

Council Meeting

2 March 2022

Time 6.15 pm **Public Meeting?** YES **Type of meeting** Full Council

Venue Council Chamber - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

Membership (Quorum for this meeting is 15 Councillors)

Mayor Cllr Greg Brackenridge (Lab)
Deputy Mayor Cllr Sandra Samuels OBE (Lab)

Labour

Cllr Obaida Ahmed	Cllr Val Evans	Cllr Lynne Moran
Cllr Qaiser Azeem	Cllr Bhupinder Gakhal	Cllr Anwen Muston
Cllr Mary Bateman	Cllr Dr Michael Hardacre	Cllr Phil Page
Cllr Philip Bateman MBE	Cllr Celia Hibbert	Cllr Rita Potter
Cllr Olivia Birch	Cllr Keith Inston	Cllr John Reynolds
Cllr Dr Paul John Birch J.P.	Cllr Jasbir Jaspal	Cllr Susan Roberts MBE
Cllr Ian Brookfield	Cllr Jaspreet Jaspal	Cllr Zee Russell
Cllr Paula Brookfield	Cllr Milkinderpal Jaspal	Cllr Stephen Simkins
Cllr Chris Burden	Cllr Rashpal Kaur	Cllr Clare Simm
Cllr Alan Butt	Cllr Rupinderjit Kaur	Cllr Tersaim Singh
Cllr Craig Collingswood	Cllr Linda Leach	Cllr Paul Sweet
Cllr Claire Darke	Cllr Asha Mattu	Cllr Jacqueline Sweetman
Cllr Jasbinder Dehar	Cllr Barbara McGarrity QN	Cllr Gillian Wildman
Cllr Steve Evans	Cllr Beverley Momenabadi	

Conservative

Cllr Paul Appleby
Cllr Simon Bennett
Cllr Adam Collinge
Cllr Jonathan Crofts
Cllr Wendy Dalton
Cllr Christopher Haynes
Cllr Stephanie Haynes
Cllr Sohail Khan
Cllr Andrew McNeil
Cllr Andrew Randle
Cllr Mak Singh
Cllr Paul Singh
Cllr Udey Singh
Cllr Wendy Thompson
Cllr Ellis Turrell
Cllr Jonathan Yardley

Information for the Public

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

Contact Jaswinder Kaur
Tel/Email 01902 550320 or jaswinder.kaur@wolverhampton.gov.uk
Address Democratic Services, Civic Centre, 1st floor, St Peter's Square,
Wolverhampton WV1 1RL

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Agenda

Item No. *Title*

MEETING BUSINESS ITEMS

- 1 **Apologies for absence**
- 2 **Declarations of interest**
- 3 **Minutes of previous meeting** (Pages 5 - 10)
[To receive minutes of the previous meeting held on 26 January 2022]
- 4 **Communications**
[To receive the Mayor's announcements]

DECISION ITEMS

- 5 **Report of Leader of the Council**
[To receive a report from the Leader of the Council]
- 6 **Our City: Our Plan** (Pages 11 - 76)
[To approve the Our City: Our Plan, the City of Wolverhampton Council Plan]
- 7 **2022-2023 Final Budget Report** (Pages 77 - 342)
[To consider and determine the Council's budgetary provisions for the forthcoming municipal year:
 - Capital Programme 2021-2022 to 2025-2026 quarter three review and 2022-2023 to 2026-2027 budget strategy
 - Treasury Management Strategy 2022-2023
 - Final Budget and Medium-Term Financial Strategy 2022-2023 to 2025-2026
 - Council Tax Formal Resolutions.]
- 8 **Pay Policy Statement 2022 -2023** (Pages 343 - 390)
[To approve the Pay Policy Statement 2022 -2023]
- 9 **Adoption of South Staffordshire District Council's delegated licensing function** (Pages 391 - 418)
[To approve the adoption of South Staffordshire District Council's delegated licensing function]
- 10 **Report of the Independent Remuneration Panel** (Pages 419 - 484)
[To consider the report of the Independent Remuneration Panel]

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Attendance

Mayor Cllr Greg Brackenridge (Lab)
Deputy Mayor Cllr Sandra Samuels OBE (Lab)

Labour

Cllr Obaida Ahmed	Cllr Val Evans	Cllr Lynne Moran
Cllr Qaiser Azeem	Cllr Bhupinder Gakhal	Cllr Anwen Muston
Cllr Mary Bateman	Cllr Dr Michael Hardacre	Cllr Phil Page
Cllr Philip Bateman MBE	Cllr Celia Hibbert	Cllr Rita Potter
Cllr Olivia Birch	Cllr Keith Inston	Cllr John Reynolds
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Cllr Paula Brookfield	Cllr Milkinderpal Jaspal	Cllr Stephen Simkins
Cllr Chris Burden	Cllr Rashpal Kaur	Cllr Clare Simm
Cllr Alan Butt	Cllr Rupinderjit Kaur (V)	Cllr Tersaim Singh
Cllr Craig Collingswood	Cllr Linda Leach	Cllr Paul Sweet
Cllr Claire Darke (V)	Cllr Asha Mattu	Cllr Jacqueline Sweetman
Cllr Jasbinder Dehar	Cllr Barbara McGarrity QN (V)	Cllr Gillian Wildman
Cllr Steve Evans	Cllr Beverley Momenabadi	

Conservative

Cllr Paul Appleby	Cllr Andrew McNeil
Cllr Simon Bennett (V)	Cllr Andrew Randle
Cllr Adam Collinge	Cllr Mak Singh (V)
Cllr Jonathan Crofts	Cllr Paul Singh
Cllr Wendy Dalton (V)	Cllr Wendy Thompson
Cllr Christopher Haynes	Cllr Ellis Turrell
Cllr Stephanie Haynes	Cllr Jonathan Yardley
Cllr Sohail Khan	

Employees

Tim Johnson	Chief Executive
David Pattison	Chief Operating Officer
Emma Bennett	Executive Director of Families
Ross Cook	Director of City Housing and Environment
Claire Nye	Director of Finance

The proceedings opened with Prayers

Item No. *Title*

1 Apologies for absence

Apologies for absence were received from Councillor Udey Singh.

2 Declarations of interest

There were no declarations of interest made.

3 Minutes of previous meeting

The Mayor proposed, the Deputy Mayor seconded, and it was resolved:

That the minutes of the previous meeting, held on 1 December 2021, be agreed as a correct record and signed accordingly by the Mayor.

4 Communications

1. Honorary Alderman John Davis

The Mayor was saddened to report the passing of Honorary Alderman John Lamonby Goodfellow Davis, who passed away on 29 December 2021. He had also served as Mayor of the City in 2006 - 2007.

The Mayor passed on condolences to his widow Noreen and family.

The Leader of the Council, Councillor Ian Brookfield and Councillor Wendy Thompson also paid tribute to the late Alderman John Davis.

Council stood in silent tribute to the late Honorary Alderman John Davis.

2. Christmas Card Competition

The Mayor reported he ran a competition in December for all our school students to design the mayoral Christmas Cards. Over 1000 entries were received and he was assisted in judging the winning entries by Councillor Bennett, Councillor Hardacre, Councillor Momenabadi and Simon Archer. He added the standard of entries was fantastic and the winning entries were:

Under 7's:

- Oscar Corbett (Aged 4), Oak Meadow Primary School
- Runner-up Simran Wahid (aged 5) Perry Hall Primary School

7 to 11's:

- Veeran Wahid (aged 9) Perry Hall Primary School
- Runner-up Zachary McCulloch (aged 11) Bilston CofE Primary School.

12 and Over:

- Karolina Wlaznik (aged 13) Thomas Telford UTC
- Runner-up Natalie Chanelle Freeman (aged 13) Moseley Park School.

The Mayor had invited all for afternoon tea and were given a small gift as thanks for taking the time to enter.

3. New Year's Honours List

The Mayor extended congratulations to the following individuals who received royal recognition in the Queen's New Year's Honours:

- Clare Dickens was awarded an MBE for Services to Education and Improving Suicide Awareness.
- Helene Dearn was awarded an OBE for Services to Public Service.
- Kathryn Beale was awarded a BEM for Services to the Community.
- Louise Rhodes was awarded an MBE for Services to Education and People with Hearing Impairments.

The Mayor had written to Clare, Helene, Kathryn and Louise on behalf of the City Council to extend the Council's sincere congratulations.

4. For the Love of Fostering Awards

The Mayor reported he attended For the Love of Fostering Awards on Thursday 2 December 2021, at which the City of Wolverhampton Council officially thanked dozens of dedicated foster carers for the vital work they do looking after vulnerable children and young people in the city.

5. Holocaust Memorial Day

The Mayor reported Holocaust Memorial Day would take place on 27 January to mark the anniversary of the liberation of the Auschwitz Concentration Camp by the Red Army in 1945. It was now a day of Remembrance for all victims of genocide wherever in the world the atrocities were committed. The Mayor would be attending a ceremony at the Cenotaph tomorrow morning to lay a wreath on behalf of the Council.

6. Wolverhampton Food Banks Get-Together

The Mayor reported it was a great privilege to visit several of the food banks currently operating in the City, to see first-hand the excellent work to assist our most vulnerable residents carried out by these volunteer organisations. The Mayor invited representatives from the food banks for an afternoon tea in the City Suite on Friday 3 December 2021 to thank them for their sterling work.

7. Quiz Night in aid of the Mayoral Charity Trust

The Mayor reported due to a late change in Covid-19 restrictions, the last Charity Quiz night had to be cancelled and has been re-arranged for the evening of Thursday 3 March in the City Suite. There were fantastic prizes to be won and encouraged all to enter.

8. British Art Show 9

The Mayor reported the British Art Show 9 (BAS9) was being hosted by Wolverhampton Art Gallery and the University of Wolverhampton Art School from Saturday 22 January to Sunday 10 April, providing a major boost to the

recognition of arts and culture in Wolverhampton – the first English City to host the 9th edition of the show. The Mayor was delighted to attend the opening night last Friday and encouraged everyone to visit this exhibition and help to make it the great success.

9. India Republic Day

The Mayor passed best wishes on to the Indian community in Wolverhampton and to our twin city of Shimla on this India Republic Day. Wolverhampton Council had been honoured by the Indian Consulate in Birmingham to join in marking this important day with invites sent to several councillors, with Councillor Udey Singh and others representing the city.

5 Report of Leader of the Council

The Leader of the Council, Councillor Ian Brookfield, provided Council with an update on the Annual Auditors Report and provided key highlights from the report. It was noted the Annual Auditors Report would be presented at Audit and Risk Committee in March and then Council in March.

The Leader of the Council, Councillor Ian Brookfield also went to provide an update on upcoming events to be hosted in the City.

The Leader of the Council, Councillor Ian Brookfield, wished the Director of City Housing and Environment, Ross Cook all the best for his new role at Herefordshire Council.

The update was debated by Council.

6 Housing Revenue Account Business Plan 2022-2023 including Rent and Service Charge Consultation

The Cabinet Member for City Assets and Housing, Councillor Bhupinder Gakhal presented the report on Housing Revenue Account Business Plan 2022-2023 including Rent and Service Charge Consultation for approval. The report provided Council with an updated Housing Revenue Account (HRA) Business Plan 2022-2023 which was intended to balance the provision of new homes for rent, whilst continuing to invest in better and safer homes programmes to the existing stock and improving and redeveloping housing estates.

The Cabinet Member for City Assets and Housing, Councillor Bhupinder Gakhal added the report also provided, as an integral part of that Business Plan, a proposed HRA budget for 2022-2023, including proposed rents and service charges to take effect from 1 April 2022, and a proposed HRA Capital Programme for the period 2022-2023 to 2026- 2027 recommended for approval.

The Cabinet Member for City Assets and Housing, Councillor Bhupinder Gakhal added the rationale for the rate increases was to offset the costs of providing the service and were in line with the cost of inflation. Consultation was undertaken on the proposed rents and service charges and key themes from the consultation were outlined.

The report was debated by Council.

The Cabinet Member for City Assets and Housing, Councillor Bhupinder Gakhal proposed the recommendations and the Leader of the Council, Councillor Ian Brookfield seconded the recommendations.

Resolved:

1. That the Business Plan set out at Appendix 1 to the Cabinet report be adopted as the approved Housing Revenue Account Business Plan including:
 - a. The revenue budget for 2022-2023 at Appendix 1 to the cabinet report.
 - b. The Capital Programme for 2022-2023 to 2026-2027 at Appendix 2 to the Cabinet report that includes the following among the proposed investment plans:
 - £118.7 million for new build development
 - £42.6 million provision for estate remodelling
 - £50.4 million to complete the refurbishment of the Heath Town estate
 - £79.8 million for programmes to high rise estates to include fire safety improvements, infrastructure replacement, retrofitting of sprinklers and external works.
2. That the implementation of an increase of 4.1% to social housing rents in accordance with the Welfare Reform and Work Act 2016 be approved and 28 days' notice be given to all secure and introductory tenants of the rent increase from 1 April 2022.
3. That the rates for garage rents and service charges set out in Appendix 3 to the Cabinet report be approved and tenants be formally notified.
4. That the Management Allowances for Managing Agents be approved as follows:
 - Wolverhampton Homes - £40,460,000
 - Bushbury Hill Estate Management Board - £1,780,000
 - New Park Village Tenants Management Organisation - £395,000
 - Dovecotes Tenants Management Organisation - £1,148,000

7 Appointment of the External Auditor

The Chair of Audit and Risk Committee, Councillor Alan Butt presented the report on Appointment of the External Auditor for approval. The Council received an invitation from Public Sector Audit Appointments (PSAA) to opt into the national scheme for auditor appointments from April 2023. The arrangement with our current external auditors Grant Thornton expires in 2022-2023, and a new external auditor (which includes the independent audit of the Council's statutory accounts and arrangements for achieving value for money) had to be appointed before the end of December 2022.

The Chair of Audit and Risk Committee, Councillor Alan Butt added the Council had previously opted into the national scheme the alternative would be for the Council to procure its own auditor.

The Chair of Audit and Risk Committee, Councillor Alan Butt added the December Audit and Risk Committee considered the report and recommended Council opt into

the national scheme . The benefits of opting into the scheme were detailed in the report.

The Chair of Audit and Risk Committee, Councillor Alan Butt proposed the recommendation and the Vice Chair of Audit and Risk Committee Councillor Jonathan Yardley seconded the recommendation.

The report was debated by Council.

Resolved:

That the invitation from Public Sector Audit Appointments to opt into the national scheme for auditor appointments from April 2023 be approved.

8 **Written Questions by Councillors**

The Cabinet Member for City Assets and Housing, Councillor Bhupinder Gakhal responded to a question put to him by Councillor Susan Roberts MBE on Development Plans. He also responded to a supplementary question on the same subject matter.

The Cabinet Member for City Environment and Climate Change, Councillor Steve Evans responded to questions put to him by Councillor Simon Bennett on Garden Waste Service and Councillor Wendy Thompson on Bare-knuckle Boxing. He also responded to supplementary questions on the same subject matter.

The Deputy Leader: Inclusive City Economy, Councillor Stephen Simkins responded to a question put to him by Councillor Adam Collinge on City Investment. He also responded to a supplementary question on the same subject matter.

The Cabinet Member for Public Health and Wellbeing, Councillor Jasbir Jaspal responded to a question put to her by Councillor Steph Haynes on West Midlands Police and Crime Panel. She also responded to a supplementary question on the same subject matter.

On behalf of the Leader of the Council, The Deputy Leader: Inclusive City Economy, Councillor Stephen Simkins responded to a question put to the Leader by Councillor Paul Singh on Platinum Jubilee. He also responded to a supplementary question on the same subject matter.

That the responses to written questions be noted.

CITY OF WOLVERHAMPTON COUNCIL	Meeting of the City Council 2 March 2022
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Report title	Our City: Our Plan	
Referring body	Cabinet – 23 February 2022	
Councillor to present report	Councillor Ian Brookfield	
Wards affected	All Wards	
Cabinet Member with lead responsibility	Councillor Ian Brookfield, Leader of the Council	
Accountable director	Charlotte Johns, Director of Strategy	
Originating service	Policy and Strategy	
Accountable employee	Laura Collings	Head of Policy and Strategy
	Tel	01902 550414
	Email	laura.collings@wolverhampton.gov.uk
Report to be/has been considered by	Scrutiny Board	8 February 2022
	Cabinet	23 February 2022

Recommendations for decision:

The Council is recommended to:

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

Recommendations for noting:

The Council is asked to note:

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

1.0 Purpose

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

2.0 Background

- 2.1 On 23 February 2022 Cabinet will consider a report on Our City: Our Plan.
- 2.2 Copies of the report have been supplied to Councillors and can also be accessed online on the Council's website [here](#).
- 2.3 Cabinet will be asked to recommend to Council that it:
1. Approve the Our City: Our Plan, the City of Wolverhampton Council Plan.
 2. Seek cross party engagement to deliver the priorities set out in Our City: Our Plan the strategic framework to level up our city.
- 2.4 Cabinet will be asked to recommend to Council that it notes:
1. That the priorities of Our City: Our Plan have been developed through a continuous conversation with our communities and partners with over 3,000 people engaged building on the Relighting Our City recovery commitment.
 2. That a presentation and draft strategy of Our City: Our Plan was received by Scrutiny Board on the 8 February 2022.

3.0 Financial implications

- 3.1 The financial implications are detailed in the Cabinet report of 23 February 2022.

4.0 Legal implications

- 4.1 The legal implications are detailed in the Cabinet report of 23 February 2022.

5.0 Equalities implications

- 5.1 The equalities implications are detailed in the Cabinet report of 23 February 2022.

6.0 All other implications

- 6.1 All other implications are detailed in the Cabinet report of 23 February 2022.

7.0 Schedule of background papers

- 7.1 Cabinet report of 23 February 2022 – Our City: Our Plan.

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 23 February 2022
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Report title	Our City: Our Plan	
Decision designation	RED	
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	Charlotte Johns, Director of Strategy	
Originating service	Policy and Strategy	
Accountable employee	Laura Collings Tel Email	Head of Policy and Strategy 01902 550414 laura.collings@wolverhampton.gov.uk
Report to be/has been considered by	Core Services Strategic Executive Board Scrutiny Board	18 January 2022 27 January 2022 8 February 2022

Recommendations for decision:

That Cabinet recommends that Council:

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

Recommendations for noting:

The Cabinet is asked to note:

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

1.0 Purpose

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

2.0 Background

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

3.0 Our City, Our Plan

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

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

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

4.0 Strategic Framework

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

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

5.0 Continuous Conversation with Communities

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

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

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

6.0 Council Performance Framework

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

7.0 Evaluation of alternative options

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

8.0 Reasons for decision(s)

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

9.0 Financial implications

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

10.0 Legal implications

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

11.0 Equalities implications

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

12.0 All other implications

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

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

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

13.0 Schedule of background papers

- 13.1 None

14.0 Appendices

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



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OUR CITY: OUR PLAN

Created: 2019
Last published February 2022





Our city

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

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

FOREWORD

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

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

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

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

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

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

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



Councillor
Ian Brookfield
Leader of the Council



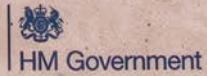
Tim Johnson
Chief Executive



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CITY OF
WOLVERHAMPTON
COUNCIL



INTRODUCTION

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

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

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

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

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

Our plan is structured around 6 priorities:

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

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

OUR PRINCIPLES

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



CLIMATE CONSCIOUS

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



DRIVEN BY DIGITAL

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



FAIR AND EQUAL

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

OUR CITY: OUR PLAN

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



We will deliver our vision and key priorities through:

Our City Outcomes

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

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

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

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

3 Healthy, inclusive communities

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

4 Good homes in well connected neighbourhoods

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

5 More local people into good jobs and training

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

6 Thriving economy in all parts of the city

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

Our Principles



CLIMATE CONSCIOUS



DRIVEN BY DIGITAL



FAIR AND EQUAL

Measuring Success

Our Corporate Performance Framework



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

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

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

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

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

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

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

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

Strong families where children achieve their full potential

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

Strong families where children achieve their full potential

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

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

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

Measuring Performance

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

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

Key System Indicators

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

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

Key Council Indicators

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

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





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

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

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

Through Adult Social Care we will continue to maximise people's independence and connect individuals with people and places that will help them to get on with their lives. Where people need formal support, that support will be shaped to focus on what a good life looks like for that individual and their family. This can include support to engage in work, training, education, volunteering, or support to socialise with family and friends and maintain personal relationships.

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

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

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

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

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

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

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

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

Measuring Performance

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

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

Key System Indicators

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

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

Key Council Indicators

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

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

HEALTHY, INCLUSIVE COMMUNITIES

A good start in life, high-quality education and employment, and a decent home in a thriving community are the strongest factors that influence both how long a person is likely to live and their quality of life. Getting these factors right, coupled with enabling access to high quality health and care services, will have a significant impact on the behaviours, lifestyle choices and health of our residents.

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

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

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

One of the most stark features of the pandemic so far has been the impact that Covid-19 has had on particular communities and groups, including people from black, asian, and minority ethnic communities, people living in more deprived areas, elderly residents, those working in higher risk occupations, people living in overcrowded conditions and those with pre-existing health conditions. The impact of Covid-19 has reinforced existing health inequalities and, in some cases, has increased them.

Our Health Inequalities Strategy outlines how we will pro-actively work with partners through our Health and Wellbeing Board to address these inequalities with a renewed sense of urgency and pace. Community empowerment is central to our efforts to reduce health inequalities. We are committed to further embedding an approach which builds on local assets and works with local people to 'co-produce' sustainable solutions to local issues, creating capacity and resilience.

Nationally, the pandemic has impacted mental health and physical health. Evidence shows that self-reported mental health and wellbeing worsened during the first national lockdown. Psychological distress, anxiety and depressive symptoms increased; lockdowns, economic insecurity, social distancing, and restrictions on travel resulted in some people reporting higher rates of loneliness and poorer well-being. We will continue to engage with communities to assess the impact of the pandemic on their mental health and wellbeing and roll out new initiatives which support local people to be active and well.

We want all people in our communities to feel safe. Restrictions around Covid-19 have been particularly challenging for the most vulnerable in our communities and those at risk of exploitation and harm. For victims of domestic abuse there have been fewer opportunities to seek help, and they have faced further isolation and reduced contact with those who support them. Strong partnerships and a shared approach to supporting victims and children have been vital in safeguarding the most vulnerable during this difficult time. We will continue to build on these relationships with our public, private, and voluntary and community sector partners to ensure that we protect those who need us most.

Asylum seekers and refugees are some of the most vulnerable in our communities and can have a range of different and complex needs. We are a city of sanctuary in Wolverhampton, and we will continue to play our part and welcome our fair share of the world's most vulnerable people. Through a multi-agency approach we will promote the health economic and social inclusion of new communities in our city through skills, housing, and wellbeing support.

Healthy, inclusive communities

Outcomes	Objectives	
<p>3.1 Keep residents safe by containing and reducing the spread of Covid-19</p>	<ul style="list-style-type: none"> • Work with partners to prevent and manage Covid-19 outbreaks through community testing and contact tracing. • Work with individuals, settings and communities to enable good habits and approaches to reduce the spread of the virus using our compliance and enforcement powers where appropriate. 	<ul style="list-style-type: none"> • Use data in partnership with key stakeholders to help us understand the spread of Covid-19 in our city and direct our efforts to areas where it will have the biggest impact. • Work with partners to increase vaccine uptake, especially amongst our most vulnerable and deprived communities. • Support UK Health Security Agency and the wider public health system to respond quickly and appropriately to any emerging outbreaks, with a particular focus on care settings.
<p>3.2 Close the gap on healthy life expectancy</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 39</p>	<ul style="list-style-type: none"> • Increase our understanding around health inequalities and our local population – including developing and implementing an approach to data capture, data linkage and data sharing. 	<ul style="list-style-type: none"> • Work collaboratively across all parts of the health and care system to join-up and promote and embed action to reduce health inequalities. • Work with partners to enable access to high quality health and care services.
<p>3.3 Help people live happier more active lives</p>	<ul style="list-style-type: none"> • Maximise the use of our city's green spaces to get local people active and healthy. • Upgrade our council leisure facilities and offer so that resident have first class facilities. • Support behaviour change through the launch of the Government's pilot Health Incentives Programme utilising digital technology. 	<ul style="list-style-type: none"> • Utilise Better Mental Health Funding to understand the impact of the Covid-19 pandemic on mental health and wellbeing in the city, and based on this deliver and evaluate interventions to improve the mental health and wellbeing of residents.

Healthy, inclusive communities

Outcomes	Objectives	
<p>3.4 Protect vulnerable people at risk of harm and exploitation</p>	<ul style="list-style-type: none"> • Safeguard young people on the cusp of, or at risk of, becoming involved in youth violence. • Increase domestic abuse reporting to tackle offenders. 	<ul style="list-style-type: none"> • Increase reporting of modern slavery to protect victims and disrupt offenders. • Produce a robust city-wide response to interpersonal violence including violence against women and girls.
<p>3.5 Inclusive, welcoming communities where people feel safe and look out for each other</p>	<ul style="list-style-type: none"> • Growing voluntary and community sector which supports local people to thrive in their communities. • Develop multi-agency approaches to tackle and reduce Hate Crime based on a zero-tolerance approach: crime targeted at people because of their race, religion, disability, sexual orientation or transgender identity. • New communities in the city are welcomed and supported to settle into their local areas. 	<ul style="list-style-type: none"> • Raise community confidence and reduce the fear of crime using our relationships with partners and communities as well as our physical assets including the built environment. • Target hyper local areas of high deprivation working collaboratively with system partners and co-producing interventions with residents and communities contributing to wider ward based interventions.

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

- Help our city live with Covid-19 by working with partners to prevent and manage outbreaks, increase testing and vaccinations and continue the delivery of an effective and agile Local Outbreak Control Plan to keep people safe from harm and help the city recover.
- Continue to collaborate with Environmental Health and partners across the city, including local business and the voluntary and community sector, to support them to operate safely and deliver services.
- Develop and launch our Healthier, Happier, Active City Plan.
- Take action to improve mental health and wellbeing in the city including support for working age adults and isolated older people.
- Coordinate and commission targeted, multi-agency interventions to safeguard those on the cusp of, or at risk of, becoming involved in exploitation and youth violence, and victims of domestic abuse and modern slavery.
- Refresh the current interpersonal violence strategy ensuring the voices of victims and survivors of violence and abuse are central in determining priorities.
- Deliver targeted, partnership interventions to tackle the harm caused in our families through alcohol and drug abuse.
- Fund your local GP to carry out a healthy heart check for all residents aged 40 and over to help identify health risks such as high blood pressure and cholesterol levels and also provide advice to keep residents healthy.
- Work with partners to deliver targeted, multi-agency interventions in our most deprived neighbourhoods and streets to transform the livelihoods of local families and individuals in the places they live.
- Refresh the city's joint strategic needs assessment, building on the success of partnership working during the pandemic, to focus on joint priorities which tackle health inequalities and improve outcomes for our city's residents.

Measuring Performance

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

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

Key System Indicators

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

- % of adult residents in the city who have received their COVID-19 vaccination
- Years of life lost
 - Infant deaths per 100,000
 - Coronary heart disease mortality rates per 100,000
 - Alcohol related mortality per 100,000
- % of physically inactive adults
- % of 40-74 years attending offered health checks
- Number of Domestic Violence incidents reported to the police

Key Council Indicators

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

- Personal well-being estimates by local authority
 - Life satisfaction
 - Worthwhile
 - Happiness
 - Anxiety



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GOOD HOMES IN WELL-CONNECTED NEIGHBOURHOODS

The home in which a family lives is one of the most important factors in determining their wellbeing and prosperity. We are committed to ensuring that every resident has a safe, stable and affordable home so they can achieve their full potential and build communities where everyone can thrive.

Key to achieving this ambition is to ensure that we have enough homes to meet local need and to attract new people to live and work in the city. Our Housing Strategy 2019 – 2024 sets out how we will work with partners to increase housing development, improve quality, choice and affordability of homes on offer so that our housing market meets the aspirations of existing and future residents.

The city has been named one of the top UK city's to raise a family and there are over 600 new homes were built last year in the city. We're delivering our ambitious plans to revitalise our city centre with a new high quality living offer at key sites including The Royal, Brewers Yard and Canalside South which will increase footfall, diversify our city centre offer and support local businesses to grow. Through our council owned housing company WV Living we will support the development of new homes. We will continue to ensure that new housing developments have the right housing to support older, disabled and vulnerable residents.

We're continuing to drive up the quality of existing housing in the city, so all residents have a safe and healthy home. Working with private landlords and tenants to improve the standards of housing and security of tenure in the private rented sector. Our Rent with Confidence scheme is continuing to improve greater customer choice and raise the bar for the quality of private sector rented housing in the city. We're pushing forward with ambitious plans to transform our housing estates with new homes, refurbished housing, and improved leisure space.

Focusing on just the number of new houses is not enough. That is why we will continue to raise the quality of life for all our residents by ensuring neighbourhoods in the city are places of opportunity with good quality education, excellent transport links and local health services close by. Good local amenities and services are a key component to growing resilient, inclusive communities, helping to reduce isolation, and building connections that enable residents to support each other.

We will continue to protect and invest in our parks and green open space. The benefits of spending time outside are widely recognised, with access to green spaces, including trees and woodland, proven to improve both our physical and mental wellbeing. Access to green spaces can encourage physical activity and help reduce obesity, relieve stress, encourage social interaction and improve quality of life.

Increasing the energy efficiency of homes is now more important than ever to reduce carbon emissions, tackle fuel poverty and ultimately deliver on our ambition to make the city carbon neutral. 35% of all carbon emissions in the city come from housing. That is why we are working with city partners to invest in retrofit programmes, and to build new homes up to the maximum possible energy efficiency standards, including Passivhaus wherever possible.

We are committed to ending rough sleeping in the city and through our Homelessness Prevention Strategy we will tackle the underlying causes which can lead people to become homeless, including mental health, family breakdown, substance misuse and poverty. Working with our public, private and voluntary, community and social enterprise (VCSE) partners to offer early assistance and timely advice to help people secure suitable accommodation and support services which enable them to live independently and to stay in their own homes. This will include continuing our successful work through the Housing First programme which has supported 48 people into secure tenancies since its launch.

Good homes in well-connected neighbourhoods

Outcomes	Objectives	
<p>4.1 Work together to deliver more new homes</p>	<ul style="list-style-type: none"> • Work in partnership with Government, the West Midlands Combined Authority, housing associations and developers to secure the new homes the city needs. • Continue to progress the review of the Local Plan to make sure we have the right site opportunities available to help meet our long-term housing needs. • Provide high quality planning service which supports high quality new developments and monitors housing supply. 	<ul style="list-style-type: none"> • Use our own land and assets to facilitate and support the development of new homes and neighbourhoods. • Ensure that the city has supported housing which meets the needs of older, disabled, and vulnerable people. • Ensure that new developments have the right mix of tenures and affordable homes so that all residents have the opportunity to access good quality housing.
<p>4.2 Safe and healthy homes for all</p>	<ul style="list-style-type: none"> • Continue to use our enforcement powers and landlord licensing to ensure local people have access to good quality private rented housing. • Use the full range of legal actions available including compulsory purchase orders to ensure empty properties are brought back into use for rent or sale, to be lived in as homes. 	<ul style="list-style-type: none"> • Work with our partners to increase the energy efficiency of homes in the city to reduce carbon emissions and fuel poverty. • Work with our network of housing providers in the city to ensure we have a robust, consistent approach to housing standards. • Work with the police and other partners to ensure neighbourhoods are safe and free from anti-social behaviour.

Good homes in well-connected neighbourhoods

Outcomes	Objectives	
<p>4.3 Access to a secure home</p>	<ul style="list-style-type: none"> • Prevent homelessness wherever possible intervening early to provide high quality support services to keep people in their own homes. • Work in partnership with other services to find long-term, affordable housing solutions for people threatened with homelessness. 	<ul style="list-style-type: none"> • Work with city partners in the public and voluntary sectors to offer targeted and flexible support to help people off the street and reduce rough sleeping. • Increase the number of employment opportunities for vulnerable residents, including those who are homeless or at risk of homelessness.
<p>4.4 Clean, green neighbourhoods and public space</p> <p>Page 46</p>	<ul style="list-style-type: none"> • All residents have access to clean open space and parks in their neighbourhoods and local areas. • Protect and enhance our environment, improve air quality and support resident’s health and wellbeing by delivering an ambitious tree planting programme. • Minimise the amount of waste generated by our residents and businesses and increase levels of recycling. 	<ul style="list-style-type: none"> • Provide safe and accessible roads, pavements and other public spaces for everyone, especially vulnerable users. • Maintain cleanliness across all of our neighbourhoods and take a robust pro-active approach to fly tipping. • Provide an attractive and well-maintained public realm across our city and town centres.
<p>4.5 Well-connected businesses and residents</p>	<ul style="list-style-type: none"> • Continue to roll out digital infrastructure and data ‘Smart City’ technology to drive innovation and futureproof our city. • Work with partners to deliver major infrastructure projects to improve transport links in the city. • Invest in sustainable transport infrastructure such as electric vehicle charging points which reduce carbon emissions. 	<ul style="list-style-type: none"> • Improve walking, cycling and bus networks, as well as public transport interchanges, enabling people to move easily around the city to encourage residents to make travel choices which minimise air pollution. • Coordinate and manage all street works, liaising with utility companies to minimise disruption and congestion on the road network.

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

- Deliver over 1,000 new low carbon homes and thousands of new local jobs at our Canalside South development – one of the largest city centre residential developments in the West Midlands.
- Use our council owned housing company, WV Living, to build 800 new homes over the next 5 years
- Through our Council-owned housing company, WV Living, require that any external contract appointments evidence a commitment to the training and employment of local people.
- Deliver up to 200 new homes and 40 new Council homes as we transform the Heath Town estate driving up the number of decent and affordable homes in our city.
- Establish a Wolverhampton Social Housing Provider Forum to bring local housing providers and other agencies together to share innovation and inform good practice.
- Help rough sleepers rebuild their lives and sending out a clear message that no-one needs to sleep out on our streets with £4.5 million investment in a new, city centre hub and multi-agency support team.
- Continue to deliver our Housing First programme to support people with a history of entrenched rough sleeping to access secure homes with intensive wrap-around support, so they can start to rebuild their lives.
- Work in partnership to deliver the New Green Homes Grant scheme which will enable city homeowners on low incomes, who may be struggling to pay their heating bills, to make energy efficient improvements to their homes that will help to keep them warmer and reduce energy use.
- Tackle climate change and make our city greener and healthier by planting 20,000 new trees over the next two years including building on the Tiny Forests in Bilston and Merridale.
- Switch all 30,000 street-lights across our city to energy-efficient LED lighting with smart sensors by the end 2022 - saving around 4,000 tonnes of carbon a year.
- Tackle fly-tipping in our city through partnership working keeping our neighborhoods clean and green.
- Work to resettle and integrate over 200 refugees in the city utilising affordable and sustainable privately rented accommodation.
- Improve the city's transport infrastructure with investment in new, major schemes such as the City East Gateway, investment in upgrading existing infrastructure and investment in digital and new technology.

Measuring Performance

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

- By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
- By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.

Key System Indicators

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

- Number of new builds completed in the city
- Net additional dwellings in the city
- % of dwelling stock that is vacant in the city
- Housing affordability ratio
- Total crime recorded per 1000 population

Key Council Indicators

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

- % of planning application decisions made with 13 weeks or agreed timescales
- Number of homeless families moved into secure housing
- Energy efficiency of housing stock
- % fly tipping incidents resolved in 5 working days
- % of trees on public land every serviced every two years
- % of carriageways in city assessed as high quality



MORE LOCAL PEOPLE INTO GOOD JOBS AND TRAINING

All residents in the city need an income which can support them and their family. We want all local people to have the right support and opportunities to get a stable job with decent pay so that they can build a future and help us grow our city together.

Wolverhampton is home to thousands of businesses which offer fantastic employment opportunities. We know that some of our residents find it harder than others to access good quality work and face a range of barriers to employment from poor health, lack of skills or caring responsibilities.

These challenges have been made more difficult by the Covid-19 pandemic and our young people in particular have seen their employment prospects disproportionately impacted. Working with our partners we will deliver a package of targeted interventions to get people back to work. We will do this through initiatives like our Wolves at Work 18 – 24 programme which aims to get young people into sustainable employment, apprenticeships, education or training.

Locally and nationally our economy is changing, and the skills local people will need to be successful in the workplace is changing with it. Covid-19 has accelerated the adoption of digital technologies and having good digital skills is now more important than ever, the climate change challenge is leading to increasing demand for skills to support the low carbon economy whilst our aging population means our reliance on our critical health and social care workforce will continue to rise. We must ensure we have a flexible, adaptable and resilient skills system which is able to respond to these emerging opportunity areas. We will do this by joining up activity within schools, further education and training providers to ensure that there is a seamless, whole-system approach to education, work and skills.

An individual's skills are the single most important factor in determining their employment status and whether they have a good job. There has been a significant improvement in workforce skills in the city over the last five years, the number of people with no qualifications has fallen by 35% whilst those with a degree level qualification has risen by 32%.

Higher skills will not be enough to get more people into good jobs if local businesses are unable to utilise those skills. That is why we will work with our partners to align the city's education and skills system with our business support offer. This will ensure that residents have the skills local employers need now and in the future.

We will continue to futureproof our skills system and ensure that local people have access to first class learning facilities in the city. The University of Wolverhampton's £100 million built environment super campus at Springfield will provide the skills for tomorrow's workforce. Our ambitious City Learning Quarter project will establish a state of the art skills and learning hub in our city centre.

We are committed to creating even more quality job opportunities in the city and will work with our businesses to enhance apprenticeship and training opportunities for local people. We will also work more closely with local big employers and anchor institutions to deliver local economic benefit. This will include employing more local unemployed residents, increasing the amount we spend in our supply chains with small and medium sized enterprise (SMEs) and social enterprises, and offering volunteering, mentoring and work experience opportunities.

More local people into good jobs and training

Outcomes	Objectives	
<p>5.1 Help create good quality local jobs</p>	<ul style="list-style-type: none"> • Ensure investment in the city increases the number of quality jobs for local people. • Incorporate and monitor social value/local employment clauses through the council's supply chain. • Leverage agreements with investors and partners to maximise benefits for local people, including by securing the delivery of S106 skills and training opportunities. 	<ul style="list-style-type: none"> • Through our business support offer grow those sectors of the economy which offer the best employment opportunities for our residents. • Work with our public sector partners and the Wolverhampton Anchor Network to set a high standard for employment across the city.
<p>5.2 Work in partnership to support local people into work and better jobs</p>	<ul style="list-style-type: none"> • Continue to work with partners to ensure that employment support in the city is joined up and new national programmes complement existing local activity. • Establish clear pathways and entry routes for unemployed adults, particularly those from underrepresented groups to access employment in growth sectors or where there are skills shortages. • Build on the city centre youth hub at The Way, using our community hubs to deliver co-located employment and skills support to young people in their local areas. 	<ul style="list-style-type: none"> • Grow and diversify our adult and community education offer to support local people to develop digital and other skills to increase their employability and wellbeing. • Provide wrap around support and a dedicated work coach for local people looking for work or to retrain through our Wolves at Work programme. • Provide a one stop shop for employment and skills support in the city through our Wolves Workbox digital platform making easier for local people to find advice and support. • Work with employers and other city partners to champion inclusive employment practices to ensure there is a pathway to success for all residents in our city.
<p>5.3 Flexible skills system which supports local businesses to grow and residents to access good jobs</p>	<ul style="list-style-type: none"> • Work with partners to maximise the number of apprenticeship and training opportunities for young people and adults in the city. • Work with our partners including businesses, job centres, training providers, colleges and the University to develop flexible pathways for local people who are in work to retrain and progress. 	<ul style="list-style-type: none"> • Support local businesses with workforce recruitment and planning particularly in those sectors which face recruitment and retention challenges. • Align our education and skills system with our business support offer to ensure local people have the skills employers needs now and in the future. • Ensure we have a range of higher-level skills and training support available in the city aligned to growth sectors to support productivity and higher wage jobs.

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

- Invest £3 million to tackle youth unemployment in our city with new job, training and apprenticeship opportunities through our Wolves at Work 18-24 programme.
- Launch a Youth Employment Taskforce bringing together key city partners to deliver a 'one city' approach to increasing employment opportunities for young people.
- Futureproof our skills system through the City Learning Quarter, a partnership between the City of Wolverhampton Council and Wolverhampton College which will establish a skills and learning hub, safeguarding hundreds of jobs and increasing footfall in the city centre as the scheme will see thousands of students located at the new city centre campus.
- Scale up Wolves Online device and connectivity lending scheme to reach more residents taking into account individualised needs in relation to the type of devices and connectivity options.
- Launch a new digital infrastructure academy to connect local people to booming digital and telecoms job opportunities.
- Continue to deliver jobs and opportunities for city residents through our employment and skills programmes. Since 2016, over 6,000 people have received our help and support to enter employment, education or training.
- Working alongside our city and regional partners we will continue to align training and education opportunities to the industries of the future.
- Scale up our Connexions programme in the city so that young people get the very best careers advice and support.

Measuring Performance

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

- By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.

Key System Indicators

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

- Number of working age adults (16-64) claiming unemployment benefits
- Number of young adults (18-24) claiming unemployment benefits

Key Council Indicators

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

- Number of jobs created / safeguarded in the city through the Investment Team
- Number of young adults (18-24) supported by Wolves at Work who are in sustained employment after 12 weeks
- Spend through Wolves at Work 18-24 City Ideas Fund
- Local Authority spend on apprenticeship levy
- Number of apprentices and graduate placements within the council

THRIVING ECONOMY IN ALL PARTS OF THE CITY

The city is enjoying record levels of public and private investment with £4.4 billion being injected into citywide regeneration projects. Our aim is to ensure that all residents and businesses can benefit from this investment and the new opportunities it will bring to the city. We will deliver this aim through inclusive growth, increasing access to good quality jobs, raising skill levels and improving health and wellbeing outcomes for all in our city.

Our economy is doing well with established clusters in advanced manufacturing, aerospace, and many sector leading firms calling the city home. We have growing sectors in professional services, creative and digital as well as green technologies and construction which have the potential to create new local jobs with higher wages. We will continue to support the growth of emerging and existing sectors in our city through new targeted support programmes. Helping local businesses to adapt and thrive in a changing economy which is seeing rapid shifts towards new digital technologies and a low carbon economy.

We have a strong foundation as we look towards recovery. Supporting the long-term resilience of the city's economy is a priority. There are several sectors in the city which have been hit hard by the Covid-19 pandemic such as retail and hospitality. Through our ongoing grants, rate relief and other support for business we will give the city's economy and labour market the best chance of effectively bouncing back, protecting jobs and livelihoods.

We will build on the city's long history of innovation and entrepreneurship to support residents who want to become entrepreneurs to start their own businesses. Supporting the growth of new enterprise in all parts of our city to drive inclusivity and equality across the business base, ensuring ethnicity, gender and socio-economic background are not barriers to starting and growing a business.

Through the Wolverhampton Anchor Network, we will work with our public sector partners and large employers in the city to use our collective spending power to support the local economy, spread opportunity and build resilience. This includes our commitment to the Wolverhampton Pound which places a greater emphasis on procuring goods and services locally increasing the amount we spend through our supply chains with SMEs and social enterprise. Every public pound spent will provide maximum benefit to local people and businesses.

Sourcing more goods and services locally is also critical to realising our ambitious plans to tackle climate change. Our commitment to sustainable transport and a circular economy reflects the Council's 2019 declaration of a climate emergency and our ambition to work towards being net carbon zero by 2028.

The £150 million investment in our Interchange programme, incorporating a new bus, tram and rail hub, provides a fantastic gateway into the heart of the city and will improve access for residents and businesses via sustainable modes of travel. We will continue to support the rollout of 5G and full fibre broadband to improve digital connectivity for local people and businesses. Our connected places strategy will deliver smart technology into our city to improve connectivity and accessibility for all, supporting electric vehicle growth, improved digital infrastructure and promote more sustainable transport options, through our active travel strategy.

Thriving high streets and town centres are crucial to the future of our local businesses and communities. Covid-19 has accelerated many trends already present before the pandemic in the way we choose to live, work, travel and spend our leisure time. Now more than ever, it is vital that we continue to deliver our ambitious plans to reimagine and transform our city and town centres, encouraging more mixed-use spaces and driving forward our bold 'Event City' plans.

Thriving economy in all parts of the city

Outcomes	Objectives	
<p>6.1 Support local businesses to start up, scale up and thrive</p>	<ul style="list-style-type: none"> • Grow emerging sectors in the city to strengthen supply chains and create new skilled jobs locally, including those in the green economy, creative and digital, professional services and others. • Support those businesses hardest hit by the pandemic in our hospitality, retail and leisure sector to adapt to a changing economy. • Increase the numbers of entrepreneurs who develop new start-ups in the city and who choose Wolverhampton as a place to grow their business. 	<ul style="list-style-type: none"> • Drive inclusivity and equality across the business base in the city, ensuring ethnicity, gender and socio-economic background are not barriers to starting and growing a business. • We will simplify access to business support services in the city and wider region through partnership working and digital technology making it easier to do business in Wolverhampton. • Use data and insight to identify trends, understand needs, targeting our resources and interventions in an evidence-based way.
<p>6.2 Attract new investment which brings social and economic benefit to all</p>	<ul style="list-style-type: none"> • Champion the city's offer continuing to raise the profile of the city nationally and internationally as a great place to invest and do business. • Ensure public and private investment opportunities create good work opportunities for local people and support our businesses to grow. • Work proactively to attract new businesses to the city to diversify our business base and increase the resilience of our local economy. 	<ul style="list-style-type: none"> • Develop and deliver sector specific action plans to support growth of key sectors in the city. • Building an even closer relationship with investors and strategic employers through effective account management to better understand their needs and how they can contribute to growth in our city. • Support the delivery of a range of workspaces to meet the needs of a growing economy, attracting new businesses and allowing existing businesses to grow and diversify.

Thriving economy in all parts of the city

Outcomes	Objectives	
<p>6.3 Vibrant high streets with quality culture and leisure offer</p>	<ul style="list-style-type: none"> Secure and deliver investment in our high streets and town centres to help them thrive, including public realm, events, meanwhile uses, arts and culture. Support and deliver a range of events in the city, from sport at the Molineux, music festivals in our parks, through to activities in our libraries and culture in venues across the city (Civic Halls and Bilston Town Hall). 	<ul style="list-style-type: none"> Safeguard and strengthen the city's cultural heritage by investing in, and encouraging access to our heritage assets, museums, and libraries. Promote creative and cultural activity and infrastructure that enables people to gain skills and employment in creative industries and increases investment into the city. Ensure that all of our communities and visitors can engage with and benefit from our city wide culture and arts offer.
<p>6.4 Grow the low carbon and circular economy</p>	<ul style="list-style-type: none"> Encourage the development of a more circular economy with better design, maintenance, repair, reuse and recycling of goods. Work with the public and private sectors to transform how resources are procured, used, consumed and disposed of. 	<ul style="list-style-type: none"> Embed low carbon practices within procurement and other services through increased knowledge and training as part of both publicly funded business support activity and private sector led activity.

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

- Be the best place in the region to start and grow a business bolstered by a new, first-class business support service shaped by city businesses.
- Deliver IGNITE our new city centre business hub offering advice and incubation support for existing and emerging businesses in the city.
- Leverage the Wolverhampton Pound's spending power so millions more are spent in our city to create job and business opportunities.
- Speed up the roll out of ultra-fast broadband and 5G to every home and business in our city and developing the region's first super-smart networked council tower block to help hundreds of residents access health and wellbeing support and jobs.
- Bring in hundreds of thousands of visitors a year and millions to the local economy with a new five-year 'Event City' plan, reopening our new £43 million Civic Halls and multi-million-pound investment in new public spaces.
- Investing £1.5 million in our fantastic Art Gallery to improve the experience for visitors with a new café and better accessibility – just in time for the British Art Show in 2022 which is set to bring 45,000 people into the city centre.
- Develop new employment land at Bilston Urban Village to create up to 300 new jobs on the back of £20 million investment with strong market interest from occupiers.
- Deliver thousands of new, local jobs by expanding i54, growing our commercial district, building 10,000 new homes and developing new employment land covering the same area as 77 football pitches.

Measuring Performance

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

- By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.
- By 2030, domestic public investment in R&D outside the Greater Southeast will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
- By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
- By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.

Key System Indicators

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

- Business that survive one year in city
- % change in activity in city retail & recreational settings – Google Analytics
- % of premises in the city with full fibre coverage
- Number of rapid charging electric car points in the city
- Empty properties in the city centre

Key Council Indicators

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

- Wolverhampton based businesses supported by the Council
- New of new investment opportunities generated
- Wolverhampton based businesses supported through Business Relight Programme
- New businesses supported by commissioned service Access to Business

Our Council Programme

To deliver our ambitions for the city and the priorities set out in this plan, the council needs to ensure it has the right people, technology, assets and resources. The Our Council Programme sets out six workstreams to achieve this;

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Our Assets

Sustainable assets which support our workforce, partners and communities.



Our Data

Evidence led decision making and analytics with robust performance framework.



Our Digital

Maximise how we use digital and other technologies to deliver better services and outcomes.



Our Money

Financially sustainable making the best use of our resources ensuring timely, transparent and accountable local decision making and governance.



Our People

Retain and attract the best talent, support all of our workforce to develop in an inclusive organisation.

We will deliver this plan in line with our **PRIDE values**. These values define what is important to us and how we will work to deliver the city's priorities. We will:

P

Put people first

R

Raise the city's profile and reputation

I

Inspire trust and confidence

D

Deliver together

E

Empower people to innovate

Measuring Performance

Key Council Indicators

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

- Gender pay gap of council employees
- Ethnicity pay gap of council employees
- Customer Service call wait times
- Sickness absence rates
- Employee turnover rate
- Spend with local businesses
- LGA Resident Satisfaction Polling

Overall, how well informed do you think your council keeps residents about the services and benefits it provides?

OUR PARTNERS



Partnership working is a key theme running through the plan, highlighting the importance of working across sectors and service areas. It builds on achievements to date, but with renewed focus and actions to tackle cross-cutting issues such as homelessness, health inequalities, youth skills and employment.

Working across partners locally, regionally and nationally we will continue to take a whole system approach to driving change and delivering improved outcomes for local people. To realise our vision, we must continue to work closely with partners, we will continue to build on the strong partnerships with all stakeholders locally, nationally and globally to provide a strong and influential voice for the city's residents and businesses.

Our ask of city partners;

1. To work with the Council to design and deliver innovative solutions to improve outcomes for local people.
2. To help us hear as widely as possible the views of communities and businesses by using your own networks to engage.
3. To provide robust data and evidence that you have for your area that could help ensure we are reaching those most in need.
4. To look at how you can support your communities and ensure nobody in our city is left behind.

RELIGHTING OUR CITY

The Relighting Our City framework was launched in September 2020 to guide the Council as it moved from the response to the recovery phase of the pandemic. The Council Plan takes forward this recovery framework acknowledging that we are now operating in a 'new normal'.

Support people who need us most

Create more opportunities for young people

Generate more jobs and learning opportunities

Grow our vital local businesses

Stimulate vibrant high streets and communities

COUNCIL PLAN

Wulfrunians live longer, healthier and more fulfilling lives

VISION 2030

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OUR PRINCIPLES

We will underpin our work with the following key principles;



CLIMATE FOCUSED

This recovery commitment is aligned to our climate change strategy 'Future Generations' and our target to make the City of Wolverhampton Council carbon-neutral by 2028. We are committed to delivering on the recommendations of our Climate Citizen Assembly and to upholding the promises we made when the Council declared a climate emergency in July 2019.



DRIVEN BY DIGITAL

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



FAIR AND INCLUSIVE

We will continue to tackle the inequalities in our communities which impact on the opportunities of local people. The Council's 'Excellent' rated equalities framework is at the heart of our recovery commitment. No community will be left behind as we transform our city together.

MONITORING AND EVALUATION



This Council Plan was launched as a ‘living’ document and we will regularly review and refresh it to ensure that it continues to reflect the priorities of local people and capture the fast-changing nature of the pandemic and impact it is having on the city’s residents.



We will do this through a ‘Continuous Conversation’ with communities with opportunities for local people to shape our approach to delivering the plan and it’s priorities.

We will use this plan to align service area plans and operational activity with the strategic objectives in our priority areas. It will support decision making and determine how we use the resource we have to deliver the best outcomes, in the most effective and efficient way. We will monitor and closely manage our performance against this plan, use it to drive delivery of our objectives.

Supporting the plan is our corporate performance framework. A set of key indicators aligned to our priority areas informed by national and local data sets. This framework will be reported alongside an update on deliver of this plan to Cabinet on a quarterly basis.



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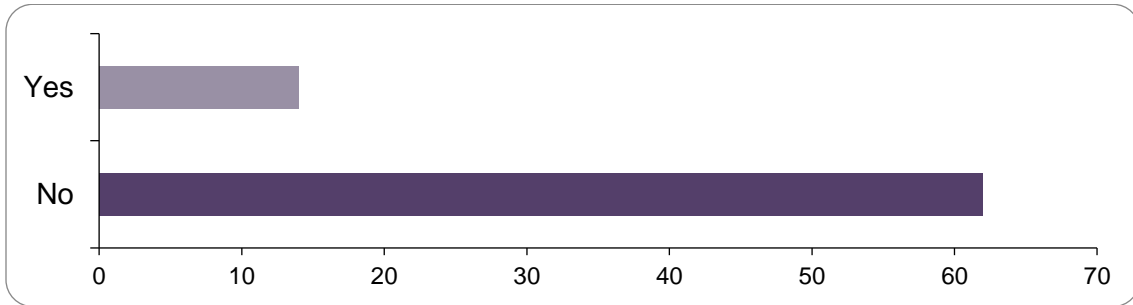
City of Wolverhampton Council, Civic Centre, St. Peter's Square,
Wolverhampton WV1 1SH

Appendix 2

Our City, Our Plan

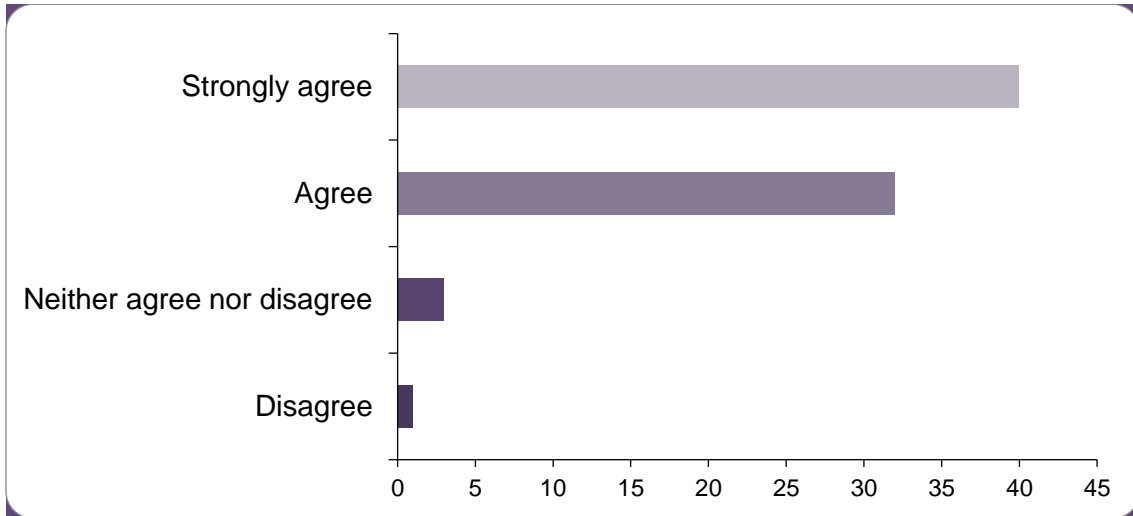
Consultation Responses

Are you responding on behalf of an organisation?



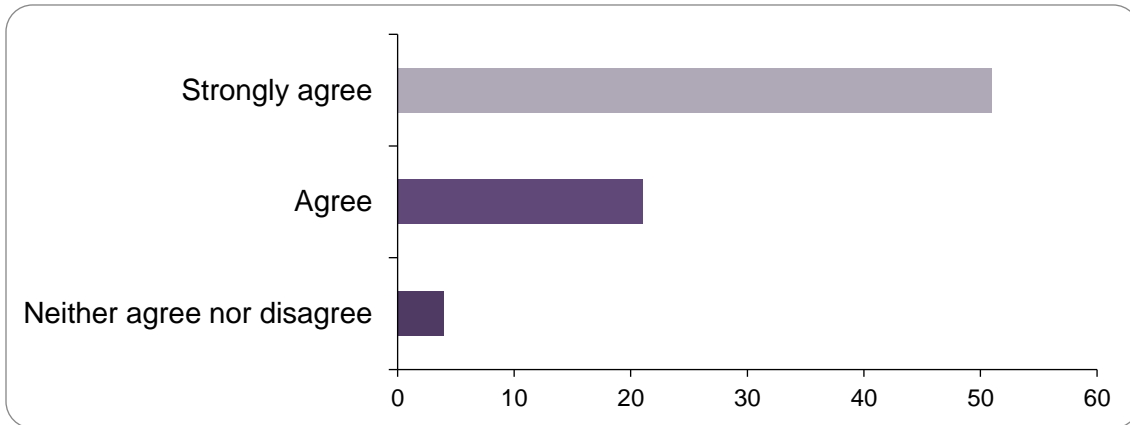
Option	Total	Percent
Yes	14	18.42%
No	62	81.58%
Not Answered	0	0.00%

To what extent do you agree or disagree with our six priorities?



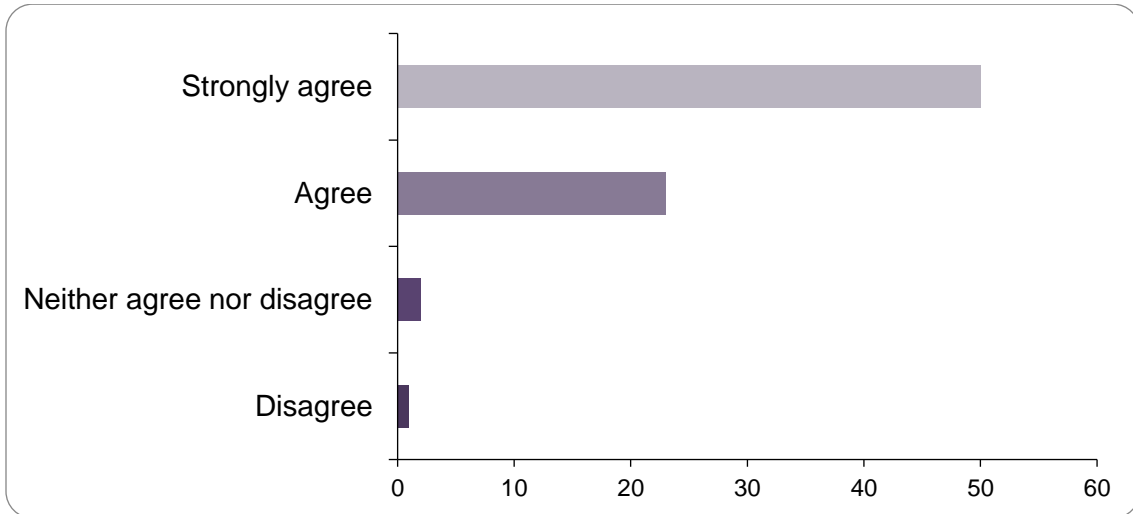
Option	Total	Percent
Strongly agree	40	52.63%
Agree	32	42.11%
Neither agree nor disagree	3	3.95%
Disagree	1	1.32%
Strongly disagree	0	0.00%
Not Answered	0	0.00%

To what extent do you agree or disagree with our proposals for the ‘Strong families where children grow up well and achieve their full potential’ priority?



