

Cabinet (Resources) Panel

23 March 2022

Time 4.00 pm **Public Meeting?** YES **Type of meeting** Executive
Venue Council Chamber - 4th Floor - Civic Centre, St Peter's Square, Wolverhampton, WV1 1SH

Membership

Chair Cllr Stephen Simkins (Lab)

Labour

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

Quorum for this meeting is three voting members.

Information for the Public

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

Contact Dereck Francis, Democratic Services
Tel/Email 01902 555835 or dereck.francis@wolverhampton.gov.uk
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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 **Declarations of interest**
- 3 **Minutes of the previous meeting** (Pages 5 - 10)
[To approve the minutes of the previous meeting as a correct record]

DECISION ITEMS (AMBER - DELEGATED TO THE CABINET (RESOURCES) PANEL)

- 4 **Procurement Award of Contracts for Works, Goods and Services** (Pages 11 - 30)
[To approve the award of contracts for works, goods and services]
- 5 **Treasury Management Activity Monitoring Quarter Three 2021-2022** (Pages 31 - 56)
[To approve the Treasury Management Activity Monitoring Quarter Three 2021-2022 report]
- 6 **Former Parkfields Housing Office - Future Use Options** (Pages 57 - 64)
[To seek approval to proceed with a recommended option for the future use of the former Parkfields Housing Office]
- 7 **Civic Centre Lease - Black Country Healthcare NHS Foundation Trust** (Pages 65 - 76)
[To enter into a leasehold agreement with the Black Country Healthcare NHS Foundation Trust for the partial utilisation of the Civic Centre]
- 8 **Exclusion of press and public**
[To pass the following resolution:

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

Part 2 - exempt items, closed to press and public

- 9 **Civic Centre Lease - Black Country Healthcare NHS Foundation Trust** (Pages 77 - 100)
[To enter into a leasehold agreement with the Black Country Healthcare NHS Foundation Trust for the partial utilisation of the Civic Centre]
- Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)

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| 10 | <p>Procurement Award of Contracts for Works, Goods and Services (Pages 101 - 112)</p> <p>[To approve the award of contracts for works, goods and services]</p> | <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)</p> |
| 11 | <p>Investment in our School Assets 2022-2023 (Pages 113 - 122)</p> <p>[To approve the Schools Capital Programme 2022-2023]</p> | <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)</p> |

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel Minutes - 23 February 2022
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Attendance

Members of the Cabinet (Resources) Panel

Cllr Stephen Simkins (Chair)
Cllr Ian Brookfield
Cllr Paula Brookfield
Cllr Steve Evans
Cllr Bhupinder Gakhal
Cllr Dr Michael Hardacre
Cllr Jasbir Jaspal
Cllr Linda Leach
Cllr Beverley Momenabadi (Virtually)

Employees

Tim Johnson	Chief Executive
Mark Taylor	Deputy Chief Executive
Emma Bennett	Executive Director of Families
John Denley	Director of Public Health
Charlotte Johns	Director of Strategy
Claire Nye	Director of Finance
David Pattison	Chief Operating Officer
John Roseblade	Director of City Housing and Environment
Jaswinder Kaur	Democratic Services Manager
Dereck Francis	Democratic Services Officer

Part 1 – items open to the press and public

Item No. Title

- 1 Apologies for absence**
Apologies for absence were submitted on behalf of Councillor Obaida Ahmed.
- 2 Declarations of interest**
No declarations of interests were made.
- 3 Minutes of the previous meeting**
Resolved:
That the minutes of the previous meeting held on 19 January 2022 be approved as a correct record and signed by the Chair.

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Procurement Award of Contracts for Works, Goods and Services

Councillor Ian Brookfield presented the report which sought approval to delegate authority to Cabinet Members to approve the award of contracts once the evaluation process for the respective contracts has been completed.

Resolved:

1. That authority be delegated to the Cabinet Member for Digital City, in consultation with the Director of Strategy, to approve the award of a contract for the Audio-Visual project when the evaluation process is complete.
2. That authority be delegated to the Cabinet Member for Digital City, in consultation with the Director of Strategy, to approve the award of a contract for the GIS Mapping project when the evaluation process is complete.
3. That authority be delegated to the Cabinet Member for Digital City, in consultation with the Director of Strategy, to approve the award of a contract for the Student Management System when the evaluation process is complete.
4. That authority be delegated to the Leader of the Council, in consultation with the Director of Finance, to approve the award of a contract for Procurement and Contract Management Solution when the evaluation process is complete.
5. That authority be delegated to the Cabinet Member for City Environment and Climate Change, in consultation with the Director of Communications and External Relations, to approve the award of a contract for Bars & VIP Area Provision at Creation Day Festival when the evaluation process is complete.
6. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Deputy Chief Executive, to approve the award of a contract for Provision of Electrical Repairs and Maintenance when the open tender evaluation process is complete.
7. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Deputy Chief Executive, to approve the award of a contract for Provision of Mechanical Repairs and Maintenance when the open tender evaluation process is complete.
8. That authority be delegated to the Cabinet Member for Children and Young People, in consultation with the Executive Director of Families, to approve the award of a contract for Key Workers for the Power2 team when the evaluation process is complete.
9. That authority be delegated to the Leader of the Council in consultation with the Director of Finance and Chief Operating Officer to award contracts up to £1 million to be utilised by Public Health relating to the Council Covid-19 response.

- 5 **Homes England Affordable Homes Programme 2021-2026 Grant Agreement**
Councillor Bhupinder Gakhal presented the report seeking approval for the Council to enter into the standard form Homes England Grant Agreement in relation to the Affordable Homes Programme 2021-2026 for Continuous Market Engagement. This would enable the Council to maintain its ability to submit funding applications and draw down funds from the new Affordable Homes Programme 2021-2026 supporting the delivery of affordable housing in the city.

Resolved:

1. That the Council enter into the standard form Homes England Grant Agreement (local Authority) in relation to the Affordable Homes Programme 2021-2026 for Continuous Market Engagement.
2. That authority be delegated to the Cabinet Member for City Assets and Housing in consultation with the Director of City Housing and Environment to approve any grant funding applications and claims made under the Affordable Homes Programme as part of the Continuous Market Engagement process.

- 6 **Children's Residential Provision Review**
Councillor Stephen Simkins moved the recommendations contained in the report Children's Residential Provision Review.

Councillor Beverley Momenabadi reported on the proposal setting out the case for change in regard to options to meet the Council's statutory duties for sufficiency of residential provision and the wider needs of the city's children and young people in care. The preferred option was to create a new restorative practice, multi-agency Children's Home(s) within the city. Approval was requested to progress the development of a full feasibility business case for this option, and to the allocation of funding to develop that business case.

Resolved:

1. That the recommended option to progress the development of a full feasibility business case to create a new restorative practice, multi-agency Children's Home(s) within the city be approved.
2. That the allocation of £35,000 from the Transformation reserve for further development of the project's overall business case to be presented to Cabinet (Resources) Panel in June 2022 be approved.
3. That a strategic change in commissioning of spot purchasing local placements over out of city or national, in order to build successful stronger working relationships with our Wolverhampton providers and to ensure quality oversight improvements be noted.

- 7 **Care and Support Provider Fee Review 2022/2023**
Councillor Linda Leach presented the report on a proposed increase in fee levels for care and support service areas and direct payment cost rates to meet additional costs resulting from increases to the National Living Wage and to sustain the care market in Wolverhampton.

Resolved:

1. That the proposed increase in fee levels for 2022-2023 as recommended in the report to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage (NLW) and where applicable increases to sustain the care market be approved.
2. That any increase in fees be with effect from 4 April 2022. (This date is aligned to charging processes and the capability of the current payment system and that due to current IT payment systems – rates for care homes need to be divisible by 7 and for hourly rates by 4).
3. That it be noted that engagement had been undertaken with current care and support providers as part of the fee review to listen to feedback and inform the recommendations in the report, however due to current financial restraints the recommendations are not solely based on provider requests.
4. That it be noted that during 2022 the activity to implement the requirements of the Health and Social Care Bill and the Government policy paper; Market Sustainability and Fair Cost of Care Fund: purpose and conditions 2022 to 2023; is undertaken and would inform the fee review for 2023-2024. Further details are in Appendix 1 to the report 'Legislation and Government Policy which impacts on the 2023 - 2024 Fee Review'.
5. That it be noted that the impact of the COVID-19 pandemic had changed the usual demand and take up of care services. The long-term impact of COVID-19 cannot be predicted, and the Adults Commissioning Team would continuously review sufficiency within the market.
6. That it be noted that the Adults Commissioning Team continuously works with providers in developing the social care market to ensure a shared approach between the Council and social care providers to meet resident's needs.
7. That it be noted that this report was presented to Adults and Safer City Scrutiny Panel on 15 February 2022. The Panel supported the details and recommendations within the report and agreed to receive an update at a future meeting.

- 8 **Community Asset Transfer - Former Tettenhall Railway Goods Depot**
Councillor Bhupinder Gakhal presented the report on a proposed Community Asset Transfer of the former Tettenhall Railway Goods Depot to Tettenhall Transport Heritage Centre (TTHC) on a 35 year lease. The depot was a two storey detached property located at the former Tettenhall Railway Station and was currently occupied and utilised by TTHC as a transport heritage museum. TTHC are proposing to continue developing the museum through building on its current success with it being the only industry museum located within the city.

Resolved:

1. That the Community Asset Transfer of the Former Tettenhall Railway Goods Depot, WV6 8NZ to Tettenhall Transport Heritage Centre for a term of 35 years subject to terms be approved.

2. That authority be delegated to the Cabinet Member for City Assets and Housing in consultation with the Deputy Director Assets to approve the terms of the Community Asset Transfer and execution of the lease.

9 **Exclusion of press and public**

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business as it involves the likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the authority holding that information).

Part 2 - exempt items, closed to press and public

The Chair reported that as stated previously the meeting was in confidential session as the information included in the reports could, if released into the public domain, prejudice the financial position of the Council or its partners. As such all present are under a legal duty of confidentiality and must not disclose any confidential information - to do so would not only be a breach of the Council's codes (for councillors and employees) but also a breach of the legal duty of confidentiality.

10 **Procurement Award of Contracts for Works, Goods and Services**

Councillor Ian Brookfield presented for approval the report on the award of contracts for works, goods and services. The report also included for information, exemptions to Contract Procedure Rules approved by the Head of Procurement and Director Finance between 1 to 31 December 2021.

Resolved:

1. That the award of the contract for Website Development Partner to Big Blue Door of Crown & Sceptre House, 60 Queen Elizabeth Street, London, SE1 2PZ for a duration of four years from 1 April 2022 to 1 April 2026 for a total contract value of £770,000 be approved.
2. That the award of the contract for Energy Efficiency Improvements to Broad Oak Properties Ltd of Broad Oak Estate, Broad Oak Lane, Green Head, Kingsley Moor, Stoke-on-Trent, Staffordshire, ST10 2EL, for a duration of one year four months from 1 March 2022 to 30 June 2023 for a total contract value of £625,000 be approved.
3. That the award of the contract for Project Management Resource for Interchange Project to Matrix SCM (Limited) of Partis House, Davy Avenue, Knowlhill, Milton Keynes, MK58HJ for a duration of 10 months from 1 March 2022 to 30 December 2022 for a total contract value of £100,000 be approved.
4. That the exemptions to the Contract Procedure Rules approved by the Head of Procurement and the Director of Finance from 1 to 31 December 2021 be noted.

