups who actively encourage membership from particularly disadvantaged groups in the community, e.g. young people or the disabled, elderly people and ethnic minorities.
- c) Sympathetic consideration will be given to organisations who make their facilities available to people other than members e.g. schools.
- d) Whether the organisation provide training for its members particularly the young.
- e) Have the facilities available been provided by self-help or grants from other bodies? Self-help organisations may be considered more sympathetically for discretionary relief.
- f) Does the organisation provide facilities which indirectly relieve the Council of the need to do so or do the facilities complement those provided by the Council?

## **5. Local criteria**

5.1. The following local criteria have been adopted by the Council:

- a) Generally, no discretionary relief should be allowed to national charitable organisations - unless there are exceptional circumstances, *e.g. charitable animal welfare organisations providing local facilities.*
- b) Relief should not be given to sports or social clubs of industrial firms or other business organisations (assistance should be provided by the firm or organisation).
- c) Organisations who receive direct grant aid from the Council will receive maximum discretionary relief with a corresponding reduction in their grant, providing that this does not apply to schemes funded by the Government. However, in cases where the government funding regime assumes that local relief is being granted, this will be given providing that all other criteria is met. Relief will not be granted where government funding is available to meet the liability.
- d) Generally, the facility should be provided for the benefit of people living in the City.
- e) The Council has generally agreed not to allow any relief where in its opinion the body can support itself financially without the need for assistance from the Council in the form of discretionary rate relief.

## **6. Sports clubs**

6.1. The following additional criteria apply specifically for sports clubs:

- a) More than 50% of the members should be active playing members.

- b) Generally, no relief should be allowed where a public admission fee is charged unless there are exceptional circumstances.
- c) Sympathetic consideration to be given to minority sports and where facilities are not provided by the Council.
- d) For those sports clubs that operate a bar, relief should not generally exceed 50% unless there are exceptional circumstances.
- e) Sympathetic consideration to be given to those organisations that are affiliated to local or national organisations with a view to developing their own interests and promoting Wolverhampton as a national or international venue.

## **7. Recalculation of reliefs**

- 7.1. The amount of discretionary charitable relief will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value, or the organisation moves out.

## **8. Other reliefs**

- 8.1. Discretionary charitable relief will be calculated after the application of other reliefs as specified by the legislation.

## **9. Duration of awards**

- 9.1. Relief will be applied from 1 April 2021 for 2021-2022 for decisions made by 30 September 2022 and from 1 April 2022 for 2022-2023 financial years only.
- 9.2. A revised bill will be issued reflecting any relief granted.
- 9.3. If an organisation moves out of a property, the relief will be apportioned to the date of leaving.
- 9.4. Organisations are required to notify the Council immediately of any change in circumstances that may affect their entitlement to relief.

## **10. Subsidy Control Limits**

- 10.1. The subsidy control limits regulate public sector intervention, with the aim of ensuring fair competition and the proper functioning within the United Kingdom.



10.2. Relief will not be awarded in any circumstances where it appears that an award will result in the ratepayer receiving subsidy control which exceeds permitted amounts.

**11. Review process**

11.1. There is no statutory right of appeal against a decision made by the Council regarding discretionary rate relief. However, the Council recognises that ratepayers should be entitled to have a decision reviewed if they are dissatisfied with the outcome.

11.2. The Council will accept a written request for a review of its decision. The request should include the reasons for requesting a review and any supporting information.

11.3. A request for review must be made within one calendar month of the date of the decision letter.

11.4. Reviews will be considered by an officer independent of the original decision maker.

11.5. The applicant will be notified of the outcome of the review in writing.

11.6. This review process does not affect a ratepayer's legal right to seek leave to challenge a decision by way of a Judicial Review.

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| <b>CITY OF<br/>WOLVERHAMPTON<br/>COUNCIL</b> | <b>Cabinet</b><br><b>23 February 2022</b> |
|--|---|

|  |  |   |
|--|--|---|
| <b>Report title</b>                            | Rainbow City   |   |
| <b>Decision designation</b>                    | AMBER  |   |
| <b>Cabinet member with lead responsibility</b> | Councillor Paula Brookfield<br>Governance and Equalities |   |
| <b>Key decision</b>                            | No   |   |
| <b>In forward plan</b>                         | Yes  |   |
| <b>Wards affected</b>                          | All Wards  |   |
| <b>Accountable Director</b>                    | David Pattison, Chief Operating Officer                  |   |
| <b>Originating service</b>                     | Equality Diversity and Inclusion                         |   |
| <b>Accountable employee</b>                    | Jin Takhar   | Head of Equality Diversity and<br>Inclusion |
|  | Email  | Jin.Takhar@wolverhampton.gov.uk             |
| <b>Report to be/has been considered by</b>     | Strategic Executive Board                                | 5 October 2021                              |
|  | Scrutiny Board   | 7 December 2021                             |
|  | Cabinet Member Briefing                                  | 10 February 2022                            |
|  | Governance Leadership Team                               | 11 February 2022                            |

---

**Recommendations for decision:**

The Cabinet is recommended to:

1. Approve the Council's Rainbow City Commitment Document as attached in Appendix 1
2. Approve the Council's Rainbow City Action Plan as attached in Appendix 2.

