

Time	4.30 pm	Public Meeting?	YES	Type of meeting	Executive
Venue	Council Chamber - 4th Floor - Civic Centre, St. Peters Square, Wolverhampton WV1 1SH				

Membership

Chair Cllr Stephen Simkins (Lab)

Labour

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

Quorum for this meeting is three voting members.

Information for the Public

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

Contact Dereck Francis, Democratic Services
Tel/Email 01902 555835 or dereck.francis@wolverhampton.gov.uk
Address Democratic Services, Civic Centre, 1st floor, St Peter's Square,
Wolverhampton WV1 1RL

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

CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel Minutes - 16 November 2022
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Attendance

Members of the Cabinet (Resources) Panel

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

Employees

Mark Taylor	Deputy Chief Executive
Charlotte Johns	Director of Strategy
Claire Nye	Director of Finance
David Pattison	Chief Operating Officer
John Roseblade	Director of City Housing and Environment
Becky Wilkinson	Director of Adult Social Services
Brenda Wile	Deputy Director of Education
Jaswinder Kaur	Democratic Services Manager
Dereck Francis	Democratic Services Officer

Part 1 – items open to the press and public

Item No. Title

- 1 **Apologies for absence**
Apologies for absence were submitted on behalf of Councillor Beverley Momenabadi.
- 2 **Declarations of interest**
No declarations of interests were made.
- 3 **Minutes of the previous meeting**
Resolved:
That the minutes of the previous meeting held on 19 October 2022 be approved as a correct record and signed by the Chair.
- 4 **Procurement - Award of Contracts for Works, Goods and Services**
Councillor Ian Brookfield presented the report seeking delegated authority to Cabinet Members in consultation with Directors to approve the award of contracts once the

evaluation processes are complete. He reported that the contracts followed a more open process in order to deliver on the Council's commitment to the Wolverhampton Pound and maximising the value of spend to local businesses.

It was highlighted that as a result of the roll out of the city's own fibre and 5G network, the Council had significantly reduced its reliance on BT backhaul circuits for the Black Country Urban Traffic Control Communications contract, reducing the Council's annual costs for the contract from £81,405 to £29,056. Cabinet also noted that the contract for the Refurbishment of East Park would provide for a play area with a splash pad at East Park and had been facilitated through support from Public Health funding, utilisation of Section 106 monies and capital funding from the Council.

Resolved:

1. That authority be delegated to the Cabinet Member for City Environment and Climate Change, in consultation with the Director of City Housing and Environment, to approve the award of a contract for A461 Outline Business Case when the evaluation process is complete.
2. That authority be delegated to the Cabinet Member for City Environment and Climate Change, in consultation with the Director of City Housing and Environment, to approve the award of a contract for Black Country Urban Traffic Control Communications when the evaluation process is complete.
3. That authority be delegated to the Cabinet Member for Environment and Climate Change, in consultation with the Director of City Housing and Environment, to approve the award of a contract for Contingency Residual Waste Disposal when the evaluation process is complete.
4. That authority be delegated to the Cabinet Member for City Environment and Climate Change in consultation with the Director of City Housing and Environment, to approve the award of a contract for the Refurbishment of East Park when the evaluation process is complete.
5. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Deputy Director of City Assets, to approve the award of a contract for Lifts Maintenance when the evaluation process is complete.

5 **Policy to Enable Cost Recovery of Enforcement Action in Licensing**

Councillor Steve Evans presented the report on a policy to enable cost recovery of enforcement action in the Commercial Regulation Service. The Service was responsible for protecting people's health, safety and wellbeing as well as the environment and amenities. It was also responsible for promoting economic growth and employment opportunities. In doing so, a cost was incurred by the Council. It was considered appropriate that the Council should adopt a policy on cost recovery for providing discretionary services. Councillor Steve Evans informed Cabinet that the Council had a good record across the Commercial Regulations sector of working with businesses within the city, providing excellent advice and raising awareness. However, from time to time it had to take court action when it could not achieve

resolution with businesses. It was considered appropriate that the Council should adopt a policy to enable cost recovery of enforcement action.

Resolved:

1. That the Commercial Regulation Cost Recovery policy be approved for implementation from 1 April 2023.
2. That authority be delegated to the Cabinet Member for City Environment and Climate Change, in consultation with the Director of City Housing and Environment, to approve the addition of discretionary services within Commercial Regulation that would utilise the cost recovery method outlined in the Commercial Regulation Cost Recovery policy.
3. That it be noted that the application fees for various licences, permits, registrations and consents, and discretionary charges within the Commercial Regulation services shall be reviewed each year in accordance with the policy.