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 23 March 2022
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Report title	Procurement – Award of Contracts for Works, Goods and Services	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Ian Brookfield Leader of the Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Procurement	
Accountable employee	John Thompson Tel Email	Head of Procurement 01902 554503 John.thompson@wolverhampton.gov.uk
Report to be/has been considered by	Directorate Leadership Team	

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Delegate authority to the Cabinet Member for Governance and Equalities, in consultation with the Director of Strategy, to approve the award of a contract for Health & Safety Training when the evaluation process is complete.
2. Delegate authority to the Cabinet Member for Governance and Equalities, in consultation with the Chief Operating Officer, to approve the award of a contract for the Provision of Physiotherapy Service when the evaluation process is complete.
3. Delegate authority to the Cabinet Member for City Environment and Climate Change, in consultation with the Director of Communications and External Relations, to approve the award of a contract for Digital Advertising Signs when the evaluation process is complete.

4. Delegate authority to the Cabinet Member for City Environment and Climate Change, in consultation with the Director of City Housing and Environment to approve the award of a contract for Waste Disposal of Road Sweepings when the evaluation process is complete.
5. Delegate authority to the Cabinet Member for Adults, in consultation with the Executive Director of Families to approve the award of a contract for Shared Lives for Adults with Disabilities when the evaluation process is complete.

1.0 Cllr Paula Brookfield, Cabinet Member for Governance and Equalities

1.1 Delegated Authority to Award a Contract – Health & Safety Training

Ref no: CWC21020	
Council Plan aim	Well skilled people working in an inclusive economy
Originating service	Organisational Development
Accountable officer	Paula Moore, Head of Organisational Development (01902) 552756
Leadership Team approval	25 January 2022
Accountable Lead Cabinet Member	Cllr Paula Brookfield, Cabinet Member for Governance and Equalities (01902) 550200
Date Lead Cabinet Member briefed	19 January 2022
Procurement advisor	Karen Boden, Procurement Manager (01902) 555136

1.2 Background

- 1.3 There is a requirement for the City of Wolverhampton Council (CWC) to appoint a suitably qualified and experienced Provider to ensure that CWC has appropriate courses available to staff as and when they need them.
- 1.4 Health & Safety training will be identified during the annual workforce planning process and will include the following:
- Fire Marshal
 - Moving and Handling People
 - Moving and Handling People Update
 - Emergency First Aid at Work
 - First Aid at Work
 - First Aid at Work Requalification
 - First Aid at Work Annual refresher
 - Paediatric First Aid

Proposed Contract Award	
Contract duration	Four years
Contract Commencement date	1 July 2022
Annual value	£45,000
Total value	£180,000

1.5 Procurement Process

1.6 The intended procurement procedure will be an Open above threshold, in accordance with Public Contract Regulations 2015. The evaluation scoring balance will be 60% Quality and 40% Price. The evaluation criteria will be determined by the requirements of the tender documents. Any amendments to the procurement procedure will be reported in an Individual Executive Decision Notice (IEDN) to the relevant Cabinet Member in consultation with the relevant Director in accordance with the delegation within this report.

1.7 The evaluation team will comprise:

Name	Job Title
Sarah Preston-Loader	OD Advisor
Ashley Stanton	OD Advisor
Paula Moore	Head of Organisational Development and Apprenticeships

1.8 Evaluation of alternative options

1.9 The alternative options are:

- Provide no training for employees – employees will be at greater risk of Health and Safety incidents, the organisation will fail to meet its statutory duties under the Health and Safety Executive (HSE) legislation and the organisation could be potentially exposed to legal action for failure to comply with the legislation or exposed to legal claims as a result of failure to train employees resulting in injury or death to either employees or members of the public.
- Provide the service in house – the training is required to be certificated and delivered by qualified instructors. In order to deliver the training in house, the organisation would need to recruit instructors with the relevant qualifications, pay for relevant governing body membership, invest in team members to administer, deliver the training and comply with any requirements of the awarding bodies. Investment in

Continued Professional Development for the trainers and the purchasing of training equipment would also be a consideration alongside having the necessary space and infrastructure to carry out regular training sessions. In house would also prove costly if only single spaces on a training course were required.

- ELearning delivered via the Learning Zone – This is not a suitable option as employees need to complete practical activities for the courses listed above to complete the necessary requirements of the qualifications. ELearning will not provide the necessary training to meet the statutory legal requirements.

1.10 Reason for decisions

- 1.11 By going out to the market through procurement ensures that CWC obtains high quality training, delivered in the most cost-effective manner to ensure that all employees are trained to the required standard to meet their statutory duties.

1.12 Financial implications

- 1.13 The costs for this requirement will be met from the Strategy Directorate's Central Workforce Training annual budget totalling £362,000.

1.14 Legal implications

- 1.15 The procurement will be an above threshold procedure in accordance with the Public Contract Regulations 2015 and Council's Contract Procedure Rules.

1.16 Equalities implications

- 1.17 CWC is a public body listed in Schedule 19 of the Equality Act 2010. CWC must therefore comply with the requirements of the General Equality Duty whether services are provided directly by CWC or via third parties.
- 1.18 The successful bidder will be able to demonstrate that they are capable of
- Eliminating discrimination, harassment, and victimisation,
 - Advancing equal opportunities and,
 - Fostering good relations.
- 1.19 CWC require successful bidders to have and adhere to an Equal Opportunities Policy in terms of their employment practice and in relation to the services they offer. It would also be expected that the successful organisation would be in a position to discuss methods by which it monitors this policy.
- 1.20 Important amongst the equalities observations that CWC would expect is that the successful bidder will be able to meet trainees' diversity related requirements. These could include observing dietary requirements; avoiding notable holy days from a range of faith backgrounds and reasonable adjustments offered to disabled people. This can include adjustments offered to trainees on the day as well as those planned in advance

for disabled people, for example accessible training venues chosen and materials prepared in different accessible formats.

1.21 All other implications

1.22 There are no other implications arising from the recommendations of this report.

1.23 Recommendation

1.24 Cabinet (Resources) Panel is recommended to delegate authority to the Cabinet Member for Governance and Equalities, in consultation with the Director of Strategy, to approve the award of a contract for Health & Safety Training when the evaluation process is complete.

2.0 Councillor Paula Brookfield, Cabinet Member for Governance and Equalities

2.1 Delegated Authority to Award a Contract – Provision of Physiotherapy Services

Ref no: CWC21138	
Council Plan aim	Our People
Originating service	Human Resources
Accountable officer	Amanda Porter, HR Business Partner (01902) 554066
Leadership Team approval	2 December 2021
Accountable Lead Cabinet Member	Cllr Paula Brookfield, Cabinet Member for Governance and Equalities (01902) 550200
Date Lead Cabinet Member briefed	7 December 2021
Procurement advisor	Carol Wintle, Procurement Business Partner

2.2 Background

2.3 CWC has the requirement to provide physiotherapy treatments, undertake workplace assessments and obtain advice and information with the aim of reducing sickness absence and ill health within the workforce.

2.4 The service is currently outsourced to an external provider.

Proposed Contract Award	
Contract duration	Four years (2+1+1)
Contract Commencement date	1 April 2022
Annual value	£45,000
Total value	£180,000

2.5 Procurement Process

2.6 The intended procurement procedure will be open above threshold in accordance with Public Contract Regulations 2015. The evaluation scoring balance will be 50% quality

and 50% price. Any amendments to the procurement procedure will be reported in an Individual Executive Decision Notice (IEDN) to the relevant Cabinet Member in consultation with the relevant Director in accordance with the delegation within this report.

2.7 The evaluation team will comprise:

Name	Job Title
Amanda Porter	HR Business Partner
Karen Elphick	HR Advisor
Tim Munro	Head of Health and Safety

2.8 Evaluation of alternative options

2.9 The alternative options are:

- Provide service on an ad-hoc basis - Issues of reliability and consistency of service delivery.
- Cease provision of service.
- To retender the physiotherapy service

2.10 Reason for decisions

2.11 Retendering the service would enable the organisation to continue to support employee wellbeing and the management of musculoskeletal absence and ill health.

2.12 Financial implications

2.13 The estimated annual contract cost of £45,000 will be funded from the £50,000 budget set aside within Human Resources for professional services.

2.14 Legal implications

2.15 The procurement will be an above threshold procedure in accordance with the Public Contract Regulations 2015 and Council's Contract Procedure Rules.

2.16 Equalities implications

2.17 This contract will support having a fair and inclusive offer for all employees. An Equalities Impact Assessment has been produced with no impacts noted.

2.18 All other implications

- 2.19 An open tender procedure will enable local providers to tender to support Relighting Our City and the Wolverhampton Pound.

2.20 Recommendation

- 2.21 Cabinet (Resources) Panel is recommended to delegate authority to the Cabinet Member for Governance and Equalities, in consultation with the Chief Operating Officer, to approve the award of a contract for the Provision of Physiotherapy Service when the evaluation process is complete.

3.0 Councillor Evans, Cabinet Member for City Environment and Climate Change

3.1 Delegated Authority to Award a Contract - Digital Advertising Signs

Ref no: CWC21207	
Council Plan aim	A vibrant, green city we can all be proud of
Originating service	Communications and External Relations
Accountable officer	Ian Fegan, Director of Communications and External Relations (01902) 554286
Leadership Team approval	3 August 2021
Accountable Lead Cabinet Member	Cllr Evans, Cabinet Member for City Environment and Climate Change (01902) 861498
Date Lead Cabinet Member briefed	8 October 2021
Procurement advisor	Karen Boden, Procurement Manager

3.2 Background

- 3.3 A Sponsorship and Advertising Strategy has been devised which will direct CWC's approach to identifying and pursuing sponsorship and advertising opportunities across the City for generating income and, where possible, promoting its own events and services. Income achieved through agreements will be earmarked for re-investment back into the City to support CWC's events and regeneration strategies.
- 3.4 Following a previous evaluation of assets and a recent soft market testing exercise, sponsorship and advertising through digital signage has been identified as one opportunity where CWC can generate income.

Proposed Contract Award	
Contract duration	15 years (10 + 3 + 2)
Contract Commencement date	1 June 2022
Estimated annual income	£100,000
Estimated total income	£1.5 million

3.5 Procurement Process

3.6 This is a below threshold concession contract and the intended procurement procedure will be an open procedure. The evaluation scoring balance will be 70% price and 30% quality (including 10% Social Value). Any amendments to the procurement procedure will be reported in an Individual Executive Decision Notice (IEDN) to the relevant Cabinet Member in consultation with the relevant Director in accordance with the delegation within this report.

3.7 The evaluation team will comprise:

Name	Job Title
Ian Fegan	Director of Communications and External Relations
Parvinder Uppal	Head of Commercial Services
Michael Hallows	Commercial Business Partner

3.8 Evaluation of alternative options

3.9 The alternative option is to do nothing and not pursue sponsorship and advertising opportunities for digital signs, however, this will result in no income generation which will impact CWC's Events Strategy.

3.10 Reason for decisions

3.11 The reason for this decision is to generate income to be invested into CWC's events and regeneration strategies, as well as opportunities to promote CWC events and services.

3.12 Following soft market feedback, CWC was informed by potential suppliers that it will take approximately seven years to break even, due to the level of investment required by the supplier. Suppliers advised a contract term of 15-20 years would deliver the highest commercial benefits. Consequently, the Council would like to obtain the best commercial opportunity and therefore are recommending a 15-year contract term.