## **1.0 Purpose**

- 1.1 To invite Cabinet to approve the Rainbow City Commitment Document and Rainbow City Action Plan which outlines the background, themes, and objective of the Rainbow City Approach. This follows a series of engagements both internally and externally.

## **2.0 Background**

- 2.1 Rainbow City is a project that aims to celebrate and support Wolverhampton's commitment to being a fair, diverse and inclusive city; where everyone feels safe and free to be themselves.
- 2.2 The initial idea came from our own internal Rainbow Staff Equality Forum in a meeting that was attended by the Chief Executive and Former Director of Adult Services in July 2020. The idea was to create a Rainbow Quarter as a home for the LGBT+ communities. After some discussion out of an initial working group the wider point about inclusivity across the whole city rather than an area and thus the Rainbow City idea came to fruition.
- 2.3 The Rainbow City has five key themes:
  - A. Digital - A dedicated digital offer for Wolverhampton's LGBT+ communities, serving as a single access point for information relating to LGBT+ themed city events, communications, and signposting to sources of support.
  - B. Culture and Creative - A city whose public institutions celebrate diversity, working alongside a thriving LGBT+ voluntary and community sector that has access to meeting space and funding opportunities to host their own inclusive events.
  - C. Health and Wellbeing - A city where LGBT+ residents have equal access to services to support their mental and physical health needs. Residents can access these services free of any judgement or discrimination, and effective signposting is in place for any specific health services that are not available locally.
  - D. Community Safety - A city where everyone feels confident to be who they are without fear of judgement and abuse, where any discriminatory behaviour is challenged and actioned against.
  - E. Education - A city that actively promotes awareness of the challenges faced by its LGBT+ communities, providing accessible information for all residents who wish to find out more, and where professionals working with the LGBT+ community have access to appropriate training and development opportunities.
- 2.4 Each theme has detailed actions and an assigned Council Lead and Deputy Lead who will coordinate the actions within that theme.

### **3.0 Progress to date**

- 3.1 Following the initial discussion in the Council's Internal Rainbow Staff Equality Group; a Rainbow City Working Group was coordinated. This group looked at the art of the possible for Rainbow City working closely with EDI and Policy & Strategy to look at further research for what has been for LGBT+ inclusivity.
- 3.2 In May 2021 as part of International Day Against Homophobia Biphobia and Transphobia (IDAHOBIT), the Council released the Rainbow City Consultation. This asked a number of questions around Wolverhampton, being LGBT in Wolverhampton, respondents views on the initial objectives and vision for Rainbow City with some detailed questions around health and wellbeing. This was held over two months. 168 citizens responded to the consultation.
- 3.3 The consultation results showed that 82% of respondents agreed with the initial principles, vision and objectives of the Rainbow City. Other key findings were:
  - A. 67% thought Wellbeing Services were the top priority for Health and Support Services.
  - B. 60% get their information about Health and Wellbeing Services from Google (whereas 8% get their information from the Wolverhampton Information Network).
  - C. The benefits of a Rainbow City include equality for all, safer environment and feeling included.
  - D. Respondents wanted to see an increase of visible hate crime reporting centres, active policing against hate crime, better lighting and an increase in statues, banners, flags showing clear support and more colours across the city.
- 3.4 Following the results of the consultation the Rainbow City Project Group was formed. This is chaired by the Deputy Director of Assets (Lead Ally for City Assets). The Rainbow City Project Group came together to develop the ideas further basing this on the consultation results and research done by the Policy and Strategy Team.
- 3.5 This was presented to the internal Rainbow Staff Equality Forum and Strategic Executive Board in October 2021. This was also presented to Scrutiny Board in December 2021.
- 3.6 The Rainbow City Project has now developed two key documents:
  - A. Rainbow City Commitment which outlines the commitment Wolverhampton has to the LGBT Community, setting out the vision of Rainbow City and the commitment that we make (This can be seen in Appendix 1).
  - B. Rainbow City Action Plan which sets out the key actions that will be taking place, with time frames, measures and who the Leads and Deputy Leads are.

