

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

## Membership

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

## Labour

Cllr Obaida Ahmed  
Cllr Paula Brookfield  
Cllr Chris Burden  
Cllr Steve Evans  
Cllr Bhupinder Gakhal  
Cllr Jasbir Jaspal  
Cllr Linda Leach  
Cllr Beverley Momenabadi

Quorum for this meeting is three voting members.

## Information for the Public

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

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

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

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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

# Agenda

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

*Item No.*    *Title*

### MEETING BUSINESS ITEMS

- 1            **Apologies for absence**
- 2            **Declaration of interests**
- 3            **Minutes of the previous meeting** (Pages 3 - 8)  
[For approval]

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

- 4            **Housing Revenue Account Business Plan 2023-2024 including Rent and Service Charges** (Pages 9 - 50)  
[To approve the Housing Revenue Account Business Plan 2023-2024 including rent and service charges]

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

- 5            **Council Tax Base and Business Rates (NDR) Net Rate Yield 2023-2024** (Pages 51 - 60)  
[To set the estimates for Wolverhampton Collection Fund 2023-2024, which the Council manages on behalf of local precepting bodies and central government]
- 6            **Collection Fund Estimated Outturn 2022-2023** (Pages 61 - 68)  
[To report on the estimated outturn for Council Tax and Business Rates, also referred to as Non-Domestic Rates (NDR), transactions on the Collection Fund in 2022-2023]
- 7            **Annual Health and Safety Update** (Pages 69 - 110)  
[To approve revisions to the Corporate Health and Safety Policy]
- 8            **Land and Property Disposal Policy** (Pages 111 - 150)  
[To approve the Surplus Land and Property Disposal Policy]

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Meeting of the Cabinet</b> <b>Minutes - 14 December 2022</b>
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## Attendance

### Members of the Cabinet

Cllr Ian Brookfield (Chair)  
Cllr Stephen Simkins (Vice-Chair)  
Cllr Obaida Ahmed  
Cllr Paula Brookfield  
Cllr Chris Burden  
Cllr Steve Evans  
Cllr Bhupinder Gakhal  
Cllr Jasbir Jaspal  
Cllr Linda Leach  
Cllr Beverley Momenabadi

### Employees

Tim Johnson	Chief Executive
John Denley	Director of Public Health
Charlotte Johns	Director of Strategy
Richard Lawrence	Director of Regeneration
David Pattison	Chief Operating Officer
Becky Wilkinson	Director of Adult Social Services
Brenda Wile	Deputy Director of Education
Paul Dosanjh	Section Leader
Jaswinder Kaur	Democratic Services Manager
Dereck Francis	Democratic Services Officer

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

- | <i>Item No.</i> | <i>Title</i>  |
|-----------------|---|
| 1               | <b>Apologies for absence</b><br>No apologies for absence were received for the meeting.   |
| 2               | <b>Declaration of interests</b><br>No declarations of interests were made.  |
| 3               | <b>Minutes of the previous meeting</b><br>Resolved:<br>That the minutes of the previous meeting held on 16 November 2022 be approved as a correct record and signed by the Chair. |

4 **South Staffordshire, Stafford and Birmingham Local Plan Consultation Responses**

Councillor Stephen Simkins presented the report on consultations on three local plans affecting the city: the South Staffordshire Local Plan (SSLP) - Regulation 19; the Stafford Local Plan (SLP) - Preferred Options; and the Birmingham Local Plan (BLP) - Issues and Options. Approval was requested to principles for the Council's response to the SSLP and Statements of Common Ground on the SSLP, and of detailed responses to the SLP and BLP.

It was reported that since the report was published, the Government had made statements on potential new changes to the planning system. These changes would affect the way local plans are prepared. The consultation on changes to the national planning policy framework should be published before Christmas. When the detail of the consultation is announced, the Council would carefully consider the implications for Wolverhampton. In the meantime the Council had to respond to the three local plans under current guidance and legislation to meet deadlines.

Resolved:

1. That the principles set out in paragraph 3.24 of the report be approved as the basis of the Council's response to the South Staffordshire Local Plan (SSLP) Regulation 19 consultation.
2. That the recommended issues set out in Appendix 1 be approved as the basis of the text of Statements of Common Ground (SoCG) on the SSLP to be agreed with South Staffordshire District Council (SSDC) and other relevant parties, and authority to approve and sign the SoCG be delegated to the Deputy Leader: Inclusive City Economy in consultation with the Director of Regeneration.
3. That the interim officer response set out in Appendix 2 to the report be approved as the Council's response to the Stafford Local Plan Preferred Options consultation.
4. That the interim officer response set out in Appendix 3 to the report be approved as the Council's response to the Birmingham Local Plan Issues and Options consultation.
5. That the Wolverhampton approach to the duty to cooperate following the cessation of work on the Black Country Plan as summarised in section 2 of the report be noted.

5 **City of Wolverhampton Council Enforcement Policy in Relation to the Relevant Letting Agency Legislation**

Councillor Steve Evans presented for approval the City of Wolverhampton Council Enforcement Policy in Relation to the Relevant Letting Agency Legislation applicable to landlords and property agents concerning displaying fees, prohibited fees, being members of a redress scheme and belonging to a client money protection scheme. There was a statutory duty on the Council to enforce the relevant lettings agency legislation. To enforce the legislation the Council was required to adopt an enforcement policy.

Responding to questions, Paul Dosanjh, Service Manager Trading Standards and Licensing reported on how the policy would help tenants and on action the Council was taking to help tenants. A project was being developed around letting agents and letting agency work about interacting with letting agents and landlords to give them guidance so there is a fair playing field. The Council also carried out continuing level of inspections based on complaints; inspections from intelligence gathering or concerns reported; liaised with tenants groups and social housing providers to try and get a picture of the private rented sector in the city; and when the Council obtained a good result through enforcement action either in Trading Standards or the Private Sector Housing Service, it was publicised to say to people there is something that can be done, and to try to empower them to bring information to the Council's attention either as a complaint or intelligence. The policy allowed the Council to act more quickly and have a sanction shortly after the action so the consequences of the non-compliance are brought to bear more quickly. It would also hopefully send a message to change the marketplace where there are rouge traders operating in the city.

Resolved:

That the City of Wolverhampton Council Enforcement Policy in Relation to the Relevant Letting Agency Legislation be approved.

## 6 **Expansion of Broadmeadow Special School**

Councillor Chris Burden presented the report seeking approval to proceed with a proposal for the expansion of Broadmeadow Special School in order to meet pupil need and demand. Phase 1 of the expansion would provide two temporary modular buildings to immediately address a shortage of accommodation and to re-purpose parking spaces at the school. This would be in addition to extending the lease agreement so the school could continue to occupy the ground level of the Whitmore Reans Strengthening Families Hub. Whilst phase 1 was a temporary measure, a permanent solution would be sought in phase two of the expansion project. That would see a further increase in capacity for the School to meet additional demand. This increased capacity would not be able to be achieved on the existing site and would therefore be delivered through relocation of Broadmeadow Special School to another site in the city in purpose-built provision.

Resolved:

1. That the proposal to fund additional accommodation to meet pupil need and demand at Broadmeadow Special School (Phase 1) be approved.
2. That Legal Services be authorised to enter into or execute or seal any legal documentation in relation to this scheme to protect the Council's interests.
3. That authority be delegated to the Cabinet Member for Education, Skills and Work, in consultation with Executive Director of Families, to approve the virement from the currently approved capital budget High Needs Capital Programme – Future Schemes to a budget for this specific project, once the actual level of budget required is finalised.

4. That it be noted that the Central Learning Partnership Trust (CLPT) have an existing agreement with the Local Authority to lease the ground floor of the Whitmore Reans Strengthening Families Hub, which is adjacent to Broadmeadow Special School. This lease would need to be extended in addition to the provision of additional accommodation under Phase 1 of the scheme.
5. That it be noted that Phase 1 is intended to be a temporary solution. The proposed Phase 2 of the scheme would see Broadmeadow Special School further increase in capacity to meet additional demand and would be relocated to another site in purpose-built provision. Investigations regarding Phase 2 are currently ongoing.
6. That it be noted that any proposal to relocate Broadmeadow Special School and increase in capacity would be presented at a future Cabinet meeting.

7 **Exclusion of press and public**

Resolved:

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

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

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

8 **Update on Streamlining Black Country Ways of Working – Black Country Consortium Ltd**

Councillor Ian Brookfield presented the report seeking endorsement to a recommendation from the Association of Black Country Authority Leaders at their meeting on 19 October 2022, to close the Black Country Consortium Ltd. The Consortium, a company limited by guarantee was established by the Black Country local authorities in April 2005. At that time various Black Country wide activities had been established and the creation of a legal entity was felt appropriate for the policy and partnership context in operation across the region. The 2022 Levelling Up White Paper signalled the current shift in policy direction and a significant change in economic development architecture, namely emphasising and empowering local leadership and improving pride of place. This shift provided the latest context for a root and branch review of how streamlining ways of working at a Black Country geography needed to be reflected.

Resolved:

1. That the closure of the Black Country Consortium Limited be approved.

2. That the following Association of Black Country Authorities Leaders' approvals made at their meeting held on 19 October 2022 be noted:
  - a. Acknowledge the track record and positive contribution enabled by Black Country Consortium Ltd.
  - b. A calling of a directors meeting of Black Country Consortium Ltd in January 2023 with a recommendation to voluntary wind up the company at a date to be advised and agreed during 2023.
  - c. A commitment to working towards a goal of a clear regional arrangement for data and intelligence clarifying roles and responsibilities and in the interim hosting of Black Country Consortium Economic Intelligence team via Walsall Metropolitan Borough Council who will still continue to provide via a service level agreement data and intelligence to Black Country Councils as required.
  - d. A fit for purpose and timely arrangement for a TUPE transfer arrangement for Active Black Country, currently hosted via Black Country Consortium Ltd (BCC Ltd) to an independent entity arrangement, noting local authority hosting offers in principle from the City of Wolverhampton Council and Sandwell MBC.
  - e. A potential hosting/ integration of current cultural/ visitor economy expertise by one of the Black Country local authorities.
  - f. Historical BCC Ltd company deferred pensioners and pensioners liabilities split as a liability equally across the four Black Country Councils.
  - g. A report to individual local authority Cabinets (November/December 2022) to endorse the closure of BCC Ltd.

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>18 January 2023</b>
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<b>Report title</b>	Housing Revenue Account Business Plan 2023-2024 including Rent and Service Charges	
<b>Decision designation</b>	RED	
<b>Cabinet member with lead responsibility</b>	Councillor Bhupinder Gakhal, City Assets and Housing Councillor Obaida Ahmed, Resources and Digital City	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	John Roseblade, Director of City Housing and Environment Claire Nye, Director of Finance	
<b>Originating service</b>	Housing, Finance	
<b>Accountable employee</b>	Jo McCoy Andrew Bryant  Tel Email	Strategic Finance Service Lead – Landlord Services 01902 558433  andrew.bryant@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Strategic Executive Board Scrutiny Board	13 December 2022 24 January 2023

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### Recommendations for decision:

The Cabinet recommends that Council:

1. Adopts the Business Plan set out at Appendix 1 to this report as the approved Housing Revenue Account Business Plan including:
  - a. The revenue budget for 2023-2024 at Appendix 1 to this report.
  - b. The Capital Programme for 2023-2024 to 2027-2028 at Appendix 2 to this report that includes the following among the proposed investment plans;
    - £105 million for new homes
    - £67 million provision for estate remodelling
    - £39 million to complete the refurbishment of the Heath Town estate

- £43 million remediation works to non-traditional properties including energy efficiency improvements
  - £114 million for programmes to high rise estates to include building safety improvements, infrastructure replacement, and external works to include energy efficiency.
2. Approves the implementation of an increase of 7% to social housing rents in accordance with the Welfare Reform and Work Act 2016 and to give 28 days notice to all secure and introductory tenants of the rent increase from 1 April 2023.
  3. Approves the rates for garage rents and service charges set out in Appendix 3 to this report and formally notifies tenants.
  4. Approves an increase to Shared Ownership rents of 7%.
  5. Delegates authority to approve the final Management Allowances for Managing Agents in 2023-2024 to include a virement from the debt management repayment budget if required to the Cabinet Members for City Assets and Housing and Resources and Digital City in consultation with the Director of Finance and Director of City Housing and Environment to enable a full review of cost pressures.
  6. Delegates authority to agree a financial assistance scheme for tenants experiencing financial hardship to the Cabinet Members for City Assets and Housing and Resources and Digital City in consultation with Director of Finance and Director of City Housing and Environment to be in place by 1<sup>st</sup> April 2023.
  7. Approved the HRA Financial Management and Investment Strategy, at Appendix 6 to the Business plan.

### **Recommendations for noting:**

The Cabinet is asked to note:

1. From 1 April 2020 the Regulator of Social Housing has regulated social rents charged by Local Authorities as set out in the Rent Standard 2020. However, the government has capped the increase chargeable from 1 April 2023 at 7%.
2. The increase to Shared Ownership rents is based on agreement to the government's principle of a voluntary commitment of the 7% cap.
3. No increases are planned to service charges in 2023-2024.
4. That, in the opinion of the Director of Finance (Section 151 Officer) the current levels of reserves and provisions is appropriate and adequate for the forthcoming financial year.
5. The Charter for Social Housing Residents: Social Housing White Paper (2020) sets out the principles for a new, fairer deal for social housing residents, focusing on the provision of safe and decent homes, resolving complaints, empowering tenants, tackling stigma and building new homes.

## **1.0 Purpose**

- 1.1 This report presents an updated Housing Revenue Account (HRA) Business Plan 2023-2024 for recommendation to Full Council which is 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.
- 1.2 The report also provides, as an integral part of that Business Plan, a proposed HRA budget for 2023-2024, including proposed rents and service charges to take effect from 1 April 2023, and a proposed HRA Capital Programme for the period 2023-2024 to 2027-2028 for recommendation to full Council.

## **2.0 Background**

- 2.1 Since the implementation of Housing Revenue Account self-financing in 2012, the Council has been required to set out its Housing Revenue Account (HRA) Business Plan. The Business Plan is monitored quarterly and reviewed annually to ensure that assumptions remain robust and resources within the plan are sufficient to meet expenditure requirements. Appendix 4 to the Business Plan provides more detail on HRA self-financing.
- 2.2 In February 2019, the Secretary of State for Housing, Communities and Local Government gave a direction which set out the government's rent policy for social housing for the next five years and the requirement for the Regulator of Social Housing to undertake the regulation of Local Authority Social Housing Rents, aligning the regulation with that of private-registered providers. The resulting Rent Standard came into force on 1 April 2020.
- 2.3 Key elements of the direction are to restrict rent increases on social and affordable rent properties by up to Consumer Price Index (CPI) plus 1% annually from 2020 for a period of at least five years. CPI is based on the published figure for September of the previous year. The direction also allows discretion over the rent set for individual properties with a 5% flexibility for general needs stock.
- 2.4 However, CPI in September 2022 was 10.1% which under the government's policy could have resulted in rent increases of up to 11.1%. Therefore, as part of the Autumn Financial Statement issued by the government in November 2022 the rent increase from 1 April 2023 has been capped at 7%.
- 2.5 Shared Ownership rents are not covered by the 7% cap, as set out in the terms of most lease agreements, rents are permitted to increase by a maximum of the Retail Prices Index (RPI) for a given month plus 0.5%. In November, RPI was 14%. This means that rents could increase by as much as 14.5% in 2023-2024.
- 2.6 Housing associations, responsible for 90% of that sector's Shared Ownership homes have voluntarily committed to limiting rent increases for their shared owners in 2023-2024 to no more than 7%. The government have asked Local authorities if they would also be

willing to commit to a 7% limit so that the cap to be extended as widely as possible so that all shared owners may benefit, regardless of who their landlord is.

- 2.7 The HRA borrowing cap was abolished completely in October 2018 enabling local authorities to borrow for housebuilding and other HRA capital investment in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code.

### 3.0 The HRA Business Plan 2023-2024

- 3.1 The Business Plan has been reviewed in 2022 and updated to revise planning assumptions on rent increases, interest rates, right to buy sales, rent collection rates and inflationary increases to management and maintenance costs including pay awards.

### 3.2 Table of Assumptions

Assumptions	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
<b>General</b>						
CPI Inflation	12%	5%	2%	2%	2%	2%
Increase in rent	4.1%	7%	3%	3%	3%	2%
Interest Rates	4.9%	4.53%	3.73%	3.5%	3.5%	3.5%
Right to Buy sales	160	140	100	100	100	100
<b>Property Numbers</b>						
Average number of social homes	21,149	20,892	20,684	20,584	20,534	20,484
Average number of affordable homes	430	495	586	717	861	981
Average number of shared ownership	25	42	47	49	49	49
<b>Total homes</b>	<b>21,604</b>	<b>21,428</b>	<b>21,316</b>	<b>21,349</b>	<b>21,444</b>	<b>21,514</b>

- 3.3 The number of HRA dwellings is currently around 21,600; of which around 11,800 are houses and bungalows, 5,000 are in medium and high-rise blocks and the balance of around 4,800 are low rise flats. This includes around 100 that are held for demolition as part of regeneration schemes.
- 3.4 The focus of the business plan is on balancing the revenue pressures and the pressures on tenants whilst also maximising resources available to finance capital expenditure to balance the needs of the existing stock, improve and redevelop estates and provide much needed additional social and affordable housing units.
- 3.5 The Business Plan is based on applying a rent increase of 7% to social and affordable rents, commencing 1 April 2022, followed by increases based on inflation forecasts. The government have not indicated whether it will continue with a CPI plus 1% rent increase

for future years in line with the policy set out in the Rent Standard 2020. The same increases assumed for dwelling rents are applied to garage rents.

- 3.6 Inflationary increases to budgets have been applied where appropriate and a prudent provision for increases to the bad debt provision, taking into account the challenge Universal Credit has brought to rent collection and the additional impact that the cost of living crisis may bring.
- 3.7 Data indicates that around two thirds of tenants have their housing costs covered by Housing benefit or Universal Credit and therefore will not be directly impacted by the rent increase. For those tenants who may experience financial hardship due to the rent increase the HRA revenue budget includes an initial provision for support of £300,000. This will be kept under review during 2023-2024 and usage and adequacy will reported to councillors through quarterly budget monitoring reports.
- 3.8 In terms of service charges, modelling indicates that due to service efficiencies it is not proposed to increase service charges in 2023-2024.

#### 4.0 HRA Revenue Budget

- 4.1 The number of right-to-buy properties since discounts were increased in 2012 has had an impact on stock numbers, not wholly offset by new build and acquisition of additional stock. However, the rate of decrease has slowed. Table 1 below illustrates the decrease in stock numbers over the last five years, an overall decrease of 3.3%.
- 4.2 Table 1 – Stock numbers over five years

Stock Numbers	2018-2019 Outturn	2019-20 Outturn	2020-2021 Outturn	2021-2022 Outturn	2022-2023 Forecast
Opening	22,214	21,995	21,926	21,808	21,479
Right to Buy sales	(265)	(228)	(155)	(164)	(145)
Other disposals	-	-	(9)	(90)	(125)
Additions	46	159	46	53	86
Closing	21,995	21,926	21,808	21,479	21,295
Cumulative reduction	(219)	(288)	(406)	(534)	(735)

- 4.3 Managing Agents allowances amount to 31% of the supervision and management budgets and 99% of and repairs and maintenance budgets. These allowances are linked to property numbers going forward to ensure that costs remain affordable over the life of the business plan. Inflationary increases to cover cost increases and pay awards are applied as appropriate.
- 4.4 High levels of inflation, particularly impacting on repairs and maintenance costs and fuel costs have been experienced in 2022-2023 and the pay award was higher than anticipated at budget setting. The HRA revenue forecast for 2022-2023 that was reported to Cabinet as part of the Quarter 2 Revenue Monitoring Report in November 2022

included provision for additional allowances of £2.0 million. £1.5 million was added to the forecast for Repairs and maintenance budgets and £0.5 million for supervision and management costs. Base budgets have therefore been uplifted by £2.0 million.

- 4.5 Further pay awards are expected in 2023-2024 further increasing costs to managing agents, who are also experiencing pressures from contractors and increased costs in materials. Therefore, revenue budgets include provision for management allowances per property to be increased by up to 5% to cover a blend of the increase in pay and general inflation. However, to allow for a full review of costs pressures it is proposed that the decision on the actual annual allowances for 2023-2024 is delegated. Should allowances require increasing further then a virement would be required to reduce the debt repayment budget.
- 4.6 The revenue budget also provides for provision for financial support and a contingency for inflation.
- 4.7 The Council is incurring increased costs from the regulatory role of around £200,000 which have been reflected in the revenue budget. The retained element of the budgets includes an annual budget of £70,000 for Tenants Scrutiny, and a budget for payment to the Housing Ombudsman of £120,000.

## **5.0 The HRA Capital Programme**

### **Capital Investment Context**

- 5.1 The Council plans to use capital resources to maximise the provision of additional homes as far as possible but also needs to consider and prioritise the needs of the existing stock with particular emphasis on enhancing building safety, maintaining decency and improving energy efficiency.
- 5.2 There is a need for proactive capital maintenance programmes which provide better value for money than ad hoc replacements. By ensuring components do not fail this takes the pressure off response repair budgets and causes less disruption to tenants.
- 5.3 As part of a long term, estate-based approach to asset management the remaining life of stock will be taken into account when making investment decisions and alternatives to refurbishment considered where appropriate.
- 5.4 The construction industry is currently facing unprecedented market conditions with shortages of key building materials and cost increases significantly above the rate of inflation. There are also regional pressures affecting the supply chain and shortages of technical and professional staff. These factors have all combined to increase delivery costs and restrict ability to deliver which has further impacted on capital projects and budget requirements.
- 5.5 An increase in demand is being experienced for internal improvements such as kitchens, bathrooms, heating and electrical systems. The Decent Homes programme invested

£314 million of improvements from 2007 until 2015 and due to the passage of time the demand is anticipated. There has also been a significant increase in demand for disabled adaptations, reflecting the needs of tenants.

- 5.6 Based on a 7% rent increase, the HRA will have sufficient resources for work programmes currently in progress but indications are that it will be challenging to meet all the required stock investment needs and fund stock decarbonisation works in the long term. It is therefore likely there will be a need in the future to prioritise investment decisions in order to meet the significant housing need for the City.
- 5.7 Making provision in the longer term capital programme to reduce the carbon impact of the housing stock in line with the Council's strategic priority and to meet Government targets to bring all greenhouse gas emissions to net zero by 2050, it is likely to add in the region of £700 million to future investment costs. External funding contributions will need to be sought in order to achieve this and all the other priorities.

### **New Homes Programme**

- 5.8 The programme includes new homes provision of £105 million for the next five years from 2023-2024 for around 500 new homes, including £47 million set aside for future new build schemes. £21 million is to fund the next phase of the new homes at Heath Town which will deliver 160 homes on top of the 40 homes currently in development and due for completion in 2023.
- 5.9 The Council's development programme seeks to prioritise the type of housing stock developed in order to increase homes available for those with priority need under the allocations policy, alleviate homelessness and help people to live independently in their own homes. It is likely that the future development programme will need to focus on building bungalows and larger family homes where there is a particular shortage of these types of properties.
- 5.10 Alongside the application of HRA capital borrowing and capital receipts, homes will be delivered utilising grant opportunities where appropriate, as well as applying S106 commuted sums for affordable housing arising from private developments in the city.

### **Improvements to Existing Homes**

- 5.11 The Heath Town estate refurbishment managed by Wolverhampton Homes is continuing well, with the first phase (the improvement of the deck-access blocks) now complete. Work commenced on the second phase, which is the improvement of the eight tower-blocks on the estate, in September 2021. This work includes the improvement of fire safety features within the blocks and the installation of sprinkler systems. In response to new legislation and the Council's decarbonisation commitments, the work to the estate will include a new energy centre and more efficient heating systems for residents. The budget required to complete the works from 2023-2024 is forecast to be £39 million.

- 5.12 The work programmes being carried out on the high-rise estates to install external wall insulation, upgrade balconies and windows, renew the mechanical and electrical infrastructure and improve fire safety and retrofit sprinklers have combined budgets of £114 million. This work will deliver improvements to over 1,300 homes and significantly reduce the cost of heating for the residents, helping to reduce the incidences of fuel poverty. Delivery has been accelerated in response to increased customer need and the costs of living crisis.
- 5.13 A medium-rise and low-rise block improvement programme is being introduced to deliver external wall insulation, cladding, cavity wall insulation and improved ventilation. Windows, doors and roofs will be replaced and upgraded heating solutions installed
- 5.14 The budget includes £43 million for Remedial Works to non-traditional properties which will also include decarbonisation measures. A bid to the Social Housing Decarbonisation Fund (SHDF) will, if successful result in grant funding of £5.0 million. These enhancements that prioritise the homes needing them most bring forward investment planned in future years and will help reduce fuel costs to tenants.

### **Estate remodelling**

- 5.15 The programme includes a budget of £67 million for estate remodelling which will fund the redevelopment at New Park Village and the City Wide Non Traditional replacement programme, the first phase of which will replace the Tarran bungalows at Bushbury, Wednesfield and Portobello.
- 5.16 The redevelopment at New Park Village will replace around 200 poor energy performing properties and replace with modern, energy efficient homes to meet the needs of the local community and there may be opportunity to increase the number of homes once fully designed, in consultation with the community.
- 5.17 The replacement of the Tarran Bungalows is currently at the procurement stage with delivery of the new homes to commence during the next 12-18 months. The 127 prefabricated bungalows built in the 1940s, have reached the end of their life and will be replaced with similarly designed modern, energy efficient bungalows on the same plots. After consultation with existing residents the phased redevelopment of each estate will be managed sensitively to meet the needs of vulnerable residents.
- 5.18 These projects above are all reflected in the five-year HRA Capital Programme in Appendix 2 of the Business Plan. The programme will be monitored quarterly and reviewed annually to ensure a balanced budget.

### **6.0 Legislative and Policy Changes**

- 6.1 On 17 November 2020 the Government published The Charter for Social Housing Residents: Social Housing White Paper, which follows on from the Social Housing Green Paper released in 2018 and sought to set out the issues facing social housing tenants



and the actions that could be taken so they are safe, protected, listened to and able to influence how their homes are managed.

- 6.2 The White Paper details new requirements for social housing landlords, in addition to the strengthening of the Regulator of Social Housing, moving them from a reactive to a proactive consumer regulatory regime. This will require the proactive oversight of the Consumer Standards; regulation which aims to ensure tenants are safe in their homes, given appropriate degree of choice and protections, and can hold landlords to account. Social housing landlords will be subject to four yearly inspections as well as an annual review of newly introduced key performance indicators (KPIs). The White Paper makes clear that the Regulator will be seeking assurance that where a Council contracts out its housing management service, to an Arms Length Management Organisation (ALMO) or managing agent, as is the case in Wolverhampton, compliance with the standards remains with the Council. To ensure Councillors are provided with oversight and assurance that the standard is being met, reports are provided to Scrutiny Panel on a bi-annual basis.
- 6.3 The White Paper set out that Government would review the Decent Homes Standard. Starting in spring 2022, the review explored both the application of the Decent Homes Standard to the private rented sector and potential regulatory changes to the standard that would apply to both sectors. The review will consider how the standard can better support the decarbonisation and energy efficiency of social homes and improve communal and green spaces. Nationally Decent Homes funding ceased in 2012, as did the requirement for local authorities to establish alternative models for the delivery of housing and residential landlord services.
- 6.4 In its commitment to supporting more households into home ownership, the White Paper makes clear Government wants to see local authorities make the most of borrowing flexibilities and to innovate to deliver more homes for the future. Although there is a focus on ensuring more social tenants have the opportunity to buy a home, the HRA debt cap was ultimately removed to allow councils to borrow to fund housebuilding.
- 6.5 The Government has stated that it will introduce The Social Housing Regulation Bill, the legislation needed to implement the White Paper as soon as it is practicable, and this is likely to occur in 2023. The Social Housing Regulator has advised that social housing providers should not wait for regulation to look at how they can improve services and engagement with tenants.
- 6.6 In addition to the four Consumer Standards set out in the White Paper, a fifth Consumer Standard will require social housing providers to collect data on Tenant Satisfaction Measures from April 2023, with annual publication starting in Summer 2024. The Tenant Satisfaction Measures include tenant perception surveys in addition to performance data.
- 6.7 The Fire Safety (England) Regulations come into force in January 2023, they place an enhanced regulatory regime for all buildings, including a more stringent regime for the

design, construction, day-to-day management and maintenance of higher-risk buildings including high rise.

- 6.8 The Building Safety Act (2022) places significant duties on those who procure, plan and manage building works, with safety considered at every stage of a building's lifetime. Landlords must ensure that tenants and residents are safe and feel safe, with regulatory powers against those landlords found to be underperforming.
- 6.9 The Housing Ombudsman introduced the Complaint Handling Code for Landlords in 2020. The Code was introduced as part of the Ombudsman's new powers in the revised Housing Ombudsman Scheme. An updated Code took effect from 1 April 2022 and landlords had until 1 October 2022 to become compliant. Landlords must undertake an annual self-assess against the code to ensure their complaint handling remains in line with the requirements, it must be clear to residents what they can and should expect from their landlord when they complain. Non-compliance can result in the Ombudsman issuing a Complaint Handling Failure Order.
- 6.10 During 2019-2020 the Council and its managing agents led the development of an updated Housing Allocations Policy. Supported by extensive consultation, the updated policy which was adopted by the Council in February 2020.
- 6.11 Following significant changes to the Northgate IT system during 2020-21, the new Allocations Policy was applied 28 September 2021, with applicants to Homes in the City supported in moving from the previous system to the new policy.

## **7.0 Rent Increase 2023-2024**

- 7.1 The proposed rent increase of 7% is chargeable in line with Government policy set out in the Rent Standard 2020 and the rent cap imposed by the government. Careful consideration has been given to the most appropriate level of rent increase, particularly in light of the cost of living increases. There is a difficult balance to be struck in deciding the levels at which rents and services charges are set and the income required to maintain and to improve services and properties.
- 7.2 Not applying the increase, or applying a lower increase would reduce the resources available to fund services and the capital programme. The Council would have to reduce the number of new homes and programmes to remediate non traditional homes and low and medium rise estates would need to be postponed for several years, allowing the condition of the properties to deteriorate. Reducing revenue costs would impact on service standards.
- 7.3 No increases are proposed to service charges. An alternative option could be to reduce the charges, in which case the cost would not be recovered, and a subsidy required from general rents.
- 7.4 The Council understand that any increase in rent and service charges will place an additional burden on many families who are already struggling financially. The Council's

Financial Well Being Strategy aims to develop a co-ordinated and coherent strategic response to the increased risk of hardship faced by Wolverhampton citizens due to the far-reaching economic and social implications that were already being experienced and in addition, the increased cost of living.