3.13 Financial Implications

3.14 The annual income estimated to be generated for the Council through a digital signage contract is £100,000, comprising site rental and a share of anticipated advertising revenue. Costs such as signage installation and maintenance will be passed to the supplier. This is an initial estimate derived from soft market testing exercises conducted prior to the pandemic and at the end of 2021. The Council is also set to benefit from free digital signage advertising time which is expected to reduce other marketing costs. More detail will clearly emerge and be reported through the tender process.

- 3.15 It should be noted that income to be generated through the wider Sponsorship and Advertising Strategy, including digital signage, has already been earmarked for reinvestment in the City. Part of it will also fund the additional resource required for the ongoing management of various contracts.

3.16 Legal implications

- 3.17 The procurement will be a below threshold procedure adhering to the principles of the Concession Contracts Regulations 2016 and Council's Contract Procedure Rules.

3.18 Equalities implications

- 3.19 An equalities analysis has been completed for this strategy and reviewed by the Equalities Team.
- 3.20 An equalities opportunity has been identified to utilise some of the free advertising space once agreed with the supplier to advertise key messages for the various communities in the City.

3.21 All other implications

- 3.22 There are no other implications arising from the recommendations of this report.

3.23 Recommendation

- 3.24 Cabinet (Resources) Panel is recommended to delegate authority to the Cabinet Member for City Environment and Climate Change, in consultation with the Director of Communications and External Relations, to approve the award of a contract for Digital Advertising Signs when the evaluation process is complete.

4.0 Councillor Steve Evans, Cabinet Member for City Environment and Climate Change

4.1 Delegated Authority to Award a Contract: Waste Disposal of Road Sweepings

Ref no: CWC21224	
Council Plan aim	A vibrant, green city we can all be proud of
Originating service	City Environment
Accountable officer	Claire Walters, Environmental Place Based Development Manager (01902) 554846
Leadership Team approval	8 February 2022
Accountable Lead Cabinet Member	Cllr Steve Evans, Cabinet Member for City Environment and Climate Change (01902) 861498
Date Lead Cabinet Member briefed	11 February 2022
Procurement advisor	Sean Hynes, Procurement Manager (01902) 554950

4.2 Background

- 4.3 Under the Environmental Protection Act 1990 Section 89, CWC has a duty to keep land and highways clean and kept clear of litter and refuse as far as is reasonably practicable.
- 4.4 The Code of Practice on Litter and Refuse, a government statutory guidance document, provides guidance to organisations with a duty to fulfil the legal requirements of section 89, (1) and (2) of the Act.
- 4.5 CWC Street Cleaning Highway team remove approximately 2,400 tonnes of detritus per annum. This is done using Council fleet vehicles. Mechanical channel sweepers and precinct sweepers collect and remove detritus. The highway gully tanker removes and flushes out the highway gully pits ensuring they do not get blocked dispersing standing water during heavy rain fall.
- 4.6 CWC need to dispose of the waste on a daily basis.

Proposed Contract Award	
Contract duration	Four years and 6 months ¹
Contract Commencement date	1 May 2022
Annual value	£180,000
Total value	£810,000

¹To co-terminate with all other existing waste service contracts

4.7 Procurement Process

4.8 The intended procurement procedure will be an above threshold Open procedure in accordance with Public Contract Regulations 2015. The evaluation scoring balance will be 60% price, 30% quality and 10% Social Value. Any amendments to the procurement procedure will be reported in an Individual Executive Decision Notice (IEDN) to the relevant Cabinet Member in consultation with the relevant Director in accordance with the delegation within this report.

4.9 The evaluation team will comprise:

Name	Job Title
Paul Hodgetts	Environmental Services Performance & Intelligence Service Lead
Richard Macvicar	City Wide Environmental Area Manager
Richard Johnson	Direct Works/Arboriculture Manager

4.10 Evaluation of alternative options

4.11 The alternative options are:

- Do Nothing – CWC will be non-compliant as it will not have a current contract to dispose of the litter cleaned from the street.
- Outsourcing – CWC could outsource the whole of the Street Scene service, which would mean the providers would have the responsibility for removing fly tipping across the city and CWC would not need to have a contract in place. This is not currently an option for the service as the service has been restructured in order to develop an Environmental Place Based Approach along with Environmental Crime and Direct Works. Having Street Scene as a CWC service is integral to this development.

4.12 Reason for decisions

- 4.13 The decision has been made to procure this contract through an open tender process to ensure that we achieve for best value for money through disposal costs and make sure that the Waste disposal fits in with our target to be Net Carbon Zero by 2028, and all waste is disposed of ethically and recycled where possible.

4.14 Financial implications

- 4.15 This contract will be funded from the Street Scene Waste Disposal annual budget totalling £257,000..

4.16 Legal implications

- 4.17 The procurement will be an above threshold procedure in accordance with the Public Contract Regulations 2015 and Council's Contract Procedure Rules.

4.18 Equalities implications

- 4.19 Whilst there are no direct equalities implications in the award of the particular contract, equalities considerations have been taken into account for each of the areas of work for which the contract relates and have been reflected in the contract the Council is entering into.

4.20 Recommendation

- 4.21 Cabinet (Resources) Panel is recommended to delegate authority to the Cabinet Member for City Environment and Climate Change, in consultation with the Director of City Housing and Environment to approve the award of a contract for Waste Disposal of Road Sweepings when the evaluation process is complete.

5.0 Councillor Linda Leach, Cabinet Member for Adults

5.1 Delegated Authority to Award a Contract - Shared Lives for Adults with Disabilities

Ref no: CWC21029	
Council Plan aim	A vibrant, green city we can all be proud of
Originating service	Shared Lives for Adults with Disabilities
Accountable officer	Mark Williams, Commissioning Officer (01902) 550364
Leadership Team approval	3 February 2021
Accountable Lead Cabinet Member	Cllr Linda Leach, Cabinet Member for Adults
Date Lead Cabinet Member briefed	7 March 2022
Procurement advisor	Babita Mal, Procurement Manager

5.2 Background

5.3 The Shared Lives Service is a form of care and support where people share the family home of a specially recruited and trained Shared Lives Carer and their family. The purpose of the Shared Lives Service is to support people to live as independently as possible. The objective is to provide the best possible support in accordance with the lifestyle and wishes of each individual person, incorporating a person-centred, asset-based approach to service delivery.

5.4 The vision for Shared Lives is a kinder, stronger society built on carers sharing their lives and their homes. Shared Lives help build communities where everyone lives a full life, regardless of the support they need. This is achieved by turning Shared Lives into thriving, mainstream options with all the right structures in place to support and guide who want to share their lives and homes.

Proposed Contract Award	
Contract duration	Three Years
Contract Commencement date	30 June 2022
(Estimated) Annual value	Year 1: £113,000 Year 2: £133,000 Year 3: £154,000
(Estimated) Total value	£400,000

- 5.5 Following pre-tender market engagement an arrangement/management fee will be paid directly to the new provider for all existing and new people accessing the Shared Lives service in consideration of the overall management and operation of the service. The contracted provider is responsible for the recruitment, retention and training of highly skilled Shared Lives carers.
- 5.6 The estimated annual value of the proposed contract award has taken into account all existing placements and anticipated growth of five new placements per year.

5.7 Procurement Process

- 5.8 The intended procurement procedure will be a Light Touch Regime procedure in accordance with Public Contract Regulations 2015. The evaluation scoring balance will be 60% quality, 30% price and 10% social value. Any amendments to the procurement procedure will be reported in an Individual Executive Decision Notice (IEDN) to the relevant Cabinet Member in consultation with the relevant Director in accordance with the delegation within this report.
- 5.9 The evaluation team will comprise:

Name	Job Title
Mark Williams	Commissioning Officer
Sara Forsbrook	Senior Social Worker

5.10 Evaluation of alternative options

- 5.11 A range of options have been considered but CWC wishes to recommission the service. Shared Lives is a cost-effective service which provides better value for money than residential care for permanent or short-term placements, respite care for all client groups.
- 5.12 Shared Lives offers a person-centred service as placements are bespoke and extensive compatibility work is undertaken to match people to carers.
- 5.13 The Council does not wish to consider commissioning in-house provision for this service.

5.14 Reason for decisions

- 5.15 New contracting arrangements provide better value for money and offers providers an incentivised approach. A revised service specification has been developed which reflects the recommendations received from the provider market and following feedback received.

5.16 Financial Implications

- 5.17 The current number of placements at the proposed management fee for years 1, 2 and 3 can be met from existing approved budgets within Adult Services. There is also some scope for an increase in the number of placements.

5.18 Legal implications

- 5.19 The procurement will be an above threshold procedure in accordance with the Public Contract Regulations 2015 and Council's Contract Procedure Rules.

5.20 Equalities implications

- 5.21 An equalities analysis has been completed and is applicable to Shared Lives. The service provider appointed will have their own equalities policy.

5.22 All other implications

- 5.23 There are no other implications arising from the recommendations of this report.

5.24 Recommendation

- 5.25 Cabinet (Resources) Panel is recommended to delegate authority to the Cabinet Member for Adults, in consultation with the Executive Director of Families to approve the award of a contract for Shared Lives for Adults with Disabilities when the evaluation process is complete.

6.0 Evaluation of alternative options

6.1 All alternative options are included within the relevant section of the report.

7.0 Reasons for decision

7.1 The reason for the recommendations are included within the relevant section of the report.

8.0 Financial implications

8.1 All financial implications are included within the relevant section of the report.
[RP/09032022/Y]

9.0 Legal implications

9.1 All legal implications are included within the relevant section of the report.
[SZ/07032022/P]

10.0 Equalities implications

10.1 The relevance to equalities and progress in terms of equality analysis will vary for each proposal included in this report. Accountable officers have and will ensure that evidence is collected and used to demonstrate compliance with the Council's legal obligations under the Equality Act 2010.

11.0 All other implications

11.1 All other implications are included within the relevant section of the report.

12.0 Schedule of background papers

12.1 Relevant background papers are included within the relevant section of the report.

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 23 March 2022
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Report title	Treasury Management Activity Monitoring Quarter Three 2021-2022	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Ian Brookfield Leader of the Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	Claire Nye Tel Email	Director of Finance 01902 550478 Claire.Nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Our Council Scrutiny Panel	9 March 2022 TBC

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. That the Council is continuing to operate within the Prudential and Treasury Management Indicators approved by Council, and also within the requirements set out in the Council's approved Treasury Management Strategy for 2021-2022.
2. That revenue underspends of £904,000 for the General Revenue Account and £720,000 for the Housing Revenue Account (HRA) are forecast from treasury management activities in 2021-2022, arising as a result of re-phasing of the capital programme and due to no borrowing being undertaken in 2020-2021 or so far in 2021-2022.
3. That mainly due to additional income being received than forecast over the Christmas period, the Council temporarily exceeded the limit of £10.0 million to be held in the Council's bank account by £487,000 from 31 December 2021 until rectified on 4 January 2022.

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

1.0 Purpose

- 1.1 This report provides a monitoring and progress report on treasury management activity for the third quarter of 2021-2022 and highlights the revised Prudential Indicators which were approved by Council on 2 March 2022.