6 External Funding Update - UK Shared Prosperity Fund

Councillor Ian Brookfield presented the update report on the approach to the local allocation of the UK Shared Prosperity Fund (UK SPF). The Fund was replacing European Union (EU) funding, in particular European Regional Development Fund (ERDF) and European Social Fund (ESF), which the Council and city had benefited significantly from and was an important source of revenue funding supporting the Council's key priorities. Delegated authority was requested to approve arrangements relating to Wolverhampton's local allocation of the UK SPF to meet the city's priorities.

Resolved:

That authority be delegated to the Cabinet Member for Resources and Digital City, in consultation with Director of Strategy and Director of Finance to:

- a. Enter into a three-year Memorandum of Understanding and annual Grant Funding Agreements with West Midlands Combined Authority as lead authority, and accept grant allocation for our allocation for the UK Shared Prosperity Fund and Multiply.
- b. Approve further changes to the proposed UK Shared Prosperity Fund local funding split based on ongoing discussions with the West Midlands Combined Authority.
- c. Approve the establishment and spend of supplementary revenue and capital budgets in line with the funding agreement.
- d. Approve payment of grants for delivery of local activity where appropriate and associated agreements.

7 Council Commitment to become Cornerstone Employer - promoting Council Careers in Schools

Councillor Chris Burden presented the report seeking approval for the Council to sign an agreement with the Black Country Consortium to become a Cornerstone

Employer. Under the scheme the Council would commit employees to attending schools and colleges in Wolverhampton on a regular basis to promote the jobs and careers that are available in the Council. It would also commit a senior employee to attend Black Country Consortium meetings to share work that the Council, as a significant employer in the city, was undertaking in schools.

Cabinet noted the group of employers listed in the report who had committed to becoming a Cornerstone Employer. It was queried whether Wolverhampton Homes and West Midlands Pension Fund had been invited to sign up to the initiative.

Resolved:

That the Council signs up to an agreement with Black Country Consortium to become a Cornerstone Employer.

8 Exclusion of press and public

Resolved:

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

Part 2 - exempt items, closed to press and public

The Chair reported that as stated previously the meeting was in confidential session as the information included in the 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.

9 Procurement - Award of Contracts for Works, Goods and Services

Councillor Ian Brookfield presented for approval the report on the award of contracts for works, goods and services. The report also included, for information, exemptions to Contract Procedure Rules approved by the Head of Procurement and Director of Finance from 1 to 31 September 2022.

Resolved:

1. That the outcome of the Public Sector Audit Appointments tender process and award of the contract for the Appointment of External Auditors be accepted and authority be delegated to the Chair of Audit and Risk Committee in consultation with the Director of Finance to accept the appointment on final confirmation by PSAA in December 2022.
2. That the contract for Acceptable Waste with Suez Recycling and Recovery UK Limited of Suez House, Grenfell Road, Maidenhead, Berkshire, England, SL6 1ES be extended for a duration of 12 months from 12 February 2023 to 11 February 2024 with an extension value of £4.3 million.

3. That the contract for Water Elements Testing be awarded to Integrated Water Services Limited of Green Lane, Walsall, West Midlands, WS2 7PD for Water Elements Testing from 1 December 2022 to 31 May 2024 with a variation value of £487,750.
4. That the contract for Supply of Library Stock be awarded to Peters Ltd, of 120 Bromsgrove Street, Birmingham, B5 6RJ for a duration of four years from 1 January 2023 to 31 December 2026 for a total contract value of £1,180,340.
5. That the exemptions to the Contract Procedure Rules approved by the Head of Procurement and Director of Finance from 1 to 30 September 2022 be noted.

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 14 December 2022
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Report title	Levelling Up Fund Round 2 Bids Update	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Stephen Simkins Deputy Leader: Inclusive City Economy	
Key decision	Yes	
In forward plan	Yes	
Wards affected	Bilston East, Heath Town, Bushbury South & Low Hill	
Accountable Director	Richard Lawrence, Director of Regeneration	
Originating service	City Development	
Accountable employee	Zareena Ahmed-Shere Tel Email	Regeneration Manager 07890397677 Zareena.ahmed- shere@wolverhampton.gov.uk
Report to be/has been considered by	Regeneration Leadership Team City Housing and Environment Team Strategic Executive Board	14 November 2022 22 November 2022

Recommendations for decision:

That Cabinet (Resources) Panel is recommended to:

1. Delegate Authority to the Deputy Leader: Inclusive City Economy and the Cabinet Member for Resources and Digital City in consultation with the Directors for Regeneration and Finance and the Chief Operating Officer to:
 - a. Approve the Council entering into the relevant Memorandum of Understandings, Grant Agreements and any other necessary ancillary agreements as required (subject to confirmation of associated final terms and conditions) in the event of successful bid awards.