- 7.5 The strategy will maximise support with essential living costs, gain optimal physical and emotional wellbeing and ensure supportive and connected communities for the people of Wolverhampton. It provides a robust framework that will enable a shared understanding of the situation, consolidate and develop a range of initiatives to mitigate risk and implement early and preventative action, with a single document to ensure that Council Leaders, our partners and the public are regularly updated on progress.
- 7.6 Tenants who are experiencing financial difficulties and struggling to pay their rent will receive support, our Managing Agents are already supporting tenants through the Household Support Fund, hardship Funds and Wolverhampton Homes' Money Smart Team.
- 7.7 The Council will also offer further targeted supports, funded through the Housing Revenue Account. Provision has been made in the budget for £300,000 to fund a rent support scheme, which is currently being designed. It is proposed that authority to approve a final agreement of the scheme is delegated.
- 7.8 This will be kept under review during 2023-2024 and usage and adequacy will be reported to councillors through quarterly budget monitoring reports.

## **8.0 Reasons for decisions**

- 8.1 The Council is asked to approve the 7% increase to dwellings rent and garage rents in order to be able to maintain services provided to tenants, meet consumer and building safety standards and finance the capital investment as set out in Section 5 of this report .
- 8.2 The Council is required to approve a balanced HRA budget which is based on income forecasts, maintains supervision and management expenditure, provides for depreciation and finances borrowing.

## **9.0 Risk**

- 9.1 The council is no different to any other organisation and will always face risks in achieving its objectives and priorities. Sound risk management can be seen as the clear identification and management of such risks to an acceptable level.
- 9.2 In the opinion of the Director of Finance (Section 151 Officer), the proposed levels of reserves and provisions is appropriate and adequate in respect of the forthcoming financial year, having taken into account the risks and pressures facing the HRA.

- 9.3 The council will continue to monitor the risks associated with the HRA budget and provide updates to Councillors as part of the quarterly performance and revenue budget monitoring reports.
- 9.4 A risk matrix is attached at Appendix 5 to the Business Plan. The risk register has been updated to reflect the economic and legislative setting in which it operates

## **10.0 Financial implications**

- 10.1 A full listing of non-dwelling rents and service charges is set out in Appendix 3 to the Business Plan.
- 8.3 The Business Plan model has been reviewed, assumptions updated and additional capital expenditure built in with the aim of providing sufficient resources to maintain existing stock and maximising new build. The assumptions in the model have been externally validated by Savills.
- 8.4 By increasing the rent the HRA is expected to have sufficient resources to fund over £2 billion of capital works required over the next 30 years, as well as meeting its management and maintenance obligations in the same period and adding to the housing stock. Inflation forecasts have been updated in line with the latest economic forecasts. Due to the possible forthcoming period of economic uncertainty, it will be necessary to closely monitor the data underpinning assumptions in the model and forecast the effect of any changes. The five-year revenue budget and 30-year forecasts are summarised at Appendix 1 to the Business Plan.
- 8.5 The five-year Capital Programme is reviewed quarterly and the latest version is shown in Appendix 2 to the Business Plan. As well as adding a further year to rolling replacement programmes the budget allows for the impact of inflation, increased demand, and bringing forward expenditure to take advantage of SHDF grant funding. The budget also includes increased scope to projects where components have deteriorated and to reflect the impact of enhanced regulation.
- 8.6 The Council now has the freedom to borrow to increase the provision of new build housing in line with prudential indicators. HRA borrowing is monitored to ensure that the revenue surplus will always be sufficient to fund forecast interest on debt with a margin built in to allow for interest rate fluctuations.
- 8.7 The Council could decide not to plan to increase capital expenditure and instead use the HRA operating surplus to pay off debt instead of financing the borrowing required to support the capital programme. However, it would not then be using available resources to improve and increase its housing stock as well as the requirement to respond to national building safety standards.
- 8.8 The HRA reserve is currently at £7 million, which in the opinion of the Director of Finance (Section 151 Officer) is appropriate and adequate in respect of the forthcoming financial year, having taken into account the risks and pressures facing the HRA.

8.9 The HRA Financial Management and Investment Strategy, at Appendix 6 to the Business plan sets out how the HRA borrowing is monitored to ensure that it remains affordable.  
[JM/10012023/F]

## **9.0 Legal implications**

9.1 Statutory requirements as to the keeping of a Housing Revenue Account are contained in the Local Government and Housing Act 1989 ('the 1989 Act'). The 1989 Act includes a duty, under Section 76 of the 1989 Act, to budget to prevent a debit balance on the HRA and to implement and review the budget.

9.2 Under Section 24 of the Housing Act 1985, local housing authorities have the power to "*make such reasonable charges as they may determine for the tenancy or occupation of their houses*". Section 24 also requires local authorities, from time to time, to review rents and make such changes as circumstances may require. This provision conferring discretion as to rents and charges made to occupiers, is now subject to further restrictions arising from the provisions of the Welfare Reform and Work Act 2016.

9.3 Rent and other charges are excluded from the statutory definition of matters of housing management in respect of which local authorities are required to consult their tenants pursuant to Section 105 of the Housing Act 1985 and Sections 137 and 143A of the Housing Act 1996 in relation to secure, introductory and demoted tenants respectively.

9.4 It is further provided by Section 103 of the Housing Act 1985 in relation to secure tenancies, which also applies in respect of introductory tenancies, that its tenants are notified of variation of rent and other charges at least 28 days before the variation takes effect by service of a notice of variation.  
[TC/10012023.C]

## **10.0 Equalities implications**

10.1 The Council has always operated a very open and consultative approach to service and rent reviews. In previous years, the Council has undertaken to consult with tenants before seeking to change rent and other charges. In recent years, the Council has consulted tenants on spending priorities, rather than whether rents should increase. However, due to Government consultation on the proposed rent cap, and late announcement regarding this on 17 November 2022, there has not been the opportunity to consult with tenants in a meaningful way.

10.2 As part of Council's commitment to involving tenants and other service users in the management of housing services, we have contracted TPAS, (Tenant Participation Advisory Service) to work with our Managing Agents, including Wolverhampton Homes, in developing tenant scrutiny models which encourage meaningful engagement and an opportunity to have oversight of housing management and influencing and shaping service delivery. The Housing Tenant Scrutiny and Engagement approach was rolled out across our Managing Agents from April 2023. The approach is independent of the

Council and its managing agent and will deliver meaningful consultation and scrutiny of housing services and promote tenant led regulation. TPAS are required to ensure the tenant scrutiny service is representative of all tenants. Adjustments are made in service delivery to ensure the service is accessible to all.

- 10.3 The Council monitors and reports on the performance of its housing managing agents. The management agreements between the Council and these organisations (Bushbury Hill EMB, Dovecotes TMO, New Park Village TMC and Wolverhampton Homes). The managing agents are required to consider equality of access to their services and have policies in place, which reflect and complement statutory responsibilities and the effective delivery of housing services. Monitoring of the managing agents includes relevant key performance indicators.
- 10.4 The housing service actively engages with the Equality, Diversity and Inclusion team and has an up-to-date equality action plan to promote continuous improvements are made to services and access to those services. Key issues, such as the Councils Housing Allocations Policy and Local Lettings Plans are subject to Cabinet approval and Scrutiny. Areas where poor performance is identified are escalated, reported and action plans developed and monitored to ensure improvement.

## **11.0 All other implications**

- 11.1 The investment and improvement of the city housing stock will have a significant positive impact on the overall city environment. The strategic planning that will take place to ensure that all council homes are as energy efficient as they will make a major contribution to ensure that the council meets its carbon reduction targets.
- 12.2 The investment and improvement of the current city housing stock and the additional housing created by new build programmes will have a significant positive impact on the health and wellbeing of current and future tenants.

## **12.0 Schedule of background papers**

- 12.1 [Welfare Reform and Work Act 2016](#)
- 13.2 [Housing and Planning Act 2016](#)
- 13.3 [The Housing Revenue Account self-financing determinations 2012](#)

## **13.0 Appendices**

- 13.1 Schedule of Appendices

	<b>Housing Revenue Account Business Plan</b>
1	30-year and medium term business plan
2	Capital Programme
	<b>Recommendations concerning income</b>
3	Non-dwelling rents, service charges and other rents and charges

4	<b>Background to the Housing Revenue Account</b>
5	<b>Risk analysis</b>
6	<b>HRA Financial Management and Investment Strategy</b>

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**MEDIUM TERM BUSINESS PLAN 2022-2023 – 2027-2028****Table 1 – Revenue Budget**

2023-2024 to 2027-2028 refer to Years 1-5 in Table 1 below. 2022-2023 is shown for comparative purposes and is the forecast as at Quarter 3

REVENUE ACCOUNT	2022- 2023	2023- 2024	2024- 2025	2025- 2026	2026- 2027	2027- 2028
	Forecast	Budget	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000
<b>Income</b>						
Dwelling Rents	(93,085)	(99,026)	(103,647)	(105,200)	(109,161)	(111,896)
Other Rents	(564)	(600)	(617)	(633)	(651)	(663)
Service Charges	(6,057)	(6,149)	(6,392)	(6,398)	(6,526)	(6,656)
	<b>(99,706)</b>	<b>(105,775)</b>	<b>(110,656)</b>	<b>(112,231)</b>	<b>(116,338)</b>	<b>(119,215)</b>
<b>Expenditure</b>						
Repairs and maintenance	29,021	30,315	30,526	30,894	31,362	32,094
Supervision and management	21,953	23,819	26,004	26,317	26,716	27,340
Rents, rates and taxes	710	650	550	561	572	584
Financial Support	300	-	-	-	-	-
Increase in provision for bad debts	1,800	2,000	2,000	1,500	1,530	1,561
Depreciation of fixed assets	20,952	22,185	22,442	22,837	23,414	23,967
Contribution to Capital Funding and Debt repayment	13,736	12,063	11,655	10,683	11,325	12,682
Interest Payable	11,234	14,743	17,479	19,439	21,419	20,987
<b>Total expenditure</b>	<b>99,706</b>	<b>105,775</b>	<b>110,656</b>	<b>112,231</b>	<b>116,338</b>	<b>119,215</b>
<b>Balance</b>	-	-	-	-	-	-

**Table 2 – Capital Account**

Detail of capital programmes can be found at Appendix 2 of the Business Plan

CAPITAL ACCOUNT	2022-	2023-	2024-	2025-	2026-	2027-
	2023	2024	2025	2026	2027	2028
	Budget	Budget	Budget	Budget	Budget	Budget
	£000	£000	£000	£000	£000	£000
<b>Expenditure</b>						
Capital Expenditure	72,240	131,111	142,117	106,290	77,630	70,498
	<b>72,240</b>	<b>131,111</b>	<b>142,117</b>	<b>106,290</b>	<b>77,630</b>	<b>70,498</b>
<b>Financing</b>						
Major Repairs Reserve	(20,952)	(21,796)	(22,042)	(22,429)	(22,998)	(23,542)
Grants, Contributions and Receipts	(10,495)	(11,499)	(7,010)	(4,810)	(4,810)	(4,810)
Borrowing	(40,793)	(97,816)	(113,065)	(79,051)	(49,822)	(42,146)
	<b>(72,240)</b>	<b>(131,111)</b>	<b>(142,117)</b>	<b>(106,290)</b>	<b>(77,630)</b>	<b>(70,498)</b>
<b>Balance</b>	-	-	-	-	-	-

**30 YEAR BUSINESS PLAN FORECAST 2023-2024 to 2052-2053**

Table 3 - Revenue Account

<b>REVENUE ACCOUNT</b>	<b>Years 1 - 5 £M</b>	<b>Years 6-10 £M</b>	<b>Years 11 - 15 £M</b>	<b>Years 16 - 20 £M</b>	<b>Years 21 - 25 £M</b>	<b>Years 26 - 30 £M</b>
<b>Income</b>						
Dwelling Rents	(529)	(590)	(631)	(682)	(743)	(845)
Other Rents	(3)	(3)	(4)	(4)	(5)	(5)
Service Charges	(32)	(35)	(39)	(43)	(48)	(55)
	<b>(564)</b>	<b>(628)</b>	<b>(674)</b>	<b>(729)</b>	<b>(796)</b>	<b>(905)</b>
<b>Expenditure</b>						
Repairs and Maintenance	155	168	180	194	212	230
Supervision and Management	130	143	153	165	180	195
Other charges to revenue account	12	11	12	14	15	17
Depreciation, capital financing and provision for debt repayments	173	187	190	193	214	286
Interest payments	94	119	139	163	175	177
	<b>564</b>	<b>628</b>	<b>674</b>	<b>729</b>	<b>796</b>	<b>905</b>
<b>Balance</b>	-	-	-	-	-	-

Table 4 – Capital Account

CAPITAL ACCOUNT	Years	Years	Years	Years	Years	Years
	1 - 5	6-10	11 - 15	16 - 20	21 - 25	26 - 30
	£M	£M	£M	£M	£M	£M
<b>Expenditure</b>						
Capital Expenditure	528	323	333	305	249	258
<b>Financing</b>						
Major Repairs Reserve	(113)	(130)	(135)	(145)	(159)	(173)
Grants, Contributions and Receipts	(33)	(15)	(11)	(9)	(6)	(5)
Borrowing	(382)	(178)	(187)	(151)	(84)	(80)
	<b>(528)</b>	<b>(323)</b>	<b>(333)</b>	<b>(305)</b>	<b>(249)</b>	<b>(258)</b>
<b>Balance</b>	-	-	-	-	-	-

## Appendix 2

## Capital Programme Forecasts 2022-2023 to 2027-2028

Programme Budget	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	Total
	£000	£000	£000	£000	£000	£000	£000
<b>New Build Programme</b>							
Tap Works site	5	-	-	-	-	-	5
Burton Crescent	14	-	-	-	-	-	14
Heath Town New Build Phase 1	5,031	2,000	-	-	-	-	7,031
Heath Town New Build Phase 2	2,000	5,000	10,000	6,000	-	-	23,000
Homes purchased from WV Living	2,399	2,000	1,048	-	-	-	5,447
Ettingshall Road, Showell Circus and Villiers Avenue	200	2,000	5,678	-	-	-	7,878
Reedham Gardens	200	4,024	-	-	-	-	4,224
Additional Social Housing	2,500	2,500	2,500	2,500	2,500	2,500	15,000
Inkerman St Community Housing Development	100	1,500	-	-	-	-	1,600
Bushbury Hill Community Housing Development	1,600	-	-	-	-	-	1,600
Small Sites Phase 5	2,500	1,502	-	-	-	-	4,002
Old Fallings Crescent	200	2,000	2,631	-	-	-	4,831
New Build Programme	-	1,000	1,000	15,000	15,000	15,000	47,000
<b>New Build Programme Total</b>	<b>16,749</b>	<b>23,526</b>	<b>22,857</b>	<b>23,500</b>	<b>17,500</b>	<b>17,500</b>	<b>121,632</b>
<b>Estate Remodelling</b>							
Heath Town	543	-	-	-	-	-	543
Estate Remodelling – New park Village	1,000	2,500	10,000	10,000	10,000	9,000	42,500
Estate Remodelling – City Wide Non -Traditional	500	5,000	10,100	10,100	-	-	25,700
<b>Estate Remodelling Total</b>	<b>2,043</b>	<b>7,500</b>	<b>20,100</b>	<b>20,100</b>	<b>10,000</b>	<b>9,000</b>	<b>68,743</b>
<b>Adaptations for People with Disabilities</b>							
<b>Disabled Adaptations Total</b>	<b>1,700</b>	<b>1,900</b>	<b>1,500</b>	<b>1,400</b>	<b>1,110</b>	<b>1,100</b>	<b>8,710</b>

## Appendix 2

Programme Budget	2022- 2023	2023- 2024	2024- 2025	2025- 2026	2026- 2027	2027- 2028	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Decent Homes Stock Condition</b>							
Refurbishment of Voids	7,300	7,105	6,500	4,500	4,500	4,500	<b>34,405</b>
Boiler Replacement Programme	1,200	1,080	780	810	830	860	<b>5,560</b>
Internal Decency Works	6,870	11,600	12,400	11,800	10,400	9,000	<b>62,070</b>
Heath Town - Refurb of Retained Properties	8,900	11,900	14,700	9,900	2,200	-	<b>47,600</b>
Bushbury Improvement Programme	200	-	-	-	-	-	<b>200</b>
High Rise M&E	8,900	19,400	15,000	10,300	6,500	4,400	<b>64,500</b>
Low and Mid Rise infrastructure	250	3,500	3,900	1,000	4,000	4,000	<b>16,650</b>
Sustainable Estates Programme	1,600	800	300	300	300	300	<b>3,600</b>
Non-traditional property surveys	150	400	400	50	50	300	<b>1,350</b>
High Rise External Works	500	10,400	15,700	15,200	10,200	6,400	<b>58,400</b>
<b>Decent Homes Stock Condition Total</b>	<b>35,870</b>	<b>66,185</b>	<b>69,680</b>	<b>53,860</b>	<b>38,980</b>	<b>29,760</b>	<b>294,335</b>
<b>Other Stock Condition Improvements</b>							
Structural Works	1,600	1,650	1,140	1,140	1,140	<b>1,140</b>	<b>7,810</b>
Lift and Disability Discrimination Act Improvements - High Rise	400	430	460	460	460	460	<b>2,670</b>
Fire Safety – Medium and Low Rise	2,600	1,600	1,800	-	-	-	<b>6,000</b>
Roofing Refurbishment Programme	4,700	6,300	6,300	2,900	2,900	2,900	<b>26,000</b>
Door Entry Security Programme	150	150	200	250	250	300	<b>1,300</b>
Remedial Works to non-traditional properties	240	19,200	15,400	-	2,600	5,648	<b>43,088</b>
<b>Other Stock Condition Improvements Total</b>	<b>9,690</b>	<b>29,330</b>	<b>25,300</b>	<b>4,750</b>	<b>7,350</b>	<b>10,448</b>	<b>86,868</b>
<b>Other Improvements to the Public Realm</b>							
Pathway Improvement and Safety Programme Total	197	210	220	220	230	<b>230</b>	<b>1,307</b>

## Appendix 2

Programme Budget	2022- 2023	2023- 2024	2024- 2025	2025- 2026	2026- 2027	2027- 2028	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Service Enhancements and Miscellaneous</b>							
Right to Buy Sale Administration	60	60	60	60	60	60	360
Wolverhampton Homes Capitalised Salaries	1,900	2,000	2,000	2,000	2,000	2,000	11,900
City Council Capitalised Salaries	400	400	400	400	400	400	<b>2,400</b>
Jericho House	98	-	-	-	-	-	<b>98</b>
Commercial to Residential – Bond House	3,533	-	-	-	-	-	<b>3,533</b>
<b>Service Enhancements and Miscellaneous Total</b>	<b>5,991</b>	<b>2,460</b>	<b>2,460</b>	<b>2,460</b>	<b>2,460</b>	<b>2,460</b>	<b>18,291</b>
<b>GRAND TOTAL</b>	<b>72,240</b>	<b>131,111</b>	<b>142,117</b>	<b>106,290</b>	<b>77,630</b>	<b>70,498</b>	<b>599,886</b>

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**Appendix 3**

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**Non-dwelling rents****Garage rents**

1. The table below sets out recommended garage rents to take effect from 1 April 2023. (before VAT).
2. Under VAT rules, garages that are let along with a dwelling do not attract VAT, whereas those that are let separately do. Furthermore, exemption from VAT only extends as far as two garages per tenant/leaseholder. Therefore, there are three different levels of garage rents

	Rent per week 2022-2023 (excl VAT)	% increase 2023-2024	Rent per week 2023-2024 (excl VAT)	Rent per week 2023-2024 (incl VAT)
Dwelling tenants and leaseholders (No VAT)	£4.79	7.0	£5.13	
Dwelling tenants and leaseholders – three or more garages (VAT)	£4.79	7.0	£5.13	£6.15
Privately let garages	£6.86	7.0	£7.34	£8.81

## Appendix 3

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## Service charges

Service Charge	Services funded	Rationale for charge	Charge paid per week 2022-2023	Proposed change	Charge paid per week 2023-2024
Communal Facilities	Communal facilities in former sheltered schemes	Cost Recovery	£2.97	No increase	£2.97
Concierge with CCTV (Phased)	Essential caretaking duties and remote CCTV and door entry	Cost Recovery	£9.72	No increase	£9.72
Concierge with CCTV (full cost recovery)	Essential caretaking duties and remote CCTV and door entry	Cost Recovery	£9.72	No increase	£9.72
Concierge with CCTV	Essential caretaking duties and remote CCTV and door entry	Cost Recovery	£9.72	No increase	£9.72
Communal cleaning	Cleaning services in communal areas in certain properties	Cost Recovery	£3.22	No increase	£3.22
Digital TV	Installation and maintenance of the wiring required to convey digital TV signals to certain high rise blocks	Cost Recovery	£0.64	No increase	£0.64
Fencing	Replacement of boundary fencing delivered by Wolverhampton Homes. All funds raised by this charge are ring-fenced to replacement fencing	Sufficient income raised to fund fencing programme	£1.98	No increase	£1.98

## Appendix 3

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[NOT PROTECTED]

## Service Charges – Heating

Service Charge	Services funded	Rationale for charge	Charge paid per week 2022-2023	Proposed change	Charge paid per week 2023-2024
District Heating maintenance	Maintenance of boilers and district heating at Heath Town	Cost Recovery	£4.46	No increase	£4.46
District Heating maintenance owner occupiers*	As above	As above – annual charge	£231.98 p.a	No increase	£231.98
District Heating maintenance	Maintenance of boilers and district heating at Hickman Estate	Cost Recovery	£4.46	No increase	£4.46
Central Heating – Gas	Servicing, maintenance and replacement of gas central heating systems	Cost Recovery	£3.97	No increase	£3.97
Central Heating - Electric	Servicing, maintenance and replacement of electric heating	Cost Recovery	£0.99	No increase	£0.99

## District Heating Usage Charges

The following rates are charged for the provision of heating and hot water through District Heating to recover fuel costs based upon current metered usage

Heath Town Estate	10.2 per kw/h
Lincoln & Tremont House	8.6p per kw/h
Wodensfield and William Bentley Court	8.8 p per kw/h

It is anticipated that these rates are likely to be increased from 1<sup>st</sup> April due to the contract price of gas increasing. Authority to agree the increases is delegated in accordance with general fees and charges.

## Appendix 3

**Supported Housing Charges**

Service Charge	Services funded	Rationale for charge	Charge paid per week 2022-2023	Proposed change	Charge paid per week 2023-2024
Digital TV	Service provision at Trent Gardens	Cost recovery	£1.31	No increase	£1.31
Communal cleaning	Communal cleaning at Tap Works	Cost recovery	£3.54	No increase	£3.54
Communal cleaning	Internal communal cleaning at Trent Gardens	Cost Recovery	£9.64	No increase	£9.64
Communal Heat Light and Water	Tapworks/Trent Gardens	Cost Recovery	£1.75	No increase	£1.75
Fencing	Tap Works boundary fencing	Provision for replacement	£0.31	No increase	£0.31
Capital Replacement – Tap Works	Capital equipment in communal areas	Provision for replacement	£8.25	No increase	£8.25
Capital Replacement – Trent Gardens	Capital equipment in communal areas	Provision for replacement	£16.50	No increase	£16.50
Window Cleaning	Tap Works	Cost Recovery	£0.21	No increase	£0.21
Window Cleaning	Trent Gardens	Cost Recovery	£0.73	No increase	£0.73

### Temporary accommodation rents and charges

1. The changes for 2023-2024 relate to self-contained standard rent and service charges.

Temporary Accommodation charges	2022-2023 £pw	2023-2024 £pw
Self-Contained standard rent and service charges	71.06 – 122.04	75.93 - 129.57
Self-contained management fee	35.39	35.39
Self-contained Furniture replacement 1	26.49	26.49
Self-contained Furniture replacement 1	34.10	34.10
water/light/heat/cleaning	18.00	18.00
Total minimum charge	150.94	150.94
Total maximum charge	201.92	201.92

Properties are across the council stock, mainly on flatted estates. Rent and service charges consistent with neighbouring properties will vary dependent on location, furniture replacement charge applied dependent on property size.

### Charges for Land Enquiries

The following fees are chargeable for land enquiries;

£180 land enquiry processing fee

£350 land valuation fee

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## Appendix 4

### The Housing Revenue Account

1. Local authorities are required by the Local Government and Housing Act (1989) to maintain a ring-fenced revenue account containing expenditure and income relating to their housing landlord service. This is known as the Housing Revenue Account (HRA).
2. Statute governs what may be charged and credited to the HRA, the underlying principle being that housing rents and service charges should only pay for the housing landlord service. In particular, it prevents cross subsidy of those income streams and others that the council receives, for example council tax. The main items which are shown in the HRA are:
  - Income from rents and lettings from dwellings and non-dwellings
  - Costs associated with managing and maintaining the rental stock (but not improving it or the Decent Homes programme, which are capital budget items)
  - Costs and income associated with providing landlord services to tenants such as heating and concierge services
  - The net costs of providing Housing Support services including those to Homeless Families and Carelink as well as HRA feasibility work.
3. Authorities have a duty to prepare and make available to rent payers an annual budget for the HRA in advance of the year in question. The budget must identify how all planned expenditure is to be funded. This may include the use of retained surpluses from previous years, but the HRA must never go into an overall deficit.
4. In accordance with the Council's financial procedure rules, the budget, rents and service charges must be approved by Full Council, which receives recommendations from the Cabinet.

### Administration of the HRA at Wolverhampton:

5. The Director of City Housing and Environment has responsibility for the overall HRA budget, and administration of
  - The Council's Housing function, which manages central costs and recharges with the General Fund in conjunction with strategic Finance, as well as undertaking housing development, housing strategy, services for rough sleepers and other specialist support.
  - Wolverhampton Homes and the Tenant Management Organisations who manage the rent collection, day to day maintenance and in the case of Wolverhampton Homes, the programme for maintaining properties at decent homes standard, and more recently, the homeless service.

## Appendix 4

### HRA Subsidy and Self-financing

6. Until April 2012, one of the key factors in the budget preparation process was the Government's annual HRA subsidy determination. HRA subsidy was a housing resource redistribution system administered by the Department for Communities and Local Government. Authorities either paid into or received money from a national pool, based on a formula that assessed their assumed need to spend and assumed income.
7. HRA subsidy was complex and difficult to predict but had significant impacts on the funds available to an authority's HRA, which made it central to the budget process.
8. With effect from 1 April 2012, HRA subsidy was abolished. Instead of annual determinations, authorities paid or received a one-off settlement at the end of March 2012. This settlement was calculated as the net present value of forecast subsidy payments or receipts over the next 30 years. The final HRA subsidy payment was made in 2012-2013.
9. As part of the self-financing process the government imposed a debt cap of £356.8 million on the HRA, this being the higher of the Subsidy Capital Financing Requirement and the self-financing valuation. On 29 October 2018 the government announced the abolition of the debt cap with immediate effect. The government issued a determination that revoked the previous determinations specifying local authority limits on indebtedness. As a result local authorities are now able to borrow for housebuilding in accordance with the prudential code.

### Service Charges

10. Service charges are intended to pay for the receipt of services over and above the provision of a standard dwelling, and not provided to all tenants. They should meet the full cost of providing the service in question, but never exceed it.

