

Time 3.15 pm **Public Meeting?** YES **Type of meeting** Executive

Venue Committee Room 3 - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

Membership

Chair Cllr Steve Evans (Lab)

Labour

Cllr Obaida Ahmed
Cllr Paula Brookfield
Cllr Chris Burden
Cllr Craig Collingswood
Cllr Jacqui Coogan
Cllr Bhupinder Gakhal
Cllr Jasbir Jaspal
Cllr Louise Miles
Cllr Stephen Simkins

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:

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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.

- 10 **Procurement - Award of Contracts for Works, Goods and Services** (Pages 89 - 118)
[To approve the award of contracts for works, goods and services]
- Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)

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Attendance

Members of the Cabinet (Resources) Panel

Cllr Steve Evans (Chair)
Cllr Obaida Ahmed
Cllr Paula Brookfield
Cllr Chris Burden
Cllr Craig Collingswood
Cllr Bhupinder Gakhal
Cllr Jasbir Jaspal
Cllr Louise Miles
Cllr Stephen Simkins

Employees

Tim Johnson	Chief Executive
John Denley	Director of Public Health
Alison Hinds	Director of Children's Services
James Howse	Director of Finance
Charlotte Johns	Executive Director of Economy
Richard Lawrence	Director of City Development
David Pattison	Chief Operating Officer
John Roseblade	Director of Resident Services
Andrew Wolverson	Director of Adult Social Care (DASS)
Jaswinder Kaur	Democratic Services and Systems 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 Jacqui Coogan.
- 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 21 January 2024 be approved as a correct record and signed by the Chair.

4 **Procurement - Award of Contracts for Works, Goods and Services**

Councillor Louise Miles move the recommendations contained in the report seeking delegated authority for Cabinet Members to approve the award of contracts once the evaluation process is complete.

Cabinet Members reported on the contracts within their portfolio area.

Resolved:

1. That authority be delegated to the Cabinet Member for Governance and Equalities, in consultation with the Deputy Director of Assets, to approve the award of a contract for Washroom Services when the evaluation process is complete.
2. That authority be delegated to the Cabinet Member for Environment and Climate Change, in consultation with the Director of Resident Services, to approve the award of a contract for Black Country Transport Local Cycling and Walking Infrastructure Plans Early Development Works Lots 1, 2, 3 and 4 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 Resident Services, to approve the award of a contract for Hire of Winter Service Vehicles including Maintenance when the evaluation process is complete.
4. That authority be delegated to the Cabinet Member for Jobs, Skills and Education, in consultation with the Deputy Director of Education, to approve the award of a contract for UK Shared Prosperity Fund Employment Support when the evaluation process is complete.
5. That authority be delegated to the Cabinet Member for Adults and Wellbeing, in consultation with the Director of Adult Social Care to approve the award of a contract for Dementia Community Support Service when the evaluation process is complete.
6. That authority be delegated to the Cabinet Member for Adults and Wellbeing, in consultation with the Director of Public Health, to approve the award of a contract for Our People Project when the evaluation process is complete.
7. That authority be delegated to the Cabinet Member for Adults and Wellbeing, in consultation with the Director of Adult Social Care, to approve the award of a contract for Service, Repair and Lifting Operations and Lifting Equipment Regulations testing of Community Equipment when the evaluation process is complete.
8. That authority be delegated to the Cabinet Member for Resources in consultation with the Director of Finance, to approve the award of a contract for Leaseholder Insurance Services when the evaluation process is complete.

5 **Care and Support Provider Fee Review 2024-2025**

Councillor Jasbir Jaspal presented the report on the proposed increase to adult social care fees for 2024-2025. The proposals set out to support the Council in

meeting its legal duty under the Care Act 2014 to mount the effective and efficient operation of the market, with its other legal duty of setting a balanced budget. A 7.45% uplift to the fees paid to externally commissioned adult social care providers was proposed based on a composite rate which takes into account the National Living Wage and inflation. The only exception was for direct payments and personal assistants, for which a 9.79% uplift was proposed as they are solely payroll costs. The projected net cost of the proposal was £6.6 million based on current packages. Placements and the projected demographic growth could cost an additional £2.9 million in the coming year. Subject to the final budget approval these projected costs could be met from budgets held in adult services.