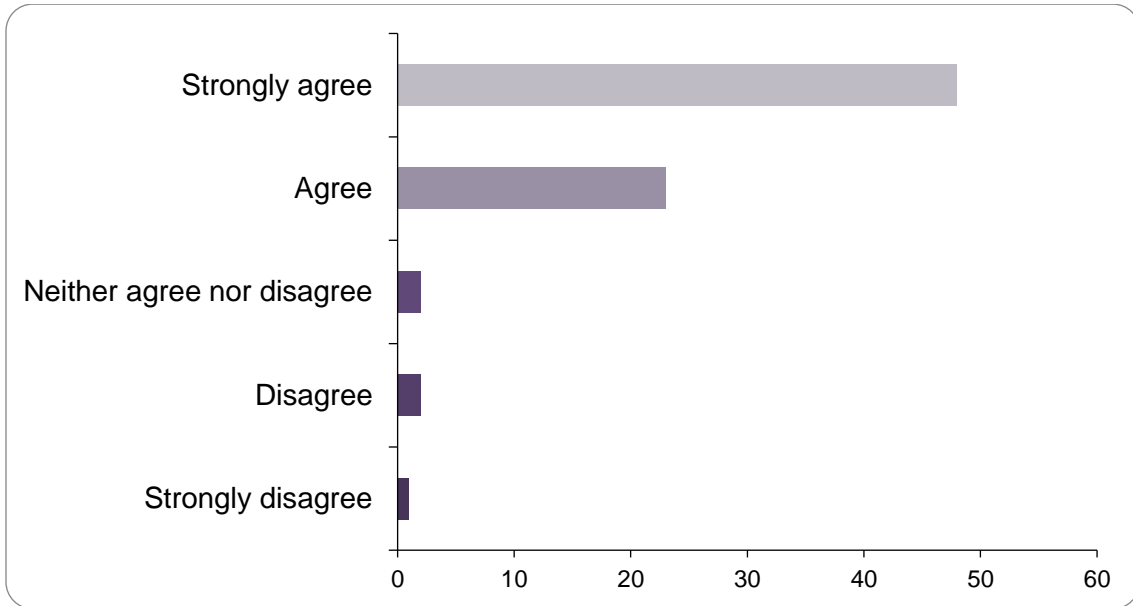
Option	Total	Percent
Strongly agree	51	67.11%
Agree	21	27.63%
Neither agree nor disagree	4	5.26%
Disagree	0	0.00%
Strongly disagree	0	0.00%
Not Answered	0	0.00%

**To what extent do you agree or disagree with our proposals for the
‘Fulfilled lives with quality care for those that need it’ priority?**



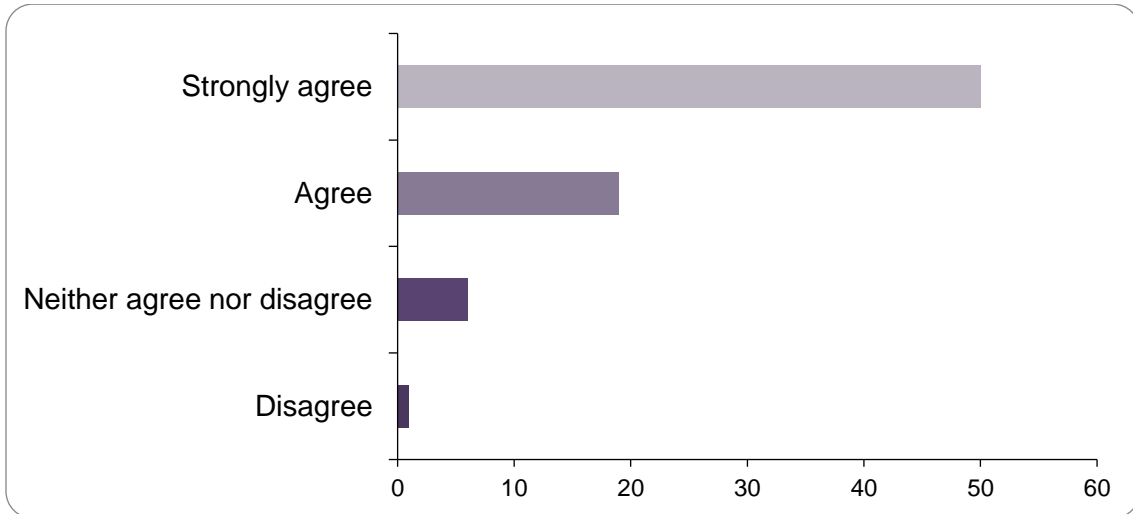
Option	Total	Percent
Strongly agree	50	65.79%
Agree	23	30.26%
Neither agree nor disagree	2	2.63%
Disagree	1	1.32%
Strongly disagree	0	0.00%
Not Answered	0	0.00%

To what extent do you agree or disagree with our proposals for the 'Healthy, inclusive communities' priority?



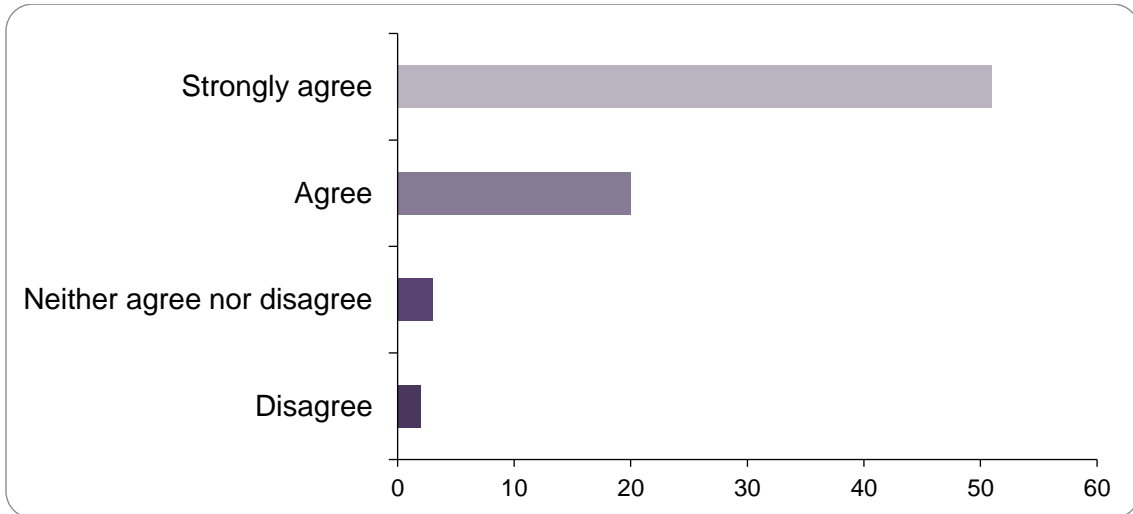
Option	Total	Percent
Strongly agree	48	63.16%
Agree	23	30.26%
Neither agree nor disagree	2	2.63%
Disagree	2	2.63%
Strongly disagree	1	1.32%
Not Answered	0	0.00%

To what extent do you agree or disagree with our proposals for the 'Good homes in well-connected neighbourhoods' priority?



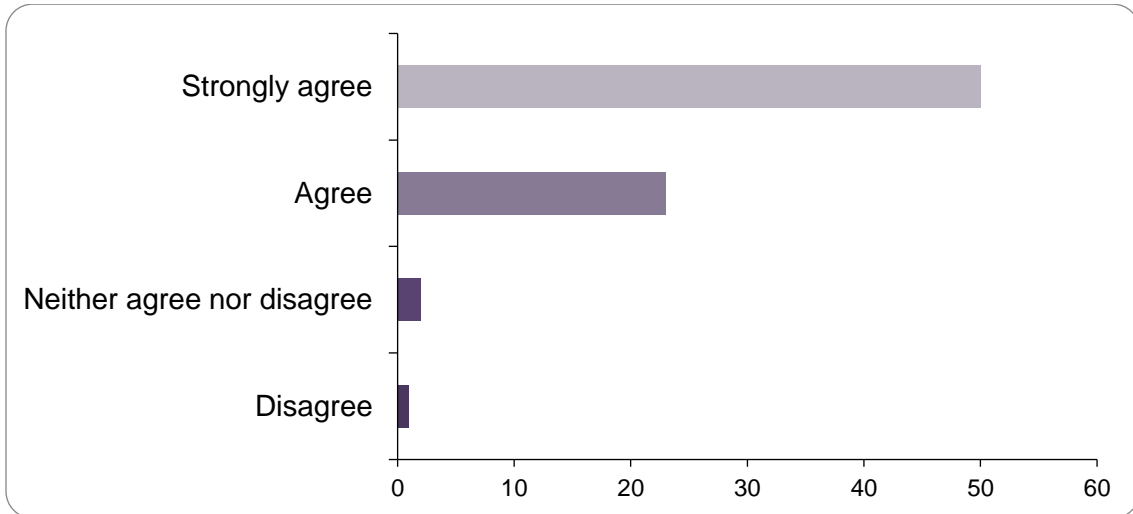
Option	Total	Percent
Strongly agree	50	65.79%
Agree	19	25.00%
Neither agree nor disagree	6	7.89%
Disagree	1	1.32%
Strongly disagree	0	0.00%
Not Answered	0	0.00%

To what extent do you agree or disagree with our proposals for the 'More local people into good jobs and training' priority?



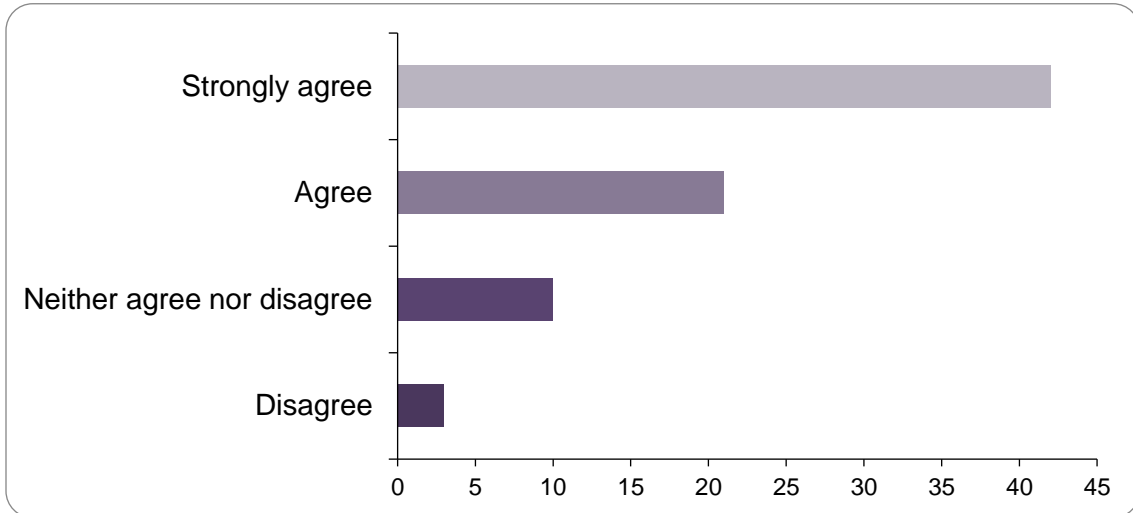
Option	Total	Percent
Strongly agree	51	67.11%
Agree	20	26.32%
Neither agree nor disagree	3	3.95%
Disagree	2	2.63%
Strongly disagree	0	0.00%
Not Answered	0	0.00%

To what extent do you agree or disagree with our proposals for the ‘Thriving economy in all parts of the city’ priority?



Option	Total	Percent
Strongly agree	50	65.79%
Agree	23	30.26%
Neither agree nor disagree	2	2.63%
Disagree	1	1.32%
Strongly disagree	0	0.00%
Not Answered	0	0.00%

Our Council Plan is supported by three cross cutting principles:



Option	Total	Percent
Strongly agree	42	55.26%
Agree	21	27.63%
Neither agree nor disagree	10	13.16%
Disagree	3	3.95%
Strongly disagree	0	0.00%
Not Answered	0	0.00%

CITY OF WOLVERHAMPTON COUNCIL	Meeting of the City Council 2 March 2022
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Report title	Final Budget Report 2022-2023	
Referring body	Cabinet, 23 February 2022	
Councillor to present report	Councillor Ian Brookfield	
Wards affected	(All Wards);	
Cabinet Member with lead responsibility	Councillor Ian Brookfield Leader of the Council	
Accountable director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	Claire Nye	Director of Finance
	Tel	01902 550478
	Email	Claire.Nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	11 February 2022
	Cabinet	23 February 2022

Recommendations for decision:

The Council is recommended to approve:

Cabinet recommendations from the Capital Programme 2021-2022 to 2025-2026 Quarter Three Review and 2022-2023 to 2026-2027 Budget Strategy

1. Approve the revised City of Wolverhampton Capital Strategy.
2. Approve the revised, medium term General Revenue Account capital programme of £346.1 million, an increase of £47.7 million from the previously approved programme, and the change in associated resources.

Cabinet recommendations from the Treasury Management Strategy 2022-2023

1. Approve the authorised borrowing limit for 2022-2023 to support the capital strategy as required under Section 3(1) of the Local Government Act 2003 to be set at £1,163.3 million (PI3, Appendix 3 of the Cabinet report). The authorised borrowing limit includes a forecast provision for potential business cases that may be brought forward during the

year, additional borrowing will only be authorised if the business case proves to be affordable over the medium term. The forecast borrowing is below the authorised borrowing limit.

2. Approve the Treasury Management Strategy Statement 2022-2023 as set out in Appendix 1 of the Cabinet report.
3. Approve the Annual Investment Strategy 2022-2023 as set out in Appendix 2 of the Cabinet report.
4. Approve the Prudential and Treasury Management Indicators as set out in Appendix 3 of the Cabinet report.
5. Approve the Annual Minimum Revenue Provision (MRP) Statement setting out the method used to calculate MRP for 2022-2023 as set out in Appendix 4 of the Cabinet report.
6. Approve the Treasury Management Policy Statement and Treasury Management Practices as set out in Appendix 6 of the Cabinet report.
7. Approve that authority be delegated to Cabinet to approve updates to the Treasury Management Strategy and corresponding practices during 2022-2023 to reflect the additional reporting requirements detailed in the most recent publication of the revised Treasury Management and Prudential Codes. It is important to note that, the Council complies with the principles of the codes however due to the timing of the release of the new Codes, CIPFA has allowed reporting on the Codes to be deferred until 2023-2024.
8. Approve that authority continues to be delegated to the Director of Finance to amend the Treasury Management Policy and Practices and any corresponding changes required to the Treasury Management Strategy, the Prudential and Treasury Management Indicators, the Investment Strategy and the Annual MRP Statement to ensure they remain aligned. Any amendments will be reported to the Portfolio Holder for Resources and Cabinet (Resources) Panel as appropriate.
9. Approve that authority continues to be delegated to the Director of Finance to lower the minimum sovereign rating in the Annual Investment Strategy, in the event of the UK's credit rating being downgraded by the third credit rating agency, due to the current economic climate.
10. Approve that authority is delegated to the Portfolio Holder for Resources, in consultation with the Director of Finance, to amend the MRP statement should this be required following the outcome of the consultation.

Cabinet recommendations from the 2022-2023 Final Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026

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

Council Tax formal resolutions for 2022-2023:

The resolution as follows:

1. That it be noted that the Council Tax base for the year 2022-2023 is calculated at 64,936.94 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"), as reported to Cabinet on 8 December 2021.
2. Calculate that the Council Tax requirement for the Council's own purposes for 2022-2023 is £118,072,000.
3. That the following amounts be calculated for the year 2022-2023 in accordance with Sections 30 to 36 of the Local Government Finance Act 1992 as amended:
 - (a) £669,030,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
 - (b) £550,958,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £118,072,000 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £1,818.27 being the amount at 3(c) above (Item R), all divided by Item T (section 1 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).

(e) £0 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.

(f) £1,818.27 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

4. To note that West Midlands Police and Fire Authorities have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

Precepting Authority	Valuation Band							
	A 6/9	B 7/9	C 8/9	D 9/9	E 11/9	F 13/9	G 15/9	H 18/9
West Midlands Fire and Rescue Authority	45.35	52.91	60.47	68.03	83.14	98.26	113.38	136.05
West Midlands Police and Crime Commissioner	125.03	145.87	166.71	187.55	229.23	270.91	312.58	375.10
Total Precepts	170.38	198.78	227.18	255.58	312.37	369.17	425.96	511.15

5. That the Council, in accordance with Sections 30 to 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables as the amounts of Council Tax for 2022-2023 for each part of its area and for each of the categories of dwellings.

Billing Authority	Valuation Band							
	A 6/9	B 7/9	C 8/9	D 9/9	E 11/9	F 13/9	G 15/9	H 18/9
City of Wolverhampton Council	1,212.18	1,414.21	1,616.24	1,818.27	2,222.33	2,626.39	3,030.45	3,636.54
Total Billing	1,212.18	1,414.21	1,616.24	1,818.27	2,222.33	2,626.39	3,030.45	3,636.54

6. That, having calculated the aggregate in each case of the amounts at (3) (f) and (4) above, the City Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of the Council Tax for the year 2022-2023 for each of the categories of dwellings shown below:

Authority	Valuation Band							
	A 6/9	B 7/9	C 8/9	D 9/9	E 11/9	F 13/9	G 15/9	H 18/9
Total Precepts	170.38	198.78	227.18	255.58	312.37	369.17	425.96	511.15
Total Billing	1,212.18	1,414.21	1,616.24	1,818.27	2,222.33	2,626.39	3,030.45	3,636.54
Total Council Tax	1,382.56	1,612.99	1,843.42	2,073.85	2,534.70	2,995.56	3,456.41	4,147.69

7. That a notice of the amounts payable in respect of chargeable dwellings in each valuation band for the year commencing on 1 April 2022 be published in at least one local newspaper and that in accordance with Section 3(2) of the Local Government Finance Act 1992, this notice shall also make reference to the National Non-Domestic Rating Multiplier set by the Secretary of State, and specify that the Council Tax and the

non-domestic rate demands are annual demands which cover the full financial year.

8. The Council has determined that its relevant basic amount of Council Tax for 2022-2023 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.
9. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2022-2023 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

Recommendations for noting:

The Council is asked to note:

Cabinet recommendations from the Treasury Management Strategy 2022-2023

1. That the MRP charge for the financial year 2022-2023 will be £19.8 million; it is forecast to increase to £21.1 million in 2023-2024 (paragraph 2.20 of the Cabinet report).
2. That Cabinet or Cabinet (Resources) Panel and Council will receive regular Treasury Management reports during 2022-2023 on performance against the key targets and Prudential and Treasury Management Indicators in the Treasury Management Strategy and Investment Strategy, as set out in the paragraph 2.18 and Appendices 2 and 3 of the Cabinet report.
3. That the new Treasury Management and Prudential Codes have been published and are effective immediately. However, due to the date of their release some elements, mainly changes to the capital strategy, prudential indicators and investment reporting can be deferred until 2023-2024. The documents covered in this report have been updated where possible to reflect the new Codes, any changes not reflected due to the timescales will be implemented and approval sought during 2022-2023.
4. That the documents covered in this report have been updated to reflect the latest interest rate forecasts available, however, due to uncertainties with the economy, should interest rates increase quicker than forecast, this may create a budget pressure on the treasury management budget. In the event that this were to occur, approval would be sought to accommodate the budget pressure by making a call on the Budget Contingency Reserve. This will continue to be monitored and reviewed in light of the changing economic environment, with updates provided to Councillors throughout 2022-2023 as part of the quarterly update reports.

1.0 Purpose

- 1.1 The purpose of this report is to obtain Full Council approval for the annual capital budget, treasury management strategy and revenue budget, as recommended by Cabinet and to pass the statutory formal Council Tax resolutions.

2.0 Background

- 2.1 The Council's revenue and capital budgets together with the treasury management strategy require approval by Full Council on an annual basis. In addition to this, Full Council has to pass statutory resolutions in respect of Council Tax before the commencement of each financial year.

3.0 Reports

- 3.1 The budget setting information and recommendations from Cabinet are set out in the relevant reports to Cabinet which were presented on 23 February 2022:
- A. Capital Programme 2021-2022 to 2025-2026 Quarter Three Review and 2022-2023 to 2026-2027 Budget Strategy
 - B. 2022-2023 Final Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026
- 3.2 Cabinet recommendations in relation to the treasury management strategy are set out in the report to Cabinet which was presented on 23 February 2022:
- A. Treasury Management Strategy 2022-2023
- 3.3 The setting of the Council Tax Base is set out in the report to Cabinet which was presented on 8 December 2021:
- A. Council Tax Base and Business Rates (NDR) Net Rate Yield 2022-2023 and Draft Budget Update 2022-2023
- 3.4 Copies of the report have been supplied to Councillors and can also be accessed online on the Council's website via the following links:

Cabinet - [23 February 2022](#)

Cabinet – [8 December 2021](#)

4.0 Financial implications

- 4.1 The financial implications of all the recommendations are included in the relevant Cabinet reports referenced in this report.

5.0 Legal implications

5.1 The legal implications of all the recommendations are included in the relevant Cabinet reports referenced in this report.

6.0 Equalities implications

6.1 The equalities implications of all the recommendations are included in the relevant Cabinet reports referenced in this report.

7.0 All other implications

7.1 All other implications of all the recommendations are included in the relevant Cabinet reports referenced in this report.

8.0 Schedule of background papers

8.1 Cabinet, [23 February 2022, Capital Programme 2021-2022 to 2025-2026 Quarter Three Review and 2022-2023 to 2026-2027 Budget Strategy](#)

8.2 Cabinet, [23 February 2022, Treasury Management Strategy 2022-2023](#)

8.3 Cabinet, [23 February 2022, 2022-2023 Final Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026](#)

8.4 Cabinet, [8 December 2021, Council Tax Base and Business Rates \(NDR\) Net Rate Yield 2022-2023, and Draft Budget Update 2022-2023](#)

8.5 Individual Executive Decision Notice, 31 January 2022, Final Business Rates (NDR) Net Rate Yield 2022-2023 and Collection Fund Estimated Outturn 2021-2022

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet 23 February 2022
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Report title	Capital Programme 2021-2022 to 2025-2026 Quarter Three Review and 2022-2023 to 2026-2027 Budget Strategy	
Decision designation	RED	
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 Council	10 February 2022 2 March 2022

Recommendations for decision:

That Cabinet recommends that Council approves:

1. The revised City of Wolverhampton Capital Strategy.
2. The revised, medium term General Revenue Account capital programme of £346.1 million, an increase of £47.7 million from the previously approved programme, and the change in associated resources.

That Cabinet is recommended to:

1. Approve the virements for the General Revenue Account capital programme detailed at Appendix 5 to the report for;
 - i. existing projects totalling £9.7 million;
 - ii. new projects totalling £6.3 million.

2. Approve the amendments to the Collaboration Agreement in relation to the Black Country Executive Joint Committee City Deal and Growth Deal dated the 7 May 2014, the aim being to simplify the governance arrangements and reduce timeframes for project approvals.
3. Approve Wolverhampton Council's entry into a Deed of Variation relating to the above Collaboration Agreement to these record changes as detailed within Appendix 6 to the report.
4. Delegate authority to the Deputy Leader: Inclusive City Economy in consultation with the Chief Operating Officer and Directors of Regeneration and Finance to conduct any negotiations and to agree any minor amendments and to subsequently authorise the sealing of this Deed of Variation.
5. Continue both delegations to the Portfolio Holder responsible for Resources, in consultation with the Director of Finance, to approve the allocation of:
 - i. The Corporate Provision for Future Programmes (previously known as the Corporate Contingency) budget to individual projects in order that corporate priorities may be addressed in an agile and timely manner;
 - ii. The Transformation Development Efficiency Strategy to individual transformation projects in order to benefit from the capital receipts flexibility announced in the Autumn Statement 2015 and in line with the Medium Term Financial Strategy.

Recommendations for noting:

The Cabinet is asked to note:

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

1.0 Purpose

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

2.0 Executive summary

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

- 2.7 The capital programme reflects the priorities of the Strategic Asset Management Plan. Individual capital project delivery milestones and financial analysis is undertaken over the lifecycle of each project, by project managers in conjunction with Strategic Finance, and is updated in the Council's project management system. Regular project delivery updates are provided to Leadership teams and to the Project Assurance Group, enabling robust governance and challenge. In addition to this, a Capital Projects Member Reference Group provides enhanced project governance and challenge.
- 2.8 The Capital Strategy is a key document for the Council and forms part of the authority's integrated capital, revenue, strategic asset management and balance sheet planning. Appendix 1 of the report provides a high-level overview of how capital expenditure, capital financing and treasury management activity are undertaken in line with service objectives, whilst taking account of stewardship, value for money, prudence, sustainability and affordability.
- 2.9 Furthermore, it also provides a framework by which investment decisions will be made, an overview of risk management, the implications for future financial sustainability and the governance processes for approval and monitoring of capital expenditure in line with requirements under the Prudential Code for Capital Finance in Local Authorities.
- 2.10 In late December 2021, the Chartered Institute of Public Finance and Accountancy (CIPFA) published changes to the Prudential Code for Capital Finance in Local Authorities, with more detailed guidance notes published late January 2022. Over the next few months, the Capital Strategy will be reviewed in light of this new guidance and an update provided at mid-year to Cabinet and Council for approval.
- 2.11 The Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have, significant financial implications for the Council. The pandemic has understandably had an impact on the development of capital projects. Given the unprecedented circumstances, there has understandably been delays on some capital schemes due to Covid-19. To ensure that any potential costs are met, in June 2020, the Council approved budget provision for specific risks emerging from the Covid-19 global pandemic. The Council will continue to assess the potential implications of Covid-19 on its wider capital programme in terms of delivery timescales and increases in costs. The capital programme makes a significant contribution to the shaping of the City and on the economy of the City and therefore will contribute to the Council's plans for Relighting Our City.
- 2.12 On 1 December 2021, Council approved a General Revenue Account capital programme totalling £298.1 million for the period 2021-2022 to 2025-2026. Since then, an Individual Executive Decision Notice submitted to Councillors has been approved to increase this amount by £271,000 to £298.4 million, fully funded by Green Homes Grant allocated through the second round of the Local Authority Delivery (LAD) Scheme, originating from the Secretary of State for Business, Energy, and Industrial Strategy (BEIS).

- 2.13 In addition to this, a reallocation of resources totalling £954,000, from the Corporate Provision for Future Programmes budget to various individual projects, has been approved, details of which can be found in Appendix 2 to the report and are summarised below:
- £360,000 towards the replacement of obsolete central reservation infrastructure on Stafford Road;
 - £330,000 to fund the Ignite office fit out costs;
 - £102,000 to facilitate required works within the Corporate Asset Management capital programme;
 - £75,000 to fund the installation and purchase of audio-visual equipment and conference microphone system;
 - £66,000 to fund the replacement of the boiler at Bilston Market;
 - £21,000 to fund the replacement of the water heater at Wolverhampton Contact Centre.
- 2.14 Approval is sought to continue both delegations to the Portfolio Holder responsible for Resources in consultation with the Director of Finance to approve the allocation of the following;
- Corporate Provision for Future Programmes budget to individual projects in order that corporate priorities may be addressed in an agile and timely manner;
 - Transformation Development Efficiency Strategy to individual transformation projects in order to benefit from the capital receipts flexibility and in line with the Medium Term Financial Strategy.
- 2.15 At the end of quarter three of the 2021-2022 financial year, expenditure for General Revenue Account existing projects totals £50.4 million compared to the projected budget of £100.0 million.
- 2.16 This report considers specific changes to budgets. A full list of the proposed capital programme can be found in Appendix 2 to the report.
- 2.17 Table 1 shows the approved General Revenue Account capital programme budget compared with that proposed, along with the resources identified to finance the proposed change.

Table 1: Summary of the General Revenue Account capital programme

General Revenue Account capital programme	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	Total
	£000	£000	£000	£000	£000	£000	£000
Budget							
Approved	112,930	117,038	43,566	23,740	1,068	54	298,396
Variations							
New projects	2,301	3,004	5,000	5,000	-	-	15,305
Existing projects	(15,236)	19,370	11,404	7,308	4,757	4,757	32,360
	(12,935)	22,374	16,404	12,308	4,757	4,757	47,665
Projected	99,995	139,412	59,970	36,048	5,825	4,811	346,061
Financing							
Approved							
Internal resources	75,399	57,436	16,030	19,222	1,068	54	169,209
External resources	37,531	59,602	27,536	4,518	-	-	129,187
	112,930	117,038	43,566	23,740	1,068	54	298,396
Variations							
Internal resources	(10,589)	7,848	9,445	1,319	-	-	8,023
External resources	(2,346)	14,526	6,959	10,989	4,757	4,757	39,642
	(12,935)	22,374	16,404	12,308	4,757	4,757	47,665
Projected							
Internal resources	64,810	65,284	25,475	20,541	1,068	54	177,232
External resources	35,185	74,128	34,495	15,507	4,757	4,757	168,829
Projected	99,995	139,412	59,970	36,048	5,825	4,811	346,061

- 2.18 This report recommends variations to the approved capital programme totalling an increase of £47.7 million, which brings the total revised programme to £346.1 million.
- 2.19 Details of all projects that have contributed to the overall increase of £47.7 million in the General Revenue Account capital programme can be found in Appendices 2 and 3 to the report, however, the key projects that have contributed to the increase in the programme are as follows;
- There is an increase of £23.8 million relating to the Transportation capital programme due to new grant allocations from the Combined Authority (Transport for West Midlands) expected in 2022-2023 and future years. Of the £23.8 million increase, £16.6 million will fund the Maintenance of Classified Roads capital programme and £7.2 million for the Highway Improvement capital programme. Details of how the grants will be allocated to individual projects will be presented to Cabinet in the annual Transportation capital programme report at a future meeting;
 - The City Learning Quarter capital programme has been updated to reflect the overall financial status of the project following the conclusion of various funding applications that have been submitted during 2021. The change in this budget reflects realignment to the funding strategy which was presented to Cabinet (Resources) Panel on 19 January 2022;
 - An increase of £8.0 million is proposed for the Transformational Projects capitalisation programme. This will enable the Council to utilise capital receipt

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

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

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

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

Table 2: Summary of the HRA capital programme

Housing Revenue Account capital programme	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	Total
	£000	£000	£000	£000	£000	£000	£000
Budget							
Approved	54,900	84,663	88,488	84,560	68,760	76,260	457,631
Projected	54,900	84,663	88,488	84,560	68,760	76,260	457,631
Financing							
Approved							
Internal resources	54,105	84,663	88,488	84,560	68,760	76,260	456,836
External resources	795	-	-	-	-	-	795
	54,900	84,663	88,488	84,560	68,760	76,260	457,631
Projected							
Internal resources	54,105	84,663	88,488	84,560	68,760	76,260	456,836
External resources	795	-	-	-	-	-	795
Projected	54,900	84,663	88,488	84,560	68,760	76,260	457,631

3.0 Existing projects

3.1 The changes proposed for existing projects within the General Revenue Account capital programme total a net increase of £47.7 million. A more detailed listing of the individual projects can be found in Appendices 2 and 3 to the report.

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

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

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

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

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

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

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

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

4.0 Black Country Enterprise Zone

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

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

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

5.0 New projects and virements

- 5.1 Table 3 provides a summary of new projects requiring approval, covering the period 2021-2022 to 2026-2027, and identifying where additional funding is required and where the new expenditure can be met from existing resources. A detailed analysis of the individual projects included in this table can be found in Appendix 4 to the report.

Table 3: Summary of new projects requiring approval

Directorate	Forecast outturn £000	2021-2022 to 2026-2027		Virements from existing projects £000
		Additional internal resources required £000	Additional external resources required £000	
General Revenue Account	15,305	8,000	996	6,309
Total	15,305	8,000	996	6,309

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

5.5 In addition to this, approval is sought for new project within the Disabled Facilities Grant capital programme funded by £250,000 grant from the Department for Levelling Up, Housing and Communities. Finally, an increase of £15,000 is proposed for the new Safe Haven Vehicle project within the Fleet capital programme funded by grant from the West Midlands Police and Commissioner.

5.6 New projects created through virements from existing projects relate to Fleet, Transformational projects capitalisation, i54 Western Extension, Education, Waste and Transportation capital programmes and are summarised below. A detailed list of new projects can be found in Appendix 4 to the report.

5.7 In summary approval for the following virements is sought in this report:

- £3.2 million for eight new projects within the Fleet programme for the acquisition of vehicles and equipment;
- £2.0 million is proposed to support new Transformational projects capitalisation 2023-2024 project as explained in the paragraph 5.3 above;
- £761,000 for the i54 Western Extension - Southern Plot Access Road project;
- £183,000 for seven new Education projects to enable capital maintenance works across various schools;
- £110,000 is required to facilitate five new projects within the Waste capital programme for the purchase of residential bins and equipment;
- £34,000 is proposed for the Well Lane project within the Transportation capital programme to carry out road resurfacing works.

6.0 Medium term capital programme financing and budget strategy

6.1 Table 4 details the approved financing for the capital programme for 2021-2022 to 2026-2027 and incorporates the requested approvals for projects included in this report.

6.2 As detailed in paragraph 2.19, of the overall increase of £47.7 million to the capital programme, £8.0 million relates to the Transformational projects capitalisation programme. The table below therefore reflects the need to increase the borrowing by this £8.0 million in order that capital receipts can be released to fund revenue transformation work.

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

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

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

- 6.3 Capital receipts totalling £82.0 million have been assumed within the General Revenue Account capital programme over the medium term period 2021-2022 to 2026-2027 and can be seen in Table 5. There is an increase of £43,000 when compared to the approved budget, which has arisen due to increased forecast from the sale of assets and re-phasing of receipts and capital requirements.
- 6.4 In order to be prudent, a detailed review of the schedule of asset disposals is undertaken to identify only those that are likely to be completed. The planned utilisation of capital receipts will reflect the need to balance the benefit for both the capital programme and the revenue budget and will form part of the ongoing Medium Term Financial Strategy.

6.5 Whilst the forecast of capital receipts is deemed prudent at this stage, it will continue to be monitored closely throughout the financial year in light of the impact of the Covid-19 pandemic. In the event that capital receipts assumptions change, updates will be provided in future reports to Councillors.

Table 5: Receipts assumed in the revised General Revenue Account capital programme

General Revenue Account	Projected						Total £000
	2021 - 2022 £000	2022 - 2023 £000	2023 - 2024 £000	2024 - 2025 £000	2025 - 2026 £000	2026 - 2027 £000	
Capital programme receipts	29,600	14,500	18,000	15,000	4,900	-	82,000

6.6 It is the Council's strategy to use capital receipts to reduce the Council's need to borrow to fund the approved capital programme. Capital expenditure has a direct impact upon the Council's revenue budgets and therefore needs to be restricted to projects essential to the Council's priorities. Any proposals to increase the level of the capital programme are considered in accordance with the Capital Strategy.

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

- Corporate Provision for Future Programmes budget to individual projects in order that corporate priorities may be addressed in an agile and timely manner;
- Transformation Development Efficiency Strategy to individual transformation projects in order to benefit from the capital receipts flexibility and in line with the Medium Term Financial Strategy.

7.0 Key budget risks

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

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

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

8.0 Evaluation of alternative options

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

9.0 Reasons for decisions

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

10.0 Financial implications

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

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

[RJ/15022022/X]

11.0 Legal implications

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

[TC/15022022/C]

12.0 Equalities implications

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

13.0 All other implications

- 13.1 A wide range of projects delivered through the capital programme have significant environmental implications and are geared to promote improvements to the physical environment.
- 13.2 Projects funded and delivered through the Council's capital programme typically have significant impact on the Council's property portfolio. Corporate landlord implications must be considered and included in relevant documents and reports when individual capital projects and programmes are being developed.
- 13.3 There is a range of individual projects delivered through the Council's capital programme which could have health and wellbeing implications, these should be considered when individual capital projects are being developed.
- 13.4 The Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have, significant financial implications for the Council. Covid-19 has had an impact on development projects internationally, nationally and regionally and also on projects within the City. Specific references are made where appropriate throughout the report.

14.0 Schedule of background papers

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

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

15.0 Appendices

15.1 Appendix 1: Capital Strategy

15.2 Appendix 2: Detailed projected budget

15.3 Appendix 3: Detailed forecast change

15.4 Appendix 4: Projects requiring approval

15.5 Appendix 5: Virements for approval

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

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The City of Wolverhampton Council

Capital Strategy

1.0 Introduction – what is the capital strategy?

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

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

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

- 2.4 Our City, Our Plan is presented to Cabinet and Full Council on this same agenda.
- 2.5 The City of Wolverhampton is an ambitious city with big plans and is one of the fastest growing areas in the UK for economic growth.
- 2.6 Like many other councils, the City of Wolverhampton Council has experienced significant funding reductions and we need to make careful choices in where we prioritise the money we spend. However, despite the financial challenges faced, the Council's capital programme includes significant investment programmes that endeavour to create an environment where new and existing business thrive, people can develop the skills they need to secure jobs and to create neighbourhoods in which people are proud to live.
- 2.7 The Council's capital investment aims to attract further inward investment to help the local economy to grow and thrive, so every pound invested by the authority generates a local economic benefit well in excess of this initial investment.
- 2.8 The **Vision 2030** details our ambition to work with commercial partners to enable major developments in the city centre and embed collaborative working with the private sector as the primary driver of inclusive growth in the city. Looking into the horizon, what might the City of Wolverhampton look and feel like in 2030? The City is already one of the fastest changing cities in the UK and is playing a leading role in supporting devolution to the West Midlands via the West Midlands Combined Authority. Our medium term capital investment plans to 2026-2027 mark a significant step change and will take us closer to the City described in our 'New Horizons' vision for the City of Wolverhampton in 2030. In 2030 Wolverhampton will be place where people come from far and wide to work, shop, study and enjoy our vibrant city but this can only be realised by effective collaboration across the City and beyond. We will transform our City into a prosperous and inclusive place that celebrates its diversity and heritage and plays its part on the regional, national and international stage.
- 2.9 The Council's Capital Strategy includes all capital expenditure and capital investment decisions not only as an individual local authority but also those entered into under group arrangements or other partnership arrangements. Detailed financial planning is focussed on the medium term to reflect the availability of robust information including the timing of asset disposals, government funding and local tax generation.
- 2.10 The Council's forecast long-term capital investment plan is underpinned by the five principles of the Financial Strategy which is underpinned by eight core workstreams. Using the Core Workstreams as the framework for the Financial Strategy detailed delivery plans are being developed all with lead directors. This strategy has also been reviewed and refreshed to ensure that resources remain aligned to our priorities. The Core principles and workstreams are:

Core Principles:

- **Focusing on Core Business.** Focus will be given to those activities that deliver the outcomes local people need and which align to our Council Plan and Financial Strategy.
- **Promoting Independence and Wellbeing.** We will enable local people to live independently by unlocking capacity within communities to provide an effective and supportive environment
- **Delivering Inclusive Economic Growth.** We will continue to drive investment in the City to create future economic and employment opportunities.
- **Balancing Risk.** We will ensure decisions on evidence, data and customer insight.
- **Commercialising our Approach.** We will boost social value in our City by maximising local procurement spend with people and businesses.

Core Workstreams:

- **Driven by Digital** - Improve access to digital services to empower local people to self-serve at a time and place that suits them whilst reducing 'traditional' operating costs.
- **Managing demand** - Through early intervention and closer collaboration with local people we aim to reduce demand for services and support greater independence and resilience.
- **Targeted Service Delivery** - Our efforts will be focused in the areas and places that need us the most and where we can deliver the best possible outcomes within the resources available.
- **Sustainable Business Models** - We will develop the most efficient and effective services possible, within the significant financial constraints we face, to meet the needs of local people.
- **Prioritising Capital Investment** - Aligned to our strategic plan, investment will focus on the priorities that deliver the best possible return and outcomes for local people.
- **Generating Income** - Better understanding the markets we operate in will enable us to develop new, innovative income generation opportunities with partners where appropriate
- **Delivering Safe Efficiencies** - By reviewing our resources, business processes and better using technology, we will deliver services which meet customer needs efficiently and cost-effectively
- **Maximising Partnerships and External Income** - We will take a much more strategic role, working with our partners, to identify opportunities to collaborate, share resources, reduce costs and seize funding opportunities

2.11 A key element of achieving our goals is how we use all our resources, and this includes our land and buildings. To support this, the Council has an [Asset Management Policy](#) in place which provides an overview of the Council's land and property estate, together with the main priorities for managing and developing that estate over the next five years. The key principles and priorities of this plan are reflected in the Capital Strategy.

- 2.12 In addition to this, the Council has a **Housing strategy** which will support Wolverhampton in achieving its long term ambitions for housing; improving the quality and supply of housing, to support current and future residents who will have a fundamental role to play in developing Wolverhampton's identity and economic function as a key place on the regional, UK and international stage. The establishment of the Council's wholly owned housing company, WV Living, also enables the objectives of this strategy
- 2.13 In order to support communities and people in the City, the **City of Wolverhampton Education Place Planning 2020-2022 Strategy** outlines anticipated levels of future demand and key policy decisions adopted by the Council to guide the ongoing development of the City's primary and secondary school estate. This vision is a key feature of the City of Wolverhampton Council's approach to meeting its statutory duties as an advocate for parents and families, supporting vulnerable children and championing educational excellence.
- 2.14 Furthermore, the **Vision for Public Health for the City of Wolverhampton by 2030** provides an approach and framework for improving the health and wellbeing and reducing inequalities of the city's population. Having the best start in life, an excellent education, a stable, rewarding job and a decent home in a thriving community are the strongest factors that influence both how long a person is likely to live and their quality of life. Evidence suggests that getting these factors right, coupled with enabling access to high quality health and care services, will have a significant impact on the behaviours, lifestyle choices and health of our residents. This Vision focusses on making the greatest impact on these areas that influence health and wellbeing and outlines a way of working that will help support doing so.
- 2.15 In July 2019, the Council declared a 'Climate Emergency', noting the impact of climate change around the world. The Council's Climate Change Strategy, **Future Generations: Our Climate Commitment**, outlines the Council's commitment to be carbon-neutral by 2028 and how the Council will work with a wide range of partners across the city to safeguard health, safety and well-being of our City and the future generations that will inherit it.
- 2.16 The Council has also designed the **Youth Engagement Strategy**, #YES, to improve the well-being of all children and young people living in the City of Wolverhampton. This vision is 'Happy Healthy Children and Young People'. It recognises the importance of young people's voice in shaping services, valuing their contribution in making the City a great place to bring up families..
- 2.17 The Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have, significant financial implications for the Council. Covid-19 has had an impact on development projects internationally, nationally and regionally and also on projects within the City. Given the unprecedented circumstances, there has understandably been delays on some capital schemes due to Covid-19. The Council continues to assess the potential implications of Covid-19 on its wider capital programme in terms of delivery timescales and increases in costs. The capital programme makes a

significant contribution to the shaping of the City and on the economy of the City and therefore will contribute to the Council's plans for Relighting Our City.

- 2.18 Alongside managing the emergency response to the pandemic, the Council has also undertaken extensive planning for recovery which was approved by Cabinet in September 2020. It engaged with around 2,500 people including residents, young people, the voluntary and community sector and other partners, employees, Councillors and businesses across the city. This engagement has shaped the Council's recovery plan, 'Relighting Our City'.
- 2.19 The refreshed Council Plan aligns with the key priorities and objectives identified in the Relighting Our City Recovery framework.
- 2.20 Relighting Our City also references three cross cutting themes which cut across all our recovery work, namely being climate conscious, driven by digital and fair and equal in our approach.

3.0 Capital Expenditure and the Medium Term Financial Strategy

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

3.4 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future Council tax and Council housing rent levels is 'acceptable'.

4.0 Capital Funding Streams

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

5.0 Project establishment and approval

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

that may exist, and that the project will be delivered in accordance with priorities as set out in **The Council Plan**, prior to being submitted to the next stage of the process.

- 5.3 Upon PAG endorsement, all capital projects then progress to Leadership Team or Strategic Executive Board (SEB) for review. SEB, including the Council's Director of Finance, strategically review project business cases to ensure that the project will be delivered in accordance with Council Plan priorities and is affordable. Capital projects will be assessed and prioritised based on:
- Council Plan priorities;
 - Asset Management Plan priorities;
 - City wide priorities;
 - Identified need including health and safety requirements;
 - Affordability;
 - Deliverability;
 - Income generation including business rates and council tax receipts;
 - Transformation.
- 5.4 If the project receives SEB agreement it will be included in reports presented to Cabinet and Full Council for consideration and approval, as required in the **Financial Procedure Rules** within the Council's **Constitution**. If the project is approved, project expenditure and financing will then be built into the Council's capital programme and **Medium Term Financial Strategy** (MTFS) or **Housing Revenue Account Business Plan**.
- 5.5 To manage our capital projects effectively and efficiently, we need to know how we are performing. In order to do this, individual capital project delivery milestones and financial analysis is undertaken over the lifecycle of each project, by project managers in conjunction with professional colleagues from across the organisation including Strategic Finance and is updated in the Council's project management system. Regular project delivery updates are provided to directorate leadership teams or project boards and will also be provided to PAG, enabling robust governance and challenge. In addition to this, the Capital Projects Member Reference Group provides further enhanced project governance and challenge.
- 6.0 Governance**
- 6.1 The City of Wolverhampton Council's Full Council makes decisions on a variety of issues, primarily linked with the budgetary and policy framework. Full Council will provide overall direction and approval of the Capital Strategy, and investment in the Capital Programme.
- 6.2 Cabinet and Full Council will continue to receive quarterly capital programme and treasury management monitoring reports throughout the financial year and will approve variations to the capital programme as appropriate.
- 6.3 The Strategic Executive Board has responsibility for the strategic development, management and monitoring of the capital and investment programme.

6.4 The Director Finance will report on the sustainability and affordability of individual capital projects and the overarching capital programme, including the implications on the Medium Term Financial Strategy.

6.5 The Council's Our Council Scrutiny Panel oversee and scrutinise the capital programme and treasury management programmes.

7.0 Projected Capital Programme

7.1 The Capital Strategy, for the Council's General and Housing Revenue Account, sets out the plans to invest over £800 million in the City over the next six years together with the funding to support that investment.

7.2 The removal of the HRA Borrowing Cap provides real opportunities for the Council to increase the provision of new homes for rent, whilst continuing to invest in better and safer homes programmes to the existing stock and improving and redeveloping housing estates.

7.3 The Council's projected General and Housing Revenue Account capital programmes are detailed in the table below:

Table 1 – Projected Capital Programme 2021-2022 to 2026-2027

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

7.4 Some of the major investments over the medium term included within the capital programme include:

- **Wolverhampton Interchange** - this involves the creation of a fully integrated transport hub at Wolverhampton providing an attractive and effective gateway for the Black Country with improved links to Birmingham and the proposed high speed railway (HS2). Redevelopment of Phase 2 of the station is now complete, with work underway on the establishment of the plaza space, Metro connection and cycle parking as the final components of the multi-modal transport interchange.

- **School Expansion Programme** – projected levels of demand for school places will be required in the future to ensure that supply can meet demand. The projected capital programme includes provision for primary and secondary school expansion programmes totalling £26.4 million.
- **City Learning Quarter** - this is one of the Council's top regeneration priorities being fundamental to the levelling up approach for the City that will provide a new learning campus within the City Centre. Phases 1 and 2 of the scheme is currently forecast as a £60.0 million capital project.
- **Civic Halls** – a £38 million full improvement and restoration scheme to the Civic Halls is underway. This will secure jobs and investment and enable the city to meet future demand and stimulate further economic development.

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

Table 2 - Projected capital financing 2021-2022 to 2026-2027

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

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

7.6 Capital receipts totalling £82.0 million have been assumed within the General capital programme. In order to be prudent, a detailed review of the schedule of disposals is undertaken to identify only those that are likely to be completed. The planned utilisation of capital receipts is kept under review and reflects the need to balance the benefit for both the capital programme and the revenue budget.

8.0 Debt, Borrowing and Treasury Management

8.1 Treasury management is defined as:
“the management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

8.2 The Council’s [Treasury Management Strategy Report](#) incorporates six elements:

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

- The Treasury Management Policy – this document defines the policy and objectives of treasury management activities.

- 8.3 The Council continues to follow a strategy of keeping cash balances to a minimum and avoiding external borrowing unless absolutely necessary. In the short term, this has resulted in significant revenue budget reductions, whilst also serving to protect the Council from the risk of exposure to loss on the money markets, which remain relatively fragile.
- 8.4 The Council's forecast external debt/prudential borrowing over the medium term is detailed in the table below:

Table 3 – Forecast External Debt over the medium term

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

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

Table 4 – Authorised Limit for External Debt

PI 3 - Authorised limit for external debt.				
These limits apply to the total external debt gross of investments and separately identify borrowing from other long term liabilities such as finance leases including Private Finance Initiatives (PFI). This is a self determined level reviewed and set each budget setting cycle.				
	As at 23 February 2022			
	2021-2022	2022-2023	2023-2024	2024-2025
	Limit	Limit	Limit	Limit
	£000	£000	£000	£000
Borrowing	1,086,578	1,080,693	1,139,076	1,208,188
Other Long Term Liabilities	79,626	82,628	79,660	76,416
Total Authorised Limit	1,166,204	1,163,321	1,218,736	1,284,604
Forecast External Debt as at 23 February 2022:				
Borrowing	770,830	872,611	940,699	996,023
Other Long Term Liabilities	79,626	80,628	77,660	74,416
	850,456	953,239	1,018,359	1,070,439
Variance (Under)/ Over Authorised limit	(315,748)	(210,082)	(200,377)	(214,165)
Authorised limit for service investments included in the above figures				
Authorised Limit	47,014	66,049	63,600	62,176
Forecast External Debt as at 23 February 2022:	43,120	45,935	44,500	43,076
Variance (Under)/ Over Authorised limit	(3,894)	(20,114)	(19,100)	(19,100)

- 8.7 As can be seen from the table above, the forecast level of external debt is within the Authorised Limit for each year.
- 8.8 The Council has adopted a prudent approach to managing risk. In order to minimise the risk, the Council applies a minimum acceptable credit criteria as detailed in the Annual Investment Strategy.
- 9.0 Service and Commercial investments Commercial Activity**
- 9.1 The Council continues to ensure that opportunities for commercialism and shared services are considered. Investments in order to support income generation is part of the Council's financial strategy, however as detailed in the [Treasury Management Strategy](#), non-treasury/service and commercial investments should be of benefit to the economic, social or environmental well-being of the area served by the City of Wolverhampton Council and/or the West Midlands Combined Authority and not held primarily for yield.
- 9.2 The codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) contains investment guidance which complements the guidance issued by the Department for Levelling Up Housing and Communities. The most recent version of this guidance released December 2021, requires local authorities to produce disclosures on financial and non-financial investments held.
- 9.3 Investments held for treasury management purposes are disclosed in the [Treasury Management Strategy](#), whilst investments held for non-treasury management purposes are detailed in the following paragraphs.

- 9.4 Investments held for non-treasury management purposes include investments such as loans, shares and other non-financial investments including property investment assets. When considering service investment, consideration is given to the level of exposure to different sectors in the market and the needs of the City.
- 9.5 Whilst Wolverhampton holds a number of investments that are classed under the guidance as service investments, the Council's investments are held primarily in order to secure wider strategic objectives as detailed in [The Council Plan](#). This includes inclusive growth and creating neighbourhoods in which people are proud to live. Revenue income streams arising as a result of holding these investments is a secondary benefit which supports the Council's financial strategy.
- 9.6 Long-term investments held by the Council for non-treasury management purposes have been funded from borrowing and include:
- Equity investment and loans to WV Living – the Council's wholly owned housing company established in 2016;
 - YOO Recruit Ltd – the Council's wholly owned recruitment agency established in 2014;
 - Investment properties such as i9, i10 and i11
 - Equity investment in Help to Own – a new affordable housing product alongside the West Midlands Combined Authority.
- 9.7 WV Living – The Council established a Housing Company to develop affordable and desirable new homes within Wolverhampton for rent and sale after identifying a need in the City for housing. This was a targeted and careful intervention by the Council to unlock sites and ensure that the City is a place where people want to work and live. The strategic response to address the housing need generates a commercial return for the Council that will contribute to the MTFs, however as stated above, whilst beneficial in supporting the financial strategy this is the secondary objective. WV Living has a Board of Directors, who include Council Directors, who keep the Business Plan under constant review to ensure security of funds.
- 9.8 Yoo Recruit – The Council established a recruitment agency to help get local people into temporary council jobs. The Council is the sole shareholder of the company and benefits from any profits that the company makes, however the primary reason for establishing this company was to ensure that the City is a place where people want to work and live.
- 9.9 Investment properties - The Council owns and has invested in a number of investment/commercial properties such as the i10 office and retail facility, which was successfully opened in early 2016 attracting big name tenants such as Greene King and Tarmac. The i9 building is now substantially let and includes the Department for Levelling Up, Housing and Communities. i9 is the first government department headquarters outside of London and will include ministerial presence. Investment in these assets encourages regeneration and inward investment into the City's local economy.
- 9.10 An advanced programme of lease renewals and rent reviews on investment properties is underway to maximise the income to the Council from the commercial portfolio. In

addition to maximising annual rental income, this also ensures that income is secured, by locking tenants into current leases at market level rent rates.

- 9.11 All investment properties are considered as part of the Council's Asset Management Policy. The reasons for holding assets will vary and, as a result, we may need to measure their performance in different ways. Performance of each asset must therefore be linked to the strategic purpose for holding it. The Asset Challenge process means that we are reviewing each asset on a rolling programme to ensure we only keep the buildings we need in the future. This process explores the utilisation of assets, along with analysis of running and maintenance costs, and geographical location. The outcome of this process will identify asset rationalisation and disposal opportunities to support our Medium Term Financial Strategy.
- 9.12 Help to Own – The Council entered into an equity investment alongside the West Midlands Combined Authority in 2021 for a new affordable housing product called 'Help to Own'. This scheme is for anyone who is struggling to get onto the property ladder and enables individuals to enter into a tenancy agreement to rent a home for 20 years with the option for a further tenancy of 5 years and to purchase the home outright along the way. This was a targeted and careful intervention by the Council to unlock sites and ensure that the City is a place where people want to work and live.
- 9.13 All new service ideas/investment will follow the project establishment and approval process as detailed above. If the service investment proposal is successful, performance will be monitored on an ongoing basis following investment approval, against the agreed business plan by the relevant boards. The investment/project plan will have clearly identified performance targets which will be the baseline for decisions as to whether the investment is successful and whether it should be ceased, continued or expanded. Any significant under performance will be escalated to the relevant Director.
- 9.14 In addition to this, the Director of Finance will receive quarterly updates on each investment asset which will highlight project progress and levels of income received. If there is a significant variance from the approved business case then the Director of Finance can request that an update on the business case be presented to Project Assurance Group or Strategic Executive Board. Any deviation from the original business case which requires any additional resources will be assessed following the 'Project establishment and approval' process as detailed in Section 5 above.
- 9.15 All of the Council's property, plant and equipment assets are valued at current value, and those assets with a current net book value in excess of £1.0 million are valued annually; the most recent valuation was undertaken on 31 March 2021. A rolling programme ensures that the remaining assets are revalued at least every five years. The valuations were carried out by external valuers. The housing stock valuation was carried out by Jones Lang Lasalle while the other valuations were carried out by Bruton Knowles, registered RICS valuers. This ensures security of capital investment.