### Garage Sites

11. HRA garages are not let exclusively to HRA tenants and garage sites do not form part of HRA ringfenced services.



## Appendix 5

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (PxI)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period	
Page 41	1	Government Legislation	There are changes to Government policy that have in year service and budget impact.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	4	5	20	R	<ul style="list-style-type: none"> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> <li>Close monitoring of developing national position and reporting to Members.</li> <li>HRA balance of £7.0 million</li> </ul>	Director of Finance	Quarterly
		Income and Funding	General interest rates are higher than forecast.	If interest rates are higher than forecast there will be greater interest payments.	23	5	15	R	<ul style="list-style-type: none"> <li>Prudent estimate of interest rates are used in forecasting. The latest forecasts from the OBR are used.</li> </ul>	Director of Finance	Monthly
	3	Income and Funding	Right to Buy sales are higher than forecast.	Less revenue will be received over the life of the plan than has been forecast.	3	4	12	A	<ul style="list-style-type: none"> <li>Prudent estimates of the level of Right to Buy sales are used in forecasting.</li> <li>Review impact of new government policies</li> <li>Weekly monitoring of sales</li> </ul>	Director of Finance	Monthly
	4	Income and Funding	Inflation rates are lower than budgeted for.	Rents cannot be raised as much as has been forecast.	2	5	10	A	<ul style="list-style-type: none"> <li>Prudent estimates of inflation rates are used in forecasting based on external economic forecasts.</li> </ul>	Director of Finance	Monthly

## Appendix 5

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
5	Income and Funding	Higher than anticipated bad debts.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	3	3	9	A	<ul style="list-style-type: none"> <li>• Robust debt collection and recovery mechanisms in place.</li> <li>• Monthly monitoring of Managing agents performance at service level and quarterly monitoring to Members.</li> <li>• Monitor effect of Universal Credit.</li> <li>• Provide support with financial wellbeing</li> </ul>	Director of City Housing and Environment	Monthly
6	Financial and Budget Management	Ineffective budget management.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	4	8	A	<ul style="list-style-type: none"> <li>• Monthly monitoring at service level and quarterly monitoring to Councillors.</li> <li>• Monitor Wolverhampton Homes performance through Financial Issues Group</li> </ul>	Director of Finance	Monthly
7	Financial and Budget Management	The 30 year asset management plan is inaccurate.	Capital expenditure is not budgeted correctly.	2	4	8	A	<ul style="list-style-type: none"> <li>• Close interrogation of information generated from asset management systems.</li> <li>• Monitor through Asset Management Group</li> </ul>	Director of City Housing and Environment	Monthly

## Appendix 5

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
8	Financial and Budget Management	Treasury Management Activity, including increases in the cost of borrowing (e.g. LOBO loans being called) and/or reductions in the return on investments.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	4	8	A	<ul style="list-style-type: none"> <li>Robust Treasury Management Strategy.</li> <li>Established and experienced Treasury Management function.</li> <li>Proactive approach to the management of the council's cash flow, on a daily basis, including seeking opportunities to take advantage of borrowing opportunities when interest rates are favourable and seeking to maximise returns on investment whilst effectively managing the risk associated with those investments.</li> <li>External treasury management advisors who provide a proactive and timely service and advice.</li> </ul>	Director of Finance	Daily
9	Financial and Budget Management	Loss of ICT facilities, e.g. due to failure of systems and/or disaster recovery arrangements or key personnel	Lack of robust financial information on which to monitor budgets, leading to in-year budget deficit requiring savings to be identified or the use of Housing Revenue Account balances	2	4	8	A	<ul style="list-style-type: none"> <li>ICT disaster recovery project and arrangements.</li> </ul>	Head of ICT	Monthly

## Appendix 5

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
10	Financial and Budget Management	HRA borrowing rises to unaffordable levels after abolition of borrowing cap	Inability to borrow to fund future capital projects results in delays or cancellations.	2	3	6	A	<ul style="list-style-type: none"> <li>Close monitoring of capital spend requirements, including monitoring interest cover ratio</li> <li>Business Plan makes appropriate provision for the repayment of debt</li> </ul>	Director of Finance	Monthly
11	Income and Funding	Reduction to other income.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	3	6	A	<ul style="list-style-type: none"> <li>As part of the 2022-2023 budget process income budgets were reviewed and revised accordingly.</li> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> <li>Monitor through Financial issues group</li> </ul>	Director of Finance	Monthly
12	Managing Agent	Performance issues requiring intervention	Income collection Void rent loss Inappropriate use of resources	2	3	6	A	<ul style="list-style-type: none"> <li>Quarterly performance monitoring</li> <li>Financial audits</li> <li>Monitoring of financial position and performance through the Financial Issues and Delivery Plan monitoring groups</li> </ul>	Director of City Housing and Environment  Director of Finance	Quarterly Annual

## Appendix 5

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
12	Third Parties	Third parties and suppliers / contractors cease to trade or withdraw from the market.	Short term expensive solutions may be necessary. Requirements to undertake tender exercise. Increased ongoing cost due to reduced competition. Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	4	4	=A	<ul style="list-style-type: none"> <li>Departments using external service suppliers work closely with them and are kept abreast of their service and business situation. At worst this gives the council notice of emerging problems.</li> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> <li>Strategic Construction Partnership uses two different contractors.</li> </ul>	Budget Holders	Monthly
13	Income and Funding	Lower than anticipated levels of capital funding through receipts and grants.	Capital schemes are cancelled or delayed or have to be funded from revenue budgets and/or prudential borrowing resulting in an over spend against budget requiring either in year savings or use of housing revenue account balance.	2	2	4	A	<ul style="list-style-type: none"> <li>The Capital Programme is actively and closely managed and when so doing expenditure and income streams are continuously monitored.</li> <li>Quarterly monitoring to Members.</li> </ul>	Director of Finance	Monthly

## Appendix 5

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
14	Financial and Budget Management	Non pay inflation increase insufficient.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	2	4	A	<ul style="list-style-type: none"> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> </ul>	Director of Finance	Monthly
15	Service Demands	Increased demand for services including the impact of social and demographic pressures on demand for services.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	2	2	G	<ul style="list-style-type: none"> <li>As part of the 2022-2023 budget process budgets were reviewed and revised accordingly taking account of known and anticipated increases in demand.</li> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> <li>Monitor at Financial Issues Group</li> </ul>	Budget Holders	Monthly

## HRA Financial Management and Investment Strategy

### 1.0 Introduction

- 1.1 Following the abolition of the HRA debt cap in October 2018 the Council is required to publish Prudential Indicators specific to the HRA.
- 1.2 Local Authorities are required by regulation to have regard to the prudential code. The objectives of the code are to ensure within a clear framework that capital investment plans are affordable, prudent and sustainable.
- 1.3 As the Council continues to increase its capital investment programme supported by an increase in HRA borrowing, it is timely for the council to set out its approach to monitoring the financial capacity and capability of the HRA to deliver on its objectives towards refurbishment, investment, regeneration and new supply.
- 1.4 By identifying future investment capacity potential, the Council can evidence the affordability of its borrowing and investment strategy for council housing.  
  
HRA 30 year borrowing forecasts are illustrated by the graph at Section 7 below

### 2.0 Interest Rate Chargeable to HRA borrowing

- 2.1 The Council currently operates a one pool approach to financing both the General Fund and the HRA which results in an interest rate being shared between the two Capital Financing Requirements.
- 2.2 Authority will be given to the Section 151 officer to determine a different approach if required, for example additional borrowing for new developments could be separated from the average interest calculation should this be beneficial.

### 3.0 HRA Debt Repayment

- 3.1 Since the introduction of self-financing in 2012, the Council has adopted a strategy to utilise the annual HRA operating surplus to repay debt. Under the prudential framework authorities are required to set aside money each year from revenue where they borrow to finance general fund capital spending. This is referred to as Minimum Revenue Provision (MRP).
- 3.2 The annual HRA operating surplus refers to the balance remaining after operating expenses, depreciation and financing costs have been charged against income. Borrowing for Social Housing does not require the set aside of MRP so the balance can be used to fund capital expenditure or increase reserves as well as repaying debt. However sufficient debt repayment should be made in order to create headroom for future borrowing.

- 3.3 The council is required to charge Depreciation to the HRA in order to reflect the costs of providing the asset over the life of the asset. The depreciation effectively sets aside funding for capital works that enhance and prolong the life of the asset (for accounting purposes this is managed through a Major Repairs Reserve).
- 3.3 Authority will be given to the Section 151 Officer to determine the use of the annual HRA operating surplus in the way that is most beneficial to the Council.

#### **4.0 Investment Framework**

- 4.1 While there is no theoretical limit to borrowing within the HRA, the existing asset and operating base generates a net income stream that does offer a logical limit on sustainable borrowing levels because it needs to be sufficient to fund services and cover financing costs.
- 4.2 This strategy sets out the framework within which decisions will be taken to ensure that the HRA Business Plan remains sustainable and borrowing affordable.
- 4.3 Reference is made to the Housing Association sector, traditionally funded through long term bank lending secured on the asset base so provides an insight into the viability and sustainability of borrowing as viewed by private lenders.

#### **4.4 Interest Cover Ratio (ICR)**

This is the ratio of operating surplus divided by interest costs and represents the cover that the HRA has against its interest cost liabilities in any year; the ICR is set to a minimum which provides comfort that if there were a sudden drop in income or increase in operating costs, there would be sufficient headroom to continue to cover debt interest.

Housing Association lending covenants are generally based on an ICR of between 1.10 and 1.50 with 1.25 being a typical golden rule.

This strategy sets out that the ICR for the HRA should remain at 1.2 or above for the duration of the 30 year plan. The ICR will be monitored on an annual basis by the Section 151 Officer. Authority is given to the Section 151 officer to determine a variation on the minimum ICR

The HRA 30 year Interest Cover Ratio forecast is illustrated by the graph at Section 7 below and demonstrates that financing of the proposed capital programme with the proposed level of debt repayment is affordable.

#### **5.0 Operating Costs**

- 5.1 The effective management of operating costs will enable the HRA to sustain borrowing capacity by creating and maintaining headroom.



5.2 It is the Council’s strategy to ensure that operating costs are linked to property numbers so that they vary as property numbers reduce over time in line with income generated.

**6.0 Minimum Balance**

6.1 The HRA minimum balance needs to be sufficient to provide a contingency. Currently at a level of £7 million, equating to 7% of turnover.

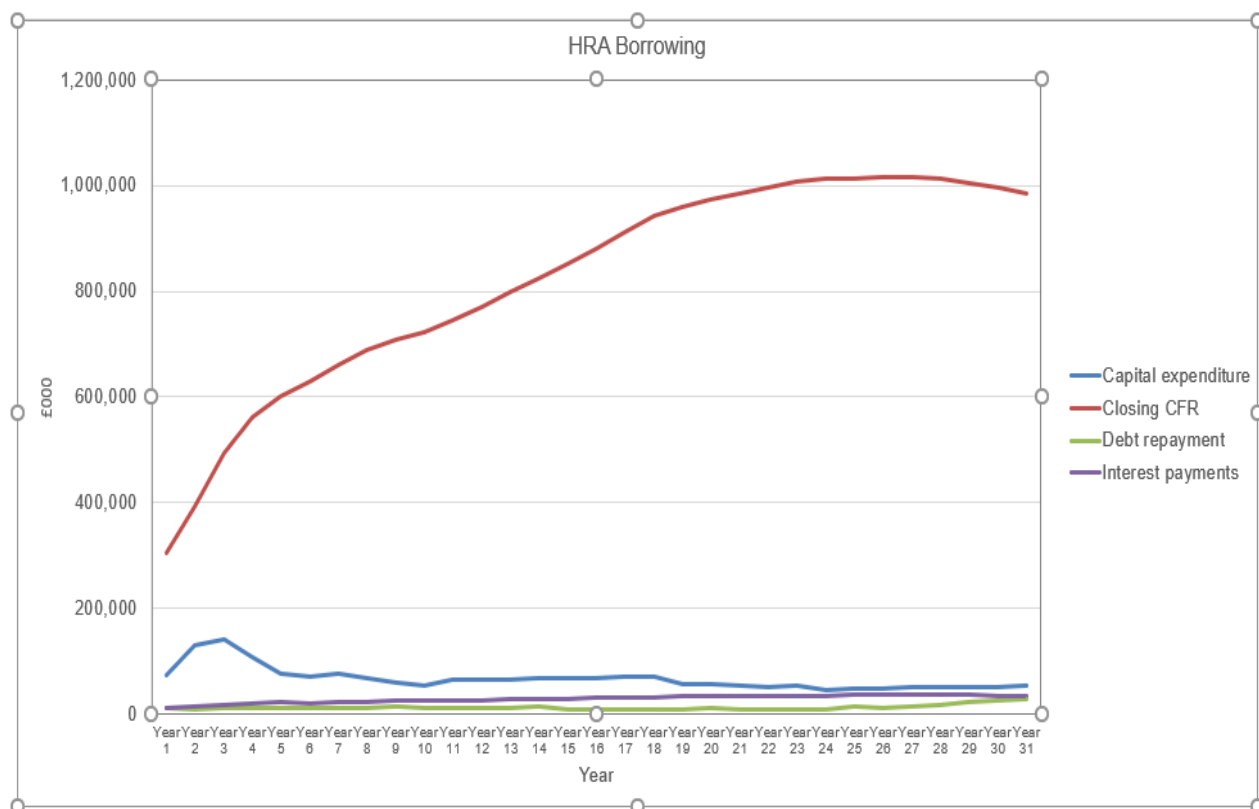
6.2 The Section 151 officer will consider the risks and pressures facing the HRA when determining an appropriate and adequate level of reserve.

6.3 The Section 151 officer will review the minimum balance on an annual basis.

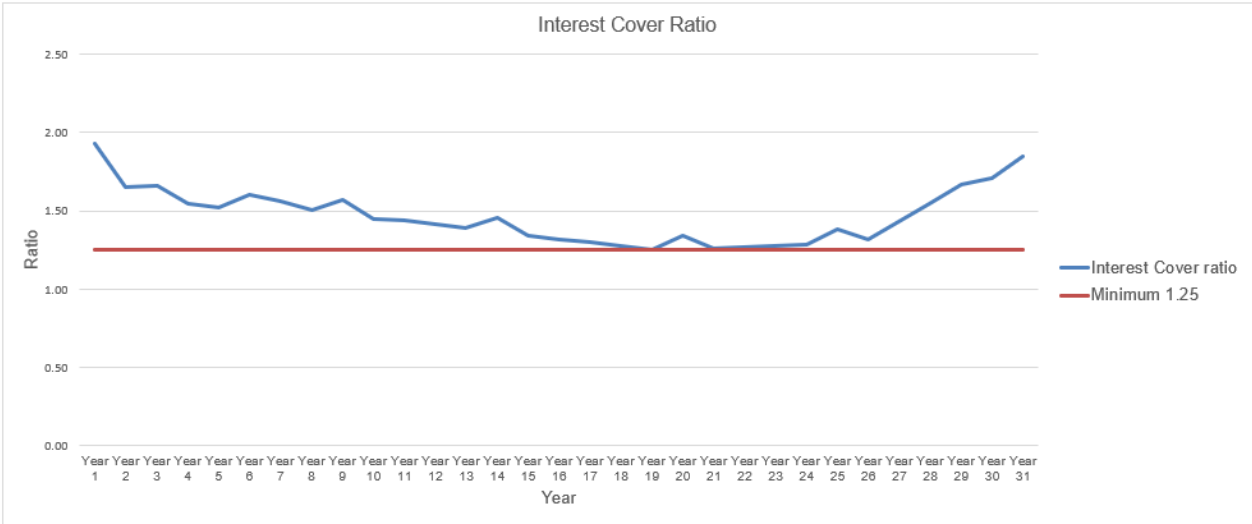
**7.0 HRA Borrowing and Interest Cover**

**7.1 30 year HRA Borrowing Forecasts**

The closing Capital Financing Requirement (CFR) is the borrowing need at the end of the financial year.



7.2 30 Year Interest Cover Ratio Forecasts



<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>18 January 2023</b>
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<b>Report title</b>	Council Tax Base and Business Rates (NDR) Net Rate Yield 2023-2024	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Obaida Ahmed Resources and Digital City	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	Alison.Shannon@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>		

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**Recommendations for decision:**

The Cabinet is recommended to:

1. Set the Collection Fund Council Tax Base for 2023-2024 at 65,994.12 Band D equivalents.
2. Set the Collection Fund Business Rates, also referred to as Non-Domestic Rates (NDR), Net Rate Yield for 2023-2024 at £76.9 million.
3. Delegate authority to the Cabinet Member for Resources and Digital City, in consultation with the Director of Finance, to approve amendments to:
  - a. The final Business Rates Net Rate Yield as required as a result of changes to the NNDR 1 form (National Non-Domestic Rates return) by the Department for Levelling Up, Housing and Communities or data revisions and changes in projections.
  - b. The Council Tax Base as a result of any data revisions and changes in projections.

4. Approve the following extensions to the local Business Rates Discretionary Relief Policy:
  - a. In respect of charitable and voluntary organisations for one year from 1 April 2023
  - b. In respect of Retail, Hospitality and Leisure Business Rates relief scheme for one year from 1 April 2023
  - c. In respect of transitional relief for one year from 1 April 2023
  - d. In respect of supporting small businesses for one year from 1 April 2023
  - e. In respect of local newspaper relief for the period 1 April 2023 to 31 March 2025.
5. Delegate authority to the Director of Finance in consultation with the Head of Revenues and Benefits to award relief in individual cases which satisfy the criteria for the categories of discretionary rate relief in accordance with Section 47 Local Government Finance Act 1988.

## **1.0 Purpose**

- 1.1 The purpose of this report is to set the estimates for Wolverhampton Collection Fund 2023-2024, which the Council manages on behalf of local precepting bodies and central government.
- 1.2 To seek approval to extend the Council's local scheme for Business Rates Discretionary Relief with effect from 1 April 2023.

## **2.0 Background**

- 2.1 In accordance with the Local Government Finance Act 2012, the Council must set a Council Tax Base before the end of January which will be used to set the Council Tax Requirements for the following year. It represents the total number of Band D equivalent council taxpayers from whom the Council will collect Council Tax in the year ahead. The total tax collected is shared in agreed proportions with the West Midlands Police and Crime Commissioner and the West Midlands Fire and Rescue Authority.
- 2.2 The Council must also set a Business Rates baseline net rate yield which is used to estimate the amount that the authority will keep as its local share of Business Rates and pay over to the West Midlands Fire and Rescue Authority. It represents the total estimated liability for Business Rates, net of discounts and reliefs, in the Council's area for the year ahead.
- 2.3 The setting of the Council Tax Base and Business Rates baseline net rate yield both impact directly on the Council's General Fund budget and Medium Term Financial Strategy (MTFS).
- 2.4 The Council Tax Base for 2023-2024 must be determined by 31 January 2023 and notified to the precepting bodies on or before that date, so that they can use the information in setting their precepts for 2023-2024. This will determine cashflows between the Collection Fund and precepting bodies during 2023-2024.
- 2.5 The Business Rates baseline net yield must be determined by 31 January 2023 and notified to the Department for Levelling Up, Housing and Communities (DLUHC) on their NNDR 1 form. This will determine cashflows between the Collection Fund and the Council and the West Midlands Fire and Rescue Authority for 2023-2024.
- 2.6 In October 2016, Cabinet approved that the Council, as one of the Constituent Members of the West Midlands Combined Authority (WMCA), participates in a Business Rates retention pilot from April 2017, on a no financial detriment basis. As a result of entering into this pilot, the Council will: retain 99% of Business Rates, no longer receive Revenue Support Grant and receive a Top Up Grant adjustment to account for the net effect of the changes. The Council will continue to be part of the Business Rates retention pilot in 2023-2024.
- 2.7 The net yield calculation is based on the rateable values of businesses on the Valuation Office Agency's rating list, which is revalued every few years. The next revaluation will

come into effect from 1 April 2023, the last revaluation took place in 2017. The Council has been provided with the first draft list which details the updated rateable values for business premises within Wolverhampton; however, a second draft list is due to be issued on 9 January 2023 and it is unclear when the final list will be released, it may not be until March 2023. The Government provides transitional protection which mitigates the impact of any increases which may arise on businesses in the short term.

- 2.8 The NNDR 1 form has been issued by DLUHC in December 2022. Due to the draft listing increases, work has been ongoing to forecast the possible impact on transitional business protection, and potential appeals that may impact on the Business Rates net yield for 2023-2024, therefore, approval is sought to delegate authority to the Cabinet Member for Resources and Digital City, in consultation with the Director of Finance to resolve any changes without further recourse to Cabinet approval prior to the deadline for submission of 31 January 2023.
- 2.9 On 17 November 2022, the Autumn Statement 2022 was announced. As part of this, the Government announced additional flexibility in setting Council Tax by increasing the referendum limit for increases in Council Tax to 3% per year from April 2023. In addition, local authorities with social care responsibilities will be able to increase the adult social care precept by up to 2% per year. The previous Government policy was for a general limit of 2%, and 1% for adult social care.

### 3.0 Council Tax Base assumptions

- 3.1 The method used to calculate the Council Tax Base for 2023-2024 is set out in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 which came into force on 30 November 2012.
- 3.2 The calculation starts with the base figures from October 2022 and then adjusts these for known and projected growth.
- 3.3 The total Tax Base, expressed in terms of the number of Band D equivalents, has then been multiplied by a net collection rate of 96.20%.

**Table 1 – Council Tax Base 2023-2024**

	<b>Number of Band D Equivalents</b>
October 2022 baseline	79,046.08
Council Tax Reduction Scheme	(11,256.69)
New build and growth forecast	813.00
Total taxbase before collectability adjustment	68,602.39
<b>Final taxbase including collectability adjustment</b>	<b>65,994.12</b>

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

#### 4.0 Business Rates yield estimates

4.1 The method used to calculate the Business Rates net rate yield for 2023-2024 is set out in the NNDR 1 form issued by central government and associated guidance.

4.2 It specifies that an authority starts with the base figures from December 2022 Valuation Office Agency (VOA) list, then adjusts them for known and projected growth in the base, reliefs and losses from appeals which are currently in hand.

4.3 As part of the Autumn Statement 2022, the Government announced that there would be a freeze on the multipliers used to calculate the business rates payable by ratepayers, together with reliefs to be awarded under the Council's discretionary powers, shown within section 5, agreeing to compensate Councils through Section 31 grant for the loss in income.

**Table 2 – Business Rates net rates yield estimate 2023-2024**

	£000
Baseline	109,065
Transitional Arrangements (net cost for CWC)	(8,744)
Transitional Arrangements (payable from DLUHC)	8,744
Mandatory reliefs	(15,153)
Unoccupied property	(2,132)
Discretionary reliefs	(5,454)
Losses on collection	(3,914)
Appeals	(4,300)
Disregarded Amounts in respect of Designated Areas	(853)
Cost of collection	(336)
<b>Estimated net rate yield</b>	<b>76,923</b>

4.4 As stated in paragraph 2.6 above, Cabinet approved that the City of Wolverhampton Council, as one of the Constituent Members of the WMCA, is participating in a 100% Business Rates retention pilot from April 2017, on a no financial detriment basis. As a result of entering into this pilot, the Council will: retain 99% of Business Rates, no longer receive Revenue Support Grant and receive a Top Up Grant adjustment to account for the net effect of the changes.

4.5 The NNDR 1 form has been issued by DLUHC in December 2022. Due to the draft listing increases, work has been ongoing to forecast the possible impact on transitional business protection, and potential appeals that may impact on the Business Rates net

yield for 2023-2024. There is greater uncertainty with appeals due to the closure of the 2017 rating list and the increased ratings in the 2023 rating list, therefore, approval is sought to delegate authority to the Cabinet Member for Resources and Digital City, in consultation with the Director of Finance to resolve any changes without further recourse to Cabinet approval prior to the deadline for submission of 31 January 2023.

- 4.6 There is some complexity in identifying the true Business Rates growth between years due to Business Rates appeals and the 2023 revaluation, however, an approach to allocate the growth in the central share for 2017-2018 to 2022-2023 has been agreed with the WMCA. The assumed growth of £10.5 million attributed to the WMCA in 2022-2023, in line with the Investment Plan assumptions, has been apportioned for each authority pro rata to the aggregate Rateable Value at the start of the year, resulting in a contribution due from Wolverhampton of £800,300 (in 2021-2022 the contribution was £680,200).

## **5.0 Discretionary Rate Relief**

- 5.1 Discretionary rate relief is granted under Section 47 of the Local Government Finance Act 1988.
- 5.2 The existing scheme relating to charitable and voluntary organisations provides either up to 20% of relief for registered charities (on top of 80% mandatory relief) or up to 100% of relief for organisations that are not established or conducted for profit.
- 5.3 Local newspaper relief is a discretionary rate relief of £1,500 reduction in business rates for eligible properties for the 2023-2025 financial years, which is required to be awarded as a discretionary reduction in accordance with government guidance and is fully reimbursed through Section 31 grant.
- 5.4 As part of the Spending Review 2022, the Government announced schemes to be awarded as a discretionary reduction in accordance with government guidance and is fully reimbursed through Section 31 grant, being:
- A. That there will be 75% discretionary business rates relief (currently 50%) for businesses in the retail, hospitality, and leisure sectors in 2023-2024 up to a cap of £110,000.
  - B. Support Small Business Scheme, where increases in the amount of business rates payable would be capped at £600 a year.
  - C. A new rating list is introduced with effect 1 April 2023, where all businesses have been subject to a revaluation of their rateable value based on 1 April 2021 values. To protect businesses from significant increases in their business rates bill, transitional protection will be awarded.
- 5.5 It is recommended that authority is given to the Director of Finance in consultation with the Head of Revenues and Benefits to award relief in individual cases which satisfy the



criteria for the categories of discretionary rate relief in accordance with Section 47 Local Government Finance Act 1988

## **6.0 Evaluation of alternative options**

- 6.1 The Council Tax Base and the Business Rates Net Rate Yield have been prepared in accordance with relevant legislation.
- 6.2 The Council could choose not to extend the discretionary relief schemes.
- a. In respect of relief for charitable and voluntary organisations, this option has been discounted because of the beneficial impact to local communities of the services provided. In addition, there could potentially be increased demand for Council services should these services be withdrawn.
  - b. In respect the other business rates discretionary relief schemes, this option has been discounted as the criteria for award will match the requirement to be fully funded by Government and they provide an opportunity to reduce rates bills for local businesses.

## **7.0 Reasons for decisions**

- 7.1 To comply with legislative requirements, Cabinet are recommended to approve the Council Tax Base and Business Rates Net Rate Yield for 2023-2024. This will inform the budget setting process for 2023-2024, for the Council and precepting bodies.
- 7.2 Approval is also sought to delegate authority to the Cabinet Member for Resources and Digital City, in consultation with the Director of Finance, to approve any final changes to the final Business Rates Net Rate Yield as required as a result of changes to the NNDR 1 form and the Council Tax Base reflecting any further information received ahead of the statutory deadline of 31 January 2023.
- 7.3 Extending the scheme for charitable and voluntary organisations continues to support a range of organisations providing support to vulnerable groups allowing the Council to foster good relations and enhance equal opportunities.
- 7.4 Providing discretionary rate relief to businesses in accordance with Government guidance reduces the business rate bill at no cost to the council.

## **8.0 Financial implications**

- 8.1 The assumptions as reported to Cabinet on 19 October 2022, in the Draft Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026, were in line with the previous Government policy on Council Tax referendum limits, which was 1.99% for Council Tax and 1% adult social care precept. Based on these assumptions and the recommended Council Tax base, this would generate income in the region of £123.6 million. As detailed in paragraph 2.9, on 17 November 2022 as part of the Autumn Statement 2022, Government announced additional flexibility in setting Council Tax by increasing the referendum limit for increases in Council Tax to 3% per year from April 2023 and an

increase to the adult social care precept of 2%. This will be considered in the budget report to Cabinet in February 2023 and Council in March 2023.

- 8.2 Of the £76.9 million net rate yielded by Business Rates forecast to be collected in 2023-2024 the Council would retain £76.1 million under the 99% Business Rate retention scheme pilot. However, an element of the real terms growth in the central share of Business Rates will be passported to the West Midlands Combined Authority. Work is ongoing to determine this contribution for 2023-2024. An update will be provided in the Final Budget Report to Cabinet on 22 February 2023.
- 8.3 Work has been ongoing to forecast the Council Tax Base and Business Rates net rate yield for 2023-2024, however, approval is sought to delegate authority to the Cabinet Member for Resources and Digital City, in consultation with the Director of Finance, to resolve any changes without further recourse to Cabinet approval prior to the deadline for submission of 31 January 2023; this figure is therefore preliminary and subject to change. The final position will be reported in the Final Budget Report to Cabinet on 22 February 2023.
- 8.4 Under the 99% business rates retention scheme, the cost to the Council of awarding discretionary (charitable and voluntary organisations) relief in 2023-2024 will be in the region of £619,000.
- 8.5 There are no direct financial costs for awards of discretionary rate relief for the Retail, Hospitality and Leisure Business Rates Relief scheme, transitional relief and supporting small businesses schemes, as they will be funded by Section 31 grant.  
[SH/10012023/V]

## **9.0 Legal implications**

- 9.1 The relevant legislation is contained in the body of the report and the recommendations will ensure the Council complies with the relevant legislation.
- 9.2 Section 47 of the Local Government Finance Act 1988 gives discretionary power to billing authorities to grant partial or full relief to certain categories of non-domestic ratepayer. The Non-Domestic Rating (Discretionary Relief) Regulations 1989 allow for this relief to be restricted to a fixed period.
- 9.3 It will be for the Council to adopt a local scheme and determine in each individual case, having regard to the Government's guidance to grant relief and ensure that any relief granted does not transgress subsidy control limits.  
[TC/10012023/B]

## **10.0 Equalities implications**

- 10.1 The method by which the MTFs and supporting resources, including those detailed in this report for 2023-2024 are developed, is governed by the Council Plan priorities, which itself was guided by consultation and equality analysis. All of this will enable Councillors

to pay, “due regard” to the equalities impact of their budget decisions at that point in the budget development process. The resulting and final report to Cabinet and Council will contain a supporting equality analysis that will offer information across the whole range of proposals and in doing so enable Councillors to discharge their duty under Section 149 of the Equality Act 2010.

**11.0 All other implications**

11.1 There are no other implications arising from this report.

**12.0 Schedule of background papers**

12.1 [Draft Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026](#), Report to Cabinet, 19 October 2022

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>18 January 2023</b>
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<b>Report title</b>	Collection Fund Estimated Outturn 2022-2023	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Obaida Ahmed Resources and Digital City	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	Alison.Shannon@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>		

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

The Cabinet is recommended to approve:

1. The estimated outturn for Council Tax in 2022-2023 is a cumulative deficit of approximately £846,000 which includes the carry forward of the in-year 2020-2021 deficit, which the Government confirmed could be spread over three years from 2021-2022 to 2023-2024.
2. The estimated outturn for Business Rates, also referred to as Non-Domestic Rates, in 2022-2023 is a cumulative surplus of approximately £1.6 million with an estimated surplus in 2022-2023 totalling approximately £1.3 million.
3. That authority be delegated to the Cabinet Member for Resources and Digital City, in consultation with the Director of Finance, to confirm any final changes to the forecast outturn reflecting any further information received ahead of the statutory deadline of 31 January 2023.
4. That authority be delegated to the Director of Finance to confirm and arrange the final payments to the precepting authorities.

## **1.0 Purpose**

- 1.1 The purpose of this report is to inform Cabinet of the estimated outturn for Council Tax and Business Rates, also referred to as Non-Domestic Rates (NDR), transactions on the Collection Fund in 2022-2023.

## **2.0 Background**

- 2.1 Council Tax billing authorities are required to maintain a Collection Fund in accordance with Sections 89 and 90 of the Local Government Finance Act 1988. The operation of the Collection Fund is prescribed in detail by a series of specifications, regulations and directions made under various sections of the Local Government Finance Acts 1988 and 1992. Broadly, the Collection Fund's income comes from receipts of Council Tax and Business Rates, also referred to as Non-Domestic Rates (NDR), collected from taxpayers and any amounts transferred in (e.g. in respect of previous years' deficits). Expenses met from the Fund consist of adjustments to individuals' and companies' tax liabilities (refunds etc.), the billing authority's own budget demand, write offs, precepts and previous years' surpluses transferable out.
- 2.2 Each billing authority must make an estimate of the surplus or deficit for the Council Tax and Business Rates transactions of the Collection Fund for the current financial year. Such estimated surpluses or deficits do not remain in the Collection Fund but are shared between the billing authority, precepting authorities and central government (where applicable) in the year following the financial year to which they relate. Precepting authorities should be notified of their share of any surplus or deficit within seven working days of the estimate being made.
- 2.3 The surplus or deficit is then transferred in instalments in the financial year following the year for which the surplus or deficit has been estimated. In the case of billing authorities, the amounts are transferable in accordance with the schedule of instalments adopted for the payment of precepts and demands. Transfers to or from precepting authorities must take place in no more than ten equal instalments in the following year. The first and final instalments are to be paid by 31 May 2023 and 31 March 2024 respectively with an equal number of working days between instalments.
- 2.4 All Collection Fund surpluses or deficits for Council Tax transactions are to be ignored for the purpose of calculating the billing or precepting authority's budget requirement. They are, however, to be taken into account in calculating a billing authority's basic Council Tax or a joint authority's precept.
- 2.5 It is important to note however that the estimated Collection Fund outturn for the current financial year has to be forecast by January of that year and is based upon information available at a point in time. Therefore, any changes to the assumptions that occur in the remaining months of the financial year, will have an impact on actual Council Tax and Business Rates collected and consequentially the final outturn on the Collection Fund. Any resulting change to the surplus or deficit, will be recovered in future years.