- b. Approve any required revisions to the project scope, outputs and outcomes of each bid and project components (with the input of key stakeholders) in the event of a reduced Grant Award (s) to inform the final Full Business Cases.
- c. Approve that the Council are to Act as Accountable Body for the funding, subject to a successful bid, under the proposed Green Innovation Corridor.

Recommendations for noting:

That Cabinet (Resources) Panel is asked to note:

1. That the Council has submitted two Levelling Up Fund Round 2 bids for Wolverhampton North East and Wolverhampton South East constituencies respectively on 27 July 2022 following all necessary consultations and MP endorsement and approval for each bid.
2. That the Wolverhampton South East Levelling Up Fund bid comprises the Bilston Health and Regeneration Programme and the Wolverhampton North East Levelling Up bid comprises the Springfield Innovation Hub that is the first phase of the Green Innovation Corridor.
3. That Outline Business Cases for the Bilston Markets External Works, Public Realm and Active Travel Corridor projects which form part of the Bilston Health and Regeneration Programme and Springfield Innovation Hub, Phase 1 are attached at Appendix 1 and 2 respectively. The Bilston Health and Well Being Hub business case that also forms part of the Bilston Health and Regeneration Programme will be referenced in a separate Cabinet report.
4. That the bids were based on approved bid submissions in accordance with Levelling Up Fund guidelines as detailed in the body of the report. The projects at Outline Business Case stage will need to progress to the Full Business Case stage which will be presented for final approvals reflecting any and all variations and changes to the delivery of the planned projects.
5. That the date for the notification of the bid outcome has provisionally been referenced as calendar year end (this may be subject to change).
6. That the final Full Business Cases for each project will be presented to Cabinet at a future date outlining all financial, legal and procurement implications in line with Council governance and best practise.

1.0 Purpose

- 1.1 This report provides an update on the recent submission of Levelling Up Round 2 bids for Bilston Health and Regeneration Programme (HaRP) and Green Innovation Corridor (GIC) project and seeks delegated authority to enter into a Grant Funding Agreement and other legal and contractual arrangements, in order to progress projects in a timely manner.
- 1.2 The report notes that the Springfield Innovation Hub, Phase 1 of GIC and Bilston HaRP's project components; Bilston Markets External Works, Public Realm and Active Travel Corridor are at the Outline Business Case stage and will progress to Full Business Case with a further report to Cabinet.

2.0 Background

- 2.1 The Government announced the Levelling Up Agenda during its 2019 elections with the competitive Levelling Up Fund as a vehicle to meet this aim. The Council has already been successful in securing the full requested amount of £20 million out of the £4.8 billion Levelling Up Fund (LUF) nationwide pot announced by Government on 3 March 2021 for investment in high-value local infrastructure.
- 2.2 The City of Wolverhampton Council in partnership with the City of Wolverhampton College were successful in securing the full £20 million from Levelling Up Fund (Round 1), which has facilitated the progression of the City Learning Quarter project within the Wolverhampton South West Parliamentary Constituency. It should be noted that the City of Wolverhampton Council was the only Black Country Local Authority to secure full funding from the Levelling Up Fund.
- 2.3 The Government has to date awarded a total of £1.7 billion from the £4.8 billion national pot to successful Round 1 applicants, leaving £3.1 billion unallocated for future rounds.
- 2.4 The Government subsequently published further guidance through its White Paper in February 2022 setting out its approach to Levelling Up including 12 Missions. Further guidance on LUF Round 2 bids was issued in March 2022 that confirmed that the criteria was broadly the same as Round 1 with a focus on outputs that would aid transition to higher paid, higher skilled jobs, new investment, improved health and wellbeing that would impact positively on people's lives. Projects were encouraged to demonstrate low or zero carbon best practice; adopt and support innovative clean tech and/or support the growth of green skills and sustainable supply chains. Government set 6 July as a deadline date for submission of Round 2 bids and it was understood that the successful bids would be announced in Autumn 2022 Statement.
- 2.5 Essentially each Parliamentary Constituency within a Local Authority area is permitted to submit one bid for an LUF grant of up to £20 million. The City of Wolverhampton Council has three Parliamentary Constituencies (Wolverhampton South West, Wolverhampton North East and Wolverhampton South East) and therefore was eligible to submit a further two bids over the course of the LUF programme, as Wolverhampton South West bid for CLQ has already been successful.