2.0 Background

- 2.1 The treasury management activities of the Council are underpinned by The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. For further information on the requirements of the Code please refer to the Treasury Management Strategy 2021-2022 report which can be accessed online on the Council's website [here](#).
- 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 Cabinet / Cabinet (Resources) Panel receives quarterly reports throughout the year to monitor performance against the strategy and Prudential Indicators that have previously been approved by Council.
- 2.5 The Council continues to use Link Group as its treasury management advisors throughout 2021-2022. Link provides market data and intelligence on which the Council can make decisions regarding all aspects of treasury management activities and in particular, managing the risks associated with investing surplus cash.
- 2.6 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.
- 2.7 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.

- 2.8 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.
- 2.9 Where possible the changes to the Codes have been implemented in the appendices attached to this report. However, due to timescales, some areas will be implemented during 2022-2023. Therefore, at its meeting on 2 March 2022, Council approved delegated authority to Cabinet to approve updates to the Treasury Management Strategy and corresponding practices.
- 2.10 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 where required.
- 2.11 The Council Plan 2019-2024 was approved by Full Council on 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 resources continue 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.
- 2.12 Our City: Our Plan incorporates key policy areas into refreshed narrative and updated structure which has a focus on delivery and performance. The plan also aligns the key priorities and objectives identified by the Relighting Our City Recovery framework. The refreshed plan was approved by Full Council on 2 March 2022.
- 2.13 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
- 2.14 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, Driven by Digital, Fair and Equal.

3.0 2021-2022

- 3.1 The forecast outturn for treasury management activities in 2021-2022 compared to budget is shown in Table 1.

Table 1 – Treasury management budget and forecast outturn 2021-2022

	Approved Budget £000	Forecast Outturn £000	Variance at Quarter three £000
General Revenue Account	37,555	36,651	(904)
Housing Revenue Account	10,823	10,103	(720)
Total	48,378	46,754	(1,624)

- 3.2 Overall, underspends of £904,000 for the General Revenue Account and £720,000 for the HRA are projected for the year 2021-2022.
- 3.3 In the main, the General Revenue Account underspend is due to a reduced borrowing need in year arising as a result of re-phasing of the capital programme and due to no borrowing being undertaken in 2020-2021 or so far in 2021-2022.
- 3.4 Due to the uncertain economic climate, it is likely that the outturn forecast will be subject to change during the financial year.
- 3.5 The forecast underspend will be considered more fully and in context of the whole General Revenue Account budget in the 'Performance and Budget Monitoring 2021-2022' report also on the agenda for this meeting.
- 3.6 The Council's strategy is to continue to use cash balances to finance capital expenditure rather than external borrowing. Borrowings are actively managed to achieve savings wherever possible.
- 3.7 Appendix 1 to this report shows the revised Prudential and Treasury Management Indicators over the medium term period. These indicators are the same figures as those seen by Cabinet on 23 February 2022 and approved by Council on 2 March 2022.

4.0 Borrowing forecast for 2021-2022

- 4.1 The Council's need to borrow and the rates available continue to be monitored in order to achieve optimum results. The Council's medium term forecast is regularly updated to reflect actual borrowing that takes place along with any revisions to future anticipated borrowing.

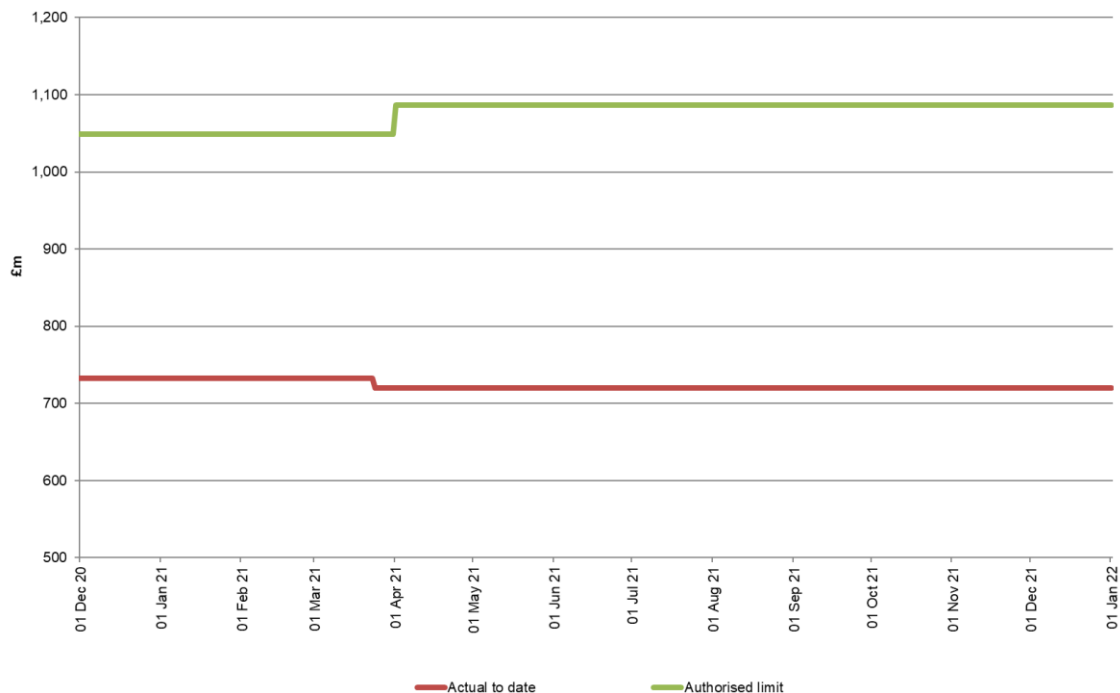
- 4.2 Table 2 shows the average rate of interest payable in 2020-2021 and forecast for 2021-2022.

Table 2 – Average interest rate payable in 2020-2021 and 2021-2022

	2020-2021 Actual	2021-2022 Forecast
Average Interest Rate Payable	3.76%	3.79%

- 4.3 Each year it is necessary to raise new loans to finance capital expenditure and to replace existing maturing borrowing. The Council's policy is to prioritise the use of capital receipts to finance capital expenditure. Balances which are set aside to meet credit liabilities (i.e. to repay borrowing) are used to reduce the external borrowing requirement.
- 4.4 Decisions to take borrowing will be made by the Director of Finance when it is judged that rates are likely to be at their lowest levels, and probably about to rise according to market indications, and only when an inflow of funds is required to meet imminent cash flow commitments. This will keep overall surplus cash balances to a minimum, in line with the current strategy. Appendix 2 to this report shows the maturity profile of external borrowing.
- 4.5 As always, the Council needs to be mindful that the opportunity to secure short term efficiencies by postponing longer term borrowing requirements takes into account the risk of long term rates increasing in the future. Appendix 3 to this report includes the Link interest rate forecasts for quarter three 2021-2022 which forecasts that interest rates across all periods could increase in March, May and November 2022. The Director of Finance will continue to keep actual and forecast rates under close review.
- 4.6 The Council's borrowing profile continues to operate within the overall limits previously approved by Council, as shown in Chart 1.

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



- 4.7 The level of borrowing at 31 December 2021 is £720.4 million, appendix 4 to the report shows a summary of this position. During quarter three no new loans or repayments have occurred, and no existing borrowing is due to be repaid in quarter four.
- 4.8 In March 2021, Council approved a net borrowing requirement for 2021-2022 of £143.8 million. The forecast net borrowing requirement for 2021-2022 is £50.4 million, as shown in appendix 5, due to re-phasing in the capital programme. This appendix also shows the details for the disclosure for certainty rate, which enables the Council to access discounted borrowing at 0.20% below normal PWLB rates.

5.0 Investment forecast for 2021-2022

- 5.1 The approach during the year is to continue to use cash balances to finance capital expenditure so as to keep cash balances low.
- 5.2 Table 3 shows the total amount of surplus funds invested as at 30 September 2021 and 31 December 2021.

Table 3 – Total amounts invested 2021-2022

	30 September 2021 £000	31 December 2021 £000
Business Reserve Accounts	767	10,487
Debt Management Account Deposit Facility	-	6,740
Money Market Funds	59,775	57,495
Total invested	60,542	74,722
Average cash balance for the year to date	45,044	54,897

- 5.3 Money Market Funds and Business Reserve Accounts are the main investments used as these have high credit ratings and instant access.
- 5.4 The Council's cash flow balance for the third quarter of the current financial year has moved between a low of £64.3 million and a maximum of £83.9 million. The average cash balance for the quarter being £74.3 million.
- 5.5 It should be noted that, mainly due to additional income being received than forecast over the Christmas period, the Council temporarily exceeded the limit of £10.0 million to be held in the Council's bank account by £487,000 from 31 December 2021 until rectified on 4 January 2022.
- 5.6 Table 4 shows the budgeted average rate of interest receivable in 2021-2022 and the forecast for the year.

Table 4 – Average interest rate receivable in 2021-2022

	2021-2022 Budget	2021-2022 Forecast
Average Interest Rate Receivable	0.05%	0.01%

- 5.7 At the time the budget was set a prudent percentage was used for budgeting purposes, the Covid-19 pandemic has seen interest rates available for investments decrease significantly. With the current uncertainties it is increasingly difficult to forecast future investment rates that could be achieved, in order to be prudent, a lower rate is forecast based on the rates achieved to the 31 December 2021. The impact of this reduction will be monitored throughout the year; however, this loss of income will be offset against savings generated by avoiding the cost of borrowing, due to re-phasing in the capital programme.
- 5.8 As reported in previous monitoring reports to date, Fitch and Moody's (two of the three credit rating agencies) had 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.

The Council's Annual Investment Strategy sets the minimum sovereign rating of AA with regard to the Council's investment lending list. As the other credit rating agency (Standard & Poors) had kept their UK sovereign rating equivalent to AA the Annual Investment Strategy did not require amendment. If they did also downgrade the UK's sovereign rating, the Council's bank account provider, National Westminster Bank plc, would no longer have met the current approved minimum sovereign rating. Therefore, to ensure that National Westminster Bank plc remained on the lending list, in the event that the UK sovereign rating was downgraded by Moody's and Standard & Poors, delegation was sought to enable the minimum sovereign rating to be lowered by the Director of Finance in a timely manner. This delegation hasn't been utilised to the date of this report, however, if Standard & Poors were to downgrade the rating, the Director of Finance will be required to use the delegated authority to lower the minimum sovereign rating in the Annual Investment Strategy.

- 5.9 While investment rates continue to be below long term borrowing rates, the Council can minimise its overall net treasury costs in the short term by continuing to avoid new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external borrowing (this is referred to as internal borrowing).
- 5.10 The Council manages its investments in-house and invests only in the institutions listed in the Council's approved lending list, which is reviewed each time a counterparty is subject to a credit rating amendment. The Council's strategy allows for investments for a range of periods from overnight to five years, depending on the Council's cash flows, its interest rate view and the interest rates on offer. However, in order to maintain sufficient liquidity whilst total investment levels are relatively low, investments have been placed for shorter durations.
- 5.11 The approved Treasury Management Code of Practice sets out the criteria to be used for creating and managing approved counterparty lists and limits. As a result of any changes to credit criteria, the Director of Finance is authorised to make changes to the list of approved counterparties. In the event that any of these counterparties fall below the Council's minimum lending criteria, activity in that account will temporarily cease and any balance withdrawn immediately. Appendix 6 to this report shows the Council's current specified investments lending list.
- 5.12 In quarter three 2021-2022 the Director of Finance has not been required to use her discretion to temporarily exceed any upper limits with approved counterparties.