- 9.16 In the event that the fair value of the investment is no longer sufficient to provide security against the loss the Strategic Executive Board will need to consider whether the investment is enabling wider strategic objectives.
- 9.17 The following table details the projected level of net service and commercial investment over the medium term period:

Table 5 – Forecast Service and Commercial Investment

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

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

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

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

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

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

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

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

Indicator 3 – Forecast Loan to Value Ratio

	2021-2022	2022-2023	2023-2024	2024-2025
Loan to Value Ratio	0.72	0.72	0.68	0.63

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

10.0 Other long term liabilities

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

11.0 Knowledge and skills

11.1 The Council recognises the importance of ensuring that all staff involved in the development and delivery of capital projects, including programme/service managers, accountants, solicitors and surveyors, are fully equipped to undertake the duties and responsibilities allocated to them. The Council seeks to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

11.2 In addition to this, the Council ensures that Councillors tasked with capital investment and treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities. Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

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

12.0 Corporate Strategies

12.1 The Council Plan – Our City, Our Plan

12.2 Vision 2030

12.3 Strategic Asset Management Plan

12.4 Medium Term Financial Strategy

12.5 Housing Revenue Account Business Plan

- 12.6 Treasury Management Strategy
- 12.7 Financial Procedure Rules
- 12.8 Council Constitution
- 12.9 Housing Strategy
- 12.10 City of Wolverhampton Education Place Planning 2020-2022 Strategy
- 12.11 Vision for Public Health for the City of Wolverhampton by 2030
- 12.12 Future Generations: Our Climate Commitment
- 12.13 Youth Engagement Strategy
- 12.14 Relighting Our City Agenda

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Detailed projected budget

Appendix 2

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

Detailed projected budget

Appendix 2

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

Detailed projected budget

Appendix 2

Division	Project	Projected budget						Total	Internal resources	External resources
		2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027			
General Revenue Account capital programme										
City Housing and Environment	Maintenance of classified roads	-	3,316	3,316	3,316	3,316	3,316	16,580	-	(16,580)
	Transport Structural Maintenance - Street Lighting	375	-	-	-	-	-	375	(111)	(264)
	Response patching	200	-	-	-	-	-	200	-	(200)
	Specialist Surface Treatments	14	16	-	-	-	-	30	(16)	(14)
	Cannock Road - Phase II	270	-	-	-	-	-	270	(58)	(212)
	Replacement of non-compliant safety fencing	30	-	-	-	-	-	30	-	(30)
	Development of the Highway Asset Management Plan and Strategy	-	62	-	-	-	-	62	(62)	-
	Griffiths Drive - resurface carriageways	110	-	-	-	-	-	110	(100)	(10)
	Bushbury Lane (Stafford Road to Shaw Lane) - resurface carriageways	225	-	-	-	-	-	225	(79)	(146)
	Cross Street North - resurface carriageways	113	-	-	-	-	-	113	(100)	(13)
	Compton Road – (Clark Road to Avenue Road)	165	-	-	-	-	-	165	-	(165)
	Cambridge Street and Water Street	-	41	-	-	-	-	41	(41)	-
	Woodland Road / Coppice Road Junction – (All junction only)	-	45	-	-	-	-	45	(45)	-
	Inkerman Street	225	-	-	-	-	-	225	-	(225)
	Showell Circus	185	-	-	-	-	-	185	-	(185)
	Purbrook Road	-	150	-	-	-	-	150	(150)	-
	Broad Lane South / Stubby Lane Jct	110	-	-	-	-	-	110	-	(110)
	Codsall Road	127	-	-	-	-	-	127	(97)	(30)
	Stafford Street Reinstatement	-	50	-	-	-	-	50	(50)	-
	Well Lane	34	-	-	-	-	-	34	-	(34)
	Highway Improvement Programme	-	1,441	1,441	1,441	1,441	1,441	7,205	-	(7,205)
	Integrated Transport - Advance Design	189	-	-	-	-	-	189	-	(189)
	Integrated Transport - Cannock Road / Cross St North	4	2	-	-	-	-	6	(6)	-
	UTC - Wireless Communications	85	-	-	-	-	-	85	-	(85)
	Ring Road & City Centre Signage	298	-	-	-	-	-	298	-	(298)
	Bus infrastructure improvements	-	30	-	-	-	-	30	(30)	-
	UTC Expansion ITS/CCTV/Driver Information/ANPR	180	-	-	-	-	-	180	-	(180)
	Lyndale Drive Culvert - Highways Improvement	10	30	-	-	-	-	40	(40)	-
	Willenhall Road Culvert - Highways Improvement	10	30	-	-	-	-	40	(40)	-
	UTC Expansion CCTV	143	-	-	-	-	-	143	-	(143)
	Traffic Signal Maintenance	500	-	-	-	-	-	500	-	(500)
	UTC upgrade & CCTV link	231	-	-	-	-	-	231	-	(231)
	Vehicles (Procurement)	748	3,620	-	-	-	-	4,368	(4,353)	(15)
	Bowman's Harbour Repository - Tech Investigation	41	-	-	-	-	-	41	(41)	-
	Bilston Market - boiler replacement	66	-	-	-	-	-	66	(66)	-
	Parks Strategy and Open Space	-	175	-	-	-	-	175	(175)	-
	Heath Town Park	-	50	-	-	-	-	50	-	(50)
	Spring Road - (Taylor Road / Hilton PF)	-	34	-	-	-	-	34	(34)	-
	Fowlers Park	12	-	-	-	-	-	12	-	(12)
	Land North East of 72 Church Street, Bilston	3	-	-	-	-	-	3	-	(3)
	Tettenhall Paddling Pool	1	-	-	-	-	-	1	(1)	-
	Ward Street Neighbourhood Park	208	-	-	-	-	-	208	-	(208)
	Penk Rise - refurbishment of Open Space	10	-	-	-	-	-	10	-	(10)
	Bushbury Recreation Ground - open space improvements	-	109	-	-	-	-	109	-	(109)
	Kingsclere Walk - refurbishment of existing play area	-	55	-	-	-	-	55	-	(55)
	Northwood Park - refurbishment of existing play area	-	116	-	-	-	-	116	-	(116)
	Ashmore Park, Wednesfield - open space improvements	-	100	-	-	-	-	100	-	(100)
	Ward Street railway cutting – gas main diversion works for new open space	25	-	-	-	-	-	25	-	(25)
	Prouds Lane Open Space Improvements	10	112	-	-	-	-	122	-	(122)
	Wednesfield Link Open Space Improvements	-	72	-	-	-	-	72	-	(72)
	Smestow Valley Local Nature Reserve Open Space	-	16	-	-	-	-	16	-	(16)
	Oak Street Open Space - Woodland Planting	10	-	-	-	-	-	10	-	(10)
	Prouds Lane Playing Field - Open Space Improvements	-	275	-	-	-	-	275	(250)	(25)
	Wednesfield / Coleman Avenue Open Space - Play Area	57	-	-	-	-	-	57	-	(57)
	Bantock Park - Offsite Open Space Improvements	-	70	-	-	-	-	70	-	(70)
	Peascroft Wood - Open Space Improvements	-	3	-	-	-	-	3	-	(3)
	Black Country Blue Network Phase 2	-	-	-	-	-	-	-	-	-
	Ward Street Railway Cutting	524	348	128	-	-	-	1,000	-	(1,000)
	Pendeford Park Open Space	289	-	-	-	-	-	289	-	(289)
	Fowlers Park	339	-	-	-	-	-	339	-	(339)
	Walsall MBC Parks and Open Space	12	23	5	-	-	-	40	-	(40)
	Dudley MBC Open Space	90	135	27	-	-	-	252	-	(252)
	Severn Rivers Trust Cradley Projects	26	56	-	-	-	-	82	-	(82)
	Canal & Rivers Trust Coseley Canal	23	16	-	-	-	-	39	-	(39)
	Bereavement Services	-	-	-	-	-	-	-	-	-
	Bereavement Services Improvement Programme at Bushbury Crematorium site (drainage, pavements)	54	-	-	-	-	-	54	(54)	-
	Bushbury Crematorium	1,312	-	-	-	-	-	1,312	(1,312)	-
	Safety Programme	-	-	-	-	-	-	-	-	-
	Local Safety Schemes - TROs/ Signs&Guardrails / Road Ma	224	-	-	-	-	-	224	-	(224)
	Vehicle actuated speed warning signs	30	-	-	-	-	-	30	-	(30)
	Lunt Road - traffic calming and zebra crossing	5	80	-	-	-	-	85	(80)	(5)
	Arterial route – Stafford Road – areas at risk of accidents	420	-	-	-	-	-	420	(420)	-
	Newhampton Road East & West - local safety improvement	-	50	-	-	-	-	50	(50)	-

Detailed projected budget

Appendix 2

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

Detailed projected budget

Appendix 2

Division	Project	Projected budget						Total £000	Internal resources £000	External resources £000
		2021- 2022 £000	2022- 2023 £000	2023- 2024 £000	2024- 2025 £000	2025- 2026 £000	2026- 2027 £000			
General Revenue Account capital programme										
Regeneration	i54 Access and Infrastructure	15	105	39	296	-	-	455	(166)	(289)
	Targeted Disposals Programme	-	-	-	-	-	-	-	-	-
	Disposal of Heath Town Baths	3	-	-	-	-	-	3	(3)	-
	Targeted Disposals - Hoardings	-	36	-	-	-	-	36	(36)	-
	South Side	-	-	-	-	-	-	-	-	-
	Burdett House Demolition	-	315	-	-	-	-	315	(315)	-
	Wolverhampton Interchange Office/Retail Accommodation	-	-	-	-	-	-	-	-	-
	i9 Office Development	13,000	-	-	-	-	-	13,000	(13,000)	-
	i10 - IGNITE Business Project	330	-	-	-	-	-	330	(330)	-
	Wolverhampton Interchange Block 11	-	57	-	-	-	-	57	(57)	-
	Bilston Urban Village	1,078	40	-	-	-	-	1,118	(1,118)	-
	Black Country Growth Deal – Cultural Programme	-	-	-	-	-	-	-	-	-
	Civic Halls Improvements	16,000	6,480	-	-	-	-	22,480	(22,480)	-
	Interchange - Ph2 Train Station/MSCP/Metro Extension	3,673	2,017	-	-	-	-	5,690	(5,071)	(619)
	i54 Western Extension	3,522	17,244	-	-	-	-	20,766	(14,981)	(5,785)
	City Learning Quarter	930	18,300	21,592	10,861	-	-	51,683	(2,469)	(49,214)
	War Memorial Restoration	-	5	-	-	-	-	5	-	(5)
	Tettenhall War Memorial Restoration	1	3	-	-	-	-	4	-	(4)
	Development of Cultural Estate	-	-	-	-	-	-	-	-	-
	Development of Bantock House Complex	20	-	-	-	-	-	20	(20)	-
	Art Gallery Improvement Scheme	1,331	-	-	-	-	-	1,331	(872)	(459)
	Strategic Land Acquisitions	-	310	-	-	-	-	310	(310)	-
	AIM for GOLD - ERDF	450	1,813	-	-	-	-	2,263	-	(2,263)
Public Health	Sports Investment Strategy	-	174	-	-	-	-	174	(172)	(2)
	Barnhurst Land Pitches	3	-	-	-	-	-	3	(3)	-
	Synthetic Pitch at Our Lady & St Chad's School	30	84	-	-	-	-	114	(114)	-
	Peace Green sport facilities	3	-	-	-	-	-	3	(3)	-
	Leisure Centres Enhancement	-	-	-	-	-	-	-	-	-
	WV Active - Aldersley Leisure Village Enhancement	21	35	-	-	-	-	56	(56)	-
	WV Active Leisure Centres - Lockers	134	-	-	-	-	-	134	(134)	-
	Bowling provision	-	102	-	-	-	-	102	-	(102)
	Grants to other organisations	-	-	-	-	-	-	-	-	-
	NACRO Premises Refurbishment	8	-	-	-	-	-	8	-	(8)
	Safer Streets capital programme	-	-	-	-	-	-	-	-	-
	Safer Streets - CCTV	15	-	-	-	-	-	15	-	(15)
	Safer streets - Street Lighting	45	-	-	-	-	-	45	-	(45)
Adult Services	Aiming High for Disabled Children	26	-	-	-	-	-	26	-	(26)
	Mander Centre Changing Places Toilet Facilities	26	-	-	-	-	-	26	-	(26)
Children's Services	Co-Location Programme	-	-	-	-	-	-	-	-	-
	Children's Transformation - Bingley	8	-	-	-	-	-	8	(8)	-
	Children and young people in care - extensions/vehicles	3	-	-	-	-	-	3	(3)	-
	Extension - Mr and Mrs R	36	-	-	-	-	-	36	(36)	-
Education and Skills	Primary Expansion Programme	-	9,472	-	-	-	-	9,472	-	(9,472)
	PEP Phase 3 - St Marys Catholic Primary School	12	-	-	-	-	-	12	-	(12)
	Loxdale Primary Phase 4	56	-	-	-	-	-	56	-	(56)
	Spring Vale Primary Phase 4	30	-	-	-	-	-	30	-	(30)
	Stowlawn Primary Phase 4	18	-	-	-	-	-	18	-	(18)
	St Bartholomew's Church of England Primary School - phase 4	899	800	-	-	-	-	1,699	-	(1,699)
	Hill Avenue Academy - phase 4	600	1,200	-	-	-	-	1,800	-	(1,800)
	Bilston Church of England Primary - caretaker house renovation	140	-	-	-	-	-	140	-	(140)
	Schools Devolved Formula Capital	370	767	-	-	-	-	1,137	-	(1,137)
	Prudential Loans	-	150	-	-	-	-	150	(150)	-
	Asbestos Removal	-	-	-	-	-	-	-	-	-
	Claregate Primary - asbestos removal for windows replacement	20	-	-	-	-	-	20	-	(20)
	Electrical Works	-	-	-	-	-	-	-	-	-
	Castlecroft Primary - rewiring inc. alarms and emergency lighting	96	-	-	-	-	-	96	-	(96)
	Low Hill Nursery - replacement door entry system	36	-	-	-	-	-	36	-	(36)
	Penn Hall Special - electrical upgrade	117	-	-	-	-	-	117	-	(117)
	Westacre Infants - replacement lighting	70	-	-	-	-	-	70	-	(70)
	Midpoint PRU - intruder alarm	43	-	-	-	-	-	43	-	(43)
	Bushbury Hill Primary - replacement lighting	30	-	-	-	-	-	30	-	(30)
	Contingency for Emergency Works	-	1,517	-	-	-	-	1,517	-	(1,517)
	Building Schools for Future ICT Infrastructure	-	85	-	-	-	-	85	(85)	-
	Post BSF ICT	97	-	-	-	-	-	97	(97)	-
	Post BSF infrastructure upgrades	155	-	-	-	-	-	155	(155)	-
	Capital Maintenance - Fire Safety	-	-	-	-	-	-	-	-	-
	The King's Church of England School - fire protection work	18	-	-	-	-	-	18	(18)	-
	Colton Hills Community School - fire protection work	1	-	-	-	-	-	1	(1)	-
	Tettenhall Wood Special - fire protection work	-	-	-	-	-	-	-	-	-
	Uplands Junior - Fire Safety Work	35	-	-	-	-	-	35	-	(35)
	St Andrews, Church of England Primary - Fire Safety Work	10	-	-	-	-	-	10	-	(10)
	Capital Maintenance - heating pipework upgrades	-	-	-	-	-	-	-	-	-
	Springdale Junior - replacement heating pipework	191	-	-	-	-	-	191	-	(191)
	Rakegate Primary - hot water system	75	-	-	-	-	-	75	-	(75)

Detailed projected budget

Appendix 2

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

Detailed projected budget

Appendix 2

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

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Detailed forecast change

Appendix 3

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

Detailed forecast change

Appendix 3

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

Detailed forecast change

Appendix 3

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

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Projects requiring approval

Appendix 4

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

This report is PUBLIC
[NOT PROTECTIVELY MARKED]

Projects requiring approval

Appendix 4

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

Virements for approval

Appendix 5

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

Virements for approval

Appendix 5

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

Virements for approval

Appendix 5

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

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Summary of Changes in the Collaboration Agreement

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

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

Appendix 6

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

DATE: 7 MAY 2014



Walsall Council

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

COLLABORATION AGREEMENT

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

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

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

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THIS AGREEMENT is made on the 7 of May 2014

BETWEEN:

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

WHEREAS:

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

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

1. Definitions

1.1. Interpretation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Collaboration

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

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

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

4. Project Approval

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

5. Project Management

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

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

6. Project Audit and Claw-back

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

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

7. General Obligations

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

7A. Rights of the Single Accountable Body

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

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

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

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

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

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

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

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

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

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

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

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

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

8. Scrutiny of Joint Committee decisions

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

9. Documentation

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

10. Confidentiality

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

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

11. Intellectual Property

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

12. Warranties

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

13. Force Majeure

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

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14. Duration and termination

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

15. Variation

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

16. Publicity and Public Relations

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

17. Disputes

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

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

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

18. Priority of documents

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

19. Complaints

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

20. Local authority powers

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

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21. Notices and service

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

22. Freedom of Information

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

23. Data Protection Legislation

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

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

24. Equality Act 2010

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

25. General

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

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

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

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

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

CONSTITUTION

1. The HoR Working Group shall comprise of:

Decision making (voting) membership:

- 4 Relevant Directors¹ (or their nominated proxy).

Adviser/support membership (none decisions making members):

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

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

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

4. Two voting members shall constitute a quorum.

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

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

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

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

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

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

FUNCTIONS

Functions of the Heads of Regeneration Working Group:

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

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

SCHEDULE 2 BC LEP Initial Proposal and Full Business Case Templates

Delivering the Black Country Strategic Economic Plan



Initial Proposal - For all Projects requesting Black Country LEP funding

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

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

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

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

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

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

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

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

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

15. Submission Checklist

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

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

For Site Investigation bids ONLY, please provide:

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

16. Proposer Declaration

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

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

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

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

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

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

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

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

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

Data Protection – Any Personal Data collected will be processed in accordance with our Privacy Policy available at www.blackcountryconsortium.com or provided on request.

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

Signed	
Name	
Position	
Date	

Delivering the Black Country Strategic Economic Plan



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

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

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

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

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

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

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

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

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

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

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

Course Details	Level of Learning Supported

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

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

Introduction to the Project

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

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

Background to the Project

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

Strategic Case

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

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<p>20. Objectives and Outcomes <i>(Detail the specific objectives to achieve the anticipated outcomes. The objectives and outcomes should be stated in clear and measurable terms with a specified time frame)</i></p>																	
<p>21. How does the project fit with national, sub-regional and local investment plans and strategies? <i>(Demonstrate how the proposal is aligned to any relevant Government, sectoral or regional goals and priorities and reflects the organisational strategy)</i></p>																	
<p>22. Detail the elements that are within scope of the project, this defines the range and boundaries of the project. <i>(A critical first step is establishing the parameters of the project. Be aware that these parameters may change over the course of developing the Full Business Case. Please identify the areas both in and out of scope i.e. what will be delivered by the project and won't be delivered by the project)</i></p>																	
<p>23. What stakeholder consultation has been undertaken/support received? What stakeholder consultation remains to be undertaken? (approx. 100 words) <i>(The objective of Stakeholder Management is to maximise/optimize the objectives of the Project/Programme through the considered identification, analysis and engagement of all those that are engaged in it, or impacted by it. Stakeholders come in many 'shapes and sizes' and, as such, contingent effort/management is the key to success in this regard. It is important initially to understand each Stakeholder's level of support for the Project/Programme, the influence they wield over it and the degree to which they are impacted by the scope of work.</i></p> <p><i>This analysis then provides the basis for targeted Stakeholder Management activity. Identify which stakeholders have been consulted on the objectives and outcomes of the project/programme. Describe any obstacles that have been highlighted and how they are going to be managed to ensure success, including the consultation that remains to be undertaken.</i></p> <p><i>Stakeholder consultation involves the development of constructive, productive relationships over the period of the project/programme. It results in a relationship of mutual benefit; enabling identification of trends and emerging challenges which are currently or will in the future impact the project/programme. Listening to stakeholder concerns and feedback is a valuable source of information that can be used to improve project design and outcomes, and help an organisation to identify and control external risks. It can also form the basis for future collaboration and partnerships)</i></p>																	
<p>24. List the Key stakeholders and their Interest areas? (approx. 50 words) <i>(Include a Stakeholder Map if you have one)</i></p> <p>Stage 1 - Identification of stakeholders <i>A typical approach which could be used to gather the complete list of Stakeholders impacted by a Project/Programme is to Brainstorm; a guided brainstorm session that identifies a long list of Stakeholders who are both internal and external to the Project/Programme.</i></p> <p>Stage 2 - Analysis and Prioritisation <i>The next step is to analyse and prioritise each Stakeholder based on their levels of Influence and Interest the Stakeholder Influence and Interest matrix, shown below, can be used to present a Stakeholders position, both current and desired. This process is fairly subjective since the Project/Programme may not fully understand Stakeholders or their agendas. Therefore, the more Stakeholder engagement throughout this process, the more robust the output will be.</i></p> <div data-bbox="507 1395 1161 1839" data-label="Figure"> <table border="1"> <tr> <td>High</td> <td>Keep Satisfied Potential Detractors</td> <td>Key Player Use as Champions</td> </tr> <tr> <td>Med</td> <td></td> <td></td> </tr> <tr> <td>Low</td> <td>Monitor Minimal Effort</td> <td>Keep Informed Use as Advocates</td> </tr> <tr> <td></td> <td>Low</td> <td>Med</td> <td>High</td> </tr> <tr> <td></td> <td colspan="3">Interest / Support</td> </tr> </table> </div> <p>Stage 3 - Stakeholder Engagement <i>The following table provides an indication of the engagement required for each type of Stakeholder based on their level of interest to the project and their influence on the success or otherwise of the Project</i></p>	High	Keep Satisfied Potential Detractors	Key Player Use as Champions	Med			Low	Monitor Minimal Effort	Keep Informed Use as Advocates		Low	Med	High		Interest / Support		
High	Keep Satisfied Potential Detractors	Key Player Use as Champions															
Med																	
Low	Monitor Minimal Effort	Keep Informed Use as Advocates															
	Low	Med	High														
	Interest / Support																

Appendix 6

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

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

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

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

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

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

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

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

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

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

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

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

Economic Case

Section D: Economic Case - Options Appraisal

Section D1: Short List of Options considered

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

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

Box 1:

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

Box 2:

Please explain why the proposed option has been selected.

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

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

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

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

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

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

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

Appendix 6

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

Commercial Case

Section E: Commercial case – External Procurement (if appropriate)

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

Appendix 6

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

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

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

(The procurement plan should include the following:

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

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

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

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

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

If NOT obtained:

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

Financial Case

Section F: - Financial Analysis of the recommended Option

45. Outline the anticipated cost and funding profile:

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

*LTB funding for Transport Major schemes

Appendix 6

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

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

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

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

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

State date of this Estimate

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

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

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

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

CONFIRMATION BY APPLICANT:

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

Management Case

Section G: Programme Management Case - Achievability of Project Components

Section G: Project Plan (Extract of Key Milestones)

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

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

Appendix 6

Key Milestone	Delivery Date

Please attach the project Gantt chart as an Appendix.

*(Milestone - A task / event of zero duration that shows a critical achievement in a project
Delivery Date - The date on which the milestone is planned to occur. E.g.:*

- Site Investigation Survey Commissioned – Aug 2015
- Site Investigation Survey Completed – Sept 2015

Once the final version of the Planned Delivery Dates is approved, they become baselined. This baseline milestone schedule becomes the benchmark against which project performance is measured. The baseline schedule must be in place before project delivery work commences.

*Once created and approved the baseline milestones can only be changed for authorised changes in scope / timeline, but even then, the original baseline is never discarded.
The milestones should always reflect the most realistic dates for project accomplishment, even if this means a reforecast)*

Section G: Project Governance: Key roles & Responsibilities

51. Please set out the Key Roles in governing the Project, with named officers, which will oversee, deliver and close the project. (approx. 100 words)

E.g. The Project governance structure personnel could be outlined in a table stating what their role in the Project is and what they are responsible for delivering.

Name	Project Role	Principal Responsibility for Delivery
	Project Sponsor	<i>Project Board – Ultimately accountable for the project, ensuring that it meets its objectives and realise the expected benefits. Empowered to direct the project and take decisions.</i>
	Project Manager	<i>Leading, managing and co-coordinating all activity in conjunction with the project team. Reporting to Project Board and BCC Programme Office on project progress/delivery.</i>
	Contractor	<i>Prepare detailed engineering design in accordance with project specification</i>
	Suppliers/Vendors	<i>Facilitate project execution by supplying materials. Equipment and personnel</i>
	Etc...	

Section G: Key Stakeholder engagement strategy

52. Please identify your preferred strategy for engaging key Stakeholders in making your project successful. (approx. 300 words)
The approach to communications is informed by the Stakeholder Management analysis (outlined in the Strategic Case), however instead of individual Stakeholder engagement requirements focuses on the key communications typically to groups of Stakeholders.

- The communications strategy addresses the following:*
- *how key messages are defined*
 - *audience groups are identified*
 - *appropriate channels are used*
 - *communication effectiveness is measured*

Appendix 6

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

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

Section G: Communications Plan or strategy

Consider the following information.

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

53. Issues log:

Please attach all your full Issue register as an Appendix.

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

Section G: Risk Management Plan

54. Risks Register:

Please attach your full risk register as an Appendix.

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

Section G: Quality Assurance

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

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

Section G: Project Team

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

Section G: Freedom of Information

Appendix 6

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

Section G: Subsidy Control Requirements

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

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

58. Please confirm your acceptance to this condition:

Yes

No

H. Recommendation / Conclusion

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

I. Security Against Grant

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

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

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

61. Proposer Declaration

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

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

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

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

Appendix 6

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

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

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

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

Data Protection – Any Personal Data collected will be processed in accordance with our Privacy Policy available at www.blackcountryconsortium.co.uk or provided on request

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

Signed:	
Name:	
Position:	
Date:	

Section J: Appendices

J1: A Profile for each Output

J2: Detailed Spend Profile

J3: Risk & Issue Register

J4: Project Plan / Development Programme

J5: Stakeholder Map

J6: Evidence of planning permission

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

J8: Single Accountable Body Stage 2 Financial Due Diligence Checklist

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

Document Status

REVISION HISTORY

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

DOCUMENT LOCATION

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

DOCUMENT AUTHOR

Name	Title	Organisation	E-mail address	Telephone

DOCUMENT OWNER

Name	Title	Organisation	E-mail address	Telephone

DISTRIBUTION LIST

SCHEDULE 3 Black Country Executive Joint Committee

CONSTITUTION

26 March 2014
(Updated June 2021)

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

Appendix 6

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

Appendix 6

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

FUNCTIONS OF BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

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

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



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

REPORT OF THE HEADS OF REGENERATION WORKING GROUP

(OR COUNCIL)

TO

BLACK COUNTRY EXECUTIVE JOINT COMMITTEE

ON

(DAY, MONTH, YEAR)

(INSERT TITLE OF REPORT)

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

Key Decision:	Yes/No
Forward Plan:	Yes/No

1. PURPOSE OF REPORT

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

2. RECOMMENDATIONS

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

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

3. REPORT DETAIL

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

4. BENEFITS COST RATIO (VALUE FOR MONEY)

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

5. FINANCIAL IMPLICATIONS

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

6. LEGAL IMPLICATIONS

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

7. RISK MANAGEMENT

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

8. EQUALITY IMPLICATIONS

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

9. CONSULTATION

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

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

Note:

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

Background papers

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

Attachments

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

“DELETE AS APPROPRIATE”

Report Author

SRO (all projects)

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

Contact Officer

[DELETE AS APPROPRIATE]

Simon Neilson

Executive Director, Economy, Environment & Communities
Walsall Council
Civic Centre, Darwall Street, Walsall
WS1 1TP
Email: simon.neilson@walsall.gov.uk
Telephone: 01922 652004

Sarah Middleton

Chief Executive
Black Country Consortium
The Deckhouse, Waterfront West
DY5 1LW
Email: sarah_middleton@blackcountryconsortium.co.uk
Telephone: 01384 471102

Mark Lavender

Joint Committee Programme Manager
Walsall Council
Civic Centre, Darwall Street, Walsall
WS1 1TP
Email: mark.lavender@walsall.gov.uk
Telephone: 01922 654772

Tammy Stokes

Interim Director of Regeneration & Growth
Sandwell Council House
Freeth Street
Oldbury
B69 3DE

Email: Tammy_Stokes@sandwell.gov.uk

Telephone: 0121 5692200

Richard Lawrence

Director of Regeneration

City of Wolverhampton Council

Civic Centre, St Peter's Square,

Wolverhampton, WV1 1SH

Email: richard.lawrence@wolverhampton.gov.uk

Telephone: 01902 554105

Helen Martin

Director of Regeneration and Enterprise

Dudley MBC

Council House, Priory Road, Dudley,

DY1 1HF

Email: Helen.Martin@dudley.gov.uk

Telephone: 01384 814004

Stuart Everton

BC Director of Transport

City of Wolverhampton Council

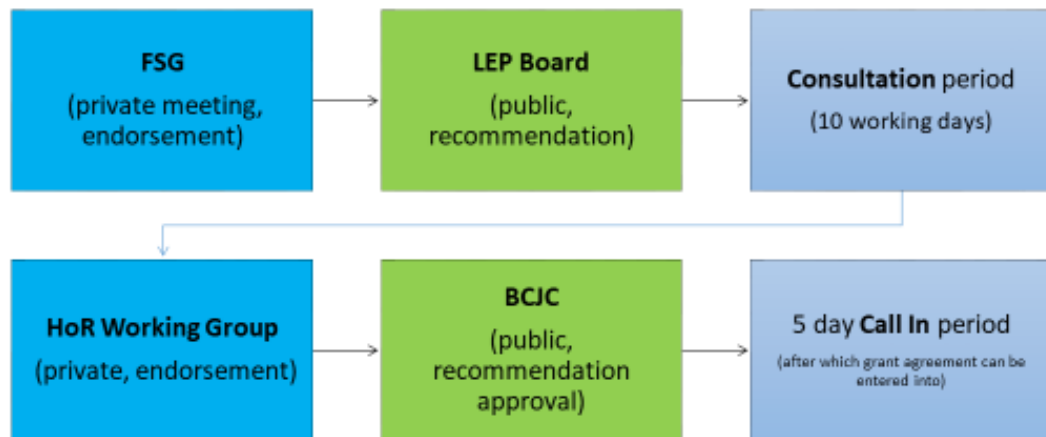
Civic Centre, St Peter's Square,

Wolverhampton, WV1 1SH

Email: stuart.everson@blackcountrytransport.org.uk

Telephone: 01902 554097

SCHEDULE 4 Decision and oversight Flow Chart



SCHEDULE 5 Supplemental Deed - Governance Principles: Enterprise Zones

[on-going separate review]

Report title	Treasury Management Strategy 2022-2023	
Decision designation	RED	
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 Council Our Council Scrutiny Panel	11 February 2022 2 March 2022 TBC

Recommendations for decision:

The Cabinet recommends that Council approves:

1. The authorised borrowing limit for 2022-2023 to support the capital strategy as required under Section 3(1) of the Local Government Act 2003 to be set at £1,163.3 million (PI3, Appendix 3 to this report). The authorised borrowing limit includes a forecast provision for potential business cases that may be brought forward during the year, additional borrowing will only be authorised if the business case proves to be affordable over the medium term. The forecast borrowing is below the authorised borrowing limit.
2. The Treasury Management Strategy Statement 2022-2023 as set out in Appendix 1 to this report.
3. The Annual Investment Strategy 2022-2023 as set out in Appendix 2 to this report.
4. The Prudential and Treasury Management Indicators as set out in Appendix 3 to this report.

5. The Annual Minimum Revenue Provision (MRP) Statement setting out the method used to calculate MRP for 2022-2023 as set out in Appendix 4 to this report.
6. The Treasury Management Policy Statement and Treasury Management Practices as set out in Appendix 6 to this report.
7. That authority be delegated to Cabinet to approve updates to the Treasury Management Strategy and corresponding practices during 2022-2023 to reflect the additional reporting requirements detailed in the most recent publication of the revised Treasury Management and Prudential Codes. It is important to note that, the Council complies with the principles of the codes however due to the timing of the release of the new Codes, CIPFA has allowed reporting on the Codes to be deferred until 2023-2024.
8. That authority continues to be delegated to the Director of Finance to amend the Treasury Management Policy and Practices and any corresponding changes required to the Treasury Management Strategy, the Prudential and Treasury Management Indicators, the Investment Strategy and the Annual MRP Statement to ensure they remain aligned. Any amendments will be reported to the Portfolio Holder for Resources and Cabinet (Resources) Panel as appropriate.
9. That authority continues to be delegated to the Director of Finance to lower the minimum sovereign rating in the Annual Investment Strategy, in the event of the UK's credit rating being downgraded by the third credit rating agency, due to the current economic climate.
10. That authority is delegated to the Portfolio Holder for Resources, in consultation with the Director of Finance, to amend the MRP statement should this be required following the outcome of the consultation.

The Cabinet is recommended to approve:

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

Recommendations for noting:

The Cabinet recommends that Council is asked to note:

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

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

1.0 Purpose

1.1 This report sets out the Council's Treasury Management Strategy for 2022-2023 for approval by Full Council. The report incorporates six elements, which are detailed in separate documents, appended to this report. These documents are:

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

2.0 Background

2.1 The treasury management activities of the Council are underpinned by The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. For further information on the requirements of the Code please refer to the Treasury Management Policy Statement and Treasury Management Practices which are appended to this report.

2.2 Treasury management is defined as:

"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2.3 The system of controls on local authority capital investment is based largely on self-regulation by local authorities themselves. At its heart is CIPFA's Prudential Code for Capital Finance.

2.4 For the financial year 2022-2023 the Council needs to comply with a new accounting standard for leases. Under the current guidance there are two forms of lease, a finance lease (on balance sheet) and an operating lease (off balance sheet). On balance sheet leases are classified as 'Other Long Term Liabilities' and are treated as a form of debt which must count towards the authorised borrowing limit required by statute.

2.5 With effect from 1 April 2022, where the Council is the lessee, almost all lease contracts will become on balance sheet, the only exemptions being for short term leases and low value assets, these exemptions are optional. The Council is reviewing all of its lease contracts to establish the impact of this accounting rule change. As this work is continuing an estimate of £5.7 million has currently been included in the authorised borrowing limit.

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

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

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

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

- 2.13 The Council's Treasury Management Strategy will continue to be approved annually by Council and there will also be a mid-year report to Council. In addition, there will be quarterly monitoring reports and regular review by Councillors in both Executive and Scrutiny functions.
- 2.14 This Council will adopt the following reporting arrangements in accordance with the requirements of the Code.

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

2.15 The treasury management role of the Director of Finance

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

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
- submitting regular treasury management policy reports.
- submitting budgets and budget variations.
- receiving and reviewing management information reports.

- reviewing the performance of the treasury management function.
- ensuring the adequacy of treasury management resources and skills and the effective division of responsibilities within the treasury management function.
- ensuring the adequacy of internal audit and liaising with external audit.
- recommending the appointment of external service providers.

2.16 With regards the Practices for non-treasury investments, the main focus is that these types of investment should be of benefit to the economic, social or environmental wellbeing of the area served by City of Wolverhampton Council and/or the West Midlands Combined Authority, as detailed in the Council's Capital Strategy.

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

Attached at Appendix 1 to the report is the recommended Treasury Management Strategy for 2022-2023. This has been prepared in accordance with the CIPFA Treasury Management Code, and fully reflects the requirements of the Code. It summarises in strategic terms the approach the Council will take in performing its treasury management activities during 2022-2023. It also highlights some of the key current risks and issues relating to treasury management that will be monitored over the course of the year.

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

The recommended Annual Investment Strategy for 2022-2023 is attached at Appendix 2 to the report. This builds on the Treasury Management Strategy by focussing in greater detail on investment activities. It sets out the conditions under which the Council will place treasury management investments. This represents the Council's approach to managing a number of risks inherently associated with investment. These are discussed in greater detail in the Strategy itself.

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

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

2.20 **MRP Statement (Appendix 4)**

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

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

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

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

2.21 Certainty Rate (Appendix 5)

The certainty rate enables eligible councils to access cheaper borrowing rates of 20 basis points (bps) below the standard rate across all loan types and maturities from the Public Works Loan Board. In exchange for the reduced rate, councils must complete an annual return to Department for Levelling Up, Housing and Communities (DLUHC) detailing their budgeted plans for capital expenditure and borrowing requirements. Appendix 5 to the report details the main information that will be required to enable the Council to submit a return for 2022-2023.

2.22 Treasury Management Policy Statement and Practices (Appendix 6)

Attached at Appendix 6 to the report is an updated version of the Council's treasury management policy statement and practices as required by the CIPFA Code of Practice on Treasury Management. As noted in the body of the report, where possible the changes to the Code have been implemented, however, due to timescales, some areas will be implemented, and approval sought, during 2022-2023.

2.23 Allocation of net interest payable

The Council is required to determine a method of splitting its interest costs between the Housing Revenue Account (HRA) and the General Fund in a way which is fair and reasonable. The method of splitting interest is unchanged from that used in 2021-2022 (the inferred net cash balance of each fund).

3.0 Evaluation of alternative options

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

3.2 The DLUHC guidance defines a prudent investment policy as having two objectives, security which must be achieved first, followed by liquidity. Only after these have been met should yield be considered. The criteria included in this report are that which meet all the above guidance.

4.0 Reasons for decisions

4.1 To seek approval of the Treasury Management Strategy 2022-2023 in accordance with both government guidance and Codes of Practice.

5.0 Financial implications

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

6.0 Legal implications

6.1 The Council's Treasury Management activity must be carried out in accordance with the requirements of the Local Government Act 2003. In addition, the Local Government and Housing Act 1989 sets out requirements for local authorities in respect of capital controls, borrowing and credit arrangements. The Council is also required to comply with the Local Authority (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.

6.2 Treasury Management relates to the management of the Council's cash flow, borrowing and cash investments. This involves seeking the best rates of interest for borrowing, earning interest on investments, whilst managing risk in making financial decisions and adopting proper accounting practice.

6.3 The area is heavily regulated. The Local Government and Housing Act 1989 regulates the operation of the Housing Revenue Account. The 'CIPFA Code of Practice for Treasury Management in the Public Services', contains Treasury Management indicators

and advice on Treasury Management Strategy. Investment strategy is regulated by 'DLUHC Guidance on Local Government Investments' issued initially in 2004 and reissued in 2010 and 2018. Part 2 of this Guidance is statutory guidance.

- 6.4 The aim of these reporting arrangements as detailed in paragraph 2.13 are to ensure that those with ultimate responsibility for the treasury management function are fully aware of the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

[TC/15022022/E]

7.0 Equalities implications

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

8.0 All other implications

- 8.1 Due to the Covid-19 pandemic, there has been re-phasing of the capital programme which reduces the borrowing need in year. This is to reflect new timescales for completing projects to take into account any social distancing measures which may be required or for any disruptions due to supply chains. In addition, the Council is monitoring its cash balances to see how the economic impact of Covid-19 is affecting the cash that it receives from local taxpayers. Any pressure in this area may have a negative impact on the Council's cash flow balances which may require borrowing to be undertaken sooner than planned to temporarily fund revenue costs.
- 8.2 As highlighted in the treasury management activity monitoring reports, Covid-19 has impacted on the economy resulting in lower interest rates being available for investments and may affect the UK's sovereign rating. So far, two of the three rating agencies have reduced the UK's rating, if the remaining third agency follows suite the Council's minimum sovereign rating will need to be lowered to allow the Council's bank to remain on the lending list. The impact on the treasury management budget of the reduced interest rates available for the Council's investments will be closely monitored.

9.0 Schedule of background papers

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

10.0 Appendices

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

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Treasury Management Strategy Statement 2022-2023

1.0 Introduction

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

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective

control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

- 1.7 In 2019-2020 a new requirement for a capital strategy was introduced. The capital strategy provides a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The capital strategy is reported separately.
- 1.8 The capital strategy provides the following:
- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed.
 - the implications for future financial sustainability
- 1.9 The aim of the capital strategy is to ensure that all elected councillors fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
- 1.10 The capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy shows:
- the corporate governance arrangements for these types of activities
 - any service objectives relating to the investments
 - the expected income, costs and resulting contribution
 - the debt related to the activity and the associated interest costs
- 1.11 The recommended strategy for 2022-2023 in respect of the following aspects of the treasury management function is based upon the Director of Finance’s views on interest rates, supplemented with leading market forecasts provided by the Council’s treasury adviser, Link Group.

The strategy covers:

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

1.12 Balanced budget requirement

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

1.13 Training

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

1.14 Treasury management consultants

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

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

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

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

2.0 Treasury limits for 2022-2023 to 2024-2025

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

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

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

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

3.0 Current portfolio position

- 3.1 The Council’s forecast treasury portfolio position at 31 March 2022 is shown below:

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

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

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

4.0 Borrowing requirement

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

External Debt	2021-2022	2022-2023	2023-2024	2024-2025
	Forecast £000	Forecast £000	Forecast £000	Forecast £000
Borrowing at 1 April	720,447	770,830	872,611	940,699
Expected change in borrowing	50,383	101,781	68,088	55,324
Other long term liabilities at 1 April	82,238	79,626	80,628	77,660
Expected change in other long term liabilities	(2,612)	1,002	(2,968)	(3,244)
Forecast debt at 31 March	850,456	953,239	1,018,359	1,070,439
Capital Financing Requirement	967,854	1,039,765	1,066,885	1,088,965
Under / (over) borrowing	117,398	86,526	48,526	18,526
External debt for service investments				
Forecast debt at 31 March	43,120	45,935	44,500	43,076
Percentage of total external debt	5%	5%	4%	4%

5.0 Prospects for interest rates

5.1 The Council has appointed Link Group as treasury advisor to the Council and part of their service is to assist the Council to formulate a view on interest rates. A more detailed interest rate view can be found in Appendix 2. The Link Group view of the Bank Rate is that there could be a further increase in March, May and November 2022.

6.0 Borrowing strategy

6.1 Borrowing rates

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

Link Group Interest Rate View 07.02.22													
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
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

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

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

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

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

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

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

6.3 External versus internal borrowing

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

Where investment rates are below long term borrowing rates, the Council can minimise its overall net treasury costs in the short term by continuing to avoid new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external debt (this is referred to as internal borrowing).

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

6.4 Policy on borrowing in advance of need

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

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

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue costs created, and the implications for the future plans and budgets have been considered

- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use
- consider the impact of borrowing in advance on temporarily increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, having regard to the controls in place to minimise such risks.

7.0 Debt rescheduling

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

Annual Investment Strategy 2022-2023

1.0 Annual Investment Strategy

1.1 Investment policy

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

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

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- the Audit Commission's report on Icelandic investments
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the TM Code")
- CIPFA Treasury Management Guidance Notes 2021.

The Council's investment priorities are:

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

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

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

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

1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

2. However, ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as 'credit default swaps' and overlay that information on top of the credit ratings.
3. Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. Investment instruments identified for use in the financial year are listed under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.
 - Specified investments are those with a high level of credit quality and subject to a maturity limit of one year, or have less than a year left to run to maturity, if they were originally classified as being non-specified investments solely due to the maturity period exceeding one year.
 - Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Councillors and officers before being authorised for use.
5. Non-specified investments limit: the Council has determined that it will limit the maximum total exposure to non-specified investments as being 50% of total investments with a cap of £35.0 million.
6. Lending limits, amounts and maturity, for each counterparty will be set through applying the methodology in the following section.
7. Transaction limits are set for each type of investment.
8. The Council will set a limit for the amount of its investments which are invested for longer than 365 days.
9. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating.
10. The Council has engaged external consultants to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in sterling.
12. As a result of the change in accounting standards for 2022-2023 under IFRS 9, the Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant

charges at the end of the year to the General Revenue Account. In November 2018, DLUHC concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 2023.

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

Changes in risk management policy from last year

The above criteria are unchanged from last year.

1.2 Creditworthiness policy

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

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

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

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

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

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

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

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

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

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

1.3 Creditworthiness

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

1.4 CDS prices

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

1.5 Country limits

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

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

Approved countries for investments

AAA

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

AA+

- Canada
- Finland

AA

- Abu Dhabi (UAE)
- France

AA-

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

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

1.6 **Specified investments**

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

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

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

1.7 Non-specified investments

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

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

1.8 Accounting treatment of investments

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

1.9 Investment strategy

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

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

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

The Council will avoid locking into longer term deals while investment rates are down at

historically low levels unless exceptionally attractive rates are available which make longer term deals worthwhile, within the risk parameters set by this Council.

For 2022-2023 the Council will budget for an investment return of 0.10% on investments placed during the financial year. In addition, an upper limit for long term treasury management investments (previously called 'upper limit for principal sums invested for longer than 365 days') of £35.0 million is asked to be approved as can be seen in Appendix 3 Prudential and Treasury Indicators 2022-2023.

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

1.10 End of year investment report

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

1.11 Combined Authority

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

1.12 Council Owned Companies

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

2.0 Interest rate forecasts

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

Link Group Interest Rate View 7.2.22													
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
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 av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Bank Rate													
Link	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Capital Economics	0.50	0.75	1.00	1.25	1.25	1.25	1.25	1.25	-	-	-	-	-
5yr PWLB Rate													
Link	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Capital Economics	2.00	2.10	2.10	2.20	2.20	2.30	2.40	2.40	-	-	-	-	-
10yr PWLB Rate													
Link	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Capital Economics	2.20	2.20	2.20	2.30	2.30	2.40	2.50	2.50	-	-	-	-	-
25yr PWLB Rate													
Link	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Capital Economics	2.40	2.40	2.50	2.60	2.60	2.70	2.80	2.90	-	-	-	-	-
50yr PWLB Rate													
Link	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Capital Economics	2.10	2.20	2.30	2.40	2.50	2.60	2.70	2.90	-	-	-	-	-

City of Wolverhampton Council
Specified Investments Lending List

Institution	Country (Sovereign Rating)	Limit £000	Term Limit
Bank Netherlandse 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.

Prudential Indicators (PI) required by The Prudential Code

PI for Prudence - Ensuring that external debt is sustainable and compliance with good professional practice are essential features of prudence.

PI 1 - Estimates and actual capital expenditure.

Full details of capital expenditure plans and funding can be found in the quarter three capital budget monitoring 2021-2022 report.

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

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

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

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

PI 3 - Authorised limit for external debt.

These limits apply to the total external debt gross of investments and separately identify borrowing from other long term liabilities such as finance leases including Private Finance Initiatives (PFI). This is a self determined level reviewed and set each budget setting cycle.

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

Prudential Indicators (PI) required by The Prudential Code

PI 4 - Operational boundary for external debt.				
This is based on the same estimates as the authorised limit but directly reflects the Director of Finance's estimate of the most likely, prudent but not worst case scenario, without the additional headroom included. This is a self determined level reviewed and set each budget setting cycle.				
	As at 23 February 2022			
	2021-2022 Limit £000	2022-2023 Limit £000	2023-2024 Limit £000	2024-2025 Limit £000
Borrowing	1,050,255	1,054,388	1,122,138	1,191,978
Other Long Term Liabilities	79,626	80,628	77,660	74,416
Total Operational Boundary Limit	1,129,881	1,135,016	1,199,798	1,266,394
Forecast External Debt as at 23 February 2022:				
Borrowing	770,830	872,611	940,699	996,023
Other Long Term Liabilities	79,626	80,628	77,660	74,416
	850,456	953,239	1,018,359	1,070,439
Variance (Under) / Over Operational Boundary Limit	(279,425)	(181,777)	(181,439)	(195,955)
Operational boundary for service investments included in the above figures				
Operational Boundary Limit	45,874	65,035	63,600	62,176
Forecast External Debt as at 23 February 2022:	43,120	45,935	44,500	43,076
Variance (Under) / Over Operational Boundary Limit	(2,754)	(19,100)	(19,100)	(19,100)

PI 5 - Gross debt and the capital financing requirement.				
"In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years".				
	As at 23 February 2022			
	2021-2022 Forecast £000	2022-2023 Forecast £000	2023-2024 Forecast £000	2024-2025 Forecast £000
Forecast Capital Financing Requirement at end of Second Year	1,066,885	1,088,964	1,088,964	1,094,833
Gross Debt	850,456	953,239	1,018,359	1,070,439
Capital Financing Requirement Greater than Gross Debt	Yes	Yes	Yes	Yes

PI for Affordability - These indicators are used to ensure the total capital investment of the Council is within a sustainable limit and the

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

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.				
	As at 23 February 2022			
	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast
Commercial	-	-	-	-
Service	0.7%	0.6%	0.8%	0.7%

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

TMI 1 - Upper limits for long-term treasury management investments (previously called 'upper limits to the total of principal sums invested over 365 days').

This details the maximum amount which can be invested for up to 5 years (as per paragraph 1.5 of the Annual Investment Strategy). It has been determined that a maximum of 50% of total investments with a cap of £35.0 million could be prudently committed to long term investments should the Director of Finance decide it is appropriate to.

	As at 23 February 2022			
	2021-2022	2022-2023	2023-2024	2024-2025
	Limit £000	Limit £000	Limit £000	Limit £000
Upper limit for long-term treasury management investments	35,000	35,000	35,000	35,000
Actual and Forecast Invested at 23 February 2022	-	-	-	-
Variance (Under) / Over Limit	(35,000)	(35,000)	(35,000)	(35,000)

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

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

	As at 23 February 2022			March 2022 Forecast
	Upper Limit	Lower Limit		
Under 12 months	25%	0%		1.32%
12 months and within 24 months	25%	0%		0.92%
24 months and within 5 years	40%	0%		3.17%
5 years and within 10 years	50%	0%		10.23%
10 years and within 20 years	50%	0%		13.11%
20 years and within 30 years	50%	0%		23.77%
30 years and within 40 years	50%	0%		25.84%
40 years and within 50 years	50%	0%		21.64%
50 years and within 60 years	50%	0%		-

Non-treasury management investment indicators

The statutory guidance on local government investments encourages local authorities to develop qualitative indicators that allow the reader to assess the Council's total risk exposure as a result of commercial investment decisions.

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

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

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

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

This indicator measures the level of net debt for service and commercial investments in comparison to the Council's forecast net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.

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

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

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

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

NTM 4 - Estimates and actual loan to value ratio

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

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

Annual MRP Statement 2022-2023

Minimum Revenue Provision – an introduction

1. What is Minimum Revenue Provision?

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

2. Statutory duty

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

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

3. Government guidance

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

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

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

4. Timing

This statement shall take effect from 1 April 2022, unless an alternative date is stated below, and shall take precedence over any statements previously approved.

5. Calculation

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

Method

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

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

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

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

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

Where

PPMT is the PPMT financial function in Microsoft Excel 2010

A is the specified interest rate

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

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

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

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

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

The Method shall be varied in the following circumstances:

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

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

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

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

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

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

Disclosure for Certainty Rate

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

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Treasury Management Policy Statement and Treasury Management Practices February 2022

1.0 Introduction

1.1 In December 2021 CIPFA issued a revised Code of Practice on Treasury Management with strengthened requirements for skills and training, and for investments which are not specifically for treasury management purposes. It is a requirement of the Code that the Council should formally adopt the Code. The Council must have regard to the new codes from the date of publication, however additional reporting requirements are recommended. Where possible the changes to the Codes have been implemented, however, due to timescales, some areas will be implemented during 2022-2023. It is therefore proposed that Council delegate authority to Cabinet to approve updates to the Treasury Management Strategy and corresponding practices during 2022-2023.

1.2 The Code seeks to satisfy nine main purposes:

1. To assist public service organisations in the development and maintenance of firm foundations and clear objectives for their treasury management activities, thereby adding to their credibility in the public eye.
2. To emphasise the overriding importance of effective risk management as the foundation for treasury management in all public service bodies.
3. To provide transparency for treasury management decisions including the use of counterparties and financial instruments that individual public service organisations intend to use for the prudent management of their financial affairs.
4. To encourage the pursuit of value for money in treasury management, and to promote the reasoned use, development and appreciation of appropriate and practical measures of performance.
5. To enable CIPFA members to fulfil their professional and contractual responsibilities to the organisations they serve and to maintain and develop the professional competence of both themselves and those they supervise.
6. To help facilitate a standardisation and codification of treasury management policies and practices in the public services.
7. To assist those involved in the regulation and review of treasury management in the public services, particularly those charged with the audit of the same.
8. To foster a continuing debate on the relevance and currency of the statutory and regulatory regimes under which treasury management in the various parts of the public services operates.
9. To further the understanding and confidence of, and to act as a reference work for, financial and other institutions whose businesses bring them into contact with the treasury management activities of public service organisations.

- 1.3 The approved activities cover borrowing arrangements for funding capital expenditure, debt repayment and rescheduling, managing cash flow and investment of surplus balances, non-treasury management investments e.g. service and commercial investments and monitoring the underlying risks associated with the Authority's activities.
- 1.4 Arrangements made for the control and operation of bank accounts operated by schools come within this definition but day-to-day management of funds is the responsibility of the Head Teachers and the Governors under arrangements for the local management of schools. Banking arrangements for schools with their own cheque accounts are closely monitored by the Director of Finance.
- 1.5 Management of the West Midlands Pension Fund is not included as part of Wolverhampton Council's treasury management activities. The West Midlands Pension Fund has adopted its own Treasury Management Policy which is overseen by its in-house Finance Team.
- 1.6 Subject to the above, the Council's cash is aggregated for the purposes of treasury management and is under the control of the Director of Finance in accordance with Section 151 of the Local Government Act 1972. The executive control and administration of financial policy is under the direction of the Cabinet (Resources) Panel.
- 1.7 All external investments of surplus internal balances (investments for treasury management purposes) are restricted to authorised investments in accordance with the Local Authorities (Capital Finance and Approved Investments) (Amendment) Regulations 1996. The Director of Finance is responsible for making any investments, subject to the guidelines agreed by the Council or subsequently amended by the Cabinet (Resources) Panel.
- 1.8 The new Code introduces definitions for non-treasury management investments:
- Investments for commercial purposes (commercial investments)** – these are taken or held primarily for financial return and not linked to treasury management activity or directly part of delivering services.
- This includes non-financial assets such as commercial property, where they are held primarily for financial return.
 - This type of investment will usually constitute capital expenditure.
- Investments for service purposes (service investments)** – these are taken or held primarily and for the purposes of delivering public services (including housing, regeneration and local infrastructure), or in support of joint working with others to deliver such services.
- Service investments may or may not involve commercial returns; however, obtaining those returns will not be the primary purpose of the investment.
 - Service investments will normally constitute capital expenditure and it may be appropriate to borrow to finance these investments.

2.0 Adoption of the code

2.1 The revised 2021 Code identifies three key principles:

Key Principle 1

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

Key Principle 2

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

Key Principle 3

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

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

1. The Council will create and maintain, as the cornerstones for effective treasury and investment management:
 - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
 - suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
 - Investment management practices (IMPs) for investments that are not for treasury management purposes.

The content of the policy statement, TMPs and IMPs will follow the recommendations contained in Sections 6, 7 and 8 of the TM Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the TM Code's key principles.

2. Full Council will receive reports on its treasury and investment management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in the TMPs and IMPs.

3. Full Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Cabinet (Resources) Panel, and for the execution and administration of treasury management decisions to the Director of Finance, who will act in accordance with the Council's policy statement, TMPs and IMPs and if they are a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
4. The Council nominates Our Council Scrutiny Panel to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

3.0 Treasury Management Policy Statement

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

1. Treasury management activities are defined as:

"The management of the Council's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

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

4.0 Treasury Management Practices (TMPs) – Main principles

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

4.2 TMP 1 – Risk management

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

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

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

[1] Credit and counterparty risk management

The Council will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited or investments made, and it will limit its treasury management investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques and listed in the schedule to this document.

It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

[2] Liquidity risk management

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

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

[3] Interest rate risk management

The Council will manage its exposure to fluctuations in interest rates with a view to containing its net interest costs or revenues, in accordance with its treasury management policy and strategy and in accordance with TMP6 Reporting requirements and management information arrangements.

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

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

[4] Exchange rate risk management

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

[5] Inflation risk management

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

[6] Refinancing risk management

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

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

[7] Legal and regulatory risk management

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

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

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

The Council will ensure that it has identified the circumstances that may expose it to the risk of loss through inadequate or failed internal processes, people and systems from external events. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements to these ends.

[9] Price risk management

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

4.3 TMP 2 – Performance measurement

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

Accordingly, the treasury management function will be the subject of on-going analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in Schedule 2 to this document. The criteria will include measures of effective treasury risk management and not only measures of financial performance (income or savings).

4.4 TMP 3 – Decision making and analysis

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

4.5 TMP 4 – Approved instruments, methods and techniques

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

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

The Council has reviewed its classification with financial institutions under MIFID II and has set out in Schedule 4 to this document those organisations with which it is registered

as a professional client and those with which it has an application outstanding to register as a professional client.

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

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

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

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

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

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

The delegations to the Director of Finance in respect of treasury management are set out in Schedule 5 to this document. The Director of Finance will fulfil all such responsibilities in accordance with the Council's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

4.7 TMP 6 – Reporting requirements and management information arrangements

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

As a minimum, Council will receive:

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

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

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

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

4.8 TMP 7 – Budgeting, accounting and audit arrangements

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

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

4.9 TMP 8 – Cash and cash flow management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Director of Finance and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Director of Finance will ensure that these are adequate for the purposes of monitoring compliance with TMP1[2] Liquidity risk management, and for the purpose of identifying future borrowing needs. The present

arrangements for preparing cash flow projections, and their form, are set out in Schedule 8 of this document.

4.10 TMP 9 – Money laundering

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

4.11 TMP 10 – Training and qualifications

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

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

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

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

4.12 TMP 11 – Use of external service providers

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

The monitoring of such arrangements rests with the Director of Finance, and details of the current arrangements are set out in Schedule 11 to this document.

4.13 TMP 12 – Corporate governance

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

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

This, together with the other arrangements detailed in Schedule 12 to this document, is considered vital to the achievement of proper corporate governance in treasury management, and the Director of Finance will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

5.0 Investments that are not part of treasury management activity

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

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

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

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

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

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

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

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

The Council will not undertake any investments of this nature.

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

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

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

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

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

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

Treasury management schedules

Schedule 1 : TMP 1 – Risk management

1.1 Credit and counterparty risk

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

Creditworthiness policy

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

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

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

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

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

This list will be reviewed on any changes to the methodology used by Link and the Council may revert back to using Link's recommended durations if or when investment

balances are at higher levels and longer deposits are possible without significantly increased risk to liquidity.

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

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

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

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

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

Country limits

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

Approved counterparties

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

Investment Strategy

The Council will have regard to the DLUHC's Guidance on Local Government Investments, the Audit Commission's report on Icelandic investments and the 2021

revised CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (“TM Code”).

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

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

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

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

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

Accounting treatment of investments

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

1.2 Liquidity risk

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

Cash Balances

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

Investment of surplus funds

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

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

Temporary loans (maximum of 364 days)

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

Banking facilities and limits

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

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

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

Core main bank accounts:

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

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

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

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

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

993695	Payroll	£25,000,000
972860	Payments	£20,000,000
971926	Council Tax	£1,250,000
920046	NNDR	£2,500,000
973636	Housing Benefit	£4,000,000
973531	Electoral	£150,000

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

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

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

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

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

Policy in terms of borrowing in advance of need

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

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

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

1.3 Interest rate risk

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

Maximum proportions of variable rate debt/interest

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

Upper limit for variable rate	20%
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Maximum proportions of fixed rate debt/interest

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

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

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

1.4 Exchange rate risk

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

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

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

Approved criteria for managing changes in exchange rate levels

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

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

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

1.5 Refinancing risk

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

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

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

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

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

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

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

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

1.6 Legal and regulatory risk

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

References to relevant statutes and regulations

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

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

Procedures for evidencing the organisations powers/authorities to counterparties

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

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

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

Statement on the organisation's policy management of risks

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

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

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

Details of systems and procedures to be followed including internet services

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

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

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

- Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.

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

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

Emergency and contingency planning arrangements

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

Insurance cover details

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

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

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

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

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

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

Insurance cover for employees is as follows:

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

1.8 Price risk/Market value of investments

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

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

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

Schedule 2 : TMP 2 – Performance measurement

2.1 Evaluation and review of treasury management decisions

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

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

Ongoing periodic reviews during the financial year

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

Reviews with the Council's treasury management consultants

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

Annual review after the end of the financial year

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

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

Comparative reviews

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

2.2 Benchmarks and calculation methodology

Debt management

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

Investment

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

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

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

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

Frequency and processes of tendering

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

Banking services

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

Money-broking services

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

- ICAP (part of the TPICAP Group)

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

Consultants'/advisers' services

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

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

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

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

Schedule 3 : TMP 3 – Decision-making and analysis

3.1 Funding, borrowing, lending and new instruments/techniques

Records to be kept

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

Processes to be pursued

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

Issues to be addressed

In respect of every decision made, the Council will:

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

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

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

In respect of investment decisions, the Council will:

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

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

4.1 Approved activities of the treasury management operation

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

4.2 Approved instruments for investments

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

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

4.3 Approved techniques

The following are approved techniques:

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

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

- Swaps
- Caps
- Collars
- Options

The Council will not use any of the above techniques.

4.4 Approved methods and sources of raising capital finance

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

On balance sheet

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

Other methods of financing

- Government and EC Capital Grants
- Lottery monies

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

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

4.5 **Professional client status under MIFID II**

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

Confirmed professional client status:

Money Market Funds

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

External treasury management advisors

- Link Group

Money-broking services

- ICAP (part of the TPICAP Group)
- Martin Brokers (UK) plc
- Tradition UK Limited
- Tullet Prebon (Europe) Limited

Application outstanding:

None.

No requirement to opt up

Money Market Funds

- Black Rock Institutional Sterling Liquidity Fund

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

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

Council

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

Cabinet

- Recommending the Annual Treasury Report to Council.

Cabinet (Resources) Panel

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

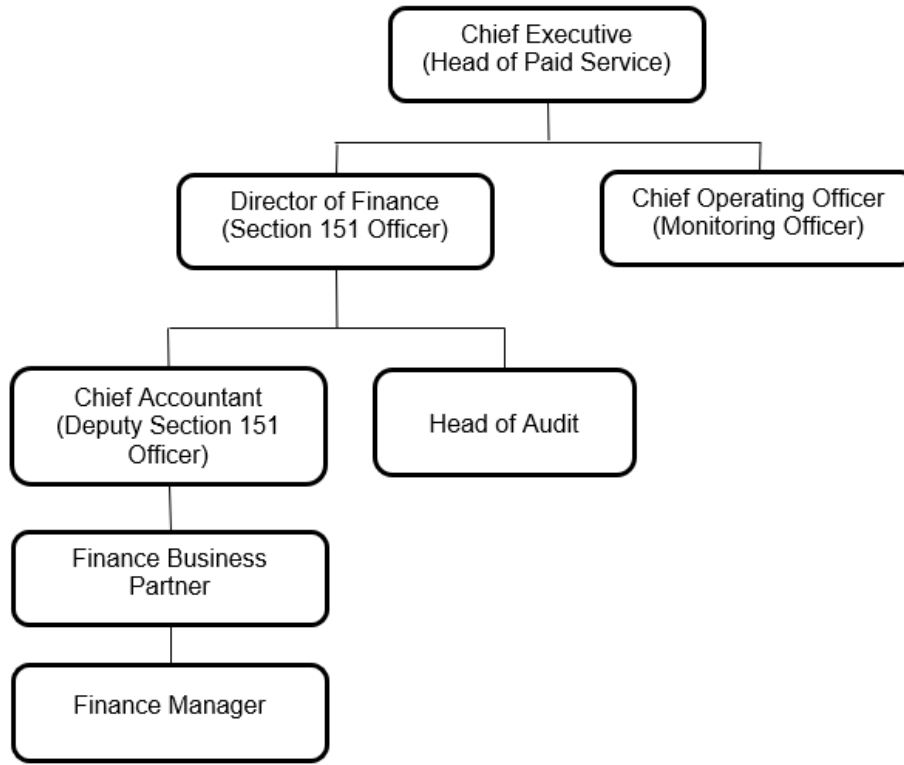
5.2 Principles and practices concerning segregation of duties

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

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

5.3 Treasury management organisation chart

The treasury management organisation chart as at February 2022 is as follows:



5.4 Statement of duties/responsibilities of each treasury post

Director of Finance (Section 151 Officer)

1. The Director of Finance will:

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

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

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

Finance Manager

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

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

Chief Executive (Head of the Paid Service)

The responsibilities of this post will be:

- Ensuring that the treasury management system is specified and implemented

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

Chief Operating Officer (Monitoring Officer)

The responsibilities of this post will be:

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

Internal Audit

The responsibilities of Internal Audit will be:

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

5.5 Absence cover arrangements

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

5.6 List of approved brokers

ICAP (part of the TPICAP Group)
Martin Brokers (UK) plc
Tradition UK Limited
Tullett Prebon (Europe) Limited

5.7 Policy on brokers' services

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

5.8 Policy on taping of conversations

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

5.9 Direct dealing practices

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

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

In the event that any of these counterparties fall below the Council's minimum lending criteria, activity in that account will temporarily cease and any balance withdrawn immediately. However, the accounts will remain open for future dealings if or when their credit ratings recover.

5.10 Settlement transmission procedures

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

5.11 Documentation requirements

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

5.12 Arrangements concerning the management of third party funds

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

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

6.1 Annual Treasury Management Strategy Statement

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

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

The Treasury Management Strategy is concerned with the following elements:

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

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

6.2 Annual Investment Strategy

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

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

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

6.3 Annual Minimum Revenue Provisions Statement

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

6.4 Policy on Prudential and Treasury Indicators

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

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

6.5 Mid-year review

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

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

6.6 Annual report on treasury management activity

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

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

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

6.7 Management information reports

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

These reports will contain the following information:

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

6.8 Quarterly monitoring reports

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

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

7.1 Statutory/regulatory requirements

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

7.2 Accounting practices and standards

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

7.3 Sample budgets / accounts / prudential and treasury indicators

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

7.4 List of information requirements of external auditors

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

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

Schedule 8 : TMP 8 – Cash and cash flow management

8.1 Arrangements for preparing/submitting short-term cash flow statements

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

The cash flow forecast will identify the following factors:

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

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

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

8.2 Arrangements for preparing/submitting medium to long-term forecasts of the Council's net debt (or net investment) requirements consistent with its approved plans, e.g. through development of a liability benchmark.