- 2.6 Although bids could seek 100% LUF funding, as previously stated, match funding of at least 10% was encouraged.
- 2.7 Bids were able to include a maximum of three cohesively connected projects, capable of commencing project spend during financial year 2022-2023 with all project spending completed by 31 March 2025 and only during 2025-2026 on an exceptional basis.
- 2.8 Business Cases were required to demonstrate need, deliverability, strategic fit, value for money and alignment to Transport, Regeneration and Town Centres and Culture investment themes.
- 2.9 The Council received £125,000 Capacity Funding for the economic business case development which required external consultant appointments alongside Council Officer resource to support the bid development.
- 2.10 Following the announcement of LUF Round 2, within the tight timescales, the Council has worked diligently with relevant stakeholders to develop two further robust and compelling bids that were submitted ahead of the Government's updated deadline, each seeking £20 million to support the delivery of Bilston HARP and Green Innovation Corridor.

3.0 LUF Round 2 Bid Development

- 3.1 Bids were developed reflecting the following three stage LUF assessment methodology:

Stage 1 gateway: The first stage is a pass/fail gateway based on a requirement to demonstrate that proposals can spend during 2022-23.

Stage 2 assessment and shortlisting: Bids passing the Stage 1 Gateway will be assessed on the following 4 criteria:

- 1: Characteristics of place - Each local authority has been placed into category 1, 2 or 3 based on objective criteria, with category 1 representing the highest level of identified need. Wolverhampton falls into Category 1.
- 2: Strategic fit – Bids are required to demonstrate how proposals supports the economic, community and cultural priorities of their local area to further the area's long-term levelling up plans and should include stakeholder support.
3. Economic case – Bids are required to demonstrate how they represent public value for money to society through Benefit Cost Ratio (BCR).
- 4: Deliverability – Bids are required to evidence robust finance, management and delivery plans.

Stage 3 Decision Making: Ministers will make funding decisions, following conclusion of the Stage 2 Stage where a shortlist will be drawn up.

- 3.2 A range of potential schemes were considered against existing priorities within the Wolverhampton North East and Wolverhampton South East Constituency areas with

potential to contribute to the Transport connectivity, regeneration and heritage investment themes following local MP and Ward Councillor and stakeholder engagement. Schemes were selected on the basis of meeting the above LUF gateway criteria and demonstrating quantifiable economic benefits achieving the required minimum Benefits Costs Ratio (BCR).

- 3.3 A summary of the Bilston HARP and GIC that were submitted on 27 July 2022 is provided below. Both bids met the Government's gateway criteria for these funding programmes with a business case demonstrating that the projects are sufficiently advanced to commence expenditure of LUF grants during the financial year 2022- 23 and complete spending by March 2025. Both projects enjoy the support of local Member of Parliament for Wolverhampton South East and Wolverhampton North East, Council Leader and key Cabinet Members and wider stakeholders.
- 3.4 These funding applications to the LUF are under consideration and Government's announcements of awards is expected in late 2022.
- 3.5 If the bids are successful, in line with the Council's Constitution and Governance procedures, following Section 151 approvals, Individual Executive Decision Notices (IEDN) will be required to provisionally accept the grant and any associated initial Heads of Terms or MOU to secure the allocation of funding award.
- 3.6 Further reports for both proposed projects will be presented to a future Cabinet meeting in order to provide the information below and appropriate approvals:
- an update on the bid outcome and total award
 - any proposed Heads of Terms / Memorandum Of Understanding with associated financial and legal implications
 - any project variations to the proposed partnership delivery routes, commercial implications and procurement routes
 - confirmation of all the necessary budgets to progress the LUF schemes
 - the final Full Business Case

4.0 Wolverhampton South East Constituency - Bilston Health and Regeneration Programme (HARP)

- 4.1 The Bilston HaRP Programme comprises 2 distinct but inter-related elements.
- 4.2 £16.3 million has been sought through LUF (of a total project cost of £25 million) for a new Health and Well-being Hub to form an extension to the existing Bert Williams Leisure Centre. This proposal is for a completely integrated health/leisure/social care facility involving a number of partners including GPs, Primary Care Trust, Care Commissioning Group and the Royal Wolverhampton Trust. The vision for the Hub is to create:

A health, care and wellbeing village in the heart of the Bilston community that nurtures the integration of NHS, Social Care, wellbeing and leisure services to create a campus that

empowers everyone to take ownership/control of their own health, to live longer, healthier and more active lives.