#### **4.0 Evaluation of alternative options**

- 4.1 Option one would be to not to proceed with the Rainbow City. This would result in no change within the City for Lesbian, Gay, Bi and Trans+ community and would leave the city in the same situation that is it currently in.
- 4.2 Option Two would be to proceed with the Rainbow City. The Rainbow City Commitment Document evidences the Council's commitment for equality, diversity and inclusion and in particular the Lesbian, Gay, Bi and Trans+ community.

#### **5.0 Reasons for decision**

- 5.1 Option Two is the preferred option. The reason for the decision to approve and endorse this approach is to celebrate the city commitment to the values of equality, diversity and inclusion which aims through a number of steps to ensure that we treat all of our citizens with fairness, dignity and respect.

#### **6.0 Financial implications**

- 6.1 There are no direct financial implications to the commitment document itself although there are financial implications arising from the actions outlined in the document and the action plan. It is anticipated that the costs associated with the majority of these actions will be met from existing budgets, held across services. However, where additional funding is required, approval will be subject to future reports.
- 6.2 The 2022-2023 Final Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026 report on this same agenda incorporates a Corporate Contingency budget to support Council Priorities. Any budgets allocations made from this budget will be incorporated into the Performance and Budget Monitoring updates to Cabinet.  
[AS/11022022/M]

#### **7.0 Legal implications**

- 7.1 There are no direct legal implications contained in the report. The Rainbow City Commitment document sets out the Council's commitment to being a fair, diverse, and inclusive city. The Council believes in equal rights and equal treatment for everyone in its community and demonstrates their commitment to eliminating all forms of discrimination and prejudice throughout the area.  
[TC/14022022/A]

#### **8.0 Equalities implications**

- 8.1 The aim of the Rainbow City is to ensure that the city aims to celebrate and support Wolverhampton's commitment to being a fair, diverse and inclusive city; where everyone feels safe and free to be themselves.
- 8.2 This is a clear demonstration of our commitment to the Equality Act 2010 under the Public Service Equality Duty.

**9.0 All other implications**

9.1 None

**10.0 Schedule of background papers**

10.1 Rainbow City has previously been presented to [Scrutiny Board](#) on 7 December 2021.

**11.0 Appendices**

11.1 Appendix 1: Rainbow City Commitment Document

11.2 Appendix 2: Rainbow City Action Plan

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# Our Rainbow City Commitment

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| ▶ Why are we taking action now?       | 6  |
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## Foreword

Wolverhampton is a city that is proud of its rich, diverse cultural heritage and history. As a local authority over the past few years, we have been on a journey, exploring what equality, diversity and inclusion means not only to us as an organisation but to our wider communities.

As a local authority, we listen to our citizens about how our city can be more welcoming and inclusive. Rainbow City is first and foremost a celebration of our city's commitment to the values of equality, diversity and inclusivity which aims, through a number of positive steps, to ensure that we treat all of our citizens with fairness, dignity and respect.

This commitment sets out our vision for what Rainbow City will achieve, why we are taking action now, what we will deliver and how we will keep Wolverhampton residents engaged throughout. The work of Rainbow City so far would not have been possible without input from our key partners. We would like to thank all those who responded to the Rainbow City consultation, as well as the City of Wolverhampton Council Rainbow Staff Equality Forum, Wolverhampton Business Improvement District (BID), Wolverhampton LGBT+, and Wolverhampton Homes. We look forward to continuing to work with them while developing new relationships with other partners as we collectively shape our Rainbow City.

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Councillor  
Paula Brookfield  
**Cabinet Member for  
Governance and Equalities**



Tim Johnson  
**Chief Executive,  
City of Wolverhampton  
Council**



## LGBT+ communities in Wolverhampton

OVER  
**6,600**  
RESIDENTS  
IDENTIFY AS  
**LGBT+**  
IN OUR CITY

Thousands of Wolverhampton people identify as LGBT+. While we don't have an exact number, we can make estimates of this figure based on regional data from the Office of National Statistics.<sup>1</sup> This estimates that **3.2% of the West Midlands' adult population** (aged 16+) identify as either Lesbian, Gay, Bisexual, or 'other'. This means that there are over 6,600 residents aged 16 and above who identify as LGBT+ in our city. The actual figure will be even higher, given that the official statistics do not include those aged below 16.