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

8.3 Bank statement procedures

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

8.4 Payment scheduling and agreed terms of trade with creditors

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

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

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

The standard method of payment of creditors is by BACS, 30 days from date of invoice unless the invoice is in dispute. However, due to the Covid 19 pandemic, to assist the local economy the 30 days terms have temporarily been suspended so payments are made quicker.

8.5 Arrangements for monitoring debtor/creditor levels

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

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

8.6 Procedures for banking of funds

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

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

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

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

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

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

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

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

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

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

To help prevent money laundering, cash payments (including notes, coin or travellers cheques in any currency) above £5,000 will not be accepted for any Council service.

All income streams in excess of £25,000 that were not included in the approved budget shall be reported to the Director of Finance at the earliest opportunity.

Schedule 9 : TMP 9 – Money laundering

The Council last updated its anti-money laundering policy and procedure in 2017, below is a copy of this policy approved by Audit and Risk Committee. The policy is currently being updated to reflect the recent Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations. Once updated it will be taken back to the Audit and Risk Committee for approval.

9.1 Introduction

Money laundering is any process whereby funds derived from criminal activity are given the appearance of being legitimate. The Council must be alert to the possibility that attempts could be made to utilise funds obtained from criminal activity to pay for Council services.

The Council is committed to preventing money laundering by having anti-money laundering systems in place to establish the legitimacy of the sources of income.

This Anti-Money Laundering Policy makes it clear that it is extremely important that all employees are familiar with:

- the legal responsibilities;
- the criminal sanctions that may be imposed for breaches of the money laundering legislation;
- the need to be vigilant and take appropriate steps to reduce the opportunities for breaches of the Money Laundering Regulations;
- The key requirement to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.

9.2 Legal requirements

The Money Laundering Regulations 2007

These regulations set out detailed requirements for organisations to establish procedures to prevent its services being utilised for the purposes of money laundering.

While public authorities are not legally obliged to apply the provisions of the regulations as they do not fall under the term 'regulated activity'. Certain public authorities must, if they know or suspect or have reasonable grounds for knowing or suspecting, that a person is or has engaged in money laundering or terrorist financing, as soon as reasonably practical inform the National Crime Agency. The Council is not one of the certain public authorities, but it will nonetheless inform the National Crime Agency in the same way.

Therefore, as a responsible public body the Council is employing policies and procedures which embrace the UK's anti-terrorist financing, and anti-money laundering requirements, with a particular focus on CIPFA's "Combatting Financial Crime – Further Guidance on Anti-money Laundering for Public Service Organisations".

The Terrorism Act 2000

This applies to all individuals and businesses in the UK and therefore all employees and councillors within the Council have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for terrorism or its laundering where it relates to information that comes to them in the course of their business or employment. The primary offence states a person commits an offence if he enters into or becomes concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property by concealment, by removal from the jurisdiction, by transfer to nominees, or in any other way.

The Proceeds of Crime Act (POCA) 2002

This Act applies to all individuals and organisations and further defines the offences of money laundering and creates mechanisms for investigating and recovering the proceeds of crime as well as placing an obligation on the Council, employees and councillors to report suspected money laundering activities. The primary offences are:

- Section 327 - concealing, disguising, converting, transferring or removing criminal property from the UK;
- Section 328 - entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person;
- Section 329 - acquiring, using or possessing criminal property.

9.3 Which service areas may be affected by money laundering?

Examples of how the Council may be exposed to money laundering include accepting large cash amounts, the involvement of third parties, the request of a large refund and property investment or purchases.

Also, the Money Laundering legislation defines 'regulated activity' as the provision 'by way of business' of advice about tax affairs, accounting services, treasury management, investment or other financial services, audit services, legal services, estate agency, services involving the formation, operation or arrangement of a company or trust or, dealing in goods wherever a transaction involves a payment of €15,000 (approx. £12,500) or more.

To help prevent money laundering, cash payments (including notes, coin or travellers cheques in any currency) above £5,000 will not be accepted for any Council service.

9.4 Establishing the identity of a new business relationship

As a responsible Council, we should be aware of any suspicions arising out of funds received from a source from which we are unfamiliar. If the Council forms a new business relationship (including a significant one-off transaction) care should be taken to ensure

that the client is identifiable by making basic checks on their credentials, along with confirmation of where funds are coming from. This should not be an onerous task, but, we should ensure that we are clear about whom we are conducting business with. This will be especially important if the parties concerned are not physically present for identification purposes and to situations where someone may be acting for absent third parties. This is known as due diligence and must be carried out before any such business is entered into with the customer. If there is uncertainty whether such due diligence is required then advice must be obtained from the Money Laundering Reporting Officer.

Due diligence can be used to evidence a customer's identity by, for example:

- checking with the customer's website to confirm their business address
- conducting an on-line search via Companies House to confirm the nature and business of the customer and confirm the identities of any directors
- Conducting personal identity checks for example, requesting that the customer provide their current passport/driving licence, birth certificates

In certain circumstances enhanced customer due diligence may need to be carried out, for example, where:

- the customer has not been physically present for identification
- the customer is a politically exposed person
- there is a beneficial owner who is not the customer – a beneficial owner is any individual who holds more than 25% of the shares, voting rights or interest in a company, partnership or trust.

If it is believed that enhanced customer due diligence is required then the Money Laundering Reporting Officer should be consulted prior to carrying it out. Customer due diligence should be completed for all relevant new customers and for existing customers, during the life of a business relationship, proportionate to the risk of money laundering and terrorist funding.

9.5 Reporting suspected cases of Money Laundering

Where an employee or Councillor knows or suspects that money laundering activity is taking/has taken place, or becomes concerned that their involvement in a matter may amount to a prohibited act under sections 327 to 329 of POCA, they must disclose this without delay or as soon as reasonably practicable to the Money Laundering Reporting Officer. Failure to report such activity may render the employee subject to prosecution and/or disciplinary action in accordance with the Council's disciplinary policy. The procedure for disclosure is:

- to complete a 'Disclosure Report to the Money Laundering Reporting Officer Form' and to include as much detail as possible e.g. name, date of birth, address, company names, directorships, phone numbers, nature of the activity etc;

The Council has appointed the following employee as the Money Laundering Reporting Officer (MLRO):

Peter Farrow - Head of Audit Services

Tel: (01902) 554460

e-mail: peter.farrow@wolverhampton.gov.uk

In the absence of the MLRO listed above, the following employee is authorised to deputise:

Mark Wilkes, Client Lead Auditor

Tel: (01902) 554462

e-mail: mark.wilkes@wolverhampton.gov.uk

Further advice on money laundering matters can also be obtained from:

Claire Nye – Director of Finance (S151 Officer)

Tel: (01902) 550478

e-mail: claire.nye@wolverhampton.gov.uk

David Pattison – Chief Operating Officer/Monitoring Officer

Tel: (01902) 553840

e-mail: david.pattison@wolverhampton.gov.uk

9.6 **Investigating and Reporting Money Laundering**

How will the Money Laundering Reporting Officer investigate a disclosure?

The Money Laundering Reporting Officer will:

- acknowledge receipt of the disclosure report;
- assess the information provided to make a judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering activities and;
- prepare a Suspicious Activity Report (SAR) to the National Crime Agency (NCA), where appropriate;
- The employee or councillor must follow any directions given by the Money Laundering Reporting Officer
- The employee or councillor must cease all involvement in the transaction (not make any further enquiries into the matter themselves) unless or until consent is provided by the NCA.
- The employee or councillor must specify in the disclosure report if such consent is required to comply with any transaction deadlines.
- Any necessary investigation will be undertaken by the NCA. Employees and councillors will be required to co-operate with any subsequent money laundering investigation.
- At no time and under no circumstances should the employee or councillor voice any suspicions to the person(s) suspected of money laundering, even if the NCA

has given consent to a particular transaction proceeding, without the specific consent of the Money Laundering Reporting Officer.

- Where the Money Laundering Reporting Officer concludes that there are no reasonable grounds to suspect money laundering then they shall mark the disclosure report accordingly and give their consent for any ongoing or imminent transaction(s) to proceed.
- All in-house disclosure reports and NCA Suspicious Activity Reports will be retained for a minimum of five years after the business relationship ends or an occasional transaction is completed.

9.7 Record Keeping

Each area of the Council which conducts relevant business must maintain suitable records of any completed due diligence checks and details of relevant transactions must be maintained for at least five years. This provides an audit trail and evidence for any subsequent investigation into money laundering, for example, distinguishing the client and the relevant transaction and recording in what form any funds were received or paid. In practice, the Council will be routinely making records of work carried out for clients in the course of normal business and these should suffice in this regard.

9.8 Review of the Money Laundering Policy

The Money Laundering Policy will be reviewed on an annual basis by the Head of Audit and the Audit and Risk Committee to ensure that it remains up to date, fit for purpose and represents generally acceptable good practice.

Schedule 10 : TMP 10 – Training and qualifications

The revised Treasury Management Code, issued in December 2021, introduces strengthened requirements for skills and training. Due to the timing of the release of the new Code and guidance notes, this section will be reviewed and updated during 2022-2023.

10.1 Details of approved training courses, etc.

Principally using seminars and training, where appropriate, provided by Link Group:

- bi-annual seminars, including workshops
- regional training
- specific training or individual briefing sessions

A record will be maintained of all training courses and seminars attended by staff and councillors engaged in treasury management activities.

All staff engaged on treasury management activities will undergo regular management development reviews to assist in career development.

The Deputy Section 151 Officer, Finance Business Partner and Finance Manager will be professionally qualified accountants, preferably CIPFA.

Councillors charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

10.2 Standards of professional practice (SOPP)

The Council's Director of Finance is a member of CIPFA. The postholder is committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained. Other senior staff involved in treasury management activities who are members of CIPFA will also comply with the SOPP.

Schedule 11 : TMP 11 – Use of external service providers

11.1 Details of contracts with service providers, including bankers, brokers, consultants, advisers and details of services provided

Core Banking Services

Name of supplier of service - National Westminster Bank plc, trading as RBS Commercial & Private Banking.

Contract commenced 1 April 2015 and runs for five years with the option to extend for a further two years.

The above contract was awarded by Individual Executive Decision Notice on 11 November 2014.

The contract is currently being reprocured for a new contract award date from 1 April 2022.

Merchant Acquiring Services (Card Acquiring Services)

Name of supplier service – Lloyds Banking Group.

Contract commenced 1 April 2015 and runs for five years with the option to extend for a further two years.

The above contract was awarded by Individual Executive Decision Notice on 30 January 2015.

The contract is currently being reprocured for a new contract award date from 1 April 2022.

Money-broking services

ICAP (part of the TPICAP Group)

Martin Brokers (UK) plc

Tradition UK Limited

Tullett Prebon (Europe) Limited

Cash/fund management services

No external suppliers are used to provide these services.

Consultants'/advisers' services

Name of supplier of service – Link Group

Contract commenced 1 January 2018 for three years until 31 December 2020 with a possibility of two further extensions of twelve months each. The second option to extend the contract until 31 December 2022 has been taken.

Service provided - treasury management specialist advice

11.2 Procedures and frequency for tendering services

See Schedule 2 : TMP 2 Performance measurement.

Schedule 12 : TMP 12 – Corporate governance

12.1 List of documents to be made available for public inspection

The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions.

The Council will make available to any interested party:

- Treasury Management Policy and Practices Statement
- Treasury Management Strategy Statement
- Annual Investment Strategy
- Minimum Revenue Provision policy statement
- Annual Treasury Report
- Treasury Management monitoring reports (quarterly)
- Annual Statement of Accounts and financial instruments disclosure note
- Annual budget and Medium Term Financial Strategy
- HRA Business Plan
- Approved Capital Programme
- Minutes of Council/Cabinet meetings

12.2 Procedures for consultation with stakeholders

Stakeholders have an opportunity to comment on the Council's Treasury Management activities as part of the overall annual budget consultation process and to inspect any transactions when the Council's accounts are placed on deposit for inspection each year.

12.3 List of external funds managed on behalf of others and the basis of attributing interest earned and costs to these investments

The Council does not manage funds on behalf of other organisations.

Report title	2022-2023 Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Ian Brookfield Leader	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
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 Scrutiny Board Council	31 January 2022 8 February 2022 2 March 2022

Recommendations for decision:

The Cabinet recommends that Council approves:

1. The net budget requirement for 2022-2023 of £267.2 million for General Fund services.
2. The Medium Term Financial Strategy (MTFS) 2022-2023 to 2025-2026 as detailed in Table 5 and the key assumptions underpinning the MTFS as detailed in Appendix 1 to this report.
3. A Council Tax for Council services in 2022-2023 of £1,818.27 for a Band D property, being an increase of 2.99% on 2021-2022 levels, which incorporates the 1% in relation to Adult Social Care.

The Cabinet are recommended to approve:

1. The updated assumptions used in the Budget 2022-2023 and the MTF5 2022-2023 to 2025-2026 as detailed in section 7.
2. That authority be delegated to the Portfolio Holder for Resources, in consultation with the Director of Finance, to approve the calculation and allocation of growth in the central share of business rates for 2022-2023 and future years to be passported to the West Midlands Combined Authority (WMCA).
3. That authority be delegated to the Portfolio Holder for Resources and the Cabinet Member for Education, Skills and Work, in consultation with the Director of Finance and the Executive Director of Families, to approve changes to the local funding formula for Schools including method, principles and rules adopted.
4. That authority continues to be delegated to the Portfolio Holder for Resources in consultation with the Director of Finance to consider further opportunities to accelerate pension contribution payments to secure additional budget reductions.
5. The continuation of the policy to fully disregard income that claimants receive from the War Widows (Widowers), War Disablement Scheme and the Armed Forces Compensation Schemes in any housing benefit assessment.
6. That the Council enter into the Better Care Fund Section 75 Agreement along with the necessary ancillary agreements from the main agreement for 2022-2023 with the Black Country and West Birmingham Clinical Commissioning Group, and delegate authority to the Portfolio Holder for Resources, Cabinet Member for Adult Services and the Cabinet Member for Public Health and Wellbeing, in consultation with the Executive Director of Families and the Director of Finance to approve the final terms of the agreement.
7. That approval is given to build in supplementary budgets, fully funded by grant for the £150 council tax energy rebate for all households in England whose primary residence is valued in council tax bands A – D and delegate authority to the Portfolio Holder for Resources, in consultation with the Director of Finance to approve any changes to the Council Tax Discretionary Discount Scheme including the establishment of supplementary budgets as required.

Recommendations for noting:

The Cabinet are recommended to note:

1. That the budget for 2022-2023 is in balance without the use of general reserves.
2. That, in the opinion of the Director of Finance (Section 151 Officer), the proposed levels of reserves, provisions and balances is adequate in respect of the forthcoming financial year.

3. That it estimated that a further £12.6 million needs to be identified for 2023-2024, rising to £25.8 million over the medium term to 2025-2026 in order to address the projected budget deficit.
4. That, due to external factors, in particular the impact of Covid-19, budget assumptions remain subject to significant change, which could therefore result in alterations to the financial position facing the Council.
5. That, there continues to be considerable amount of uncertainty with regards to future funding streams for local authorities over the Spending Review period. At the point that further information is known it will be incorporated into future reports to Councillors. Any reduction in the Government's allocation of funding to the Council would have a significant detrimental impact and further increase the budget deficit forecast over the medium term.
6. That, the overall level of risk associated with the Medium Term Financial Strategy to 2025-2026 is assessed as Red.
7. That Councillors must have due regard to the public sector equality duty (Section 149 of the Equality Act 2010) when making budget reduction decisions.
8. That the Council continues to engage with residents, businesses and other key stakeholders throughout the year which focuses on understanding people's priorities for Wolverhampton.
9. The impact of related parties on the Medium Term Financial Strategy.

1.0 Purpose

- 1.1 The purpose of this report is to present a balanced budget for 2022-2023 aligned to the Council Plan priorities and an update on the Medium Term Financial Strategy (MTFS) 2022-2023 to 2025-2026, for recommendation to Full Council.
- 1.2 The Council has a balanced budget for 2022-2023, without the need to use general reserves, however, these proposals are mainly one-off and not sustainable over the medium term. There is still a high level of uncertainty going forward and a significant financial challenge over the medium term with a projected deficit for 2023-2024 of £12.6 million, rising to £25.8 million by 2025-2026.

2.0 Background

- 2.1 The City of Wolverhampton Council has built up a strong track record over many years of managing its finances well and, despite austerity; consistently setting a balanced budget. Over the last twelve years budget setting processes, the Council has identified budget reductions in the region of £239 million. Our approach to strategic financial management, aligning budgets to service priorities and improving services, and investing in transformation priorities, continues to put us in a strong financial position.
- 2.2 On 3 March 2021, the Council approved the net budget requirement for 2021-2022 of £258.5 million for General Fund services. This was the seventh year running the Council was able to set a balanced budget without the need to make use of general fund reserves. It is projected that the Council would be faced with finding further estimated budget reductions totalling £25.4 million in 2022-2023 rising to £29.6 million by 2023-2024.
- 2.3 Cabinet have been updated throughout the year as work progressed to address the budget deficit. In October 2021, Cabinet received a report in which it was stated that the Council was on track to set a balanced budget for 2022-2023, and work would continue to review the assumptions in the draft budget strategy in order to close the remaining forecast budget deficit of £1.1 million for 2022-2023. However, these proposals are mainly one-off and not sustainable over the medium term.
- 2.4 The Covid-19 pandemic has significantly distorted the budget and MTFS. It is difficult to confirm the exact costs and loss of income directly associated with the pandemic and it is important to note that we do not know how long the Council's finances will be affected.
- 2.5 Since October, the 2022-2023 budget setting process has continued with the identification of emerging budget pressures and the review of government funding announced in the provisional settlement. In order to be able to balance the budget for 2022-2023 and reduce the forecast budget deficit over the medium term, work has also continued to identify further efficiency measures.
- 2.6 The MTFS has been rolled forward to encompass the financial years up to 2025-2026. Assumptions have been made about the forecast levels of budget growth and inflation,

and the forecast level of resources that could be available over the medium term. Due to the short term nature of Government funding streams, and the one-off nature of some of the efficiency measures, the projected deficit increases to £25.8 million over the medium term to 2025-2026.

- 2.7 Reserves play a vital role in the financial sustainability of the Council. It is important to note that, the Council's General Fund Balance stands at £13.7 million. This level of reserve is approximately 5% of the 2022-2023 net budget which is in line with recommended best practice. In addition, the Council holds specific reserves which are set aside to fund future planned expenditure. It is vital the Council continues to hold these reserves to mitigate the risk of uncertainty of any potential future expenditure and to support the delivery of council priorities, therefore it is not an option to use these funds to meet the budget deficit.
- 2.8 The Director of Finance recommends the MTFS to Cabinet as a reasonable forecast over the medium term but recognises that external factors could have a significant impact on the financial position.

3.0 Covid-19 – Our role in the crisis

- 3.1 The Council has played a proactive, leading role in responding to the Covid-19 emergency. The Council considered evidence when drawing up a response to the pandemic to ensure that the right response was delivered at the right level to support residents and businesses in Wolverhampton. As the situation evolved, so has the Council's response and financial support in order to ensure recovery.
- 3.2 The pandemic has significantly distorted the budget and MTFS, and the cost of dealing with the pandemic and loss of income extends beyond the immediate period. It is not yet known how long the pandemic will go on for or what the level of future financial impact will be. During 2020-2021 and 2021-2022, local authorities received one-off Covid-19 Emergency grant to support the cost implications of the pandemic. In addition, local authorities could apply for funding to part fund the loss of non-commercial income. Neither of these grants have been announced for 2022-2023, however the costs of the pandemic extend beyond 2021-2022.
- 3.3 As detailed in paragraph 7.13 the Council has seen a significant reduction in the income as a result of the pandemic and is projecting that this will continue into 2022-2023. It is therefore proposed that a Covid-19 contingency budget be incorporated into the 2022-2023 to support these cost pressures.

4.0 Our Council, Our Plan – The City of Wolverhampton Council Plan

- 4.1 The Council's strategic approach to address the budget deficit is to align resources to Our Council Plan 2019-2024 which was approved by Full Council on 3 April 2019. To ensure that resource continues to be aligned to the needs of local people a refresh of the plan has been undertaken following extensive engagement with city partners and communities throughout the Covid-19 pandemic.

- 4.2 Our City, Our Plan incorporates key policy areas into a refreshed narrative and updated structure which has a focus on delivery and performance. The plan also aligns with the key priorities and objectives identified in the Relighting Our City Recovery framework.
- 4.3 The plan continues to identify an overarching ambition that ‘Wulfrunians will live longer, healthier lives’ delivered through six Council Plan priorities:
- Strong families where children grow up well and achieve their full potential
 - Fulfilled lives with quality care for those that need it
 - Healthy, inclusive communities
 - Good homes in well connected neighbourhoods
 - More local people into good jobs and training
 - Thriving economy in all parts of the city
- 4.4 The Relighting Our City recovery framework identified three cross cutting principles which are now been taken forward and incorporated into the refreshed plan. These are:
- Climate Conscious
 - Driven by Digital
 - Fair and Equal
- 4.5 Our City, Our Plan is presented to Cabinet and Full Council on this same agenda.

5.0 Five Year Financial Strategy

- 5.1 The Financial Strategy, approved by Council in March 2019, consists of five core principles underpinned by eight core workstreams. Using the Core Workstreams as the framework for the Financial Strategy detailed delivery plans are being developed all with a lead director. This strategy has also been reviewed and refreshed to ensure that resources remain aligned to our priorities. The Core principles and workstreams are:

- **Core Principles:**

- **Focusing on Core Business.** Focus will be given to those activities that deliver the outcomes local people need and which align to our Council Plan and Financial Strategy.
- **Promoting Independence and Wellbeing.** We will enable local people to live independently by unlocking capacity within communities to provide an effective and supportive environment.
- **Delivering Inclusive Economic Growth.** We will continue to drive investment in the City to create future economic and employment opportunities.
- **Balancing Risk.** We will ensure we base decisions on evidence, data and customer insight.
- **Commercialising our Approach.** We will boost social value in our City by maximising local procurement spend with people and businesses

- **Core Workstreams:**

- **Driven by Digital** Improve access to digital services to empower local people to self-serve at a time and place that suits them whilst reducing 'traditional' operating costs.
- **Managing demand.** Through early intervention and closer collaboration with local people we aim to reduce demand for services and support greater independence and resilience.
- **Targeted Service Delivery.** Our efforts will be focused in the areas and places that need us the most and where we can deliver the best possible outcomes within the resources available.
- **Sustainable Business Models.** We will develop the most efficient and effective services possible, within the significant financial constraints we face, to meet the needs of local people.
- **Prioritising Capital Investment.** Aligned to our strategic plan, investment will focus on the priorities that deliver the best possible return and outcomes for local people.
- **Generating Income.** Better understanding the markets we operate in will enable us to develop new, innovative income generation opportunities with partners where appropriate.
- **Delivering Safe Efficiencies.** By reviewing our resources, business processes and better using technology, we will deliver services which meet customer needs efficiently and cost-effectively.
- **Maximising Partnerships and External Income.** We will take a much more strategic role, working with our partners, to identify opportunities to collaborate, share resources, reduce costs and seize funding opportunities.

6.0 Local Government Financial Settlement

- 6.1 On 16 December 2021, the Government announced the provisional local government finance settlement, referred to herein as the provisional settlement, for 2022-2023. A report to Cabinet on 19 January 2022 outlined the headlines from the settlement including: confirmation of the council tax referendum limit at 1.99% for 2022-2023, confirmation that local authorities with adult social care responsibility could raise an additional 1% in 2022-2023 via the adult social care precept. It should be noted that when Government publish what funding is available to councils, they include an assumption regarding the raising of council tax – this also includes the precept to fund adult social care. Not increasing the level of council tax would mean making more cuts to essential services over the medium term and being unable to deliver on residents' priorities.
- 6.2 They also confirmed the continuation of new homes bonus scheme for a further year with no legacy payments, and the continuation of the Lower Tier Services Grant. The sum of the provisional allocation for the Council is £2.1 million.
- 6.3 Additional funding totalling £5.4 million for adult and children's social care was also announced taking our total provisional allocation for 2022-2023 to £31.1 million. This grant has helped to contribute to the level of growth required for adult social care.

- 6.4 The Government also announced their proposal to introduce a one-off 2022-2023 Services Grant. This new grant will provide funding to all tiers of local government in recognition of the vital services, including social care, delivered at every level of local government. This grant also includes funding for the cost of the increase in employers national insurance contribution of 1.25%. The provisional allocation for the Council is £5.5 million, of which we estimate that in the region of £1 million will be used to cover our increased costs in employer national insurance contributions.
- 6.5 On 7 February 2022, the Secretary of State for Levelling Up, Housing and Communities published a written statement on the Final Local Government Finance Settlement 2022-2023; the final settlement was debated in the House of Commons on 9 February 2022. The final settlement is in broadly in line with the provisional settlement announcement.
- 6.6 Appendix 1 provides further details on forecast Council resources.

7.0 Medium Term Financial Strategy – Key Assumptions

- 7.1 Despite austerity since 2010, the Council has a strong track-record of managing money well, planning ahead and delivering excellent services.
- 7.2 The assumptions used in the preparation of the Budget and Medium Term Financial Strategy remain under constant review and update.
- 7.3 The major budget assumptions used in the preparation of the MTFs are set out in Appendix 3. Appendix 1 provides details of the changes to growth and inflation and corporate resource assumptions, which are recommended for inclusion in the 2022-2023 Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026.
- 7.4 On 27 October 2021, the Government announced the outcome of the Spending Review 2021, the headlines of which were reported to Cabinet on 8 December 2021. The Spending Review covered the period from 2022-2023 to 2024-2025. However, the provisional settlement announced on 16 December was for one year only – 2022-2023, with further details on the proposed funding reform and consultation expected to follow in 2022. The final settlement announced on 7 February 2022 confirmed the one year settlement.
- 7.5 It is important to note that whilst recent Government announcements have provided some clarity for the forthcoming financial year, the Council continues to face significant uncertainty over the medium term, and it is particularly challenging to establish a medium term financial strategy beyond 2022-2023. However, work has been ongoing to project a forecast medium term position as detailed in this report. It is projected that the medium term forecast budget deficit could be in the region of £25.8 million by 2025-2026. In order to project the potential budget deficit a number of assumptions have been made on the level of resources that will be available to the Council, as detailed in the paragraphs below and Appendix 1. However, given uncertainties surrounding levels of resources for local authorities it is difficult to project the potential resources that will be available to the Council over the medium term period.

7.6 The overall impact of the revisions to the 2022-2023 budget and medium term financial strategy 2022-2023 to 2025-2026 are detailed in Table 5 below and in more detail in Appendix 1. Some of the key budget assumptions are also detailed in the paragraphs below. A full list of all budget reduction, income generation and efficiency targets incorporated in the MTFs are detailed in Appendix 2.

Pay Related Pressures

7.7 At the time of writing this report national negotiations are ongoing in respect of the pay award for 2021-2022. The 2021-2022 budget includes provision within employee budgets for a 1% pay award. However, it is anticipated that there is some provision within corporate budgets to accommodate an increase of up to 2% without having to find offsetting budget reductions in year. Any increase above 2% would require in year efficiencies to be made in both 2021-2022 and 2022-2023 and increase the budget deficit for future years. In the event that the pay award is above 2% and in year efficiencies cannot be identified in 2022-2023, the budget contingency reserve will be called upon to fund the shortfall.

7.8 As reported to Cabinet in October 2021, on 7 September 2021, Government published 'Building Back Better: Our Plan for Health and Social Care'. The Government have announced they will levy in additional funding of around £12 billion per year from an increase of 1.25% on both employers and employees national insurance contributions. As detailed in paragraph 6.4, the Government have announced a new one-off Services Grant which is in part to fund the increase in employers national insurance contributions. The estimated cost of this increase is £1 million per year.

7.9 Detailed work has been undertaken to assess the likely impact of pay related pressures for 2022-2023, including costs of increments, changes to pension contributions, increases in national insurance and potential pay award – pay award is currently assumed at 2%.

7.10 The projected budget adjustments arising from the combined pay related pressures is detailed in Appendix 1.

Budget Pressures

7.11 A number of emerging pressures have been identified throughout the current financial year and in order to be prudent those pressures have been recognised into the 2022-2023 budget and medium term financial strategy. The key budget pressures reflected are detailed in the paragraphs below whilst a full list of budget pressures incorporated into the budget and medium term financial strategy can be found at Appendix 1.

7.12 As part of the ongoing revenue budget monitoring during 2021-2022 and budget updates for 2022-2023, potential pressures have been flagged within Adult Services due to: increases in demand for services, the impact of any fee uplift, the impact of the Covid-19 pandemic, cost pressures associated with supporting additional reablement and discharges from hospital - which are currently funded by Health, managing demand across the current system, the delivery of the adult redesign and delivery of the 'Build

Back Better: Our Plan for Health and Social Care' as outlined in paragraph 7.36. Additional budget growth totalling £5.7 million has therefore been incorporated into the 2022-2023 budget, taking the overall growth for Adult Services in 2022-2023 to £9.2 million. The additional grant and Adult social Care Precept have contributed to the £9.2 million of growth. Based on current financial modelling, we believe that this additional growth built into the budget is sufficient to cover these forecast cost pressures. However, we will continue to monitor and review this position in light of the situation, with updates provided to Councillors as part of the quarterly performance and budget monitoring reports.

- 7.13 As detailed in section 3, the pandemic has significantly distorted the budget and MTFs, and the cost of dealing with the pandemic extends beyond the immediate period. It is not yet known how long the pandemic will go on for or what the level of future support will be required. As previously reported to Cabinet, there continues to be a level of uncertainty associated with emerging behavioural and operational changes arising as a result of the pandemic. This includes, but not limited to, income generating services, such as parking services and markets. During 2020-2021 and for the first quarter of 2021-2022, local authorities could apply for grant funding from Government to part fund losses from sales, fees and charges. This scheme did not continue beyond quarter 1 of 2021-2022 and no announcements have been made that any further funding will be made available. As part of the ongoing revenue budget monitoring it has been reported throughout 2021-2022, there has been a significant reduction in income from income generating services, in particular, parking services and this is likely to continue into 2022-2023. It is therefore proposed that a Covid-19 Contingency budget be held corporately for 2022-2023 to mitigate against any income losses from sales, fees and charges as a result of a reduction in economic activity and changes to behaviours. Income losses will be monitored throughout the year and updates provided in the quarterly performance and budget monitoring reports to Cabinet. In the event that this budget is not required in full, the Director of Finance will seek to reduce the level of capital receipt flexibility utilised in 2022-2023.
- 7.14 Our City, Our Plan – The City of Wolverhampton Council Plan sets out the priorities which will guide the Council's approach for the organisation and city as we start to move towards a new normal. In order that the Council can deliver on its priorities, a Corporate Contingency budget to support Council Priorities will be incorporated into the 2022-2023 budget totalling £1.6 million. Proposals are currently being developed and once business cases are completed, funding will be realised. Priorities include, but not limited to, discretionary housing support and financial wellbeing, support for businesses, Rainbow City, Youth Employment and Climate Change. Cabinet approval is therefore sought to delegate authority to the Portfolio Holder for Resources and the responsible Cabinet Member for the service area in question, in consultation with the Director of Finance and the relevant Director to allocate budgets from the Corporate Contingency to support Council Priorities once business cases have been completed. All budget allocations will

be incorporated into the performance and budget monitoring updates to Cabinet during 2022-2023.

- 7.15 During 2021-2022 wholesale energy prices have soared due to levels of supply and demand: therefore, resulting in increased gas and electricity costs for consumers. The Council's MTFs includes provision for increases in utility costs, however the Council is currently signed up for gas and electricity contracts until 31 March 2023 and 30 September 2024 respectively. During 2021-2022, the Council has been undergoing a procurement exercise using the Eastern Shires Purchasing Organisation (ESPO) framework to ensure value for money for the period after the existing contracts cease. Whilst energy prices are increasing, consumption is reducing in light of a change in working practices during the ongoing Covid-19 pandemic. At the point of writing, it is anticipated that the budget allocated for utilities will be sufficient for 2022-2023, however given the increasing costs, energy costs will continue to be monitored and reviewed, with updates provided to Councillors as part of the performance and budget monitoring reports.
- 7.16 Each year the Council is required to recognise the potential future credit losses that may be incurred on financial or contractual assets, loan commitments and financial guarantees. This has also previously been referred to as a 'bad debt allowance'. Following a review of existing and forecast commitments, it is projected there will be an in-year reduction totalling £500,000 on the future credit losses budget which can be released in 2022-2023. It is therefore proposed that this one-off reduction be incorporated into the budget.

Efficiencies

- 7.17 As part of the detailed budget review, a number of efficiencies have been identified for 2022-2023 and future years, as detailed in Appendix 1. It is important to note however that the efficiencies identified are predominantly one-off in nature.
- 7.18 It was reported to Cabinet in the 2021-2022 revenue monitoring that there were efficiencies across some services. In accordance with the 2022-2023 budget strategy as approved by Cabinet in October 2021, it is proposed that 2021-2022 underspends in the region of £4.0 million be transferred to a specific reserve to support the budget strategy for 2022-2023. Following a review of the overall budget position including the outcome of the provisional settlement, it is proposed that £1.0 million of this reserve supports the 2022-2023 budget strategy whilst £3.0 million is set aside to support the 2023-2024 budget strategy.
- 7.19 In addition to this, in October 2021 it was reported to Cabinet that the use of capital receipts flexibility to fund revenue transformation has been extended until 2024-2025 and it was proposed that £5.0 million was built into the 2022-2023 budget strategy. Following a review of the overall budget position including the outcome of the provisional settlement, it is proposed that the level of capital receipts which can be utilised in 2022-2023 to support the budget strategy is reduced to £3.0 million.

Revisions to Budget Reduction Targets

- 7.20 In October 2021, it was reported to Cabinet that £1.8 million of savings would not be delivered in 2022-2023 as originally planned. Since then, a further review has been undertaken on existing budget reduction and income generation proposals to ensure that the targets included in the MTFs remain deliverable over the medium term. This has been particularly important in light of the Covid-19 pandemic and changes to the environment in which we currently operate. Taking into account the pressures in Adult Services, as referenced in paragraph 7.12 above, it has been identified that a further £2.2 million of savings will not be delivered in 2022-2023.
- 7.21 The revision to existing savings proposals, to ensure that they are deliverable over the medium term, have been reflected in the medium term financial strategy. Further detail can be found in Appendix 1 and a full list of all proposed budget reduction, income generation and efficiency targets can be found in Appendix 2.

Corporate Resources

- 7.22 Recent Government announcements have provided some clarity for the forthcoming financial year; however, the Council continues to face significant uncertainty over the medium term, and it is particularly challenging to establish a medium term financial strategy beyond 2022-2023. This is due to the uncertainty regarding potential resources that will be available to the Council due to the proposed funding reform and consultation that is expected in 2022.
- 7.23 The data used to assess funding allocations has not been updated for a number of years, dating from 2013-2014 to a large degree, and even as far back as 2000. Over the coming months, Government will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes.
- 7.24 In order to project the potential budget challenge faced by the Council, a number of assumptions have been made on the level of resources that will be available to the Council.
- 7.25 It is important to note that at the point information becomes available, it could, consequently, result in alterations to the financial position facing the Council.

Collection Fund assumptions

- 7.26 On 8 December 2021, Cabinet received a report detailing the estimated outturn on the Collection Fund for 2021-2022 which consisted of a projected cumulative deficit in the region of £3.5 million on Council Tax, and a projected cumulative deficit in the region of £15.4 million on Business Rates. It is important to note that both elements include the carry forward of the in-year 2020-2021 deficit, which the Government confirmed could be spread over 3 years from 2021-2022 to 2023-2024.
- 7.27 As previously reported, the Covid-19 pandemic has had a significant impact on the Wolverhampton community and economy. It continues to be difficult to arrive at an

accurate forecast for council tax and business rates collection, however collection performance for 2021-2022 is now improving when compared to 2020-2021.

- 7.28 The forecast Business Rates deficit includes Covid-19 business rates reliefs granted to businesses under Government initiatives. The Government have provided Section 31 grant, in order to compensate local authorities for the reduction in business rates income.
- 7.29 On 15 December 2021, the Government confirmed the Covid-19 Additional Relief Fund (CARF) allocations. This additional business rates relief will reduce the overall net rates payable in 2021-2022, however the Council will be compensated in full through additional Section 31 grant.
- 7.30 On 31 January 2022 under delegated authority, the Portfolio Holder for Resources in consultation with the Director of Finance approved the final Business Rates estimated outturn for 2021-2022 at a cumulative deficit of £20.8 million, from £15.4 million as previously reported to Cabinet on 8 December 2021.
- 7.31 Furthermore, following revisions arising as a result of further data becoming available, the Portfolio Holder for Resources in consultation with the Director of Finance also approved the final Business Rates baseline net rate yield at £65.454 million from £65.551 million as previously reported to Cabinet on 8 December 2021.
- 7.32 The MTFs assumptions have been updated to reflect the potential resources available to the Council over the medium term period as a result of the amendments detailed above.

Adult and Children's Social Care

- 7.33 On 19 January 2022, Cabinet were informed that the Government had announced £700 million of new grant specifically for social care. Of this, the Government proposes to increase the Social Care Grant allocations by £636 million when compared to 2021-2022 levels and to increase the improved Better Care Fund (iBCF) allocations by £63 million, an inflationary uplift on the 2021-2022 allocations. The final settlement confirms the Council's allocation at £30.1 million for 2022-2023, an uplift of £4.5 million when compared to 2021-2022. As mentioned in paragraph 7.12, the additional grant has contributed to an overall growth in Adult Social Care budgets of £9.2 million for 2022-2023.
- 7.34 Local authorities are required to pool the iBCF allocation in a 'pooled budget' with their Clinical Commissioning Groups (CCG) and have a Section 75 Agreement in place. The Section 75 agreement is a fundamental requirement of the Better Care Fund (BCF) and must be signed by both organisations in order for the pooled fund to be set up and the relevant funding to be received. BCF first announced in June 2013 and came into effect in full in 2015-2016. The Section 75 Agreement details the level of funds to be pooled by each organisations and any risk sharing arrangements for any over / underspend within the pool fund. In 2020-2021 and 2021-2022, due to the Covid-19 pandemic, the risk sharing arrangement were paused. The BCF pooled budget for 2021-2022 is £81 million, £49 million from the CCG and £32 million from the Council.

- 7.35 The details of the BCF pooled budget for 2022-2023 are still to be confirmed with the Black Country and West Birmingham CCG. It is therefore proposed that authority be delegated to the Portfolio Holder for Resources, Cabinet Member for Adult Services and the Cabinet Member for Public Health and Wellbeing, in consultation with the Executive Director of Families and the Director of Finance to approve to agree the final terms of the agreement
- 7.36 In addition to this, as announced on the 7 September in the 'Build Back Better: Our Plan for Health and Social Care', the Government announced their proposal to allocate £162 million to support local authorities in preparing their markets for adult social care reform and to help move towards paying a fair cost of care. Adult Services and Finance are working collectively to estimate the additional costs associated with the reform when compared to the provisional allocation. Wolverhampton's provisional allocation for the Market Sustainability and Fair Cost of Care Fund is £929,000. There are a number of conditions attached to this funding, including the submission of plans to the Department of Health and Social Care by September 2022 for formal approval; detailed guidance and supporting templates are expected to be published in early 2022. Funding for 2023-2024 and 2024-2025 will be conditional upon satisfying these grant conditions.

Services Grant

- 7.37 In the final settlement, the Government confirmed the new one-off 2022-2023 Services Grant worth £822 million to support a range of additional services provided by local government. This new grant will provide funding to all tiers of local government in recognition of the vital services, including social care, delivered at every level of local government. This grant also includes funding for the cost of increasing the employer National Insurance contribution by 1.25%. Wolverhampton's provisional allocation is £5.5 million, of which it is estimated that in the region of £1 million will be used to cover our increased costs in our National Insurance contributions.

8.0 Council Tax and Housing Benefits

- 8.1 The Council Tax Base and NDR (Business Rates) Net Rate Yield 2022-2023 and Draft Budget Update report was presented to Cabinet on 8 December 2021. Cabinet approved the council tax base for 2022-2023 at 64,936.94 Band D equivalent properties.
- 8.2 In the Spending Review 2021 Statement and the provisional settlement, the Government announced that local authorities with social care responsibilities can increase the adult social care precept by up to 1% per year over the spending review period from 2022-2023 to 2024-2025. This is in addition to the council tax referendum limit and is to be used for adult social care only. As outlined in paragraph 7.12, in order to fund the increasing pressures across Adult Social Care, it is necessary for the Council to apply the ASC precept. The 1% ASC precept, would generate an additional income in the region of £1.2 million for 2022-2023 which totals £4.8 million over the period to 2025-2026 (taking into account anticipated growth in the council tax base of 1% from 2023-2024 onwards).

- 8.3 Further to this, in the provisional settlement the Government confirmed the council tax referendum limit remains at 2% for 2022-2023. This would therefore enable the Council to increase Council Tax by a maximum of 2.99% in 2022-2023; the sum of 1.99% council tax plus the 1% adult social care precept. The 1.99% increase would levy on average additional income of approximately £2.3 million per year. Taking both increases into account the additional income is around £3.5 million per year.
- 8.4 When Government publish what funding is available to councils, they include an assumption regarding the raising of council tax – this also includes the precept for adult social care. Not increasing the level of council tax would mean making more cuts to essential services over the medium term and being unable to deliver on residents’ priorities.
- 8.5 Projections in the MTFs beyond 2022-2023 assume that Council Tax will continue to increase by 1.99%, whilst the tax base is anticipated to rise by 1% in each financial year, this generates on average £3.5 million per year. Furthermore, the MTFs assumes that the adult social care precept will increase by 1% in each financial year over the spending review period to 2024-2025 which generates on average a further £1.2 million per year.
- 8.6 Taking account of the above, this report recommends an increase in Council Tax of 1.99%, in addition to the Government’s social care precept of 1%, totalling 2.99%.
- 8.7 The resulting impact on the level of the Council element of Council Tax for a Band D property in 2022-2023 is detailed in the table below, whilst details of the impact on all bands can be found in Appendix 4.

Table 1 – Council element of Council Tax for Band D Property in Wolverhampton

Band D	£
2021-2022 Council Element of Council Tax (including adult social care)	1,765.49
1.99% increase	35.13
1% Adult Social Care Precept	17.65
	1,818.27

- 8.8 It is projected that income from Council Tax will rise in subsequent years, based upon the latest collection rates and tax base.
- 8.9 On 3 February 2022, the Government announced measures to support households from rising energy costs, including a one-off £150 council tax energy rebate for all households in England whose primary residence is valued in council tax bands A-D. In addition to this, billing authorities will operate a discretionary fund for households in need who would not otherwise be eligible. The Council will be compensated for the cost of both measures.
- 8.10 At the time of writing this report, the details of the scheme are unknown, this report therefore seeks approval to build in supplementary budgets fully funded by grant once the grant allocation is known and to delegate authority to the Portfolio Holder for

Resources, in consultation with the Director of Finance to approve any changes to the Council Tax Discretionary Discount Scheme.

Local Council Tax Support Scheme

- 8.11 Since the abolition of the national council tax benefit scheme in 2013, the Council has been responsible for designing its own scheme of council tax support.
- 8.12 There are no changes proposed to the Council Tax Support scheme for 2022-2023, to the scheme agreed by Council 3 March 2021 for 2021-2022.
- 8.13 The full details of the scheme are published on our website, with the current scheme available at: [Council Tax Support Scheme | City Of Wolverhampton Council](#)

War Pensions Disregard

- 8.14 Housing Benefit Regulations 2006 make provision for the first £10.00 of income from War Disablement Pension, War Widows (Widowers) Pension and the Armed Forces Compensation Scheme to be disregarded in any housing benefit assessment. The Social Security Administration Act 1992 gives the Council discretion to disregard any amount it chooses in addition to the statutory provision. It is recommended that Cabinet approve the continuation to fully disregarded income claimants receive from the War Widows (Widowers), War Disablement Scheme and the Armed Forces Compensation Schemes. The cost to the Council in 2019-2020 of fully disregarding this income was £30,320, which reduced to £21,323 in 2020-2021 and is expected to continue to reduce in future years. The policy can be found at Appendix 6.

9.0 Budget Risk

- 9.1 The table below provides a summary of the risks associated with the Medium Term Financial Strategy, using the corporate risk management methodology. The overall level of risk associated with the Medium Term Financial Strategy to 2025-2026 is assessed as Red.

Table 2 – General Fund Budget Risks to 2025-2026

Risk	Description	Level of Risk
Medium Term Forecasting	Risks that might materialise as a result of the impact of interest rates, energy costs, non-pay inflation and pay awards, uptake of pension auto enrolment, and National Living Wage.	Amber
Service Demands	Risks that might materialise as a result of demands for statutory services outstretching the available resources. This	Red

	particularly applies to adults and childrens' social care.	
	Risks that might materialise as a result of demands for non-statutory services outstretching the available resources.	Amber
Identification of Budget Reductions	Risks that might materialise as a result of not identifying budget reductions due to limited opportunity to deliver efficiencies.	Amber
Budget Management	Risks that might materialise as a result of the robustness of financial planning and management, in addition to the consideration made with regards to the loss of key personnel or loss of ICTS facilities	Green
Transformation Programme	Risks that might materialise as a result of not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce.	Amber
Reduction in Income and Funding	Risks that might materialise as a result of the multi-year Spending Review, and reforms to Business Rates Retention and the Fair Funding Review.	Red
	Risks that might materialise as a result of income being below budgeted levels, claw back of grant, or increased levels of bad debts. The risk of successful appeals against business rates.	Amber
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise due to structural uncertainties including the impact of exiting the European Union.	Amber

	Risks that might materialise as a result of changes to Government policy including changes in VAT, taxation rules and economic measures.	Red
Covid-19	Risk that the financial implications of Covid 19 including the Council's recovery will exceed the grant allocations awarded by Government and place further financial pressures on the council financial position over the medium term.	Red

9.2 Due to the level of risk associated with pressures in Adult Services and the potential variation in the Collection Fund assumptions, particularly with regards to the allocation of the Covid-19 Additional Relief Fund by 31 March 2022, in order to be prudent, it is proposed that £1.8 million be contributed to a specific reserve during 2022-2023 to mitigate against those risks. Should those risks not materialise, there would be an opportunity to call on this reserve to support the 2023-2024 budget strategy.

10.0 Budget Consultation and Scrutiny

- 10.1 The budget engagement process forms part of a continuous process of engagement with residents, businesses and other key stakeholders throughout the year which focuses on understanding people's priorities for Wolverhampton.
- 10.2 During December 2021, the Leader of the Council and the Cabinet Member for Children and Young People, as part of continuous engagement through the 'Ask Ian' series, invited residents and businesses to submit questions via social media. The Leader of the Council and Cabinet Member for Children and Young People then responded to as many of these questions as possible in a video which was available on social media.
- 10.3 In addition to this, as previously reported to Cabinet, in January 2022 the Council relaunched a digital tool to enhance public engagement, with a focus on the ongoing challenge to set a balanced budget in each financial year over the medium term. The Budget Simulator, relaunched in January, gives respondents a chance to set their own draft Council budget in line with the preferences. Updates will be provided in future budget reports to Councillors.
- 10.4 The Council will continue to engage with our residents and key stakeholders to get their feedback around what matters to them most.
- 10.5 In addition to this, on 8 February 2022, Scrutiny Board were presented with the draft budget and medium term financial position and were asked to scrutinise the budget and how it aligned to the priorities of the Council. Scrutiny Board considered the Council Plan, Medium Term Financial Strategy and Performance framework as a pre decision

scrutiny item. Scrutiny Board noted the aims and objectives highlighted in the Council Plan and what it would be seeking to achieve for residents, businesses and the City.

11.0 Updated Budget and Medium Term Financial Strategy

2022-2023 Budget

- 11.1 The net budget requirement for 2022-2023 for the General Fund Services is £267.2 million. In the opinion of the Director of Finance (Section 151 Officer) the 2022-2023 budget estimates are robust. The Council's proposed budget for 2022-2023 does not require the use of general reserves in order set a balanced budget. We will continue to monitor the risks associated with the budget, detailed in the table above, and provide updates to Councillors as part of the quarterly performance and revenue budget monitoring reports.
- 11.2 The Council's proposed budget for 2022-2023 is shown at Table 3.

Table 3 – Draft 2022-2023 Controllable Budget

Division	2022-2023 Draft Net Controllable Budget £000
Adult Services	81,395
Children's Services	50,725
Chief Executive	193
City Assets	9,581
City Housing and Environment	28,692
Corporate Accounts	45,567
Communications and External Relations	2,273
Deputy Chief Executive	205
Education	1,435
Finance	14,640
Governance	12,321
Public Health & Wellbeing	5,428
Regeneration	2,984
Strategy	11,720
Total Net Budget Requirement	267,159

Medium Term Financial Strategy

- 11.3 Table 5 details the MTFs projections for the period to 2025-2026. It incorporates extensive budget preparation work that has been ongoing in recent months for the period up to 2025-2026, in addition to those adjustments arising as a result of changes in assumptions, as detailed in this report and corresponding appendices.

- 11.4 The table details incremental changes to forecast expenditure, starting from the base position of the 2021-2022 budget. The forecast expenditure is then compared with anticipated resources available to arrive at the projected deficit.
- 11.5 Due to the uncertainty the Council currently faces, it is particularly challenging to establish a MTFS beyond 2022-2023. Expenditure forecasts include estimates of growth in various areas, including in social care due to demand and the rising costs of services. These estimates will continue to be reviewed in light of the ongoing Covid-19 pandemic on service provision. Any change to these estimates could have a significant impact on the forecast budget deficit over the medium term.
- 11.6 A number of assumptions have been made with regards to the level of resources that will be available to the Council as detailed above. It is important to note that there continues to be a considerable amount of uncertainty with regards to future funding streams for local authorities as the provisional settlement announced on 16 December was for one year only – 2022-2023, with further details on the proposed funding reform and consultation expected to follow in 2022. The MTFS currently assumes the following:

Table 4 – Grants

Grant	MTFS Assumptions (2023-2024 onwards)
Top-up Grant	Uplifted by inflation at 2%
Social Care Grants	Flatlined at 2022-2023 levels
Services Grant 2022-2023	Assumed one year only with the exception of increases to employers National Insurance contributions.
New Homes Bonus	Assume that this grant does not continue beyond 2022-2023.
Lower Tier Services Funding	Assume that this grant does not continue beyond 2022-2023.
Business Rates	Assumption that the business rates multiplier increases each year by 2%, whilst the business rates base remains static. Also, the Business Rates retention scheme will continue beyond 2022-2023 with no detrimental impact of a Business Rates reset or changes to the retention scheme
Council Tax	Assume that council tax will continue to increase by 1.99%, whilst the tax base is anticipated to rise by 1% in each financial year. Furthermore, the MTFS assumes

Grant	MTFS Assumptions (2023-2024 onwards)
	that the adult social care precept will increase by 1% in each financial year over the spending review period, in line with the Government's announcement.

- 11.7 At the point that further information is known it will be incorporated into future reports to Councillors. The current assumptions in respect to grants and tax raised locally are detailed above. Any reduction in the Government's allocation of funding to the Council would have a significant detrimental impact and further increase the budget deficit forecast over the medium term, conversely any additional unringfenced funding would have a positive impact on the MTFS.
- 11.8 Taking this into account, the Council is now faced with finding further projected budget reductions estimated at £12.6 million in 2023-2024, rising to £25.8 million over the medium-term period to 2025-2026. Work to develop budget reduction and income generation proposals for 2023-2024 onwards in line with the Five Year Financial Strategy will continue.
- 11.9 It is proposed an update on progress on tackling the projected deficit is reported to Cabinet in July 2022.
- 11.10 It is important to note that the updated projected budget deficit assumes the achievement of budget reduction, income generation and efficiency proposals amounting to £900,000 over the period from 2022-2023 to 2025-2026. Those proposals are largely one-off in nature. Having identified budget reductions in the region of £239.0 million over the last twelve years budget setting processes, the extent of the financial challenge over the medium term continues to represent the most significant that the Council has ever faced.

Table 5 – Medium Term Financial Strategy 2022-2023 to 2025-2026

	2022-2023	2023-2024	2024-2025	2025-2026
	£000	£000	£000	£000
Previous Years Net Budget brought forward	258,497	267,159	280,956	294,627
Increasing / (Decreasing) Cost Pressures				
- Pay Related Pressures	6,050	5,226	5,405	5,585
- Treasury Management	2,379	-	-	(500)
- Budget Growth	10,130	3,953	6,766	5,038
- Budget Reduction, Income Generation & Efficiency targets	(11,017)	4,618	1,500	4,000
- Net Impact of changes to specific grants	1,120	-	-	-
Net Budget (Before Use of Resources)	267,159	280,956	294,627	308,750
Projected Corporate Resources				
- Council Tax (including Adult Social Care precept)	(118,072)	(122,818)	(127,756)	(131,601)
- Business Rates (net of WMCA growth payment)	(64,000)	(70,461)	(71,768)	(73,001)
- Enterprise Zone Business Rates	(1,422)	(1,408)	(1,375)	(1,340)
- Section 31 Grant – business rates support	(21,170)	(15,245)	(15,245)	(15,245)
- Collection fund deficit/ (surplus) forecast (net of irrecoverable losses grant)	1,781	1,619	(595)	(595)
- Top Up Grant	(27,399)	(27,947)	(28,506)	(29,076)
- New Homes Bonus	(1,632)	-	-	-
- Improved Better Care Fund	(14,761)	(14,761)	(14,761)	(14,761)
- Social Care Grants	(16,305)	(16,305)	(16,305)	(16,305)
- Services Grant 2022-2023	(5,492)	-	-	-
- Services Grant – element to fund NI increase	-	(1,000)	(1,000)	(1,000)
- Lower Tier Funding	(487)	-	-	-
- Contribution to reserves	1,800	-	-	-
Total projected resources	267,159	268,326	277,311	282,924
Projected Budget Annual Change in Budget Deficit / (Surplus)	-	12,630	4,686	8,510
Projected Cumulative Budget Deficit		12,630	17,316	25,826

12.0 Update on Reserves

- 12.1 Due to the projected financial challenges facing the Council over the medium term, combined with the budget risks, reserves should only be called on in very specific circumstances and are not a viable funding option to reduce the projected budget deficit over either the short or longer term.
- 12.2 The Council's General Fund Balance stands at £13.7 million. The level of reserve is approximately 5% of the 2022-2023 net budget which is in line with recommended best practice. As detailed in paragraph 11.1 the Council is able to set a balanced budget for 2022-2023 without the use of General Fund Reserves.
- 12.3 Emphasis continues to be placed on identifying budget reduction and income generation proposals to meet the potential budget deficit over the medium term as detailed in Table 5 without calling on general reserves.
- 12.4 Specific reserves represent monies set aside by the Council to fund future expenditure plans. In the opinion of the Director of Finance (Section 151 Officer), the proposed levels of reserves, provisions and balances is adequate in respect of the forthcoming financial year. Consideration has been given to the movement in the levels of reserves over the last few years, the anticipated future drawdown of specific reserves and the level of Corporate Specific Reserves as detailed below in addition to the General Fund Balance stated above).
- 12.5 The table below details the level of the specific reserves held by the Council at 31 March 2021 and the anticipated balances at 31 March 2022. In addition, there are other specific reserves which are administered by the Council but that have a specific criteria for allocation.

Table 6 – Specific Reserves by Division

Directorate	Actual Balance as at 1 April 2021 £000	Forecast Net Use/(Contribution) 2021-2022 £000	Forecast Balance as at 31 March 2022 £000
Adult Services	(2,616)	1,926	(690)
Children's and Education	(206)	-	(206)
City Housing and Environment	(855)	370	(485)
Corporate	(35,688)	7,668	(28,020)
Finance	(2,447)	200	(2,247)
Governance	(330)	147	(183)
Public Health	(4)	-	(4)
Regeneration	(2,118)	616	(1,502)
Total	(44,264)	10,927	(33,337)

- 12.6 The main Corporate Reserves set out in the table below, and included in the overall Corporate total in the table above, include the reserves which are specifically set aside to provide capacity for developments to enable financial sustainability.

Table 7 – Main Corporate Reserves

Corporate Reserves	Actual Balance as at 1 April 2021 £000	Forecast Net Use/(Contribution) 2021-2022 £000	Forecast Balance as at 31 March 2022 £000
Efficiency Reserve	(5,368)	233	(5,135)
Budget Strategy Reserve	(7,569)	-	(7,569)
Transformation Reserve	(2,554)	862	(1,692)
Budget Contingency Reserve	(4,964)	(52)	(5,016)
Total	(20,455)	1,043	(19,412)

- 12.7 As detailed in paragraph 9.2 above, due to the level of risk associated with pressures in Adult Services and the potential variation in the Collection Fund assumptions, particularly with regards to the allocation of the Covid-19 Additional Relief Fund by 31 March 2022, it is proposed that £1.8 million be contributed to a specific reserve during 2022-2023 in order to be prudent and to mitigate against those risks. Should those risks not materialise, there would be an opportunity to call on this reserve to support the 2023-2024 budget strategy.

13.0 Related Parties

- 13.1 The Council has a financial interest in a number of related parties. The financial position of each related party is monitored throughout year. At the end of the financial year the council undertakes a detailed review of each and considers the impact on the balance sheet, in particular in relation to the provision for future losses in respect of loan repayments, probability of guarantees being called upon and the value of investments held.
- 13.2 The Council has provided guarantees in respect to the City of Wolverhampton College for the West Midlands Pension Fund and the College's bank. Monitoring of the financial position of the College indicates that there is currently no impact on the MTFs because of the guarantees.
- 13.3 Yoo Recruit Limited is a wholly owned company of the Council. The financial position of the company indicates that there is no financial impact on the MTFs at this time.
- 13.4 Wolverhampton Homes is the Council's Arms Length Management Organisation. The council provides over 95% of the funding for Wolverhampton Homes through the management fees and reflected in the HRA Business Plan approved by Council on 26 January.

- 13.5 WV Living is a wholly owned company. The Council has equity investment of £8 million in WV Living. There is currently no requirement to impair this investment. The position will be reviewed again at the end of the financial year.
- 13.6 The Council has provided loans to WV Living. The council maintains a provision of 5% for future losses in respect of these loans. The current level of loans outstanding has reduced during the last 12 months, with all repayments being made when they fell due. It is therefore anticipated that the provision will be reduced at the end of the financial year, this has been reflected in the MTFS projections in this report.
- 13.7 The Council has an investment in Help to Own. The Treasury Strategy report on this agenda identifies the potential need to make an adjustment to the way that MRP is calculated in respect to this investment. This adjustment has been reflected in the Treasury management projections detailed in this report.

14.0 Funding Formula for Schools

- 14.1 In April 2018, a new national schools funding formula was implemented, and 2018-2019 was the first year of a transitional period of implementation of a National Funding Formula (NFF) for schools.
- 14.2 2022-2023 is a continuation of this implementation period and Local Authorities are still required to set a local funding formula. In December 2021, the Department for Education announced the Schools Block DSG allocation for 2022-2023.
- 14.3 The agreed local funding formula for 2021-2022 fully adopted the same factors as the National Funding Formula. Schools' forum received and approved a report in January 2022 stating that this was again affordable within allocations for 2022-2023.
- 14.4 In line with the Schools Revenue Funding 2022-2023 Operational Guidance, delegation of authority to the Portfolio Holder for Resources and Cabinet Member for Education, Skills and Work, in consultation with the Director of Finance and Executive Director of Families is sought to approve proposed changes to local funding formula including method, principles and rules adopted.

15.0 Evaluation of alternative options

- 15.1 In determining the proposed 2022-2023 Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026, consideration has been made to the deliverability of budget reduction and income generation proposals and budget pressures. If we were to not implement the budget strategy as proposed in this report, alternative options would need to be identified in order for the Council to set a balanced budget for 2022-2023.

16.0 Reasons for decisions

- 16.1 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to the Council when it is making the statutory calculations required to determine its Council Tax. The Council is required to take this report into account when making its

budget decision. The Chief Financial Officer's report must deal with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides.