- 4.3 Because of its scale and complexity and given the number of partners involved, the Bilston Health and Well-being Hub will be the subject of a separate report to Cabinet where detail of the proposals, including the financial model and legal structures are set out in more detail.
- 4.4 Bilston markets is at the heart of the town centre and drives significant footfall throughout the town. A successful Town Fund bid secured £5.2 million for transformative work to the markets, particularly the outdoor market, although this fell short of the original bid of £7.7 million. Works already funded include a new prominent canopy over part of the outdoor market area, improvements to the public realm creating high quality flexible spaces, the demolition and re-provision of public toilets, improvements to the entrances to the indoor market and work to branding and signage. LUF provides an opportunity to complete the scope of works, completing resurfacing to car parks and the provision of a taxi drop off area and bike hub to integrate transport provision with the adjacent bus station and metro stop. The additional LUF ensures that all key component parts of the vision are realised enabling the markets to maintain and increase their role in the well-being and regeneration of the town.
- 4.5 Complementing these proposals are a series of smaller scale interventions addressing the quality and function of areas of public realm in the town and creating important active travel measures and linkages between the markets and the proposed Health and Wellbeing Hub as well as to the wider town centre.

5.0 Wolverhampton North East Constituency - Green Innovation Corridor (GIC), Springfield Innovation Hub

- 5.1 Springfield Innovation Hub is an integral first phase of the Wolverhampton's ambitious Green Innovation Corridor that will support growth of new green industries, turbocharging economic prosperity and closing the productivity gap. A key priority for levelling up the city, this bid will act as a catalyst delivering Phase 1, the Springfield Innovation Hub.
- 5.2 Delivery of the Hub will regenerate 1.21 hectares brownfield land producing 4,955 sqm new commercial workspace creating 330 high-quality jobs. It will be delivered in partnership with the private sector, maximising impact of LUF. It will support new business starts, scale up, products and services aligning to the City's existing strengths in high value manufacturing, green technologies, and digital innovation.
- 5.3 The vision for the wider GIC is to connect key assets at the Springfield Campus with Wolverhampton Science Park and the core City Centre driving the Green Industrial Revolution, building upon the Wolverhampton sustainable construction, green credentials and circular economy to transform our local economy creating quality jobs and skills capital for local people. The Corridor builds on the City's key assets in skills, research and high-end manufacturing, stimulating wider regeneration along the corridor by acting as a

catalyst for additional private sector investment in the Science Park and unlocking brownfield sites for mixed use regeneration.

- 5.4 The Green Innovation Corridor proposal seeks to leverage private sector match funding to be delivered at the Springfield Campus on an area of land adjacent to the National Brownfield Institute.
- 5.5 The site has been substantially de-risked through remediation and enabling works to create pre-serviced plots ready for delivery.
- 5.6 Soft market testing has informed end user demand for innovation, office and maker space that will create an environment for business to co-develop and work alongside the University and Brownfield Institute.
- 5.7 The project builds on the “Triple Helix model” of innovation through partnership between academia (the university), industry and government, bringing together the combined strengths of public and private organisations in a true partnership approach to foster economic and social development, leveraging private sector investment directly from public funding maximising the wider impacts and outputs.
- 5.8 The proposed scheme has been identified as an enabler and catalyst for development in Wolverhampton through its ability to bring forward development and support economic growth, therefore the wider economic benefits associated with the scheme in terms of job creation and Gross Value Added (GVA) growth and the potential to unlock housing and employment sites was assessed.
- 5.9 The investment value generated from Phase 1 will enable gearing and further private sector investment to contribute to and catalyse future development phases, including those at Springfield Campus (units 2, 3, kegging sheds, Block A), Wolverhampton Science Park and new mixed use sites along the canal corridor. Overall, the wider GIC programme, following the LUF grant injection, could springboard delivery of 22,762 sqm of new commercial and incubator space, create 1220 jobs, regenerate 2.32 hectares, open up for mixed use development 3.96 hectares of brownfield land, create 4,410 sqm public realm and 1.1km green and blue infrastructure improvements.

6.0 Evaluation of alternative options

- 6.1 Several options were considered with reference to the Strategic Fit, Value for Money and Deliverability criteria to identify the specific projects that would be included in the Round 2 LUF bids. Alternative projects were considered, but not included as they were not developed sufficiently to initiate spend and deliverability within the required LUF timelines. The option of not submitting a bid, was rejected as this would be a missed opportunity to further realise Wolverhampton’s ambitious plans for investment and regeneration.
- 6.2 The projects that form part of the bid submissions were deemed most appropriate for inclusion in the final preferred business cases.

6.3 Should Government award a reduced level of grant for either project, which is an option available to them, this will require a review of the project's scope depending upon the areas of the bid the Government agrees to fund based on a satisfactory updated BCR. These details once known will be reported through a future Individual Executive Decision Notice (IEDN).

7.0 Reasons for decision

- 7.1 The recommendations will enable the accelerated delivery of the project within the LUF programme tight timeframes in the event that the bids are successful.
- 7.2 The bid criteria required the approval and endorsement of submitted bids by the Council through a validation and sign off by the s151 Officer and MPs endorsement confirmed in writing.