### 3.0 Council Tax estimated outturn 2022-2023

3.1 The estimate on the Collection Fund for 2022-2023 in relation to Council is set out below and includes assumptions about collection rates. It is forecast that there will be an accumulated deficit in the region of £846,000 at 31 March 2023, which includes the carry forward of the in-year 2020-2021 deficit, which the Government confirmed could be spread over three years from 2021-2022 to 2023-2024.

**Table 1 – Forecast Council Tax outturn 2022-2023**

	£000	£000
<b>Actual accumulated deficit/(surplus) at 1 April 2022</b>		<b>1,241</b>
<b>Apportionment of 2021-2022 estimated deficit calculated January 2022 (payments made during 2022-2023):</b>		
<b>One third 2020-2021 estimated deficit</b>		
City of Wolverhampton Council	(1,971)	
West Midlands Police and Crime Commissioner	(190)	
West Midlands Fire and Rescue Authority	(72)	(2,233)
<b>Adjustment to above deficit due to 2021-2022 estimated outturn</b>		
City of Wolverhampton Council	846	
West Midlands Police and Crime Commissioner	85	
West Midlands Fire and Rescue Authority	30	961
<b>Net deficit/(surplus) 2021-2022 to be apportioned in 2023-2024</b>		<b>(31)</b>
<b>Estimated income 2022-2023</b>		
Income from Council Tax	(138,739)	
Reimbursements from General Fund e.g. discretionary discounts etc.	(1,130)	
<b>Total estimated income</b>		<b>(139,869)</b>
<b>Estimated expenditure 2022-2023</b>		
Demands on Collection Fund:		
City of Wolverhampton Council	118,073	
West Midlands Police and Crime Commissioner	12,179	
West Midlands Fire and Rescue Authority	4,417	
Provision for non-collection of Council Tax	6,077	
<b>Total estimated expenditure</b>		<b>140,746</b>
<b>Net estimated deficit/(surplus) for 2022-2023</b>		<b>877</b>
<b>Estimated accumulated deficit/(surplus) at 31 March 2023</b>		<b>846</b>

- 3.2 The overall position in terms of the allocation of the deficit between the Council and the precepting bodies is summarised in Table 2. The split is based on the 2022-2023 Council Tax bill that was approved by Full Council in the formal Council Tax resolutions on 2 March 2022.
- 3.3 The Government announced that the repayment of collection fund deficits arising in 2020-2021 could be spread over a three year period (2021-2022 to 2023-2024). Based upon 2020-2021 guidance, the sums due from the two precepting authorities will be reflected in equal instalments alongside the precepts payable for 2023-2024 as set out in paragraph 2.3.

**Table 2 – Recommended split of forecast Council Tax deficit/(surplus) for 2022-2023, to be distributed in 2023-2024**

<b>Council Tax</b>	<b>City of Wolverhampton Council £000</b>	<b>West Midlands Police and Crime Commissioner £000</b>	<b>West Midlands Fire and Rescue Authority £000</b>	<b>Total £000</b>
<b>Actual accumulated deficit/(surplus) at 1 April 2022</b>	<b>1,092</b>	<b>110</b>	<b>39</b>	<b>1,241</b>
<b>Less:</b>				
One third 2020-2021 estimated deficit	(1,971)	(190)	(72)	(2,233)
Adjustment to above deficit due to 2021-2022 estimated outturn	846	85	30	961
<b>Total payments made during 2022-2023</b>	<b>(1,125)</b>	<b>(105)</b>	<b>(42)</b>	<b>(1,272)</b>
<b>Accumulated deficit/(surplus) at 1 April 2022 (to be apportioned during 2023-2024)</b>	<b>(33)</b>	<b>5</b>	<b>(3)</b>	<b>(31)</b>
Apportionment of 2022-2023 estimated deficit calculated January 2023	787	60	30	877
<b>Total forecast deficit/(surplus) at 31 March 2023 (to be apportioned)</b>	<b>754</b>	<b>65</b>	<b>27</b>	<b>846</b>

#### **4.0 Business Rates (Non-Domestic Rates) estimated outturn 2022-2023**

- 4.1 The estimate on the Collection Fund for 2022-2023 in relation to Business Rates, also referred to as Non-Domestic Rates (NDR), is set out below. It is forecast that there will be an accumulated surplus of £1.6 million at 31 March 2023 with an estimated surplus in 2022-2023 totalling approximately £1.3 million.



**Table 3 – Forecast Business Rates outturn 2022-2023**

	£000	£000
<b>Actual accumulated deficit/(surplus) at 1 April 2022</b>		<b>17,810</b>
<b>Apportionment of 2021-2022 estimated deficit calculated January 2022 (payments made during 2022-2023):</b>		
<b>One third 2020-2021 estimated deficit</b>		
City of Wolverhampton Council	(3,332)	
West Midlands Fire and Rescue Authority	(34)	(3,366)
<b>2021-2022 estimated deficit</b>		
City of Wolverhampton Council	(14,583)	
West Midlands Fire and Rescue Authority	(147)	(14,730)
<b>Net deficit/(surplus) 2021-2022 to be apportioned in 2023-2024</b>		<b>(286)</b>
<b>Estimated income 2022-2023</b>		
Income from Business Rates (NDR)	(74,031)	
Transitional payment	(175)	
Reconciliation payment	700	
<b>Total estimated income</b>		<b>(73,506)</b>
<b>Estimated expenditure 2022-2023</b>		
Demands on Collection Fund:	65,516	
City of Wolverhampton Council (including designated areas and renewable energy)		
West Midlands Fire and Rescue Authority	655	
Provision for non-collection of NDR (incl. appeals)	5,727	
Cost of collection allowance	330	
<b>Total estimated expenditure</b>		<b>72,228</b>
<b>Net estimated deficit/(surplus) for 2022-2023</b>		<b>(1,278)</b>
<b>Estimated accumulated deficit/(surplus) at 31 March 2023</b>		<b>(1,564)</b>

- 4.2 The overall position in terms of the allocation of the deficit between the Council and the precepting body is summarised in Table 4 below.

**Table 4 – Recommended split of forecast Business Rates deficit/(surplus) for 2022-2023, to be distributed in 2023-2024**

<b>Business Rates</b>	<b>City of Wolverhampton Council £000</b>	<b>West Midlands Fire and Rescue Authority £000</b>	<b>Central Government £000</b>	<b>Total £000</b>
<b>Actual accumulated deficit/(surplus) at 1 April 2022</b>	17,371	178	261	17,810
<b>Less:</b>				
One third 2020-2021 estimated deficit	(3,332)	(34)	-	(3,366)
2021-2022 estimated deficit	(14,583)	(147)	-	(14,730)
<b>Total payments made during 2022-2023</b>	<b>(17,915)</b>	<b>(181)</b>	<b>-</b>	<b>(18,096)</b>
<b>Accumulated deficit/(surplus) at 1 April 2022 (to be apportioned during 2023-2024)</b>	<b>(544)</b>	<b>(3)</b>	<b>261</b>	<b>(286)</b>
Apportionment of 2022-2023 estimated surplus calculated January 2023	(1,262)	(15)	-	(1,277)
<b>Total forecast deficit/(surplus) at 31 March 2023 (to be apportioned)</b>	<b>(1,806)</b>	<b>(18)</b>	<b>261</b>	<b>(1,563)</b>

## 5.0 Evaluation of alternative options

5.1 The estimated outturn on the Collection Fund for 2022-2023 has been prepared in accordance with specifications, regulations and directions made under various sections of the Local Government Finance Acts 1988 and 1992.

## 6.0 Reasons for decisions

- 6.1 Cabinet is recommended to approve the payments to/from the precepting bodies based on the estimated outturn of the Collection Fund for 2022-2023. This will inform the budget setting process for 2023-2024, for the Council and precepting bodies.
- 6.2 Approval is also sought to delegate authority to the Cabinet Member for Resources and Digital City, in consultation with the Director of Finance, to confirm any final changes to the forecast outturn reflecting any further information received ahead of the statutory deadline of 31 January 2023. This will ensure that the most up to date information is used to inform 2023-2024 budgets.

## 7.0 Financial implications

7.1 The table below summarises the overall Collection Fund forecast position at 31 March 2023 estimated to be in the region of £717,000 net surplus.

<b>Forecast position at 31 March 2023</b>	<b>City of Wolverhampton Council £000</b>	<b>West Midlands Police and Crime Commissioner £000</b>	<b>West Midlands Fire and Rescue Authority £000</b>	<b>Central Government £000</b>	<b>Total £000</b>
Council Tax	754	65	27	-	846
Business Rates	(1,806)	-	(18)	261	(1,563)
<b>Forecast deficit/(surplus)</b>	<b>(1,052)</b>	<b>65</b>	<b>9</b>	<b>261</b>	<b>(717)</b>

The Council will be expected to retain a net surplus of approximately £1.1 million to be apportioned over 2023-2024.

- 7.2 The Council's Medium Term Financial Strategy (MTFS) will be updated to reflect the forecast outturn on the Collection Fund and reported to Cabinet on 22 February 2023.
- 7.3 It is important to note however, that the estimated Collection Fund outturn for the current financial year has to be forecast by January of that year and is based upon information available at a point of time. Therefore, any changes to the assumptions that occur in the remaining months of the financial year, will have an impact on actual Council Tax and Business Rates collected and consequently the final outturn on the Collection Fund. Any resulting change to the surplus or deficit, will be recovered in future years.  
[SH/10012023/M]

## **8.0 Legal implications**

- 8.1 The relevant legislation is contained in the body of the report and the recommendations are made in accordance with the legislation.  
[TC/10012023/A]

## **9.0 Equalities implications**

- 9.1 There are no relevant equalities implications arising from this report, however the method by which the MTFS and supporting resources, including those detailed in this report for 2023-2024 are developed, is governed by the Council Plan priorities, which itself was guided by consultation and equality analysis. All of this will enable Councillors to pay, "due regard" to the equalities impact of their budget decisions at that point in the budget development process. The resulting and final report to Cabinet and Council will contain a supporting equality analysis that will offer information across the whole range of proposals and in doing so enable Councillors to discharge their duty under Section 149 of the Equality Act 2010.

## **10.0 All other implications**

- 10.1 There are no other implications arising from this report.

## **11.0 Schedule of background papers**

- 11.1 Council Tax Formal Resolutions included in [Final Budget Report 2021-2022](#), report to Council, 3 March 2021
- 11.2 Council Tax Formal Resolutions included in [2022-2023 Final Budget Report](#), report to Council, 2 March 2022

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>18 January 2023</b>
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<b>Report title</b>	Annual Health and Safety Update	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Paula Brookfield Governance and Equalities	
<b>Key decision</b>	No	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	David Pattison, Chief Operating Officer	
<b>Originating service</b>	Health and Safety	
<b>Accountable employee</b>	Tim Munro	Head of Health and Safety
	Tel	07976751442
	Email	Tim.munro@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Directorate Leadership Team	10 November 2022
	Cabinet Member Briefing	16 November 2022

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**Recommendation for decision:**

The Cabinet is recommended to:

1. Approve the revisions to the Corporate Health and Safety Policy.

**Recommendation for noting:**

The Cabinet is asked to note:

1. The progress with regards to managing health and safety in the organisation.

## **1.0 Purpose**

- 1.1 Protecting the Health and Safety of employees and members of the public who may be affected by our activities is an essential part of risk management and must be led by the controlling minds in the organisation. This is a delegated responsibility placed on the Chief Executive, who has delegated operational responsibility to the Chief Operating Officer.
- 1.2 Commitment to the health and safety agenda and a means to implement the agenda effectively within an organisation is demonstrated by the organisation having an agreed and signed Corporate Health and Safety Policy. This is a legal responsibility placed on the Council by Section 2(3) of the Health and Safety at Work etc. Act 1974.
- 1.3 Organisations should also require assurance that their commitment to health and safety is being appropriately implemented through the agreed organisational arrangements and that appropriate resources are allocated to ensure objectives are met.

## **2.0 Background**

- 2.1 Health and Safety law places duties on organisations, employers and Directors who can be personally responsible when these duties are breached.
- 2.2 Having a written Health and Safety Policy is a legal requirement under Section 2 (3) of the Health and Safety at Work etc. Act 1974.
- 2.3 It is a subsequent requirement to revise and update an organisation's health and safety policy on a regular basis or as and when circumstances change.
- 2.4 City of Wolverhampton Council current Corporate Health and Safety Policy was last updated in 2021 when it had a substantial refresh.
- 2.5 The main changes in this revision are:
  - A. Updated structure within the organisation for managing health and safety.
- 2.6 Employers including the Council are legally responsible for ensuring that their activities do not create uncontrolled or unacceptable risks to employees or anyone affected by the delivery of services it provides.

## **3.0 Progress**

- 3.1 The Report at Appendix 1 describes the progress during the last 12 months with regards to managing health and safety.
- 3.2 This report is the second received by Cabinet, the last one having been presented and discussed on 20 October 2021.
- 3.3 The report is presented in partial fulfilment of the legal requirement to ensure that health and safety within the Council is being effectively managed. It is important that the Council is transparent regarding the ways in which it meets its duties.

3.4 In summary the annual report believes it sets out that the Council is meeting its health and safety duties under the relevant legislation.

#### **4.0 Evaluation of alternative options**

4.1 There are no alternative options. Having a written Health and Safety Policy is a legal requirement under Section 2 (3) of the Health and Safety at Work etc. Act 1974

#### **5.0 Reasons for decisions**

5.1 There are potentially serious risks for the Council and its operations from inadequate consideration of health and safety issues. The punitive measures include not only enforcement powers of inspectors but can include both personal and corporate liability proceedings. As a significant presence in the West Midlands, City of Wolverhampton Council is a high profile case, particularly if things go wrong.

#### **6.0 Financial implications**

6.1 There are no financial implications associated with the recommendations in this report.  
[GE/06012023/X]

#### **7.0 Legal implications**

7.1 Legal implications regarding the Council's health and safety responsibilities are described above, the steps taken in the annual report ensure that the Council is meeting its obligations under the Health and Safety at Work Act 1974 and other related legislation.  
[DP/09012023/A]

#### **8.0 Equalities implications**

8.1 The Health and Safety Policy is a revision of an existing document. The equalities impact of the revision has been considered as part of its consultation through Governance Leadership Team. There are no additional equalities implications arising from this report.

8.2 Equalities implications arising through the operational implementation of health and safety procedures are included as part of operational delivery.

#### **9.0 All other implications**

9.1 There are no other known implications that require consideration as a consequence of this report.

#### **10.0 Schedule of background papers**

10.1 There are no additional background papers.

#### **11.0 Appendices**

11.1 Appendix 1 : Annual Health and Safety Management Report – 2022

11.2 Appendix 2 : Proposed Corporate Health and Safety Policy 2023

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**City of Wolverhampton Council**  
**Annual Health and Safety Management Report**  
**January 2023**

**1.0 Purpose of the Report**

- 1.1 To update members as to the progress and changes made with regard to managing health and safety since the last annual report in September 2021.

**2.0 Introduction and Background**

- 2.1 This report will focus on the achievements and work priorities of the health and safety team, and a view of planned objectives for the next 12 months.
- 2.2 Strategically the overall responsibility for health and safety remains with the Chief Executive and Directors of the Council. Delegated responsibility for health and safety remains with the Chief Operating Officer.
- 2.3 Operationally, the Council's specialist health and safety team sits within the Governance Directorate. The health and safety team provide strategic health and safety advice to the organisation to ensure that it meets its legal health and safety responsibilities under the Health and Safety at Work etc. Act 1974, and subordinate legislation. The team also provide operational advice across all services of the City Council. Health and safety advice is also provided to Wolverhampton Homes through a service level agreement.

**3.0 Executive Summary**

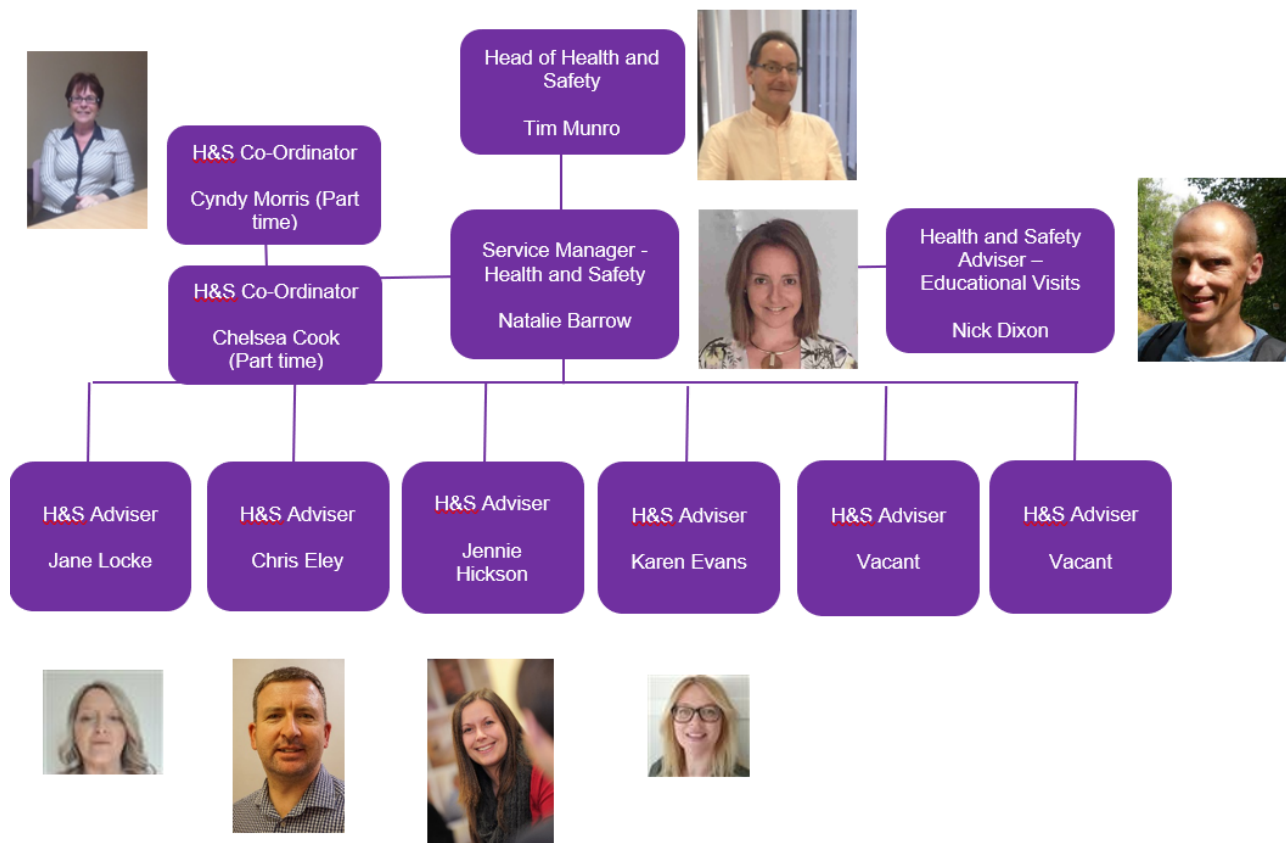
- 3.1 In summary the management of health and safety in the Council is in a good place with substantial progress having been made in 2022, in particular in relation to collection of health and safety data and ensuring that appropriate action is taken on the basis of that data.

**4.0 Discussion**

- 4.1 In the previous report information was provided on the changes to the structure and reporting arrangements to the health and safety team. Whilst the structure at that time was agreed and appropriate financial resource allocated, recruitment to all the posts had not been implemented.
- 4.2 During the intervening 12 month period a structured and robust process was implemented to securing recruitment of skilled, knowledgeable and experienced health and safety practitioners.
- 4.3 It is significant that the recruitment has brought into the team additional high quality, competent resource. Worthy of note are :

- a) 2 additional Health and Safety Advisers
- b) 1 additional Health and Safety co-ordinator, to take vacant hours in the existing postholders position
- c) 1 part time Health and Safety Adviser with specific responsibility for health and safety on educational visits from schools.

4.4 The current health and safety team :



4.5 As a direct result of this recruitment significant improvements in the delivery of the health and safety service have been evident, including but not limited to :

- a) Ability to be more responsive to service led requests for health and safety support
- b) Ability to provide more focussed and detailed investigations into health and safety related incidents
- c) Bringing to the organisation additional specialist health and safety skills and knowledge in areas where the team previously had limited resource

4.6 Regarding the remaining two vacancies, one of the remaining Health and Safety Adviser posts has been advertised and interviews took place on 8<sup>th</sup> November. A job offer has been made and it is hoped the successful candidate will start with the team early in 2023. Regarding the remaining vacancy approval has been granted to use the funding from this post to fund two Level 3 Health and Safety

Apprenticeships, supporting the City Councils strategic programme for training and development opportunities for our residents. It is anticipated that these two apprenticeship positions will be filled by early 2023.

- 4.7 The result of this recruitment is that the health and safety team will have an increased ability to deliver a high quality, competent and robust service for both the strategic and operational needs of the City Council, in terms of both its responsibilities to employees, but also its residents and communities.
- 4.8 This following sections of this report describe key areas of health and safety work during the previous 12 months. It describes the leadership required for health and safety and also, following the plan, do, check, act methodology for effective health and safety management, described and supported in Health and Safety Executive publication HS(G)65 '*Managing for Health and Safety*', provides an overview of recent work in progressing the health and safety agenda within the Council. The publication can be accessed [here](#) and relevant extracts are shown in *italics* in the following paragraphs.
- 4.9 *Protecting the health and safety of employees, partners or members of the public who may be affected by our activities is an essential part of risk management and must be led by the senior post holders in the Council. Failure to include health and safety as a key business risk in decisions can have significant business impact. Many high-profile safety cases have been rooted in failures of leadership.* Health and safety law places duties on organisations and employers, and directors can be personally liable when these duties are breached: members have both collective and individual responsibility for health and safety. Following effective systems and processes for managing health and safety will help the Council find the best ways to lead and promote health and safety, and therefore meet our legal obligations.
- 4.10 Plan Requirements : Senior leadership within the Council should set the direction for effective health and safety management. *They need to establish a health and safety policy that is much more than a document – it should be an integral part of our organisation's culture, of its values and performance standards. All members should take the lead in ensuring the communication of health and safety duties and benefits throughout the organisation. Directors must develop policies to avoid health and safety problems and must respond quickly where difficulties arise or new risks are introduced; other senior leaders must make sure that health and safety is properly addressed. Health and safety should appear regularly on the agenda for appropriate strategic meetings. The Chief Executive can give the clearest visibility of leadership, but organisations find it useful to delegate this responsibility to an appropriately positioned and responsible Director. The presence in the senior leadership team of a health and safety director can be a strong signal that the issue is being taken seriously and that its strategic importance is understood. An independent Cabinet member can act as a scrutineer – ensuring the processes to support organisations facing significant health and safety risks are robust.*

4.11 The submitted Corporate Health and Safety Policy make it clear that the Council is committed to ensuring the health, safety and welfare of employees and persons affected by our activities. It also reinforces the clear responsibilities at both strategic and operational level for leading, managing and implementing effective health and safety practice. The Chief Executive has delegated responsibility for health and safety to the Chief Operating Officer, who provides a regular update to the Cabinet Member with responsibility for health and safety. The Head of Service; Health and Safety, attends these meetings on a quarterly basis to provide a strategic overview on health and safety practice and also an operational perspective with regards to health and safety performance indicators.

4.12 *Do : Delivery of the health and safety agenda depends on an effective management system to ensure, so far as is reasonably practicable, the health and safety of employees, customers and members of the public. Organisations should aim to protect people by introducing management systems and practices that ensure risks are dealt with sensibly, responsibly and proportionately. In particular :*

- a) *Leadership is more effective if visible – Senior leaders can reinforce health and safety policy by being seen on the ‘shop floor’, following all safety measures themselves and addressing any breaches immediately.*
- b) *Consider health and safety when deciding senior management appointments.*
- c) *Having procurement standards for goods, equipment and services can help prevent the introduction of expensive health and safety hazards. The health and safety arrangements of partners, key suppliers and contractors should be assessed: their performance could adversely affect ours.*
- d) *Setting up a strategic committee, chaired by a senior executive, can make sure the key issues are addressed and guard against time and effort being wasted on trivial risks and unnecessary bureaucracy.*
- e) *Providing health and safety training to some or all of the senior post holders in an organisation can promote understanding and knowledge of the key issues.*
- f) *Supporting worker involvement in health and safety, above the legal duty to consult worker representatives, can improve participation and help show our commitment.*

4.13 With regards to the ‘doing’ phase of effective health and safety management there are a number of initiatives relevant to the points above which have been progressed during the last year :

- a) It is important and relevant to acknowledge that the health and safety team, as many other services from across the City Council, have been on a journey with regards to recovering from the effects of Covid on its working arrangements. The previous two years have seen a reactive relationship with other services in provision of health and safety advice responding to the ever changing Covid restrictions and arrangements, focussing on keeping employees safe from infection, whilst needing to continue delivering services to our residents and communities.

The last 10 months in particular has seen a return to a more proactive and planned approach to health and safety advice with the resumption of many aspects of the teams work including more detailed investigation of accidents and incidents, planned health and safety audits in schools, planned workplace inspections with trades unions and face to face meetings.

- b) The communication and consultation methods for health and safety continue to be followed as described in the Health and Safety Policy. Operationally this takes place through six Operational Health and Safety Groups, each chaired by an appropriate Head of Service. They each meet quarterly, approximately 4 weeks before each Strategic Health Safety and Wellbeing Board. Each meeting is supported by a member of the health and safety team, an HR representative, an equalities and diversity representative and one or more trades union representatives. These meetings were reconfigured in 2021 to ensure all services are represented and the process of setting each meeting’s agenda and reviewing action items given more assurance, with the Chair meeting with the health and safety teams representative prior to, and post meeting. Reports from each of the meetings are provided to the next Strategic Health Safety and Wellbeing Board. The Strategic Health Safety and Wellbeing Board meets quarterly and itself has agreed revised terms of reference and is now chaired by the Chief Operating Officer to provide the necessary strategic leadership on health and safety matters and a route for any significant risks to be raised with SEB/Councillors.

The effectiveness of these operational meetings in particular has continued to be monitored and improved and representation from services at these meetings has seen a significant improvement in attendance and the raising of relevant health and safety matters for discussion, and where appropriate escalation to Strategic Health Safety and Wellbeing Board. It has been pleasing to see increased ownership in these meetings from the respective chairs, the link Health and Safety Adviser, and attendees alike. Attendance is monitored as a standing agenda item at the Strategic Health Safety and Wellbeing Board meetings, and challenged where appropriate at the request of the Chief Operating Officer.

- c) A current and up to date knowledge of a pragmatic and proportionate approach to managing health and safety at a senior level is fundamental to ensuring that health and safety is taken seriously and receives appropriate senior level commitment. Following changes in the senior leadership of the organisation additional IOSH Safety for Senior Executives workshops have been delivered. These workshops are mandatory so that all postholders at Director and Head of Service level hold this qualification and have the tools to effectively integrate health and safety into their business as usual activities. Performance information for the last 12 months has shown the following attendance :

CWC SEB/Heads of Service Attendance	50
Total CWC SEB/Heads of Service Remaining	18
Wolverhampton Homes SMT/Heads of Service Attended	14
Total Wolverhampton Homes SMT Outstanding	5

At an operational level, all managers and supervisors are required to attend an 'in house' managing health and safety qualification developed and delivered by the health and safety team. This programme is currently underway and has now returned to face to face delivery after being delivered virtually during Covid. One course is delivered each month. There will be further training sessions in early 2023 to ensure full compliance at Senior Executive level.

- d) Collaborative working between the health and safety team (on behalf of the organisation) and recognised trades unions continues to be instrumental to compliance with not only legal requirements but also the communication and consultation mechanism described in the Corporate Health and Safety Policy. This has taken place formally through Operational Health and Safety Meetings, the Strategic Health Safety and Wellbeing Board and Joint Consultative Panel meetings. Working relationships between the trade unions and health and safety team have improved in the previous 12 months, not only through these formal meetings but also on an ad-hoc basis where both parties have consulted and communicated outside of these meetings to discuss issues and agree approaches to health and safety issues. This collaborative approach should not be underestimated and has resulted in issues not requiring escalation as matters have been discussed and agreed at an early stage without the need for formal raising.
- e) Section 3 above describes the additions to the health and safety team. One new position created is that of the Health and Safety Adviser – Educational Visits. The benefit that this postholder has brought to the scrutiny of health and safety around school visits has been significant, particularly as schools start to resume their extra curricular activities and learning and development of pupils away from the school environment. This has undoubtedly led to additional assurances being required for some activities, meaning they are delivered in a safer and more assured way, protecting our young people in the process. A summary of the activity from January 2022 to July 2022 is summarised below.

- **183 trips approved** this *is probably less than would be in a normal year as we are still on reduced trips following Covid.*
- **47 trips questioned** advice given/ competency questioned or licencing questioned. Answered in a satisfactory way and subsequently approved.
- **13 trips denied**, where approval was not given to run a trip.

Of particular note in the figures above are the trips where permission has been denied, resulting in activities which did not have an acceptable degree of control of health and safety issues involved in the proposed activities, protecting our children and young people.

Ensuring that headteachers and schools have sufficient knowledge to adequately assess and agree controls for off site activities is also important. To facilitate this

specific health and safety training for those involved in arranging and agreeing activities has also been delivered by the postholder. In summary :

### **Courses delivered**

5/9/22	Visit Leader Training
23/6/22	Educational Visits Co-ordinator Training - Update Course
22/6/22	Educational Visits Co-ordinator Training - Update Course
21/6/22	Visit Leader Training
6/6/22	Visit Leader Training
10/2/22	Educational Visits Co-ordinator Training - Update Course
9/2/22	Educational Visits Co-ordinator Training - Initial Course
8/2/22	Visit Leader Training
4/1/22	Visit Leader Training

### **Site visits**

Once approved, checking that the activities take place in accordance with submitted documentation and according to plans is important to check that expected controls are adequate and that unforeseen circumstances are adequately addressed during the activity. Provision of adequate 'supervision' from the health and safety team is a direct requirement of the Health and Safety at Work etc. Act 1974. The following assurance visits took place supported by the Health and Safety Team:

3/2/22 Wolf Mountain Visit 1 (competency of staff)

9/3/22 Wolf Mountain Visit 2 (competency of staff & H&S check

18/7/22 Chelmarsh visit and check (AALA licence)

The health and safety scrutiny of educational visits is in a good place, and we are happy to provide assurance that risks to employees and students are adequately controlled at this time.