6.0 Evaluation of alternative options

- 6.1 As this is a monitoring report of treasury management activities undertaken in line with the approved Treasury Management Strategy for 2021-2022, there are no alternative options available.

7.0 Reasons for decision(s)

- 7.1 This report provides an update on treasury management activities undertaken in line with the approved Treasury Management Strategy for 2021-2022.

8.0 Financial implications

- 8.1 The financial implications are discussed in the body of this report.
[SH/08032022/W]

9.0 Legal implications

- 9.1 The Council's treasury management activity must be carried out in accordance with the requirements of the Local Government Act 2003. In addition, the Local Government and Housing Act 1989 sets out requirements for local authorities in respect of capital controls, borrowing and credit arrangements. The Council is also required to comply with the Local Authority (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.
- 9.2 Treasury management relates to the management of the Council's cash flow, borrowing and cash investments. This involves seeking the best rates of interest for borrowing, earning interest on investments, whilst managing risk in making financial decisions and adopting proper accounting practice.
- 9.3 The area is heavily regulated. The Local Government and Housing Act 1989 regulates the operation of the Housing Revenue Account. The 'CIPFA Code of Practice for Treasury Management in the Public Services', contains treasury management indicators and advice on treasury management strategy. Investment strategy is regulated by 'DLUHC Guidance on Local Government Investments' issued initially in 2004 and reissued in 2010 and 2018. Part 2 of this Guidance is statutory guidance.
[TC/01022022/A]

10.0 Equalities implications

- 10.1 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.

11.0 All other implications

- 11.1 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.

- 11.2 As highlighted in previous monitoring reports, Covid-19 has impacted on the economy resulting in lower interest rates being available for investments. The impact on the treasury management budget of the reduced interest rates available for the Council's investments will be closely monitored.

12.0 Schedule of background papers

- 12.1 [Treasury Management Strategy 2021-2022](#), Report to Cabinet, 17 February 2021
- 12.2 [Treasury Management – Annual Report 2020-2021 and Activity Monitoring Quarter One 2021-2022](#), Report to Cabinet, 7 July 2021
- 12.3 [Treasury Management Activity Monitoring – Mid Year Review 2021-2022](#), Report to Cabinet, 17 November 2021
- 12.4 [Treasury Management Strategy 2022-2023](#), Report to Cabinet, 23 February 2022
- 12.5 [Performance and Budget Monitoring 2021-2022](#), Report to Cabinet (Resources) Panel, 23 March 2022

13.0 Appendices

- 13.1 Appendix 1 – Prudential and Treasury Management Indicators
- 13.2 Appendix 2 – Borrowing maturity profile
- 13.3 Appendix 3 – Link interest rate forecasts
- 13.4 Appendix 4 – Borrowing type, borrowing and repayments
- 13.5 Appendix 5 – Disclosure for certainty rate
- 13.6 Appendix 6 – Lending list

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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.

	Approved by Council 3 March 2021			Approved by Council 2 March 2022		
	2021-2022 Forecast £000	2022-2023 Forecast £000	2023-2024 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000	2023-2024 Forecast £000
General *	173,116	32,264	13,003	99,995	139,412	59,970
HRA	95,287	86,260	84,280	54,900	84,663	88,488
	268,403	118,524	97,283	154,895	224,075	148,458
* 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 and regeneration delivery purposes.	23,057	10,000	10,000	21,030	13,057	10,000

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

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

	Approved by Council 3 March 2021			Approved by Council 2 March 2022		
	2021-2022 Forecast £000	2022-2023 Forecast £000	2023-2024 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000	2023-2024 Forecast £000
General *	754,006	728,584	706,460	691,887	723,620	707,006
HRA	316,385	357,387	396,495	275,967	316,145	359,879
	1,070,391	1,085,971	1,102,955	967,854	1,039,765	1,066,885
* 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 and regeneration delivery purposes.	23,789	15,744	14,816	42,350	45,165	40,730
Movement in capital financing requirement represented by:						
New borrowing for capital expenditure	145,604	60,572	60,336	58,536	109,302	68,029
Less minimum revenue provision/voluntary minimum revenue provision	(34,474)	(44,992)	(43,352)	(32,765)	(37,391)	(40,909)
Movement in capital financing requirement	111,130	15,580	16,984	25,771	71,911	27,120

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.

	Approved by Council 2 March 2022		
	2021-2022 Limit £000	2022-2023 Limit £000	2023-2024 Limit £000
Borrowing	1,086,578	1,080,693	1,139,076
Other Long Term Liabilities	79,626	82,628	79,660
Total Authorised Limit	1,166,204	1,163,321	1,218,736
Forecast External Debt as at 31 December 2021:			
Borrowing	770,830	872,611	940,699
Other Long Term Liabilities	79,626	80,628	77,660
	850,456	953,239	1,018,359
Variance (Under) / Over Authorised limit	(315,748)	(210,082)	(200,377)
Authorised limit for service investments included in the above figures			
Authorised Limit	47,014	66,049	63,600
Forecast External Debt as at 31 December 2021:			
	43,120	45,935	44,500
Variance (Under) / Over Authorised limit	(3,894)	(20,114)	(19,100)

Prudential Indicators (PI) required by The Prudential Code

PI 4 - Operational boundary for external debt.

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

Approved by Council 2 March 2022			
	2021-2022 Limit £000	2022-2023 Limit £000	2023-2024 Limit £000
Borrowing	1,050,255	1,054,388	1,122,138
Other Long Term Liabilities	79,626	80,628	77,660
Total Operational Boundary Limit	1,129,881	1,135,016	1,199,798
Forecast External Debt as at 31 December 2021:			
Borrowing	770,830	872,611	940,699
Other Long Term Liabilities	79,626	80,628	77,660
	850,456	953,239	1,018,359
Variance (Under) / Over Operational Boundary Limit	(279,425)	(181,777)	(181,439)
Operational boundary for service investments included in the above figures			
Operational Boundary Limit	45,874	65,035	63,600
Forecast External Debt as at 31 December 2021:	43,120	45,935	44,500
Variance (Under) / Over Operational Boundary Limit	(2,754)	(19,100)	(19,100)

PI 5 - Gross debt and the capital financing requirement.

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

	Approved by Council 3 March 2021			Approved by Council 2 March 2022		
	2021-2022 Forecast £000	2022-2023 Forecast £000	2023-2024 Forecast £000	2021-2022 Forecast £000	2022-2023 Forecast £000	2023-2024 Forecast £000
Forecast Capital Financing Requirement at end of Second Year	1,102,955	1,102,955	1,102,955	1,066,885	1,088,964	1,088,964
Gross Debt	1,004,740	1,044,320	1,061,304	850,456	953,239	1,018,359
Capital Financing Requirement Greater than Gross Debt	Yes	Yes	Yes	Yes	Yes	Yes

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

PI 6 - Estimates and actual ratio of financing costs to net revenue stream.

This represents the cost of financing capital expenditure as a % of net revenue for both General and HRA.

	Approved by Council 3 March 2021			Approved by Council 2 March 2022		
	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
General *	14.5%	18.6%	16.5%	17.7%	18.1%	18.6%
HRA	29.3%	29.5%	30.1%	30.4%	31.4%	31.7%
* 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 and regeneration delivery purposes.	1.0%	1.0%	0.9%	1.1%	1.1%	1.2%

PI 7 - Estimates and actual ratio of net income from commercial and service investments to net revenue stream.

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. This is a new indicator required by the revised Prudential Code.

	Approved by Council 3 March 2021			Approved by Council 2 March 2022		
	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast
Commercial	-	-	-	-	-	-
Service	-	-	-	0.7%	0.6%	0.8%

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.

	Approved by Council 2 March 2022		
	2021-2022 Limit £000	2022-2023 Limit £000	2023-2024 Limit £000
Upper limit for long-term treasury management investments	35,000	35,000	35,000
Actual and Forecast Invested at 31 December 2021	-	-	-
Variance (Under) / Over Limit	(35,000)	(35,000)	(35,000)

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

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

	Approved by Council 2 March 2022		Approved by Council 2 March 2022
	Upper Limit	Lower Limit	2021-2022 Forecast Borrowing
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).

	Approved by Council 3 March 2021			Approved by Council 2 March 2022		
	2021-2022	2022-2023	2023-2024	2021-2022	2022-2023	2023-2024
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000
Service investments	23,057	10,000	10,000	21,030	13,057	10,000
Commercial investments	-	-	-	-	-	-
	23,057	10,000	10,000	21,030	13,057	10,000

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.

	Approved by Council 3 March 2021			Approved by Council 2 March 2022		
	2021-2022	2022-2023	2023-2024	2021-2022	2022-2023	2023-2024
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000
Net debt for service and commercial investments	43,389	35,344	34,416	42,350	45,165	40,730
Net service expenditure	258,497	247,274	251,839	258,497	267,150	268,326
Debt to net service expenditure ratio	16.8%	14.3%	13.7%	16.4%	16.9%	15.2%

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.

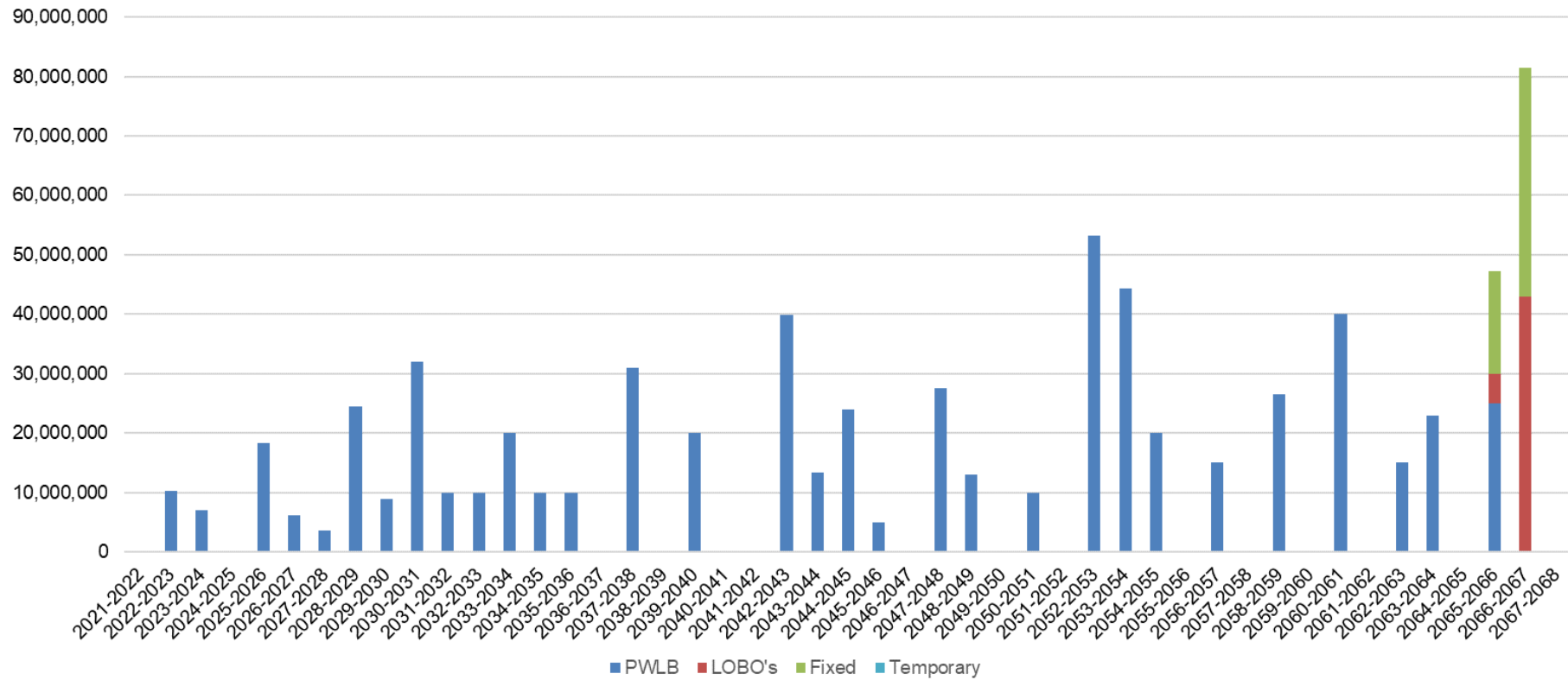
	Approved by Council 3 March 2021			Approved by Council 2 March 2022		
	2021-2022	2022-2023	2023-2024	2021-2022	2022-2023	2023-2024
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000
Service and commercial investment income	2,004	2,286	2,085	2,061	1,819	2,115
Net service expenditure	258,497	247,274	251,839	258,497	267,150	268,326
Service and commercial income to net service expenditure ratio	0.8%	0.9%	0.8%	0.8%	0.7%	0.8%

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.