In the UK, there is no regular collection of data to estimate the number of individuals who identify as trans. While the Government Equalities Office estimates that there could be between **200,000 – 500,000 trans and non-binary individuals across the UK**,<sup>2</sup> we do not yet have a reliable estimate for how many trans individuals live in Wolverhampton. One of our Rainbow City commitments, which are presented later in this document, is to collect local data which will allow us to estimate this.

1. Sexual Orientation, UK data from 2019. Available through <https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/sexuality/datasets/sexualidentityuk>.

2. Government Equalities Office LGBT Factsheet. Available through [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/721642/GEO-LGBT-factsheet.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/721642/GEO-LGBT-factsheet.pdf).



## DEFINITIONS

**LGBT+** is an umbrella term used to describe an individual who identifies as either Lesbian, Gay, Bi, Trans, or for anyone that identifies within the wider boundaries of the LGBT Community. Some may use the term ‘LGBT’ while others may use the term ‘LGBTQ+’. Language is a powerful tool and is constantly evolving, which is why the Council uses Stonewall’s list of terms as a guide.<sup>1</sup> Some of these definitions are listed below.

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**Lesbian** refers to a woman who has a romantic and/or sexual orientation towards women. Some non-binary people may also identify with this term.

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**Gay** refers to a man who has a romantic and/or sexual orientation towards men. Also used as a generic term for lesbian and gay sexuality - some women define themselves as gay rather than lesbian. Some non-binary people may also identify with this term.

---

**Bi** is an umbrella term used to describe a romantic and/or sexual orientation towards more than one gender. Bi people may describe themselves using one or more of a wide variety of terms, including (but not limited to) bisexual, pan, or queer.

**Trans** is an umbrella term to describe people whose gender identity is not the same as, or does not sit comfortably with, the sex they were assigned at birth. Trans people may describe themselves using one or more of a wide variety of terms, including (but not limited to) transgender, transsexual, gender-queer, gender-fluid, or non-binary.

---

**Non-binary** is an umbrella term for people whose gender identity doesn’t sit comfortably with ‘man’ or ‘woman’. Non-binary identities are varied and can include people who identify with some aspects of binary identities, while others reject them entirely.

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**Gender** is often expressed in terms of masculinity and femininity. It is largely culturally determined and is assumed from the sex assigned at birth.

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**Sexual Orientation** describes a person's sexual attraction to other people, or lack thereof. Along with romantic orientation, this forms a person's orientation identity.

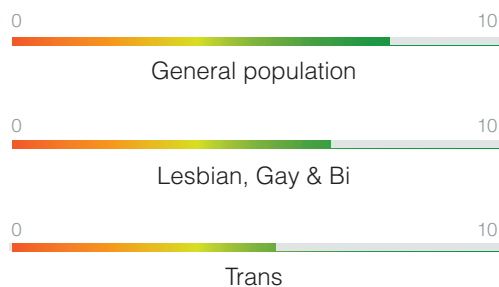
1. List of LGBTQ+ terms, Stonewall. Accessible through <https://www.stonewall.org.uk/help-advice/faqs-and-glossary/list-lgbtq-terms>.



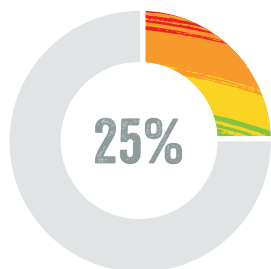
## Why are we taking action now?

Despite sexual orientation and gender reassignment being protected characteristics under the Equality Act 2010, we know that many people from LGBT+ communities face unfair discrimination and harassment which has a huge detrimental impact on their health and wellbeing. The National LGBT Survey, led by the Government Equalities Office,<sup>1</sup> found that:

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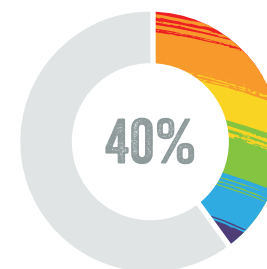


LGBT+ people show lower satisfaction with their lives than the general population. LGB people gave an average rating of 6.5 out of 10, while trans respondents gave an average rating of 5.4. For the general population, the average rating is 7.7.



Mental health issues in the LGBT+ population

A high proportion of LGBT+ people suffer from mental health issues. 1 in 4 survey respondents said that had experienced mental health issues in the 12 months prior to the survey, with evidence showing that anxiety, depression, self-harm, and suicide are more prevalent in LGBT+ communities.



Victims of Hate Crime in the LGBT+ population

LGBT+ individuals are more likely to be victims of hate crime, and this is often unreported. Over 40% of respondents had suffered verbal harassment and/or physical violence because of their sexual orientation and/or gender identity within the preceding 12 months.