17.0 Financial implications

17.1 The financial implications are discussed in the body of the report.

[AS/15022022/B]

18.0 Legal implications

- 18.1 The Council's revenue budgets make assumptions which must be based on realistic projections about available resources, the costs of pay, inflation and service priorities and the likelihood of achieving any budget reduction proposals.
- 18.2 The legal duty to spend with propriety falls under S.151 Local Government Act 1972 and arrangements for proper administration of their affairs is secured by the S.151 Officer as Chief Financial Officer.
- 18.3 This report also sets out the Council's Medium Term Financial Strategy. The Chief Financial officer has a statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, to ensure that there are proper arrangements in place to administer the Council's financial affairs.
- 18.4 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to the Council when it is making the statutory calculations required to determine its Council Tax. The Council is required to take this report into account when making its budget decision. The Chief Financial Officer's report must deal with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides. Both are connected with matters of risk and uncertainty. They are inter-dependent and need to be considered together. In particular, decisions on the appropriate level of Reserves should be guided by advice based upon an assessment of all the circumstances considered likely to affect the Council.
- 18.5 The relevant guidance concerning reserves is Local Authority Accounting Panel Bulletin 77, issued by CIPFA in November 2008. Whilst the Bulletin does not prescribe an appropriate level of reserves, leaving this to the discretion of individual authorities, it does set out a number of important principles in determining the adequacy of reserves. It emphasises that decisions on the level of reserves must be consistent with the Council's MTFS, and have regard to the level of risk in budget plans, and the Council's financial management arrangements (including strategies to address risk).
- 18.6 In addition, Section 114 of the Local Government Finance Act 1988 requires the Chief Financial Officer to '...make a report ... if it appears to her that the Authority, a committee or officer of the Authority, or a joint committee on which the Authority is represented':
- (a) has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful,

(b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or

(c) is about to enter an item of account the entry of which is unlawful.

- 18.7 The Chief Financial Officer of a relevant Authority shall make a report under this section if it appears to her that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- 18.8 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirement for 2022-2023.
- 18.9 It is the responsibility of members to ensure the Council sets a balanced budget for the forthcoming year. In setting such a budget members and officers of the council have a legal requirement to ensure it is balanced in a manner which reflects the needs of both current and future taxpayers in discharging these responsibilities. In essence this is a direct reference to ensure that council sets a financially sustainable budget which is mindful of the long-term consequences of any short-term decisions.

[TC/15022022/D]

19.0 Equalities implications

- 19.1 The council's annual budget and medium term financial strategy supports a range of services designed to meet key equalities objectives.
- 19.2 It is important to note, that this report provides a cumulative equality analyses response to the council's efficiency proposals set out within this report.
- 19.3 In the body of the report, we refer to efficiency proposals that are being put forward for approval as part of the Council's MTFs. Those efficiency proposals are one-off and in the main linked to the one-off use of funding, including reserves and grants, or forecast in-year underspends, and therefore have no equality impact on citizens or the communities that the Council serves.
- 19.4 In conclusion, the council continues to make every effort to protect the most vulnerable as far as possible and respond to its duties under the Equality Act 2010. However, this strategic EIA recognises the significant challenge which the financial position presents for Wolverhampton. We will maintain a strong commitment to equality and ensure that EIA's undertaken at each savings proposal helps us to arrive at an informed decisions and to make the best judgement about how to target our resources effectively and fairly.
- 19.5 Councillors must continue to have due regard to the public sector equality duty (Section 149 of the Equality Act 2010) when making budget decisions. By considering the equalities evidence contained in the analysis above, in tandem with this report,

Councillors will be in a position to comply with the requirements of the Duty and Act as well as their wider responsibilities in terms of setting a budget.

20.0 All other Implications

20.1 The Covid implications are detailed in the body of the report.

20.2 Any human resource implications will be managed in accordance with the Council's HR policies and processes.

21.0 Schedule of background papers

2021-2022 Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024, report to Cabinet on 17 February 2021 and Full Council 3 March 2021

Performance, Budget Monitoring and Budget Update 2021-2022, report to Cabinet on 28 July 2021

Draft Budget and Medium Term Financial Strategy 2022-2023 to 2023-2024, report to Cabinet on 20 October 2021

Council Tax Base and Business Rates (NDR) Net Rate Yield 2022-2023 and Draft Budget Update 2022-2023, report to Cabinet on 8 December 2021

Collection Fund Estimated Outturn 2021-2022, report to Cabinet on 8 December 2021

Provisional Local Government Finance Settlement and Draft Budget Update, report to Cabinet on 19 January 2022

Final Business Rates (NDR) Net Rate Yield 2022-2023 and Collection Fund Estimated Outturn 2021-2022, Individual Executive Decision Notice, 31 January 2022

22.0 Appendices

Appendix 1 - Medium Term Financial Strategy 2022-2023 to 2025-2026– Update on Key Assumptions

Appendix 2 - Budget Reduction, Income Generation and Efficiency Targets

Appendix 3 - Budget Preparation Parameters

Appendix 4 - Council Element of Council Tax for 2022-2023 per Band

Appendix 5 - Collection Fund Estimated Outturn 2021-2022

Appendix 6 – War Pensions Disregard Policy

Medium Term Financial Strategy 2022-2023 to 2025-2026 – Update on Key Assumptions

1.0 Introduction

- 1.1 The assumptions used in the preparation of the Budget and Medium Term Financial Strategy (MTFS) remain under constant review and update. The body of the report highlights the main assumptions that underpin the MTFS. The following paragraphs provide further detail of updated assumptions in a number of areas.

Budget Growth and Pressures/Changes to Growth and Inflation Pay Related Pressures

- 1.2 Detailed work has been undertaken to assess the likely impact of increments, proposed levels of pay award, increases in employer's National Insurance contributions, employer's pension contributions and auto-enrolment. The projected budget adjustments arising from the combined pay related pressures is detailed in Table 1, with further analysis provided in the paragraphs below and in paragraphs 7.7 to 7.9 of the report.

Table 1 – Pay Related Pressures

	2022-2023	2023-2024	2024-2025	2025-2026
	£000	£000	£000	£000
Pay Award, Employers Pension, National Insurance and Annual Increments	6,050	5,226	5,405	5,585

Pay Award

- 1.3 At the time of writing this report national negotiations are still ongoing in respect of the pay award for 2021-2022. The 2021-2022 budget includes provision within employee budgets for a 1% pay award. However, it is anticipated that there is some provision within corporate budgets to accommodate an increase of up to 2% without having to find offsetting budget reductions in year. Any increase above 2% would require in year efficiencies to be made in both 2021-2022 and 2022-2023 and increase the budget deficit for future years. In the event that the pay award is above 2% and in year efficiencies cannot be identified in 2022-2023, the budget contingency reserve will be called upon to fund the shortfall.
- 1.4 The 2022-2023 Budget and MTFS currently assumes a pay award of 2% per year over the medium term until 2025-2026.

Employers National Insurance Contributions

- 1.5 As reported to Cabinet in October 2021, on 7 September 2021, Government published 'Building Back Better: Our Plan for Health and Social Care'. The Government have

announced they will levy in additional funding of around £12 billion per year from an increase of 1.25% on both employers and employees national insurance contributions. As detailed in paragraph 6.4 of the main report, the Government have announced a new one-off Services Grant which is in part to fund the increase in employers national insurance contributions. The estimated cost of this increase is in the region of £1 million per year.

Employer's Pension Payments

- 1.6 In 2019-2020, the Council in the context of its role as a participating employer within the West Midlands Pension Fund (the Fund), was subject to a triennial actuarial review which set the employer pension contribution requirements over the period from 2020-2021 to 2022-2023. Following confirmation of payment arrangements with the Fund in February 2020, it is intended that the Council will make an annual payment in April of each year for the future services contributions in order to reduce the total costs and secure budget reductions. This is reflected in the budget forecasts in this report.
- 1.7 The next triennial actuarial review will be undertaken during 2022-2023, therefore the pension costs for 2023-2024 onwards will be subject to the outcome of this review.
- 1.8 In accordance with delegated authority, the Portfolio Holder for Resources in consultation with the Director of Finance will continue to consider further opportunities to accelerate contribution payments to secure additional budget reductions.

Other Pay Costs

- 1.9 Further to this, detailed work has been undertaken to assess the likely impact of Auto Enrolment, employer's National Insurance contributions and incremental increases.

Budget Pressures

- 1.10 Table 2 below details budget growth that has been incorporated into the MTFs.

Table 2 – Budget Pressures

	2022-2023	2023-2024	2024-2025	2025-2026
	£000	£000	£000	£000
Inflationary Pressures, Demographic and Demand Pressures	10,130	3,953	6,766	5,038

- 1.11 Inflationary pressures include, but not limited to: utilities, the impact of changes to demographic growth, increases in relation to external contracts and investment in Council priorities.
- 1.12 In paragraphs 7.11 to 7.16 of the main report, a number of key budget pressures in Adult Services, impact of loss of income due to covid, growth for Council priorities and the impact on inflationary pressures are discussed in more detail.
- 1.13 The Budget and MTFs reported to Cabinet in February 2021, approved growth and inflation totalling £716,000 for 2022-2023 and £4.9 million for 2023-2024. Work has been

ongoing to identify growth and inflation across the Council, including the impact of rolling forward the MTFS to 2025-2026.

- 1.14 A full list of all budget growth and emerging budget pressures that have been reflected in the draft budget and MTFS, and in order to be prudent, is provided in the table below:

Table 3 – Budget Pressures

	2022-2023	2023-2024	2024-2025	2025-2026
	£000	£000	£000	£000
Adult Social Care pressures	9,150	4,705	4,766	3,538
Children and Young People in Care	100	-	-	-
#Yes	50	-	-	-
City Environment – waste inflation	142	142	142	142
City Environment – Coroners	137	-	-	-
Public Health and Wellbeing – PFI contract	90	90	90	90
Regeneration – City Investments	81	-	-	-
Strategy – ICT for contract inflation and Microsoft licences	413	-	-	-
Finance – contract management improvements	136	-	-	-
Governance – elections and occupational health	82	-	-	-
West Midlands transportation levy	98	-	-	-
General Inflation and demographic growth (includes utilities)	1,194	1,230	1,268	1,268
Growth to support Council Priorities	1,647	(1,514)	1,000	-
Corporate Contingency for Corporate Landlord	(250)	(250)	-	-
Reversal of growth held for Covid implications 2021-2022	(4,310)	-	-	-
Covid implications 2022-2023 – loss of income	1,870	(950)	-	-
Review of future credit losses	(500)	500	(500)	-
Total	10,130	3,953	6,766	5,038

- 1.15 In addition to this, the level of borrowing required to support the capital programme has been reviewed and the treasury management forecast tested to ascertain the budget requirement for 2022-2023. It is therefore proposed the Treasury Management budget is reduced by £1.5 million in 2022-2023 with proposed revisions to growth assumptions over the medium term also incorporated into the MTFS. The table below shows the changes to the Treasury Management budget over the MTFS period.

Table 4 – Changes to the Treasury Management Budget

	2022-2023	2023-2024	2024-2025	2025-2026
	£000	£000	£000	£000
Treasury Management Budget	(1,500)	(1,000)	(1,500)	(500)

Efficiencies

- 1.16 Cabinet in February 2021 approved the 2021-2022 Budget and MTFs 2021-2022 to 2023-2024. Due to the one-off nature of Budget Reduction, Income Generation and Efficiencies in 2021-2022, this resulted in a net growth of £634,000 being built back into the MTFs for the period of 2022-2023 to 2023-2024. This is summarised in the table below:

Table 5 – Budget Reduction, Income Generation and Efficiency totals as at February 2021

	2022-2023	2023-2024
	£000	£000
Budget Reduction, Income Generation and Efficiency targets	3,164	(2,530)

- 1.17 As part of the detailed budget review, a number of efficiencies have been identified for 2022-2023 and future years. As detailed in paragraphs 7.17 of the report, the majority of efficiencies are predominantly one-off in nature.

Capital Receipts Flexibilities

- 1.18 In 2016-2017 the Government allowed councils to use new capital receipts from April 2016 to March 2019 to pay for transformation work that is designed to make revenue savings. The provisional settlement 2018 announced the continuation of this flexibility for a further three years taking it to 2021-2022. The use of capital receipts to fund revenue transformation has been extended further until 2024-2025.
- 1.19 On 28 July 2021, Cabinet approved the draft budget strategy which included the continuation of the capital receipts flexibility until 2024-2025. In October 2021, it was proposed that £5 million was built into the 2022-2023 budget strategy.
- 1.20 Following on from the announcement the additional one-off grants for 2022-2023, and the overall budget position it is proposed that the level of capital receipts which can be utilised in 2022-2023 to support the budget strategy is reduced to £3 million.
- 1.21 The Capital Programme, as presented to Councillors for approval at this meeting, includes assumptions about the level of capital receipts to be generated in 2022-2023 and the use of capital receipts to pay for revenue costs of transformational projects that are designed to make revenue budget reductions. This is also reflected in the MTFs.

- 1.22 Throughout the year, capital receipts generated will be reviewed and assessed to ensure that capital receipts are applied in the most effective way.

One-off Opportunities

- 1.23 In June 2021 the outturn position for 2020-2021 was presented to Cabinet. It was noted that as a result of the overall outturn position, there was no call on the Future Years Budget Strategy (£2.3 million) and the Job Evaluation (£1.0 million) reserves. It is proposed that the use of these reserves is built into the 2022-2023 budget. In addition, it is also proposed that the Treasury Management Equalisation Reserve of £1.7 million be released in 2022-2023.
- 1.24 It was reported to Council that in the budget for 2021-2022 there was an estimated net cost of £6.4 million relating to the impact of Covid-19. Efficiencies across the Council enabled the Council to set a balanced budget despite this pressure. The Council has managed the use of Covid-19 grants very carefully which enabled some grant to be carried forward into the current financial year. It is proposed that in the first instance, £5.0 million of Covid-19 Emergency Grant is drawn down to support the underlying budget pressures in 2021-2022, thereby releasing general fund resources which can be utilised to meet the budget deficit in 2022-2023.
- 1.25 In addition, Cabinet were informed in the 2021-2022 revenue monitoring that there were efficiencies across some services. In accordance with the 2022-2023 budget strategy as approved by Cabinet in October 2021, it is proposed that 2021-2022 underspends in the region of £4.0 million be transferred to a specific reserve to support the budget strategy for 2022-2023. Following a review of the overall budget position including the outcome of the provisional settlement, it is proposed that £1.0 million of this reserve supports the 2022-2023 budget strategy whilst £3.0 million is set aside to support the 2023-2024 budget strategy.
- 1.26 These efficiencies and their impact across financial years are also listed in full in the table below. A full list of all budget reduction, income generation and efficiencies are shown in Appendix 2:

Table 6 –Efficiencies

	2022-2023 £000	2023-2024 £000	2024-2025 £000	2025-2026 £000
Use of budget strategy reserve	(2,347)	2,347	-	-
Use of Job Evaluation Reserve	(1,000)	1,000	-	-
Use of Treasury Management Reserve	(1,651)	1,651	-	-
Capital Receipts flexibility	(3,000)	(2,000)	-	5,000
Use of Covid-19 emergency grant in 2021-2022 (creation of reserve from efficiencies)	(5,000)	5,000	-	-
Use of one-off grants	(1,000)	1,000	-	-

	2022-2023	2023-2024	2024-2025	2025-2026
	£000	£000	£000	£000
Anticipated underspends in 2021-2022 to carry forward	(1,000)	(2,000)	3,000	-
In year efficiencies from across services	(1,500)	(1,000)	(1,000)	(1,000)
Review of corporate pot	-	(500)	-	-
Vacancy Factor – to replace Staff Terms and Conditions saving	(1,200)	-	-	-
One-off efficiencies from up-front pension payment	(650)	650	-	-
Total	(18,348)	6,148	2,000	4,000

Revisions to Budget Reduction Targets

- 1.27 As reported to Cabinet in October 2021, in depth reviews have been undertaken on existing budget reduction and income generation proposals. This has been particularly important in light of the Covid-19 pandemic and changes to the environment in which we currently operate. It has been identified that £4.2 million of savings will not be delivered in 2022-2023 as originally planned and £1.0 million in 2023-2024. More details can be found in paragraph 7.20 of the report.
- 1.28 The table below provides a list of the financial impact of the proposed revisions.

Table 7 – Revisions to Budget Reduction proposals

	2022-2023	2023-2024	2024-2025	2025-2026
	£000	£000	£000	£000
Revision – deletion of budget reduction targets				
- Staff Terms and Conditions – (replaced with vacancy factor see table 6 above)	1,200	-	-	-
- HR Business Improvement review (2021-2022 and 2022-2023)	300	-	-	-
- Efficiencies from contract procurement and management	500	-	-	-
- Adult Social Care	2,167	-	-	-
- Waste Services – Phase 2	-	1,000	-	-
Total	4,167	1,000	-	-

- 1.29 Following in-depth reviews of the budget reduction proposals, it is proposed that these changes be reflected in the Council's medium term financial strategy in order to be prudent.

Corporate Resources

- 1.30 As detailed in paragraphs 7.22 to 7.25 of the report, recent Government announcements have provided some clarity for the forthcoming financial year; however, the Council continues to face significant uncertainty over the medium term, and it is particularly challenging to establish a medium term financial strategy beyond 2022-2023. A number of assumptions have been made on the level of resources that will be available to the Council.
- 1.31 On 27 October 2021, the Government announced the outcome of the Spending Review 2021, the headlines of which were reported to Cabinet on 8 December 2021. The Spending Review covered the period from 2022-2023 to 2024-2025.
- 1.32 On 16 December 2021, the Government announced the Provisional Local Government Settlement, details of this were reported to Cabinet in January 2022. On 7 February 2022, the Secretary of State for Levelling Up, Housing and Communities published a written statement on the Final Local Government Finance Settlement 2022-2023, the final settlement was debated in the House of Commons on 9 February 2022. The changes in resources assumptions arising as a result of the announcements and the detailed work that has been ongoing is detailed in the paragraphs below.

Collection Fund Estimated Outturn

- 1.33 Further details regarding the assumptions made on the Collection Fund estimated outturn and corresponding Government announcements can be found in paragraphs 7.26 to 7.32 in the report, whilst the table below provides details of the collection fund deficit that will be retained by the Council.

Table 8 – Retained Element of Collection Fund Deficit

Elements of Collection Fund	Deficit	Retained	Retained Deficit
	£000	%	£000
Council Tax	3,505	88.3%	3,095
Business Rates	20,824	99.0%	20,616
Total	24,329		23,711

- 1.34 The estimate on the Collection Fund for 2021-2022 set out above includes assumptions about collection rates. It is forecast that there will be an accumulated deficit on both elements of the collection fund as at the 31 March 2022. It is important to note that this includes the carry forward of the in-year 2020-2021 deficit, which the Government confirmed could be spread over 3 years from 2021-2022 to 2023-2024.
- 1.35 Furthermore, within the 2021-2022 deficit stated above for business rates, the Government have provided Section 31 grant for Covid-19 business rates reliefs granted

to businesses, in order to compensate local authorities for the reduction in business rates income.

- 1.36 This also includes the Covid-19 Additional Relief Fund (CARF) allocations, which were announced by the Government on 15 December 2021. This additional business rates relief will reduce the overall net rates payable in 2021-2022, and is included in the assumptions above, however the Council will be compensated in full through additional Section 31 grant.

Business Rates

- 1.37 The National Non-Domestic Rates Return 1 (NNDR1) was compiled and returned to the Department of Levelling Up, Housing and Communities (DLUHC) by the deadline of 31 January 2022.
- 1.38 In October 2016, Cabinet approved that the City of Wolverhampton Council, as one of the Constituent Members of the West Midlands Combined Authority (WMCA), will participate in a business rates retention pilot from April 2017, on a no financial detriment basis. The continuation of this arrangement to 2022-2023 was confirmed in the provisional settlement in December 2021. As a result of entering into this pilot, the Council will retain 99% of the business rates but no longer receive Revenue Support Grant and instead receive a Top Up Grant adjustment to account for the net effect of the changes.
- 1.39 On 8 December 2021, Cabinet approved the Collection Fund Business Rates Net Yield for 2022-2023 at £65.6 million. Following revisions arising as a result of further data becoming available, the Portfolio Holder for Resources in consultation with the Director of Finance approved the revised Business Rates baseline net rate yield to £65.454 million. Of the £65.454 million net rate yielded by business rates forecast to be collected in 2022-2023 the Council would retain in the region of £64.8 million under the 99% business rate retention scheme pilot. The estimate of net rates payable in 2022-2023 assumes continued pressure on business rates collection, including the potential for further business rates appeals.
- 1.40 There are a number of Business Rates policies that the Government have stipulated for which the Council is reimbursed through Section 31 of the Local Government Act 2003. This includes compensation for a freeze on the business rates multiplier in 2022-2023, and grant to compensate for business rates relief. Overall, Section 31 grant income for business rates policies totalling £21.2 million is projected for 2022-2022 based upon the NNDR1 form returned to the Department for Levelling Up, Housing and Communities (DLUHC) by 31 January 2022. The Covid-19 business rates relief for Retail, Leisure and Hospitality is at the point of writing is not known to be extended beyond 2022-2023, and therefore the level of section 31 grant over the medium term reduces. However, this business rates income would therefore be levied on these businesses and is therefore assumed in the business rates base for 2023-2024 onwards.

- 1.41 One part of the West Midlands Devolution Deal included the WMCA receiving the real terms growth in the central share of business rates, which came into effect from 1 April 2016 onwards. This was the share that was previously held by central government.
- 1.42 There is some complexity in identifying the true business rates growth between years due to business rates appeals and the 2017 revaluation, however an approach to allocate the growth in the central share for 2017-2018 to 2021-2022 has been agreed with the WMCA. The assumed growth of £9.0 million attributable to the WMCA in 2021-2022, in line with the Investment Plan assumptions, has been apportioned for each authority pro rata to the aggregate Rateable Value at the start of the year, resulting in a contribution from Wolverhampton in the region of £680,000.
- 1.43 The basis for growth assumptions and distribution for 2022-2023 has yet to be agreed, in light of the ongoing Covid-19 pandemic and the impact on business rates collection. It is therefore proposed that Cabinet delegate authority to the Portfolio Holder for Resources, in consultation with the Director of Finance, to approve the calculation and allocation of growth in the central share for 2022-2023 and future years to be passported to the WMCA.
- 1.44 It is important to note, the MTFS assumes the Business Rates retention scheme continues at the current level of business rates retention (99%) over the medium term up to 2025-2026 with no detrimental impact of a Business Rates reset or changes to the retention scheme. In addition, only inflationary growth in the business rates multiplier is assumed in the MTFS. Any amendments arising of funding reforms could impact on the councils MTFS.

Council Tax

- 1.45 On 8 December 2021, Cabinet approved the council tax base for 2022-2023 at 64,936.94 Band D equivalent properties. Section 8 in the report provides further details on Government announcements regarding council tax and the adult social care precept.
- 1.46 The report recommends an increase in Council Tax of 1.99%, in addition to the Government's social care precept of 1%, totalling 2.99%. This would result in a council tax for council services in 2022-2023 of £1,818.27 for a Band D property in Wolverhampton. When Government publish what funding is available to councils, they include an assumption regarding the raising of council tax – this also includes the levy to fund adult social care. Not doing so would mean making more cuts to essential services and being unable to deliver on residents' priorities. Projections in the MTFS assume that Council Tax will continue to increase by 1.99%, whilst the tax base is anticipated to rise by 1% in each financial year, this generates on average £3.5 million per year. Furthermore, the MTFS assumes that the adult social care precept will increase by 1% in each financial year over the spending review period, which generates on average a further £1.2 million per year.

Grants

- 1.47 Paragraphs 7.33 to 7.37 in the report provide further details on grant funding for Social Care, and the Services Grant 2022-2023 announced as part of the final settlement for 2022-2023.

Lower Tier Services Grant

- 1.48 The Government have also announced the continuation of the Lower Tier Services grant to local authorities responsible for delivering lower tier services, such as council tax collection, building regulations, parking, housing services, environmental health, recreation and refuse collection. The Council's final allocation is £487,000. The MTFS assumes this grant will not continue beyond 2022-2023.

New Homes Bonus

- 1.49 The Government have announced the continuation of the New Homes Bonus scheme for a further year with no new legacy payments.
- 1.50 The Council's final allocation for 2022-2023 has been announced at £1.6 million, which includes an additional £1.4 million for 2022-2023. The MTFS did not assume any additional New Homes Bonus being awarded for growth from 2022-2023 onwards therefore the £1.4 million allocation represents additional income to the budget for 2022-2023. The MTFS assumes this grant will not continue beyond 2022-2023.

Top Up Grant

- 1.51 As detailed above, the Council is part of the West Midlands pilot for 100% business rates retention and will therefore continue to no longer receive Revenue Support Grant but receive an amended Top Up Grant to reflect the business rates retention model. Top Up Grant for 2022-2023 has been uplifted by inflation, this is an increase of £697,000, above current the assumptions previously built into the MTFS, this takes the 2022-2023 allocation to £27.4 million. The MTFS assumes the that this grant will be uplifted by inflation (at 2%) for future years.

Section 31 Grant – Business Rates Retention

- 1.52 Section 31 Grant compensates the Council for an element of mandatory business rates reliefs and the cap on inflationary increases on the business rates multiplier. Section 31 grant income totalling £21.2 million is projected for 2022-2023 based upon the NNDR1 form returned to DLUHC by 31 January 2022.
- 1.53 The MTFS currently assumes that that this grant will continue at 2022-2023 levels over the medium term period to 2025-2026, with the expectation of the Section 31 grant element that funds the Retail, Leisure and Hospitality business rates relief. Therefore, the level of Section 31 grant assumed annually from 2023-2024 is £15.2 million.

1.54 The overall impact of the revisions to the Budget and Medium Term Financial Strategy 2022-2023 to 2025-2026, arising as result of the items detailed in the paragraphs above, have been reflected in the table below.

Table 9 - Draft Budget and Medium Term

	2022-2023	2023-2024	2024-2025	2025-2026
	£000	£000	£000	£000
Previous Years Net Budget brought forward	258,497	267,159	280,956	294,627
Increasing / (Decreasing) Cost Pressures				
- Pay Related Pressures	6,050	5,226	5,405	5,585
- Treasury Management	2,379	-	-	(500)
- Budget Growth	10,130	3,953	6,766	5,038
- Budget Reduction, Income Generation & Efficiency targets	(11,017)	4,618	1,500	4,000
- Net Impact of changes to specific grants	1,120	-	-	-
Net Budget (Before Use of Resources)	267,159	280,956	294,627	308,750
Projected Corporate Resources				
- Council Tax (including Adult Social Care precept)	(118,072)	(122,818)	(127,756)	(131,601)
- Business Rates (net of WMCA growth payment)	(64,000)	(70,461)	(71,768)	(73,001)
- Enterprise Zone Business Rates	(1,422)	(1,408)	(1,375)	(1,340)
- Section 31 Grant – business rates support	(21,170)	(15,245)	(15,245)	(15,245)
- Collection fund deficit/ (surplus) forecast (net of irrecoverable losses grant)	1,781	1,619	(595)	(595)
- Top Up Grant	(27,399)	(27,947)	(28,506)	(29,076)
- New Homes Bonus	(1,632)	-	-	-
- Improved Better Care Fund	(14,761)	(14,761)	(14,761)	(14,761)
- Social Care Grants	(16,305)	(16,305)	(16,305)	(16,305)
- Services Grant 2022-2023	(5,492)	-	-	-
- Services Grant – element to fund NI increase	-	(1,000)	(1,000)	(1,000)
- Lower Tier Funding	(487)	-	-	-
- Contribution to reserves	1,800	-	-	-
Total projected resources	267,159	268,326	277,311	282,924
Projected Budget Annual Change in Budget Deficit / (Surplus)	-	12,630	4,686	8,510
Projected Cumulative Budget Deficit		12,630	17,316	25,826

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[NOT PROTECTIVELY MARKED]

Budget Reduction, Income Generation and Efficiency Targets

The table below provides a full list of all budget reduction, income generation and efficiency targets incorporated into the 2022-2023 budget and Medium Term Financial Strategy 2022-2023 to 2025-2026

Directorate	Proposal	2022-2023 £000	2023-2024 £000	2024-2025 £000	2025-2026 £000
Adult Services	Transforming Adult Social Care	-	(2,000)	-	-
Adult Services	Undeliverable prior year savings within Adult Services	167	-	-	-
Adult Services	One-off efficiencies from DoLs – reversal of prior year one-off saving	230	-	-	-
Children’s Service and Education	One-off efficiencies on Section 17 – reversal of prior year one-off saving	150	-	-	-
Children’s Service and Education	Transforming Children’s Services	(100)	-	-	-
Children’s Service and Education	Efficiencies across Children’s Service and Education	(100)	-	-	-
Children’s Service and Education	Use of one-off grants	(1,000)	1,000	-	-
City Housing and Environment	Efficiencies from the depot review	-	-	(500)	-
City Housing and Environment	Environmental Services – efficiencies	(250)	(250)	-	-
City Housing and Environment	Delivering Independent Travel	(315)	-	-	-
City Assets	Asset Management – reversal of prior year one-off saving	120	-	-	-
Communications and External Relations	Communications service review – efficiencies	(50)	-	-	-
Finance	Finance efficiencies	(150)	(150)	-	-
Governance	Governance efficiencies	(100)	(100)	-	-
Governance	Undeliverable savings – HR Business Improvement Review	200	-	-	-
Strategy	ICT Review – efficiencies	(150)	(150)	-	-
Strategy	Insight and Performance Review – efficiencies	(50)	-	-	-

Directorate	Proposal	2022-2023 £000	2023-2024 £000	2024-2025 £000	2025-2026 £000
Regeneration	Regeneration Service review – efficiencies	(250)	(600)	-	-
Regeneration	Adult Education – target to break even	(30)	(30)	-	-
Regeneration	Wolves at Work 2020-2021 income generation target	(400)	-	-	-
Corporate Accounts	Efficiencies through contract procurement and management (reversal of prior year in 2022-2022 target)	250	(250)	-	-
Corporate Accounts	Use of Capital Receipts flexibility	2,000	(2,000)	-	5,000
Corporate Accounts	Reduction in apprenticeship levy budget – reversal of prior year one-off saving	45	-	-	-
Corporate Accounts	Underspends from 2020-2021 (to be transferred into a reserve)	3,164	-	-	-
Corporate Accounts	Efficiencies from corporate contingency budgets – reversal of one-off prior year saving	1,950	-	-	-
Corporate Accounts	Use of Revenues and Benefits Strategy reserve	(2,000)	2,000	-	-
Corporate Accounts	Staff turnover vacancy factor	(1,200)	-	-	-
Corporate Accounts	Efficiencies from up front pension payment	(650)	650	-	-
Corporate Accounts	Use of Covid Emergency Grant to support underlying budget pressures	(5,000)	5,000	-	-
Corporate Accounts	Use of Treasury Management Equalisation reserve	(1,651)	1,651	-	-
Corporate Accounts	Underspend from 2021-2022 transferred to a reserve	(1,000)	(2,000)	3,000	-

Directorate	Proposal	2022-2023 £000	2023-2024 £000	2024-2025 £000	2025-2026 £000
Corporate Accounts	Use of Budget Strategy Reserve (not required in 2020-2021)	(2,347)	2,347	-	-
Corporate Accounts	Use of Job Evaluation Reserve (not required in 2020-2021)	(1,000)	1,000	-	-
Corporate Accounts	In-year efficiencies from across services	(1,500)	(1,000)	(1,000)	(1,000)
Corporate Accounts	Efficiencies from review of corporate contingency budgets	-	(500)	-	-
Total		(11,017)	4,618	1,500	4,000

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Budget Preparation Parameters

The following key parameters have been reflected in the budget and medium term projections.

	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast
Council Tax Annual Increase (Council element)	1.99%	1.99%	1.99%	1.99%
Growth in Council Tax Base	2.1%	1.0%	1.0%	1.0%
Adult Social Care Precept (Council element)	1.0%	1.0%	1.0%	0.0%
Pay Award	2.0%	2.0%	2.0%	2.0%
Price Inflation (Gas)*	40%	15%	15%	15%
Price Inflation (Electricity)*	35%	15%	15%	15%
Price Inflation (NNDR)	0.0%	2.0%	2.0%	2.0%
Borrowing Interest Rate (PWLB 25 year rate)	2.6%	2.6%	2.6%	2.6%
Return on Investment	0.1%	0.1%	0.1%	0.1%
NNDR Income Annual Increase	0.0%	2.0%	2.0%	2.0%
Growth in NNDR Tax Base	0.0%	0.0%	0.0%	0.0%

*The MTFS incorporates provision for general inflation and demographic growth. During 2021-2022 wholesale energy prices have soared due to levels of supply and demand: therefore, resulting in increased gas and electricity costs for consumers. Whilst energy prices are increasing, consumption is reducing in light of a change in working practices during the ongoing Covid-19 pandemic. At the point of writing, it is anticipated that the budget allocated for utilities will be sufficient for 2022-2023, however, given the economic environment this will be kept under review and subject to further updates.

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Forecast Council Element of Council Tax for 2022-2023 per Band

Valuation Band (1 April 1991)	Values not exceeding £40,000 A 6/9	Values exceeding £40,000 but not exceeding £52,000 B 7/9	Values exceeding £52,000 but not exceeding £68,000 C 8/9	Values exceeding £68,000 but not exceeding £88,000 D 9/9	Values exceeding £88,000 but not exceeding £120,000 E 11/9	Values exceeding £120,000 but not exceeding £160,000 F 13/9	Values exceeding £160,000 but not exceeding £320,000 G 15/9	Values exceeding £320,000 H 18/9
Council Tax 2021-2022 (Council element including 2021-2022 ASC precept)	1,177.00	1,373.16	1,569.33	1,765.49	2,157.82	2,550.15	2,942.49	3,530.98
1.99% increase in Council Tax	23.42	27.32	31.22	35.13	42.94	50.74	58.55	70.26
1% Adult Social Care Precept	11.76	13.73	15.69	17.65	21.57	25.50	29.41	35.30
Council Tax 2022-2023 (Council element)	1,212.18	1,414.21	1,616.24	1,818.27	2,222.33	2,626.39	3,030.45	3,636.54

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Collection Fund Estimated Outturn 2021-2022

Forecast Council Tax Outturn 2021-2022

	£000	£000
Actual accumulated deficit at 1 April 2021		6,602
Apportionment of 2021-2022 estimated deficit calculated January 2021 (payments made during 2021-2022)		
Pre 2020-2021 deficit		
City of Wolverhampton Council	(936)	
West Midlands Police and Crime Commissioner	(88)	
West Midlands Fire and Rescue Authority	(34)	(1,058)
One third 2020-2021 estimated deficit		
City of Wolverhampton Council	(1,971)	
West Midlands Police and Crime Commissioner	(191)	
West Midlands Fire and Rescue Authority	(72)	(2,234)
Net deficit 2020-2021 to be apportioned in 2022-2023 and 2023-2024		3,310
Estimated income 2021-2022		
Income from Council Tax	(133,248)	
Council Tax Hardship Fund relief reimbursement – funded by grant	(58)	
Total estimated income		(133,306)
Estimated expenditure 2021-2022		
Demands on Collection Fund		
City of Wolverhampton Council	112,251	
West Midlands Police and Crime Commissioner	11,289	
West Midlands Fire and Rescue Authority	4,008	
Provision for non-collection of council tax	5,953	
Total estimated expenditure		133,501
Net estimated deficit 2021-2022		195
Estimated accumulated deficit at 31 March 2022		3,505

Forecast Business Rates Outturn 2021-2022

	£000	£000
Actual accumulated deficit at 1 April 2021		40,300
Apportionment of 2020-2021 estimated deficit calculated as at January 2021 (payments made during 2021-2022)		
Pre 2020-2021 deficit		
City of Wolverhampton Council	(809)	
West Midlands Fire and Rescue Authority	(8)	(817)
2020-2021 deficit linked to Covid-19 reliefs funded by grant		
City of Wolverhampton Council	(30,354)	
West Midlands Fire and Rescue Authority	(307)	(30,661)
One third 2020-2021 estimated deficit		
City of Wolverhampton Council	(2,701)	
West Midlands Fire and Rescue Authority	(27)	(2,728)
Net deficit 2020-2021 to be apportioned in 2022-2023 and 2023-2024		6,094
Estimated income 2021-2022		
Income from Business Rates (NDR)	(60,854)	
Transitional payment	(103)	
Reconciliation payment	700	
Total estimated income		(60,257)
Estimated expenditure 2021-2022		
Demands on Collection Fund		
City of Wolverhampton Council (including designated areas and renewable energy)	68,858	
West Midlands Fire and Rescue Authority	688	
Provision for non-collection of NDR (incl. appeals)	5,109	
Cost of Collection Allowance	332	
Total estimated expenditure		74,987
Net estimated deficit 2021-2022		14,730
Estimated accumulated deficit at 31 March 2022		20,824

City of Wolverhampton Council

Housing Benefit War Pension Disregard Policy

Contents

1. Introduction	2
2. Purpose and principles of the policy	2
3. Background	Error! Bookmark not defined.
4. Policy.....	Error! Bookmark not defined.

1. Introduction

This policy sets out the circumstances in which War Pensions are fully disregarded when working out a person's income in the assessment of Housing Benefit.

2. Purpose and principles of the policy

2.2. The purpose of this policy is to:

- a) Ensure income is treated consistently when assessing entitlement to Housing Benefit
- b) Ensure that all assessments are dealt with in a fair, consistent and equal manner
- c) Make clear the types of pensions to be disregarded under the Housing Benefit War Pensions Disregard Policy.

3. Background

3.1 The Housing Benefit Regulations 2006 make provision for the first £10.00 of income from War Disablement Pension, War Widows (Widowers) Pension and the Armed Forces Compensation Scheme to be disregarded in any housing benefit assessment. The cost of this disregard is fully reimbursed to the Council.

3.2 The Social Security Administration Act 1992 gives the Council discretion to disregard any amount it chooses in addition to the statutory provision. The Council has taken advantage of this provision and fully disregarded income claimants receive from the War Widows (Widowers), War Disablement Scheme and the Armed Forces Compensation Schemes.

4. Policy

4.1 The Council will fully disregard income from War Disablement Scheme, War Widows (Widowers) Pension and the Armed Forces Compensation Scheme when assessing entitlement to Housing Benefit.

CITY OF WOLVERHAMPTON COUNCIL	Meeting of the City Council 2 March 2022
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Report title	Pay Policy Statement 2022-2023	
Referring body	Cabinet – 23 February 2022	
Councillor to present report	Councillor Paula Brookfield	
Wards affected	All Wards	
Cabinet Member with lead responsibility	Councillor Paula Brookfield, Governance and Equalities	
Accountable director	David Pattison, Chief Operating Officer	
Originating service	Human Resources	
Accountable employee	Laura Phillips Tel Email	Deputy Director People and Change 01902 558892 laura.phillips@wolverhampton.gov.uk
Report to be considered by	Cabinet	23 February 2022

Recommendations for decision:

The Council is recommended to approve:

1. The Pay Policy Statement for 2022 - 2023.
2. The publication of the Pay Policy Statement in line with the requirements of the Localism Act 2011.

Recommendations for noting:

The Council is asked to note:

1. That the national pay award for National Joint Council (NJC) and Joint Negotiating Committee (JNC) Chief Officers and Chief Executives had not been agreed, at the time of writing the Pay Policy Statement.

2. That in the absence of the NJC having yet reached a pay agreement for 2021, SCPs 1 and 2 will fall below the statutory NLW. Organisations must therefore ensure that employees currently paid on those two pay points have their pay increased with effect from 1 April 2022 to £9.50 per hour. These updated figures will continue to be paid until NJC reaches a settlement on pay for 2021.

1.0 Purpose

1.1 To refer to Council for approval the new Pay Policy and the publication of the Pay Policy.

2.0 Background

2.1 On 23 February 2022 Cabinet will consider a report on Pay Policy Statement 2022-2023.

2.2 Copies of the report have been supplied to Councillors and can also be accessed online on the Council's website [here](#).

2.3 Cabinet will be asked to recommend to Council that it approves:

1. The Pay Policy Statement for 2022 - 2023.
2. The publication of the Pay Policy Statement in line with the requirements of the Localism Act 2011

2.4 Cabinet will be asked to recommend to Council that it notes:

1. That the national pay award for National Joint Council (NJC) and Joint Negotiating Committee (JNC) Chief Officers and Chief Executives had not been agreed, at the time of writing the Pay Policy Statement.
2. That in the absence of the NJC having yet reached a pay agreement for 2021, SCPs 1 and 2 will fall below the statutory NLW. Organisations must therefore ensure that employees currently paid on those two pay points have their pay increased with effect from 1 April 2022 to £9.50 per hour. These updated figures will continue to be paid until NJC reaches a settlement on pay for 2021.

3.0 Financial implications

3.1 The financial implications are detailed in the Cabinet report of 23 February 2022.

4.0 Legal implications

4.1 The legal implications are detailed in the Cabinet report of 23 February 2022.

5.0 Equalities implications

5.1 The equalities implications are detailed in the Cabinet report of 23 February 2022.

6.0 All other implications

6.1 All other implications are detailed in the Cabinet report of 23 February 2022.

7.0 Schedule of background papers

7.1 Cabinet report of 23 February 2022 – Pay Policy Statement 2022-2023.

7.2 Cabinet report of 23 February 2022 –Gender Pay Gap 2022.

Cabinet

23 February 2022

Report title	Pay Policy Statement 2022 - 2023	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Paula Brookfield Governance and Equalities	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable director	David Pattison, Chief Operating Officer	
Originating service	Human Resources	
Accountable employee(s)	Laura Phillips Tel Email	Deputy Director People and Change 01902 558892 Laura.phillips@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Full Council	7 February 2022 2 March 2022

Recommendations for decision:

The Cabinet recommends that Council approves:

1. The Pay Policy Statement for 2022 - 2023.
2. The publication of the Pay Policy Statement in line with the requirements of the Localism Act 2011.

Recommendation for noting:

The Cabinet recommends that Council notes:

1. That the national pay award for National Joint Council (NJC) and Joint Negotiating Committee (JNC) Chief Officers and Chief Executives had not been agreed, at the time of writing the Pay Policy Statement.

2. That in the absence of the NJC having yet reached a pay agreement for 2021, SCPs 1 and 2 will fall below the statutory NLW. Organisations must therefore ensure that employees currently paid on those two pay points have their pay increased with effect from 1 April 2022 to £9.50 per hour. These updated figures will continue to be paid until NJC reaches a settlement on pay for 2021.

1.0 Purpose

- 1.1 To refer to Council for approval the new Pay Policy and the publication of the Pay Policy.
- 1.2 This report has been compiled to comply with the requirements of section 38 (1) of the Localism Act 2011.

2.0 Background

- 2.1 Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”.
- 2.2 Section 38 of The Localism Act 2011 requires that each council prepares an annual pay policy statement setting out the following:
 - a. The remuneration of its chief officers. In this context a ‘chief officer’ is defined as:
 - The head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;
 - Its Monitoring Officer designated under section 5(1) of the act;
 - A statutory chief officer mentioned in section 2(6) of that Act;
 - A non-statutory chief officer mentioned in section 2(6) of that Act;
 - A deputy chief officer mentioned in section 2(8) of that Act.
 - b. The remuneration of its lowest-paid employees, and
 - c. The relationship between:
 - The remuneration of its chief officers, and
 - The remuneration of its employees who are not chief officers.
- 2.3 It should be noted that provisions of the Act do not apply to the staff based in local authority schools.
- 2.4 Additionally the Act requires that the pay policy statement must set out the Council’s policies relating to:
 - a. The level and elements of remuneration for each chief officer covered by the Act
 - b. The remuneration of chief officers on recruitment
 - c. Increases and additions to remuneration for each chief officer
 - d. The use of performance related pay for chief officers
 - e. The use of bonuses for chief officers
 - f. The publication of, and access to, information relating to remuneration of chief officers.

- 2.5 The Localism Act requires that a local authority publish the pay policy statement “in such manner as they see fit which must include publication on the authority’s website”. In addition, section 38 (4) requires authorities to set out in their pay policy statements their approach to the publication of and access to information relating to the remuneration of chief officers.
- 2.6 The requirements to publish a pay policy statement and details of senior pay have been underpinned by the mandatory requirements in the Local Government Transparency Code 2015. The City of Wolverhampton Council will publish the relevant data sets under the transparency code on the Wolverhampton data share site following the approval of the Pay Policy.
- 2.7 The act requires the Pay Policy statement to include the data confirming the relationship between the remuneration of its chief officers, and employees who are not chief officers. The City of Wolverhampton Council’s pay ratio is 9.39:1, this maintains the City of Wolverhampton Council’s pledge to have a pay ratio below 10:1.
- 2.8 The pay ratio has been impacted by the national NJC pay negotiations for local government employees annual pay award. As this has not yet been agreed the lowest earnings have remained static and the pay ratio has increased from 9.25:1 to 9.39:1.
- 2.9 Comparative data for this financial year is not yet available, however figures for last year show Birmingham as 10.29:1, Sandwell at 8:1 and Dudley at 10:1. Walsall Council report on the pay ratio between the highest pay and the median pay so would not be comparative.
- 2.10 The senior pay scale (appendix 2) sets out the grades that will be applied to senior managers in 2022 - 2023. The senior pay data (appendix 3) covers senior posts in line within the definitions in the guidance. Decisions on individual increments will not at this point have been taken, as these are subject to performance management criteria and will not take effect, if approved, until after 1 April 2022.
- 2.11 Senior managers pay was independently reviewed by West Midlands Employers (WME) in 2021. Posts have been evaluated using the Local Government Employer (LGE) Senior Job Evaluation scheme. The LGE scheme evaluates roles based on four criteria; knowledge requirement, creative thinking/policy direction, impact on people/organisation and responsibility for resources.
- 2.12 The Council’s senior leadership team, are required to work effectively to deliver the priorities of Council as well as dealing with the unprecedented ongoing challenges Covid has created, whilst not losing our sense of ambition, or vision, for our City or our external reputation to reap benefits for our City.
- 2.13 Data on all senior salaries in 2022 - 2023 will be published on the Wolverhampton data share site at <http://data.wolverhampton.gov.uk/View/employees/senior-salaries-wcc> and on the City Council’s web site, following approval. Data relating to posts with salaries over £100,000 are available in appendix 4.

2.14 Data required by the Local Government Transparency Code 2015, will also be available by 31 March 2022. This includes employees whose remuneration in the year 2021 – 2022 was at least £50,000 in brackets of £5,000. This information is recorded by job title. For senior managers whose salaries are £150,000 or more a name must also be given. At City of Wolverhampton Council this would only apply to the Chief Executive.

3.0 Evaluation of alternative options

3.1 The authority is required to prepare and publish a Pay Policy in accordance with the Localism Act 2011.

4.0 Reasons for decision

4.1 To ensure that the authority complies with the relevant legislation and best practice guidance.

5.0 Financial implications

5.1 As outlined in section 7 of the Pay Policy (appendix 1) the costs of payments in recognition of election responsibilities are met from Central Government.

5.2 At the time of writing this report national negotiations are ongoing in respect of the pay award for 2021-2022. The 2021-2022 budget includes provision within employee budgets for a 1% pay award. However, it is anticipated that there is some provision within corporate budgets to accommodate an increase of up to 2% without having to find offsetting budget reductions in year. Any increase above 2% would require in year efficiencies to be made and increase the projected deficit for 2022-2023 and future years. The Council's Medium Term Financial Strategy currently assumes a 2% pay award for 2022-2023.

[MH/31012022/O]

6.0 Legal implications

6.1 The preparation and approval of a senior pay policy statement is a requirement of section 38 of the Localism Act 2011. The Act prescribes information to be included in the statement, its manner of publication and the requirement for the Council to act in accordance with its approved Policy Statement.

[JB/24012022/J]

7.0 Equality implications

7.1 This report sets out the policies used to manage senior pay across the Council and the current relationship between the highest and the lowest salary levels. All posts are subject to Job Evaluation, as agreed by the Trade Unions in the signing of our collective agreement.

7.2 Data on pay and grading, gender and race pay gaps are reported in quarterly and annual reports.

7.3 All public sector employers are required under the Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 to provide and publish data on gender pay gap between male and female employees.

7.4 Appointments into the senior pay structure are made in line with the Council's Constitution and relevant policies and procedures.

8.0 All other implications

8.1 There are no direct human resources implications arising from this report. Appointments into the senior pay structure are made in line with the Council's Constitution and relevant policies and procedures.

9.0 Schedule of background papers

9.1 Gender Pay Gap Report 2022.

10.0 Appendices

10.1 Appendix 1 - Pay Policy Statement.

10.2 Appendix 2 - Senior Management Pay Scale.

10.3 Appendix 3 - Pay Policy Data.

10.4 Appendix 4 - Current roles where pay range exceeds £100,000 per annum

Senior Pay Policy Statement – 2022-2023

General Principles

This Policy Statement has been compiled to comply with the requirements of section 38 (1) of the Localism Act 2011, which requires local authorities to state their policy on the level and elements of remuneration for each Chief Officer (as defined by the Act).

1. Appointment and increments

- 1.1 The Appointment of Senior Managers is governed by the Employee Employment Procedure Rules detailed in the Constitution of the City of Wolverhampton Council. A Special Appointment Committee will be established to appoint the Head of Paid Service, Section 151 Officer, Monitoring Officer and roles graded 15 and above, on a politically balanced basis and will usually comprise of the Leader and Deputy Leader of the Council, any appropriate Cabinet Member, the Cabinet Member with lead responsibility for Human Resources and their opposition counterparts or their substitutes and a nominated employee from an equality forum group in an observer capacity . The recommendation of the Special Appointments Committee for these posts must be confirmed by Full Council. The Council may provide delegation to the Special Appointments Committee to approve the appointments.
- 1.2 To comply with the guidance from the Secretary of State, Full Council approval is required, to agree appointment packages including salary, bonus, fees allowances and benefits in kind, to posts exceeding a pay range of £100,000. For existing posts where the salary range exceeds £100,000 (Directors and above currently), the Council is reaffirming its approval to the current and any future appointment to these already established roles. These posts are detailed in appendix 4. Where the creation of a comparable post (salary range exceeding £100,000) is required, this will need the approval of Full Council. To appoint to any already established role, a Special Appointments Committee will be established on a politically balanced basis and will usually comprise the Leader of the Council, Deputy Leader of the Council, Leader of the opposition, appropriate Cabinet Member and appropriate Scrutiny Panel chairs or their substitutes. These appointments will not require Full Council approval.
- 1.3 All other Senior Manager roles are subject to appropriate HR recruitment policy and process.
- 1.4 The salary scale upon appointment will usually be at the “minimum point of advantage”, in certain circumstances it may be appropriate to appoint at a higher pay point within the grade. This must be agreed by the Chief Executive and the Deputy Director of People & Change.
- 1.5 Senior Management roles who meet the eligible criteria, receive the appropriate pay increment on 1 April each year, to the maximum of the grade (see 4.1).
- 1.6 The Senior Management pays scales for 2022-2023 are detailed in appendix 2.

2. Annual Pay Award

- 2.1 All annual pay awards are set in line with nationally negotiated rates. The last nationally agreed pay award for JNC Chief Officer and Chief Executives was a 2.75% pay award and applied to salaries on 1 April 2020. The JNC Chief Officer and Chief Executive pay award applies to Senior Managers on Grade 12 and above. At the time of writing the Policy Statement, the pay award for April 2021 and April 2022 had not been agreed.
- 2.2 Employees at Grade 11 and below receive the pay award agreed through collective bargaining with the National Employers and the relevant Trade Unions (NJC). The last nationally agreed pay award for NJC Local Government Employers was 2.75% and applied to salaries on 1 April 2020. At the time of writing the Policy Statement, the pay award for April 2021 and April 2022 had not been agreed.
- 2.3 In the absence of the NJC having yet reached a pay agreement for 2021, SCPs 1 and 2 will fall below the statutory NLW. Organisations must therefore ensure that employees currently paid on those two pay points have their pay increased with effect from 1 April 2022 to £9.50 per hour. These uprated figures will continue to be paid until NJC reaches a settlement on pay for 2021.

3. Market forces supplements

- 3.1 The City of Wolverhampton Council has a policy to offer market forces supplements in instances where the substantive grade of the post is insufficient to attract or retain post holders in skill shortage areas. Market forces supplements are awarded for a defined period and subject to regular review. Currently there are no senior managers receiving Market Force Supplements.

4. 'Earn Back,' bonus and performance related pay

- 4.1 None of the posts featured in this report are eligible for bonus or performance related pay. However, there is no automatic incremental progression within senior management grades, movement within grade is dependent on performance. Progression for Senior Managers who do not sit on the Strategic Executive Board (SEB), is agreed by SEB. For SEB Members progression is agreed by the Chief Executive in consultation with the Leader of the Council and any incremental progression for the Chief Executive is agreed by the Leader of the Council. Senior Managers who meet the performance criteria are expected to receive an increment in April 2022.

5. Cessation of Employment

- 5.1 If made redundant, post holders covered by this policy will be compensated in the same way as other Council employees and within the confines of the Council's approved redundancy scheme. The extent of any payment will depend on the individual's age, length of service and whether the redundancy is voluntary or compulsory.

5.2 The Council retains provision to make additional payments, or payments for some reason other than redundancy. Approval for payments under £100,000, is delegated to the Leader of the Council, in consultation with the Head of Paid Service. This is approved through an Independent Executive Decision Notice (IEDN) and reported to Cabinet.

5.3 Section 40, a supplement to the original Localism 2011 Act, stated that we should have regard for any guidance issued or approved by the Secretary of State. Guidance issued recommends that Full Council should be given the opportunity to vote on salary packages and severance payment of £100,000 and over. Appointment processes are detailed in 1.1 of the Pay Policy and have been agreed by Full Council. Any severance packages in excess of £100,000, (not inclusive of pension capital costs), will be agreed by Full Council.

6. Re-engagement of senior employees in receipt of a local government pension

6.1. The City of Wolverhampton Council recognises that the re-employment of retired local government officers is likely to be perceived negatively and bring into question the use of retirement packages in the public sector. The Council's Voluntary Redundancy Scheme makes clear that employees, regardless of salary level, should not seek re-employment into council roles for 12 months after accepting early retirement/voluntary redundancy. Appointment of former employees as either agency staff or consultants is also prohibited if the arrangement could have been foreseen at the time of retirement. The Council is, however, not averse to appointing senior staff who have retired from other public sector employers. This is because the City of Wolverhampton Council has no control over the decision-making of other employers and could potentially benefit from the skills and experience of the individual concerned.

7. Payments made in recognition of election responsibilities

7.1 In accordance with the regulations, at times of General or Mayoral Elections the council appoints an Acting Returning Officer, by convention, the Head of Paid Service, whose fee for overseeing the election process, is paid by central government. The fee is set nationally. However, at times of a Local Election it forms part of the Head of Paid Services' contract of employment to be Returning Officer and no additional payment is made by Central Government for his role. Other Senior Managers may act as Returning Officer at times of a Local Election and will receive payment from Central Government.

8. Pension Contributions and other elements of remuneration

8.1 Employer pension contributions have been included in the pay data included in this policy; this is in line with the definitions of remuneration in the Local Government Transparency Code 2015. The employer contribution rate for LGPS in 2021-2022 was 26.16% and for Teachers Pension was 23.68%.

9. Interim Senior Managers

9.1. There is a requirement from time to time to appoint senior managers on an interim basis in response to short term vacancies or skill shortages, the engagement of all interim senior managers is subject to the necessary approvals and council processes.

10. Pay comparison between the highest and the lowest paid

- 10.1. In setting the requirement that the policy statement includes a comparison between the highest and the lowest paid, the Act gives no definition of 'lowest paid' and specifies that authorities should set their own and explain why it has been chosen.
- 10.2. For the purposes of this policy statement, to comply with the Localism Act, the identification of the lowest paid role has been identified as a full-time job, performed all year round, with the exclusion of posts that include an on-going training requirement, such as an apprenticeship.
- 10.3. The lowest pay point is pay point 1 currently £17,842. This point is part of City of Wolverhampton Council's Grade 2. Grade 2 is from pay point 1 £17,842 – pay point 3 £18,562 per annum.
- 10.4. The type of roles that fall within Grade 2 are Catering and Cleaning roles, School Crossing Patrol and Passenger Assistant. There were 642 employees on Grade 2 as of 01 April 2021.
- 10.5. The City of Wolverhampton Councils pay ratio of 9.39:1 falls below the City of Wolverhampton Councils pledge to keep the pay ratio below 10:1.

City of Wolverhampton Council's Pay Multiple	Highest and Lowest paid salaries	Highest and Lowest paid roles
9.39:1	£167,688 £17,842	Chief Executive Cleaner

- 10.6. Comparative data for this financial year is not yet available, however figures for last year show Birmingham as 10.29:1, Sandwell at 8:1 and Dudley at 10:1. Walsall council report on the pay ratio between the highest pay and the median pay therefore data would not be comparative.
- 10.7. In addition to reporting the above as part of the Localism Act, there is a requirement under the Transparency Code 2015, to report the pay multiple, defined in this case, as the ratio between the highest taxable earnings for a given year (2020-2021) and the median figure for the whole authority's workforce. The median figure should be calculated using all employees on a fixed date each year. The date of 1 April 2021 has been used to provide the most current data. The highest salary is the Chief Executive on Grade 17 £167,688 and the lowest full time pay is £17,620, with 13 Apprentices on this salary. The median earning figure used as the denominator is £27,041, giving a pay ratio of 6.20:1.

10.8 The median earning figure has remained static at £27,041. Comparative data for this financial year is not yet available, however data from last year show Birmingham reporting 7.59:1, Walsall 7.1:1, Dudley 7:1 and Sandwell 6:1

11. Publication

11.1. The Pay Policy Statement 2022-2023 will be published on the City of Wolverhampton Council's website, alongside the data published under the Local Government Transparency code, at <http://www.wolverhampton.gov.uk/article/1889/Corporate>

11.2 As good practice the actual remuneration of Chief Officers (as defined by the Localism Act) for 2021-2022 will also be published on the City of Wolverhampton Council's website.

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Appendix 2

City of Wolverhampton Council Senior Management Pay Structure

Revised Structure 04 August 2021			
DESCRIPTION	Pay Point	01 April 2021*	Grade
LEAD	47	£70,910	GR12
	48	£73,482	GR12
	49	£76,051	GR12
	50	£78,624	GR12
	51	£81,199	GR12
DEPUTY DIRECTOR	52	£87,317	GR13
	53	£91,090	GR13
	54	£94,866	GR13
	55	£96,449	GR13
DIRECTOR	56	£99,580	GR14
	57	£105,113	GR14
	58	£109,050	GR14
	59	£112,703	GR14
	60	£116,356	GR14
	61	£119,954	GR14
EXECUTIVE DIRECTOR	62a	£127,296	GR15
	62b	£129,842	GR15
	62c	£132,438	GR15
	62d	£134,957	GR15
DEPUTY CHIEF EXECUTIVE	63	£138,337	GR16
	64	£141,765	GR16
	65	£143,746	GR16
	66	£145,581	GR16
CHIEF EXECUTIVE	67	£157,208	GR17
	68	£159,828	GR17
	69	£162,448	GR17
	70	£165,068	GR17
	71	£167,688	GR17

*Pay award to be agreed.