	Approved by Council 3 March 2021			Approved by Council 2 March 2022		
	2021-2022	2022-2023	2023-2024	2021-2022	2022-2023	2023-2024
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Loan to value ratio	91.4%	87.4%	85.1%	72.2%	72.1%	68.3%

Borrowing Maturity Profile at 31 December 2021



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Link interest rate forecasts

The Council's treasury advisor, Link Group, provided the following forecasts on 7 February 2022 (PWLB rates are certainty rates, gilt yields plus 80bps):

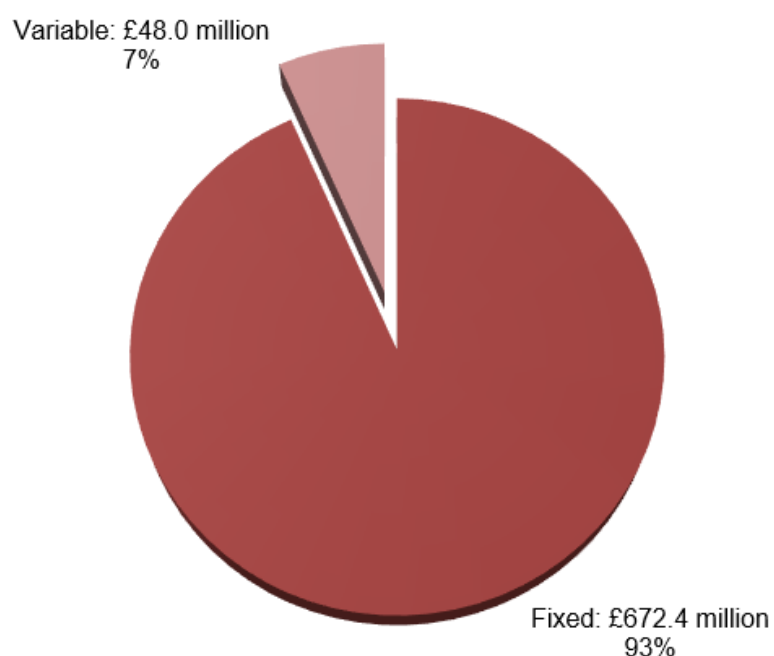
Link Group Interest Rate View 07.02.22													
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month ave earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
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

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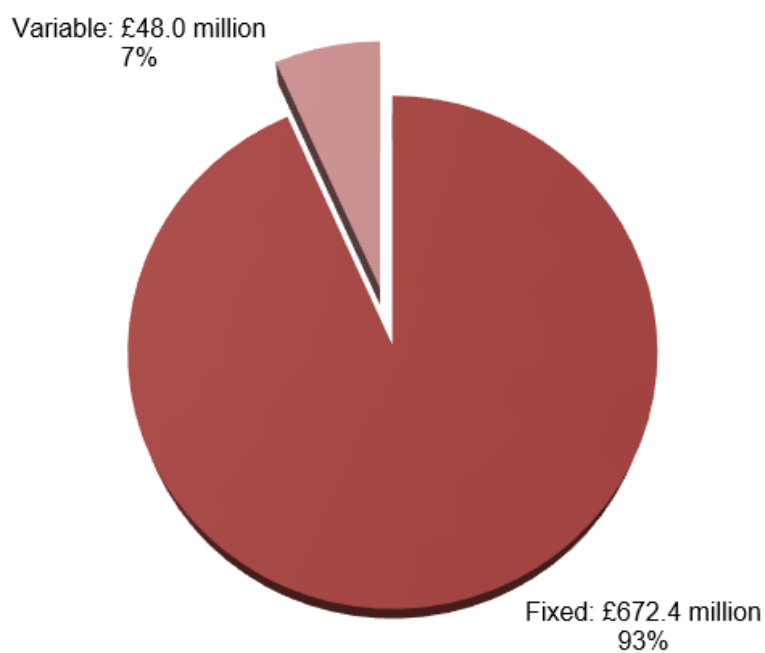
Borrowing: Graphical Summary

Borrowing by Type

As at 30 September 2021



As at 31 December 2021



Borrowing and Repayments in 2021-2022

	Start Date	Maturity Date	Amount £000	Length	Interest Rate	Full Year Interest £000
2021-2022 Borrowing						
PWLB Fixed Maturity:						
No activity in quarter 3						
Sub total for PWLB			-			-
Temporary Loans:						
No activity in quarter 3						
Sub total for Temporary Loans			-			-
Grand total borrowing			-			-

	Start Date	Maturity Date	Amount £000	Length	Interest Rate	Full Year Interest £000
2021-2022 Repayments						
PWLB Fixed Maturity:						
No activity in quarter 3						
Sub total for PWLB			-			-
Temporary Loans						
No activity in quarter 3						
Sub total for Temporary Loans			-			-
Grand total repayments			-			-
Net movement			-			-

Disclosure for Certainty Rate

Certainty Rate						
This table details the information that is required to enable the Council to submit a return for 2021-2022						
	Approved by Council 3 March 2021			As at 31 December 2021		
	2021-2022	2022-2023	2023-2024	2021-2022	2022-2023	2023-2024
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000
Net Borrowing Requirement:						
Borrowing to finance planned capital expenditure	145,292	57,189	60,057	58,224	105,219	67,750
Existing maturity loans to be replaced during the year	30,059	88,199	57,095	22,000	41,071	95,095
Less:						
Minimum Revenue Provision for debt repayment	(18,153)	(25,546)	(21,987)	(18,338)	(19,817)	(21,121)
Voluntary debt repayment	(13,397)	(16,365)	(18,118)	(11,503)	(14,493)	(16,541)
	(31,550)	(41,911)	(40,105)	(29,841)	(34,310)	(37,662)
Loans replaced less debt repayment	(1,491)	46,288	16,990	(7,841)	6,761	57,433
Net Advance Requirement	143,801	103,477	77,047	50,383	111,980	125,183
Analysed by:						
Service delivery	55,984	48	2,831	29,884	28,743	8,374
Housing	54,508	50,367	57,226	9,674	58,821	57,275
Regeneration	34,800	6,774	-	18,666	17,655	2,101
Preventative action	-	-	-	-	-	-
Treasury Management	(1,491)	46,288	16,990	(7,841)	6,761	57,433
Primarily for yield	-	-	-	-	-	-
Total	143,801	103,477	77,047	50,383	111,980	125,183

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Lending List

2021-2022 Specified Investments as at 31 December 2021

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

Non-rated Institutions

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

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 23 March 2022
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Report title	Former Parkfields Housing Office – Future Use Options.	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Bhupinder Gakhal City Assets and Housing	
Key decision	No	
In forward plan	Yes	
Wards affected	Ettingshall	
Accountable Director	John Roseblade – Director of City Housing and Environment	
Originating service	Housing	
Accountable employee	Karen Beasley	Interim Service Manager – Housing Strategy & Policy
	Tel	01902 554893
	Email	Karen.beasley@wolverhampton.gov.uk
Report to be/has been considered by	City Assets Leadership Team	23 February 2022
	City Housing and Environment Leadership Team	22 February 2022
	Cabinet Member Briefing – City Assets and Housing	9 March 2022

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Declare the former Parkfields Housing Office building surplus to requirements and approve option six (demolish the building and re-develop the land for Housing Revenue Account affordable housing).
2. Receive a further report on the development options for the site, once the building is demolished and site cleared as part of a future phase of the Small Sites Housing Development Programme.

1.0 Purpose

- 1.1 To provide an update on the previous use of the former Parkfields Housing Office.
- 1.2 To consider the options on the future use of the building as listed in paragraph 3.
- 1.3 To declare the former Parkfields Housing Office surplus to requirements.
- 1.4 To recommend option six as detailed in paragraph 3.6 and demolish to building and re-develop the site for affordable housing.

2.0 Background

- 2.1 The Parkfields Housing Office was constructed in 1990's and opened as a housing office to deliver local housing services such as rent collection, repair reporting, allocations and other housing management functions, delivered by a team of housing repairs officers.
- 2.2 Wolverhampton Homes' Local Repairs Team were re-located to the building in 2002 to deliver a local repairs service for housing stock in the area. In 2019 the team moved to Tarmac Road and the building has been vacant since that date.
- 2.3 Wolverhampton Homes have confirmed they have no further use for the building.
- 2.4 The building is a housing revenue account (HRA) asset, and the property is managed by Wolverhampton Homes on behalf of the Council. Whilst the asset has been vacant, the property is monitored each week with security patrols, but it continues to be subjected to anti-social behaviour such as vandalism, attempted break-ins, damage to roof tiles and fly-tipping.
- 2.5 Since 2019, the potential use of the building has been explored by a number of Council led services such as Education Library Services, Licensing and Children's Services but has been deemed the building/location is not suitable for their use.
- 2.6 In October 2021, Housing carried out consultation to obtain views/comments on a number of options as listed in paragraph 3 below. Comments were received and a conclusion drawn to consider option six as the most viable option for this building.

3.0 Options to consider.

3.1 Option One – Do nothing.

This option would mean the property remains vacant and within the management of the HRA with ongoing maintenance, security, and repair liability.

3.2 Option Two – Declare surplus and consider use by another Service area.

It is possible to carry out a further internal consultation period to seek any other Service area interest in using this building for delivery of their services.

3.3 Option Three – Declare surplus and consider short-term market lease.

In discussions with Corporate Landlord, it is possible to consider a short-term lease for the building which could attract an annual rental income of circa £15,000. It would be advisable to offer a rent-free period to allow for refurbishment/alterations to be undertaken. This will provide annual rental income to the Housing Revenue Account, bring an empty commercial premise back into use and reduce the Council's maintenance liability.

3.4 Option Four – Declare surplus and convert into residential accommodation.

The building would be declared surplus as a commercial building and would potentially lend itself to converting into two, level access one-bedroom bungalows, using the existing car parking area for outside garden space/parking.