Over 90% of these incidents went unreported because respondents felt that reporting would not make any difference.

Feedback collected during Wolverhampton's 's LGBT+ health conference in 2019 suggested that these national findings apply to city residents.<sup>2</sup> Other feedback collected during this conference indicated that LGBT+ services were often difficult to find, and that there was a desire for the Council to strengthen its work with key city partners (including the NHS, local businesses, and charitable organisations) to champion LGBT+ rights across our city.

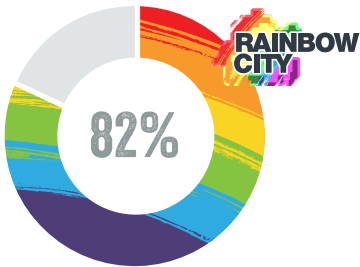
This was echoed by members of the Council's internal Rainbow Staff Equality Forum, who worked with the Council's senior leadership to identify steps that we could take to support LGBT+ residents, making Wolverhampton a more fair, equal, and diverse city. These initial ideas were shared through an online public consultation which ran from May to July 2021. The key findings from can be found on page 8



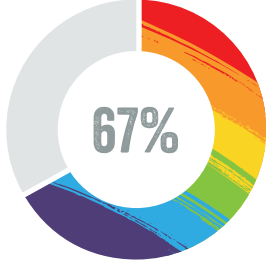
Wolves Pride 2019

1. National LGBT Summary Report, 2018. Available through <https://www.gov.uk/government/publications/national-lgbt-survey-summary-report>.
2. Conference write-up of 'Improving the Health and wellbeing of LGBTQ+ Communities in Wolverhampton', 2019. Available through <https://wolverhampton.moderngov.co.uk/documents/g15600/Public%20minutes%2007th-Nov-2019%2009.00%20Conference%20Improving%20the%20Health%20and%20wellbeing%20of%20LGBTQ%20Commun.pdf?T=11>

Health and Support Services



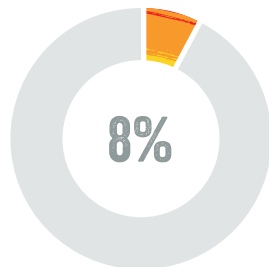
82% agreed with the initial principles, vision and objectives of the Rainbow City



67% wanted to see **wellbeing services** as the top priority for what they wanted to see for Health and Support Services

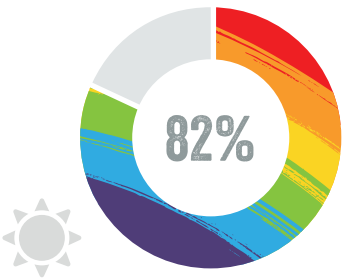


60% get their information on health and support services from **Google**

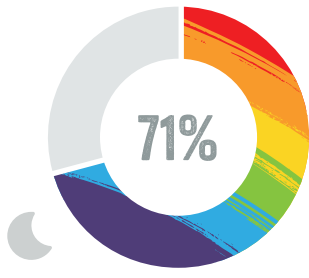


8% get their information on health and support services from **Wolverhampton Information Network**

Daytime/ nighttime economy



82% wanted to see **cafés** as the top priority for what they wanted to see in the day time economy



71% wanted to see **bars** as the top priority for what they wanted to see in the night time economy

Following the Rainbow City Public Consultation, the Rainbow City Project Board have reviewed the results of the consultation. The initial ideas and principles have now been developed into 5 key themes with a number of actions per theme that can be seen on pages 11-13.





## What is Rainbow City?

Rainbow City is a collective term for a series of initiatives that will celebrate and put into practice Wolverhampton’s commitment to being a fair, diverse, and inclusive city. While many of these initiatives are targeted towards supporting Wolverhampton’s LGBT+ communities; the benefits they will bring will be shared by all.

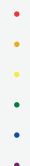
Key to Rainbow City’s success will be making the most of our strong working relationships with key city partners, including health providers, local businesses, charities, and community groups. Only through working together can we ensure that the voice of our city’s

LGBT+ communities are heard and that our Rainbow City actions are designed around their needs.

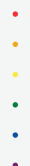
Rainbow City will see action taken ‘on the ground’ to make our city more welcoming to LGBT+ people: making it easier for them to find support services, providing them with more opportunities to improve their wellbeing, tackling hate crime, and increasing awareness of the challenges they can face. We are aiming to implement all of these changes by the end of 2025.