The Leader of the Council (Councillor Stephen Simkins) placed on record his thanks to Becky Wilkinson who had recently left the role of the Council's Director of Adult Social Care to become the new Executive Director of Adult Social Care and Health Partnership at Salford City Council. He thanked Becky for her work, commitment and the passion she had shown to her roles during her time at the Council and wished her well for the future.

Resolved:

1. That the proposed increases in care fee levels for 2024-2025 as set out in the table below be approved to ensure sufficiency and sustainability across the external Adult Social Care market.

Type of Care Provision	Recommendation	Current Rate 2023-2024 £	% Increase	Proposed Rate 2024-2025 £
Home Care	Increase to reflect the cost impact of the National Living Wage (NLW) and Consumer Price Index (CPI) inflation. To be applied to care and support delivered through the CWC19112 – Home Care – Light Touch Flexible Framework, as well as spot purchased care commissioned outside of the contract	18.84* (Hourly rate)	7.45	20.28* (Hourly rate)
Home Care – Reablement		20.12 (Hourly rate)	7.45	21.64* (Hourly rate)
Home Based Respite		18.00 (Hourly rate)	7.45	19.36* (Hourly rate)
Direct Payments for Adults, Carers and Children's – Agency Rate	Aligned to the Supported Living rate. Increase to reflect cost impact NLW and CPI Inflation.	18.00 (Hourly rate)	7.45	19.36 (Hourly rate)

Type of Care Provision	Recommendation	Current Rate 2023-2024 £	% Increase	Proposed Rate 2024-2025 £
Direct Payments for Adults, Carers and Childrens – Employed Personal Assistant	Increase to reflect cost impact of the NLW.	12.80 (Hourly rate)	9.79	14.08 (Hourly rate)
Direct Payments for Adults, Carers and Childrens – Self-Employed Personal Assistant	Increase to reflect cost impact of the NLW.	15.68 (Hourly rate)	9.79	17.24 (Hourly rate)
Individual Service Funds	Aligned to the Supported Living rate. Increase to reflect cost impact of the NLW and CPI Inflation.	Dependent on care type	7.45	Dependent on care type
Residential Care – Older People	Increase to reflect cost impact of the NLW and CPI inflation. All placements are spot purchased rather than through a framework or contract.	551.18 (Weekly rate)	7.45	592.27 (Weekly rate)
Residential Care – Older People with Dementia		592.55 (Weekly rate)	7.45	636.72 (Weekly rate)
Nursing Care – Older People		620.76 (Weekly rate)	7.45	667.03 (Weekly rate)
Nursing Care – Older People with Dementia		667.10 (Weekly rate)	7.45	716.87 (Weekly rate)
Residential and Nursing – under 65 years old		Individually Negotiated	7.45	Increase to current placements

Type of Care Provision	Recommendation	Current Rate 2023-2024 £	% Increase	Proposed Rate 2024-2025 £
Supported Living Disabilities Framework	Increase fees to reflect the cost impact of the NLW and CPI Inflation. To be applied to the CWC19045 – Supported Living for Adults with Disabilities contract and spot purchased care outside of the contract.	18.00 (Hourly rate)	7.45	19.36 (Hourly rate)
Supported Living Forensic Framework	Increase fees to reflect the cost impact of the NLW and CPI Inflation. Applied to CWC20029 – Supported Living Framework for Individuals with Forensic History or Significant Complex Behaviour	21.28 (Hourly rate)	7.45	22.88* (Hourly rate)
Supported Living Block Contracts	Increase fees to reflect the cost impact of the NLW and CPI Inflation	Negotiated with provider	7.45	Negotiated with provider
Day Care Sessional Rates	Increase fees to reflect the cost impact of the NLW and CPI Inflation.	34.32 (Sessional rate)	7.45	36.88 (Sessional rate)
Day Care Hourly Rates	Increase fees to reflect the cost impact of the NLW and CPI Inflation. Ensure that the rate is consistent with the supported living rate and proportionate to 1:1 1:2 1:3 staffing ratios	18.00 per hour for 1:1 staffing 9.00 per hour for 1:2 staffing 6.00 per hour for 1:3 staffing	7.45	19.36 per hour for 1:1 staffing 9.68 per hour for 1:2 staffing 6.46 per hour for 1:3 staffing