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Appendix 3 - Pay Policy Data

Position	Annual Salary	Pay Ceiling	Employers Pension Contribution forecast	Employers Rate %	Left Role
Chief Executive	£167,688	£167,688	N/A	N/A	
Deputy Chief Executive	£145,581	£145,581	£37,244.87	26.16%	
Chief Operating Officer	£127,296	£134,957	£16,638.86	26.16%	
Executive Director of Families	£127,296	£134,957	£17,399.02	26.16%	
Executive Director of Pensions	£141,765	£145,581	£39,714.22	26.16%	
Director of Finance	£119,954	£119,954	£33,604.04	26.16%	
Director of Communications and External Relations	£109,050	£119,954	£30,549.35	26.16%	
Director of Regeneration	£119,954	£119,954	£31,806.32	26.16%	
Director of Strategy	£109,050	£119,954	£30,549.35	26.16%	
Director of Public Health	£119,954	£119,954	£33,604.04	26.16%	
Director of City Housing and Environment	£116,356	£119,954	£32,596.07	26.16%	
Black Country Transport Director	£116,356	£119,954	£32,596.07	26.16%	
Deputy Director Social Care	£91,090	£96,449	£25,518.00	26.16%	
Deputy Director of Adults Services	£91,090	£96,449	£25,253.80	26.16%	
Deputy Director of People and Change	£91,090	£96,449	£25,518.00	26.16%	
Deputy Director of Education	£87,317	£96,449	£24,461.06	26.16%	
Assistant Director Pensions	£91,090	£96,449	£25,518.09	26.16%	
Chief Accountant	£78,624	£81,199	£22,025.77	26.16%	
Head of Revenues and Benefits	£65,929	£67,916	£16,538.73	26.16%	
Head of The Hub	£59,984	£60,969	£16,803.97	26.16%	
Head of Procurement	£64,933	£67,916	£18,190.38	26.16%	
Head of Commercial	£58,993	£60,969	£16,465.54	26.16%	
Head of Service Health & Safety	£58,993	£60,969	£16,487.35	26.16%	
Head of Equality, Diversity and Inclusion	£58,993	£60,969	£16,526.38	26.16%	
Head of Legal Services	£67,916	£67,916	£19,026.02	26.16%	
Head of City Development	£67,916	£67,916	£19,026.02	26.16%	
Head of Enterprise	£67,916	£67,916	£19,026.02	26.16%	
Head of City Planning	£67,916	£67,916	£19,026.02	26.16%	

Sensitivity: RESTRICTED

Head of Adult Education	£54,332	£67,916	£14,385.95	26.16%	
Head of Assets	£67,916	£67,916	£19,026.02	26.16%	
Head of Project and Works	£67,916	£67,916	£19,026.02	26.16%	
Head of Facilities	£67,916	£67,916	£19,026.02	26.16%	
Assistant Director - Investment Strategy	£105,113	£119,954	£29,446.43	26.16%	
Head of Finance	£73,482	£81,199	£20,585.37	26.16%	
Head of Governance and Corporate Services	£66,922	£67,916	£18,747.56	26.16%	
Head of Operations	£67,916	£67,916	£17,571.84	26.16%	
Consultant in Public Health	£78,192	£90,387	£4,206	14.38%	
Consultant in Public Health	£78,192	£90,387	£11,398	14.38%	
Head of Communities (Public Health)	£70,910	£81,199	£10,973.69	26.16%	
Head of Service - Leisure & wellbeing	£59,984	£60,969	£16,803.98	26.16%	
Head of Service Children's Strategy and Partnership	£81,199	£81,199	£22,747.14	26.16%	
Responsible Investment Officer	£44,863	£48,847	£12,568.01	26.16%	
Investment Pooling Partner Support Officer	£30,451	£33,782	£8,530.60	26.16%	
Head of City Investment	£58,993	£60,969	£16,323.53	26.16%	
Head of Skills	£67,916	£67,916	£19,026.02	26.16%	
Resilience Manager	£47,845	£48,847	£13,403.39	26.16%	
Head of Partnerships (Public Health)	£70,910	£81,199	£9,541.16	26.16%	
Position (Leavers)	Annual Salary	Pay Ceiling		Employers	Left Role
Consultant in Public Health	£70,203		£4,206	14.38%	31/08/21

Localism Act

(2) In this Chapter “chief officer”, in relation to a relevant authority, means each of the following—

(a) the head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;

- (b) its monitoring officer designated under section 5(1) of that Act;
- (c) a statutory chief officer mentioned in section 2(6) of that Act.
- (d) a non-statutory chief officer mentioned in section 2(7) of that Act;
- (e) a deputy chief officer mentioned in section 2(8) of that Act.

Local Gov't & Housing Act

(7) In this section “non-statutory chief officer” means, subject to the following provisions of this section—

- (a) a person for whom the head of the authority's paid service is directly responsible;
- (b) a person who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to the head of the authority's paid service; and
- (c) any person who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to the local authority themselves or any committee or sub-committee of the authority.

(8) In this section “deputy chief officer” means, subject to the following provisions of this section, a person who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to one or more of the statutory or non-statutory chief officers.

(9) A person whose duties are solely secretarial or clerical or are otherwise in the nature of support services shall not be regarded as a non-statutory chief officer or a deputy chief officer for the purposes of this Part.

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Appendix 4 - Current roles where pay range exceeds £100,000 per annum

Post
Chief Executive
Deputy Chief Executive
Executive Director of Pensions
Chief Operating Officer
Executive Director of Families
Director of Finance
Director of Communications and External Relations
Director of Regeneration
Director of Strategy
Director of Public Health
Director of City Housing and Environment
Black Country Transport Director
Assistant Director - Investment Strategy

000 per annum

Grade
17
16
16
15
15
14
14
14
14
14
14
14
14
14

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 23 February 2022
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Report title	Gender Pay Gap Report – 2021	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Paula Brookfield Governance and Equalities	
Key decision	No	
In forward plan	Yes	
Wards affected	Not applicable	
Accountable Director	David Pattison, Chief Operating Officer	
Originating service	Human Resources	
Accountable employee	Sukhvinder Mattu	Service Lead – HR Policy & Strategy
	Tel	01902 553571
	Email	Sukhvinder.mattu@ wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	10 February 2022

Recommendations for noting:

The Cabinet is asked to note:

1. The contents of the attached report on the Gender Pay Gap as of the snapshot date of 31 March 2021.
2. That the median Gender Pay Gap for 31 March 2021 is 0.64% and the mean is 4.04%.
3. The comparison with March 2020 data – the median Gender Pay Gap was 0.00% and the mean was 4.24%.
4. The proportion of men and women in each quartile in our pay structure as of 31 March 2021.
5. The actions the Council has taken so far to improve equality, diversity and inclusion within the workplace (section 3.15 and 3.16).

6. The actions proposed to continue to remove inequality and further promote equality, diversity and inclusion (section 3.17).
7. The Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 only requires organisations to report on the gender pay gap. In addition to this, the Council have chosen to report on the race pay gap and the disability pay gap to identify areas for improvement. The Council will continue to expand this portfolio and hopes to include a review of the LGBTQ+ pay gap soon.

1.0 Purpose

- 1.1 To report on the Gender Pay Gap as of the snapshot date of 31 March 2021.
- 1.2 Compare the Council's performance with other neighbouring local authorities.

2.0 Background

- 2.1 Following the introduction of the statutory requirement in 2017, all employers with 250 or more employees are required to publish various figures to demonstrate how large their gender pay gap is between their male and female employees.

All public sector employers are required under the Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 to provide data on the following six calculations:

- The mean gender pay gap
- The median gender pay gap
- The mean bonus gender pay gap*
- The median bonus gender pay gap*
- The proportion of males and females receiving a bonus payment*
- The proportion of males and females in each quartile band

**This is not applicable to City of Wolverhampton as there is no bonus scheme in place.*

- 2.2 The data includes all employees of the Council but excludes employees from maintained schools. The data is correct as of the snapshot date of 31 March 2021.
- 2.3 The information must be published on both the employer's website and on a designated government website at www.gov.uk/genderpaygap.
- 2.4 It is a legal requirement for all relevant employers to publish their gender pay report. Failing to do this within one year of the snapshot date is unlawful.
- 2.5 The deadline for publishing is 30 March for Public Sector employers.

3.0 Progress

- 3.1 The report has been compiled in accordance with Pay Gap reporting requirements as stipulated by the aforementioned legislation (in section 2.1).
- 3.2 The mean gender pay gap is a comparison of the average pay for a female and the average pay for a male. Mean averages are useful because they place the same value on every number used, giving a good overall indication of the gender pay gap.
- 3.3 The median gender pay gap shows the difference between the 'middle' hourly rate for a female and male where pay amounts are arranged from low to highest pay points. Median averages are useful to indicate what the 'typical' situation is – i.e. the middle of the organisation, not distorted by very large or small pay rates.
- 3.4 Positive figures demonstrate typically, or overall, female employees have lower pay than male employees.

- 3.5 Negative figures reveal that typically, or overall, male employees have lower pay than female employees.
- 3.6 Zero percentage figures illustrate no gap between the pay of typical male and female employees.
- 3.7 The Council's mean pay gap shows that males are paid on average 4.04% higher than women, this has reduced slightly from our 2020 figure which was 4.24%. In monetary value this equates on average (mean hourly rate) to males being paid £16.32 per hour compared to females being paid £15.66 per hour (66 pence difference per hour).
- 3.8 The national median gender pay gap among all employees in April 2021 was 15.4%, which is up from 14.9% in 2020 (figures obtained from the Office for National Statistics (ONS) - Annual Survey of Hours and Earnings (ASHE) April 2021 which reports on median figures).
- 3.9 The City of Wolverhampton Council's median pay gap is 0.64% which has increased from 2020 (0.0%). The data shows that the median average overall hourly rate for both male and female is £14.02.
- 3.10 The Council must also report on the proportion of men and women in each quartile in our pay structure. This is split into four equal sized groups based on calculated hourly pay rates with a lower (apprenticeship rates to local pay points within grade 4), lower middle (local pay points within grades 4-5), upper middle (local pay points within grades 5-7) and upper quartile (local pay points within grades 7-16).
- 3.11 Figures reveal that in the lower middle quartile, female employees on average earned more than their male counterparts. However, in the other three quartiles, the data shows males earned more than females.
- 3.12 Upper middle quartile data illustrates a positive shift from 31 March 2020, the gap being reduced from 2.21% (2020) to 2.08% (2021). But shows an increase in the upper quartile from 2.88% (2020) to 3.29%.
- 3.13 A benchmarking exercise was conducted to review the Council's position in comparison to local authorities of a similar size. The table below shows the findings for **2019 and 2020**:

	2019	2020	2019	2020
	Mean %		Median %	
Coventry	1.7	3.81	-1.2	3.83
Sandwell	6.4	5.1	14.4	12.1
Solihull	15.2	13.5	25.1	20.3
Walsall	7.9	5.9	9.8	5.7
Wolverhampton	4.24 (2020)	4.04 (2021)	0.00 (2020)	0.64 (2021)

- 3.14 The data reveals that the Council's mean gender pay gap is smaller than three other local authorities and the median is smaller than each. 2021 information is currently unavailable.

3.15 Equality and Diversity is at the heart of everything the Council does – positive action has been taken to address equality and inclusion. Some of the actions undertaken so far include:

- Strategic leadership and holding ourselves to account.
- Strong commitment from the Strategic Executive Board (SEB) and senior managers
- Four staff equality forums established covering the following: Gender, Maternity and Paternity; Race, Religion and Belief; Disability and Age and Rainbow forum. Each of the forums are sponsored by a member of SEB.
- Corporate Equalities Steering Group meeting on a quarterly basis where all Chairs and Vice Chairs of the staff equality forums meet to discuss issues with input from external stakeholders.
- Implementation of Safe Space for employees to raise any issues anonymously to 'SeeHearSpeakUp' - an independent external service.
- Review of the recruitment process to remove barriers and support diverse candidates to apply for our vacancies.
- Development of an external 'career' microsite that informs potential candidates of the opportunities within the Council including benefits of working for the Council, type of careers, Core HR policies for transparency, case studies from our diverse employees etc.
- Unconscious Bias training provided to 1,463 employees since 2017.
- Wrap around support provided to candidates unsuccessful at interview to help with future applications.
- Establishment and delivery of a mentoring scheme to encourage employees to take action to progress their career aspirations and develop own skills. A total of 61 employees have been mentored since september 2020 by senior managers.
- Coaching through West Midlands Employers has been promoted.
- Introduction of a Brilliant leaders programme delivered independently with 15 employee participants.
- Chair or Vice chair of the staff equality forums attend SEB meetings and are actively involved in council decisions demonstrating our commitment to diversity and inclusion.
- Launch of Our People Strategy refresh structured around the employee lifecycle and built on extensive employee engagement. The Our People Strategy has six key themes - to attract the right people to work at the Council, create a good first impression; support and enhance employee wellbeing; facilitate development of skills and knowledge; create opportunities for growth and progression; ensure employees are managed fairly and effectively and help employees leave well.

3.16 Gender specific initiatives in addition to the above already undertaken include:

- Advertising vacancies using a range of media.
- Use of gender-neutral language in all communication.
- Appointment of an Equality Officer to lead on gender equality issues.

- Engagement with businesses, the community and the voluntary sector to ensure discrimination is eliminated.
- Women involved in all decision-making panels, e.g. recruitment, discipline, grievance and management of attendance (stage 3). Panels must be race and gender diverse as a minimum but inclusive of as many protected characteristics as possible.
- Continued use of structured interviews and skill-based assessments in recruitment
- Transparency around promotions, pay and reward.
- Flexible working arrangements, including flexible hours to attract and retain women in employment.
- Launch of Allyship programme with an ally from Senior Management for the Gender, Maternity and Paternity staff forum to build trusting relationships, advocate issues and drive improvements.
- Introduction of a Menopause policy and a mandatory eLearning module to supplement.
- Survey conducted to understand fears and anxieties faced by female employees in their working lives to tackle violence against women.
- Trans Equality policy and Transitioning guidance is being revised to ensure that trans, non-binary and gender fluid employees are treated with dignity and respect and are supported when undergoing transition.
- Domestic Abuse Policy and managers guide introduced to create a safer workplace and send out a strong message that domestic abuse is wholly unacceptable and will not be tolerated. Guidance is provided to managers on how to deal with disclosures of domestic abuse and the completion of SafeLives DASH Risk Checklist.
- Mandatory No Offence eLearning modules launched on Age and Menopause Gender and Maternity, Disability and Race.

3.17 Future aspirations and actions

It is recognised that the Median Gender Pay Gap has slightly increased to 0.64% and that the Mean Gender Pay Gap continues to fall but further actions are still needed to achieve equality. Human Resources will continue to work in partnership with the Equality Diversity and Inclusion team to consider future actions that could be undertaken in addition to the following:

- Continue to work closely with the Gender, Maternity and Paternity staff equality forum to identify methods of reducing the pay gap.
- Conduct a 'deep dive' review into the data available to understand the barriers faced in reducing the gap to zero and identify how these barriers can be overcome.
- Introduce Key Performance Indicators to monitor progress in becoming a more inclusive employer throughout all levels within the organisation.
- Quarterly workforce monitoring reports to inform the organisation, identified trends, patterns, issues of concern, and progress against KPIs.
- Introduce pre-recruitment briefings to ensure candidates are informed about the council as an employer, including the job role supporting shortlisted candidates to feel at ease with the process and able to perform to the best of their ability.

- Engagement with key stakeholders and employees on 'Relighting Our Council' to support future ways of working and supporting our employees to deliver effective services for the diverse community we serve.
- Brilliant leaders programme procurement to continue the current offer and reviewing other training packages which may support with the promotion of female employees.
- Training programme being developed for employees who are aspiring to management roles which will assist in supporting a pipeline of female employees into senior roles.
- Continue to benchmark against similar organisations and share good practice.

4.0 Evaluation of alternative options

4.1 There are no alternative options in terms of the way that data is collected as legislation defines the requirement for gender pay gap reporting.

5.0 Reasons for decisions

5.1 Information is being provided to meet legislative requirements as prescribed in section paragraph 2.0.

6.0 Financial implications

6.1 No financial implications are anticipated to arise from the actions currently being considered to reduce the mean pay gap further. As future strategies to tackle pay gaps are developed any emerging costs will be assessed and reported as required.
[GE/28012022/Q]

7.0 Legal implications

7.1 Any actions that are undertaken need to comply with the Equality Act 2010. Legislation requires Gender Pay Gap data to be published on a yearly basis. Failing to do this within one year of the snapshot date is unlawful.
[TC/25012022/D]

8.0 Equalities implications

8.1 It is important to note that there is no evidence of inequality as such in our Gender Pay Gap, however societal factors may play a part in the difference. The Equality forums and Equality Team have been engaged with and are aware of the findings of the gender pay report.

9.0 All other implications

9.1 No other implications are envisaged.

10.0 Schedule of background papers

10.1 There are no background papers.

11.0 Appendices

11.1 Appendix 1 – Gender Pay Gap Report 2021.

Gender Pay Gap Report 2021

City of Wolverhampton Council

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Introduction

Following the introduction of the statutory requirement in 2017, all employers with 250 or more employees are required to publish various figures to demonstrate the difference in average earnings between their male and female employees.

What gender pay gap reporting involves:

All public sector employers are required under the Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 to provide data on the following 6 calculations:

- The mean gender pay gap
- The median gender pay gap
- The mean bonus gender pay gap*
- The median bonus gender pay gap*
- The proportion of males and females receiving a bonus payment*
- The proportion of males and females in each quartile band

**This is not applicable to City of Wolverhampton as there is no bonus scheme in place.*

For the purposes of our analysis our data consists of all City of Wolverhampton Council employees but excludes employees from maintained schools. Our data is correct as of the snapshot date of 31 March 2021.

Gender pay gap versus Equal pay - What is the difference?

It is important to note that whilst both gender pay and equal pay deal with the disparity of pay women receive in the workplace the two are different:

- Equal pay means that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010. It is unlawful to pay employees unequally based on their gender.
- The gender pay gap is a measure of the difference between men's and women's average earnings across an organisation or the labour market. It is expressed as a percentage of men's earnings.

Gender Pay Gap at City of Wolverhampton Council

City of Wolverhampton Council's workforce covers a diverse range of service areas rather than a single sector. Grades vary according to the level of responsibility and roles are evaluated through a job evaluations process to ensure we pay men and women the same salary for work of equal value. The workforce comprised of 68.97% female and 31.03% male split on the snapshot date of 31 March 2021.

The Gender Pay Gap at the City of Wolverhampton Council for 2021 was as follows:

Narrative	Male and Female	Male	Female	Gender Pay Gap
Mean Hourly Rate	15.87	16.32	15.66	4.04%
Median Hourly Rate	14.02	14.11	14.02	0.64%

The table below illustrates that there has been a reduction of 0.2% in the Mean Gender Pay Gap since the 2020 report, however the Median Gender Pay Gap has increased by 0.64% from 0% in the previous year.

	2020	2021	Change	Difference
Mean Gender Pay Gap	4.24%	4.04%	↓	- 0.2%
Median Gender Pay Gap	0.00%	0.64%	↑	+ 0.64%

This suggests that whilst the average hourly pay for male and female employees is now slightly closer than it had been in the previous year, the difference between the distribution of employees along the pay scale by gender has increased slightly.

Mean gender pay gap

4.04%

The Mean gender pay gap shows the difference between the average pay of female employees compared to male employees. The difference between the two average hourly pay amounts is calculated as a percentage of the male average. Where the

pay gap is a negative (-) figure, this indicates that the male average pay is less than the female average pay. Where the pay gap is a positive figure, this indicates the female average pay is lower than the male average pay.

The City of Wolverhampton Council's mean pay gap shows that male employees were paid on average 4.04% more than female employees per hour, this has reduced slightly from the 2020 figure which was 4.24%. In monetary values this equates to male employees being paid on average £16.32 per hour compared to female employees being paid £15.66 per hour (66 pence difference per hour).

Median gender pay gap

0.64%

To calculate the Median Gender pay gap, all pay amounts for each gender are arranged from the lowest pay point to the highest, and then the 'middle' hourly rate is identified. The Median Gender Pay Gap between the two is then displayed as a percentage of the Median male hourly rate.

The City of Wolverhampton Council's Median Gender pay gap is 0.64% which is a slight increase from 2020 from 0.0%. The data shows that our median average overall hourly rate for male and female employees combined was £14.02.

The national median gender pay gap among all employees in April 2021 was 15.4%, which is up from 14.9% in 2020 (figures obtained from the Office for National Statistics (ONS) - Annual Survey of Hours and Earnings (ASHE) April 2021 which reports on median figures).

Bonus payments

As mentioned previously, the City of Wolverhampton Council does not have a bonus scheme nor performance related pay and therefore there is no data to report on the following:

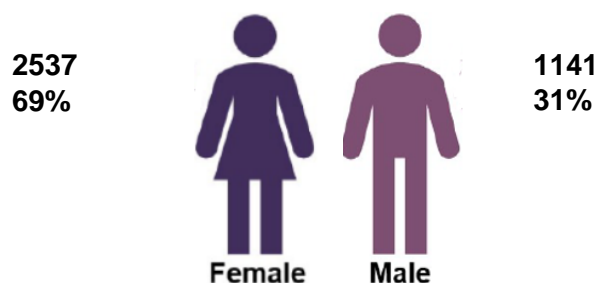
- The mean bonus gender pay gap
- The median bonus gender pay gap
- The proportion of males and females receiving a bonus payment

Quartile Pay Bands

It is important to understand that where there is a negative (-) figure in the data below, this will indicate that women are paid more than men for that group. A positive figure indicates that men are paid more than women and a zero figure indicates male and females are paid equally.

City of Wolverhampton Council is required to report on the proportion of men and women in each quartile in our pay structure. The national reportable quartiles are lower, lower middle, upper middle and upper quartile pay bands.

The quartile data below shows the workforce divided into four equal sized groups based on calculated hourly pay rates, whereby each quartile is made up of 25% of the workforce. The lowest paid 25% of employees are the lower quartile and the highest paid 25% are the upper quartile.



Total Workforce 3,678	Female employees 2537 (69%)	Male employees 1141 (31%)	Pay gap	Minimum Grade within quartile	Maximum Grade within quartile
Lower Quartile	75.3%	24.7%	2.63%	Apprenticeship Rate	Within GR04
Lower Middle Quartile	65.7%	34.3%	-1.77%	Within GR04	Within GR05
Upper Middle Quartile	66.4%	33.6%	2.08%	Within GR05	Within GR07
Upper Quartile	68.5%	31.5%	3.29%	Within GR07	Within Gr16

The pay gap in the lower quartile has increased from 2.28% in 2020 to 2.63% in 2021 with men being paid an average £10.26 and women in this quartile being paid an average of £9.99 per hour. This quartile covers apprenticeship pay grades and grades GR01 to GR03, with some employees from the lower pay points of grade GR04.

The pay gap in the lower middle quartile has changed from -2.01% in 2020 to -1.77% in 2021 with women being paid an average £12.65 compared to £12.43 for men. This is the only quartile where women earn more than men.

The pay gap in the upper middle quartile decreased from 2.56% to 2.08% in 2021 with the average pay being £16.37 for men and £16.03 for women.

The upper quartile pay gap increased from 2.88% in 2020 to 3.29% in 2021, with the average pay being £25.25 per hour for men and £24.42 per hour for women.

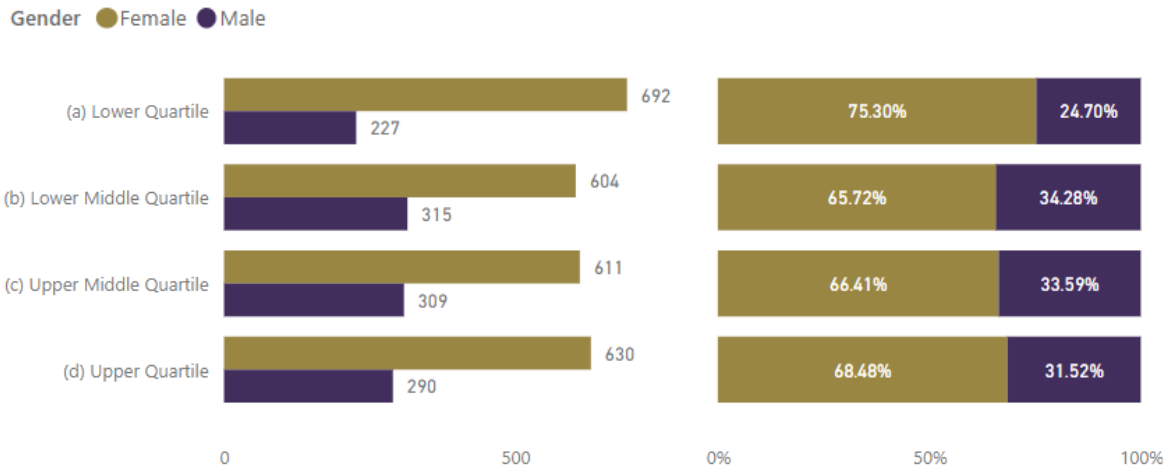


The overall picture shows that in the lower middle quartile (Grades GR04 to GR05) female employees on average earned more than their male counterparts. However, in the other 3 quartiles, males earned more than females and Grades GR07 and above showed a larger pay gap of 3.29%. However, it does show some positive movement in the Upper middle quartile, whereby the pay gap has reduced from 2.21% in 2020 to 2.08% in 2021.

The table below shows the gender split in each of the quartiles and shows that the largest proportion of the female workforce sit within the lower quartile and therefore will impact the pay gap. The lower data gives the gender split in terms of numbers.

Women represent around two thirds of employees in each quartile. The highest percentage of female workers sit within the lower quartile, this is a consistent trend across public sector as these roles predominantly include catering, cleaning and administration.

Percentage within Quartiles



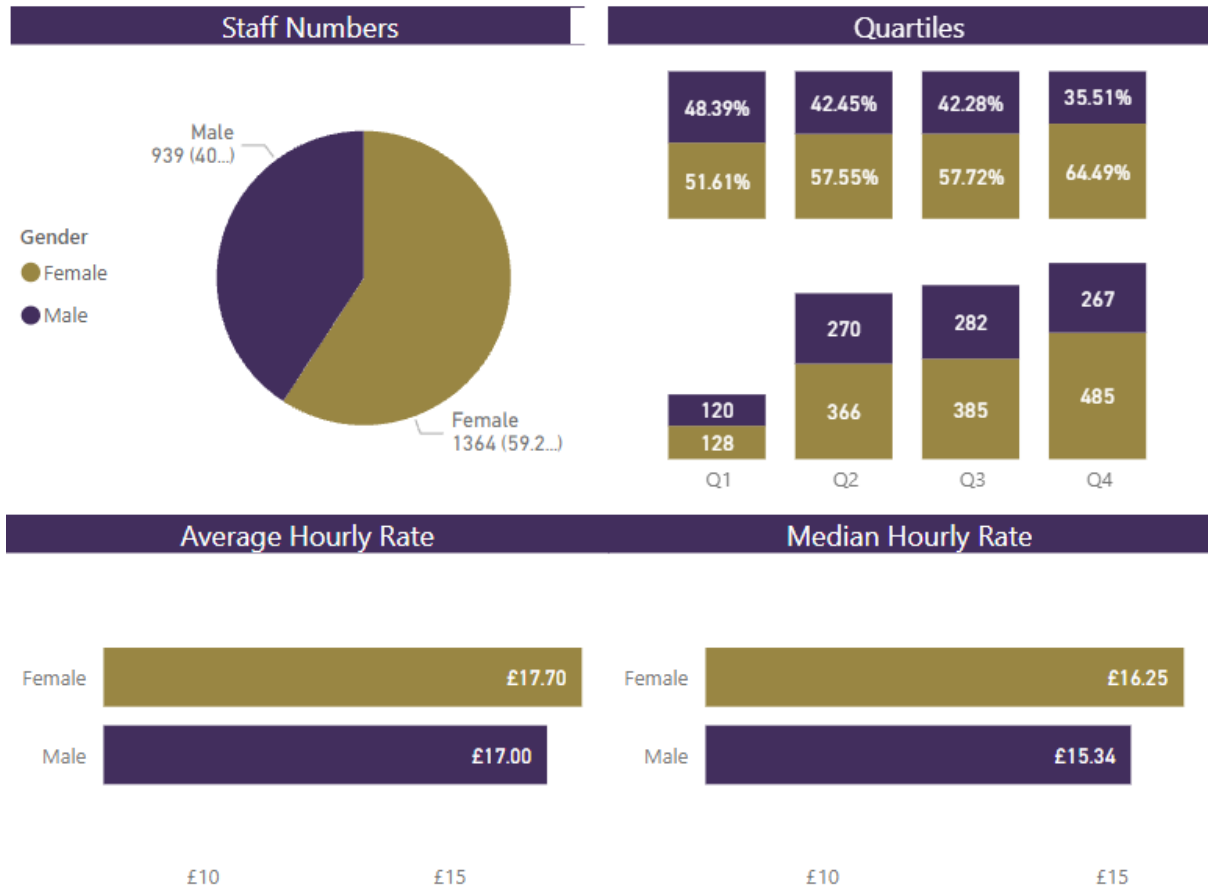
Full Time vs Part Time Gender Pay Gap

In addition to the requirements to report on the mean and median Gender Pay Gap, further analysis has been provided on the impact of working hours on the pay gap for individuals who work full time or part time.

Of a total of 3678 employees, there were 2303 full-time employees, and 1375 part-time employees. Whilst female employees make up a larger proportion of the workforce as a whole, and of both full-time and part-time workers, the difference in the Male:Female ratio is much more significant for part-time employees, as evidenced in the table below:

	Female	Female%	Male	Male%	Difference	Percentage difference
Part-Time	1173	85.3%	202	14.7%	971	70.6%
Full-Time	1364	59.2%	939	40.8%	425	18.4%

Full-Time analysis

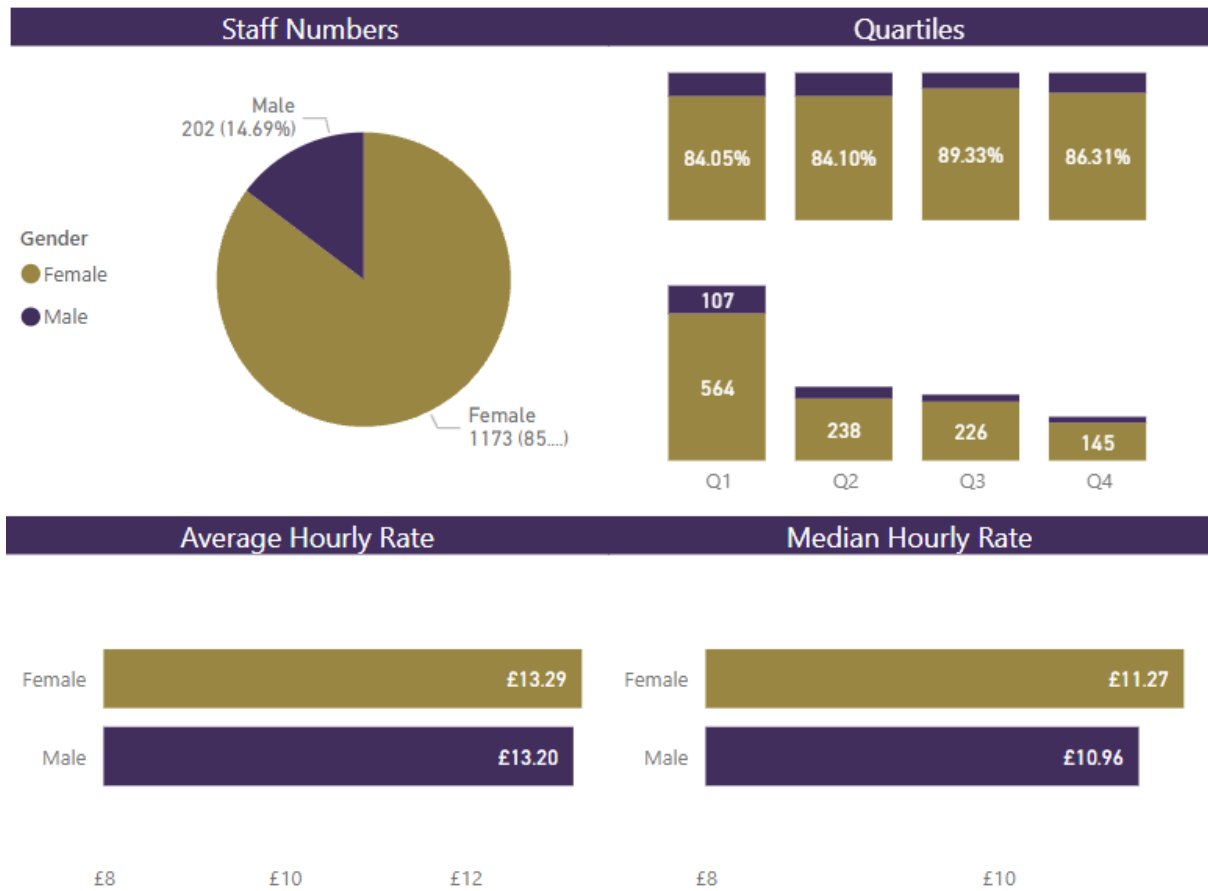


For Full-Time employees, women are paid an average hourly rate of £17.70, whilst men are paid an average of £17. This is a difference of 70p per hour, with women working full-time earning more than their male colleagues and a gender pay gap of -4.12%.

The Median hourly earnings of Full-Time, female employees are £16.25, which is 91p per hour higher than the median male full-time hourly rate of £15.34. For Full-time employees the Median Gender Pay Gap is -5.93%.

Some explanation for this can be identified in the quartile pay for full-time employees, which highlights that whilst full-time female employees make up the highest proportion of employees in all quartiles, this is more pronounced in the upper quartile.

Part-Time analysis



The gender pay gap for part-time employees is noticeably smaller than the gap between full-time employees. Proportionately, female employees make up more of the part-time workforce at 85.3%, than of the workforce as a whole (68.9%), or of full-time employees (59.2%).

With an average hourly rate of £13.29, compared to £13.20 for male part-time employees, female part-time employees earn around 9p per hour more than male part-time employees, with a gender pay gap for this group of - 0.68%.

The Median pay for female employees in this group is £11.27 per hour, which is 31p more than male employees in this group (£10.96), giving a Median Gender Pay Gap for part-time employees of -2.83%.

The highest proportion of part-time female employees are in the lowest pay quartile (564 / 48% of all part-time, female employees), and the lowest proportion of female employees are in the highest pay quartile (145 / 12.4%).

Gender Pay Gap Full-time vs Part-time

Whilst the overall Gender Pay Gap for all employees continues to show that Male employees earn on average more than female employees, this is reversed when analyzing the pay of either full-time employees only, or part-time employees only.

Narrative	Male and Female	Male	Female	Gender Pay Gap
Mean Hourly Rate (full time)	17.41	17.00	17.70	-4.12%
Mean Hourly Rate (part time)	13.28	13.20	13.29	-0.68%
Median Hourly Rate (full time)	15.78	15.34	16.25	-5.93%
Median Hourly Rate (part time)	11.27	10.96	11.27	-2.83%

This suggests that the high proportion of female employees in the part-time workforce may be one explanation for the persistent pay gap. Employees in the part-time workforce are more likely to be in the lowest pay quartile based on hourly rate, regardless of gender. However, female employees make up 84% of this lowest quartile group in part-time positions, and 85.3% of the part-time workforce overall.

Our Gender Pay Gap Journey

Comparatively, the City of Wolverhampton Council's performance around the mean gender pay gap has improved overall and has reduced in comparison to the 2020 pay gap.

Reviewing our data from 2015 the mean pay gap has decreased significantly. There is still more to do in terms of identifying the gap and ensuring we continue to minimise the gender pay gap. However, the changes implemented have shown positive results so far.

	2015	2016	2017	2018	2019	2020	2021
Mean Pay Gap	9.43%	9.37%	7.76%	7.14%	4.54%	4.24%	4.04%
Median Pay Gap	6.27%	6.23%	3.12%	0.0%	0.23%	0.0%	0.64%

Below is a comparison of the City of Wolverhampton Council Gender pay gap for 2021 to the gender pay gap of similarly sized local authorities in the region for 2020. The pay gap for 2020 has been used for other local authorities as the pay gap for 2021 has not yet been published and so is not available for comparison.

	Mean %	Median %
Coventry 2020	3.81	3.83
Sandwell 2020	5.1	12.1
Solihull 2020	13.5	20.3
Walsall 2020	5.9	5.7
Wolverhampton 2021	4.04	0.64

In comparison to other local authorities our data for 2021 shows that our mean and median pay gap is smaller than other regional local authorities than in 2020 but data for 2021 is not currently available.

Action taken by City of Wolverhampton Council

Equality, diversity and inclusion is at the heart of everything the council does. Some of the actions undertaken so far include the following:

- Strategic leadership and holding ourselves to account
- Strong commitment from the Strategic Executive Board (SEB) and senior managers
- Four staff equality forums established covering the following: Gender, Maternity and Paternity; Race, Religion and Belief; Disability and Age and Rainbow forum. Each of the forums are sponsored by a member of SEB
- Corporate equalities Steering Group meeting on a quarterly basis where all Chairs and Vice Chairs of the staff equality forums meet to discuss issues with input from external stakeholders
- Implementation of Safe Space for employees to raise any issues anonymously to 'SeeHearSpeakUp' - an independent external service
- Review of the recruitment process to remove barriers and support diverse candidates to apply for our vacancies
- Development of an external 'career' microsite that informs potential candidates of the opportunities within the council including benefits of working for the council, type of careers, Core HR policies for transparency, case studies from our diverse employees etc.
- Unconscious Bias training provided to 1,463 employees since 2017
- Wrap around support provided to candidates unsuccessful at interview to help with future applications. Of the 15 employees that sought support, 5 were successful in attaining new opportunities
- Establishment and delivery of a mentoring scheme to encourage employees to take action to progress their career aspirations and develop own skills. A total of 61 employees have been mentored since September 2020 by Senior Managers
- Coaching through West Midlands Employers has been promoted with 7 employees

- Introduction of a Brilliant leaders programme delivered independently with 15 employee participants
- Chair or Vice chair of the staff equality forums attend SEB meetings and are actively involved in council decisions demonstrating our commitment to diversity and inclusion
- Launch of Our People Strategy refresh structured around the employee lifecycle and built on extensive employee engagement. The Our People Strategy has six key themes - to attract the right people to work at the council, create a good first impression; support and enhance employee wellbeing; facilitate development of skills and knowledge; create opportunities for growth and progression; ensure employees are managed fairly and effectively and help employees leave well.

Gender Specific Initiatives in addition to the actions already undertaken included:

- Advertising vacancies using a range of media
- Use of gender-neutral language in all communication
- Appointment of an Equality Officer to lead on gender equality issues
- Engagement with businesses, the community and the voluntary sector to ensure discrimination is eliminated
- Women involved in all decision-making panels, e.g. recruitment, discipline, grievance and management of attendance (stage 3). Panels must be race and gender diverse as a minimum but inclusive of as many protected characteristics as possible
- Continued use of structured interviews and skill-based assessments in recruitment
- Transparency around promotions, pay and reward
- Flexible working arrangements, including flexible hours to attract and retain women in employment
- Launch of Allyship programme with an ally from Senior Management for the Gender, Maternity and Paternity staff forum to build trusting relationships, advocate issues and drive improvements
- Introduction of a Menopause policy and a mandatory eLearning module to supplement
- Survey conducted to understand fears and anxieties faced by female employees in their working lives to tackle violence against women
- Trans Equality policy and Transitioning guidance is being revised to ensure that trans, non-binary and gender fluid employees are treated with dignity and respect and are supported when undergoing transition
- Domestic Abuse Policy and managers guide introduced to create a safer workplace and send out a strong message that domestic abuse is wholly unacceptable and will not be tolerated. Guidance is provided to managers on how to deal with disclosures of domestic abuse and the completion of SafeLives DASH Risk Checklist

- Mandatory No Offence eLearning modules launched on Age and Menopause Gender and Maternity, Disability and Race.

Future aspiration and actions

It is recognised that the Median Gender Pay Gap has slightly increased to 0.64% and that the Mean Gender Pay Gap continues to fall but further actions are still needed to achieve equality. Human Resources will continue to work in partnership with the Equality Diversity and Inclusion team to consider future actions that could be undertaken in addition to the following:

- Continue to work closely with the Gender, Maternity and Paternity staff equality forum to identify methods of reducing the pay gap
- Conduct a 'deep dive' review into the data available to understand the barriers faced in reducing the gap to zero and identify how these barriers can be overcome
- Introduce Key Performance Indicators to monitor progress in becoming a more inclusive employer throughout all levels within the organisation
- Quarterly workforce monitoring reports to inform the organisation, identified trends, patterns, issues of concern, and progress against KPIs
- Introduce pre-recruitment briefings to ensure candidates are informed about the council as an employer, including the job role supporting shortlisted candidates to feel at ease with the process and able to perform to the best of their ability
- Engagement with key stakeholders and employees on 'Relighting Our Council' to support future ways of working and supporting our employees to deliver effective services for the diverse community we serve
- Brilliant leaders programme procurement to continue the current offer and reviewing other training packages which may support with the promotion of female employees.
- Training programme being developed for employees who are aspiring to management roles which will assist in supporting a pipeline of female employees into senior roles.
- Continue to benchmark against similar organisations and share good practice.

CITY OF WOLVERHAMPTON COUNCIL	Meeting of the City Council 2 March 2022
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Report title	Adoption of South Staffordshire District Council's Delegated Licensing Function	
Referring body	Cabinet – 23 February 2022	
Councillor to present report	Councillor Steve Evans	
Wards affected	All Wards	
Cabinet Member with lead responsibility	Councillor Steve Evans, City Environment and Climate Change	
Accountable director	John Roseblade, Director of City Housing and Environment	
Originating service	Licensing	
Accountable employee	Chris Howell	Commercial Regulation Manager
	Tel	01902 554554
	Email	Chris.howell@wolverhampton.gov.uk
Report to be considered by	Cabinet	23 February 2022

Recommendations for decision:

The Council is recommended to:

1. Approve the adoption of the executive licensing functions, as delegated, by South Staffordshire Council subject to the signing of the finalised agreement.
2. Approve the adoption of the non-executive licensing functions, as delegated, by South Staffordshire Council subject to the signing of the finalised agreement.
3. Delegate authority for the signing of the final agreement to the Chief Operating Officer in consultation with the Director of City Housing and Environment.

1.0 Purpose

- 1.1 To update Council on the progress made transferring the licensing function from South Staffordshire District Council (SSDC) to City of Wolverhampton (CWC) and for Council to formally accept the delegated licensing functions subject to the signing of the finalised agreement

2.0 Background

- 2.1 On 23 February 2022 Cabinet will consider a report on Adoption of South Staffordshire District Council's Delegated Licensing Function.
- 2.2 Copies of the report have been supplied to Councillors and can also be accessed online on the Council's website [here](#).
- 2.3 Cabinet will be asked to recommend to Council that it approves:
1. The adoption of the executive licensing functions, as delegated, by South Staffordshire Council subject to the signing of the finalised agreement.
 2. The adoption of the non-executive licensing functions, as delegated, by South Staffordshire Council subject to the signing of the finalised agreement.
 3. Delegated authority for the signing of the final agreement to the Chief Operating Officer in consultation with the Director of City Housing and Environment.

3.0 Financial implications

- 3.1 The financial implications are detailed in the Cabinet report of 23 February 2022.

4.0 Legal implications

- 4.1 The legal implications are detailed in the Cabinet report of 23 February 2022.

5.0 Equalities implications

- 5.1 The equalities implications are detailed in the Cabinet report of 23 February 2022.

6.0 All other implications

- 6.1 All other implications are detailed in the Cabinet report of 23 February 2022.

7.0 Schedule of background papers

- 7.1 Cabinet report of 23 February 2022 – Adoption of South Staffordshire District Council's Delegated Licensing Function

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 23 February 2022
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Report title	Adoption of South Staffordshire Council's delegated licensing functions	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Steve Evans City Environment and Climate Change	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	John Roseblade, Director of City Housing and Environment	
Originating service	Licensing	
Accountable employee	Chris Howell Tel Email	Commercial Regulation Manager 01902 554554 Chris.howell@wolverhampton.gov.uk
Report to be/has been considered by	Regulatory Committee Council	19 January 2022 2 March 2022

Recommendations for decision:

The Cabinet recommends that Council:

1. Approve the adoption of the executive licensing functions, as delegated, by South Staffordshire Council subject to the signing of the finalised agreement.
2. Approve the adoption of the non-executive licensing functions, as delegated, by South Staffordshire Council subject to the signing of the finalised agreement.
3. Delegate authority for the signing of the final agreement to the Chief Operating Officer in consultation with the Director of City Housing and Environment.

1.0 Purpose

- 1.1 To update Cabinet on the progress made transferring the licensing function from South Staffordshire District Council (SSDC) to City of Wolverhampton (CWC) and for Cabinet to formally accept the delegated licensing functions subject to the signing of the finalised agreement.

2.0 Background

- 2.1 SSDC have thoroughly investigated the licensing processes and procedures provided by City of Wolverhampton Council. They note that in line with Department of Transport advice, small licensing authorities cannot fund the enforcement necessary to provide a service to the standard provided by City of Wolverhampton Council and should look to partner with other bigger authorities.
- 2.2 SSDC have been open about their financial difficulties in licensing. Over the last 18 months due to the difficult operating climate for the trade, the income has declined. The Council has been struggling to balance income and expenditure on taxi licensing for the last five years. It is recognised that this will increasingly become more difficult with a balance shortfall of £25,000 expected by 2023.
- 2.3 Discussions have been ongoing since 2018, when the idea was first mooted at a meeting to discuss driver and vehicle standards. All work between officers ceased with the onset of Covid-19 and the project has lay dormant for many months. As the situation stabilised, the transfer of functions has been picked up again.
- 2.4 The Council have sought external legal advice on the proposal, including on the delegation of the various functions, which confirms that it is legal. The advice is that Full Council are required to approve non-executive functions and Cabinet are to approve executive functions.
- 2.5 SSDC have undergone a full consultation using CWC's policy on applicants' convictions. This enabled them to mirror all of their policies and guidelines with those of Wolverhampton. A further full consultation exercise was undertaken with their trade group. All SSDC licences will transfer over to CWC conditions of licence on 1 April 2022 subject to signing the final agreement.
- 2.6 On 7 December 2021 SSDC Cabinet delegated the executive functions and on 14 December SSDC Full Council delegated the non-executive functions. Due to Covid restrictions, the meeting took place virtually. It was then completed as an 'Urgent Action Decision' and issued by the Chief Executive.

3.0 Proposal

- 3.1 The proposal is for an agreement whereby City of Wolverhampton Council accept South Staffordshire District Council's delegated licensing function from 1 April 2022. This will be reviewed after three years.

3.2 SSDC will not transfer any staff as part of this agreement and no members of SSDC staff will be made redundant due to this transfer. Existing staff from SSDC shall be redeployed to support their Environmental Health work. CWC will purchase a number of services from SSDC up to the value of £60,000 per year for three years.

3.3 The policies of SSDC will mirror those of City of Wolverhampton Council and SSDC Licensing Committee shall become a consultee for any future proposed changes.

4.0 Evaluation of alternative options

4.1 Option one would be to decline the delegation from SSDC. This would result in no change to the current licensing practices of Wolverhampton.

4.2 Option two is to adopt the delegation as proposed.

5.0 Reasons for decisions

5.1 Licensing welcomes the Government's approach to local authorities joining together their taxi licensing functions. CWC will be the first Council to negotiate this type of transfer and will pave the way for other local authorities to follow.

6.0 Financial implications

6.1 The accounting arrangements for the SSDC transactions will be dealt with in accordance with required licensing legislation and the Code of Practice for Local Authority Accounting, the monitoring of this service will be separate to the Council's own licensing budgets.

6.2 Due to economies of scale many of the necessary functions to deliver this service on behalf of SSDC can be provided within the existing resources of CWC, therefore at minimal additional cost to Wolverhampton. The costs of delivering the licensing services will be apportioned between the two licensing services as appropriate.

6.3 The service has forecast the cost and income for delivery of the SSDC licensing service for the next three years, which is summarised in the table below.

	2022/23	2023/24	2024/25
Room Hire and Training	540	0	0
Administration costs	600	100	100
Production of new licence plates and driver badges	400	390	390
Support Service Costs	2,800	2,800	2,800
Control and Supervision of Vehicles	41,000	41,000	41,000
Total projected expenditure	45,340	44,290	44,290
Less projected Income from SSDC licensing service	(50,500)	(48,500)	(49,500)
Net Total	(5,160)	(4,210)	(5,210)

- 6.4 Actual performance will be monitored on a regular basis and updates provided in quarterly Performance and Budget Monitoring reports to Cabinet.
- 6.5 In addition, it is proposed that up to £60,000 of services will be procured from SSDC per year over the next three years. These services will include activity associated with the delivery of both SSDC and CWC licensing services and costs will be apportioned appropriately to each service.
[SB/07022022/J]

7.0 Legal implications

- 7.1 By virtue of section 101 of the Local Government Act 1972 a local authority may delegate its functions to another local authority. By a decision of its Executive under Regulation 5 of the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012 and in accordance with their Constitution South Staffordshire District Council (SSDC) have delegated their taxi licensing function to Wolverhampton City Council.
- 7.2 A report was put before the City of Wolverhampton City Council (CWC) Licensing Committee inviting views.
- 7.3 In accordance with the Constitution of CWC, its Executive has the power to agree to accept the Delegation made by SSDC's Executive which then needs to be agreed and or endorsed by WCC's full Council.
- 7.4 Paragraph 1.18 of the Constitution of CWC provides that a function of Full Council is determining whether to accept the delegation of any function from another local authority.
- 7.5 Contractual arrangements detailing how the taxi licensing function of SDCD is to be undertaken by CWC are being finalised.

7.6 The Council will of course need to ensure that any services purchased from South Staffordshire District Council reflect best value for this Council in line with the Local Government Act 1999 and will do so through the contract that is signed with South Staffordshire and through the purchase of specific services
[SH/26012022/A]

8.0 Equalities implications

8.1 All policies and procedures are those of City of Wolverhampton Council and have been subject to equality impact assessments.

9.0 All other implications

9.1 The final agreement will address the issue of TUPE. Both parties acknowledge the exercise of the Delegated Functions is not intended to result in a transfer of any of SS' employees pursuant to TUPE.

10.0 Schedule of background papers

10.1 South Staffordshire District Council:

- Licensing and Regulatory Committee – 16 September 2021.
- Statement of decision by chief executive using urgent action powers – 15 December 2015

11.0 Appendices

11.1 Appendix 1: Urgent Action Decision of South Staffordshire District Council to formally delegate the taxi and private hire licensing functions.

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SOUTH STAFFORDSHIRE COUNCIL

STATEMENT OF DECISION
BY CHIEF EXECUTIVE USING URGENT ACTION POWERS

I propose to make the following decision set out below in accordance with the powers vested in me by Part 3 of the Constitution of the Council approved by the Council pursuant to Section 37 of the Local Government Act, 2000 and in accordance with the Standing Orders of the Council as set out below:

Part 4 – Section 1 – Standing Orders for Meetings

26.0 URGENT ACTION

The Chief Executive, in consultation with the Leader of the Council, relevant Cabinet Member, or the Chairman of the relevant committee, as appropriate, shall authorise any urgent action when it would be in the best interests of the Council to act prior to the appropriate Council or Committee meeting or prior to an executive decision being made; subject to such action being reported to the next meeting of the Council, the Cabinet or the committee.

The decision has been made by me on 15 December 2021

Dave Heywood – Chief Executive

Date: 15 December 2021

PART A – SUMMARY REPORT

1. SUMMARY OF PROPOSALS

1.1 South Staffordshire District Council (SSDC) is the Licensing Authority for Hackney Carriage Drivers and Vehicles and for Private Hire Operators, Drivers and Vehicles.

[NOTE: In this report ‘taxi’ means hackney carriage or private hire unless otherwise stated. The essential difference between Hackney Carriage and Private Hire is that a Hackney Carriage can be hailed in the street whereas a Private Hire vehicle must be pre-booked through an operator].

1.2 The taxi market is undergoing significant change in the same way that Licensing authorities are. This has been further accelerated through the COVID pandemic. The key challenges are:

- App-based booking systems, supported by case law, which make the traditional view of a Private Hire Operator in an office with a phone located within the boundary of the licensing authority outdated.
- Government and the Local Government Association advice and guidance which, supported by case law, encourages local authorities to ensure that all administration and enforcement costs of a licensing system are met by the beneficiaries of the system and not at the expense of the general taxpayer.

- SSDC faces the same financial challenges that all public sector organisations are facing in trying to achieve a balanced budget and financial stability through its Medium-Term Financial Strategy.
 - The need for greater enforcement resources to be devoted to taxi licensing as a result of various investigations into Child Sexual Exploitation; increasing cross-border hire based on Apps e.g. Uber.
 - The COVID pandemic has forced the way we do business with the trade to find on-line rather than face to face solutions to processing applications for licenses. It has also created additional urgency in reducing the financial burdens on both the Council and the taxi trade.
- 1.3 City of Wolverhampton Council (CWC) has embraced and dealt with these changes. The level of process change and investment by CWC, embracing new technology for service delivery and taking into account the new technology used by the Taxi trade, along with a robust approach to compliance and enforcement is impressive.
- 1.4 Members and Officers met with CWC and it was decided to explore the opportunity for joint working.
- 1.5 It was concluded that joint working by way of delegating the taxi licensing function to CWC has several benefits:
- Greater choice
 - for the trade including on-line applications
 - for the trade in terms of garages and medical practitioners
 - Greater public safety
 - through improved enforcement activity
 - through tighter standards
 - Reduced licensing costs for the trade and costs for the Council
- 1.6 This report sets out the business case, benefits and risks and responses to the consultation of the proposal to delegate the Taxi and Private Hire licensing functions to CWC to administer and enforce on behalf of SSDC.
- 1.7 The report considers the issues under 5 sections:
- Financial impacts on the council and the taxi trade (Section A)
 - Public Safety (Section B)
 - Governance (Section C)
 - Risks (Section D)
 - Consultation and Implementation (Section E)

2. Decision of the Chief Executive exercising urgent action powers

That Council:

- 2.1 approves the delegation the Taxi and Private Hire **licensing functions** of South Staffordshire District Council to City of Wolverhampton Council, for an initial period of 3 years in order for the transfer to take place.
- 2.2 It is noted that Cabinet have approved the delegation of Taxi and Private Hire Licensing **executive functions** to City of Wolverhampton Council, for an initial period of 3 years.

3. SUMMARY IMPACT ASSESSMENT

POLICY/COMMUNITY IMPACT	Do these proposals contribute to specific Council Plan objectives?	
	Yes	A Safe and Sustainable District
	Has an Equality Impact Assessment (EqIA) been completed?	
	No	It is not envisaged that delegating the functions will have any equality impacts.
SCRUTINY POWERS APPLICABLE	The Chief Executive has consulted with the Chairman of the Council in respect of the exercise of the urgent action powers.	
KEY DECISION	No	
TARGET COMPLETION/ DELIVERY DATE	End of 2021 for decision. Implementation date to be agreed with City of Wolverhampton Council and subject to the outcome of the consultation process, approval of the Chairman of Licensing and Regulatory Committee and Lead Cabinet Member Regulatory Services.	
FINANCIAL IMPACT	No	The net cost to the Council of delegating the function is nil in the first 3 years. There are significant financial risks to the council and to the taxi and private hire trade if the delegation of the function does not take place. This is covered in detail in the financial section of the report.
LEGAL ISSUES	Yes	The Council officers have had the benefit of external legal advice on the proposal including on the delegation of the various functions which confirms that it is legally possible. Council approves non-executive functions and Cabinet will approve executive functions. The use of urgent action powers is set out in the Council's Constitution and set out above for reference.

OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	There are increasing risks to the reputation of the Council through lack of proactive enforcement action. There is a financial and reputational risk to law abiding taxi operators if effective enforcement is not carried out. The Councils Taxi and Private Hire Licensing Policy has been reviewed and consulted on and is ready for implementing. The licensing fees review is overdue which represents further reputational, financial and legal risks to the Council.
IMPACT ON SPECIFIC WARDS	No	None

PART B – ADDITIONAL INFORMATION

4. INFORMATION

Section A Financial Impact

The Council

- 4.1 The Council sets its taxi licensing fees to recover the costs of providing the service.
- 4.2 SSDC introduced a new Taxi Licensing Policy in April 2016 implementing longer licensing periods under the Deregulation Act 2015 for Taxi Drivers and Operators.
- 4.3 The overall impact of this was a reduction in income from taxi licensing reducing our anticipated income from £80k pa to £60K pa. Over the last 18 months due to the difficult operating climate for the trade, several operators have ceased trading, and the income has declined further.
- 4.4 The 2020/21 income for taxi licensing was £54,700 and estimates in October expect income this year to be £61,000, but with declines in subsequent years.
- 4.5 The Council has been struggling to balance income and expenditure on Taxi licensing for the last 5 years, and this will increasingly become more difficult with a balance shortfall of £25,000 expected by 2023.

Table 1

	2021/22	2022/23	2023/24	2024/25
Salaries	33,300	33,900	34,600	35,300
Supplies & Services	4,500	4,500	4,500	4,500
Overheads	33,600	34,100	34,600	35,100
Total Expenses	71,400	72,500	73,700	74,900
Less Income	(61,800)	(50,500)	(48,500)	(49,500)
Net Total Expense	9,600	22,000	25,200	25,400

4.6 The variances in expenditure in Table 1 are explained below:

- In 2018/19 staff time allocated to taxi licensing was reduced following the implementation of the revised taxi policy and the extension of licensing periods for Drivers and Operators referred to above.
- The exercise for calculating the cost of providing the service was reviewed at a high level for the purposes of this report which is the estimated figure for 2021/22 and reflects the advice given in the LGA document 'Open for Business' on fee setting and the low level of enforcement activity currently taking place.

4.7 The review of fees to balance taxi licensing income and expenditure takes place every 3 years as part of the Taxi Policy review and is now overdue. The review was put on hold through the COVID pandemic and whilst joint working with CWC was considered.

4.8 The Council is currently subsidising taxi licensing from the General Fund. Reducing costs further is not possible with only the equivalent of 1.0fte spread across 5 posts responsible for taxi licensing with virtually no resources allocated for enforcement.

4.9 If the taxi licensing function is not delegated to CWC there will need to be a significant increase in taxi licensing fees in order to sustain a balance in expenditure and income.

Staffing Costs

4.10 The cost to the council of administering the Licensing Service consists of direct and indirect costs.

4.11 The indirect costs relate to overheads (such as the apportionment of payroll, finance and HR costs) and are not therefore easily reduced in the short term. The direct costs mainly relate to staffing.

4.12 The staffing resources released will be used to focus on other Environmental Health work and reduce the current reliance on agency and temporary staff.

Taxi Licensing Income

4.13 The Council will lose its income stream from taxi licensing fees if we enter into the agreement with CWC.

4.14 For 21/22 this is budgeted at £60k.

4.15 As indirect costs are inflexible in the short term and as it is anticipated that direct costs will be redeployed to support Environmental Health work, then the Council faces a situation where potentially it loses £60K income but keeps all the cost. Staffing will be retained in order to continue to meet statutory targets for the wider environmental health team. Redeployment of resources is crucial to supporting administration and electronic filing systems in the service on a long-term basis.

- 4.16 There are however a number of matters that CWC need to deliver from SSDC premises and using SSDC staff including room hire, training, organising and servicing committee hearings, contract management and reporting.
- 4.17 Facility will be made within the proposed transfer agreement for CWC to purchase services from the Council to the value of approximately £60K per annum for 3 years.
- 4.18 There will therefore be no net cost of the transfer to CWC during the initial three years.

Benefit to CWC

- 4.19 CWC derive a number of benefits through receiving the delegation of taxi licensing, including:
- Investment/economy of scale – the huge investment in systems undertaken by CWC allows them to generate economies of scale not available to a small district council and so additional licences reduce the cost of their overheads without increasing their direct costs.
 - CWC have made the investment in systems and enforcement directly in response to the threat to public safety posed by cross-border hire through the Deregulation Act and the use of App-based booking systems. The transfer assists CWC in consolidating that approach.
 - CWC welcome the Government’s approach to local authorities joining together their taxi licensing functions. SSDC will be the first Council to negotiate this type of transfer and will pave the way for other local authorities to follow.

The Taxi Trade

- 4.20 Every local authority sets its fees and charges differently which makes direct comparison of costs difficult.
- 4.21 The cost to taxi drivers and operators is the cost of the licence and the ancillary services that go with it e.g. garage test, medical test, knowledge test etc.
- 4.22 Appendix 1 is a comparison of the current fees charged by SSDC and CWC.
- 4.23 Any **new** applicant once the delegation has taken place will pay the CWC fees as set out in Appendix 1.
- 4.24 It is proposed that all **existing** SSDC licensed drivers, vehicles and operators will benefit from a transition period where rules will apply to ease the change in administration and any alterations in fees or vehicle age. These will be agreed through a contract.
- 4.25 Appendix 1 contains some examples of how the costs for Operators, Drivers and Vehicles will change.