## OUR VISION FOR A RAINBOW CITY

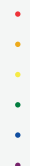
A city that is fair, equal, diverse and inclusive



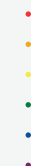
A city where everyone feels safe and free to be themselves



A city with a dedicated offer to our growing LGBT+ community



A city with a vibrant day and night life where all are welcome



A city that celebrated its commitment to being fair and inclusive

**Rainbow City aligns with and progresses multiple city priorities, including:**

- the cross-cutting theme of 'Fair and Inclusive' is a key element of both our Relighting Our City coronavirus recovery commitment and our Council Plan.<sup>1</sup> This commits to tackling any inequalities in our communities which impact on the opportunities of our local people.
- our commitment to building healthy, inclusive communities, as set out in our Council Plan
- our commitment to deliver inclusive, responsive, and accessible services that actively address inequality and exclusion in our city. This is a key priority area outlined in our most recent Equality, Diversity, and Inclusion Strategy, aiming to promote greater equality and community cohesion in the city.<sup>2</sup>



1. <https://www.wolverhampton.gov.uk/your-council/council-plan>

2. City of Wolverhampton Council Equality, Diversity, and Inclusion Strategy 2022-2024. Available at <https://wolverhampton.moderngov.co.uk/documents/s196323/Updated%20Appendix%201%20-%20Equality%20Diversity%20and%20Inclusion%20Strategy%202022-2024.pdf>.



# Our Commitments

The delivery of Rainbow City will be delivered around five themes, which emerged through the responses we received during the Rainbow City consultation. Our commitments under each of these themes are set out over the next few pages.

We will publish a Rainbow City Action Plan alongside this commitment document. This will provide details on the actions that we will deliver under each theme, as well projected timelines for each. An equalities impact analysis will be undertaken for all actions to make sure that any activity is fair and inclusive.



## THEME ONE

### Digital

#### Our aim:

A dedicated digital offer for Wolverhampton’s LGBTQ+ communities, serving as a single access point for information relating to LGBTQ+ themed city events, communications, and signposting to sources of support.

#### What we will do to achieve this:

- Create a dedicated Rainbow City website collecting dedicated information for Wolverhampton’s LGBTQ+ communities.

**THEME TWO**

## Culture and Creative

**Our aim:**

A city whose public institutions celebrate diversity, working alongside a thriving LGBT+ voluntary and community sector that has access to meeting space and funding opportunities to host their own inclusive events.

**What we will do to achieve this:**

- Create a visual statement in the city centre that publicly exhibits the city's commitment to inclusivity.
- Source a dedicated safe space for the city's LGBT+ community groups to meet and grow.
- Produce a training and development offer for new and existing community groups, supporting them to develop sustainable operating models.
- Support the delivery of a series of inclusive events in the city.
- Launch training for local businesses on how they can support our LGBT+ communities.
- Embed a Rainbow City Charter into the Council's procurement processes to ensure that our suppliers share our commitment to inclusivity in the city.

**THEME THREE**

## Health and Wellbeing

**Our aim:**

A city where LGBT+ residents have equal access to services to support their mental and physical health needs. Residents can access these services free of any judgement or discrimination, and effective signposting is in place for any specific health services that are not available locally.

**What we will do to achieve this:**

- Perform a detailed health and wellbeing needs assessment of our city's LGBT+ communities, providing a clearer picture of Wolverhampton's LGBT+ communities and identifying what needs are not being met. We will use the findings from this to identify next steps for our Action Plan.
- Develop a yearly strategy for Health and Wellbeing campaigns, including topics that our LGBT+ communities tell us are important to them.
- Develop a dedicated offer for the trans+ community to reduce isolation.



#### THEME FOUR

### Community Safety

#### Our aim:

A city where everyone feels confident to be who they are without fear of judgement and abuse, where any discriminatory behaviour is challenged and actioned against.

#### What we will do to achieve this:

- Develop a training offer for local businesses and city partners to raise awareness of hate crime, including how to challenge it and report it, promoting community tolerance and cohesion.
- Work with our LGBT+ communities to identify any barriers to reporting hate crime in the city and take action to address these. For example, this could include strengthening and expanding existing hate crime reporting campaigns, or expanding the number of reporting centres in the city if required.
- Review the city's current sanctuary provision and expand this if required.
- Launch a Rainbow City accreditation scheme for local businesses and organisations, recognising those that have undertaken inclusion training and show continued commitment to making their premises a safe space.
- Support and develop safety initiatives across the city, such as Ask Angela and Ask Marc.

#### THEME FIVE

### Education

#### Our aim:

A city that actively promotes awareness of the challenges faced by its LGBT+ communities, providing accessible information for all residents who wish to find out more, and where professionals working with the LGBT+ community have access to appropriate training and development opportunities.