8.0 Financial implications

- 8.1 The Round 2 bids represents a total investment of £71.4 million, which includes £40 million sought from LUF. One of the key LUF funding criteria is for the commencement of spend during 2022-2023 and financial completion of the LUF grant by March 2025.
- 8.2 The table below outlines the LUF and match funding requirements for both Bilston HaRP and Green Innovation Corridor projects.

Parliamentary Constituency and Bid Name	LUF Grant Ask £M	Existing Public Sector Funding £M	Private Funding £M	Total Investment £M
Wolverhampton North East – Green Innovation Corridor (GIC)	20		17.5	37.5
Wolverhampton South East – Bilston Health and Regeneration Programme (HARP)	20	13.9		33.9
Total	40	13.9	17.5	71.4

- GIC – Phase 1 Springfield Innovation Hub totals £37.5 million. This amount comprises the £20 million LUF grant request representing the project gap funding and £17.5 million private sector funding for Phase 1. This will catalyse further private sector investment to deliver additional future GIC phases*
- Bilston HaRP totals £33.9 million. This amount includes £13.9 million match funding, comprising the sum of funds from the Council - £6.1 million and Clinical Commissioning Group - £2.6 million for the Health and Wellbeing Hub and £5.2million committed and approved funding as part of the Towns Fund award for the modernisation and refurbishment of the markets.*

- 8.3 While it is preferable for the Council to wait until the grant funding agreement is in place, in order to meet the key criteria for the commencement of spend during the financial year 2022 - 2023 it may be necessary for the Council to progress the projects further at risk.
- 8.4 Notification of bid outcome is expected by the end of the calendar year. If the Council is successful in securing an allocation from the LUF in support of the submitted bid (s), then there will be an estimated budget required of £40,000 to progress design and legal work during Financial Year 2022 – 2023, Quarter 4. This expenditure will initially be funded through service revenue accounts or if required an approved drawdown from reserves. However, if permissible the expenditure will be reclaimed through the grant once funding agreements and claim processes are in place.
- 8.5 Approval of full detailed project budgets will be requested through the planned further reports for both projects, subject to successful bids.
[HM/24112022/N]

9.0 Legal implications

- 9.1 The Phase 1 Springfield Innovation Hub proposed at Springfield Campus is not a Council owned asset. The bid submission references a joint venture structure that comprises University, the University's private sector partner and the Council as grant recipient for the Levelling Up Fund. In the event that the Council is successful in whole or part of its bids legal advice will continue to evolve with the project as further details become apparent.
- 9.2 Subject to approval of the recommendations, if the Council is successful in securing Levelling Up Funds, it will be required to enter into a Memorandum of Understanding. It is considered that Memorandum of Understanding are not legally binding documents, however, it is possible for these to be drafted in a manner to create legal obligations. In accordance with the Council's Constitution Legal Services should have oversight of these ahead of the Council entering into such. The Council will also be required to enter into grant funding agreement and ancillary agreements associated with the LUF bid., which will contain covenants and obligations associated with the Levelling Up Fund. Legal advice on specific projects within the bid will be considered as part of future reporting through any approved delegations.
- 9.3 In order to support the submission of the LUF bid, specialist advice on Subsidy Control was obtained from external legal advisers at the instruction of the Council's Legal Services and this will be case should any further external legal advice be required.
- 9.4 As detailed in the body of the report, the Bilston Health and Regeneration Programme will be addressed in a separate report to Cabinet together with the specific legal implications.
[JA/01122022/G]

10.0 Equalities implications

- 10.1 An initial Equalities screening for both projects was undertaken as part of the bid preparation and identified no negative equality implications for protected and non-

protected groups. Further assessments will be undertaken as the project progresses to ensure that equality matters are a core part of the scheme.

11.0 All other implications

11.1 All proposals within the LUF round 2 bids seek to enhance environmental quality and performance, specifically in the following ways

Bilston HaRP	Environmental quality	Environmental performance	Climate change adaptation	Climate change mitigation
	Visual appearance of markets improved		New canopy and trees provides shade to counteract urban heat island effect	EV charging points
	Improvements to areas of public realm including rationalisation of maintenance requirements		Planting will reflect need to use drought tolerant species; drainage improvements at the market will deal with intense rainfall events	Enhanced active travel facilities including a bike hub
	High architectural standards and material used throughout			Health and Social Care facility to be constructed to high BREEAM standards
GIC	Environmental quality	Environmental performance	Climate Change adaptation	Climate Change mitigation
	New buildings to be constructed to a high architectural standard	Will be aimed at green technologies including sustainable construction	Planting will reflect need to use drought tolerant species	Active travel proposals built into site design and utilisation of the canal corridor

11.2 The Health and Well-being hub will contribute directly and positively to improving the lives of local residents through health education, lifestyle choices and improved prevention and diagnostics. Active travel has been shown to have a positive impact on mental health. Improvement at the market will lead to a reduction in anti-social behaviour and improved personal security and safety through design and lighting improvements.