- 4.14 Check : *Monitoring and reporting are vital parts of a health and safety culture. Management systems must allow the organisation to receive both specific (e.g. incident-led) and routine reports on the performance of health and safety policy. Much day-to-day health and safety information need be reported only at the time of a formal review. But only a strong system of monitoring can ensure that the formal review can proceed as planned – and that relevant events in the interim are brought to the organisations attention.* In particular :
- a) *“Effective monitoring of sickness absence and workplace health can alert the board to underlying problems that could seriously damage performance or result in accidents and long-term illness.”*

- b) Monitoring of workplace sickness absence take place through each of the Operational Health and Safety Groups and is also a standing agenda item at Strategic Health Safety and Wellbeing Board meetings. In summary for the year to date :

Sickness absence (including all non-covid and covid and self-isolation) has decreased overall in 2022-23 Q1 when compared to the previous quarter, however has increased when compared to the same quarter in the previous year. This is reflected in the total number of sickness absence days taken, the average number of days taken per employee and in the calculated sickness absence rates.

Over the five-quarter period from 2021-22 Q1, the highest sickness absence rate was reported in 2021-22 Q4. This appears to be a pattern recorded across the workforce as a whole, and in the majority of individual directorates, with most seeing a peak in sickness absence in quarters 3 and 4.

In 2021-2022, Mental Health sickness absence became the most common reason for sickness absence. This has continued into 2022-23 with Mental Health being the most common sickness absence reason (21.57% of all cases), closely followed by Covid (21.19%) and Musculoskeletal (17.58%).

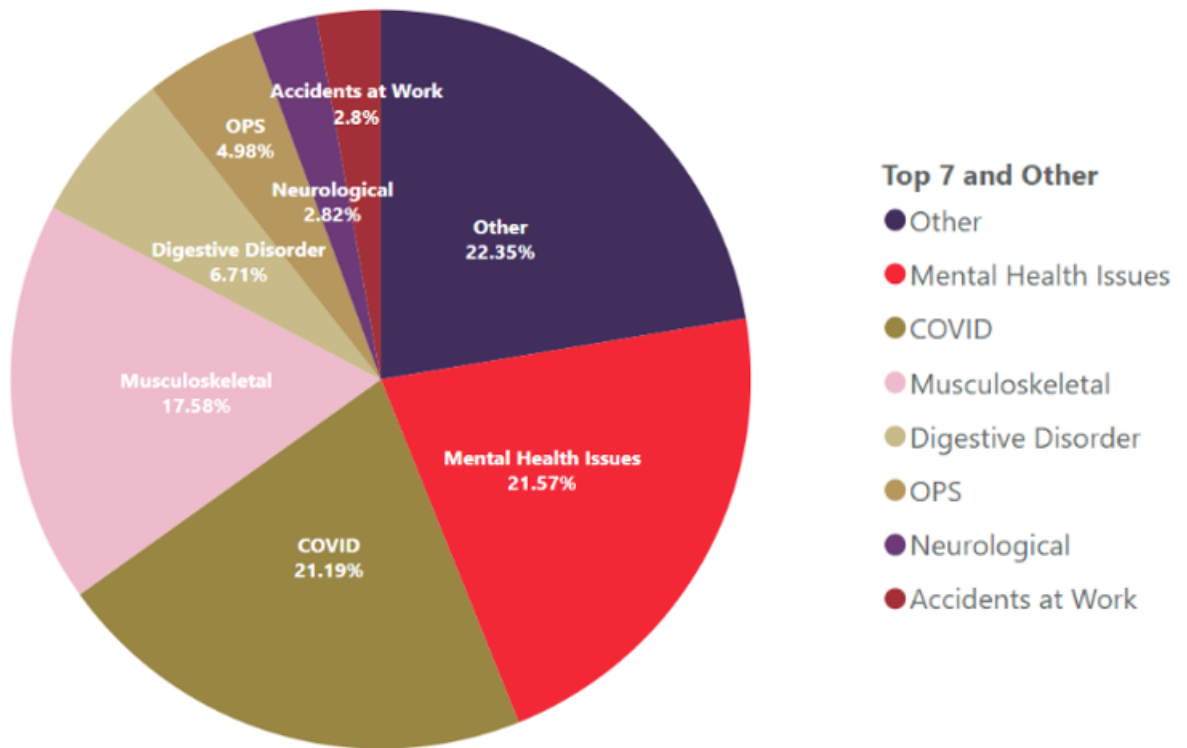
There has been a decrease in the total number of sickness absence days taken due to covid & self isolation in 2022-2023 Q1 when compared to the previous quarter, however there has been an increase when compared to the same quarter in the previous year, following the pattern for sickness absence as a whole.

The rate of no sickness recorded has increased when compared to the previous quarter, however has decreased when compared to the same quarter in the previous year for both non-covid and covid and isolation.

In 2022-23 Q1 employees with a flexible-type working style took fewer non-covid sickness absence days in total with an average of 1.47 days per employee and a rate of 2.33%, compared to a rate of 5.06% for employees in a field-style positions, and 2.95% for employees in a fixed-style position. Employees with a flexible workstyle also had the lowest rate of absence (0.40%) and average number of days absence (0.25 days) in relation to covid and self isolation.

In 2022-23 the absence rate for female employees has remained higher than the absence rate for male employees. Employees in the 61 plus age group recorded the highest average number of sickness absence days lost. With regard to disability, the highest average number of sickness absence days were taken by employees who selected Unsure as their disability status.





The sickness absence data receive detailed scrutiny at Strategic Health Safety and Wellbeing Board meetings with trades unions involved in questioning and analysing the absence data. In addition to the data above analysis is also provided with regards to workstyle, short term/long term and gender.

Regarding the incidence of mental health issues, the City Council has both reactively and proactively continued to address these issues with employees. These have been delivered by the HR, Organisational Development and Health and Safety teams. Interventions include help and support to all employees with regard to health and wellbeing issues with a dedicated and comprehensive resource available on wellbeing@ work pages on the Our People Portal. It covers advice and sources of support which can be self-accessed on matters such as general wellbeing, working from home and balancing work life balance, supporting physical health, supporting mental health and financial support.

HR support managers throughout the Management of Attendance procedure providing comprehensive, tailored advice and guidance to managers on how to support employees that have been absent due to mental health (and other reasons). Support mechanisms are discussed in detail and management support plans are developed in conjunction with employees to support their individual mental health and well-being needs.

HR and Organisational Development are also working together to develop a mental health survey for employees to complete anonymously. This will help us to identify improvements we can make to support employee wellbeing proactively. The survey will prove useful to understand underlying reasons for mental health issues and provide targeted solutions to support our employees.

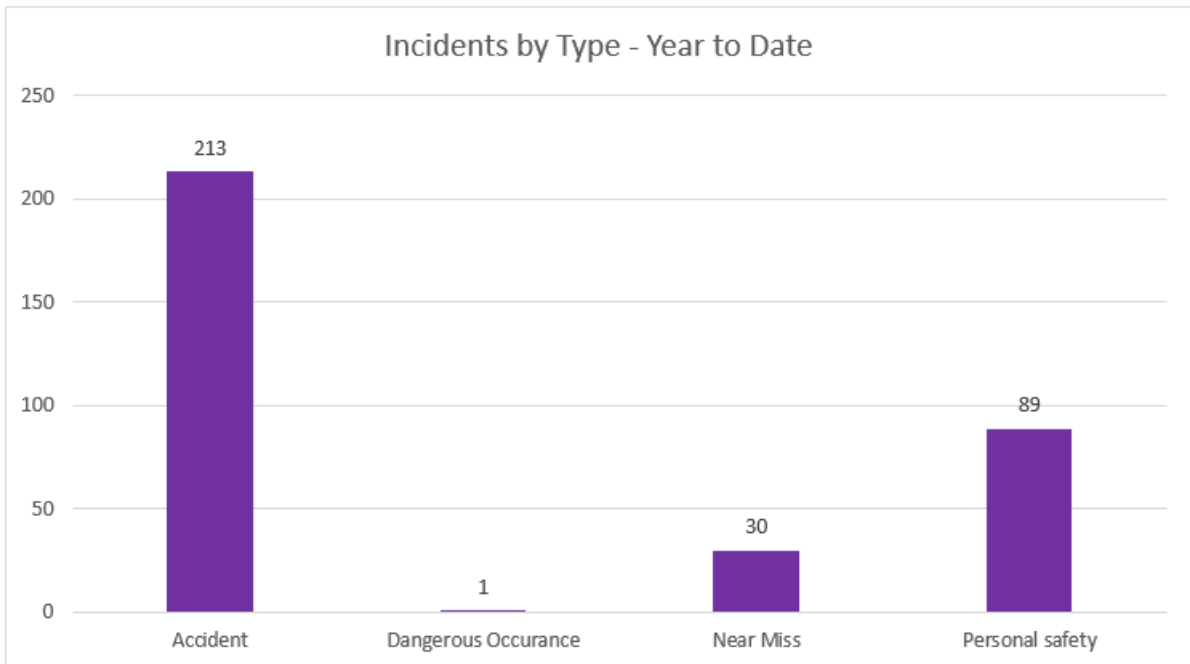
A procurement exercise is also being undertaken by HR to continue to provide an Employee Assistance Programme that is fit for purpose and provides value for money. The mental health survey will also help the council understand employee requirements associated with EAP. This will be fed into the development of requirements for the procurement project.

In addition, the Organisational Development team have introduced many initiatives over the Covid-19 period and beyond to support employee well-being. This includes our well-being pledges that were co-produced with employees, chatty cafés, yoga sessions, introduction and promotion of mental health first aiders, Able Futures scheme, webinars etc. In addition to this the OD team have coordinated 2399 different Health, Safety and Wellbeing training interventions with 19667 employee interactions. The team is also piloting the Head 4 Health scheme which include eight wellbeing workshops and gentle activity – the aim is to encourage individuals suffering from mental health issues to take positive steps to improve their well-being. If the pilot is successful, the scheme can be offered to our employees through referrals from HR, mental health first aiders and managers.

In addition, the HR team where they have identified that there is a higher incidence of mental health absence in a particular team, arrange for specific and focussed support to managers and supervisors in those teams. This includes delivering specific stress management training delivered by the health and safety team. The health and safety team also provide specific support to these managers on completing employee stress risk assessments. This is in addition to the regular stress risk assessment management training delivered by the health and safety team as part of the organisational development teams regular health and safety training courses. This training is supported and monitored by the trade unions at the Strategic Health Safety and Wellbeing Board meetings.

- c) *The collection of workplace health and safety data can allow the board to benchmark the organisation's performance against others in its sector. Appraisals of senior managers can include an assessment of their contribution to health and safety performance.*

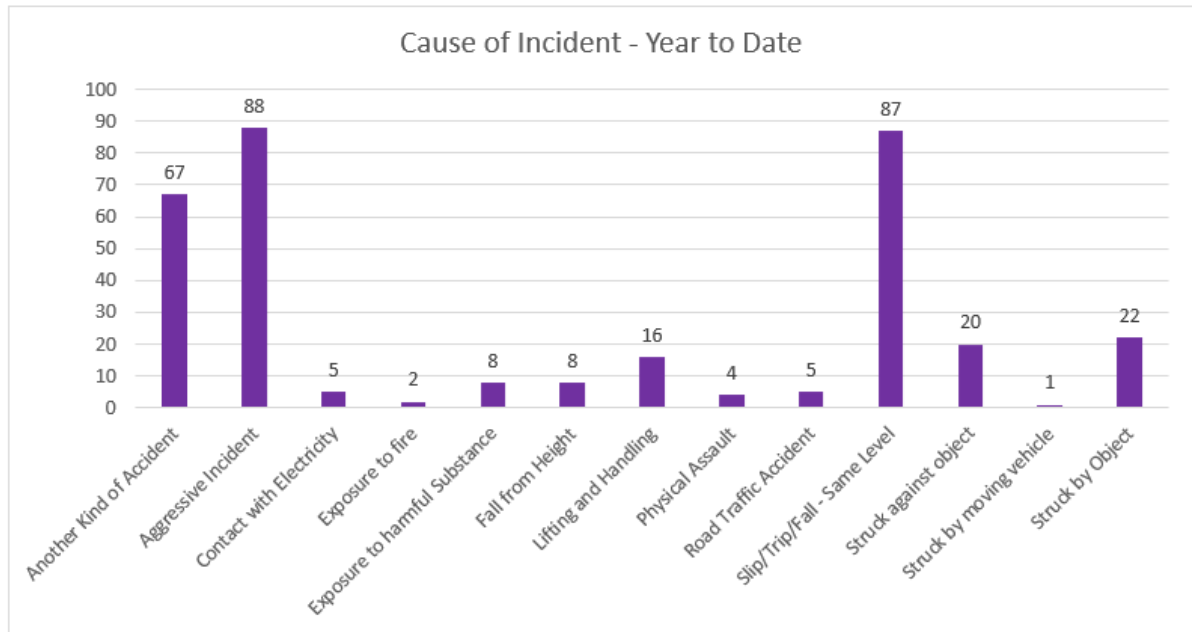
In addition to sickness absence/accident/incident data is also collected, reported on and discussed at operational and strategic health and safety meetings. A summary of key data for the last year shows :



At the end of 2021 the health and safety team changed and improved how health and safety incident data is recorded. This means that comparative data is not as valuable this year but will be in future years including emerging trends in the data recorded which can be used to inform health and safety interventions across the City Council.

Worthy of note in the data above are the reports of 'near misses'. Reporting these events is important as they indicate where preventative action can be taken, preventing more serious incidents occurring in the future. Whilst these reports are encouraging there is a piece of work to be carried out to maximise these type of reports for not only the reason stated above, but also as an indicator of a positive health and safety culture within the organisation.

All of the above incidents have received appropriate investigation by the health and safety team, often in conjunction with the employees involved and their manager. The purpose of these investigations is to identify any appropriate remedial action/preventative measures for implementation. These preventative measures are important not just for the service in which the incident has occurred, but also to disseminate across the organisation, in order to share learning.

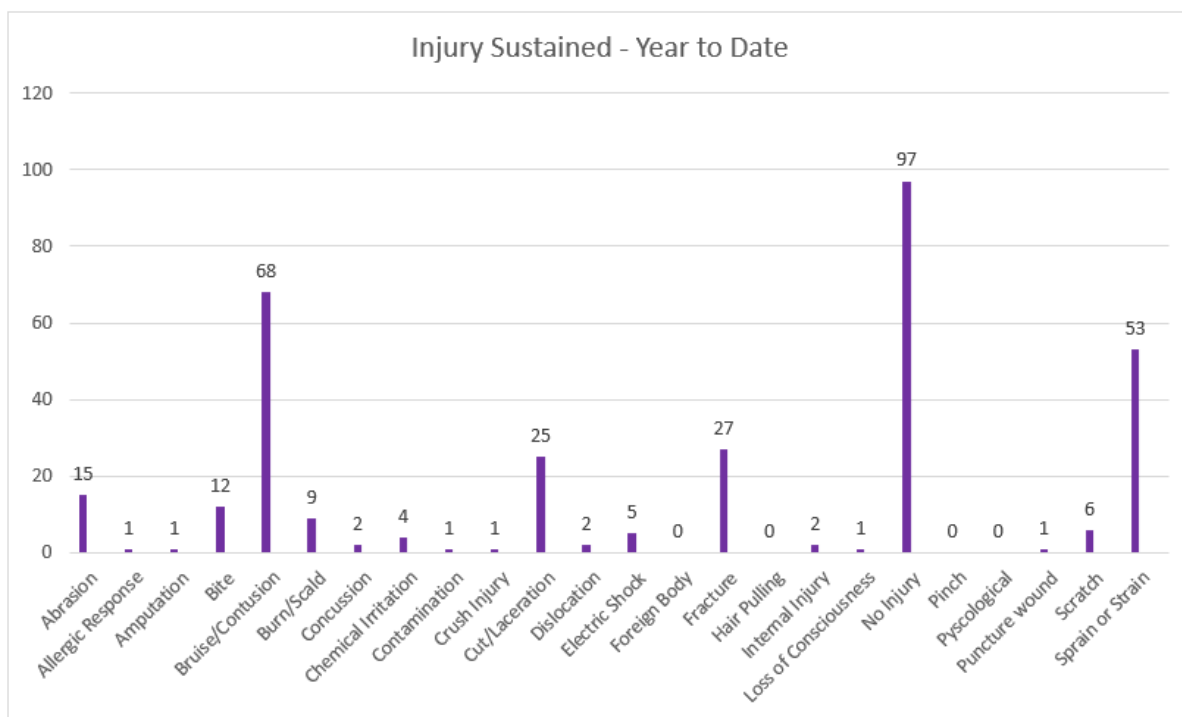


This data helps the organisation to direct health and safety resource in providing health and safety guidance to employees and managers in appropriate health and safety subject areas, with the aim of preventing the most common causes of workplace incidents.

With specific regard to the data in the 'cause of incident' graph, aggressive incidents appear to be high compared to other types of incident. Analysis of these incidents shows the majority of these incidents are in educational settings or children and adult social care. It needs to be noted that pupils and service users may have special educational needs, mental health issues or specific individual circumstances which have resulted in the incidents. As a preventative measure in these settings employees are provided with specialist training in dealing with pupils or service users with special requirements, and the number of incidents reported do not in themselves indicate a problem level of type of incident.

If the 'aggressive' incidents are looked at separately (where a perpetrator has shown or exhibited direct and possibly pre mediated aggression) towards employee these can be seen to be much lower in number and in line with what would be expected.

The other significant cause of incident to be noted is that of 'slips, trips and falls'. Whilst possibly of concern at first sight these incidents are in line with nationally reported incidents and in the latest national HSE data, similar incidents account for 33% of incidents. Slip trips and falls within City of Wolverhampton Council account for around 40% of incidents.



The City Council is under a legal requirement to report certain incidents to the Health and Safety Executive under Reporting of Injuries, Diseases and Dangerous occurrence Regulations 2013.

For the year to date the following numbers of reports have been made :

Specified Injury – 5 incidents

Over 7 days absence from work - 2 incidents

Dangerous Occurrence – 1 incident

As a result of the notifications made to the HSE, no punitive action has been instigated to date against the City Council.

Other comparative data when compared with published HSE data for 'Public Administration' is shown in the table below :

Area of Data	HSE 'Public' Administration Data for 2021	CWC Data for 2022 (to date)
Incident rate per 100,000 employees	5230	5222
Musculoskeletal Disorders	20%	17.5%
Mental Health absence	60%	21.5%

At a high level this comparative reactive data indicates that the City Council is operating commensurate with published national data. However, further benchmarking on our health and safety performance data with other local authorities and year on year comparisons within the City Council will provide

additional indication and measurement of performance which can be used to direct health and safety resource and organisational involvement in addressing emerging issues.

- d) Boards can receive regular reports on the health and safety performance and actions of contractors. Some organisations have found they win greater support for health and safety by involving workers in monitoring. It is worth noting here that the Health and Safety Team actively engage with the recognised Trades Unions in carrying out joint workplace inspections and visits with their formally appointed Statutory Safety Representatives. These take place for both planned activities/routine inspections and other special purpose visits. An example of this is that during the last 12 months, 14 joint inspections have taken place to workplaces with trades unions.
- e) Another area of continued work the health and safety have progressed is that of personal safety of employees. This has been reviewed and progressed particularly in the light of changed workstyles for many employees.

Maintaining the personal safety of employees is a non specific legal duty placed on employers under the general duty of the Health and Safety at Work etc. Act 1974, to ensure so far as is reasonably practicable the health safety and wellbeing of employees. Notwithstanding this legal duty, as a responsible employer City of Wolverhampton Council will want to be seen and be able to evidence doing the right and proper thing for employees regardless of legal requirements.

Whilst at work we need to make sure that all employees whose work involves dealing with members of the public, in or away from the office, in person or over the phone or other non in person means is suitably and sufficiently risk assessed. This will ensure that City Council services have robust procedures in place which have been developed through a formal and agreed decision making process. Ultimately the risk assessment process should ensure that the City Council's duty to ensure employees health and safety is fulfilled.

In line with corporate Policies all services are required to have adequately risk assessed the services they deliver, as the risks will be different for every service and even within services delivering different services to different groups of people and in different ways. This process has been reviewed by the Health and Safety team to ensure there are robust controls in place.

The controls that services have the ability to introduce to control risks to personal safety and which have a greater or lesser degree of corporate control are predominately in the areas of :

**Risk Assessment** : City of Wolverhampton Council Aggression at Work Policy requires managers to include personal safety in their services risk assessment. These are required to be updated on a regular basis and when the manner of service delivery changes which may render current controls less effective.

**Personal Safety Incidents to date over last 12 months** : Recording data related to personal safety incidents it is important to provide tangible information relating to personal safety. Since January 1<sup>st</sup> 2022, 143 incidents have been reported in

line with reporting procedures and categorised as 'personal safety' related. This represents 29% of the total 496 incidents reported.

Each incident reported receives an appropriate level of investigation by the health and safety team, and any recommendations for improvement identified, together with any follow up support for employees involved in the incident.

**Personal Safety Devices** : The ability for employees to summon assistance when in situations causing concern quickly and easily, is essential from both the point of view that employees are able to summon assistance when needed, and also to provides confidence to employees that they are not at a high level of vulnerability whilst at work.

The City Council has procured a personal safety device through an external, and appropriately accredited provider. The City Council's contract currently provides for 1041 number of devices across all services.

**Personal Safety Training** : Allowing employees to become more confident in their conduct, and having knowledge of what procedures to follow to ensure their safety is integral to implementing a practical approach from the theory of personal safety at work.

The City Council has a number of different approaches to provide the necessary specific knowledge to employees so they can be more aware of issues around personal safety. In the previous 12 months the following training has been attended or completed by employees :

Personal Safety and Lone Working – in person training: 184

Personal Safety in Other People's Homes and Premises (eLearning): 22

Lone Worker Types and Typical Risks (eLearning): 59

Lone Working Hazards and Risks (eLearning): 55

The Council will continue to encourage and indeed require employees who may be at a risk to attend either online or face to face training. This would ensure that City of Wolverhampton Council can demonstrate that they actively ensure that employees are provided with suitable and sufficient information and training to safely perform their job roles.

### **Potentially Violent Persons Register (PVPR) Access**

Having prior knowledge of any potential health and safety risk is one of the best controls we can implement. If we know that something is likely to harm us we can ensure that we take appropriate preventative action.

The City Council maintains a potentially violent persons register where we identify properties or addresses where we have evidence that health and safety risks may exist. These are not just people (violence and aggression) related but include matters such as dangerous pets, discarded hypodermic needles etc.

All employees can request access to the register, where necessary as part of their role, and for new employees it is included as part of the managers health and safety induction checklist, so that so far as reasonably practicable, new employees who may need to check the register prior to visits have the ability to do so. There

is a responsibility incumbent on employees to check the register prior to visits, and on managers to ensure that employees are not only aware of the register and need to check, but are actively using the resource to support their health and safety.

One of the current weaknesses of this system is that it needs to be kept current and upto date with appropriate information. The system is maintained by the health and safety team who, add new entries, update existing entries and remove old or obsolete entries, in line with GDPR requirements. This process relies heavily on each service providing information to the health and safety team. One of the current weaknesses is that some services store information locally on their own systems which is not only potentially not GDPR compliant but does not share information across services, presenting a risk that some employees may visit a premises without knowing that a potential risk is present.

To address this, and also to reduce administrative burdens placed on the health and safety team, there is currently a PVPR review project being undertaken which is looking to develop more robust, accurate, compliant and efficient system to record and share the information.

**Guidance and Advice** : Provision of suitable and sufficient information to employees is fundamental to them being able to have sufficient awareness of personal safety issues and implement the necessary controls. Information for employees and managers is provided on the health and safety pages of City People. In particular specific information is provided on, how to obtain an Alertcom personal safety device, how to access the PVPR as well as a copy of the City Councils Personal safety Policy and procedures.

Some specific guides to personal safety have been produced, an example being the Councillors Guide to personal Safety, and it is pertinent that a similar guide for employees is also produced and brought to the attention of employees.

**Gender, Maternity and Paternity (GMP) Forum** : The Council has an active staff GMP forum. One aspect of their work that is being progressed is work to support the findings and actions which have come out of the staff safety survey undertaken last year. The health and safety team are supporting this work, in particular supporting carrying out safety surveys of our corporate sites where employees work or provide services. In particular the survey highlighted a need to ensure consistency at our corporate sites with regards to access to safe car parking or access routes to public transport, adequate lighting on access routes, removal of overgrown vegetation which creates 'concealed areas' and obscures natural and artificial lighting.

Surveys and reports have already been produced for the Strengthening Families Hubs, and the next scheme of visits are currently being planned with the Equality, Diversity and Inclusion team and has led to significant improvements on site.

- f) One area of potential significant impact on public liability for the City Council is around having effective tree safety management processes. Whilst the responsibility for this fall within the remit of Environmental Services its acceptability



and implementation has been further scrutinised by the Strategic Health Safety and Wellbeing Board and progress is monitored formally through these meetings.

Following several high profile cases involving other local authorities the City Council has embarked on a process of reviewing our arrangements and ensuring that they are commensurate with the ‘reasonably practicable’ judgements from legal cases.

Trees covered by the arrangements include those along public roads and footways, public parks and environmental sites, leisure sites, corporate sites and schools.

As a result of the review updated arrangements have been agreed (including financial requirements) for the inspection of trees within the City on a 2 yearly inspection programme, together with the associated remedial works required following the inspections.

Whilst this work is well underway it is still a work in progress and requires to be monitored on a regular basis and this will continue regularly to be checked and challenged and reported both to the Strategic Health and Safety and Well Being Board and through relevant Councillor meetings.

- g) Building Compliance Issues are a key area of health and safety performance with regards to legal responsibilities placed on the City Council.

City Assets are responsible for ensuring that the Council's corporate & community buildings are maintained in a safe and compliant condition and managed safely.

City Assets and colleagues in Education are responsible for working alongside Headteachers, Governors and key school staff to ensure that schools are maintained in a safe and compliant condition and managed safely.

### **Fire risk assessments (FRA)**

The Council is required under the Fire Safety Order 2005 to ensure that suitable and sufficient FRA's are in place and are reviewed on a periodic basis. The majority of FRA's are undertaken by external consultants.

<b>Data reported</b>	<b>Headline</b>	<b>Comments</b>
Number of assets	176	Operational Corporate, Community Buildings and Schools
Number of assets with FRA	176 (100%)	
Number of assets with updated FRA	149 (84%)	FRA's needing review are predominantly for low-risk buildings (Park buildings, WC's, Cemetery buildings) – to be covered within next instruction to external

		consultant or assessed in-house
Number of Projects & Works (P&W) actions identified in FRAs (prior years)	648	Covers years up to and including 2021/22
Number of completed P&W actions (prior years)	592 (91%)	covers years up to and including 2021/22
Number of West Mids Fire Service visits	20	
Number of enforcement / prohibition notices issued by WMFS within previous 12 months	Nil	

### **Schools fire safety returns**

Maintained schools are required to submit a fire safety return each half term (six per school year). The fire safety return reports on regular fire safety checks e.g. fire alarm testing, as well as management arrangements and training. These are regularly reviewed to ensure compliance.

### **Asbestos Management**

The Council is required under the Control of Asbestos Regulations 2012 to ensure that a “suitable and sufficient assessment” is carried out as to whether asbestos is or is liable to be present in the premises or asset. Any asbestos identified must then be managed, which may include monitoring, encapsulation or removal.

<b>Data reported</b>	<b>Headline</b>	<b>Comments</b>
Number of assets within scope (ie pre 2000 building) – includes schools	201	Operational Corporate, Community Buildings and Schools. Also includes voids and specific industrial units.
Number of assets with valid asbestos management survey (AMS) and Asbestos Register	201	100%
Number of priority actions identified within AMS' which are outstanding	2	Removals to external boiler / plant rooms with access currently restricted
Number of improvement / prohibition notices issued by HSE within previous 12 months	Nil	

### **Building Safety inspections**

Building Safety inspections are undertaken using existing resources within City Assets or an external consultant.

Progress to date with inspections is as indicated below. Building priorities were assessed considering;

- building location
- characteristics and construction of the building
- usage of the building

Building priority	Number of sites	Number of initial inspections undertaken	% initial inspections undertaken
High	21	21	100%
Medium	104	47	45%
Low	45	1	2%

Actions identified from inspections are the responsibility of the maintenance budget holder (City Assets maintenance team, Facilities Manager, school etc) or the site management team.

All actions are recorded within Sharepoint, with progress updated by action owners, for measurement and audit purposes. Access has been provided for the Strategic Health Safety and Wellbeing Board to the Sharepoint site following requests made at the latest meeting.

### **Water Hygiene**

City Assets Maintenance Team currently manages water hygiene in 168 corporate buildings, community sites and schools. This management function excludes specialist equipment which certain services manage and operate direct. Examples of this service management are, swimming pools, paddling pools, flower watering tanks / equipment, water features and jet washing equipment.

The Site Responsible Person (SRP) duties are being reviewed by City Assets to define the role in respect of Building Safety Compliance. Building on the existing fire and asbestos SRP's roles the review is considering how it can be used to carry out the requirements of the Approved Code of Practice (ACOP) L8.

We have been using a dedicated external specialist contractor to carry out additional monitoring monthly sampling. Operationally our buildings have been using less water post pandemic, the impact of less water usage is the build-up of bacteria in the system, with a potential higher risk of Legionella. To mitigate the risk of legionella we have increased water sampling across the estate, this allows the team to focus on the water management activities.

4.15 *Act* : A formal strategic review of health and safety performance is essential. It allows the organisation to establish whether the essential health and safety principles – strong and active leadership, worker involvement, and assessment and review – have been embedded in the organisation. It tells us whether our systems are effective in managing risk and protecting people.

1. Performance on health and safety and wellbeing is increasingly being recorded in organisations' annual reports to investors and stakeholders.

Good health and safety performance should be celebrated at a central and local level.

As mentioned previously in this report health and safety features on the monthly meetings between the Chief Operating Officer and Cabinet member holding responsibility for that portfolio. These meetings include operational updates and any specific matters requiring attention.

In addition the Chief Operating Officer reports on the quarterly Strategic Health Safety and Wellbeing Board meetings to SEB.

It was noted at the previous report in September 2021 that previously there has not been an agreed formal reporting mechanism to Councillors on health and safety matters. This report is a continuation of this previous report and fulfils the requirements outlined in the organisation's Corporate Health and Safety Policy of having such a reporting mechanism.