- 4.26 Drivers, vehicle owners with vehicles under 10 years old and small operators will all benefit immediately and on an on-going basis as a result of the transfer.
- 4.27 **Vehicles over 10 years old** – during the last SSDC Policy review in 2016 the issue of an age limit on vehicles was considered. No age restriction was imposed but the fees were set to reflect the greater number of defects found on older cars and therefore the need for them to undergo 3 tests per annum.
- 4.28 SSDC proposed new policy now to comes in line with CWCs Policy of 12 years old maximum for private hire vehicles and that only vehicles 10 years old or younger may be added to the fleet.
- 4.29 It is proposed that grandfather rights will be granted to any vehicle aged 10 years or over at the time of the transfer for a period of 3 years for a renewal application for the same vehicle or such shorter period up to the point at which the vehicle reaches 15 years of age. It is considered that this is a reasonable amount of time for any business to make adjustments. [NOTE: The details of this have not yet been finalised with CWC so this is to be confirmed].
- 4.30 **Large Operators** – This is the only class of licence that does not benefit financially from the transfer. However, this disbenefit only occurs when the licence is renewed so in most cases this will be a number of years allowing business to make reasonable adjustments. This applies to approximately 10 of our 38 existing operators. Work is currently being undertaken to determine the impact on these businesses. If the delegation of the function to CWC does not take place there will be a review of policy and fees which will almost certainly see a similar split in future fee structures and a substantial increase in fee to reflect enhanced enforcement activity. The larger operators will also benefit from the reduced vehicle and driver fees, balancing out the increase in operator fees. (See comparison in Table 2.)

Section B Public Safety

Taxi Licensing Enforcement

- 4.31 In its response to '*Taxi and Private Hire Licensing: Steps towards a safer and more robust system (report of the parliamentary Task and Finish Group on Taxi and Private Hire Vehicle Licensing) (November 2018)*' the government stated '*The prime reason for regulation of taxis and PHVs is to protect the public*'
- 4.32 The resources of SSDC and its partners in a small rural district council do not lend themselves to proactive enforcement.
- 4.33 Whilst SSDC has robust processes in place to ensure that licences are not issued until all matters in relation to protecting the public are in order, it does not have the resources to carry out proactive enforcement. There is no taxi rank, there are no identifiable town centres, there is no night-time economy. Stop and check operations have occasionally been conducted but these have limited effect. Once one taxi driver sees the location of the operation every taxi driver knows about it.

- 4.34 Approximately 25% of taxis fail their garage inspection tests on such things as tyre tread depth, blown light bulbs etc. With no proactive enforcement taking place a driver knows that they can afford to wait for the next test before checking and changing their tyres.
- 4.35 The reverse is true for CWC where proactive operations are a daily occurrence and extending those operations into SSDC is a simple and cost-effective process.
- 4.36 CWC has committed significant resources to enforcement. There are currently over 60 staff in the licensing team, with further recruitment pending. They have a bank of over 30 officers who undertake compliance operations. This can be added to from other officers in licensing should the need arise.
- 4.37 CWC has a dedicated 'out of area' enforcement team who will enforce the conditions on the licences wherever they operate in the country. CWC has employees who work across the country. They are in the process of setting up a permanent presence in Manchester, working closely with the Police due to growth in that area.
- 4.38 CWC have a specific clause in their Driver conditions that requires the driver to cooperate with any enforcement officer of any local authority. Drivers have been revoked for their refusal to co-operate with reasonable requests of authorised officers in other areas. These revocations have been upheld in the Magistrates court.
- 4.39 CWC monitor their own standards and have recently purchased 3 vehicles for test purchasing in partnership with the Driver Vehicle Standards Agency at garages to ensure compliance with standards. Some failed and these have been put on an improvement programme.
- 4.40 If SSDC were to develop an enforcement strategy requiring additional enforcement activity this would require additional resources and would lead to a further increase in taxi licensing fees.
- 4.41 If the transfer of the function to CWC takes place there will be a significant increase in pro-active operations.
- 4.42 The following enforcement activity will be undertaken by CWC in the SSDC area:
- 12 proactive overt operations per year
 - 2 covert operations per year
- 4.43 In addition CWC will provide vehicle control and supervision operatives (similar to taxi marshals) in support for large events.
- 4.44 CWC also have plans to introduce on-line training as part of their enforcement activity for low level transgressions e.g. not wearing their licence or a door sticker not being on the vehicle. This will be akin to being caught doing 35mph in a 30mph zone where you are given the choice of points/fine or attending a training course. This option is only given once and subsequent discretions are not offered that option.

Criminal Convictions Policy

4.45 In every respect the CWC Policy on criminal convictions and when a licence may/may not be granted is more stringent than the existing SSDC Policy. The proposed SSDC policy which has gone through the consultation process with the trade and interested parties mirrors CWC policy so there would be no differences.

Section C Governance

Legality of the delegation of the function

4.46 Advice has been sought from Counsel via Philip Kolvin QC. The conclusions of his advice are that the proposed transfer is possible and legal under existing legislation. This has been considered in the 'Legal Issues' section of the report.

Agreement

4.47 It is proposed that the exercise of the delegated functions will be set out in an Agreement.

4.48 The agreement is to be finalised however it is expected to include:

- Term – this will be initially for 3 years.
- Delegations – how the delegations will be exercised in practice.
- Financial arrangements – payment to SSDC for use of premises etc.
- Complaint handling.
- Indemnity to SSDC for judicial or legal challenge
- Committee Hearings – to be organised by SSDC with SSDC members and supported by SSDC staff.
- Staffing arrangements – no transfer of staff; provision for ongoing training of officers and involvement in enforcement activity for taxi licensing.
- Confidentiality.
- Freedom of Information.
- GDPR.
- Termination arrangements.
- Dispute resolution.

Adoption of CWC Taxi and Private Hire Licensing Policy and scheme of delegations

4.49 In order for CWC to deliver the taxi licensing function on behalf of SSDC it will be necessary for the Taxi and Private Hire Policies to be aligned. Associated fees and the Officer and member scheme of delegations will be set out within CWC constitution.

Officer and Member Decisions

- 4.50 Appendix 2 shows the differences between CWC and SSDC.
- 4.51 Some decisions which are currently made by Members at SSDC will now be made by officers at CWC. This is primarily around whether or not to grant a licence to an Operator and the revocation of Driver and Vehicle licences. This reflects the tighter standards at CWC with less grey areas around convictions, which was the purpose behind SSDC introducing its convictions panel and referrals to Licensing Sub Committee. In reality, very few referrals are made to Licensing sub-committee at SSDC.

Monitoring and reporting

- 4.52 Quarterly Management Reports will be provided to Officers and Licensing and Regulatory Committee. These will be jointly presented by SSDC and CWC to Licensing and Regulatory Committee.
- 4.53 Licensing and Regulatory Committee will be consulted on any proposed changes to the CWC Taxi and Private Hire Licensing Policy, Taxi and Private Hire Fees and Taxi and Private Hire Operator, Driver and Vehicle conditions.
- 4.54 There will be on-going dialogue between Officers of SSDC and CWC in the management of the agreement and facility has been made within the agreement for Officers to take part in the delivery of administration and enforcement functions in order to maintain their knowledge and skill levels.
- 4.55 There will be one key performance indicator – 100% of CSE complaints to be investigated within 1 day.

Exit Strategy

- 4.56 Taxi Licensing should be a self-funding licensing regime.
- 4.57 If the agreement with CWC ends after 3 years and taxi licensing transfers back into the Council then so does the income from taxi licensing.
- 4.58 Preparation for such an eventuality would be necessary. A new Taxi and Private Hire Licensing Policy would need to be developed and approved, a new fee structure would need to be developed and approved and appropriate staffing arrangements would need to be put in place. Officers will maintain a level of knowledge and that will allow them to transfer the function back to SSDC if necessary.
- 4.59 The Licensing and Regulatory Committee will undertake a formal review of the transfer after 2 years of operation in preparation for the further consideration of extending or otherwise the delegation beyond 3 years.

Legislative changes

- 4.60 In November 2018 the parliamentary Task and Finish Group on Taxi and Private Hire Vehicle Licensing published a report '*Taxi and Private Hire Licensing: Steps towards a safer and more robust system (report of the parliamentary Task and Finish Group on Taxi and Private Hire Vehicle Licensing) (November 2018)*'. The Government responded to the report in February 2019 in a report titled '*Moving Britain Ahead*'.
- 4.61 The recommendations of this report included joint working and collaboration to build capacity and effectiveness, and a government response urging local authorities to ensure that they have efficient and effective procedures in place to minimise the cost to the trade of establishing a robust and well-resourced licensing body.
- 4.62 This has been followed up by Statutory Taxi and Private Hire Vehicle Standards published in July 2020, in which it is recognised that where Government, law enforcement, businesses and the public work together on prevention, this can deliver significant and sustained cuts in certain crimes.
- 4.63 The standards focus on protecting children and vulnerable adults and reference the Casey report which made clear that weak and ineffective arrangements for taxi and private hire vehicle licensing had left the children and public at risk. The standards require checking the suitability of individuals and operators to be licensed. Licensing authorities are now able to request large numbers of status checks on a daily basis and CWC are now undertaking these daily checks.
- 4.64 The standards also introduced joint authorisation and enforcement powers allowing any officer in any local authority to deal with any taxi found in their area. CWC already makes it a condition of its licences that the licence holder must cooperate with any licensing officer in any authority.
- 4.65 There will be a future impact on vehicles not based on age but based on vehicle emissions.
- 4.66 In conclusion therefore the transfer of the taxi licensing function to CWC supports the recent changes to legislation and is in line with the Statutory Taxi and Private Hire Vehicle Standards (July 2020).

Section D Risks

The existing risk of not undertaking the transfer.

- 4.67 The Council reviews its Taxi and Private Hire Licensing Policy and associated fees and charges every 3 years. The Policy should have been reviewed in 2018/19 for implementation from 1st April 2019. The review was put on hold through COVID and pending the investigation of the transfer of the function to Wolverhampton. The policy itself has been reviewed and consulted on, but not implemented until the outcome of joint working with CWC has been determined.

4.68 For the following reasons there would be a significant increase in the license fees charged to the taxi trade as a result of the next review:

- Based on current expenditure the Council will not meet the costs of the Taxi Licensing regime to an estimated gap in excess of £25,000 in 23/24 and 24/25. Recovery of these costs would result in significant fee increase to the trade.
- There are many elements of taxi Licensing that the Council does not charge for now but would do in the future e.g. training.
- The level of proactive enforcement needs to be increased. The staffing costs of this would need to be factored in.
- The level of customer service provided would need to be addressed. It is a regular complaint of taxi drivers that staff are unavailable to them when they demand. Either through additional staffing or through customer services this will result in an increase in costs.
- There have been significant changes in what can be charged for taxi licensing through recent case law. A Council can now charge for the administration, implementation and compliance for a licence AND can charge for its enforcement costs associated with enforcement against unlicensed activity.

Reputational risks to the Council and the Trade

4.69 Fundamental to the Councils Enforcement Policy is treating businesses fairly. This means that those businesses who do comply with the law should not be financially disadvantaged through ineffective enforcement against those who do not. If enforcement action against those not complying with the law is not improved there is a risk of law-abiding businesses being disadvantaged.

4.70 There have been a number of high-profile scandals around Child Sexual Exploitation which have been associated with the Taxi trade. Effective enforcement is essential for both the trade and the Council to maintain their reputation for protecting public safety.

Section E Consultation and Implementation

4.71 The proposals represent a change in the service provided by the Council in exercising its functions and represents a change in the Policy that taxi drivers and private hire operators and drivers will operate under.

4.72 In line with the Council's values of Trust, Transparency and Listening To People a consultation exercise has been undertaken on the proposals including two consultation meetings. These were hosted at different times during the day with one held virtually to give greatest opportunity for attendance.

4.73 A package of benefits for the trade during the transition was set out at the meetings including

- drivers receiving a new 3-year licence subject to training and appropriate checks, whatever length of time remains on their current licence.

- All vehicles being replaced with a new 12-month licence, subject to MOT.
- Any Operator with less than one year remaining on their licence will transfer with a whole year. All other operators to transfer with their current licence timescale.

4.74 Over 20 representatives from the trade attended the consultation meetings, and we received 6 written responses. The responses had general themes relating to financial impact, praise for SSDC administration, and changes in signage and driver requirements.

4.75 **Financial impact** – concern was expressed in relation to an expected increase in fees at CWC. As stated however, fees at SSDC would increase significantly in a fee review, and a comparison below of a selection of fees illustrates that most would reduce at CWC except for large operators. This increase is balanced by the reduction in vehicle fees. Table 2 reflects the estimated fee increase at SSDC if the function were to remain at SSDC.

Table 2

Licence type	South Staffordshire – current and predicted increase	Wolverhampton	Difference
Driver three-year renewal	£191 +£100 = £291	£179	- £112
Vehicle between 5 and 10 years	£409 +£62 = £471	£170	-£301
Operator Small renewal	£153 +£200 = £353	£150	-£203
Operator Large renewal	£153 +£500 = £653	£785	+£132

4.76 **Requirements for signage and restrictions on drivers moving between operators** - CWC require permanent signage on vehicles, no roof signage and restrictions on drivers moving between operators. It is acknowledged that this may be an inconvenience to the trade, however CWC have stated they stand behind their one operator and permanent signage policy. Both are in place for reasons of public safety as a customer needs to be sure the vehicle they are getting into is the licensed vehicle that they booked. Similarly roof signs are prohibited to create a greater distinction between private hire vehicles and hackney carriages, reducing the likelihood of the public asking for a journey without a booking, and therefore uninsured. It also reduces the cost to the driver and prevents issues with them being stolen or falling off whilst driving.

4.77 These requirements would be considered for implementation in SSDC Policy in review if the function were maintained at SSDC.

4.78 **Service quality** - The trade were very complimentary of the service provided by SSDC, and highlighted worries that the service may not be as personal or timely at CWC. At SSDC with a very small team sickness or holiday absences increase the risk of gaps in provision to the trade, and we have received complaints about availability of appointments.

4.79 Ability to apply for licences online 24 hours per day should give the trade more flexibility and ease of access to the service, and this would be monitored within the contract agreement.

5. **IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

None

6. **PREVIOUS MINUTES**

None

7. **BACKGROUND PAPERS**

None

APPENDIX 1

Comparison of SSDC and CWC Taxi Licensing Fees at 1st December 2021

	SSDC	CWC	Difference
Operator's Licence (more than 4 cars)			
New/1 Year	192	1077	+885
Renewal/1 Year	153	785	+632
Renewal/5Year	525	3140	+2615
Operator's Licence (less than 4 cars)			
New/1 Year	192	1077	+885
Renewal/1 Year	153	150	-3
Renewal/5Year	525	500	-25
Drivers Licence			
New/3 years	PR AND HC 327 (incl DBS (58) and DVLA check) FREE Training 55 Medical Total: 382	120 application Total: 120	-262
Renewal/3 years	HC AND PH 191 (if signed up to the DBS update service). OR 232 (if DBS required) Policy does not require re-training £55 medical Total 246 OR 287	HC OR PH 100 (application) 79.49 (DBS and DVLA) Medical (Medical required only every 5 years) Total 179.49	-66.51 or -107.51
Vehicle Licence			
Private Hire			
Under 5 years old	171 48 garage test Total 219	135 MOT 35 Total 170	-49
Between 5 and 10	313 96 garage test x 2	135 35 MOT	

	Total 409	Total 170	-239
Over 10 years old	462 144 garage test x 3 Total 606	299 70 MOTx 2 Total 369	 -237
Over 12 years old	As above	NOT ALLOWED	
Hackney Carriage			
Under 5 years old	171 48 garage test Total 219	135 35 MOT Total 170	 -49
Between 5 and 10	313 96 garage test x 2 Total 409	135 35 MOT Total 170	 -239
Between 10 and 16 years old	462 144 garage test x 3 Total 606	299 70 MOT x 2 Total 369	 -237

APPENDIX 2

Comparison of Delegations between SSDC and CWC

Matter	SSDC	CWC	Comments
Taxi and Private Hire Licensing Policy	Approved by Licensing and Regulatory Committee	Approved by Licensing Committee	Any changes to CWCs Taxi and Private Hire Licensing Policy will be brought to SSDC Licensing and Regulatory Committee for consultation.
Fees and Charges	Approved by Assistant Director (Licensing Committee and Cabinet consulted on proposals).	Approved by Licensing Committee	Any changes to CWCs Taxi and Private Hire Fees and charges will be brought to SSDC Licensing and Regulatory Committee for consultation.
Applications/renewals for Drivers licence	If the application is within Policy approval is delegated to the Licensing Officer. If the application is outside the Policy it is referred to the convictions Panel (Environmental Health Manager, AD Legal, Chair Licensing) or straight to Licensing Sub committee	If the application is within Policy the Licensing Officer determines the application. If the application is outside the Policy the Section Leader/Service Manager determine the application.	
Applications/renewals for vehicle licence	As above	As above	
Applications for Operators Licence	Decision made by Licensing Sub committee	If the application is within Policy, it is determined by the Licensing Officer. If it is	

		<p>outside Policy it is determined by the Section Leader/Service Manager.</p> <p>In some cases, it may be referred to Licensing Sub-Committee.</p>	
Renewal of Operators Licence	<p>If the application is within Policy approval is delegated to the Licensing Officer.</p> <p>If the application is outside the Policy it is referred to the convictions Panel (environmental Health Manager, AD Legal, Chair Licensing) or straight to Licensing Sub committee</p>	<p>If the application is within Policy, it is determined by the Licensing Officer. If it is outside Policy it is determined by the Section Leader/Service Manager.</p> <p>In some cases, it may be referred to Licensing Sub-Committee.</p>	
Revocation of any licence	Licensing sub committee	<p>Revocation of Driver and Vehicle licences by the Section Leader/Team Manager</p> <p>Revocation of an Operator's licence to Licensing sub-committee.</p>	
Suspension of any licence	Environmental Health Manager or Licensing Sub Committee	<p>Section Leader/Team Manager</p> <p>Operator suspensions to Licensing sub-committee.</p>	
Suspension of Vehicle Licence	Enforcement Officer/Licensing Officer	Licensing officer	
Range of sanctions for breach of condition/legislation (as set out in the policy)	Environmental Health Manager or Licensing Sub committee	Section Leader/Team Manager	

Subject to Committee Approval of Additional Conditions – Add Conditions Private Hire Vehicle Operators Licence		Licensing Manager in consultation with Chair, Vice-Chair of Licensing Committee	
Subject to Committee Approval – Additional Hackney Carriage/Private Hire Vehicle Driver’s Licence Condition		Licensing Manager in consultation with Chair, Vice-Chair of Licensing Committee	

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CITY OF WOLVERHAMPTON COUNCIL	Meeting of the City Council 2 March 2022
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Report title	Report of the Independent Remuneration Panel	
Referring body	Governance and Ethics Committee – 25 February 2022	
Councillor to present report	Councillor John Reynolds – Chair of Governance and Ethics Committee	
Wards affected	All Wards	
Cabinet Member with lead responsibility	Councillor Paula Brookfield Cabinet Member for Governance and Equalities	
Accountable director	David Pattison, Chief Operating Officer	
Originating service	Governance	
Accountable employee	David Pattison	Chief Operating Officer
	Tel	01902 550320
	Email	David.Pattison@wolverhampton.gov.uk
Report to be considered by	Governance and Ethics Committee	25 February 2022

Recommendations for decision:

The Council is recommended to:

1. Consider the report of the Independent Remuneration Panel and approve, reject or approve alternative proposals for the recommendations made by the Panel as detailed in Appendix 1.
2. Delegate authority to the Monitoring Officer to amend the Scheme of Councillor Allowances according to the decisions taken by Council for inclusion in the Council's Constitution.

1.0 Purpose

- 1.1 To consider the report of the Independent Remuneration Panel attached as Appendix 1 on a review of Councillor's Allowances.

2.0 Background

- 2.1 On 25 February 2022, Governance and Ethics Committee will consider a report of the Independent Remuneration Panel.
- 2.2 Copies of the report have been supplied to Councillors and can also be accessed online on the Council's website [here](#).
- 2.3 Governance and Ethics Committee will be asked to recommend to Council that it:
1. Consider the report of the Independent Remuneration Panel and approve, reject or approve alternative proposals for the recommendations made by the Panel as detailed in Appendix 1.
 2. Delegate authority to the Monitoring Officer to amend the Scheme of Councillor Allowances according to the decisions taken by Council for inclusion in the Council's Constitution.

3.0 Financial implications

- 3.1 The financial implications are detailed in the Governance and Ethics Committee report of 25 February 2022.

4.0 Legal implications

- 4.1 The legal implications are detailed in the Governance and Ethics Committee report of 25 February 2022.

5.0 Equalities implications

- 5.1 The equalities implications are detailed in the Governance and Ethics Committee report of 25 February 2022.

6.0 All other Implications

- 6.1 All other implications are detailed in the Governance and Ethics Committee report of 25 February 2022.

7.0 Schedule of background papers

- 7.1 Report of the Independent Remuneration Panel, Governance and Ethics Committee, 25 February 2022.

Governance and Ethics Committee

25 February 2022

Report title	Report of the Independent Remuneration Panel	
Cabinet member with lead responsibility	Councillor Paula Brookfield Cabinet Member for Governance and Equalities	
Accountable director	David Pattison, Chief Operating Officer	
Originating service	Governance	
Accountable employee	David Pattison	Chief Operating Officer
	Tel	01902 550320
	Email	David.pattison@wolverhampton.gov.uk
Report to be considered by	Council	2 March 2022

Recommendation for decision:

The Governance and Ethics Committee recommends that Council:

1. Consider the report of the Independent Remuneration Panel and approve, reject or approve alternative proposals for the recommendations made by the Panel as detailed in Appendix 1.
2. Delegate authority to the Monitoring Officer to amend the Scheme of Councillor Allowances according to the decisions taken by Council for inclusion in the Council's Constitution.

1.0 Purpose

- 1.1 To consider the report of the Independent Remuneration Panel attached as Appendix 1 on a review of Councillor's Allowances and make recommendations to Council.

2.0 Background

- 2.1 All local councils are required by The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) to establish and maintain an Independent Remuneration Panel to make recommendations on the level of basic and special responsibility allowances and associated matters that are paid to Councillors.
- 2.2 Where a local authority scheme provides for increasing allowances by an index, this can only operate for maximum period of four years and a further review is required before any further index can be applied.
- 2.3 The previous report of the Panel was considered by Council on 31 January 2018.
- 2.4 In carrying out its review the Panel was keen to ensure that the review was comprehensive and encompassed all aspects of the allowances scheme. The Panel endeavoured to carry out the review in an impartial manner and to base its conclusions and recommendations on the evidence they received. Throughout the review the aim of the Panel has been to produce an allowances scheme that is fair and equitable and which is appropriate for the needs of this Council.
- 2.5 The Panel has used a range of sources of evidence and in particular considered the allowances paid to Councillors of the Black Country, West Midlands Metropolitan Councils and fifteen similar sized councils in this Councils CiPFA family group.

3.0 Recommendations from the Independent Remuneration Panel

- 3.1 A Panel was appointed by Council to review the Councillor' Allowances Scheme. The Panel Members appointed were:
- Mr Miceal Barden – Dean of the Faculty of Social Sciences, Wolverhampton University
 - Mrs Sylvia Parkin– Formerly Deputy Lieutenant
 - Reverend David Wright – The Rector of St. Peters Church Wolverhampton (Chair)
- 3.2 The Panel carried out its review in January 2022 in accordance with the provisions of the Regulations.

The Panel reviewed the Council's scheme of Councillor Allowances and Expenses in accordance with the provisions of the Regulations and its terms of reference covered:

(a) Review of allowances:

- Review the level of Basic Allowance.
- Review all Special Responsibility Allowances.
- Decide whether the level of allowances are to be determined according to an index and if so which and for how long.
- Review of Dependent Carer's Allowance.
- Review Travelling and Subsistence Allowances.
- Review Co-optees Allowances.

3.3 The Panel has made a detailed report of its work, attached at Appendix 1, and made recommendations.

3.4 The decision to approve these recommendations is the Council's. The Council must have regard to the recommendations made by the Independent Remuneration Panel before it proposes any changes to the current Councillor Allowances Scheme. The Council should consider each of these recommendations individually and decide whether each recommendation should be approved or rejected. The Council is not bound by the decisions of the Panel and may reject any of the proposals made, but the Council should have regard to the implications of such decisions and alternative provisions can be put forward and agreed.

5.0 Financial implications

5.1 A comparison of the current and proposed scheme of councillors' allowances has been undertaken assuming in each case that all Special Responsibility Allowances are paid. On that basis the additional cost of the proposed scheme, inclusive of employer's national insurance contributions, is estimated to be just over £80,000. In the event that this proposal is approved the additional cost will be funded from corporate reserves in the first year if it cannot be met from corporate budgets. Thereafter the budget set aside for all members allowances would be uplifted as part of the 2023-2024 budget setting process and Medium Term Financial Strategy preparation.

[GE/10022022/E]

6.0 Legal implications

6.1 Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) require the Council to review members' allowances at least once every four years for the purpose of agreeing how it will index link its scheme of allowances. The Council must have regard to the recommendations made by the IRP and determine whether and how these are implemented. The Council must also have regard to the recommendations made by the IRP before it amends any part of the current Councillor' Allowances Scheme. [SZ/02022022/P]

7.0 Equalities implications

7.1 There are no equalities implications arising from the recommendations of this report. The Members Allowances Scheme incorporates an allowance for dependent carers allowance which meets an important objective of the Scheme to help attract people from all sections of the community to become councillors and to retain them in the role.

8.0 Any Other Implications

8.1 There are no other implications arising from this report.

9.0 Schedule of background papers

9.1 The following papers were relied upon as part of this review:

Local Authorities (Members' Allowances) (England) Regulations 2003
City of Wolverhampton Council Constitution Scheme of Councillor Allowances
Benchmarking information for neighbouring authorities and family authorities

10.0 Appendices

10.1 Appendix 1- Report from the Independent Remuneration Panel

10.2 Appendix 2 – Benchmarking Data

10.3 Appendix 3 – Councillor Allowances Survey

10.4 Appendix 4 – Role Profiles

Report of the Independent Remuneration Panel

Councillors' Allowances

Created: January 2022
Independent Remuneration Panel

The City of Wolverhampton Council Independent Remuneration Panel was established under the Local Authorities (Members' Allowances) (England) Regulations 2003 to provide advice and recommendations to the Council on amounts to be paid under its Councillors' Allowances scheme.

Members of the Panel are appointed by the Council and are independent members of the local community.

The Independent Remuneration Panel has reviewed the Councillors' Allowances scheme and, on behalf of the Panel, I present the report and recommendations for the payment of Members' Allowances for 2022/23- 2025/26. This report is required by the Local Authorities (Members' Allowances) (England) Regulations 2003.

In conducting this review, the Independent Remuneration Panel has had regard to the 2006 `Statutory Guidance on Members Allowances and representations made to it.

The Council is required to have regard to our recommendations in deciding what allowances to pay Councillors. Additionally, the Council must also publish the Independent Remuneration Panel recommendations and conclusions, together with the approved scheme.

Reverend David Wright
Chair of the Independent Remuneration Panel

1. Panel Membership

1.1 The Panel composed of three members:

- Mr Miceal Barden – Dean of the Faculty of Social Sciences, Wolverhampton University
- Mrs Sylvia Parkin– Formerly Deputy Lieutenant
- Reverend David Wright – The Rector of St. Peters Church Wolverhampton (Chair)

2. How the Panel Approached the Review

2.1 The Panel chose the following means of gathering evidence.

- **Consideration of relevant legislation and guidance**

Councillor's allowances are paid in accordance with Local Government and Housing Act 1989 and the Local Government Act 2000. Section 18 of the 1989 Act, as amended by Section 99 of the Local Government Act 2000 makes provision in relation to basic, special responsibility and childcare and dependants' carers' allowances for members of local authorities. Section 100 of the 2000 Act allows the Secretary of State to make provision in relation to travel and subsistence allowance for members of local authorities and an allowance for non-councillors who are members of a council's committee or sub-committee.

The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the 2003 Regulations") were made under these provisions. The Regulations provide that it is for each local authority to decide its scheme and the amounts to be paid under that scheme.

Councils are required to establish an Independent Remuneration Panel which will provide the local authority with advice on its scheme and the amounts to be paid. The Council must have regard to this advice from the Panel.

- **Consideration of the current scheme of allowances**

The Panel were required to review the range of allowances currently paid to members of Wolverhampton City Council. Details of the current schedule of the allowances are included at **Annex 1**.

- **Review of comparative allowances**

In looking at the allowances paid we sought to understand the level of allowances paid to Councillors performing similar roles at similar sized Councils. As with the previous report we have used the Councils in the CIPFA family group and particular attention has been paid to the allowances paid by the other three other Black Country authorities. The Panel also received comparative data for the West Midlands Metropolitan Authorities and County

Councils in the West Midlands.

- **Survey on Councillor Allowances**

To understand the views of Councillors a survey was sent to all Councillors on Councillor allowances. 40 Councillors responded to the survey, which is 66% of Councillors. The Panel looked at the responses received by Councillors to understand the views of Councillors and time commitment involved for various roles.

3. Scope of the Report

- 3.1 The report sets out the Panel's recommendations to enable the Council to agree a new Councillors' Allowances Scheme.
- 3.2 These recommendations take account of the Council's current political composition and political management arrangements. Recommendations should be applied from the start of the 2022 - 2023 municipal year.
- 3.3 The Panel reviewed the Council's scheme of Councillors Allowances and Expenses in accordance with the provisions of the Regulations and its terms of reference covered:

Review of allowances:

- Review the level of Basic Allowance
- Review all Special Responsibility Allowances
- Decide whether the level of allowances are to be determined according to an index and if so which and for how long
- Review of Dependent Carers' Allowance
- Review Travelling and Subsistence Allowances
- Review Co-optees Allowances

4. Background Information – City of Wolverhampton Council

- 4.1 The City of Wolverhampton Council has 60 Councillors representing 20 wards. The current political composition of the Council is:

Party	Number of Seats
Conservative	16
Labour	46
Vacancy	1

- 4.2 The Council operates a Leader and Cabinet model of governance. The Cabinet is currently made up of the Leader of the Council, Deputy Leader of the Council and eight other Cabinet Members. Each of the 10 members of the Cabinet has a specific portfolio of responsibilities.

- 4.3 The Council currently has six themed Scrutiny Panels and an overarching Scrutiny Board whose role is to hold the executive to account, contribute to policy development, carry out reviews and monitor the performance of the Council.
- 4.4 The Council also appoints a number of other Committees to exercise its regulatory functions and other functions that are not the responsibility of the executive.

5. The Basic Allowance

- 5.1 Legally the Council must pay a basic allowance to each Councillor. On the basis of the law this cannot be linked to attendance at meetings or Council business. The basic allowance is intended to recognise the time commitment of all Councillors for calls on their time including meetings with council employees, meetings with constituents, attendance at political group meetings, attendance at council meetings and incidental costs such as the use of their homes. The amount of the basic allowance is set by the Council, but in so doing it must have regard to the Panel's recommendations and any national guidance.
- 5.2 The Panel noted that the national guidance states that it is important that some element of the work of Councillors continues to be voluntary – that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members and to ensure that despite the input required people are encouraged to come forward as elected members and that their service to the community is retained.
- 5.3 It is a requirement of the regulations that a basic allowance be paid to all Councillors in an authority and paid at the same level for all Councillors.
- 5.4 The basic allowance in Wolverhampton has been operating for some years. Between May 2018 and April 2022, any increase in the allowance was aligned to increases in the nationally agreed pay scales for local authority employees.
- 5.5 Of the 40 Councillors who responded to the Panel's survey, 20% said that they felt that the allowance was about right while 76% said they felt it was too low. Comments made throughout the survey recognised the need to remunerate the role appropriately in order to recognise the significant time commitment involved and to ensure that people were encouraged to seek to become and remain Councillors, while recognising the challenges of the financial situation facing the Council and how any increase would be perceived.
- 5.6 The Panel compared the basic allowance paid in Wolverhampton with those paid by neighbouring authorities in the region and authorities in the recognised groupings of comparable authorities as well as population per Councillor data. It also looked at local and regional wage rates and considered the element of public service discount expected in the role.

- 5.7 The Panel's view is that the level of the current basic allowance of £9,793 is lower than nearly all of the comparator authorities. In recommending an appropriate level of remuneration, the Panel considered the average for neighbouring authorities, West Midlands Metropolitan Authorities and comparator authorities and recommended it be remunerated at £11,500.

Recommendation 1: That the Basic Allowance for Councillors be Increased to £11,500.

6. Special Responsibility Allowances (SRA)

- 6.1 Each local authority may also make provision in its scheme for the payment of SRAs for those Councillors who have significant responsibilities over and above the generally accepted duties of a Councillor.

- 6.2 The responsibilities remunerated under Wolverhampton's current Scheme of Allowances are:

- Leader
- Deputy Leader
- Lead of the Main Opposition Group
- Deputy Leader of the Main Opposition Group
- Cabinet Member
- Chair – Scrutiny Board
- Chair – Scrutiny Panel
- Chair – Planning Committee
- Chair – Licensing Committee
- Chair – Pensions Committee
- Chair – Audit Committee
- Chair – Governance and Ethics Committee
- Vice-Chair – Scrutiny Board and Panels
- Vice-Chair – Planning Committee
- Vice-Chair – Licensing Committee
- Vice-Chair – Pensions Committee
- Vice-Chair – Audit Committee
- Vice Chair – Governance and Ethics Committee
- Leader of a Minority Opposition Group *
- Councillor Champions
- Mayor
- Deputy Mayor

*Special Responsibility Allowance for the Leader of a Minority Opposition Group to be paid only if a Minority Opposition Group comprises five or more Councillors

- 6.3 In reviewing the SRAs, the Panel carefully considered the relevant law and the national guidance which explains that they may be paid to those Councillors of the council who have significant additional responsibilities over and above the generally accepted duties of a Councillor. The guidance states that it does not necessarily follow that particular responsibilities given to a particular Councillor is a significant additional responsibility for which a special allowance should be paid. Such duties may not lead to a significant extra workload for any one particular Councillor above another and that they should be recognised as time commitment to council work which is acknowledged within the basic allowance and not responsibilities for which an SRA should be recommended.

The relevant legal provision, Regulation 5 of the 2003 Regulations lists a number of roles that are entitled to a SRA these are listed in sub-paragraphs (a) – (h), which includes Leader, Leader of the Opposition, Cabinet Members, Committee Chairs and other roles and beyond this also allows for a SRA to be paid where:

*carrying out such other activities in relation to the discharge of the authority's functions as require of **the member an amount of time and effort equal to or greater than would be required of him by any one of the activities mentioned in sub-paragraphs (a) to (h) (whether or not that activity is specified in the scheme).***

- 6.4 The Panel noted that its responsibility is limited to considering whether any roles should be remunerated under the scheme, not the content and structure of any roles which the Council may choose to establish.
- 6.5 Like many other authorities, Wolverhampton's scheme recommends that only one SRA can be claimed by those Councillors who hold two or more different roles each entitled to an SRA and the Panel supported maintaining this approach.
- 6.6 The framework for SRAs in Wolverhampton has been operating for some time and is not increased by the same index as the basic allowance.
- 6.7 The Panel reviewed evidence about the time commitment and responsibilities involved and considered benchmarking information. It was noted that most of the roles remunerated by Wolverhampton are remunerated by other comparator authorities and the levels of allowances paid by Wolverhampton are at or around the average or significantly higher or lower for certain roles. However, in its consideration, a number of issues were identified which the Panel believes should be addressed and these are set out below.

Leader of the Council

The Panel's view is that the level of the special responsibility allowance of £25,000 is slightly lower than a number of the comparator authorities. The Panel reviewed evidence about the time commitment and responsibilities for the role.

The Panel is clear that being Leader of the Council requires a full time commitment and certainly precludes employment in the normal sense. Pre Covid the Leader attended the Civic Centre most days and even when not in the Leader has to be available to talk to or email Officers and other Members from early morning until late evening.

The Panel is aware there are also external demands on the Leader's time which increased particularly at the regional and sub-regional level with the West Midlands Combined Authority and devolution rolling out.

In recommending an appropriate level of remuneration, the Panel considered the average for neighbouring authorities, West Midlands Metropolitan Authorities and comparator authorities and recommended it be remunerated at £27,000.

Recommendation 2: That the SRA for the Leader of the Council be increased to £27,000.

Deputy Leader of the Council

The Panel's view is that the level of the special responsibility allowance of £20,000 was aligned to comparator authorities and remains reasonable. The Panel reviewed evidence about the time commitment and responsibilities for the role. In the light of this has decided not to propose any change.

Recommendation 3: That no change should be made to the SRA for the Deputy Leader of the Council.

Leader of the Main Opposition Group

The Panel's view is that the level of the special responsibility allowance of £15,000 is significantly higher than most the comparator authorities. The Panel reviewed evidence about the time commitment and responsibilities for the role.

The Panel recognised that local democracy benefits from effective opposition and that the Leader Opposition needs to invest significant time and effort in keeping abreast of the work of Cabinet, Scrutiny and the Council as a whole and are invited to attend formal and informal meetings in that capacity. The role is therefore significant, constitutional and integral to the democratic checks and balances within the Council. We also acknowledged that managing a political group of Councillors places demands on them to participate in activities that support the effective running of the council.

However, the Panel considers that the level of allowance should not be equivalent to that of a Cabinet Member given the latter's decision-making responsibilities.

In recommending an appropriate level of remuneration, the Panel considered the average for neighbouring authorities, West Midlands Metropolitan

Authorities and comparator authorities and recommended it be remunerated at £12,000.

Recommendation 4: That the SRA for the Leader of the Main Opposition Group be decreased to £12,000.

Deputy Leader of the Main Opposition Group

The Panel's view is that the level of the special responsibility allowance of £2,500 is notably lower than most the comparator authorities. The Panel reviewed evidence about the time commitment and responsibilities for the role.

The Panel recognised that local democracy benefits from effective opposition and that the Deputy Leader of the Opposition will work closely with the of the Leader of the Main Opposition Group to ensure the opposition is effective and deputise on their behalf as and when required.

In recommending an appropriate level of remuneration, the Panel considered the average for neighbouring authorities, West Midlands Metropolitan Authorities and comparator authorities and recommended it be remunerated at £5,500.

Recommendation 5: That the SRA for the Deputy Leader of the Main Opposition Group be increased to £5,500.

Cabinet Member

The Panel's view is that the level of the special responsibility allowance of £15,000 was aligned to comparator authorities and remains reasonable. The Panel reviewed evidence about the time commitment and responsibilities for the role. In the light of this has decided not to propose any change.

Recommendation 6: That no change should be made to the SRA for a Cabinet Member.

Chair – Scrutiny Board

The Panel's view is that the level of the special responsibility allowance of £15,000 is significantly higher than most the comparator authorities. The Panel reviewed evidence about the time commitment and responsibilities for the role.

The Panel acknowledges that each council will arrange its scrutiny function in a slightly different way and therefore direct comparisons with the work of other scrutiny chairs are more difficult to achieve.

The panel also acknowledged the increasingly important role that the council wishes to place on increasing scrutiny's influence over the development of new policies and decisions.

There was evidence to show that there was a difference in time commitment between the Cabinet Member role and the Scrutiny Chair role. However, it noted that the role is not comparable to that of a Cabinet Member which is also remunerated at the same level and the later also has decision making responsibilities. The Panel noted with the exception of one authority in the comparative data no other authority remunerated a chair of scrutiny at the same rate as a Cabinet Member.

In recommending an appropriate level of remuneration, the Panel considered the average for neighbouring authorities, West Midlands Metropolitan Authorities and comparator authorities and recommended it be remunerated at £10,000.

Recommendation 7: That the SRA for the Chair – Scrutiny Board be decreased to £10,000.

Chair – Scrutiny Panel

The Panel's view is that the level of the special responsibility allowance of £10,000 is higher than most the comparator authorities. The Panel reviewed evidence about the time commitment and responsibilities for the role.

The Panel acknowledges that each council will arrange its scrutiny function in a slightly different way and therefore direct comparisons with the work of other scrutiny chairs are more difficult to achieve.

The panel also acknowledged the increasingly important role that the council wishes to place on increasing scrutiny's influence over the development of new policies and decisions.

In recommending an appropriate level of remuneration, the Panel considered the average for neighbouring authorities, West Midlands Metropolitan Authorities and comparator authorities and recommended it be remunerated at £8,500.

Recommendation 8: That the SRA for the Chair – Scrutiny Panel be decreased to £8,500.

Chair – Planning Committee

The Panel's view is that the level of the special responsibility allowance of £15,000 is significantly higher than most the comparator authorities.

The Panel reviewed evidence about the time commitment and responsibilities for the role. The Panel noted that the Chair carries out a quasi-judicial function. The Panel were aware of the need for the Chair to know the planning process and framework as well as planning case law and legislation to ensure sound decision-making.

The Panel are also aware that all members must abide by the Planning Code

of Practice and be aware of potential conflicts of interest.

The Panel's view is that the time commitment and responsibilities of a Planning Committee Chair is not comparable to that of a Cabinet Member which also attracts the same rate of remuneration. The Panel also noted that in recent years the number of Planning Committee meetings had significantly decreased as has the business that goes to the Chair (and to the Committee), at least in part, as a result of the increase in matters that no longer require formal planning permission (and are covered by permitted development legislation).

In recommending an appropriate level of remuneration, the Panel considered the average for neighbouring authorities, West Midlands Metropolitan Authorities and comparator authorities and recommended it be remunerated at £11,000.

Recommendation 9: That the SRA for the Chair of Planning Committee be decreased to £11,000.

Chair – Licensing Committee

The Panel's view is that the level of the special responsibility allowance of £15,000 is significantly higher than most the comparator authorities. The Panel reviewed evidence about the time commitment and responsibilities for the role.

The Panel are aware the Licensing Committee has been split into two separate committees a Statutory Licensing and Regulatory Committees each with their own remit, but the membership of each committee is the same, they also have the same Chair and Vice-Chair.

The Panel are aware Statutory Licensing Committee deals with matters relating to the Licensing Act 2003 (which came into force on 24 November 2005) and essentially deals with the sale of alcohol and premises from which alcohol is sold, including any appeals against applications to vary licensing conditions, etc., e.g., extended licensing hours. Most of this work is carried out via Licensing Sub-Committees which meet on average about 15-30 times per year and the Chair of the Statutory Licensing Committee is always asked to chair these sub-committees in the first instance and in fact does actually chair the vast majority of them, with other members stepping in when required.

The Panel is aware the Regulatory Committee deals with other regulatory issues, entertainment, and other general licensing issues. At most only one or two sub-committee meetings are required.

The Panel recognised the volume of work undertaken by the Chair.

In recommending an appropriate level of remuneration, the Panel considered the average for neighbouring authorities, West Midlands Metropolitan Authorities and comparator authorities and recommended it be remunerated at £12,500.

Recommendation 10: That the SRA for the Leader of the Chair – Licensing Committee be decreased to £12,500.

Chair – Audit and Risk Committee

The Panel's view is that the level of the special responsibility allowance of £10,000 was slightly higher to comparator authorities. The Panel reviewed evidence about the time commitment and responsibilities for the role.

The Panel are aware the Audit and Risk Committee also have oversight of the final accounts for the West Midlands Pensions Fund. In the light of this has decided not to propose any change.

Recommendation 11: That no change should be made to the SRA for the Chair – Audit and Risk Committee.

Chair – Pensions Committee

The Panel's view is that the level of the special responsibility allowance of £10,000 was slightly higher compared to other similar roles. The Panel reviewed evidence about the time commitment and responsibilities for the role.

The Panel noted that the work of the Pensions Committee is very specialised and so requires the members of it to be trained and briefed on the key issues regarding the administration of the pension fund.

The Panel recommend that due to the specialist nature of the work involved in chairing this meeting and in keeping abreast of pension issues, that the SRA for the Chair of the Pensions Committee should not be changed.

Recommendation 12: That no change should be made to the SRA for the Chair of Pensions Committee.

Chair Governance and Ethics Committee

The Panel's view is that the level of the special responsibility allowance of £10,000 was aligned to comparator authorities and remains reasonable. The Panel reviewed evidence about the time commitment and responsibilities for the role. In the light of this has decided not to propose any change.

Recommendation 13: That no change should be made to the SRA for the Chair Governance and Ethics Committee.

Vice-Chair – Scrutiny Board

The Panel's view is that the level of the special responsibility allowance of £2,500 was notably lower than comparator authorities. The Panel reviewed

evidence about the time commitment and responsibilities for the role.

The panel also acknowledged the increasingly important role that the council wishes to place on increasing scrutiny's influence over the development of new policies and decisions.

In recommending an appropriate level of remuneration, the Panel considered the average for neighbouring authorities, West Midlands Metropolitan Authorities and comparator authorities and recommended it be remunerated at £4,000.

Recommendation 14: That the SRA for the Vice-Chair of Scrutiny Board be increased to £4,000.

Vice-Chair – Scrutiny Panels

The Panel's view is that the level of the special responsibility allowance of £2,500 was aligned to comparator authorities and remains reasonable. The Panel reviewed evidence about the time commitment and responsibilities for the role. In the light of this has decided not to propose any change.

Recommendation 15: That no change should be made to the SRA for the Vice-Chair – Scrutiny Panels.

Vice-Chair – Planning Committee

The Panel's view is that the level of the special responsibility allowance of £5,000 was aligned to comparator authorities and remains reasonable. The Panel reviewed evidence about the time commitment and responsibilities for the role. In the light of this has decided not to propose any change.

Recommendation 16: That no change should be made to the SRA for the Vice-Chair – Planning Committee.

Vice-Chair – Licensing Committee

The Panel's view is that the level of the special responsibility allowance of £5,000 was aligned to comparator authorities and remains reasonable. The Panel reviewed evidence about the time commitment and responsibilities for the role. In the light of this has decided not to propose any change.

Recommendation 17: That no change should be made to the SRA for the Vice-Chair – Licensing Committee.

Vice-Chair – Audit Committee

The Panel's view is that the level of the special responsibility allowance of £2,500 was aligned to comparator authorities and remains reasonable. The Panel reviewed evidence about the time commitment and responsibilities for the role. In the light of this has decided not to propose any change.

Recommendation 18: That no change should be made to the SRA for the Vice-Chair of Audit Committee.

Vice-Chair – Pensions Committee

The Panel's view is that the level of the special responsibility allowance of £2,500 was aligned to comparator authorities and remains reasonable. The Panel reviewed evidence about the time commitment and responsibilities for the role. In the light of this has decided not to propose any change.

Recommendation 19: That no change should be made to the SRA for the Vice-Chair of Pensions Committee.

Vice Chair - Governance and Ethics Committee

The Panel's view is that the level of the special responsibility allowance of £2,500 was aligned to comparator authorities and remains reasonable. The Panel reviewed evidence about the time commitment and responsibilities for the role. In the light of this has decided not to propose any change.

Recommendation 20: That no change should be made to the SRA for the Vice Chair of Governance and Ethics Committee.

Councillor Champion

The Panel noted that none of the comparator authorities remunerates this or an equivalent role and that it does not appear in any of the other West Midlands Metropolitan authority schemes of allowances. The Panel reviewed evidence about the time commitment and responsibilities for the role.

The Panel noted that some Councillor Champions may be expected to chair an advisory group meeting, the role is not as demanding on time as that of other roles nor does it have any decision-making responsibility.

The Panel noted no comments were made in the survey in relation to Councillor Champions.

The Panel did, however, recognise the benefit of the role and the opportunity for development and succession planning.

The Panel's view is that all Councillors should champion priority areas of the Council and should further consideration of an issue be required it should be escalated to the relevant committee or scrutiny panel for consideration.

In making its recommendations, the Panel reiterates its responsibility is limited to considering whether any roles should be remunerated under the scheme, not the content and structure of any roles which the Council may choose to establish. In the light of the evidence, while recognising the validity of the role in the structure of Councillor appointments, the Panel recommends that these

posts should no longer receive remuneration.

Recommendation 21: That the SRA for a Councillor Champion be removed.

Mayor and Deputy Mayor

The allowances paid to the Mayor and Deputy Mayor are not paid under the scheme provided by the Local Government Act 2000 but are classed as civic dignitaries' allowances under the Local Government Act 1972. As such, they fall outside of the Members Scheme of Allowances being considered here.

However, bringing the allowances under the remit of the IRP and publishing them as part of the Council's Allowances Scheme, albeit identifying them separately, aids transparency. In addition, while the Mayor is primarily engaged in civic duties, the Mayor holds an important function within the Council structure in terms of chairing Council meetings.

This Panel, respects the work undertaken by the Mayor and recognises the significant time commitment that is involved in the civic role of promoting the city, encouraging inward investment and supporting local communities. They would not want to see the position diminished.

The Panel recommends that no change should be made to the level of remuneration.

Recommendation 22: That no change should be made to the level of remuneration for the roles of Mayor and Deputy Mayor.

7.0 Annual Adjustment of Allowances

- 7.1 The Panel noted that the regulations governing schemes of allowances allow for adjustments to the level of allowances in line with an index. The Panel can recommend which index should be used and for how long the index should apply, subject to a maximum of four years. After this period, the regulations require that the issue of indexation should be reviewed. The terms of reference for this review asked the Panel to decide whether an index should be applied to the scheme of allowances, and if so which and for how long.
- 7.2 Wolverhampton's scheme of allowances has included provision for the basic Councillor allowance to rise by an index linked to local authority employees' pay. This has meant that Councillor basic allowance has risen in line with the pay increases made to local government employees. However the SRAs have not been index linked.
- 7.3 The Panel supported the principle of increasing basic allowance and special responsibility allowances by an appropriate index to reflect increases in costs of living and inflation over a four year period. Several Councillors strongly supported this approach in responses to the survey. The Panel considered

carefully the different types of index that could be applied, looking at national options such as the consumer price index or linking adjustments to changes in pay in the city. On balance they felt that the current index, namely a link to the local authority employees' pay was the most appropriate and recommend that this be applied for the four year period of the scheme.

Recommendation 23: That the Basic and Special Responsibility be increased each year by any percentage increase in pay agreed for local government employees.

8.0 Carers' Allowances

- 8.1 The Panel concluded that no change should be made to the current carers' allowances.

Recommendation 24: That no change should be made to the current Dependant Carers' Allowance.

9. Travel expenses and Subsistence Allowances

- 9.1 The Panel concluded that no changes should be made to the current travel expenses and subsistence allowances.

Recommendation 25: That no change should be made to the current Travelling and Subsistence Allowances.

10. Co-optees Allowances

- 10.1 The Panel noted that a number of authorities now make payments to the Independent Person appointed by the Council to consider issues relating to conduct matters following an extension of their role under recent legislation so that they must be part of the Panel in relation to disciplinary proceedings against the Head of Paid Service, the s.151 officer or the Monitoring Officer.
- 10.2 The Panel noted that other authorities have allowed a payment of £750 per annum please reasonable expenses. The Panel also noted that this will address the challenges of recruiting appointees to these important roles. Other than the above it is proposed that no change should be made to the current Co-optee allowances.

Recommendation 26: That an allowance of £750 plus reasonable expenses is paid for Independent Person appointed by the Council

11. Recommendations of the Panel:

1. Recommendation 1: That the Basic Allowance for Councillors be Increased to £11,500.
2. Recommendation 2: That the SRA for the Leader of the Council be increased to £27,000.
3. Recommendation 3: That no change should be made to the SRA for the Deputy Leader of the Council.
4. Recommendation 4: That the SRA for the Leader of the Main Opposition Group be decreased to £12,000.
5. Recommendation 5: That the SRA for the Deputy Leader of the Main Opposition Group be increased to £5,500.
6. Recommendation 6: That no change should be made to the SRA for a Cabinet Member.
7. Recommendation 7: That the SRA for the Chair – Scrutiny Board be decreased to £10,000.
8. Recommendation 8: That the SRA for the Chair – Scrutiny Panel be decreased to £8,500.
9. Recommendation 9: That the SRA for the Chair of Planning Committee be decreased to £11,000.
10. Recommendation 10: That the SRA for the Leader of the Chair – Licensing Committee be decreased to £12,500.
11. Recommendation 11: That no change should be made to the SRA for the Chair of Audit and Risk Committee.
12. Recommendation 12: That no change should be made to the SRA for the Chair of Pensions Committee.
13. Recommendation 13: That no change should be made to the SRA for the Chair Governance and Ethics Committee.
14. Recommendation 14: That the SRA for the Vice-Chair of Scrutiny Board be increased to £4,000.
15. Recommendation 15: That no change should be made to the SRA for the Vice-Chair – Scrutiny Panels.
16. Recommendation 16: That no change should be made to the SRA for the Vice-Chair – Planning Committee.
17. Recommendation 17: That no change should be made to the SRA for the Vice-Chair – Licensing Committee.
18. Recommendation 18: That no change should be made to the SRA for the Vice-Chair of Audit Committee.
19. Recommendation 19: That no change should be made to the SRA for the Vice-Chair of Pensions Committee.
20. Recommendation 20: That no change should be made to the SRA for the Vice Chair of Governance and Ethics Committee.
21. Recommendation 21: That the SRA for a Councillor Champion be removed.
22. Recommendation 22: That no change should be made to the level of remuneration for the roles of Mayor and Deputy Mayor.

23. Recommendation 23: That the Basic and Special Responsibility be increased each year by any percentage increase in pay agreed for local government employees.
24. Recommendation 24: That no change should be made to the current Dependant Carers' Allowance.
25. Recommendation 25: That no change should be made to the current Travelling and Subsistence Allowances
26. Recommendation 26: That an allowance of £750 plus reasonable expenses is paid for Independent Person appointed by the Council.

Annex 1

Schedule of Basic and Special Responsibility Allowances

Basic Allowance (All Councillors) – £9,793

Description	From
Special Responsibility Allowance (SRA)	
Leader	25,000
Deputy Leader	20,000
Leader of the Main Opposition Group	15,000
Deputy Leader of the Main Opposition Group	2,500
Cabinet Member	15,000
Chair – Scrutiny Board	15,000
Chair – Scrutiny Panel	10,000
Chair – Planning Committee	15,000
Chair – Licensing Committee	15,000
Chair – Audit Committee	10,000
Chair – Pensions Committee	10,000
Chair – Governance and Ethics Committee	10,000
Vice-Chair – Scrutiny Board and Panels	2,500
Vice-Chair – Planning Committee	5,000
Vice-Chair – Licensing Committee	5,000
Vice-Chair – Audit Committee	2,500

Vice-Chair – Pensions Committee	2,500
Vice-Chair – Governance and Ethics Committee	2,500
Councillor Champion	2,500
Ceremonial Mayor (inclusive of £2,500 clothing allowance)	20,000
Ceremonial Deputy Major (inclusive of £1,250 clothing allowance)	5,000

Comparison with Other Local Authorities

Authority	Number of Councillors	Population	Pop per Cllr (average)	Basic Allowance	Leader	Deputy Leader	Leader of the largest Opposition group	Deputy Leader of largest Opposition group	Cabinet Member	Scrutiny Co-ordination Chair	Scrutiny Co-ordination Deputy Chair	Scrutiny Chairs	Scrutiny Deputy Chair	Audit Chair
Black Country Councils:														
Dudley	72	322363	4,477	10,737	25,213	19,940	11,290	8,919	14,355	9,560	4,609	9,560	4,609	9,560
Sandwell	72	329042	4,570	11,353	28,092	25,282	9,569		16,856	9,355	5,618	9,355	5,618	9,355
Wolverhampton	60	264407	4,407	9,793	25,000	20,000	15,000	2,500	15,000	15,000	2,500	10,000	2,500	10,000
Walsall	60	286716	4,779	11,938	33,325	20,614	11,158		16,787	10,821		7,579		8,551
Average				10,955	27,908	21,459	11,754	5,710	15,750	11,184	4,242	9,124	4,242	9,367
West Midlands Metropolitan Councils:														
Birmingham	101	1140525	11,292	18,681	56,579	45,263	16,973	9,618	28,289	14,145		14,145		5,658
Coventry	54	379387	7,026	14,490	26,081	18,832	5,345	2,673	11,593	11,593	2,901	7,248		7,248
Dudley	72	322363	4,477	10,737	25,213	19,940	11,290	8,919	14,355	9,560	4,609	9,560	4,609	9,560
Sandwell	72	329042	4,570	11,353	28,092	25,282	9,569		16,856	9,355	5,618	9,355	5,618	9,355
Solihull	51	217487	4,264	10,000	24,215	11,623	9,686		9,686	7,748		7,748		826
Wolverhampton	60	264407	4,407	9,793	25,000	20,000	15,000	2,500	15,000	15,000	2,500	10,000	2,500	10,000
Walsall	60	286716	4,779	11,938	33,325	20,614	11,158		16,787	10821		7,579		8,551
Average				12,427	31,215	23,079	11,289	5,928	16,081	11,175	3,907	9,376	4,242	7,314
West Midlands Metropolitan Councils:														
Coventry	54	379387	7,026	14,490	26,081	18,832	5,345	2,673	11,593	11,593	2,901	7,248		7,248
Dudley	72	322363	4,477	10,737	25,213	19,940	11,290	8,919	14,355	9,560	4,609	9,560	4,609	9,560
Sandwell	72	329042	4,570	11,353	28,092	25,282	9,569		16,856	9,355	5,618	9,355	5,618	9,355
Solihull	51	217487	4,264	10,000	24,215	11,623	9,686		9,686	7,748		7,748		826
Wolverhampton	60	264407	4,407	9,793	25,000	20,000	15,000	2,500	15,000	15,000	2,500	10,000	2,500	10,000
Walsall	60	286716	4,779	11,938	33,325	20,614	11,158		16,787	10821		7,579		8,551
Average				11,385	26,988	19,382	10,341	4,697	14,046	10,680	3,907	8,582	4,242	7,590
CIPFA Nearest Neighbours:														
Bolton	60	288248	4,804	11,644	31,294	18,775	10,555	6,333	7,140	5,100		5,100		
Bradford MBC	90	542128	6,024	13,463	37,056	18,528	25,939	16,675	25,939	12,970		12,970		12,970
Coventry	54	379387	7,026	14,490	26,081	18,832	5,345	2,673	11,593	11,593	2,901	7,248		7,248
Derby	51	256814	5,036	11,523	34,569	25,927	8,642	4,321	17,285	8,642	2,161	8,642	2,161	6,050
Dudley	72	322363	4,477	10,737	25,213	19,940	11,290	8,919	14,355	9,560	4,609	9,560	4,609	9,560
Kirklees	69	441290	6,396	14,002	26,364	19,772	11,577	3,860	12,863	11,577		6,432		2,572
Oldham MBC	60	237628	3,960	9,976	29,928	20,950	14,964	5,986	17,957	8,978		8,978		2,207
Peterborough	60	202626	3,377	10,508	31,524	21,017	7,881		15,762			7,881		7,881
Rochdale	60	223659	3,728	10,451	31,353	15,677	10,850		14,109	7,838				6,271
Sandwell	72	329042	4,570	11,353	28,092	25,282	9,569		16,856	9,355	5,618	9,355	5,618	9,355
Sheffield	84	589214	7,014	12,339	19,091	9,545	7,890		9,545	7,890		7,890		
Wolverhampton	60	264407	4,407	9,793	25,000	20,000	15,000	2,500	15,000	15,000	2,500	10,000	2,500	10,000
Walsall	60	286716	4,779	11,938	33,325	20,614	11,158		16,787	10821		7,579		8,551
Average				11,709	29,145	19,605	11,589	6,408	15,015	9,944	3,558	8,470	3,722	7,515

County Councils:

Shropshire	74	325415	4,398	12,000	27,000	18,000	6,000		12,000	12,000		12,000		3,600
Herefordshire	53	193615	3,653	7,935	31,741		1,747		13,887	9,920		9,920		5,951
Worcestershire	57	598070	10,492	9,108	35,494	18,846	10,512		18,503	18,503		10,512		10,512
Warwickshire	57	583786	10,242	9,637	24,137	14,482	8,376	5,011	10,763	5,783	2,147	5,783	2,147	4,494
Staffordshire	62	883172	14,245	9,786	37,963	28,473	18,982	6,454	18,982			7,221	2,528	4,334
Average				9,693	31,267	19,950	9,123	5,733	14,827	11,552	2,147	9,087	2,338	5,778

Notes:

1. Comparator local authorities are those identified by the Chartered Institute of Public Finance and Accountancy using a model that identifies the closest match across a range of socio economic indicators including population, demography and economic indicators.
2. Comparison data from local authority websites.
3. There are some variations to the way in which local authorities report their figures which may mean that they are not all directly comparable.
4. Roles for which authorities pay an SRA vary and are not always comparable. The figures included here are where the title of a role appears to match most closely a similar role in Wolverhampton.
5. Some authorities pay allowances for roles not included in Wolverhampton's scheme.
6. Four of the West Midlands Metropolitan Councils (Coventry, Dudley, Sandwell and Walsall) are also identified as CIPFA nearest neighbours and appear in both tables.
7. As civic allowances are governed by different legislation from that dealing with Members Allowances schemes, some authorities do not include them in their actual spend and for others it is not immediately apparent.
8. The way payments are made to opposition leaders, deputies and spokesperson vary more from one authority to another than most other payments. Some pay only allowances only for the largest opposition group, while many link the level of payment to the number of members in the group. eg the level of allowance in Sandwell ranges from £1,367 to £9,569 depending on the size of the opposition group. The rates shown here are the highest given - further analysis can be provided if required.
9. Where included, co-opted allowances can vary based on the role co-opted e.g. the level of allowance in Birmingham ranges from £602 to £1,082.
10. The rate for Kirklees' Fostering Panel Members is a day rate.
11. Some (but not all) Member Allowance Schemes include provisions for applying Carer's allowances, without specifying rates for Independent and Professional Care.