The proposed percentage uplifts have been applied to 2023-2024 rates and rounded up so that hourly and weekly rates are divisible by four and seven respectively. This is to allow corporate systems to accurately and correctly facilitate payment to providers. Actual rates would be communicated with each individual provider through implementation.

*This is the current maximum rate. Where providers have tendered lower than this rate then the same percentage uplift and rounding will apply.

2. That increases be approved with effect from 1 April 2024 to align to corporate payment systems.
3. That it be noted that engagement had been undertaken with providers and the feedback received had informed the fee review amongst other factors such as the increase to the National Living Wage, Consumer Price Index inflation and the legal duties for a sustainable market and setting a balanced budget.
4. That it be noted that this report was presented to the Fulfilled Adult Lives Scrutiny Panel on 20 February 2024.
5. That it be noted that any proposed care fee increases would create an ongoing expectation to continue paying fees at this new minimum level.
6. That it be noted that all other care contracts not explicitly referred to within the report are out of scope for the care and support provider review 2024-2025 and therefore any price adjustments to such contracts are managed through separate mechanisms.
7. That it be noted that new contracts, including re-tendering, would include indexation clauses which would set out the mechanism for adjusting prices throughout the contract period. Indexation may include linking prices to changes in the National Living Wage and indices for inflation, to be determined based on the specific nature of services being procured.

6 **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 remaining 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.

7 **Procurement - Award of Contracts for Works, Goods and Services**

Councillor Louise Miles presented for approval the exempt report on the award of contracts for works, goods and services. The report also included a list of exemptions to Contract Procedure Rules approved by the Head of Procurement and the Director of Finance during 1 November to 31 December 2023.

Resolved:

1. That the Partnership Arrangement to deliver Public Health Services with The Royal Wolverhampton Trust of New Cross Hospital, Wolverhampton, WV10 0QP be varied for a three-year programme of annual investment from 1 April 2024 to 31 March 2027, with a total variation value of £1,725,000.
2. That the exemptions to the Contract Procedure Rules approved by the Head of Procurement and Director of Finance from 1 November to 31 December 2023 be noted.

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 March 2024
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Report title	Treasury Management Activity Monitoring Quarter Three 2023-2024	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	James Howse Tel Email	Interim Director of Finance 01902 556710 James.Howse@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Resources and Equality Scrutiny Panel	27 February 2024 TBC

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. That the Council is continuing to operate within the Prudential and Treasury Management Indicators approved by Council, and also within the requirements set out in the Council's approved Treasury Management Strategy for 2023-2024.
2. That revenue underspends of £1.6 million for the General Fund and £1.6 million for the Housing Revenue Account (HRA) are forecast from treasury management activities in 2023-2024.

1.0 Purpose

- 1.1 This report provides a monitoring and progress report on treasury management activity for the third quarter of 2023-2024 and highlights the revised Prudential Indicators which were approved by Council on 28 February 2024.

2.0 Background

- 2.1 The treasury management activities of the Council are underpinned by The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. For further information on the requirement of the Code please refer to the Treasury Management Strategy 2023-2024 report which can be accessed online on the Council's website by following the link:

[Agenda for Cabinet on Wednesday, 22nd February, 2023, 5.00 pm :: Wolverhampton City Council \(moderngov.co.uk\)](https://www.moderngov.co.uk/Agenda-for-Cabinet-on-Wednesday-22nd-February-2023-5.00-pm-Wolverhampton-City-Council)

- 2.2 Treasury management is defined as:

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

- 2.3 The system of controls on local authority capital investment is based largely on self-regulation by local authorities themselves. At its heart is CIPFA's Prudential Code for Capital Finance.
- 2.4 Cabinet / Cabinet (Resources) Panel receive quarterly reports throughout the year to monitor performance against the strategy and Prudential Indicators that have previously been approved by Council.
- 2.5 The Council continues to use Link Group as its treasury management advisors throughout 2023-2024. Link provides market data and intelligence on which the Council can make decisions regarding all aspects of treasury management activities and, in particular, managing the risks associated with investing surplus cash.
- 2.6 The Council has built up a strong track record of managing its finances well and, in order to reduce interest payment costs, will only undertake external borrowing when cashflows require. During the third quarter the Council has undertaken borrowing of £25.0 million to support the HRA capital programme (using the reduced HRA Project Rate available from the Public Works Loan Board (PWLB), being an additional 40 basis points cheaper than the usual rate the Council borrows at), and £5.0 million of temporary borrowing, also to support the Council's capital programme and to maintain cashflow headroom over the Christmas period, the last time any external borrowing was undertaken was March 2019. Due to loans maturing during 2023-2024 and the new borrowing undertaken, the Council's external borrowing has a net increase of £11.9 million, standing at £722.2 million at 31 December 2023.

- 2.7 On 28 February 2024, the refreshed Our City: Our Plan was approved by Full Council. The plan sets out how the Council will continue to work alongside its local, regional and national partners to improve outcomes for local people.
- 2.8 The plan continues to identify an overarching ambition that ‘Wulfrunians will live longer, healthier lives’ delivered through six Council Plan priorities:
- Strong families where children grow up well and achieve their full potential
 - Fulfilled lives with quality care for those that need it
 - Healthy, inclusive communities
 - Good homes in well-connected neighbourhoods
 - More local people into good jobs and training
 - Thriving economy in all parts of the city
- 2.9 These priorities together with the associated key outcomes, objectives and activity form a framework to improve the outcomes for local people and deliver our levelling up ambitions. Supporting the six overarching priorities are four cross cutting principles – Climate Action, Driven by Digital, Fair and Equal, Wolverhampton Pound.

3.0 2023-2024

- 3.1 The forecast outturn for treasury management activities in 2023-2024 compared to budget is shown in Table 1.

Table 1 – Treasury management budget and forecast outturn 2023-2024

	Approved Budget £000	Forecast Outturn £000	Variance at Quarter Three £000
General Fund	38,765	37,122	(1,643)
Housing Revenue Account	12,999	11,395	(1,604)
Total	51,764	48,517	(3,247)

- 3.2 Overall, underspends of £1.6 million for the General Fund and £1.6 million for the Housing Revenue Account (HRA) are projected for the year 2023-2024.
- 3.3 In the main, both the General Fund and HRA underspends are due to; delaying borrowing to support the capital programme until quarter three of 2023-2024, a reduced borrowing need in year arising as a result of re-phasing of the capital programme and, better interest rates achieved on the investment of surplus cash balances than budgeted.
- 3.4 Due to the uncertain economic climate and the increase in interest rates the forecast outturn is difficult to project, and the position will continue to be monitored over the remainder of 2023-2024 financial year.
- 3.5 The forecast positions will be considered and incorporated in the Performance and Budget monitoring report to Cabinet on 20 March 2024.

- 3.6 The Council's strategy is to continue to use cash balances to finance capital expenditure rather than external borrowing. Borrowings are actively managed to achieve savings wherever possible.
- 3.7 Appendix 1 to this report shows the revised Prudential and Treasury Management Indicators over the medium term period. These indicators are the same figures as those seen by Cabinet on 21 February 2024 and approved by Council on 28 February 2024.

4.0 Borrowing forecast for 2023-2024

- 4.1 The Council's need to borrow and the rates available continue to be monitored in order to achieve optimum results. The Council's medium term forecast is regularly updated to reflect actual borrowing that takes place along with any revisions to future anticipated borrowing.
- 4.2 Table 2 shows the average rate of interest payable in 2022-2023 and forecast for 2023-2024.