#### What we will do to achieve this:

- Support our city's schools to embed the new curriculum for Relationships and Sexual Education, which includes positive portrayals of non-heteronormative relationships.
- Develop a training model to equip teachers with the necessary tools to meet the needs of trans children in primary and secondary schools.
- Launch a city-wide LGBT+ Ally training offer, accessible by anyone in the city who wishes to know more about the challenges faced by LGBT+ communities.
- Working with specialists, develop a training package that will be available to all public sector workers whose roles involve supporting LGBT+ individuals.



## Monitoring and sharing our progress

We are committed to measuring the success of all initiatives introduced as part of Rainbow City. Each action in our Rainbow City Action Plan will list specific measurables that will be regularly monitored to check that we are on track to meet our objectives.

Our findings will be shared with the people of Wolverhampton through our website, social media channels and via the Rainbow City Charter Network.





### Cabinet

The elected members of the Council's Cabinet will have oversight of the Rainbow City project, with the Cabinet Member for Governance and Equalities receiving regular progress reports through the Strategic Executive Board.



### Strategic Executive Board



Three new groups will be set up to ensure that our Rainbow City commitments are delivered

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NEW

### Rainbow City Project Board

Our Rainbow City Project Board will make strategic decisions on the delivery of Rainbow City and has overall responsibility for ensuring that our commitments are delivered. They will regularly review performance data to check whether Rainbow City is meeting our vision and objectives, sharing the findings with the Council's Strategic Executive Board.



NEW

### Rainbow City Operational Steering Group

Our Rainbow City Operational Steering Group will lead on the 'on the ground' delivery of the actions in our action plan. This group includes a lead expert for each of Rainbow City's five themes, who will lead on all activity under that theme. The Steering Group will provide regular progress updates to the Rainbow City Project Board.

NEW

### Rainbow City Charter Network

Our Rainbow City Charter Network will include representatives from our partner organisations and from members of Wolverhampton's LGBT+ communities. The views of this network will be sought to shape the delivery of all Rainbow City actions, with regular communication with both the Project Board and Operational Steering Group. The organisations of the Charter Network will develop and sign a Rainbow City Charter to show commitment to our shared vision of Wolverhampton as a fair and diverse city where everyone is free to be themselves.

You can get this information in large print, braille,  
audio or in another language by calling 01902 551155

**wolverhampton.gov.uk 01902 551155**

  WolverhamptonToday  Wolverhampton\_Today  @WolvesCouncil

City of Wolverhampton Council, Civic Centre, St. Peter's Square,  
Wolverhampton WV1 1SH



# RAINBOW CITY

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## Action Plan

# Rainbow City Themes

These themes emerged from best practice research. High level objectives have been drafted for each.



## 1: Digital

A dedicated digital offer for Wolverhampton's LGBT+ communities, serving as a single access point for information relating to LGBT+ themed city events, communications, and signposting to sources of support.

## 2: Culture and creative

A city whose public institutions celebrate diversity, working alongside a thriving LGBT+ voluntary and community sector that has access to meeting space and funding opportunities to host their own inclusive events

## 3: Health and wellbeing

A city where LGBT+ residents have equal access to services to support their mental and physical health needs. Residents can access these services free of any judgement or discrimination, and effective signposting is in place for any specific health services that are not available locally.

## 4: Community safety

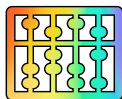
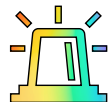
A city where everyone feels confident to be who they are without fear of judgement and abuse, where any discriminatory behaviour is challenged and actioned against.

## 5: Education

A city that actively promotes awareness of the challenges faced by its LGBT+ communities, providing accessible information for all residents who wish to find out more, and where professionals working with the LGBT+ community have access to appropriate training and development opportunities.



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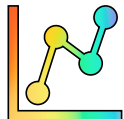
# Theme 1: Digital

**Theme Lead** – Tim Clark  
**Deputy Lead** – Christopher Nicholls

A dedicated digital offer for Wolverhampton’s LGBT+ communities, serving as a single access point for information relating to LGBT+ themed city events, communications, and signposting to sources of support.

| Action   | Delivered by |
|--|--------------|
| Create an initial website to promote the development of the Rainbow City   | Q2 2022      |
| Develop and Implement a long term strategy for an interactive communications Plan that celebrates the Rainbow City | Q4 2022      |

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Number of individuals visit on Rainbow City Website