3.5 Option Five - Declare surplus, demolish the building, and dispose of land on open market for development.

The building would be declared surplus, demolished and the land would be marketed for sale for residential development. This would attract a capital receipt for the sale of the land which could be used to fund other council projects.

3.6 Option Six - Declare surplus, demolish the building and re-develop the land for HRA affordable housing.

As with option five, the building would be declared surplus, demolished but the land retained and developed for affordable housing and included in the Council Small Sites Housing Development Programme. This would bring much needed, modern, thermal efficient properties into the Council's stock for allocation to residents in housing need.

4.0 Evaluation of alternative options

4.1 Option One would leave an empty commercial vacant which will continue to decline with the ongoing vandalism and the cost of maintenance and security would remain with the HRA with no income being received for the use of the building. The building would remain a liability for the HRA.

4.2 Option Two has already been explored over the past two years with no suitable/feasible use identified. It is possible to re-consult but unlikely that another Service Area will consider the building as suitable, at a time when the use of commercial premises are being reviewed post Covid with working from home arrangements in place for many organisations.

4.3 Option Three could be considered but as with Option Two the demand of commercial premises is being reviewed post Covid with many organisations implementing working from home arrangements as normal practice and therefore 'office' space may not be in demand.

- 4.4 Option Four could also be considered for the conversion into level access accommodation but the building would require significant investment. Also, the location of the building, adjacent to open space, may leave any incoming elderly resident feeling vulnerable in this position with no immediate neighbouring properties.
- 4.5 Option Five would see the building demolished and land sold on the open market. Whilst this would alleviate the ongoing maintenance costs and bring in a receipt for the land, the Council would have no control over the future development of the site and the land could possibly remain undeveloped and attract fly-tipping, anti-social behaviour.

5.0 Reasons for decision

- 5.1 It is recommended option six is approved as this would remove an empty commercial building and the maintenance obligations from the HRA and utilise the land for much needed affordable residential development.
- 5.2 Discussions with Planning colleagues has determined the site is a good housing site suitable for the development of a small block of two storey apartments at the front of the site facing the street with shared amenity space to the rear adjoining the park with an open railing fence would work well. The passive surveillance of the area would be increased improving security.
- 5.3 If approval given, the site could be included in a future phase of the Small Sites Housing Development programme. A further report will be presented providing details of the scheme and timescales for the future development.

6.0 Financial implications

- 6.1 The former Parkfields Housing Office is a vacant HRA asset which is currently being maintained at a cost to the HRA. The re-development of the site for affordable housing will bring forward much needed homes and rental income into the HRA.
- 6.2 There is budget provision in the HRA capital programme for future new build development including the Small Sites programme. This is allocated as schemes are approved on a site by site basis.

[JM/17022022/H]

7.0 Legal implications

- 7.1 There are no direct legal implications contained within the report.
- 7.2 A key strand of the Council's financial and treasury strategies is to maximise income from its assets and seek to manage risk by achieving a balanced portfolio of assets
- 7.3 Appropriate consultations have been undertaken and various options have been considered.

[TC/21022022/A]

8.0 Equalities implications

- 8.1 The proposals in this report will see the demolition of a vacant council building which is attracting anti-social behaviour for nearby residents and when the site is developed will deliver high quality affordable much needed accommodation.

9.0 All other implications

- 9.1 The demolition of this vacant building will improve the neighbourhood and alleviate the ongoing anti-social behaviour in the area. The site will be developed for new affordable housing delivery high quality thermal energy efficient homes build to modern day standards.
- 9.2 The human resources implications will be managed within the Housing Services Team.
- 9.3 Corporate Landlord have been consulted on the future use of this building and supported Housing in identifying a potential future use by another Service Area and when considering a short-term lease arrangement. There have been objections raised in the consideration of the other options within this paper.
- 9.4 Investment in properties to bring them to the council lettings standard will see them receive repairs and upgrades to provide good quality homes for local residents in housing need.
- 9.5 The outbreak of Coronavirus (COVID-19) declared by the World Health Organisation as a 'Global Pandemic' on 11 March 2020 brought the introduction of Government Covid restrictions, including instructing people to work from home, where possible. This has led many organisations' reviewing their commercial space requirements and will no doubt see a change in demand for office accommodation as services are delivered in new ways.

10.0 Schedule of background papers

- 10.1 None.

11.0 Appendices

- 11.1 Appendix 1: Site plan – Parkfields Housing Office.

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APPENDIX 1 – Site Plan – Former Parkfields Housing Office



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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 23 March 2022
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Report title	Civic Centre Lease – Black Country Healthcare NHS Foundation Trust	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Bhupinder Gakhal City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	St Peters	
Accountable Director	Julia Nock, Deputy Director Assets	
Originating service	City Assets	
Accountable employee	Luke Dove Tel Email	Head of Assets, Assets 01902 557121 Luke.Dove@wolverhampton.gov.uk
Report to be/has been considered by	City Assets Leadership Team Asset Management Board	23 January 2022 9 March 2022

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the partial utilisation of the Civic Centre by way of lease for third party occupation by the Black Country Healthcare NHS Foundation Trust (BCHFT) on commercial terms.
2. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Deputy Director Assets to approve the Head of Terms (including rental and occupational) for the BCHFT's occupation of the Civic Centre and enter into a lease.
3. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Deputy Director Assets to approve any changes in accommodation design due to the BCHFT's occupation.

Recommendation for noting:

The Cabinet (Resources) Panel is asked to note:

1. That the leasing of the Civic Centre to selected third parties will allow business cases to be developed for the investment into the Civic Centre and other Council property assets.

1.0 Purpose

- 1.1 As part of supporting the delivery of Our Assets under the Council Plan, the partial utilisation of the Civic Centre is being recommended for third party occupation by the Black Country Healthcare NHS Foundation Trust (BCHFT) on a leasehold basis for their newly established headquarters.
- 1.2 To seek approval from the Cabinet (Resources) Panel to enter into a leasehold agreement with the BCHFT for a 10-year period generating a revenue income stream for the Council.

2.0 Background

- 2.1 The Council as part of the delivery of Our Assets workstream under the Council Plan continues to review the utilisation and occupation of the Civic Centre. The increased adoption of modern ways of working (e.g. agile and remote working) together with the impact of and necessary response to Covid, has presented a further opportunity to explore how the Civic Centre could be part utilised by partners co-locating with the Council.
- 2.2 Over the last four years, the Council has built up an excellent relationship with BCHFT through the delivery of the One Public Estate Programme. Following the recent successful leasing of part of the Civic Centre to the NHS Black Country and West Birmingham Clinical Commissioning Group (CCG), the Council have subsequently been in discussion with the BCHFT in relation to their future accommodation requirements.
- 2.3 BCHFT are seeking suitable office accommodation for 350 corporate staff across four hubs to be located within the Black Country and following a property search option appraisal (including with neighbouring authorities) have identified the Civic Centre as being their preferred option for their headquarters, which will also house their executive team.
- 2.4 The outline accommodation requirement is for provision of 60 desks to accommodate the executive team as a fixed location and the remainder to be provided on a bookable basis. This is to be supported through provision of dedicated meeting rooms alongside breakout, relaxation and development areas. The BCHFT have also requested a dedicated entrance/exit for staff access with the ability to utilise the main Civic Centre reception for greeting of external clients and that being located adjacent to the CCG would be preferable to offer potential for space sharing and improved co-working.
- 2.5 BCHFT have indicated that normal operating hours are Monday-Friday between 7am-7pm with weekend works being ad-hoc and infrequent. However, in light of the current climate this has been increased to 7 days per week, sometimes on a 24-hour basis. Their proposed main entrance will be accessed directly off the Piazza with the proposed office not being utilised for frontline business open to the general public.

- 2.6 Following evaluation of the options available, it became evident that locating the BCHFT on the First or Second Floor was not feasible for several reasons as detailed below.
- The location on the first and second floors would not provide the adjacent working proximity to the CCG as required.
 - Division of the current open plan design within these areas would prove problematic due to the extensive reconfiguration of the ventilation system that would be required.
 - The open plan nature of these areas would present operational difficulties and potential confidentiality issues and again would not provide the self-contained premises that the Trust are requiring for their flagship regional base.
 - There would be no opportunity for a dedicated access and egress point.
- 2.7 As with a number of services located within the Civic Centre, the MASH team are currently working in an agile manner. From extensive discussions with the Service leads and partner services it was identified that a City Centre location was no longer required to meet service demand. Following this it has been agreed that the MASH will be relocated to the Council's Priory Green Office moving forward as part of the new collaborative facility being developed in conjunction with the Families Services which forms part of the Council's wider asset rationalisation programme. The Priory Green Office is currently subject to remedial works to ensure it meets the requirements for the MASH service, with occupation to be undertaken following completion of the same in April 2022.
- 2.8 This proposal will have no detrimental impact on the delivery of Council services, with the Civic Centre still viewed as the Council's HQ with discussions having already taken place with the Unions.
- 2.9 This was seen as an opportunity to collaborate with a key NHS partner and following further discussions, the current MASH area was seen to meet all BCHFT specification requirements to meet their accommodation needs. Following this a proposal was issued to the BCHFT for the partial occupation of the Civic Centre ground floor as detailed edged in red in appendix 1, being the current MASH offices.
- 2.10 As this area will not be re-occupied by the MASH service moving forward, this proposal showcases the benefits available through public sector partnering and collaboration opportunities with the Council and in addition supporting the Integrated Care Systems (ICS's) between the BCHFT and CCG.
- 3.0 Proposed Lease Terms for the BCHFT**
- 3.1 Since January 2021 detailed discussions have been taking place to develop the Heads of Terms, the latest draft as detailed within the exempt version of this report, which would see a lease granted for an initial 10-year term for the demise as edged red in appendix 1 and further detailed in 3-D in appendix 2. This would also incorporate the shared use of the toilet facilities with the Council as edged blue in appendix 1 and a dedicated entrance/exit directly onto the Piazza.
- 3.2 The proposed lease terms are detailed within the exempt version of this report.

- 3.3 The proposed lease terms are detailed within the exempt version of this report.
- 3.4 No parking provision is included within the draft Heads of Terms, but should BCHFT require this function, the Council can advise on availability and cost.
- 3.5 The proposed lease terms are detailed within the exempt version of this report.

4.0 Next Steps

- 4.1 Subject to approval at Cabinet (Resources) Panel, both parties will instruct their respective legal representatives to complete on the 10-year lease subject to final agreement on terms.
- 4.2 The BCHFT have appointed an architect to design the layout for their demise which will include hot desking, use of the current meeting rooms and kitchen facilities, breakout areas and relaxation areas, shared welfare facilities (with the Council) along with a reconfigured entrance/exit directly onto the Piazza. This is still to be finalised and will be subject to the Council's approval prior to any works being undertaken.
- 4.3 City Assets will continue to liaise with the BCHFT and other services occupying the Civic Centre to ensure any proposed works that are completed are done so with minimal disruption.
- 4.4 To allow the letting of the current MASH offices to the BCHFT, the shared toilet facilities located adjacent to this area, as detailed on appendix 1 edged blue, will need to be refurbished to a suitable standard in line with the process undertaken when completing the lease with the CCG for their respective demise. Once costs have been confirmed a request to approve allocation of capital funding will be undertaken through an Individual Executive Decision Notice (IEDN) in line with the Council's governance process.