Table 2 – Average interest rate payable in 2022-2023 and 2023-2024

	2022-2023 Actual	2023-2024 Forecast
Average Interest Rate Payable	3.78%	3.74%

- 4.3 The average interest rate payable for 2023-2024 in Table 2 includes the latest rates forecast provided by Link on 8 January 2024. Although interest rates have been rising, due to the majority of the maturing loans in 2023-2024 being a higher rate than those available now, the weighted average rate is forecast to be marginally lower than that achieved in 2022-2023.
- 4.4 Each year it is usually necessary to raise new loans to finance capital expenditure and to replace existing maturing borrowing. Any borrowing (whether internal or external) must comply with CIPFA's Prudential Code for Capital Finance, importantly this means that borrowing has to be within prudent and sustainable levels and can only be used to invest in local priorities and services that deliver benefits for the City and residents, including physical regeneration with communities, job creation, economic growth etc. The Council's policy is to prioritise the use of capital receipts to finance capital expenditure. Balances which are set aside to meet credit liabilities (i.e. to repay borrowing) are used to reduce the external borrowing requirement.
- 4.5 Decisions to take borrowing will be made when it is judged that rates are likely to be at their lowest levels, and probably about to rise according to market indications, and only when an inflow of funds is required to meet imminent cash flow commitments. This will keep overall surplus cash balances to a minimum, in line with the current strategy. Appendix 2 to this report shows the maturity profile of external borrowing.

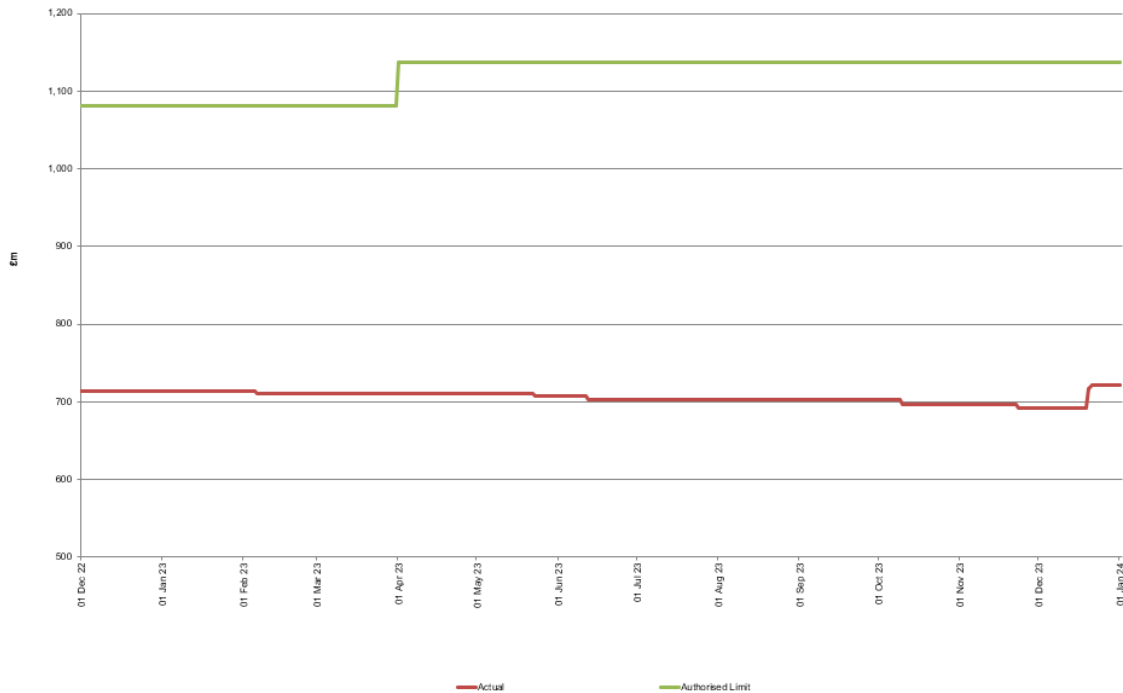
4.6 At 31 March 2023, the Council held nine Lender Option Borrower Option loans (LOBOs) totalling £48.0 million which were due to mature in 2065-2066 and 2066-2067. LOBOs carry the risk that the lender can 'call' the loan i.e. change certain conditions of the loan such as the dates and the interest rate. If this occurs, the Council then has the option of either continuing with the loan or redeeming it in full without a penalty, so long as this is done within the allowed timescale. Due to current market conditions some LOBO lenders are 'calling' their options and offering inflated long term rates deliberately set unattractively high so it would not be accepted. During quarter three, the following LOBOs were 'called':