An instrumental part of the 'Act' element is the identification of future activity, in response to both work undertaken and also emerging issues. Objectives for the management of health and safety in the coming 12 months include :

- Further embedding the health and safety teams routine audit and inspection programme to ensure that the review of health and safety arrangements across the organisation are effective.
- Ensuring that health and safety is effectively integrated into 'business change' discussions and models, following identification that during the last 12 months health and safety factors have not always featured to the extent that they should have done, and that the organisation would expect.
- Continue to progress the City Council's tree inspection and safety management programme.
- Further review and implement process and procedures to ensure the personal safety of employees and Councillors.
- Ensure that the judgement of the 'reasonably practicable' test with respect to health and safety is effective. The test ensures that organisations analyse the cost, time and effort elements of health and safety arrangements are appropriate. Linked to other corporate priorities this is particularly important in terms of the City Councils medium term financial strategy, to ensure that important organisational objectives and legal requirements continue to be met during challenging times in the provision of local authority services to our residents and communities.
- Continuing to develop the effectiveness, engagement and accountability from the Operational Health and safety groups.
- Continue to ensure that building compliance safety issues are adequately and appropriately implemented, monitored and addressed.

- Carry out further benchmarking of the City Council's performance with regards to health and safety particularly in the area of reactive health and safety performance data.
- Developing these and other health and safety objectives into a structured, and monitored corporate health and safety plan.

## **5.0 Conclusion**

- 5.1 The last 2½ years have seen significant changes in the personnel, structure and reporting arrangements of the health and safety team, together with the national and local pressures of the Coronavirus pandemic.
- 5.2 Further changes during the current year have seen this resource become increasingly effective in providing both reactive and planned health and safety interventions across the whole of the organisation.
- 5.3 Overall the health and safety team continue to react proportionally and pragmatically to the health and safety requirements of the City Council and our City's residents. It continues to be a challenge but as described recent recruitment and provision of non personnel resource have ensured that the competent health and safety advice required by the Management of Health and Safety at Work Regulations 1999 have ensured that the organisation continues to effectively address its health and safety responsibilities.
- 5.4 The demands on the health and safety team continue to be acknowledged by the senior management team in the organisation in supporting the provision of additional resources to ensure that the health and safety team will be in an excellent position to respond to both current and future demand.
- 5.5 As part of the preparation of this report for approval, colleagues in UNISON have been consulted and are pleased to support the content of the report. Dave Auger, Branch Secretary and Chris Cooper, Regional Health and Safety Officer, commented on the positive progression on health and safety over the last year. They noted the improvement in the visibility of senior management commitment to health and safety, and the development in the effectiveness of the health and safety consultation process through the Operational Health and Safety Groups. They were also pleased to see the acknowledgement and implementation for the expansion of the health and safety team which they feel has already started to yield results in promoting a better health and safety culture across the organisation.
- 5.6 It would be pertinent to highlight that whilst the overall assessment of the provision of a health and safety service is in a good place, there continues to be more that can and needs to be done with regards to embedding a constructive health and safety culture in all areas of the organisation and ensuring that health and safety risk is managed in the same business as usual way as other business and operational risks. These additional needs continue to be addressed on an as and when basis with the senior management team responding in an appropriate manner.

5.7 The previous report in 2021 concluded with a reminder about the approach to managing health and safety risk. It is appropriate that this report too, reminds members of the fact that there are potentially serious risks for inadequate consideration of health and safety issues. The punitive measures include not only enforcement powers of inspectors but can include both personal and corporate liability proceedings. The key is sensible and pragmatic risk management namely:

- Ensuring that employees and the public are properly protected
- Providing overall benefit to society by balancing benefits and risks, with a focus on reducing real risks – both those which arise more often and those with serious consequences
- Enabling innovation and learning not stifling them
- Ensuring that those who create risks manage them responsibly and understand that failure to manage real risks responsibly is likely to lead to robust action
- Enabling individuals to understand that as well as the right to protection, they also have to exercise responsibility

Sensible risk management **is not** about:

- Creating a totally risk free society
- Generating paperwork mountains
- Scaring people by exaggerating or publicising trivial risks
- Stopping important recreational and learning activities for individuals where the risks are managed

5.8 The City Council is in a positive place in respect of the way in which it is meeting its Health and Safety duties and will continue to ensure that it takes these risks seriously and delivers on these duties.

# Corporate Health and Safety Policy

Approved by Strategic Health, Safety and Wellbeing Board : Date : 2022  
Reported to Cabinet : December 2022





## **City of Wolverhampton Council Corporate Health and Safety Policy**

### **Introduction**

This policy identifies the key elements of our health and safety management system. It details the commitment City of Wolverhampton Council has for maintaining and improving the health, safety and welfare of its staff and others, including our customers, service users and residents who may be affected by our activities.

Our staff are a key resource and it is essential that risks to their health and safety are properly controlled through an effective health and safety management system and commitment at all levels within the organisation.

City of Wolverhampton Council recognises the important role confident strategic leadership and effective management control plays in establishing a positive safety culture and preventing incidents, work related ill-health and accidents.

We are committed to improving health and safety performance, and this policy provides the framework for this to be achieved. City of Wolverhampton Council values the important contribution that staff and union appointed safety representatives make in improving health and safety. A partnership approach to managing health and safety is crucial to the organisation meeting its objectives for maintaining and improving health and safety performance.

Suggestions for improvement on any health and safety related issues are always welcomed and should be addressed through your manager or safety representative.

## STATEMENT OF INTENT

**City of Wolverhampton Council attaches great importance to the health, safety and welfare of its employees, considering this management responsibility equal to that of any other management function, believing that the preservation of human and physical resources is an important means of minimising costs and ensuring customer satisfaction.**

**It is the policy of City of Wolverhampton Council to provide safe and healthy working conditions for all employees and to enlist the active support of employees in fulfilling their own health and safety responsibilities in order that City of Wolverhampton Council achieves a continuous improvement to health and safety performance.**

The objectives of the policy are:-

- 1) To promote standards of health, safety and welfare that comply with the provision and requirements of the Health and Safety at Work etc. Act 1974 and all other statutory provisions, ACOP's (approved codes of practice) and guidance.
- 2) To provide and maintain safe and healthy workplaces and working environments, the safe transportation and handling of articles and substances, safe systems and methods of work and to protect employees, and others, including members of the public, in so far as they come into contact with foreseeable work hazards.
- 3) To provide all employees with the information, instruction, training and supervision that they need to work safely and efficiently and to develop safety awareness amongst employees.
- 4) To maintain a constant and continuing interest in health and safety matters applicable to the organisations activities by involving and consulting with employees on relevant matters.

City of Wolverhampton Council Health and Safety Policy will be reviewed and revised as often as is necessary in the light of changing circumstances and statutory requirements.

Chief Executive City of Wolverhampton Council      INSERT NEW DATE

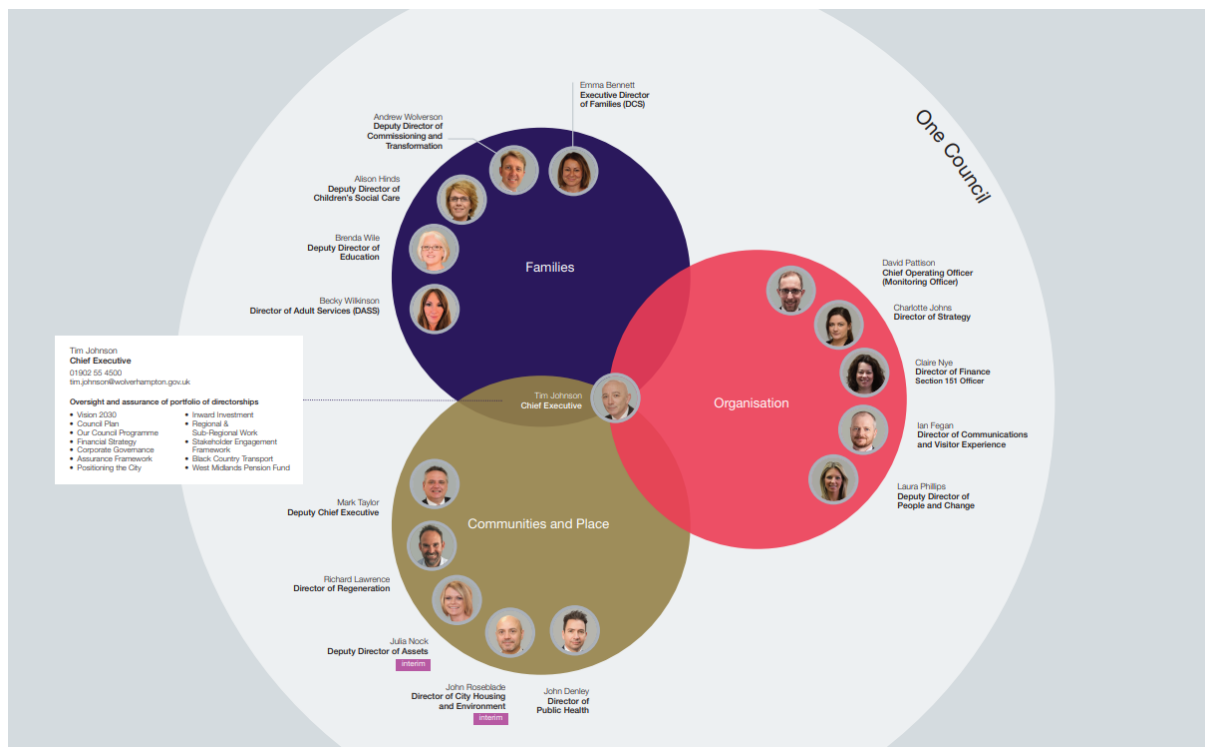
Leader of the City of Wolverhampton Council      INSERT NEW DATE

## ORGANISING FOR HEALTH AND SAFETY

Any employee, including Directors, Heads of Service, Managers, Supervisors, Team Leaders, may be found criminally liable if he/she has not fulfilled their duties under the Health and Safety at Work etc. Act 1974 or relevant legislative requirements.

The hierarchy of responsibilities and organisation for effective health and safety management is shown in the organisational chart below.

The organisational framework identifies the responsibilities and relationships, which help to promote a positive health and safety culture. This section of our policy identifies individuals who are responsible for delivering the policy commitments.



### City of Wolverhampton Council Senior Team

City of Wolverhampton Council's Senior Team accept their responsibilities with regards to ensuring effective implementation of health and safety systems and procedures. In particular they will :

1. Take responsibility and "ownership" of health and safety
2. Approve the strategic health and safety action plan and monitor its implementation and progress
3. Receive sufficient information a minimum annually, during their usual meeting cycle, to satisfy themselves that health and safety throughout City of Wolverhampton Council is being effectively managed, and where appropriate, consider recommendations for improvements.
4. Be provided with sufficient information and training to enable them to act with due diligence and to effectively discharge their duties under this policy.

5. Appoint one of the team to champion and lead on implementation of health and safety
6. Follow good practice set out by the Health and Safety Commission and The Institute of Directors in guidance Document "Leading Health and Safety at Work".
7. Receive specific and routine reports from officers with responsibilities for health and safety on the standards of health and safety management being achieved and recommendations for any necessary changes with regards to roles and responsibilities for ensuring health and safety.

### **Chief Executive**

The Chief Executive has overall responsibility for the Health and Safety Policy, and for ensuring that adequate funds and resources are available to meet both organisational and statutory health and safety requirements. The Chief Executive will ensure that the effectiveness of health and safety policy is continually reviewed and will ensure that periodic reports are provided to Cabinet.

The Chief Executive will have ultimate responsibility for ensuring that health and safety policy objectives are met and that such are implemented across the organisation. In particular they will :

1. Accept, by signing of this Policy, that they have overall responsibility for the day to day management of health and safety.
2. Ensure that City of Wolverhampton Council Senior Management Team are competent to fulfil their health and safety duties required by this policy and act as role models for the benefit of promoting a positive health and safety culture.
3. Ensure that health and safety planning is incorporated into business planning processes and that departmental plans support the implementation of the Strategic Health and Safety Action Plan in relation to health and safety. They will call for periodic reports on the implementation of the plans.
4. Ensure that all Directorates have adopted adequate systems for the undertaking of risk assessments and the implementation of safe systems of work within their departments.
5. Keep up to date with changes and developments in health and safety legislation, best practice and relevant management standards
6. Ensure the Health and Safety Policy is reviewed annually and approved.

### **Chief Operating Officer - Delegated responsibility for Health and Safety.**

The Chief Operating Officer has been delegated responsibility to act on behalf of the Chief Executive with regards to the implementation of health and safety policy and practice.

In particular they will :

1. Be responsible for the co-ordination of health and safety within City of Wolverhampton Council and regularly review the Health and Safety Policy.
2. Ensure compliance with City of Wolverhampton Council' Health and Safety Policies and encourage best practice at all levels of management and staffing.
3. Be responsible for updating and advising elected members and Senior Management Team on health and safety matters.

4. Authorise new or revised health and safety procedures as appropriate
5. Be responsible for ensuring health and safety policies are developed and formulated
6. Ensure health and safety objectives and priorities are identified.
7. Will ensure that adequate resources, including financial resources, are available to train staff on health and safety matters.

### **Directors and Deputy Directors**

The Deputy Chief Executive, Directors and Deputy Directors have overall responsibility for giving effect to health and safety, and will :

1. Be responsible for the day to day management of health and safety within their teams and will ensure that their Senior Managers and managers are committed to the Health and safety Policy and arrangements for its implementation.
2. Be responsible for the effective management, monitoring and progression of health and safety issues within their directorate or business unit,
3. Ensure that effective management systems are in place to achieve high standards of health and safety.
4. Call for periodic reports on the progress of health and safety issues from within their own teams and also from the City Councils health and safety team on corporate health and safety matters.
5. Will liaise and ensure full co-operation not only with, but also between, managers and supervisors to ensure that they are in compliance with their responsibilities and company policies and procedures.
6. Ensure full co-operation with appointed Safety Representatives and other personnel appointed in matters relating to health and safety, whilst maintaining and encouraging a positive attitude towards health and safety.
7. Be responsible for ensuring that their teams health and safety plans adequately reflect the corporate health and safety objectives.
8. Establish management arrangements within their teams and ensure that risk assessments are undertaken; control measures identified, actions implemented; and associated performance standards are met.
9. Be responsible for obtaining and co-ordinating specialist health and safety advice. They will liaise on health and safety matters with the, Chief Executive, City of Wolverhampton Council Health and safety team, Health Safety and Wellbeing Committee and any other relevant specialist to ensure effective planning and implementation of policy and arrangements.
10. Keep up to date with changes and developments in health and safety legislation, best practice and relevant management standards, in particular with regards to their specific area of responsibility.
11. Actively encourage the participation and involvement of their staff in relation to health and safety matters. They will each demonstrate their own commitment by acting as exemplars for health and safety, undertaking periodic safety Inspections of the workplace.

### **City of Wolverhampton Council Health and Safety Team**

The City of Wolverhampton Council health and safety team will :

1. Ensure that City of Wolverhampton Council's Health and safety policies and procedures are fit for purpose based on business need and statutory requirements.
2. Provide competent advice regarding the development of best practice guidance, operational procedures, and management and staff working instructions.

3. Attend regular consultative Health Safety and Welfare Committee meetings with Trade Unions with the aim of fostering good joint working relations and oversee joint initiatives.
4. Agree with the Director of Governance health and safety objectives and priorities.
5. Assist in the identification of health and safety training needs and selection and appointment of training providers either internal or external to City of Wolverhampton Council.
6. Provide or commission advice on the impact of any legislative change in relation to health and safety and develop improvements in systems and working practices to meet the challenges of national policy initiatives.
7. Determine and implement a planned program of health and safety audits based on risk priorities to monitor health and safety management systems.
8. Assist managers in developing and implementing health and safety risk management systems relevant to their area of operation.
9. Ensure City of Wolverhampton Council has access to a suitable process for the undertaking of assessments required under the Control of Hazardous Substances Regulations 2005. To provide training and awareness to the City of Wolverhampton Council employees responsible for undertaking the assessments to ensure they are able to complete suitable and sufficient assessments.
10. Develop and implement a regular programme of inspection of fixed work places (Offices) to ensure compliance with statutory requirements.
11. Support where necessary the Human Resources/ Occupational Health function in matters relating to Safety, Welfare and Health.
12. Provide relevant specialist health and safety input to the preparation of pre-tender and construction phase health and safety plans.
13. Maintain a system for the reporting of accidents, produce associated statistics and arrange a common procedure for the reporting and investigation of accidents.
14. Following notification of accidents to the health and safety team to assess the need for investigation, and where indicated as necessary in accordance with City of Wolverhampton Council policy to conduct appropriate investigations.
15. Provide relevant health and safety input to ensure effective internal communication with staff relating to health and safety matters, including, but not limited to, attendance at team meetings, articles for staff briefings, and health and safety bulletins.

## **Managers and Supervisors**

The terms managers and supervisors includes all members of staff with responsibility for managing and directing the activities of others.

Managers and supervisors are directly responsible for ensuring that rules, regulations, procedures and codes of practice relating to health and safety of employees and others affected by the work of their team are correctly interpreted and implemented for all activities within their area of responsibility.

Managers and supervisors must therefore :

1. Understand and ensure the implementation the Corporate Safety Policy rules and statutory requirements applicable to all operations under their control.
2. Ensure that all employees under their control are aware of the Corporate Health and safety policy.
3. Be responsible for developing, where appropriate section specific policies and procedures to complement the organisations Health and Safety Policy in order to adequately control known health and safety risks.
4. In order to comply with the Health and safety at Work etc. Act 1974 they must ensure

that, for their team, there is adequate provision for :

- 1) Safe articles, protective clothing, plant tools, equipment and systems of work.
  - 2) Safe arrangements for the use, handling, storage and transportation of substances and materials.
  - 3) Premises used by employees and members of the public shall be safe and not present a hazard to the users or occupants.
  - 4) Sufficient information, instruction, training and supervision to enable all employees to avoid hazards and contribute positively to their own health and safety at work.
  - 5) A safe access and egress to and from the place of work.
  - 6) Adequate health and welfare facilities.
  - 7) A healthy working environment.
5. Represent and advise the appropriate Director, Deputy Director or manager as requested on all matters of health and safety.
  6. By undertaking risk assessments for all activities carried out by employees under their control, ensure that all risks to health and safety of employees, and members of the public which may arise from the work of the section are identified and adequately controlled by whatever means identified as appropriate by the risk assessment.
  7. Ensure that all health and safety records, certificates, licenses and reports pertaining to their area of responsibility (employee and equipment) are satisfactory and up to date.
  8. Ensure that all appropriate remedial action is taken in respect of all reported defects and complaints relating to health and safety.
  9. Keep up to date with and implement where applicable any new health and safety measures and circulate any relevant information to each level of employee under their control.
  10. Ensure full co-operation with appointed Safety Representatives and other personnel appointed in matters relating to health and safety.
  11. Require and encourage a positive attitude towards health and safety within their own area of responsibility. This must include ensuring that there is a regular formal means to pass health and safety information out to employees and also to allow employees to raise health and safety matters with their manager. Regular feedback on matters raised must also be given.
  12. Take whatever disciplinary action is necessary against any employee not carrying out their responsibilities under health and safety legislation, or organisational Health and Safety Policy.
  13. To ensure that all employees are aware of the first aid arrangements.

## **Employees**

All employees have an equal responsibility for ensuring and maintaining health and safety in the workplace.

City of Wolverhampton Council supports and encourages employee participation in health and safety. This is because we recognise that active employee involvement helps to:

- ✓ promote a positive health and safety culture
- ✓ develop effective risk control measures and realistic safe systems of work
- ✓ reduce accidents and work-related ill health.

To achieve this participation, we will:

- ✓ promote open, frank and constructive consultation with employees and their nominated representatives
- ✓ promote employee engagement
- ✓ make sure employees have the facts they need to make an informed contribution

All employees must :

1. Ensure that they understand the contents of the organisations Corporate Health and Safety Policy, a copy of which is readily available, and also be aware of health and safety arrangements for their particular job and place of work.
2. Use the correct and safe tools and equipment for the job, also to use all safety equipment \ protective clothing provided, and adopt a safe method of working at all times.
3. Keep tools, equipment, plant, machinery and protective equipment in good condition to prevent injury to themselves or others.
4. Report any defects or hazards to their immediate supervisor.
5. Develop a personal concern for safety, both for themselves and for others around them, particularly trainees and young persons.
6. Suggest ways of eliminating hazards by reporting to their immediate manager or supervisor.
7. Co-operate with internal and external representatives and their immediate manager or supervisor on matters relating to health and safety.
8. Set a personal example and ensure safe working practices are observed at all times.
9. Be aware of and carry out the requirements of health and safety legislation, and the safety instructions issued to them.
10. Work in a safe and responsible manner, avoiding accidents and not causing hazards to themselves or others.
11. Ensure that they are not rendered unfit for work through alcohol or drugs.
12. Not intentionally or recklessly interfere with any plant or equipment or clothing provided in the interests of health and safety for their own use or use by others.
13. Report to their supervisor in accordance with the accident reporting Policy any accidents or near miss incidents.
14. Consider the health and safety of colleagues and members of the public, and will not act in any way which could cause harm to others.

### **Human Resources Team**

The human resources team will assist and support the implementation of this policy. In particular they will :

1. Monitor absence resulting from industrial injuries. Liaise with the Health and Safety team.
2. Be responsible for procuring, implementing and monitoring occupational health arrangements.
3. Provide support to assess when necessary the requirement for any reasonable workplace adjustments.

### **Workforce Development Team**

The workforce development team will assist and support the implementation of this policy. In particular they will :



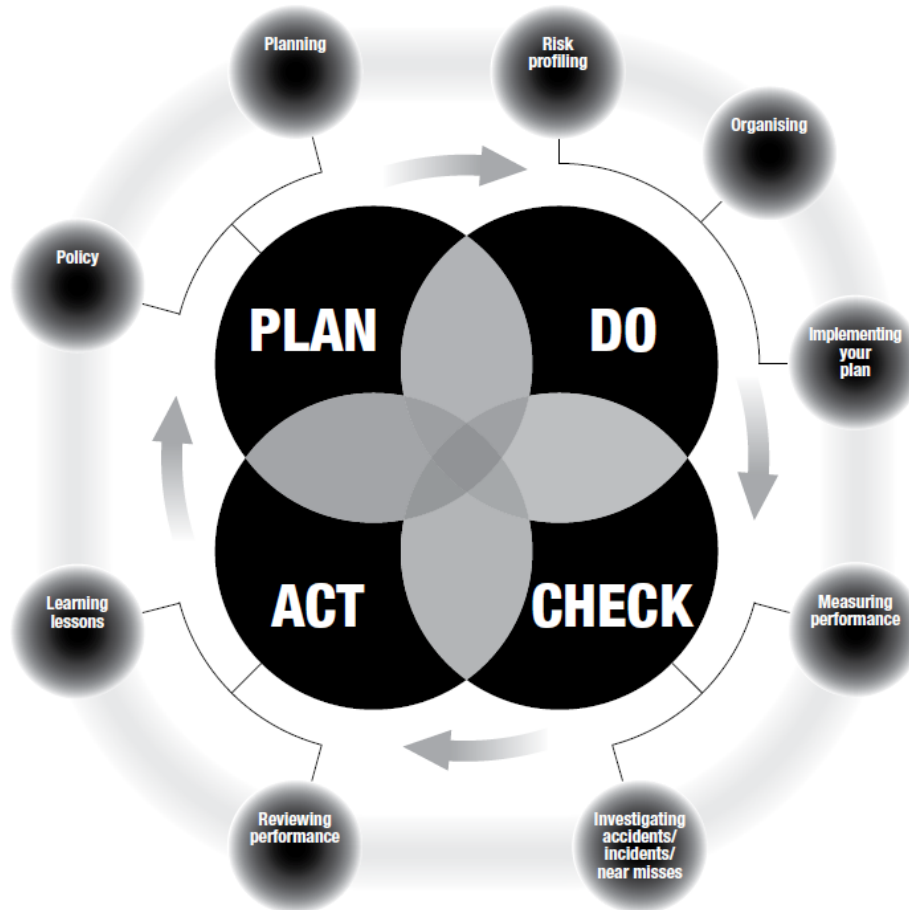
1. Maintain all health and safety training records.
2. Arrange and if required deliver health and safety training.

### **City of Wolverhampton Council Health and Safety Advisers shall**

1. Be responsible to the Director of Governance for monitoring and improving the organisations health and safety standards.
2. Ensure that the organisations Corporate Health and Safety Policy is in line with legislative requirements and updated when necessary.
3. Maintain a system for the reporting of accidents, produce associated statistics and arrange a common procedure for the reporting and investigation of accidents.
4. Act as the recipient of, and be responsible for, the distribution of documentation and guidance on health and safety related matters.
5. Liaise with and advise the Elected Members, Directors, Assistant Directors, Managers, Supervisors and others on all aspects of health and safety legislation and precautions necessary to ensure good safety practice.
6. Give appropriate input to any health and safety training courses arranged.
7. Liaise with the Health and Safety Executive and other external bodies, with a direct interest in the health and safety of the City of Wolverhampton Council employees.
8. Be responsible for monitoring health and safety compliance in City of Wolverhampton Council by providing advice, training and support for operational managers
9. Assist in any investigation necessary to determine the circumstances of all RIDDOR accidents and advise managers, supervisors and employees as necessary.
10. Undertake and review Workplace health and safety assessments and periodic inspections of working practices (office based and otherwise).
11. Undertake an annual programme of audits.
12. Undertake health and safety related training directly or via appropriate third parties.
13. Provide or commission advice on the impact of any legislative change in relation to health and safety and develop improvements in systems and working practices to meet the challenges of national policy initiatives.
14. To assist City of Wolverhampton Council officers to assess and evaluate the principal contractor's construction phase plan(s) and other CDM related documents and advise on any improvement or amendments required to meet these regulations.

## HEALTH AND SAFETY ARRANGEMENTS

The Senior Team of City of Wolverhampton Council have adopted the Health and Safety Executive Guidance HS (G) 65 Health and Management Framework System.



They recognise that the management of health and safety requires the same degree of expertise and standards as any other core business activity, if it is to effectively control risk and prevent harm to people.

### Planning for Health and Safety

Planning is the essential to ensure that our health and safety procedures really work in practice. Planning involves identifying priorities and setting key objectives, identifying hazards, assessing risks, implementing standards of performance and developing a positive culture. City of Wolverhampton Council will:

- ✓ produce an annual health and safety plan that identifies objectives that are realistic measurable and achievable
- ✓ establish management arrangements, risk control systems and workplace precautions
- ✓ set performance indicators where appropriate
- ✓ utilise appropriate compliance standards in the plan
- ✓ ensure the participation and involvement of employees and their representatives

## **Measuring our Health and Safety Performance**

Measurement is essential to maintain and improve health and safety performance. We need to know where we are, where we want to be and identify the differences and why.

We will measure our performance by having both active monitoring (checking before things go wrong) and reactive monitoring (checking when things didn't go as planned and understanding why.)

This will be achieved by:

- ✓ setting appropriate standards
- ✓ having in place good risk control strategies
- ✓ monitoring that City of Wolverhampton Council is complying with health and safety requirements that are relevant to its activities
- ✓ maintaining accurate records and investigating near misses, work related ill-health, incidents and accidents and identifying their causes
- ✓ benchmarking our performance against similar public sector organisations.

The agreed performance indicators measure Health and Safety compliance as set out in health and safety regulatory requirements.

Performance is reported to the Strategic Health, Safety and Wellbeing Board.

## **Auditing and Reviewing**

Health and safety management audits are used to check that our policy, organisation and systems are effective and relevant.

We use audits and reviews to improve our ability to manage risk, especially by:

- ✓ checking levels of compliance with our health and safety performance indicators against legislation and good practice
- ✓ analysing near misses, work-related ill-health and injuries for causes and trends
- ✓ identifying areas where performance can be improved
- ✓ feeding audit findings into a management action plans with a timetable for implementation
- ✓ checking that agreed objectives are achieved within a given time scale
- ✓ communicating audit outcomes to relevant meetings and committees

## **Consulting on Health and Safety**

Effective consultation is essential if City of Wolverhampton Council is to satisfy its commitment to promote a collaborative approach to health and safety.

City of Wolverhampton Council will consult on the introduction and modification of policies and procedures in respect of health and safety. The consultation will take place through working groups and the following formal consultation machinery.

## **Statutory Safety Representatives**

Safety Representatives are statutory representatives of employees. City of Wolverhampton

Council has adopted a system whereby these are nominated by recognised Trade Unions. They are recognised by the organisation in order that they may keep under review measures taken to ensure the health and safety at work of employees, and to consult with management on the development of health and safety policy.

In particular Statutory Safety Representatives may:-

- 1) Investigate hazards, dangerous occurrences and accidents occurring in the workplace.
- 2) Make representation on matters affecting the health, safety and welfare of employees.
- 3) Make workplace inspections, as they consider necessary.
- 4) Consult with Health and Safety Executive Inspectors.
- 5) Be given time off work with pay in order to pursue their function or undertake training necessary to effectively fulfil their role.

## **Strategic Health, Safety and Wellbeing Board**

### **Purpose**

The Strategic Health, Safety and Wellbeing Board has been established to take a strategic overview of health, safety and wellbeing issues affecting City of Wolverhampton Council.

### **Functions of the Strategic Health, Safety and Wellbeing Board**

1. To agree the implementation of Policy to ensure compliance with statutory obligations and Approved Codes of Practice regarding Health, Safety and Welfare.
2. To review measures taken to promote health, safety and welfare within the organisation.
3. To monitor the provision and effectiveness of safety training.
4. To consider relevant reports submitted by management and/or recognised safety representatives.
5. To receive reports of visits made by the Health and Safety Executive.
6. Consider the implementation of health and safety legislation, HSE alerts, and good practice guides and recommend appropriate action.
7. Receive health and safety inspection and audit reports and recommend appropriate action to address any issues identified.
8. Receive reports on near misses, work related ill health, incident and accident reports and recommend appropriate action.
9. Provide a means for communication to employees about the implementation of City of Wolverhampton Council's health and safety management system including the planning, organising, monitoring and reviewing of company measures to ensure the health and safety and welfare of its employees.
10. Play a key role in actively monitoring and driving improvements in the health and safety performance of the organisation.
11. Provide City of Wolverhampton Council with a means of sharing ideas, highlighting examples of good practice and promoting a positive Health and safety culture.

### **Membership**

1. Membership will consist of a sufficient number of team representatives to ensure that as far as possible all employee groups are represented on the committee in addition to eligible Trade Union representatives.