5.0 Supporting Delivery of the Strategic Asset Plan

- 5.1 City Assets have developed a Strategic Asset Plan that was completed and approved by Cabinet on 17 October 2018. This provides the structure and management of the Council's land and property portfolio over the following five years, to 2023, and incorporates the Our Assets principle. The plan is structured into three parts:
- Asset Management Policy
 - Asset Management Strategy
 - Asset Management Action Plan
- 5.2 The Asset Management Policy establishes a clear mission with supporting principles for the management of land and buildings, ensuring it is fit for purpose and benefits the people of the City of Wolverhampton and to use land and buildings following rationalisation and disposal of land and buildings, that will enable a financial return to stimulate development and growth, support and encourage local businesses and promote joint-working.

- 5.3 The proposed leasing of the Civic Centre in part to BCHFT supports the policy as outlined and in particular delivery of items A2, A4 and A8 of the Action Plan.

6.0 Evaluation of alternative options

- 6.1 The alternative option would be to not lease the Civic Centre in part to the BCHFT and continue to utilise for the provision of Council services.

7.0 Reasons for decision

- 7.1 The Council see this as an excellent opportunity to increase collaborative partnership working across the Public Sector and to build from the current co-location that has been created in conjunction with the CCG.
- 7.2 Through increased agile working and service transformation, supported by the rationalisation and efficient usage of other Council assets, there is an opportunity for the improved utilisation of the Civic Centre.
- 7.3 The proposed lease will generate an additional income stream for the Council that will support the Medium Term Financial Strategy (MTFS). In addition to the income, there will be a net reduction in running costs payable by the Council.
- 7.4 The proposed leasing of the Civic Centre will demonstrate effective and considered commercial acumen that will support the wider City economy and showcase opportunities that Wolverhampton City can offer.

8.0 Financial implications

- 8.1 Approval of the partial occupation of the Civic Centre ground floor on a leasehold basis to the BCHFT offers an opportunity for additional income revenue generation. This will support the Medium Term Financial Strategy (MTFS) and will be incorporated into future budget reports to Cabinet.
- 8.2 The proposed lease terms are detailed within the exempt version of this report.
- 8.3 In addition to additional revenue income, the proposed letting will also result in a reduction of Business Rates Payable by the Council for the Civic Centre. Business Rates are calculated and apportioned based on occupied floor area and as such the BCHFT will be responsible for the payment of rates with respect to their leased demise from lease commencement. A separate rating assessment will be sought from the Valuation Office Agency for the extent of building to be occupied by the Trust which will result in a further reduction of the Council's running costs for the property.
- [RT/02032022/S]

9.0 Legal implications

- 9.1 In accordance with the Council's Constitution and pursuant to Section 123 Local Government Act 1972, the Council is able to dispose of its assets in any manner it wishes. The definition of a disposal includes a lease of more than seven years. In relation to the proposed lease the Council is seeking to agree a 10 year lease, which will fall within these provisions. In this respect, the Council is obliged to obtain the best consideration that can reasonably be obtained unless it has the consent of the Secretary of State.
- 9.2 The Council's Legal Services will draft and provide legal advice in accordance with conveyancing practices and the Council's Constitution.
[JA/28022022/Z]

10.0 Equalities implications

- 10.1 All development plans and designs will consider and meet the needs of all site users and an all-inclusive approach will be taken by BCHFT in conjunction with the Council for any proposed adaptations ensuring compliance with the Equality Act 2010.

11.0 All other implications

- 11.1 Partnership and public sector collaborative working can create efficiencies in reducing carbon emissions as a result of asset rationalisation with any adaptations undertaken in a sustainable manner to support the Council Net Zero targets.

12.0 Schedule of Background Papers

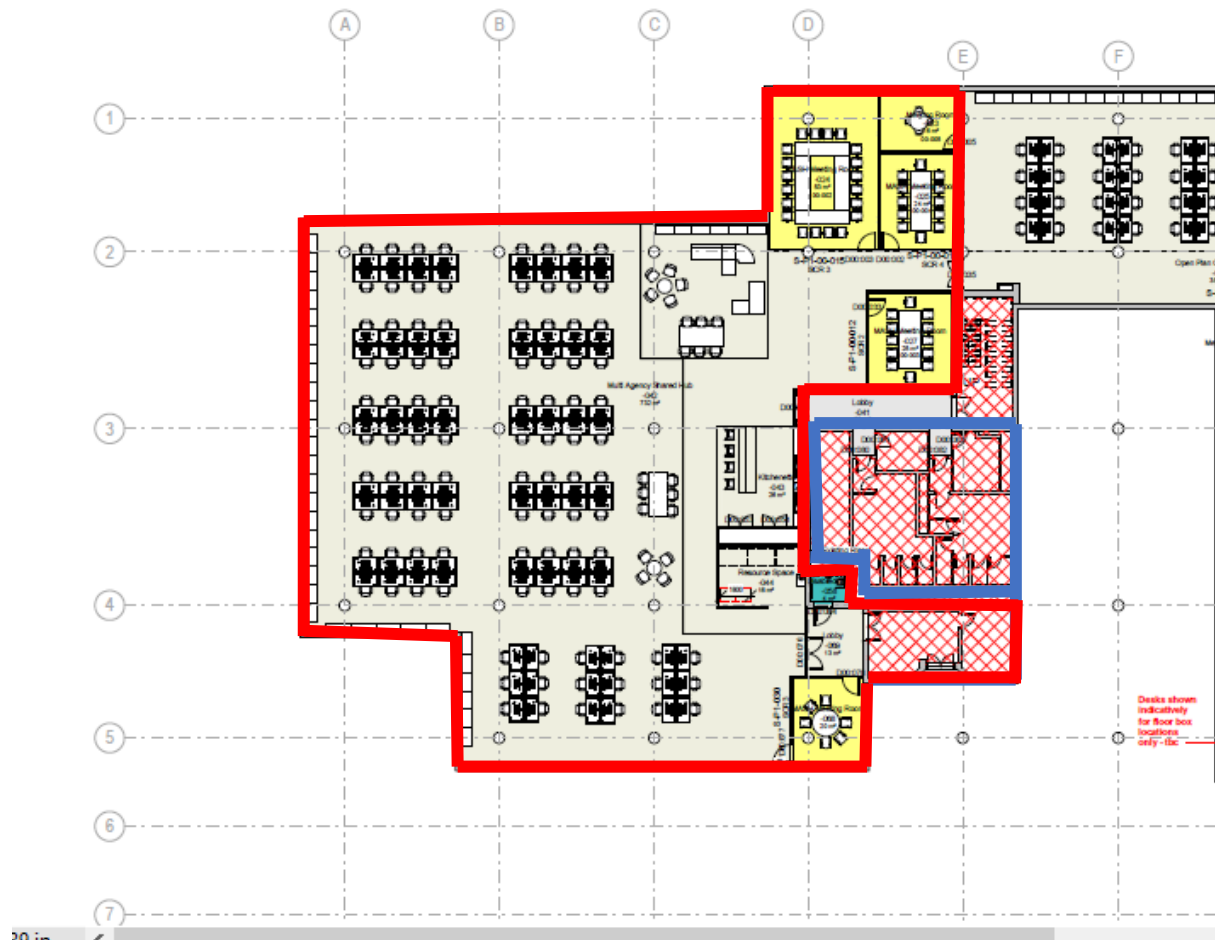
- 12.1 [Strategic Asset Plan 2018-2023](#) – Report to Cabinet on 17 October 2018 including:
- Asset Management Policy 2018-2023
 - Asset Management Strategy 2018-2023
 - Asset Management Action Plan

13.0 Appendices

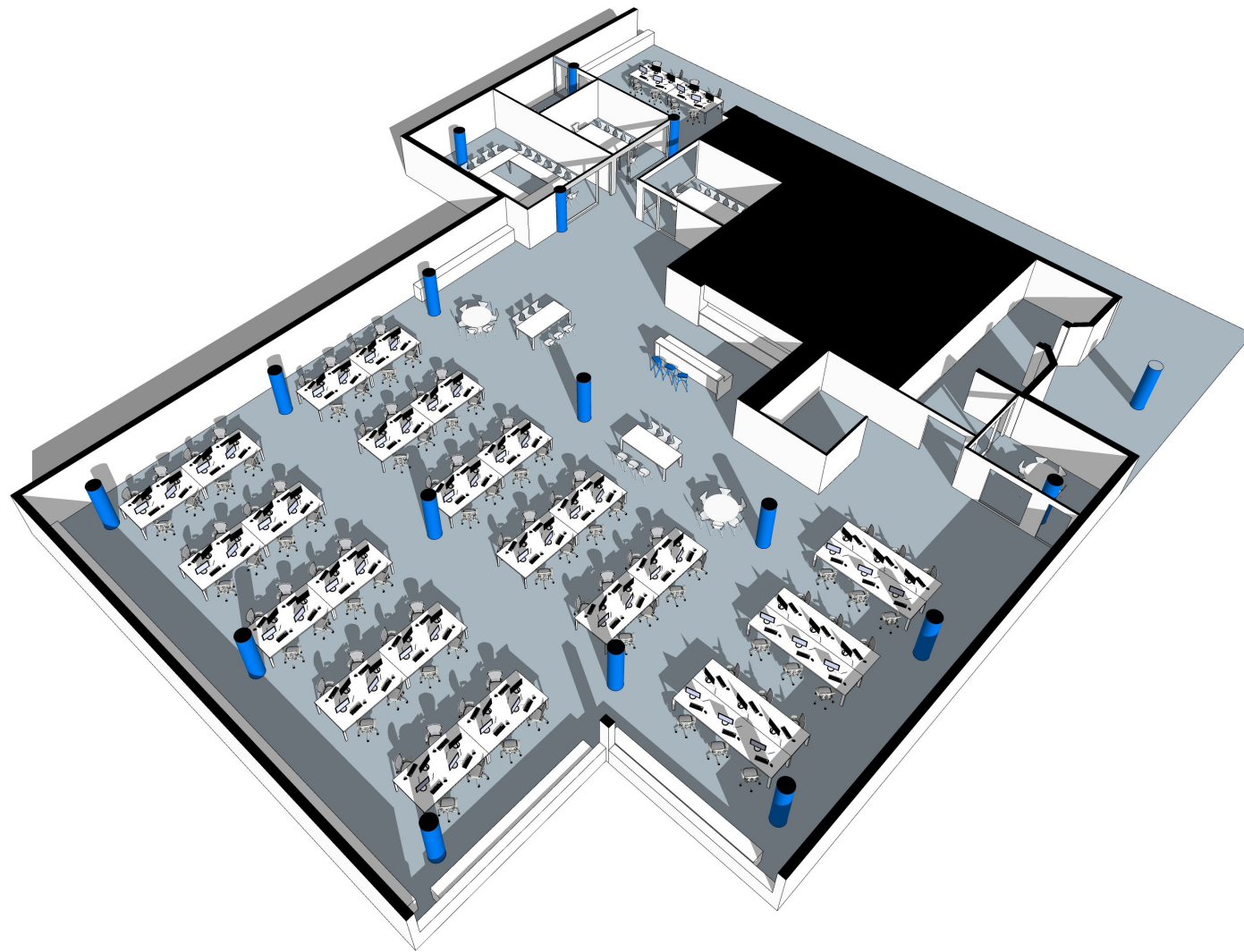
- 13.1 Appendix 1 – Plan of proposed leased demise
- 13.2 Appendix 2 – 3-D visual of proposed leased demise

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Ground Floor Proposed Lease Demise – Current MASH area



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