Table 3 – LOBOs called during 2023-2024

LOBO Reference	Principal	Interest Rate	Proposed New Interest Rate
	£000	%	%
1	4,000	4.95	5.81
14	7,000	4.60	5.94
Total principal	11,000		

- 4.7 Following consultation with Link and a review of alternative options available to the Council, the Council decided to reject the proposals and the loans were repaid. In order to be prudent, an assumption that more LOBOs will be called has been reflected in the borrowing requirement over the medium term.
- 4.8 As always, the Council needs to be mindful that the opportunity to secure short term efficiencies by postponing longer term borrowing requirements takes into account the risk of long term rates increasing in the future. Appendix 3 to this report includes the Link interest rate forecast for quarter three 2023-2024 which forecasts that Bank Rate may remain at 5.25% for the remainder of the 2023-2024 financial year. The Interim Director of Finance will continue to keep actual and forecast rates under close review.
- 4.9 The Council's borrowing profile continues to operate within the overall limits previously approved by Council, as shown in Chart 1.

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



4.10 The level of borrowing at 31 December 2023 is £722.2 million, Appendix 4 to the report shows a summary of this position. During quarter three, two loans totalling £30.0 million were taken and two loans totalling £11.0 million were repaid, £5.0 million of existing borrowing is due to be repaid in quarter four. There was no debt rescheduled during quarter three.

4.11 In March 2023, Council approved a net borrowing requirement for 2023-2024 of £158.8 million. The forecast net borrowing requirement for 2023-2024 is £133.0 million, as shown in Appendix 5, mainly due to the repayment of the two LOBO loans, offset by re-phasing of both the capital programme and the allowance made for switching some internal borrowing into external borrowing. This appendix also shows the details for the disclosure for certainty rate, which enables the Council to access discounted borrowing at 0.20% below normal Public Works Loan Board (PWLB) rates.

5.0 Investment forecast for 2023-2024

5.1 The approach during the year is to continue to use cash balances to finance capital expenditure so as to keep cash balances low.

5.2 Table 4 shows the total amount of surplus funds invested as at 30 September 2023 and 31 December 2023.

Table 4 – Total amounts invested 2023-2024

	30 September 2023 £000	31 December 2023 £000
Business Reserve Accounts	322	9,710
Debt Management Account Deposit Facility	-	-
Money Market Funds	17,035	10,510
Total invested	17,357	20,220
Average cash balance for the year to date	37,750	32,612

- 5.3 Money Market Funds and Business Reserve Accounts are the main investments used as these have high credit ratings and instant access.
- 5.4 The Council's cash flow balance for the third quarter of the current financial year has moved between a low of £6.7 million and a maximum of £33.4 million. The average cash balance for the quarter being £22.3 million.
- 5.5 Table 5 shows the budgeted average rate of interest receivable in 2023-2024 and the forecast for the year.