11.3 Proposals in Bilston will lead to substantial investment in City Council assets with reduced running costs and reductions in anti-social behaviour.

12.0 Schedule of background papers

12.1 None

13.0 Appendices (Exempt)

13.1 Appendix 1 – Wolverhampton South East, Bilston HaRP – Bilston Markets External Work, Public Realm / Active Travel Corridor Outline Business Case

13.2 Appendix 2 – Wolverhampton North East, Phase 1 Springfield Innovation Hub, GIC Outline Business Case

13.3 Appendix 3 – Bilston HaRP Bid Summary

13.4 Appendix 4 – Phase 1, Springfield Innovation Hub, GIC Bid Summary

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 14 December 2022
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Report title	School Caretaker Houses – Disposal and Investment Strategy	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Bhupinder Gakhal City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Julia Nock, Deputy Director of Assets	
Originating service	City Assets	
Accountable employee	Luke Dove	Head of Assets
	Tel	01902 557121
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Report to be/has been considered by	City Assets Leadership Team	23 March 2022
	Children and Education Leadership Team	17 November 2022

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Declare the following former school caretaker houses surplus to Council requirements:
 - Claregate Primary, Fallings Park Primary, Perry Hall Primary *(Pending surrender of lease)
2. Approve disposal of the assets listed above via open market disposal method, of either auction or informal tender upon terms and conditions to be agreed.
3. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Deputy Director of Assets to approve the terms of the disposal through an Individual Executive Decision Notice.

Recommendation for noting:

The Cabinet (Resources) Panel is asked to note:

1. The investment strategy as outlined in section 3 of the report

1.0 Purpose

- 1.1 To provide a background regarding the vacant school's caretaker houses within the City and to declare them surplus prior to disposal where viable.

2.0 Background

- 2.1 There were 38 caretaker houses across the City serving the school estate for Local Authority (LA) controlled Schools and Voluntary Aided (VA) Schools. The properties are a mixture of bungalows, semi-detached and detached houses, with the majority either within the school boundary or adjacent to them.
- 2.2 Over the years, some of these houses have been leased to the schools when they have converted to Academies, others have been declared surplus as they are no longer required by the school due to not requiring the caretaking staff / Site Managers to be on site, or simply do not wish to have the overheads that come with them.
- 2.3 There are currently three caretaker houses across the city that are vacant and suitable for disposal having been identified as surplus to Council requirements. Please see a summary of the current situation regarding these below.
- 2.4 **Claregate Primary** – A semi-detached property outside the school boundary, but adjacent to the school entrance at the head of a cul-de-sac. The house was vacated in August 2021 when the site manager retired, the Governing Body agreed the new site manager would not require the house as part of the post. The school would have liked to retain the property for conversion and reuse for educational purposes, but following a feasibility study and discussion with Planning this is not viable. As such the school and Education Team have now declared this property surplus to requirements. City Assets are currently managing the property as a void asset and will look to market for sale pending consultation.
- 2.5 **Fallings Park Primary** – A semi-detached house located adjacent to the school entrance, but outside the school boundary. The house has been vacant since the site manager retired and the school have declared it surplus to requirements. The house is in the process of being transferred to City Assets, with a view to it being marketed for sale, pending consultation.
- 2.6 **Perry Hall Primary** – A detached house located adjacent to the school entrance, but outside the school boundary. The house was transferred to the Perry Hall Multi Academy Trust upon conversion to an Academy as part of the lease, it has been vacant for a while and has now been declared surplus to requirement by the Trust and they wish to surrender the lease. The house is in the process of being transferred back to the Council and is going through the legal process to accomplish this with the necessary approvals having been obtained. Upon completion of the transfer, City Assets would look to market the house for sale, pending consultation.