Number of engagement within Social Media



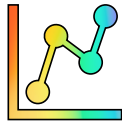


# Theme 2: Culture and Creative

Theme Lead – Joanna Grocott  
Deputy Lead – Sam Axtell

A city whose institutions celebrate diversity, working alongside a thriving LGBT+ voluntary and community sector that has access to meeting space and funding opportunities to host their own inclusive events.

|          | Action  | Delivered by |
|----------|---|--------------|
| Page 484 | Create a visual statement in the city centre that publicly exhibits the city's commitment to inclusivity  | Q2 2022      |
|          | Source a dedicated safe space for the city's LGBT community groups to meet and grow   | Q2 2022      |
|          | Produce a training and development offer for new and existing community groups supporting them to develop sustainable operating models            | Q3 2022      |
|          | Support the delivery of a series of inclusive events in the city  | Q2 2023      |
|          | Launch training for local businesses on how they can support out LGBT+ communities  | Q4 2022      |
|          | Embed a Rainbow City Charter into the Council's procurement processes to ensure that our supplier share our commitment to inclusivity in the city | Q4 2022      |



How many businesses have signed up for training?

Footfall within the City Centre





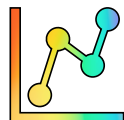
# Theme 3: Health and Wellbeing

Theme Lead – Pamdip Dhillon  
Deputy Lead – *To Be Appointed*

A city where LGBT+ residents have equal access to services to support their mental and physical health needs. Residents can access these services free of any judgement or discrimination, and effective signposting is in place for any specific health services that are not available locally.

| Action  | Delivered by |
|---|--------------|
| Perform a detailed health and wellbeing needs assessment of our city's LGBT+ communities, providing a clearer picture of Wolverhampton's LGBT+ communities and identifying what needs are not being met. We will use the findings from this to identify next steps for our Action Plan. | Q3 2022      |
| Develop a yearly strategy for Health and Wellbeing campaigns, including topics that our LGBT+ communities tell us are important to them.  | Q3 2022      |
| Develop a dedicated offer for the trans+ community to reduce isolation.   | Q2 2023      |

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Number of those that have taken up services within the Safe Space





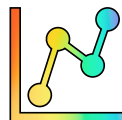
# Theme 4: Community Safety

Theme Lead – Hannah Pawley  
Deputy Lead – Deborah Smith

A city where everyone feels confident to be who they are without fear of judgement and abuse, where any discriminatory behaviour is challenged and actioned against.

| Action  | Delivered by |
|---|--------------|
| Develop a training offer for local businesses and city partners to raise awareness of hate crime, including how to challenge it and report it, promoting community tolerance and cohesion.  | Q4 2022      |
| Work with our LGBT+ communities to identify any barriers to reporting hate crime in the city and take action to address these. For example, this could include strengthening and expanding existing hate crime reporting campaigns, or expanding the number of reporting centres in the city if required. | Q2 2022      |
| Review the city's current sanctuary provision and expand this if required.  | Q2 2022      |
| Launch a Rainbow City accreditation scheme for local businesses and organisations, recognising those that have undertaken inclusion training and show continued commitment to making their premises a safe space.   | Q4 2022      |
| Support and develop safety initiatives across the city, such as Ask Angela and Ask Marc.  | Q2 2022      |

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Number of Hate Crime Reporting Centres

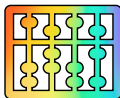
Number who have signed up to the accreditation scheme

Number of hate crimes that are reported

Number of people using Late Night Safe Haven

Number of people referred through Ask Angela / Ask Marc





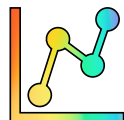
# Theme 5: Education

Theme Lead – Helen Bakewell  
Deputy Lead – Phil Leviers

A city that actively promotes awareness of the challenges faced by its LGBT+ communities, providing accessible information for all residents who wish to find out more, and where professionals working with the LGBT+ community have access to appropriate training and development opportunities.

| Action  | Delivered by |
|---|--------------|
| Support our city's schools to embed the new curriculum for Relationships and Sexual Education, which includes positive portrayals of non-heteronormative relationships. | Q4 2022      |
| Develop a training model to equip teachers with the necessary tools to meet the needs of trans children in primary and secondary schools.                               | Q3 2022      |
| Launch a city-wide LGBT+ Ally training offer, accessible by anyone in the city who wishes to know more about the challenges faced by LGBT+ communities.                 | Q1 2023      |
| Working with specialists, develop a training package that will be available to all public sector workers whose roles involve supporting LGBT+ individuals.              | Q4 2023      |

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Number of schools that have embedded the new RSE curriculum

Number of LGBT+ allies signed up to training



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