2. It is the responsibility of the Directors to ensure that each section within their service is adequately represented.
3. In addition, any other person may be invited on an ad-hoc basis for the purpose of presenting reports or advice as appropriate.
4. There is a standing invitation for the Cabinet Member with responsibility for health and safety to attend as an observer.
5. The Strategic Health, Safety and Wellbeing Board is chaired by the Director of Governance.
6. The Strategic Health, Safety and Wellbeing Board members will undergo any necessary training for them to be able to undertake their roles effectively.

## **Meetings**

1. The Strategic Health, Safety and Wellbeing Board will meet at least quarterly and these will be scheduled annually in advance.
2. Minutes of the meetings will be taken by a member of the health and safety team and agenda and papers distributed to members a minimum of 5 working days in advance of meetings.
3. Action points and minutes from meetings will be distributed to members within 10 working days of the meeting.

## **Other arrangements**

### **Supporting continuous improvement**

We believe that continuous improvement is an important part of effective health and safety management. To achieve this, we will:

- maintain an effective health and safety management system
- systematically review and refine our policies, procedures and arrangements
- set minimum standards and performance indicators for health and safety
- measure our performance and benchmark it with similar organisations
- publish regular reports on our findings
- use the information positively to improve performance.

### **Communicating on Health and Safety**

City of Wolverhampton Council will provide effective communication channels in respect of health, safety and wellbeing. Communication will be supported by:

1. Publishing the health and safety policy and distributing to managers.
2. Providing copies on the management system and the staff web home page in health and safety.
3. Providing health and safety briefings on relevant health and safety issues.
4. Undertaking tool box talks, team briefings and including health and safety as a standing agenda item at meetings.
5. Utilising the e-mail system to provide information on health and safety.
6. Meetings with partners and contractors
7. Informing residents and members of the public of relevant health, safety and wellbeing information via newsletters and attending meetings

## Delegated Corporate Landlord Responsibilities

Hazard	Responsible Person	Technical Expert
Management of Asbestos	Julia Nock	Neal Shore
Management of Water Hygiene	Julie Bell - Barker	Richard Jones
Management of Gas Safety	Julie Bell - Barker	Richard Jones
Management of Fire Safety	Managed Corporate Buildings - Julia Nock Schools - Head Teacher	Neal Shore  Fire Alarms and Emergency Lighting — John Sherrard
Management of Electrical	Managed Corporate Buildings — Julie Bell Barker Schools - Head Teacher	John Sherrard
Management of Passenger Carrying Lifts	Managed Corporate Buildings — Julie Bell Barker	Richard Jones via Zurich Engineering (inspection service attached to the current insurance policy)

## Site Duty Holders

A site duty holder is appointed at each corporate building to monitor health and safety arrangements including but not limited to :

Asbestos  
 Fire  
 First Aid  
 General Environment  
 Electrical  
 Gas  
 Passenger Carrying Lifts  
 Legionella

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>18 January 2023</b>
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<b>Report title</b>	Land and Property Disposal Policy	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Bhupinder Gakhal City Assets and Housing	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	Julia Nock, Deputy Director of Assets	
<b>Originating service</b>	Assets	
<b>Accountable employee</b>	Luke Dove	Head of Assets
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<b>Report to be/has been considered by</b>	City Assets Leadership Team	30 November 2022
	Resources and Equality	15 December 2022
	Scrutiny Panel	
	Asset Management Board	18 January 2023

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**Recommendation for decision:**

Cabinet is recommended to:

1. Approve the Land and Property Disposal Policy.

## **1.0 Purpose**

- 1.1 The purpose of this report is to present a new Land and Property Disposal Policy and seek the Cabinet's approval of the same.

## **2.0 Background**

- 2.1 One of the Council's priorities under Our City: Our Plan is to change how the Council uses its land and property to enable transformation within our communities. In order to achieve this change, the Council must continually review its land and property holdings and release those assets which no longer serve the public.
- 2.2 This allows the surplus land and buildings to be brought back into beneficial use, whilst generating a capital receipt and reducing the Council's revenue costs. Generating money, capital and revenue, from surplus assets then allows the Council to reduce its borrowing and re-invest savings into the services which we deliver.
- 2.3 The Land and Property Disposal Policy has been prepared for the benefit of all stakeholders and details how disposals of surplus land and property will be managed with the aim of providing stakeholders with a clear framework within which the Council carries out land and property disposal transactions.
- 2.4 The policy is in place to provide transparency and demonstrate compliance with legislative and best practice requirements in order to ensure the Council achieves the best possible outcomes for the City and its residents when disposing of its surplus stock.
- 2.5 The key message delivered throughout this policy is the Council's duty to obtain best consideration for its surplus land and property assets. There is both an ethical and statutory duty to obtain the best value for surplus land and property and the Council holds its fiduciary duty to the public when divesting of assets in the highest regard.
- 2.6 Disposals are managed primarily by the Council's City Assets Team which has the benefit of professionally qualified members of staff who are held to the highest global standards through their profession, Royal Institution of Chartered Surveyors, along with the highest standards demanded by the Council, its constitution, and the public which it serves.

## **3.0 The Policy**

- 3.1 A number of points were considered when creating the new policy to allow the enablement of asset disposals through applying a systematic approach. This provides a robust and fair approach to ensure that legislation is being adhered to whilst ensuring that the Council's interests are sufficiently safeguarded.
- 3.2 This policy will primarily be followed by the Council's City Assets Team, as City Assets is responsible for the process of disposing of surplus land and property alongside the overall management of the Council's land and property portfolio including schools, community buildings, offices, industrial units, retail units and open space.



- 3.3 Sound asset management and government policy requires local authorities to dispose of surplus land and property wherever possible. The Council's commitment to sound asset management is demonstrated in its Strategic Asset Plan. This document is the primary driver in identifying opportunities to dispose of surplus land and property when it is no longer required for current or future service delivery.
- 3.4 This policy clearly outlines the processes, considerations and governance involved when declaring land and property surplus to requirements and its subsequent disposal following approval and is intended to work in conjunction with both legislation (The Local Government Act 1972) and the Council's constitution to form a consistent and transparent structure which determines how surplus land and property is disposed of.
- 3.5 The policy also aims to provide stakeholders with confidence, through a clear and robust framework and that the disposal of surplus land and property is managed fairly, transparently and effectively to achieve the best possible outcomes for the City:
- 3.6 The Land and Property Disposal policy excludes the Right to Buy scheme which is governed under separate legislation.

#### **4.0 Reasons for decision**

- 4.1 The Land and Property Disposal Policy provides a robust, clear and fair approach in line with current legislation and policies to ensure that we are managing and disposing of surplus assets appropriately and ensuring that the Council's interests are sufficiently safeguarded.

#### **5.0 Scrutiny**

- 5.1 On 19 December 2022 Resources and Equality Scrutiny Panel received an overview presentation on the Land and Property Disposal policy. Further clarification was requested on the consultation process, especially if there is a difference of opinion from Ward Councillors. It was confirmed that all feedback would be carefully considered, discussed and reviewed, resulting in a recommendation for Cabinet approval where the final decision would be made.

#### **6.0 Financial implications**

- 6.1 There are no direct implications arising from this report.
- 6.2 The financial implications associated with each potential asset disposal will be assessed on a case by case basis and subject of future reports to Councillors for approval, in line with the proposed policy detailed within this report.  
[AI21112022/D]

#### **7.0 Legal implications**

- 7.1 The Council has legal and statutory duties relating to the disposal of its land. It will need to ensure that it complies with the law and its Constitution.

7.2 Section 123 Local Government Act 1972 provides that a Council may dispose of land in any manner that it determines, unless there are exceptions. A disposal may involve the Council disposing of its freehold or leasehold interests. In relation to such disposals unless the disposal is by way of a short tenancy, the Council is obliged to obtain best consideration reasonably obtainable.

7.3 The Council's Legal Services is able to provide legal advice, draft and execute legal agreements on behalf of the Council.  
[JA/29112022/E]

## **8.0 Equalities implications**

8.1 There are no equalities implications arising from this report with the Land and Property Disposal Policy being designed to consider and meet the needs of all people within Wolverhampton through an all-inclusive approach by the Council.

## **9.0 All other implications**

9.1 None

## **10.0 Schedule of background papers**

10.1 None

## **11.0 Appendices**

11.1 Appendix 1 – Land and Property Disposal Policy

CITY OF  
WOLVERHAMPTON  
C O U N C I L

Land and Property Disposal Policy

March 2022

**City Assets**

This document is available to download on the Council's website at: [Property For Sale and To Let | City Of Wolverhampton Council](#)

If you have any queries regarding this policy, please contact either:

[property.enquiries@wolverhampton.gov.uk](mailto:property.enquiries@wolverhampton.gov.uk)

Or write to us at:

City Assets – For the attention of Head of Assets  
Civic Centre  
St. Peter's Square  
Wolverhampton  
WV1 1RL

All opportunities to acquire Council owned land and property for sale are listed here:

<https://www.wolverhampton.gov.uk/business/business-property/property-sale-and-let>

This document was produced in March 2022 and will be revised when required.

# Foreword

One of the Council's priorities under Our City: Our Plan is to change how the Council uses its land and property to enable transformation within our communities. In order to achieve this change, the Council must continually review its land and property holdings and release those assets which no longer serve the public. This allows the surplus land and buildings to be brought back into beneficial use, whilst generating a capital receipt and reducing the Council's revenue costs. Generating money, capital and revenue, from surplus assets then allows the Council to reduce its borrowing and re-invest savings into the services which we deliver.

This document has been prepared for the benefit of all stakeholders and details the policy around how disposals of surplus land and property will be managed with the aim of providing stakeholders with a clear framework within which the Council carries out land and property disposal transactions.

The policy is in place to provide transparency and demonstrate compliance with legislative and best practice requirements in order to ensure the Council achieves the best possible outcomes for the City and its residents when disposing of its surplus stock.

The golden thread throughout this policy is the Council's duty to obtain best consideration for its surplus land and property assets. There is both an ethical and statutory duty to obtain the best value for surplus land and property and the Council holds its fiduciary duty to the public when divesting of assets in the highest regard.

Disposals are managed primarily by the Council's City Assets Team which has the benefit of professionally qualified members of staff who are held to the highest global standards through their profession, Royal Institution of Chartered Surveyors, along with the highest standards demanded by the Council, its constitution, and the public which it serves.

<b>1.0</b>	<b>Introduction</b>
<b>2.0</b>	<b>Aim of the Policy</b>
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2.2	Definitions
<b>3.0</b>	<b>“Open door” approach</b>
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3.2	Transparency
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<b>6.0</b>	<b>Disposal methods</b>
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<b>7.0</b>	<b>Appointment of external professional support</b>
<b>8.0</b>	<b>Valuation</b>
8.1	The Royal Institution of Chartered Surveyors
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<b>9.0</b>	<b>Post-completion</b>
<b>10.0</b>	<b>Governance</b>
10.1	Main documents
10.2	Local Government Act 1972 – Section 123
10.3	Local Government Act 1972 – Section 123 (2a)
10.4	Circular 06/03: General Disposal Consent 2003
10.5	The Council's Constitution
10.6	The Council's Disposal Policy
10.7	Bribery Act 2010 and Proceeds of Crime Act 2002
10.8	Money Laundering
10.9	Misrepresentation Act 1967
<b>11.0</b>	<b>Sustainability</b>
<b>12.0</b>	<b>Our City: Our Plan</b>

## 1.0 Introduction

- 1.1 This policy will primarily be followed by the Council's City Assets Team, as City Assets is responsible for the process of disposing of surplus land and property.
- 1.2 City Assets is responsible for the overall management of the Council's land and property portfolio. This portfolio contains a wide range of assets such as schools, community buildings, offices, industrial units, retail units and open space.
- 1.3 Land and property is a resource which is used by service areas of the Council, its partners and community organisations to deliver their services.

- 1.4 Over time, service delivery changes in response to customer needs which can result in land and property becoming underutilised and surplus to requirements.
- 1.5 It is the identification of underutilisation of such resources and opportunities to enhance service delivery through more efficient use of the retained estate, which is key to maintaining an efficient portfolio.
- 1.6 City Assets is responsible for ensuring the Council maintains and operates a cost effective and user focussed retained estate. If an opportunity arises for an asset to be classified as surplus and disposed of through better utilisation of the retained estate, it is City Assets which will commence consultation with stakeholders to test whether the asset is surplus to requirements in accordance with this policy.
- 1.7 Surplus land and property represents an opportunity to sell such assets in order to generate a capital receipt, reduce running costs and bring the asset back into beneficial use.
- 1.8 Disposal of surplus assets is not simply a financial exercise, the Council is committed to regenerating the City and bringing assets back into beneficial use. An asset which the Council no longer requires could be brought back into use as residential accommodation, additional employment facilities, car parking, additional leisure facilities and community buildings - all of which ensures a vibrant and attractive economy for use by residents and visitors.
- 1.9 The money raised and saved from disposing of surplus assets enables the Council to re-invest into public services, reduce borrowing and benefit from a reduction in revenue expenditure.

## **2.0 Aim of Policy**

### **2.1 Overall**

- 2.1.1 Sound asset management and government policy requires local authorities to dispose of surplus land and property wherever possible.
- 2.1.2 The Council's commitment to sound asset management is demonstrated in its Strategic Asset Plan. This document is the primary driver in identifying opportunities to dispose of surplus land and property (a link to this plan is included in 2.10 below).
- 2.1.3 Land and property may be considered surplus when it is no longer required for current or future service delivery.

- 2.1.4 This policy clearly outlines the process, considerations and governance involved when declaring land and property surplus to requirements and its subsequent disposal following approval.
- 2.1.5 This policy is intended to work in conjunction with both legislation (*The Local Government Act 1972*) and the Council's constitution to form a consistent and transparent structure which determines how surplus land and property is disposed of.
- 2.1.6 This policy aims to provide the stakeholders below with confidence, through a clear and robust framework, that the disposal of surplus land and property is managed fairly, transparently and effectively to achieve the best possible outcomes for the City:
- The public
  - Councillors
  - Members of Parliament
  - Council officers
  - Investors
  - All other interested parties
- 2.1.7 The Council may encounter circumstances where the contents of this policy are incompatible with a proposed disposal. This may be, for example, a larger and more complex sale where a report will be taken to Cabinet and/or full Council seeking authority to an alternative approach in the best interests of all stakeholders.
- 2.1.8 This policy excludes the Right to Buy scheme which is governed under separate legislation.
- 2.1.9 This policy excludes disposal of assets under a Community Asset Transfer which is dealt with in the Council's Community Asset Transfer Strategy:
- <https://www.wolverhampton.gov.uk/business/business-property/community-asset-transfer>
- 2.10 **Definitions**
- Asset**
- Land, property or both
- Best consideration**
- Achievement of maximum value through a sale.



*Best consideration is often misunderstood as the maximum price only. Whilst achieving maximum price is a component of best consideration, there can also be wider components to consider such as social, economic and environmental values which a disposal can deliver in lieu of monetary consideration.*

## **Disposal**

Any disposal of the freehold interest in land/property by sale or exchange

*Section 123 of the Local Government Act 1972 also defines a disposal as grant of a lease term exceeding seven years. This policy is concerned with the disposal of freehold interests only, where the Council divests of the asset permanently.*

## **Individual Executive Decision Notice (IEDN)**

A report which is presented to the Cabinet Member for City Assets and Housing along with the Director for City Housing and Environment and outlines the background, progress, recommendation and alternative options for a proposed disposal.

This report is reviewed and signed off by both Strategic Finance and Legal Services before it is presented for approval.

## **Overage**

Overage is the obligation (under Deed) for the purchaser of surplus Council land/property to pay to the Council a future sum of money, in addition to the transacted purchase price, if a future condition is satisfied rendering the asset of higher value than originally sold for.

## **Restrictive covenant**

A restriction placed upon the title of land/property by the Council at point of sale to restrict the use of said land/property for the benefit of adjoining retained Council owned land.

## **Retained estate**

The Council's operational portfolio which is made up of the assets required to ensure the Council's service delivery remains uninterrupted.

## **Special purchaser**

An individual, individuals or a company owning a land/property interest directly adjoining surplus Council owned land property. The value of the Council's land/property interest to the market would be less than its value to the adjoining special purchaser.

## **Strategic Asset Plan**

This plan outlines the Council's approach to strategic asset management, to ensure it holds a dynamic asset portfolio able to meet the evolving needs of service users:

<https://www.wolverhampton.gov.uk/business/policies-and-procedures-business>

## **Surplus**

Land/property will be deemed a surplus when it is any or all of the following:

- No longer required by the Council for delivery of services
- Underutilised
- Has no strategic or regeneration purpose
- Makes no active contribution to sustaining the natural and/or historic environment (built or otherwise).

## **Underutilised**

An asset that is partially or inefficiently occupied, resulting in part of the asset being vacant with no future identified use or the asset being fully occupied but the service operating can be accommodated through more efficient use of another operational asset.

## **3.0 “Open door” approach**

### **3.1 Stakeholder engagement**

3.1.1 The Council holds a vast land and property portfolio which is continually under review to understand whether or not it can be rationalised to create a more efficient estate and release underutilised assets for better use.

3.1.2 In addition to the City Assets led review of the Council's estate, all stakeholders are enabled to bring assets forward to the Council for review.

3.1.3 The Council recognises the invaluable input which local communities and wider stakeholders can provide when it comes to identifying assets which, potentially, could be brought forward for disposal and re-use.

- 3.1.4 There is an established land enquiry process enabling stakeholders to bring forward any Council owned asset for review in advance of the City Assets led cyclical review. This process ensures that the asset's status can be quickly determined and considered for disposal if deemed surplus. If you wish to submit a land enquiry, the details of how to do so are here:

<https://www.wolverhampton.gov.uk/business/business-property/property-and-land-ownership>

- 3.1.5 Where assets are identified by stakeholders and considered surplus through following the process detailed in 4.0, City Assets will then proceed to offer the asset to for sale in accordance with the process detailed in 5.0.

## **3.2 Transparency**

### **3.2.1 Approaches to the Council from Council employees (including Councillors) and Members of Parliament**

- 3.2.2 City Assets can be approached via internal channels including via employees of the Council (in person, by phone or electronically) and Members of Parliament. Enquiries can be for a range of reasons such as the possibility of acquiring surplus assets generally or a specific asset for themselves or on behalf of a party to whom they are linked.

- 3.2.3 Such approaches are welcomed, as employees and Members of Parliament are valued stakeholders. Notwithstanding this, there could be negative public perception that access to information in advance of assets being marketed could confer an advantage to an employee, Member of Parliament or their linked party.

- 3.2.4 To tackle this, City Assets will not provide any additional information to parties approaching the Council via these or any channels and will be advised that if the particular asset is declared surplus to requirements and offered for sale, details will be published upon the Council's website.

- 3.2.5 In the event that an employee, Member of Parliament or any other party connected to the Council approaches City Assets with a view to obtaining information on an asset in advance of it being released to market, this will be reported to the Council's Chief Operating Officer and formally declared through Asset Management Board.

- 3.2.6 Where conflicts of interest exist, such as an enquiring party is related to an employee or Member of Parliament, that particular officer will be required to declare the conflict of interest to the Head of Assets and will be excluded from discussions on that particular asset and conduct of that disposal will be re-allocated to a non-conflicted member of the team.

### **3.2.7 Annual reporting**

3.2.8 City Assets is required to report, on an annual basis, to the Council's Chief Operating Officer detailing all disposals completed within each financial year.

3.2.9 Within this report, City Assets is required to demonstrate how each disposal has complied with the statutory duty to obtain best consideration.

3.2.10 For those sales where best consideration has not been obtained, City Assets will provide full details as to why along with the approval(s) received to complete that particular disposal.

3.2.11 This tier of scrutiny ensures that the Council's disposal activity is periodically monitored to ensure compliance to the satisfaction of the Council's Chief Operating Officer.

### **3.2.12 Local Government Transparency Code 2015**

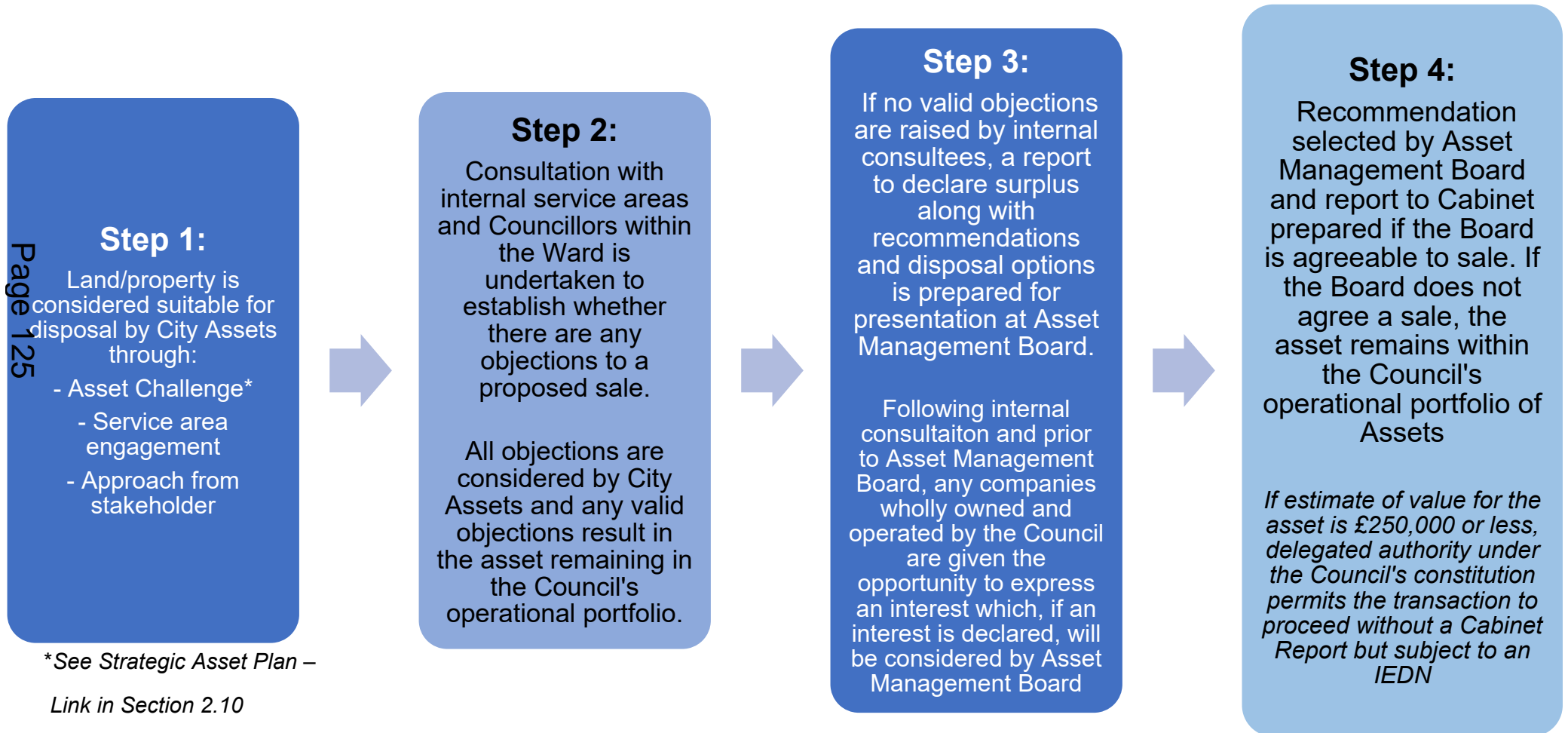
3.2.13 The Council will publish details of all land and property which it has declared surplus to requirements as required by the above Code. Details will be published at the link below:

<https://wolverhamptonintranet.moderngov.co.uk/mgDelegatedDecisions>

## 4.0 Consultation & approval process

4.1 This section of the policy will detail the process of identifying an asset which is potentially surplus to requirements.

4.2 Each step, represented graphically below, is detailed further overleaf:



**Step 1:** The Council adopts an effective pro-active and reactive response to identifying assets which may be surplus to Council requirements.

The pro-active approach, in line with the Council's Strategic Asset Plan, involves a continual review of evolving service delivery needs and how land and/or property plays a part. Engagement with both Heads of Service and staff operating from potentially surplus assets allows opportunities for disposal to be explored.

The reactive approach is maintaining an "open door" approach for anyone to highlight an asset which they consider may be surplus to the Council's requirements subject to further investigation. The Council recognises the valuable resource which stakeholders can offer through their local knowledge.

The Council publishes its Asset Register, which lists all of the Council's land and property, regularly via its website for all stakeholders to review:

<https://www.wolverhampton.gov.uk/business/business-property/property-and-land-ownership>

**Step 2:** Internal consultation is essential to ensure a holistic view of any land or property asset is obtained. Each service area offers a valuable input which informs decision making. The list of internal stakeholders consulted in addition to City Assets is listed below:

- City Planning
- Open Space Strategy and Action Plan Team
- Environmental Services (Landscape and Ecology)
- Environmental Protection (Public Protection Service, Air Quality Team and Contaminated Land Team)
- Legal Services
- Transportation
- Housing
- Regeneration
- Community Safety
- Education
- Ward Councillors

The list above is not intended to be exhaustive but represents the minimum internal engagement for each asset which is identified as potentially being surplus to requirements.

Step 2 is the point in the process where the option of an asset being surplus is tested, as at the start of consultation a disposal is only a possibility and is subject to the specialist knowledge each consultee provides.

The benefit of consultation is that key service areas and Ward Councillors provide a holistic view of the asset and its future before progressing to Step 3.

In the event that, through consultation, an asset is not deemed surplus to requirements through a valid objection then the process ceases here and the particular asset is retained.

Examples of reasons to retain an asset could be:

- It forms part of a wider regeneration scheme
- It is planned to be used for a future highway scheme
- It represents valuable recreation space used by the local community
- It can be re-purposed for housing/community/operational needs

**Step 3:** Following internal consultation, if there are no valid objections raised to the proposed disposal, a report is taken to the Council's Asset Management Board. Between internal consultation completing and a report being taken to Asset Management Board, any companies or subsidiaries wholly owned by the Council (e.g. WV Living) will be given an opportunity to express an interest in acquiring the site. If an interest is expressed, this will be detailed as part of the options available for disposal in the report.

Asset Management Board is held at least quarterly, providing a forum with officers and Members to review potential disposal options for assets considered surplus to requirements. The core attendance at Asset Management Board is:

- Deputy Leader
- Cabinet Member for City Assets and Housing (Chair)
- Chief Operating Officer
- Deputy Chief Executive
- Deputy Director – Assets
- Head of Assets
- Estates Manager

The report to Asset Management Board contains an estimate of value, undertaken by a qualified internal RICS Registered Valuer, along with a series of options for disposal and a recommendation. The options are discussed and the Chair provides instruction either based on the recommendation or the outcome of Board discussion.

If the estimated value of the land/property is £250,000 or less, City Assets will prepare an IEDN report seeking to declare the asset surplus to requirements and seek authority to proceed to market. If an offer is received of £250,000 or less, formal approval will then be sought through an additional IEDN report which will detail the offer and seek approval to proceed with a sale in accordance with the Council's Constitution.

If the estimated value of the land/property exceeds £250,000 or following marketing an offer is received exceeding £250,000, the process moves on to Step 4.

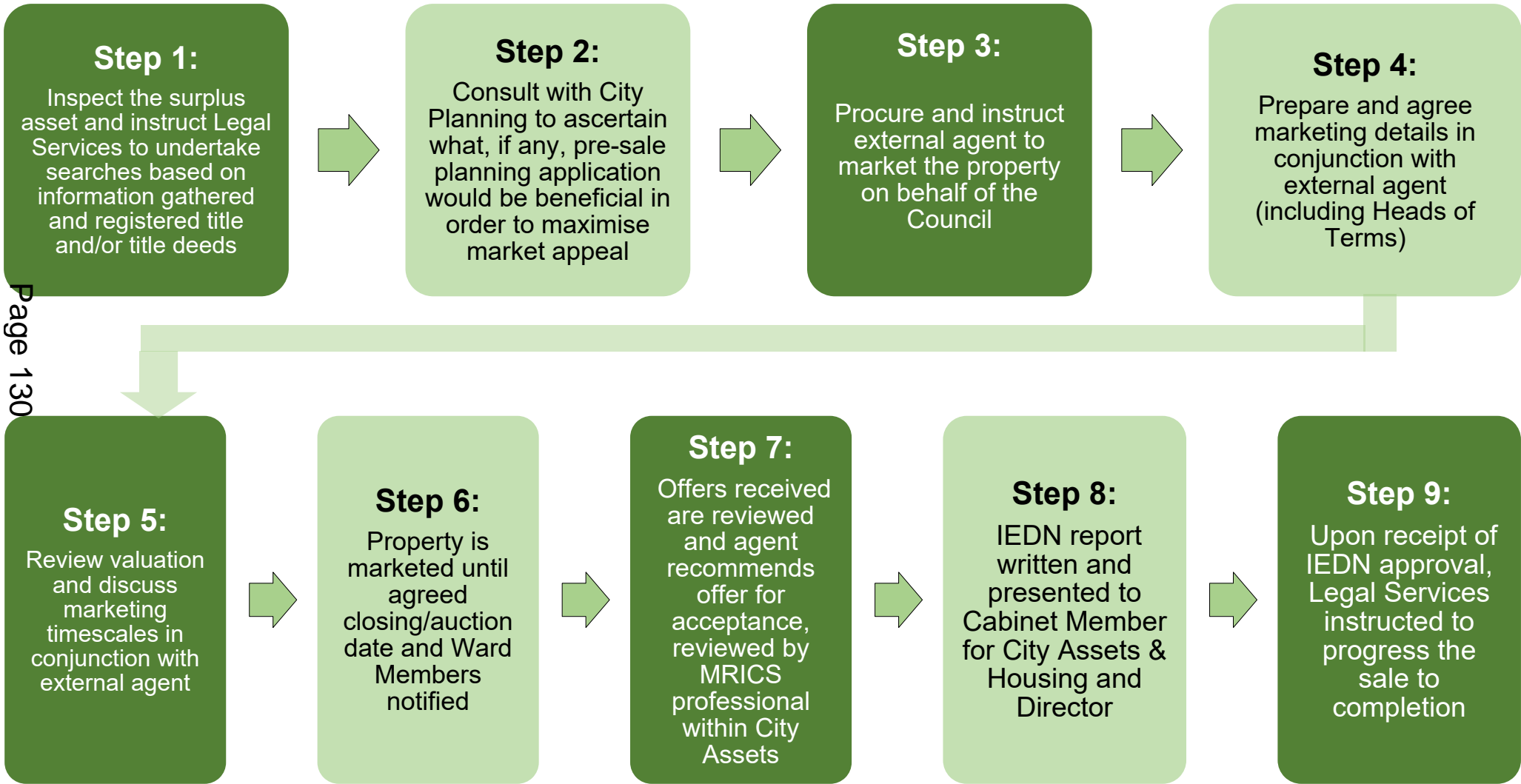
**Step 4:** A report to Cabinet is prepared, outlining the options discussed at Asset Management Board and the recommended route to disposal. The report is considered and should Cabinet agree the recommendation outlined, approval to proceed will be granted. All Cabinet approvals to dispose of land/property with an estimated value of more than £250,000 are subject to a supplementary IEDN report being presented which provides the detail of the outcome of marketing along with the recommended offer for acceptance.