Comparison with Other Local Authorities

Authority	Audit Deputy Chair	Planning Chair	Planning Deputy Chair	Licensing Chair	Licensing Deputy Chair	Governance and Ethics Cttee Chair	Pension Cttee Chair	Pension Deputy Chair	Co-optee	Ind. Members	Cllr Champs	Mayor/ Lord Mayor	Deputy Mayor/ Deputy Lord Mayor	Travel and subsist Car Mileage Higher rate
Black Country Councils:														
Dudley	4,609	11,172	5,234	9,560	4,609	4606						25,795	4,471	
Sandwell		11,237	5,618	11,237	5,618	9,355			0			21,380	8,552	
Wolverhampton	2,500	15,000	5,000	15,000	5,000	10,000	10,000	2,500	0	0	2,500	20,000	5,000	
Walsall		11,006		10,478		5348			0					
Average	3,555	12,104	5,284	11,569	5,076	7,327	10,000	2,500	#DIV/0!		2,500	22,392	6,008	#DIV/0!
West Midlands Metropolitan Councils:														
Birmingham		16,973		16,973					1,082					0.45
Coventry	2,901	7,248	2,901	7,248	2,901	1,125			525					
Dudley	4,609	11,172	5,234	9,560	4,609	4606						25,795	4,471	
Sandwell		11,237	5,618	11,237	5,618	9,355			0			21,380	8,552	
Solihull		7,748		3,875		3,875			826			15,447	1,005	
Wolverhampton	2,500	15,000	5,000	15,000	5,000	10,000	10,000	2,500	0	0	2,500	20,000	5,000	
Walsall		11,006		10,478		5348			0					
Average	3,337	11,483	4,688	10,624	4,532	5,718	10,000	2,500	811		2,500	20,656	4,757	0.45
West Midlands Metropolitan Councils:														
Coventry	2,901	7,248	2,901	7,248	2,901	1,125			525					
Dudley	4,609	11,172	5,234	9,560	4,609	4606						25,795	4,471	
Sandwell		11,237	5,618	11,237	5,618	9,355			0			21,380	8,552	
Solihull		7,748		3,875		3,875			826			15,447	1,005	
Wolverhampton	2,500	15,000	5,000	15,000	5,000	10,000	10,000	2,500	0	0	2,500	20,000	5,000	
Walsall		11,006		10,478		5348			0					
Average	3,337	10,569	4,688	9,566	4,532	5,718	10,000	2,500	676		2,500	20,656	4,757	#DIV/0!
CIPFA Nearest Neighbours:														
Bolton		8,177	2,813	7,740	2,521						538			0.48
Bradford MBC		12,970		12,970		3,706			597					0.45
Coventry	2,901	7,248	2,901	7,248	2,901	1,125			525					
Derby		8,642	4,321	8,642	4,321				500	500		8,642		0.45
Dudley	4,609	11,172	5,234	9,560	4,609							25,795	4,471	
Kirklees		6,432		5,147								15,289	6,798	0.45
Oldham MBC		8,978		8,978		697			408	408		15,652	3,075	0.45
Peterborough		9,457		7,881					250	1,000		12,000	3,600	0.45
Rochdale		10,451		10,451										0.45
Sandwell		11,237	5,618	11,237	5,618	9,355			0			21,380	8,552	
Sheffield		5,536		5,536	3,182		11,777	5,889	744					0.45
Wolverhampton	2,500	15,000	5,000	15,000	5,000	10,000	10,000	2,500	0	0	2,500	20,000	5,000	
Walsall		11,006		10,478		5348			0					
Average	3,337	9,716	4,315	9,298	4,022	5,039	10,889	4,195	504	489	2,500	16,965	5,249	0

County Councils:

Shropshire	9,000	3,000	3,000	1,500	3,000	143			0.45	
Herefordshire	9,920		5,951							
Worcestershire	10,917		10,917		10,917				0.45	
Warwickshire	5,783	2,920	5,783	2,920	4,494	1,238			0.40	
Staffordshire	1,444	7,221	2,528		4,334	1,444	631	631	0.45	
Average	1,444	8,568	2,816	6,413	2,210	5,686	1,444	671	631	0.44

Notes:

1. Comparator local authorities are those idographics and deprivation
2. Comparison data from local authority wel
3. There are some variations to the way in w
4. Roles for which authorities pay an SRA val
5. Some authorities pay allowances for roles
6. Four of the West Midlands Metropolitan (
7. As civic allowances are governed by differ actual spend and for others its not immediat
8. The way payments are made to oppositio only allowances only for the largest oppositi Sandwell ranges from £1,367 to £9,569 depri if required.
9. Where included, co-opted allowances can
10. The rate for Kirklees' Fostering Panel Me
11. Some (but not all) Member Allowance Sc

Comparison with Other Local Authorities

Authority	Lower Rate
Black Country Councils:	
Dudley	
Sandwell	
Wolverhampton	
Walsall	
Average	#DIV/0!
West Midlands Metropolitan Councils:	
Birmingham	
Coventry	
Dudley	
Sandwell	
Solihull	
Wolverhampton	
Walsall	
Average	#DIV/0!
West Midlands Metropolitan Councils:	
Coventry	
Dudley	
Sandwell	
Solihull	
Wolverhampton	
Walsall	
Average	#DIV/0!
CIPFA Nearest Neighbours:	
Bolton	0.43
Bradford MBC	0.45
Coventry	
Derby	0.45
Dudley	
Kirklees	0.45
Oldham MBC	0.45
Peterborough	0.45
Rochdale	0.45
Sandwell	
Sheffield	0.45
Wolverhampton	
Walsall	
Average	0

County Councils:

Shropshire	0.45
Herefordshire	
Worcestershire	0.36
Warwickshire	0.40
Staffordshire	0.45
Average	0.42

Notes:

1. Comparator local authorities are those id
2. Comparison data from local authority wel
3. There are some variations to the way in w
4. Roles for which authorities pay an SRA val
5. Some authorities pay allowances for roles
6. Four of the West Midlands Metropolitan C
7. As civic allowances are governed by differ actual spend and for others its not immediat
8. The way payments are made to oppositio only allowances only for the largest oppositi Sandwell ranges from £1,367 to £9,569 dep if required.
9. Where included, co-opted allowances can
10. The rate for Kirklees' Fostering Panel Me
11. Some (but not all) Member Allowance Sc

Councillor Allowances Survey

An independent external review of the Councillors' Allowance Scheme by the Independent Remuneration Panel has been commissioned by the Council as the current scheme is set to expire in 2022. The views of all Council members will be very important in informing the review, so please take a few minutes to complete this short questionnaire.

Results of the survey will be provided to the Independent Remuneration Panel for consideration unless the author can be identified, in which case these shall be removed.

For more information about the Council's current Allowances Scheme, please see [here](#).

Please return the completed questionnaire to Democratic Services (via the Citizen Space link or by hard copy available in Councillor Support) by no later than 5 pm on 3 December 2021.

1. What roles do you currently hold at the Council?

- Leader of the Council
- Deputy Leader of the Council
- Cabinet Member
- Group Leader
- Deputy Group Leader
- Chair of a Committee, Board, Panel
- Vice Chair of a Committee, Board, Panel
- Committee or Board Member

2. Please indicate how many hours on average you spend each week on the following activities:

a. Ward and political duties as a Councillor

- 10 hours or more
- 20 hours or more
- 30 hours or more
- 40 hours or more
- If none of the above, please state amount

b. Decision-making duties as a Councillor (including Cabinet, Committee, Chairing)

- 10 hours or more
- 20 hours or more
- 30 hours or more
- 40 hours or more
- If none of the above, please state amount
- N/A

c. External duties (including Partnership bodies, Community group and external meetings)

- 10 hours or more
- 20 hours or more
- 30 hours or more
- 40 hours or more
- If none of the above, please state amount
- N/A

3. Basic Allowances

The basic allowance for councillors is intended to recognise the time commitment of the role including (but not limited to) travel to meetings, meeting preparation, attendance, meeting with officers and residents and case work.

The allowance should also cover incidental costs such as use of councillors' homes. Government guidance also states the role of an elected councillors must in part be viewed as an unpaid voluntary service.

a. On the basis of the above, do you think the basic allowance of £9793 is reasonable?

- Yes
- No

b. What are your views on the level of Basic Allowance and its purpose?

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6. Other comments

Please set out below details of any other aspects of the Members' Allowances Scheme which you would like to bring to our attention and/or any specific issues you want to raise:

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Thank you for completing this survey.

All the responses will be combined, and no responses will be attributable to any individual Member.

Annex

The table below details current Special Responsibility Allowances:

Role	Rate
Leader	25,000
Deputy Leader	20,000
Leader of the Main Opposition Group	15,000
Deputy Leader of the Main Opposition Group	2,500
Cabinet Member	15,000
Chair – Scrutiny Board	15,000
Chair – Scrutiny Panel	10,000
Chair – Planning Committee	15,000
Chair – Licensing Committee	15,000
Chair – Audit Committee	10,000
Chair – Pensions Committee	10,000
Vice-Chair – Scrutiny Board and Panels	2,500
Vice-Chair – Planning Committee	5,000
Vice-Chair – Licensing Committee	5,000
Vice-Chair – Audit Committee	2,500
Vice-Chair – Pensions Committee	2,500
Councillor Champion	2,500
Ceremonial Mayor (inclusive of £2,500 clothing allowance)	20,000
Ceremonial Deputy Major (inclusive of £1,250 clothing allowance)	5,000
Chair – Governance and Ethics Committee	10,000
Vice-Chair - Governance and Ethics Committee	2,500

Councillor Allowances Survey: Summary report

This report was created on Tuesday 04 January 2022 at 08:54 and includes **40** responses.

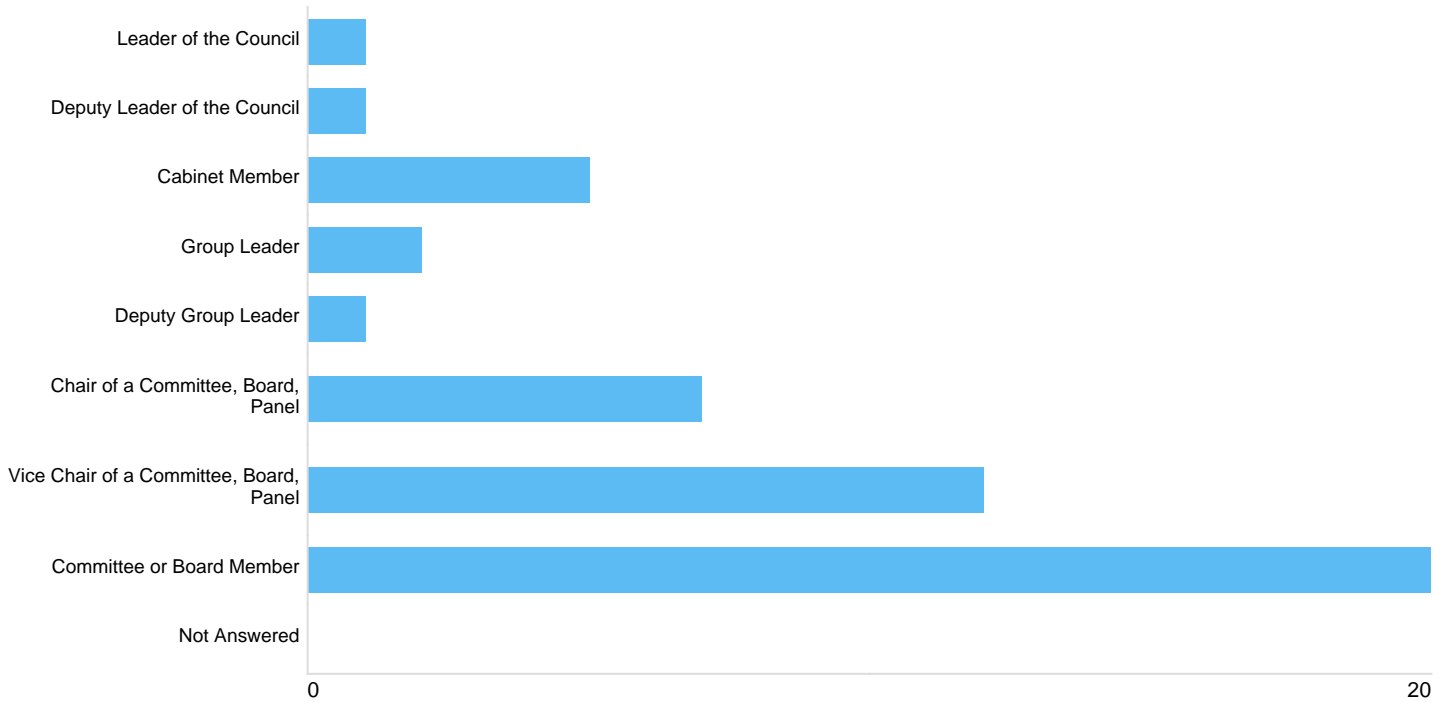
The activity ran from 22/11/2021 to 31/12/2021.

Contents

Question 1: What roles do you currently hold at the Council?	2
What roles do you currently hold at the Council?	2
Question 2: Please indicate how many hours on average you spend each week on: a. Ward and political duties as a Councillor	2
How many hours	2
If none of the above, please state the amount below	3
Question 3: Please indicate how many hours on average you spend each week on: b. Decision-making duties as a Councillor (including Cabinet, Committee, Chairing)	3
Please indicate how many hours on average you spend each week on: b. Decision-making duties as a Councillor (including Cabinet, Committee, Chairing)	3
If none of the above, please state the amount below	3
Question 4: Please indicate how many hours on average you spend each week on: c. External duties (including Partnership bodies, Community group and external meetings)	3
Please indicate how many hours on average you spend each week on: c. External duties (including Partnership bodies, Community group and external meetings)	3
If none of the above, please state the amount below	4
Question 5: On the basis of the above, do you think the basic allowance of £9793 is reasonable?	4
Q On the basis of the above, do you think the basic allowance of £9793 is reasonable?	4
What are your views on the level of Basic Allowance and its purpose?	4
Question 6: Do you agree that basic allowance should take into account any pay changes applied to staff salaries?	4
Do you agree that basic allowance should take into account any pay changes applied to staff salaries?	4
Question 7: What are your views on the Special Responsibility Allowances detailed in the annex ?	4
What are your views on the Special Responsibility Allowances detailed in the annex ?	4
Question 8: Do you think that the current scheme should be changed? if so how?	4
Do you think that the current scheme should be changed? if so how?	4
Question 9: Please set out below details of any other aspects of the Members' Allowances Scheme which you would like to bring to our attention and/or any specific issues you want to raise:	5
Please set out below details of any other aspects of the Members' Allowances Scheme which you would like to bring to our attention and/or any specific issues you want to raise:	5

Question 1: What roles do you currently hold at the Council?

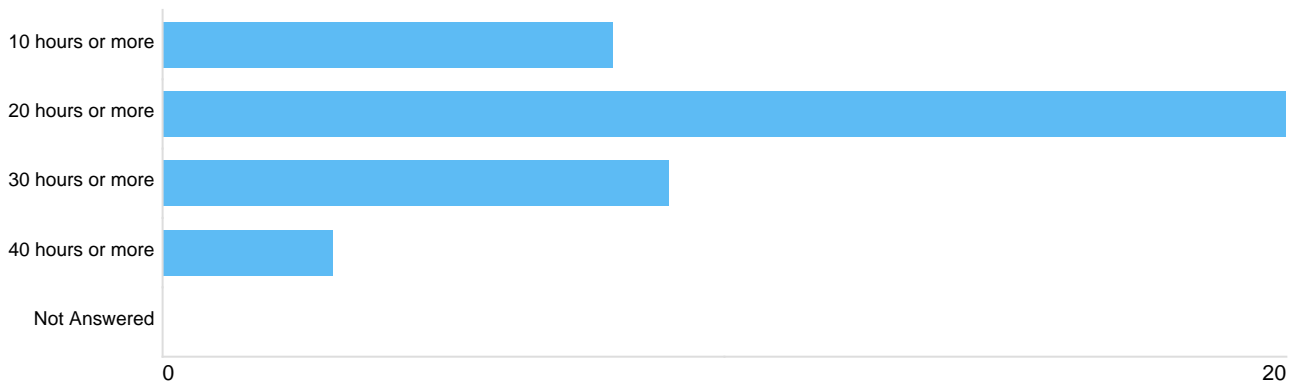
What roles do you currently hold at the Council?



Option	Total	Percent
Leader of the Council	1	2.50%
Deputy Leader of the Council	1	2.50%
Cabinet Member	5	12.50%
Group Leader	2	5.00%
Deputy Group Leader	1	2.50%
Chair of a Committee, Board, Panel	7	17.50%
Vice Chair of a Committee, Board, Panel	12	30.00%
Committee or Board Member	20	50.00%
Not Answered	0	0.00%

Question 2: Please indicate how many hours on average you spend each week on: a. Ward and political duties as a Councillor

How many hours



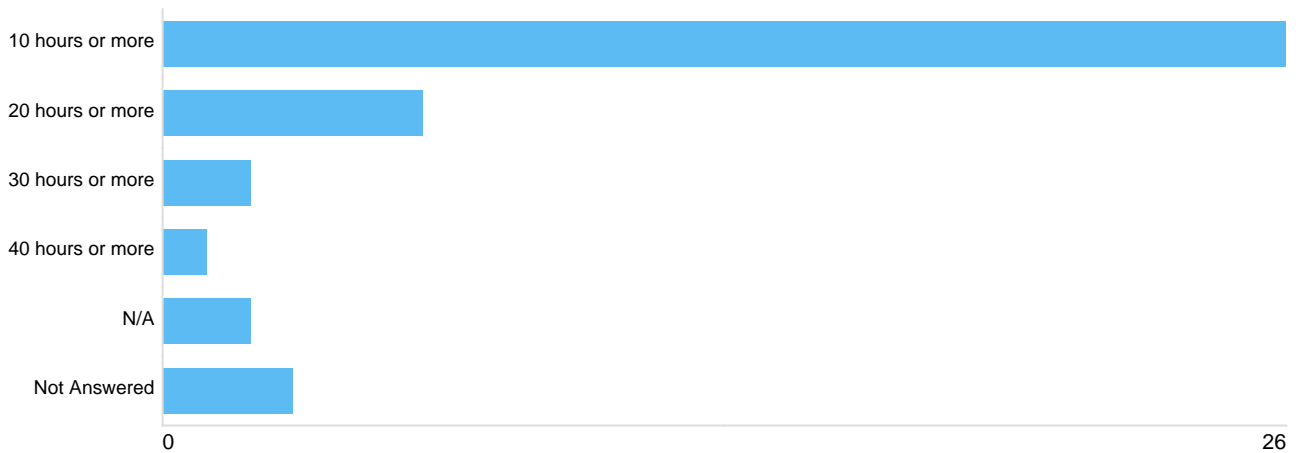
Option	Total	Percent
10 hours or more	8	20.00%
20 hours or more	20	50.00%
30 hours or more	9	22.50%
40 hours or more	3	7.50%
Not Answered	0	0.00%

If none of the above, please state the amount below

There were 3 responses to this part of the question.

Question 3: Please indicate how many hours on average you spend each week on: b. Decision-making duties as a Councillor (including Cabinet, Committee, Chairing)

Please indicate how many hours on average you spend each week on: b. Decision-making duties as a Councillor (including Cabinet, Committee, Chairing)



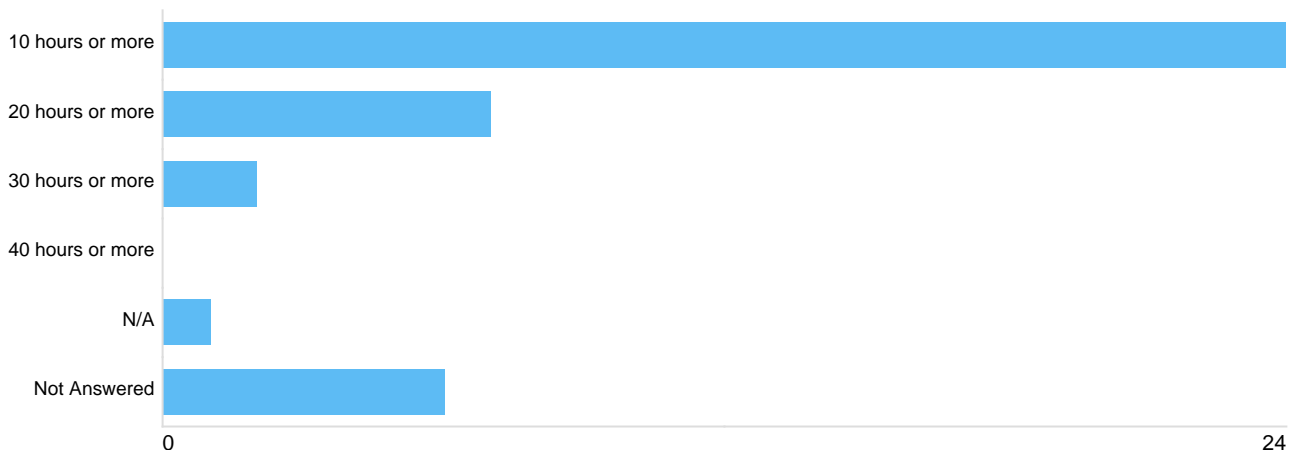
Option	Total	Percent
10 hours or more	26	65.00%
20 hours or more	6	15.00%
30 hours or more	2	5.00%
40 hours or more	1	2.50%
N/A	2	5.00%
Not Answered	3	7.50%

If none of the above, please state the amount below

There were 5 responses to this part of the question.

Question 4: Please indicate how many hours on average you spend each week on: c, External duties (including Partnership bodies, Community group and external meetings)

Please indicate how many hours on average you spend each week on: c, External duties (including Partnership bodies, Community group and external meetings)



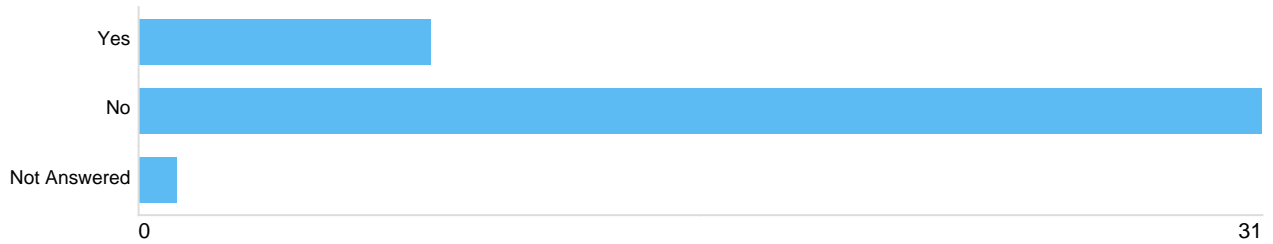
Option	Total	Percent
10 hours or more	24	60.00%
20 hours or more	7	17.50%
30 hours or more	2	5.00%
40 hours or more	0	0.00%
N/A	1	2.50%
Not Answered	6	15.00%

If none of the above, please state the amount below

There were **8** responses to this part of the question.

Question 5: On the basis of the above, do you think the basic allowance of £9793 is reasonable?

Q On the basis of the above, do you think the basic allowance of £9793 is reasonable?



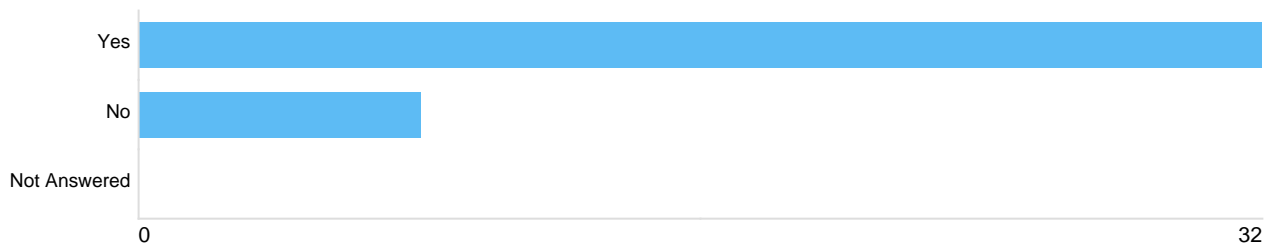
Option	Total	Percent
Yes	8	20.00%
No	31	77.50%
Not Answered	1	2.50%

What are your views on the level of Basic Allowance and its purpose?

There were **34** responses to this part of the question.

Question 6: Do you agree that basic allowance should take into account any pay changes applied to staff salaries?

Do you agree that basic allowance should take into account any pay changes applied to staff salaries?



Option	Total	Percent
Yes	32	80.00%
No	8	20.00%
Not Answered	0	0.00%

Question 7: What are your views on the Special Responsibility Allowances detailed in the annex ?

What are your views on the Special Responsibility Allowances detailed in the annex ?

There were **33** responses to this part of the question.

Question 8: Do you think that the current scheme should be changed? if so how?

Do you think that the current scheme should be changed? if so how?

There were **33** responses to this part of the question.

Question 9: Please set out below details of any other aspects of the Members' Allowances Scheme which you would like to bring to our attention and/or any specific issues you want to raise:

Please set out below details of any other aspects of the Members' Allowances Scheme which you would like to bring to our attention and/or any specific issues you want to raise:

There were **21** responses to this part of the question.

2a. If none of the above

Please indicate how many hours on average you spend each week on: a. Ward and political duties as a Councillor - If none of the above, please state the amount below

- This can vary week to week
- It can vary hugely and unexpectedly. While I can go weeks doing only 7 hours, there are also weeks in great excess of 30
- It can depend, some weeks you can do upto 30 or more.

Please indicate how many hours on average you spend each week on: b. Decision-making duties as a Councillor (including Cabinet, Committee, Chairing) - If none of the above, please state the amount below

- This is variable
- 2
- I would say about 8 but again it depends. some weeks are busier than others.
- Question not clear. Vice-chair duties may be variable. On average I would say less than 10 hours a week. Wider 'political duties' on attendance at other panels, Council etc. estimated for in Q2
- About five hours

Please indicate how many hours on average you spend each week on: c, External duties (including Partnership bodies, Community group and external meetings) - If none of the above, please state the amount below

- Varies
- This is variable
- 5 hours or more
- 5 hrs every 6 weeks
- Again, it can depend what is going on in your ward and time of year.
- 2-3 hours
- 3 hours

On the basis of the above, do you think the basic allowance of £9793 is reasonable? - What are your views on the level of Basic Allowance and its purpose?

- It works out at considerably less than the minimum wage and would not allow a person to be a councillor, or work less hours or part-time, unless they had an alternative income. People on low incomes or none could therefore not become a councillor.
- The level of detailed decision making process that's needed is a full time vocation.

- Making multi million pound policy has to be done right. Therefore, we need all the facts and the impacts to come to the right decision!
- They local authority had to do so many different things in delivery of a modern City moving forward
- Councillors without an SRA work tirelessly in their wards that include a lot of travel, attending community meetings, PACT meetings, advice surgeries.
- In addition, Councillor's get involved with voluntary work, working with the community which involves litter picking,
- With lockdown working from home has had an impact on energy bills.
- Ward issues which can include site visits and face to face meetings with ward residents are the normal expectation for Councillors.
- Delivering food parcels to those suffering financially has been an added role to a Councillors work to the benefit of the community.
- It doesn't reflect the amount of work we do and impacts us on acquiring second jobs which are needed. The basic allowance is too low
- We don't have a national standard, some of having lots more casework than others depending on the needs of the area
- It does not reflect the workload of a councillor in a city, representing in excess of 3,000 electors each.
- I think it covers it's purposes. Should I need to drive, it covers petrol. It also covers all reasonable costs incurred as a council and remunerates reasonably for the time commitments of a Wolverhampton councillor.
- Personally, I would reduce it, and instead issue a West Midlands Travel Card in order to dissuade motor use.
- You cannot realistically hold down another full time job, look after kids and do your Councillor's job properly. Therefore, the basic allowance at the moment means that you either cut corners in terms of performance as a Councillor, or do your job properly but that means not having another paid job so basically live in penury.
- Another issue is that the low allowance, may give room for Councillors struggling to get additional SRA appointment which is at the discretion of the Leader. This may impact Councillors being able to challenge the direction of Leadership for fear of losing their SRA or the possibility of being considered for one.
- Councillors work round the clock including weekends and are exposed to high scrutiny so it helps that they have basic allowance even if it's minimum wage in order to be able to take care of basic bills some which are incurred during discharging Councillor's duties such as petrol, feeding on the go, childcare etc.
- I feel that Wolverhampton Councillors are paid far less than say Birmingham and I don't feel that is equitable.
- I also do a lot of travelling to get to visit and meet the residents, however that is my choice as I live at the other end of town from the area that I serve. However, I do feel that some Councillors work very hard organising events and supporting the community, others appear to do very little yet may have held onto seats for years

- Councillors are always on call it is like being a doctor
- First I think the council should stop promoting itself as a Living Wage foundation employer. My earnings are circa £5 an hour, roughly half what I pay my cleaner
- Allowance covers any expense incurred by doing my duties. If I was to divide the allowance by working hours it may work out below minimum wage but it's made up by the joy of helping residents and championing my ward.
- For Councillor just doing council work and don't have another job it's not enough.
- We put in a lot of time talking to people taking calls. Being available for the community 7 days a week. So, no we are not paid enough.
- Though I love my position as a councillor, I believe the basic allowance level is too low, the time spent helping my residents can vary enormously from week to week, but generally the time spent is usually quite unsociable hours, very often during weekends and holiday periods, especially Christmas and New Year.
- Due to my employment being out of the city 15 miles away and working shifts, I very often have to leave work early or go to work late, though my employer allows this I do lose money, I also cannot guarantee a time that I will arrive at work in the night after Full Council meetings.
- Too low
- The allowance does not recognise the responsibility. There should be a comparison with similar authorities
- As I understand the matter, allowances for Councillors were introduced to make sure that the Council represents a diverse range of people rather than those who happen to have enough money to finance themselves as elected members. Allowances are not wages but do recognise that a significant amount of time is invested over a month in terms of meetings and ward issues/casework.
- This Allowance does not cover my outgoing expenses the only income in my household is my husband's pension as he is now retired I still live in a council property paying full rent and council tax and there is gas and electric and water to pay I have to claim a small amount of Universal credit that I thought once I was in employment as a Councillor I would not have to do this.
- the current basic allowance is less than minimum wage for all the hours councillors put in.
- It has been a number of years since allowance increased. For everyone, the cost of living has increased year on year. All Government departments have had increase on allowance or salary in this time, to reflect this situation. As an Opposition Councillor and Vice Chair, the Allowance I receive is less than a quarter as the Chair gets. Yet, my responsibilities and commitment to carry out my duties as Vice Chair are virtually the same. During COVID, my council workload increased due to the pandemic situation and challenge it represented for residents.

- Should be comparable to average minimum wage for a 35hr week.
- This element has intact been reduced over time and is infrequently uplifted due to political pressures on voting for your own allowance.
- It's not bad if you don't do anything in your ward but for the councillors who are more active then a little rise would encourage them.
- if you only attended your meeting in the council then its good.
- However, to encourage people to come forward to be councillors maybe they should be awarded better.
- I know it's not just about the money but it helps.
- Level of basic Allowance should at least be £12, 000
- I think that it isn't enough to compensate for the amount of time and effort it takes to do your duties properly. I think I low allowance like this puts off working age people who would need to balance council duties with work if they were to be elected. I think 11,000- 12,000 would be more adequate.
- It should be at least £12,000
- In comparison to other cities, the allowance is lower. Take Birmingham for example, where basic allowance is £18,000. The purpose of this is designed to support councillors in their work.
- Different councillors spend different amounts of time dispensing their duties. If we are to encourage a more broad and diverse range of residents to become councillors then we need to provide adequate support for people to get involved.
- The role of a Councillor is to serve the electorate. It is not designed to be paid employment. Many Councillors also have jobs; this may influence how much time they can dedicate to the role, but also the time input and commitment can also be very personal to the individual Councillor.
- In reality, I likely dedicate more time to my role as Councillor such that the allowance would not constitute a minimum wage. This is irrelevant to me; the allowance is sufficient to cover expenses related to the role in my opinion. Again this may be due to my personal circumstances. The Basic Allowance does not in effect stipulate working hours etc. - this is a personal choice of the Councillor.
- In my opinion, the public expect minimum standards from Councillors in terms of time input and dedication (this may be reflected at result at the ballot box). In the current climate I do not believe increases to the basic allowance would be palatable to the public.
- Increases in the basic allowance may also give an impression of a greater paid role or employment; it is important we have Councillors who have current experience in the workplace and in real-time etc. Increases in the basic allowance would be commensurate with the expectation of Councillors having to dedicate more time to the role and being more employment based. This has pros (especially in terms of ward work) and cons but it may lead to more disparity between Councillors.
- Basic allowance does not reflect the time and effort that a councillor needs to spend in community activities and council commitments adequately.
- Tha BA should be a reasonable amount of money , comparative to other local authorities to ensure parity, in order that it attracts the best people for the job. The purpose for there being an allowance/ salary in the first place was to

ensure anyone could stand as Councillor for their community. It is therefore important that people - whoever they are should be paid at a reasonable rate for the heavy responsibilities of such a job. It is arguable whether being paid the minimum wage - as it seems this is - is indeed 'reasonable'.

- Really low amount given the hours we spend in the community and expectation of constituents to be available at all hours. Often we give up our weekends and evenings too which other roles outside of the council would be recognised with the allowance given
- the allowance does not cover the additional expenses , printer (£200) and ink cartridges (£35), paper per ream (£3.99). PPE equipment masks, gloves, hand wash. additional phone line.

- The allowance is reasonable in that it covers the basic costs of being a Councillor.
- For those that go above and beyond in their duties and spend more time than others, it may not be seen as reasonable.
- In comparison to some local authorities it could be said that it is on the low side. It should be on a par.
- The present Basic Allowance in Wolverhampton does not equate to allowances made within other Councils cross the country.
- The responsibilities and commitment to the role can be very demanding yet rewarding, however it must also equate to the living wage, to attract and sustain new members!
- Seems more and more residents treating Councillors as Customer services because they don't seem to be getting through to WH / Council and seem to be spending more time trying to get through.

What are your views on the Special Responsibility Allowances detailed in the annex ? - What are your views on the Special Responsibility Allowances detailed in the annex ?

- They are acceptable, but the workload and SRAs need to be properly compared with other similar authorities.
- This has changed so much over the last five years! Pandemic, Air Quality, Social Care, Youth Provision, Jobs, Business Support, Arts & Culture, Visitor Economy all need attention to detail for delivery and sustainability.
- If a Councillor fails to uphold their responsibilities in terms of suspension or persistent absences then the allowance should only be paid up until he/she was actually a serving Councillor and had any Special Responsibility Allowance.
- Vice-chair of a committee
- I agree you should have extra for those responsibilities
- I think the SRAs are appropriate at the current level.
- Acceptable.
- No grievances.

- Potentially chairs of committees are paid too much. The difference between their role and a councillor isn't huge, yet their difference between them and a cabinet member is.
- This isn't reflected in the pay. Huge jump from Cllr to chair.
- SAR should have a mechanism that secures its operations independently as often we have seen this as a bargaining power. It should be based on merit, commitment and ability to prove the additional work done. It should not be for buying votes or for buying submission.
- I feel it should continue as there is a lot of extra work that is generated from that.
- They are a must
- I personally do not have any income from the council other than the basic pay, I don't chair a committee or have a special or external responsibility.
- There's a problem with the above. There is a scramble from colleagues to take on these roles in order to benefit from increased income. Whilst not corruption, it is none the less, corrupting.
- These positions are given not by virtue or merit, but as grace and favour in return for political affiliation.
- I would say this would be the area that needs reviewing. The level of work required when you either chair or vice chair a committee or panel can be very demanding.
- I agree with what is detailed above.
- As a vice chair of a scrutiny panel, I have responsibility to add real scrutiny to the controlling group, compared to the chair who may be inclined to agree with the cabinet view on most things.
- Too low
- They do not reflect the expertise and knowledge required to hold the authority staff to account with the authority's billions of assets and hundreds of millions of income and expenditure
- I think there are too many Special Responsibility Allowances and that they are very generous indeed.
- There should be more rules against councillors accumulating several roles (and the allowances), in an effort to greater a more diverse group of councillors involves in Council matters. Instead, we are open to an elite group dominating and preventing others involvement.
- We agree with the SRA as pointed out in my earlier statement; there is a need for an increase for both Chair and Vice Chair, particularly Vice Chair - due to it being disproportionately smaller for the Vice Chair. Historically, the Vice Chair allowance was double what it is now. It was reduced due to efficiency savings and it was to show that councillors were also prepared to take less for their allowance so the council could go through the difficult time that it was. This should, at a minimum, now go back to what it was. The basic allowance is way overdue to be reviewed and should certainly be increased year on year at the rate of inflation.
- Agree with above

- They should be benchmarked against other local authorities.
- I think it needs to be looked into. Take planning for example. when I was chair I seemed to be doing something all the time and going to different meeting. The planning committee was held every month & then it all changed the year I stopped and the agenda is much lighter and planning committee are every quarter. so that's one that definitely need looking into, especially when it's the same allowance as cabinet.
- I do feel Cabinet should be higher than chairs because of the responsibility that comes with the role.
- It is reasonable but It should also the number of meetings being held and attended.
- Special responsibilities are both time consuming and also add extra strains such as requiring more suitable outfits. I don't think the current amount is enough to cover exactly how much more work is included.
- The numbers of meetings taking place should also be taken into account.
- Agree with the principles of the SRA.
- Overall, I think the SRAs are fair.
- I believe these are fine.
- I am currently unable to access the annex. The views I have expressed in the previous question also applies.
That is fair
- They should be increased to meet inflation or the staff salary increases, the current allowances have been frozen for a number of years
- Special Responsibility Allowances are a necessary entity, as the fundamental duties and commitment to the executive role of the elected member, in policy making and strategy development are crucial.
- The appointed post must be rewarded appropriately in line with Local Authorities Regulations 2003 (England) Section:17...
- I believe it is not unreasonable to expect to be on paid full Basic Allowance and SRA while suspended ie. during an investigation, after all under the Equalities Act 2010, you are innocent until prove otherwise by the outcome of any investigation.."
- Some can appear to be arbitrary in nature

Do you think that the current scheme should be changed? if so how? - Do you think that the current scheme should be changed? if so how?

- The system should be truly independent so that the independent committee, providing it is properly independent and well informed, makes the decision and the council has no involvement.
- The scheme is so outdated by at least fifteen years! The changes to society are more demanding for members. If we get it wrong we're elected out with no redundancy and little prospect of a job in the private sector. Unlike CEO's and Directors, they move onto the next Authority at the same Salary

- Councillors are elected to serve their constituents to their best ability and must attend the meetings that they are required to attend.
- If a Councillor has a poor attendance record it must be valid in terms of special circumstances i.e., bereavement, ill health, hospitalisation, caring for an immediate family member.
- Increase in allowance
- I'm open to ideas
- SRAs should be allocated to shadow cabinet members
- I would look to alter the chair's pay.
- Yes. It should be by quota. Ensuring inclusion and diversity
- It should be decided by committee not the Leader alone.
- It should be protected so that the leader doesn't take it off as at when he feels like
- Another option is for it to be abolished and the allowance increased to cover for this, that way we can have more transparency, independence and objectivity not favouritism
- Not sure
- No
- Well, there is clearly a problem with the existing position, as it has a way of embedding patronage rather than merit into these roles.
- If you consider a chair is paid £16,000, a back bencher £9,000, so about 80% more for an additional - what, half day every two months? You can see how the present system is flawed.
- Also, I notice that when I email cabinet members, rarely do I get a reply the same day, suggesting they only attend to their council work in the evenings.
- I would say a small increase for SRA's
- No
- I believe the chair of each scrutiny panel should NOT be from the controlling group, this would bring real scrutiny to the panels.
- More money - too many previous reviews have been rejected because of political fear
- It should be compared with similar authorities
- I would reduce the number of SRA's and the amount paid. The basic allowance is sufficient and can be reviewed on a three yearly basis.
- Yes. Increase in basic allowance so everyone benefits, not those with additional roles. also see comments above
- As suggested above.
- No
- Benchmarked and uplifted annually with inflation or staff wage increases,
- I think it needs to be looked into and an overall is needed. I think a clock in and out system for meetings especially party groups would be beneficial and should have an impact on the allowance. I'm not saying an hourly rate but it is something that can be logged so you find out who the shirker's are! and address it.

- It can be so frustrating when some councillors work and have to rush for meeting and stay but others just come for their mark and leave. It forms bad feelings & encourage laziness. because some feel and say why should we work when they don't but we get paid anyway. I also feel that no councillor should be able to go on holiday for months at a time with pay.
- The current scheme should be changed to take into account of our neighbouring Local authorities and other Local Authorities of similar sizes to our Council.
- Pro-rata would be fine if there was a substantial increase to the basic rate but otherwise needs to be more.
- The current scheme should be changed to, in comparison to our neighbouring Local Authorities and should reflect to similar size Local Authorities Nationally.
- Yes. On the whole I believe it to be effective but there are some areas that need reform.
- With Chairs and Vice chair-ships, there is a big difference between the £10,000 a Chair gets to the £2,500 a VC gets. This gap needs bringing closer together, I suggest £5,000 for the Chair and £2,500 for the deputy. Or £7,500 and £3,500. Therefore making a saving and redressing the balance of what time chairs and vice chairs put in, which is not much different if at all.
- There is massive disparity between the Opposition group leader SRA and the Opposition Deputy Group Leader's SRA. It is only recognised the same as a Vice Chair-ship, demonstrated below, which needs addressing too.
- Leader SRA £25,000
- Deputy SRA £20,000
- Oppo Leader £15,000
- Oppo Deputy £2500 (Should be £10,000 following the trend)
- I have no strong opinion on this. Overall, costs to the taxpayer should be kept as low as possible. It is important to avoid the perception that SRAs are used to 'top' up payments to be more akin to a salary. They are specific allowances to undertake extra roles and responsibilities which may lead to increase in expense.
- No
- I refer to my previous answers but am unable to answer this question fully as I simply don't know.
- I think the SRA are justified given the extra expectations
- Yes
- There may be an opportunity here to reform the structure of the Councillors Allowance Scheme going forward.
- For future discussion and consultation among elected member representatives, the Independent Remuneration Panel and the Local Government Association ..."
- There should be an increase in basic for all & a reduction in SRA at top-end

Please set out below details of any other aspects of the Members' Allowances Scheme which you would like to bring to our attention and/or

any specific issues you want to raise: - Please set out below details of any other aspects of the Members' Allowances Scheme which you would like to bring to our attention and/or any specific issues you want to raise:

- The extra work that's needed to do outside the local authority is never taken into consideration, CA and wider work with LGA and Government is never considered.
- As set out above.
- The basic role and recognition of what councillors do should be reflected in the allowance. Often we travel at our expense on official duties and the allowance in return doesn't not reflect or cover the costs we endure.
- Casework is taking longer to process through the system, in some cases, I have to go back 4 or 5 times to the same issue, other issues are long-standing and a simple repair to a property can generate at least 4 visits 20 emails and the same complaint over and over again, other complex issues of car parking can last years .
- Members Allowance Scheme falls below minimum wage and it makes a mockery of decent earnings. For people with young families, it puts them under intense pressure, where you are working all those hours but nothing to show for it in terms of being able to take care of bills. Unless you take on another job which can open Councillors up in terms of conflict of interest
- I am a Chair and with that there are meetings and then more responsibilities are added on - now Scrutiny has been added on. These are weekly meetings. There are minutes to be read before the meeting which also takes time and I am also Vice Chair for an outside body and this also involves meetings in Birmingham and lengthy minutes to go over. Some Councillors have a lot of background work that is not obvious and others do not appear to have those. I feel that the money does reflect the responsibility with Special Allowances
- I think councillors should get the same allowance as Birmingham councillor. Why are Wolves councillors have the lowest allowance
- Well, there are significant problems with the present system. No one is paid properly, then there is mad competition for additional revenue raising jobs to improve pay.
- I think we have to move away from the "allowance concept". An allowance is what I give my 17 year old daughter.
- These roles need to be measured, and paid accordingly. I suspect some councillors do no more than 10 -15 hours a week, but for back benchers like me on the basic pay doing 40 hours a week, you need to find an equitable means of remuneration. By the way, mad we have to pay £200 to park outside the building. I suggest a proper ExCom is formed that annually reviews revenue based upon 21st here and now, not how things were measured as "expenses" in the past. The service needs to be professionalised, but also the public have a right to demand proper representation. Hope that's helpful, can it be annually?
- A difficult one, but it would be interesting to see some type of pension scheme made available for councillors under the pensionable age. With not being employees not sure how that would work in practice.
- None

- We as councillors have voted for a cap and a cut in our allowances in the past, due to what is happening in the country. However, I believe that our allowances should be done by an independent body. It all gets very silly when for political reasons we all vote for a pay cut and then pass senior officers pay rises.
- None
- Any elected member position attracting extra money should be highly scrutinised to make sure that individuals do not step up in the interests of gaining financial reward. In my view where these positions of greater responsibility are made, they should be a matter for the whole Group rather than in the gift of the Leader and should be given on merit i.e., time invested and quality of performance. No-one should hold an SRA for longer than 4 years.
- I observe that some concerns raised by councillors and brought to the attention of Governance have not been taken seriously or investigated properly.
- I have concerns that the councillor support email system has just added a layer of admin which enables, this delays the response for case work, enables officers to delay or avoid responding. More needs to be done to improve this system.
- I am concerned that the Council comms team promote COVID19 restrictions however actual practice within the Council buildings and meetings held there in, do not reflect this. Personally, I feel under pressure to attend face-to-face meetings in a high risk environment.
- I welcome this review as it is needed and overdue by a number of years.
- There is nothing that stands out to me apart from what I've just said in item 8.
- I would say how much work cabinet members do and the responsibilities they hold should be a grade higher. I also feel the Leader of the council should be above all and should get a rise because I feel it's a full time job and with that job come great responsibilities and a lot of stress.
- About nine years ago we took a voluntary cut of about 6% . THIS SHOULD BE RESTORED.
- About Nine years ago, we took volunteer reduction of about 6% in our allowances. This should BE RESTORED.
- None other. Basic allowance increased.
- When I first became a councillor I gave up my day job to commit 100 percent into the role, financially I took a massive hit but I felt this was necessary to give the role the justice it deserves. After a few years when finances became unbearable I returned to work and this meant I was unable to join as many community events and the role suffered. Now I hold an SRA I have been able to afford to cut my hours at work and again dedicate more time to both roles. All Cllrs want to be able to give more time to the role and allowances must enable us to be able to cut back other paid roles.
- No additional allowance for travel arrangements

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Role Profiles

Note: Number of meetings attended internally is noted in the brackets next to meeting.

Role: Leader	
Role Profile (If applicable):	<ul style="list-style-type: none"> • To provide a focal point for political leadership and strategic direction for the Council. • To represent the interests of the Council in circumstances where that is necessary. • To ensure effective Corporate Governance. • Form a vision for the Council and community • Provide strong, clear leadership in the co-ordination of policies, strategies and service delivery
Internal Meetings:	<ul style="list-style-type: none"> • Cabinet (13) – Chair • Cabinet (Resources) Panel (13) – Vice Chair • Executive Team (17) – Chair • Health & Wellbeing Together Board (4) • Local Outbreak Engagement Board (4) • Safeguarding Joint Board (4)
External Meetings: Note: frequency of meetings varies from bi-monthly to quarterly (these are arranged by external partners).	<ul style="list-style-type: none"> • West Midlands Combined Authority Board • West Midlands Combined Authority Public Services Board • West Midlands Rail Ltd • West Midlands Shareholders • Airport Committee • Local Government Association • West Midlands Local Government Association • Black Country Executive Joint Committee • Black Country Executive Joint Committee Advisory Board • Black Country Consortium • Wolverhampton City Board

Role: Deputy Leader	
Role Profile (If applicable):	<ul style="list-style-type: none"> • To support and deputise for the Leader of the Council • To give political direction and support to officers working within the Portfolio. • To provide leadership within the Portfolio. • To make executive decisions within the Portfolio in line with Council procedure.
Internal Meetings:	<ul style="list-style-type: none"> • Cabinet (13) – Vice Chair • Cabinet (Resources) Panel (13) – Chair • Executive Team (17)
External Meetings: Note: frequency of meetings varies from bi-monthly to quarterly (these are arranged by external partners).	<ul style="list-style-type: none"> • West Midlands Combined Authority Board • West Midlands Rail Executive Ltd • West Midlands Shareholders Airport Committee • Local Government Association • Wolverhampton City Board

Role: Cabinet Member	
Role Profile (If applicable):	<ul style="list-style-type: none"> • To give political direction and support to officers working within the Portfolio. • To provide leadership within the Portfolio. • Be accountable for choices and performance in the portfolio • To have an overview of the performance management, efficiency, and effectiveness of the portfolio • To make executive decisions within the Portfolio in line with Council procedures.
Internal Meetings:	<ul style="list-style-type: none"> • Cabinet (13) • Cabinet (Resources) Panel (13) • Executive Team (17)
External Meetings:	<ul style="list-style-type: none"> • Note: Varies for each Cabinet Member based on portfolio, frequency of these meetings can also vary from bi-monthly to quarterly (these are arranged by external partners).

Role: Leader of the Main Opposition Group	
Role Profile (If applicable):	<ul style="list-style-type: none"> • Be a political figurehead for the Opposition Group; to be the principal political spokesperson for the Council's opposition. • Provide leadership in the constructive challenge of the Council's policies. • Provide strong, clear leadership in the co-ordination of alternative policies, strategies and service delivery.
Internal Meetings:	<ul style="list-style-type: none"> • Note: appointed to various committees however not in the capacity of Leader of the Opposition Group.
External Meetings:	<ul style="list-style-type: none"> • Local Government Association

Role: Deputy Leader of the Main Opposition Group	
Role Profile (If applicable):	<ul style="list-style-type: none"> • To support and deputise for the Leader of the Opposition Group.
Internal Meetings:	<ul style="list-style-type: none"> • Note: appointed to various committees however not in the capacity of Deputy Leader of the Opposition Group.
External Meetings:	<ul style="list-style-type: none"> • Local Government Association

Role: Chair Scrutiny Board	
Role Profile (If applicable):	<ul style="list-style-type: none"> • The Chair will also have an important contribution to ensuring that meetings and activities are well planned, chaired effectively and make best use of the resources available. • Build trusting relationships, as the basis to build effective team working amongst non-Executive members in order to encourage an appetite to further develop Scrutiny work. • Promote the role of scrutiny within and outside the Council, liaising effectively both internally within the Council and externally with the Council's partners • Demonstrate an objective and evidence based approach to scrutiny which is non-political.
Internal Meetings:	<ul style="list-style-type: none"> • Scrutiny Board (6)
External Meetings:	<ul style="list-style-type: none"> • West Midlands Combined Authority – Overview and Scrutiny Committee • Note: frequency of meetings varies (these are arranged by external partners).

Role: Chair Scrutiny Panel	
Role Profile (If applicable):	<ul style="list-style-type: none"> • To chair one of the Council's Scrutiny Panel meetings ensuring effective consideration and scrutiny of decisions, proposals and reports of the Executive relating to the remit of the Scrutiny Panel as appropriate.
Internal Meetings:	<ul style="list-style-type: none"> • Scrutiny Panel (4/5)
External Meetings:	<ul style="list-style-type: none"> • Note: not appointed to external meetings due to chair role.

Role: Chair – Planning Committee	
Role Profile (If applicable):	<ul style="list-style-type: none"> • To chair meetings of the Council's Planning Committee in accordance with the Committee's terms of reference; to provide leadership and direction to the Committee and open and transparent decision making on planning applications brought to Committee. • Ensure thoroughness and objectivity in the Committee, receiving and having due regard to professional advice in the conduct of meetings and in individual cases/applications before formal committee meetings
Internal Meetings:	<ul style="list-style-type: none"> • Planning Committee (6)
External Meetings:	<ul style="list-style-type: none"> • Note: not appointed to external meetings due to chair role.

Role: Chair – Licensing Committee	
Role Profile (If applicable):	<ul style="list-style-type: none"> • Act as an ambassador for the Licensing Committee, facilitating understanding of the role • Act within technical, legal and procedural requirements to oversee the functions of the Committee fairly and correctly • Ensure thoroughness and objectivity in the Committee, receiving and having due regard to professional advice in the conduct of meetings and in individual cases/applications before formal committee meetings <p>Licensing Sub Committee:</p> <ul style="list-style-type: none"> • Ability to conduct meetings to ensure that applicants/affected parties feel that they have been dealt with fairly and fully even if they have been unsuccessful • Understanding of the Council's role and ability to ensure that stake holders are aware of that role • Communication skills • Knowledge of local issues • Ability to manage the work of the Committee • Ability to support and develop necessary skills in fellow Members of the committee

Internal Meetings:	<ul style="list-style-type: none"> • Licensing Committee (5) • Regulatory Committee (5) • Licensing Sub Committee (approx. 15-40)
External Meetings:	<ul style="list-style-type: none"> • Note: not appointed to external meetings due to chair role.

Role: Chair – Audit and Risk Committee	
Role Profile (If applicable):	<ul style="list-style-type: none"> • Demonstrate independence, integrity and impartiality in decision making which accord with legal, constitutional and policy requirements. • Provide confident and effective management of meetings to facilitate inclusivity, participation and clear decision making • Lead the Committee in its role
Internal Meetings:	<ul style="list-style-type: none"> • Audit and Risk Committee (5)
External Meetings:	<ul style="list-style-type: none"> • West Midlands Combined Authority – Audit, Risk and Assurance Committee • Note: frequency of meetings varies (these are arranged by external partners).

Role: Chair – Pensions Committee	
Role Profile (If applicable):	<ul style="list-style-type: none"> • Demonstrate independence, integrity and impartiality in decision making which accord with legal, constitutional and policy requirements. • Provide confident and effective management of meetings to facilitate inclusivity, participation and clear decision making • Lead the Committee in its role
Internal Meetings:	<ul style="list-style-type: none"> • Pensions Committee (4)
External Meetings:	<ul style="list-style-type: none"> • Note: not appointed to external meetings due to chair role.

Role: Vice-Chair – Scrutiny Board and Panels	
Role Profile (If applicable):	<ul style="list-style-type: none"> • Fulfil the duties of the Chair in their absence • Assist the Chair in specific duties as required
Internal Meetings:	<ul style="list-style-type: none"> • Scrutiny Board (6) • Scrutiny Panel (4/5)
External Meetings:	<ul style="list-style-type: none"> • Note: not appointed to external meetings due to vice chair role.

Role: Vice-Chair – Planning Committee	
Role Profile (If applicable):	<ul style="list-style-type: none"> • Fulfil the duties of the Chair in their absence • Assist the Chair in specific duties as required
Internal Meetings:	<ul style="list-style-type: none"> • Planning Committee (6)
External Meetings:	<ul style="list-style-type: none"> • Note: not appointed to external meetings due to vice chair role.

Role: Vice-Chair – Licensing Committee	
Role Profile (If applicable):	<ul style="list-style-type: none"> • Fulfil the duties of the Chair in their absence • Assist the Chair in specific duties as required
Internal Meetings:	<ul style="list-style-type: none"> • Licensing Committee (5) • Regulatory Committee (5)
External Meetings:	<ul style="list-style-type: none"> • Note: not appointed to external meetings due to vice chair role.

Role: Vice-Chair – Audit and Risk Committee	
Role Profile (If applicable):	<ul style="list-style-type: none"> • Fulfil the duties of the Chair in their absence • Assist the Chair in specific duties as required
Internal Meetings:	<ul style="list-style-type: none"> • Audit and Risk Committee (5)
External Meetings:	<ul style="list-style-type: none"> • Note: not appointed to external meetings due to vice chair role.

Role: Vice-Chair – Pensions Committee	
Role Profile (If applicable):	<ul style="list-style-type: none"> • Fulfil the duties of the Chair in their absence • Assist the Chair in specific duties as required
Internal Meetings:	<ul style="list-style-type: none"> • Pensions Committee (4)
External Meetings:	<ul style="list-style-type: none"> • Note: not appointed to external meetings due to vice chair role.

Role: Chair – Governance and Ethics Committee	
Role Profile (If applicable):	<ul style="list-style-type: none"> • Ensure the Committee fulfils its duties to promote and maintain high standards of conduct by Councillors, to oversee the following: revisions to the constitution, the elections process and other related matters as set out in Part 3 of the Constitution. •
Internal Meetings:	<ul style="list-style-type: none"> • Governance and Ethics Committee (7)
External Meetings:	<ul style="list-style-type: none"> • Note: not appointed to external meetings due to chair role.

Role: Vice-Chair - Governance and Ethics Committee	
Role Profile (If applicable):	<ul style="list-style-type: none"> • Fulfil the duties of the Chair in their absence • Assist the Chair in specific duties as required
Internal Meetings:	<ul style="list-style-type: none"> • Governance and Ethics Committee (7)
External Meetings:	<ul style="list-style-type: none"> • Note: not appointed to external meetings due to vice chair role.

Councillor Champion(s)	
Role Profile (If applicable):	<ul style="list-style-type: none"> • To promote the relevant issue within the Council and with key partners in liaison with Cabinet Members in line with Council policy. • To contribute to the review and development of policies pertaining to the area of interest. • To engage with the Executive and Scrutiny to ensure that due regard is given to the issue as part of policy development and strategic planning activities. To provide positive support, and on occasions, constructive challenge to the Council and officers in driving forward the Council's agenda on relevant issues. • To represent the Local Authority at relevant events and on external bodies on issues relating to the theme they are championing.
Internal Meetings:	<ul style="list-style-type: none"> • Councillors Champions for Equalities, Climate Change and Councillor Development Chair quarterly advisory group meetings.
External Meetings:	<ul style="list-style-type: none"> • N/A

Mayor	
Role Profile (If applicable):	<ul style="list-style-type: none"> • The Mayor of Wolverhampton is appointed annually by the Council to chair full council meetings and to be the First Citizen of Wolverhampton. • Preside over meetings of the Council, so that its business can be carried out efficiently • Ensure the Council conducts its meetings in line with the Council’s Constitution/Rules of Procedure • Ensure the Constitution is adhered to and, if necessary, to rule on the interpretation of the Constitution at Council Meetings • The Mayor does not have any executive powers. The Mayor of Wolverhampton is a ceremonial Mayor and is not directly elected by the public. As a result, they may not act politically in their role as Mayor. • The office of Mayor is the highest honour the Council can give to an elected member and as such is recognised, in the City, as being second only to royalty and Her Majesty’s Lord Lieutenant. <p>Key Responsibilities of the Mayor</p> <ul style="list-style-type: none"> • Be an Ambassador for the Council and City • Uphold and promote the Council Plan in the Community • Chair council meetings in a politically neutral manner • Build strong, effective relationships between the council, its partners and communities • Lead civic ceremonies • Promote the civic role and encourage community participation • Encourage citizenship and participation in the life of the City • Receive members of the Royal Family and other important visitors to the City
Internal Meetings:	<ul style="list-style-type: none"> • Council (8)
External Meetings:	<ul style="list-style-type: none"> • Note: The Mayor is invited to numerous events throughout the year and attends approximately 400.

Deputy Mayor	
Role Profile (If applicable):	<ul style="list-style-type: none"> • To assist and deputise for the Mayor in carrying out the above key responsibilities. • In the absence of the Mayor, to preside over meetings of the Council. • The Deputy Mayor is normally called upon if the Mayor is on holiday, unforeseen illness etc. or if it is deemed necessary for a civic presence and the Mayor is unavailable.
Internal Meetings:	<ul style="list-style-type: none"> • Council (8)
External Meetings:	<ul style="list-style-type: none"> • Note: The Deputy Mayor will occasionally accompany the Mayor on official engagements as well as deputise as and when required.