3.0 Investment Strategy

- 3.1 In addition to the caretaker properties declared surplus in this report which are recommended for disposal, there are several caretaker properties located around the City that are also surplus to educational requirements, but due to their position within the school site boundary render themselves unviable for disposal.
- 3.2 Where former caretaker properties are not viable for disposal, the buildings would remain vacant and unused, which could encourage vandalism and anti-social behaviour. The building condition deteriorates rapidly being unoccupied and if left vacant for an extensive period, the only alternative for these buildings would inevitably be demolition.
- 3.3 In addition to the comments at 3.2, the School are also liable for ongoing holding costs which include security visits, maintenance, rectifying vandalism, council tax etc.
- 3.4 To ensure the Council's portfolio is effectively managed, a number of investment schemes have been identified for the properties that are not suitable for disposal. The schemes would be of benefit to the pupils and communities for these schools and help staff deliver the curriculum, achieve better standards and enhance the learning environment.
- 3.5 As the cost of the work is in excess of Schools delegated budgets, they would require support from the Local Authority to achieve their goal of bringing the assets back into use for the benefit of the school and local community. The capital funding received for the maintenance and expansion of Schools by the Local Authority in the form of Basic Need and School Condition Allocation Grants from the Department for Education (DfE) do not cover such works as they do not provide extra pupil places and are not priority condition items.
- 3.6 Further to section 3.5, the properties that have been identified as not being suitable for disposal and would benefit from investment to bring them back into use, will be subject to future separate reports requesting allocation of Corporate Provision for Future Programmes to individual projects in order that these priorities may be addressed to be confirmed through an Individual Executive Decision Notice.

4.0 Supporting Delivery of the Strategic Asset Plan

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

stimulate development and growth, support and encourage local businesses and promote joint-working.

- 4.3 By declaring the assets identified in section 2.4, 2.5 and 2.6 of the report surplus to requirements and approving their disposal along with reinvestment into the education schools portfolio, this supports the policy as outlined and in particular delivery of items A2, A3, A6 and B3 of the Action Plan.

5.0 Evaluation of alternative options

- 5.1 The properties could remain within the Council's portfolio, but with no suitable use identified, they would remain void and unused.
- 5.2 Where the schools are wishing to retain the caretaker houses for alternative use, they are still incurring revenue costs against them for utilities, security and Council Tax etc, which puts a drain on the already challenging schools' budgets. They cannot be incorporated into the overall school site until a scheme can be progressed as they are still classed as a residential property.

6.0 Reasons for decision

- 6.1 If the properties identified in sections 2.4, 2.5 and 2.6 of the report are not progressed for disposal, the buildings would remain vacant and unused, this could encourage vandalism and anti-social behaviour. The building condition deteriorates rapidly being unoccupied and if left vacant for an extensive period, the only alternative for these buildings would inevitably be demolition.
- 6.2 As stated above, if the buildings were left vacant and deteriorated until demolition was the only viable option on safety grounds, this would require funding to carry out the demolition and any associated remedial works to make good the ground afterwards.
- 6.3 Where City Assets are responsible for the vacant assets until their future is determined, there will be ongoing revenue costs for security visits, maintenance, rectifying vandalism, council tax etc.
- 6.4 The disposal of the properties will generate a combined capital receipt based on current valuations of £690,000 to support the Medium Term Financial Strategy as further detailed in section 7 of this report.

7.0 Financial implications

- 7.1 A valuation exercise has been carried out on the three marketable former caretaker houses and based on an open market disposal method, these valuations are:

Former Claregate Primary School caretaker house - £210,000.00

Former Fallings Park Primary School caretaker house - £180,000.00

Former Perry Hall Primary School caretaker house - £300,000.00

7.2 The disposal of the properties is expected to generate a capital receipt of £690,000 to support the General Fund capital programme. The receipts are not currently assumed in the capital programme, which will be adjusted to reflect this in the quarter three review.
[RJ/17112022/W]

8.0 Legal implications

8.1 The terms of the disposals must comply with S.123 Local Government Act 1972 which states that local authorities are obliged to obtain the best consideration reasonably available unless Secretary of State consent has been given. There is a general consent that allows disposals at an undervalue provided that the undervalue is for a sum of less than £2.0 million and promotes that social, economic or environmental wellbeing of the area. Leases for a term of more than seven years are deemed to be a disposal.

8.2 This disposal will therefore need to be at an undervalue of less than £2.0 million and promote the economic, social or environmental wellbeing of the area.
[TC/16112022/E].

9.0 Equalities implications

9.1 All development plans will consider and meet the needs of all people within the local community and an all-inclusive approach will be taken by Wolverhampton City Council.

10.0 All other implications

10.1 The disposal and subsequent investment into the assets identified will reduce the quantity of void stock requiring management by City Assets and the respective schools and will prevent them falling into further disrepair and avoid anti-social behaviour.

10.2 The proposed future investment into the retained estate will provide an inclusive and positive impact within the educational environment and will help promote improved learning standards.

11.0 Schedule of Background Papers

11.1 [Strategic Asset Plan 2018-2023](#) – Report to Cabinet on 17 October 2018 including:

- Asset Management Policy 2018-2023
- Asset Management Strategy 2018-2023
- Asset Management Action Plan

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