Naturally, some land/property interests will be close to the threshold of £250,000. In most circumstances, a pragmatic approach of taking a report to Cabinet will be taken to make efficient use of time and account for the chance of the sale price exceeding the Cabinet Report threshold.



## 5.0 The disposal process

- 5.1 This section details how surplus assets are prepared for sale following receipt of authority to dispose.
- 5.2 The main interests in land and property which can be disposed of are:
  - Freehold
  - Leasehold
- 5.3 This policy is concerned with the disposal of freehold interests in land and property only.
- 5.4 In the majority of circumstances, the recommendation and preferred route for disposal of surplus assets will be via the open market.
- 5.5 Offering surplus assets to the open market ensures that the opportunity to acquire is available to the widest market possible, ensuring that the Council achieves best consideration and receives a range of options for the refurbishment/re-development of the asset offered for sale.
- 5.6 There are some circumstances, however, where a sale via the open market may not yield the best consideration for the asset. This could include circumstances where there is a special purchaser.
- 5.7 In the event of a direct allocation of an asset to a special purchaser, it must be demonstrably more beneficial than a market sale and this detail will be included in both the report to Asset Management Board and subsequent approval authority (IEDN or Cabinet Report).
- 5.8 The Council will always instruct an external independent surveyor to provide a valuation for an asset which has potential to be marketed in isolation to ensure transparency and objectivity, with the proposed sale price and terms reported to the appropriate approval authority (IEDN or Cabinet Report).
- 5.9 The only exception to the rule of instructing an external independent valuation is where the Council is disposing of a relatively small area of land adjoining a residential or commercial site which can only realistically be utilised by the adjoining owner. These disposals will be managed by the Council's in-house qualified surveyors, overseen by the Estates Manager.
- 5.10 The process of offering an asset to the open market is represented graphically overleaf, with further explanatory notes on the following pages:



**Step 1:** This step involves the collection of information relating to the asset, so that it can be successfully sold with any outstanding actions completed such as confirming and repairing boundaries, registration of title, obtaining indemnity insurance for restrictions where the beneficiary cannot be identified and installation of services.

The purpose of preparing the surplus asset to be free of as many encumbrances as possible is to maximise market appeal and, in turn, achieve higher value in return. Considerations at this stage include, but are not limited to:

- Boundary inspection
- Review of services available to the site (gas, electricity, water, communications)
- Access arrangements including details of any shared access
- Review of asset's planning status (Green Belt, listed etc.)
- Restriction/overage provisions present or required
- A review of the asset's value subject to further advice from the external agent
- Consideration of most appropriate route to market (auction or informal tender)
- Title searches (including utilities, coal mining and land charges)
- asset's VAT status
- Collection of any compliance documentation available for buildings on site (fire safety, asbestos, electrical safety, gas safety etc.)
- Procurement of an Energy Performance Certificate
- Provision of any additional information held by the Council which could benefit future owners such as ground investigation information or ecology reports as examples

**Step 2:** Consultation with Wolverhampton's City Planning Team is essential, as planning officers can provide pre-application guidance on suitable uses for the subject asset. This advice can lead to the Council obtaining outline planning permission or even full planning permission prior to marketing. This approach has the benefit of de-risking the purchase of the asset with a view to enhancing its value.

**Step 3:** At this step in the process, the Council procures and engages with an external agent to market the surplus asset on its behalf. An external agent is appointed given the superior market access it holds and reaching the widest market as possible is critical to ensuring that best consideration is obtained and the broadest inward investment chances are secured.

The two main routes to market are informal tender and auction. An overview of all routes to market is provided in section **6.0**.

Assets offered for sale via auction are currently via the Council's appointed auctioneer Bonde Wolfe. The cost to the Council to send a property to auction is nil, as costs are recovered directly from the buyer. Auction is selected as a method of sale mainly for surplus residential properties, such as former caretaker's houses, where one of the only options is to refurbish for residential purposes.

Land/property offered to market via informal tender will be via an external property agent. The Council seeks at least four quotes to undertake disposal work in accordance with the Council's Procurement Policy.

The Estates Manager recommends the most appropriate disposal method based on the asset's characteristics, potential market and any conditions of authority.

**Step 4:** Marketing details for a disposal can include, but is not limited to:

- Draft transfer documents
- Title searches
- Supporting information such as reports
- Marketing brochure
- Heads of Terms
- Planning Statement

These documents will provide prospective purchasers with the information they need to decide on whether to make an offer for the asset and if they do make an offer, the terms upon which a sale would be completed.

Details of any terms such as restrictions on use, overage provisions and timescales for development post completion will be detailed in both the Heads of Terms and draft transfer documents.

**Step 5:** Given the transient nature of the property market, the initial estimate of value provided in the approval stages of the process may need to be reviewed. This estimate is reviewed because when marketing land/property, usually, it is beneficial to provide a guide price. The Council has the benefit of qualified RICS Registered Valuers, who can review and discuss a suitable guide price in conjunction with the external agent.

There are some instances where offering a guide price is not beneficial, given the wide range of uses suitable for a particular asset, the price will be market led.

**Step 6:** If the property is offered to auction, it will usually be marketed for at least four weeks prior to the auction date via both Bonde Wolfe's and the Council's website:

Bonde Wolfe auctions: <https://www.bondwolfe.com/property-auctions-west-midlands/>

Council's website:

<https://www.wolverhampton.gov.uk/business/business-property/property-sale-and-let>

If the asset is offered for sale via informal tender, the marketing period will be a minimum of eight weeks and will be advertised for sale via the appointed agent's website and the Council's website.

Marketing information is released and provides all necessary detail on the property including guide price (if appropriate), images, plan, EPC rating and measurements where available. Ward Members are also notified that marketing has commenced.

**Step 7:** With an auction, a reserve price is set by the Council in consultation with the auctioneer. Provided the reserve price is met, the winning bidder will proceed to acquire the asset within 28 days from fall of the hammer subject to IEDN approval.

If the asset is offered for sale by way of informal tender, once the closing date has passed, the appointed agent prepares a summary of the offers received. City Assets and the appointed agent then meet to review all offers and supporting information in detail. A consensus is reached and a preferred offer identified.

It is to be noted that the Council is not obliged to accept the highest or any offer received. Offers are assessed on the basis of the information received and which proposal offers the best holistic outcome for the subject asset and local community – not simply the highest price offered.

It must also be clearly stated under this policy that where the Council operates a formal tender, informal tender or any other marketing exercise where a closing date is set the Council is not obliged to consider any offer submitted late. It is the interested party's responsibility to ensure an offer is submitted on time and in accordance with the instructions of the exercise which will be made known to all as part of the marketing details.

**Step 8:** An IEDN report is prepared summarising all offers received, the considerations for each offer and a recommendation. This report is presented to the Cabinet Member for City Assets and Housing and the Director for City Assets and Housing. The outcome of this report is either authority to proceed with the recommendation is granted or additional information is requested prior to a decision being made.

In the event additional information is requested, the Council's agent will collate and a revised IEDN report will be submitted for consideration.

**Step 9:** Once IEDN approval is granted, City Assets will prepare and issue an instruction to Legal Services to progress the sale to completion.

## **6.0 Disposal Methods**

### **6.1 Main methods**

6.1.1 There are four main methods of disposal, each has its own advantages and disadvantages. The Estates Manager will determine which method is recommended for each particular disposal based on its individual merits and external advice where required.

6.1.2 The four main methods of disposal are:

- Formal tender (open market)
- Informal tender (open market)
- Auction (open market)
- Private treaty (no market testing)

6.1.3 The Council's preferred and default method is open market.

6.1.4 In order for an open market disposal to be effective, the opportunity must be advertised as widely as possible (electronically and physically) for a suitable period of time. Wide and extensive marketing captures as much interest as possible to ensure best consideration is obtained.

6.1.5 Assets must be released to the open market strategically, in the context of the property market at the time, to ensure that best consideration is achieved. City Assets continually reviews developments in the property market to ensure surplus assets are offered for sale in appropriate circumstances.

### **6.2 Formal tender**

6.2.1 An asset is offered for sale via the open market and bids are submitted by a pre-set closing date in confidence and not opened until after the closing date.

6.2.2 Once the closing date has passed and offers submitted, there is no option to negotiate and once the Council accepts a formal tender it becomes a binding contract.

6.2.3 This approach requires detailed preparation as the asset is marketed with a finalised contract, which becomes binding upon offer acceptance, removing any flexibility to negotiate.

### **6.3 Informal tender**

6.3.1 Similar to formal tender but offers are subject to contract and do not constitute a binding contract upon acceptance. This method enables flexibility post-closing date if required and enables the ability for the Council to seek best and final offers where bids are considered too close to decide a clear preferred purchaser.

6.3.2 In the event that changes are made post-closing date which do not constitute minor, non-material amendments, either all interested parties will be invited to submit revised offers and/or the property will be re-marketed.

6.3.3 The Council can invite unconditional and/or conditional offers, under the informal tender process. The main differences being:

- *Unconditional offers invited*

The price which the party is willing to pay for the land/property as it stands without any further investigation.

- *Conditional offers invited*

The price which the party is willing to pay subject to conditions. Such conditions may include obtaining full planning permission or undertaking intrusive ground investigations prior to completing the purchase.

## **6.4 Auction**

6.4.1 This approach is the swiftest way to realise a disposal. Surplus assets are advertised through an open, public auction. Upon fall of the hammer, the highest bidder creates a binding contract to purchase the asset and this is usually completed within 28 days of the auction. This method offers a transparent and competitive environment but does depend upon interested bidders being present (physically or online) in order to achieve at least the reserve price of the asset.

## **6.5 Private treaty**

6.5.1 Private treaty is where a sale is negotiated directly with a third party. It can be with or without marketing and is usually only suitable where a special purchaser is identified. This method should not be used unless there is either a special purchaser or there is a wider economic, social or environmental benefit to do so, as all surplus assets should be offered for sale via the open market to ensure transparency and obtain best consideration.

## 6.6 Advantages and disadvantages of each method

### Formal Tender

#### Pros

- Contracts exchanged on offer acceptance
- Market exposure from agent

#### Cons

- No flexibility
- Cost of appointing an agent
- Time to prepare and hold asset

### Informal Tender

#### Pros

- Greater post sale control
- Structured disposal process
- Market exposure from agent

#### Cons

- Time to prepare and hold asset
- Cost of appointing Agent

### Auction

#### Pros

- Speed of sale
- Market exposure from agent
- Competitive
- No cost to the Council

#### Cons

- Buyer proposals are unknown

### Private Treaty

#### Pros

- Maximise receipt where special purchaser exists
- Independent valuation for transparency

#### Cons

- No market exposure

## 6.7 Land swap

6.7.1 In addition to the four main methods of disposal, the Council may also consider that a “land swap” is appropriate whereby acquiring a third-party asset in exchange for a Council owned asset secures a benefit to the Council, for example as part of a regeneration scheme.

6.7.2 In these circumstances, it must be determined through an independent valuation that the interests being swapped are of equal value with any shortfall being compensated through monetary payment or other compensatory measure to be agreed by the appropriate authority (IEDN or Cabinet Report).

## 6.8 Community Asset Transfer

6.8.1 Finally, the Council may dispose of assets in accordance with its Community Asset Transfer Strategy, details of which can be found via the link below:

<https://www.wolverhampton.gov.uk/business/business-property/community-asset-transfer>



## **6.9 Examples of disposals**

### **6.9.1 Sale of areas of land adjoining residential property**

- 6.9.2 The Council holds small areas of land which adjoin residential properties throughout the City.
- 6.9.3 Through the Council's land enquiry process (see 3.1.4), residents can enquire as to whether or not Council owned land adjoining their property is surplus to requirements and available for them to purchase.
- 6.9.4 There may be a range of reasons as to why the Council wishes to retain land within this portfolio, for example it provides a valuable amenity space to the local area, but there is also land which is considered surplus to Council requirements and a better use of the land would be for the adjoining resident to take ownership of the land and improve its use by combining it with the existing property.
- 6.9.5 In cases where land is considered surplus to Council requirements, City Assets will engage with the property owner with a view to offering terms. The land's full potential will always be considered, regardless of the current owner/occupiers proposed use, as the land transfer will be with the property indefinitely so its future potential must be considered.
- 6.9.6 Should the land have development potential in isolation, for example it is capable of accommodating a self-build housing plot, unless there is a higher value to be achieved through merging the land with the resident's interest the land will be offered to the open market.
- 6.9.7 There may be instances where the land offers significant potential to the adjoining property, for example a sizeable extension, but the current owner/occupier only wishes to use it for additional garden space. Where this occurs, the Council may consider selling the land subject to a restriction, but the preference is always to sell the land at its unrestricted value.
- 6.9.8 Where sales subject to restrictions are made, the Council will include an overage provision which entitles it to 50% of any uplift in value created by a more valuable use being implemented. 50% is selected as a share because it is recognised that the value can only be realised if both parties contribute the land and the means to deliver the uplift in value i.e. undertaking and paying for an extension.
- 6.9.9 All residents are advised to seek their own professional valuation advice when conducting negotiations with the Council to ensure their interests are protected.

#### **6.9.10 Sale of areas of land adjoining commercial property**

6.9.11 The Council also owns land which adjoins commercial property. Similar to the position on residential land, if there is surplus land adjoining commercial property and there is a desire to acquire from the adjoining business, the Council will engage with the property owner with a view to offering terms.

6.9.12 It must be re-iterated that if the land in question holds potential in isolation, unless there is higher value to be achieved from merging the interests, the land would be offered for sale via the open market with the adjoining business invited to offer.

#### **6.9.13 Income generating assets**

6.9.14 The Council holds a vast stock of revenue generating assets including offices, retail shops, ground leases and industrial units. This group of assets is referred to as the commercial portfolio and is retained to provide a valuable revenue income stream to the Council.

6.9.15 In addition to the revenue they produce, these assets are held to allow the Council to play a vital role in providing small and medium enterprises with premises to operate from. As such, the commercial estate is vital to enterprise economy within the City.

6.9.16 In the event that sale of one or a group of the commercial estate assets is proposed, the process in Section 4 would be followed, subject to the following prior actions:

- Detailed consultation with the Chief Executive, Director of Finance, Chief Operating Officer, Head of Legal Services and Leader of the Council
- Professional advice being obtained to assess the outcomes of revenue reduction v capital receipt
- Consultation with tenants occupying the asset(s) subject of the proposed sale
- Any external advice as necessary

6.9.17 Following the outcome of consultation and approval, if granted, a disposal would be progressed in accordance with the recommendations of the report which may differ from that process detailed in Section 5. This is due to the unique nature of the proposal which potentially involves operating entities.

#### **6.10 Interim uses**

6.10.1 There may be occasions where a vacant, surplus property due to be disposed of remains empty whilst approvals are sought and marketing is taking place. In these circumstances, a short-term interim use can be appropriate. Such use may be a temporary tenancy for an individual or

group to utilise the property, ensuring that it does not attract anti-social behaviour and the asset remains in use until disposal.

6.10.2 Such arrangements would be considered on a case-by-case basis and would be granted by way of licence, excluding any statutory rights under the Landlord and Tenant Act 1954, which would be terminable upon short notice once a disposal is nearing completion.

#### **6.11 Land held by the Council as Trustee – Charities Act 2011**

6.11.1 Through the course of disposing of assets, there may be land which is held by the Council as Trustee. In order to consider disposal of land held under a Trust Deed, the Council must comply with the requirements as set out in the Charities Act 2011 which would include engagement with the Charity Commission and any other professional advice to ensure that any disposal and subsequent use is in the best interests of the beneficiaries of the Trust Deed.

#### **6.12 Allotments (current or former) – Allotments Acts 1908 to 1950**

6.12.1 In the event that an allotment site is considered surplus to requirements, there would be extensive user, resident and Councillor consultation. The Council would also be required by statute to obtain the consent of the Secretary of State if the proposed use was no longer allotments.

## 7.0 Appointment of external professional support

- 7.1 In order to ensure that an open market disposal receives wide exposure, external support from property agents is sought. The Council does not benefit from marketing presence on a regional, national or even international basis in the same way that a regional, national or international agent does.
- 7.2 Property agents have the benefit of a wider exposure to the market and often retain a database of potentially interested parties whom they can introduce to an asset in addition to general marketing. Local, national and international agents all bring individual benefits to marketing an asset and these merits will be considered in the context of the asset being offered for sale, with City Assets ensuring the agent appointed is most appropriate in terms of market presence and knowledge for the asset being sold – not simply the cheapest quote presented.
- 7.3 The Council will always seek four quotes from property agents and City Assets will decide on which company to appoint based on the merits of each submission.
- 7.4 The Council will always endeavour to ensure that its internal legal and surveyor's costs are recovered as part of a disposal. In addition, part of the cost to appoint an external agent will be recovered from the purchaser to ensure that the cost of the external agent is mitigated, but it is recognised that the Council bearing a cost for employment of the agent's services delivers wider rewards in terms of access to the market.
- 7.5 Where a private treaty transaction is authorised due to clearly demonstrable benefits beyond a sale on the open market in isolation, the Council will appoint the valuation expertise of the District Valuer.
- 7.6 The District Valuer is an external valuer, operating as a specialist property arm of the Valuation Office Agency. It provides independent, impartial valuation and professional property advice across the entire public sector.
- 7.7 The expertise available from the District Valuer ensures that valuation advice provided is accurate and reliable, ensuring that private treaty transactions are at a value which the Council can be confident achieves best consideration in accordance with the General Disposal Consent (see 10.4).
- 7.8 The Council's Procurement Rules and all associated national and international law must be complied with when procuring external support, with advice being taken from the Council's Head of Procurement where there is uncertainty.

## 8.0 Valuation

### 8.1 The Royal Institution of Chartered Surveyors (RICS)

8.1.1 Valuation is a critical process in the disposal of land and property as it informs decision making, constitutional approval routes and is a marker of what price represents best consideration.

8.1.2 The City Assets Team has three posts which are required to be Members of the RICS (MRICS) and RICS Registered Valuers:

- Estates Manager
- Senior Valuation Officer
- Valuation Officer

8.1.3 The RICS is a globally recognised professional body which enforces the highest professional qualification in the development and management of land and property.

8.1.4 Valuer Registration is a risk monitoring and quality assurance programme which checks compliance with RICS Valuation – Global Standards, known as the Red Book. This ensures that RICS Registered Valuers always meet the highest valuation standards, providing confidence and protection to the public and the Council that valuations are of the highest quality and carried out to globally recognised standards.

8.1.5 All valuations of land and property undertaken by City Assets are in accordance with the Red Book. Not every valuation must be Red Book compliant, as there are exemptions depending on the purpose of the valuation, but its principles are embedded in all valuation activity within City Assets.

8.1.6 A copy of the Red Book is available publicly from the RICS website:

<https://www.rics.org/uk/upholding-professional-standards/sector-standards/valuation/red-book/red-book-global/>

### 8.2 Bases of value

8.2.1 There are two main bases of value from the Red Book which the Council adopts when disposing of land and property:

- Market value
- Investment value (worth)

8.2.2 Market value is defined in the Red Book as:

*“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing, and where the parties had each acted knowledgeably, prudently and without compulsion”*

8.2.3 Market value is the main basis of valuation when estimating the value of an asset which will be subjected to market testing. The initial valuation determines whether an IEDN or Cabinet approval is required to declare the asset surplus and proceed to market.

8.2.4 Investment value or “worth” is defined in the Red Book as:

*“the value of an asset to the owner or a prospective owner for individual investment or operational objectives”*

8.2.5 This is the basis of value which is adopted when an independent valuation is sought as investment value estimates the value of an asset to a special purchaser. Investment value is always considered alongside market value to ensure that any proposed private treaty sale is justified.

8.2.6 A sale via private treaty, resulting from say a private owner of land adjoining a surplus Council owned parcel land, will realise the synergistic value (also referred to as “marriage value”).

8.2.7 Marriage value is defined in the Red Book as:

*“An additional element of value created by the combination of two or more assets or interest where the combined value is more than the sum of the separate values”*

### **8.3 The Council’s approach to valuation**

8.3.1 The Council has the option to obtain an opinion of value from its internally qualified RICS Registered Valuers to inform decision making.

8.3.2 For open market disposals, in conjunction with the external party which markets the property, the Council’s internally qualified RICS Registered valuers will engage with the external valuer to reach a consensus on guide/reserve price.

8.3.3 For private treaty transactions, the Council’s internally qualified valuers may be required to provide an opinion of value for decision making purposes but this will not be communicated to the District Valuer.

8.3.4 The Council’s internally qualified valuers will engage with the District Valuer upon completion of the valuation, ensuring robust challenge is offered if required along with supporting evidence to justify such challenge to ensure that the opinion of value is reflective of best consideration.

## 9.0 Post-completion

- 9.1 The Council will apply post completion timescales for re-development/refurbishment in every sale where the asset being sold is not suitable for continued use in its current condition.
- 9.2 This ensures that the asset is not purchased and then unused, as this will have detrimental effects on the local community.
- 9.3 The rationale for disposing of surplus land and property is not only to comply with sound asset management practices, government policy and to generate a capital receipt and revenue savings but also to bring land/property back into beneficial use.
- 9.4 City Assets will keep in contact with purchasers to monitor implementation of timescales set, with a view to working with the purchaser to ensure the land/property is brought back into use at the earliest opportunity.
- 9.5 In some circumstances, the Council may withhold transfer of the freehold interest until completion of the re-development/refurbishment works. This approach ensures that more challenging projects are delivered before the Council relinquishes control (conditional transfer).
- 9.6 The Council can also include post-sale conditions on the sale, such as restrictive covenants or overage provisions. These tools will only be utilised where their application is beneficial to retained Council owned land or there is a chance that the value of the asset may increase at a future date subject to the completion of the proposed development.
- 9.7 Such controls are implemented to protect the Council both in terms of ensuring its adjoining retained estate is not detrimentally impacted by the sale and that the Council receives the best consideration for the sale of the asset.

## 10.0 Governance

### 10.1 Main documents

10.1.1 The Council's land and property disposals are principally governed by:

- The Local Government Act 1972 (Section 123 and Section 123 (2a))
- Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003
- The Council's constitution
- This policy

### 10.2 The Local Government Act 1972 – Section 123

10.2.1 Section 123 of The Local Government Act 1972 gives the Council authority to dispose of land held by it in any manner it wishes. This is subject to all disposals obtaining the best consideration reasonably obtainable.

10.2.2 As this policy focusses on freehold disposals, all disposals must obtain the best consideration reasonably obtainable.

10.2.3 In order to obtain the best consideration reasonably obtainable, market testing ensures that the best possible consideration is achieved. This is through ensuring that all market participants are given an opportunity to acquire the asset for a price they are willing to pay.

10.2.4 The full extract from the Local Government Act 1972 can be viewed via the link below:

<https://www.legislation.gov.uk/ukpga/1972/70/section/123>

### 10.3 The Local Government Act 1972 – Section 123 (2a)

10.3.1 This section of the Act states that a Council cannot dispose of any land consisting or forming part of open space unless prior to disposal the Council advertises its intention to sell the land.

10.3.2 The advertisement must appear for two consecutive weeks in a newspaper circulating the area in which the land is situated and consider and objections to the disposal which may be made.

10.3.3 The selected newspaper for publishing of notices under S123 (2a) is:

#### **The Express and Star**

10.3.4 This newspaper is widely circulated in Wolverhampton and is the rationale for its selection. It is important to note that the Council has a legal duty to consider objections raised and is not prevented from proceeding with a disposal of land forming open space if the benefits of



a sale outweigh the basis of objection(s). Where objections are raised, they will be presented to the Cabinet Member for City Assets and Housing and the Director for City Housing and Environment via an IEDN for consideration.

10.3.5 The definition of open space can be wide, so City Assets will take a pragmatic view on whether land either is or forms part of public open space. The main criterion will be if it is open, is capable of being crossed without hindrance and is maintained by the Council's Grounds Maintenance Team. Advice will also be taken from the Council's Open Space and Strategy Action Plan Team.

10.3.6 Areas classified as open space or general amenity space will be considered in the context of value to the local community including visual and not just practical usage.

#### **10.4 Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003**

10.4.1 There are occasions where best consideration may not simply mean the highest price.

10.4.2 This consent means that the Council may dispose of assets at less than best consideration provided it is satisfied that such a disposal secures a wider social, environmental or economic benefit.

10.4.3 This consent is subject to obtaining Secretary of State consent where the undervalue exceeds £2,000,000 (Two Million Pounds).

10.4.4 When deciding to dispose of an asset at less than best consideration, the Council is required to comply with the requirements set out in this Consent which includes adhering to prudent and commercial practices, such as obtaining the advice of a professionally qualified valuer.

10.4.5 Any proposal to dispose of a site at less than best consideration must be reported, either via IEDN or Cabinet Report, stating clearly the level of undervalue.

10.4.6 The full consent document can be viewed via this link:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7690/462483.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7690/462483.pdf)

#### **10.5 The Council's constitution**

10.5.1 The Council's constitution sets out how the Council operates, how it makes decisions and the procedures which are followed to ensure these decisions are efficient, transparent and accountable to stakeholders including the public.

10.5.2 Currently, Part 4 of the constitution (Contract Procedure Rules) deals with Land and Property Transactions. The general procedure for Land and Property transactions is detailed and outlines the Scheme of Delegation for property transactions.

10.5.3 For disposals, the constitution requires:

- Minor disposals by freehold sale or long lease at a premium up to a value of £250,000 to be reported via IEDN
- Disposals with a value of £250,001 and higher must be reported to Cabinet

10.5.4 The constitution is updated at least annually and can be viewed in full via the link below:

<https://wolverhampton.moderngov.co.uk/ieListMeetings.aspx?CId=792&Year=0&info=1&bcr=1>

## **10.6 The Council's Disposal Policy**

10.6.1 This policy is written to augment the statutory and constitutional parameters when dealing with land and property disposals.

10.6.2 It is provided to clearly showcase how the Council manages disposal of land and property to consistently secure the best possible outcome for the City.

10.6.3 This policy will be regularly reviewed with input and challenge from all stakeholders continually welcomed.

## **10.7 Bribery Act 2010 and Proceeds of Crime Act 2002**

10.7.1 Disposal of land and property can involve significant sums of money and this has the potential to introduce bribery towards officers involved in the process, usually to secure an outcome favourable to the party offering the bribe.

10.7.2 Disposals will be dealt with in accordance with the Council's prevailing policy on bribery, with this policy specifically requiring any bribes either offered directly or knowledge of a bribe being offered needing to be reported to the Head of Assets and Chief Operating Officer within 24 hours.

## **10.8 Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017**

10.8.1 The Council undertakes to ensure that appropriate anti-money laundering checks are undertaken on purchasers of its surplus land and property in accordance with its Anti-Money Laundering Policy which can be accessed via the following link:

<https://www.wolverhampton.gov.uk/your-council/fraud-and-corruption/types-fraud>

10.8.2 When the services of an external property agent are appointed, the transaction will also be subject to the agent's checks in accordance with its policies and procedures.

10.8.2 In addition to the statutory and Council policy on money laundering, the Council's RICS professionals are bound by the requirements of the RICS Professional Statement – Countering bribery, corruption, money laundering and terrorist financing 2019. A copy can be obtained via the link below:

<https://www.rics.org/uk/upholding-professional-standards/standards-of-conduct/aml-bribery-corruption-terrorist-financing/>

## **10.9 Misrepresentation Act 1967**

10.9.1 This statute relates to the misrepresentation or a false statement of fact made by a party during pre-contractual enquiries, which has the effect of inducing a party to purchase.

10.9.2 Whilst compliance will principally be the duty of the appointed agent, the Council must ensure that all information it provides is accurate and not misleading. The Council will ensure all reasonable steps are taken to review the quality and accuracy of information before it is provided to the agent for inclusion in marketing information.

## **11.0 Sustainability**

11.1 On 17 July 2019, the Council declared a climate emergency.

11.2 A climate emergency can be defined as a situation in which urgent action is required to reduce or halt climate change to avoid potentially irreversible environmental damage resulting from it.

11.3 The Council has made a Climate Commitment to tackle the climate emergency both within its own activities and within the City as a whole, and a copy of this can be obtained via the link below:

<https://www.wolverhampton.gov.uk/sites/default/files/2020-01/Future%20Generations%20-%20Our%20Climate%20Committment.pdf>

11.4 The UK Green Building Council states that the UK Built Environment is currently responsible and has direct control over 25% of the UK's greenhouse gas emissions.

Source: <https://www.ukgbc.org/climate-change-2/>

11.5 The Council recognises that it has a key part to play and disposal of surplus stock is not seen as simply generating a capital receipt, bringing the building back into use and that's all that needs to be done.

- 11.6 There can be opportunities for buildings to incorporate sustainable elements such as renewable energy generation, modern methods of construction and adopting Passivhaus standards.
- 11.7 The Council, through this policy, will seek to include requirements for sustainable practices, in both development and use, within disposal conditions to ensure that its target of making the City carbon neutral by 2041 is achieved.

## 12.0 Our City: Our Plan

12.1 Our City: Our Plan sets out how the Council will work alongside local, regional and national partners to improve outcomes for local people. It sets out a clear vision for the City, Our Vision, which states:

**“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.”**

12.2 As part of Our City: Our Plan, the Council has a programme which focusses on six priorities, achievement of which will help the Council to realise its Vision. The priorities are:

- 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

12.3 Places to work, shop, study and enjoy the City will always require either land, buildings or both. It is critical to achieving the Council’s vision that land and property disposals is used as a tool to help realise the ambition of the City.

12.4 Through operation of this policy, there will be a clear contribution to Our City: Our Plan, ensuring that the Council’s operational estate is lean and agile whilst also ensuring that those assets which are surplus are sold and brought back into beneficial use to create:

- More housing
- More employment
- Inward investment
- Employment opportunities
- Community facilities

12.5 Our City: Our Plan can be viewed via the link below:

[Our Council Plan 2019-2024 \(2022 Feb update\).qxp Layout 1 \(wolverhampton.gov.uk\)](#)

**End**