Table 5 – Average interest rate receivable in 2023-2024

	2023-2024 Budget	2023-2024 Forecast
Average Interest Rate Receivable	2.20%	4.70%

- 5.6 At the time the budget was set a prudent percentage was used for budgeting purposes as the economic uncertainties made it difficult to forecast what future investment rates could be achieved. As the Bank of England has increased the base rate since budget setting, the rates achieved on investments has increased. With the current inflation uncertainties remaining and the subsequent impact this may have on future base rate levels, a prudent rate is forecast based on the increased rates achieved to the 31 December 2023.
- 5.7 While investment rates continue to be below long term borrowing rates, the Council can minimise its overall net treasury costs in the short term by continuing to avoid new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external borrowing (this is referred to as internal borrowing).
- 5.8 The Council manages its investments in-house and invests only in the institutions listed in the Council's approved lending list, which is reviewed each time a counterparty is subject to a credit rating amendment. The Council's strategy allows for investments for a range of periods from overnight to five years, depending on the Council's cash flows, its interest rate view and the interest rates on offer. However, in order to maintain sufficient

liquidity whilst total investment levels are relatively low, investments have been placed for shorter durations.

- 5.9 The Council's approved Treasury Management Practices sets out the criteria to be used for creating and managing approved counterparty lists and limits. As a result of any changes to credit criteria, the Interim Director of Finance is authorised to make changes to the list of approved counterparties. In the event that any of these counterparties fall below the Council's minimum lending criteria, activity in that account will temporarily cease and any balance withdrawn immediately. Appendix 6 to this report shows the Council's current specified investments lending list.
- 5.10 In quarter three 2023-2024 no upper limits with approved counterparties were exceeded. In addition, no institutions in which investments were made had any difficulty in repaying investments or, interest in full, during the quarter and no arrangements had to be made to prematurely withdraw funds from any investments, as a result of a downgrade in their respective credit rating.

6.0 Evaluation of alternative options

- 6.1 As this is a monitoring report on treasury management activities undertaken in line with the approved Treasury Management Strategy for 2023-2024, there are no alternative options available.

7.0 Reasons for decisions

- 7.1 This report provides an update on treasury management activities undertaken in line with the approved Treasury Management Strategy for 2023-2024.

8.0 Financial implications

- 8.1 The financial implications are discussed in the body of this report.
[SH/29022024/E]

9.0 Legal implications

- 9.1 The Council's treasury management activity must be carried out in accordance with the requirements of the Local Government Act 2003. In addition, the Local Government and Housing Act 1989 sets out requirements for local authorities in respect of capital controls, borrowing and credit arrangements. The Council is also required to comply with the relevant secondary legislation including the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended).
- 9.2 Treasury management relates to the management of the Council's cash flow, borrowing and cash investments. This involves seeking the best rates of interest for borrowing, earning interest on investments, whilst managing risk in making financial decisions and adopting proper accounting practice.

9.3 The area is heavily regulated. The Local Government and Housing Act 1989 regulates the operation of the Housing Revenue Account. The 'CIPFA Code of Practice for Treasury Management in the Public Services', contains treasury management indicators and advice on treasury management strategy. Investment strategy is regulated by 'DLUHC Guidance on Local Government Investments' issued initially in 2004 and reissued in 2010 and 2018. This guidance includes statutory guidance.
[TC/22022024/A]

10.0 Equalities implications

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

11.0 All other implications

11.1 There are no other implications arising from this report.

12.0 Schedule of background papers

12.1 [Treasury Management Strategy 2023-2024](#), Report to Cabinet, 22 February 2023

12.2 [Treasury Management – Annual Report 2022-2023 and Activity Monitoring Quarter One 2023-2024](#), Report to Cabinet, 12 July 2023

12.3 [Treasury Management Activity Monitoring – Mid Year Review 2023-2024](#), Report to Cabinet, 15 November 2023

12.4 [Performance and Budget Monitoring 2023-2024](#), Report to Cabinet, 20 March 2024

13.0 Appendices

13.1 Appendix 1: Prudential and Treasury Management Indicators

13.2 Appendix 2: Borrowing maturity profile

13.3 Appendix 3: Link interest rate forecasts

13.4 Appendix 4: Borrowing type, borrowing and repayments

13.5 Appendix 5: Disclosure for certainty rate

13.6 Appendix 6: Lending list

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Prudential Indicators (PI) required by The Prudential Code

PI for Prudence - Ensuring that external debt is sustainable and compliance with good professional practice are essential features of prudence.

PI 1 - Estimates and actual capital expenditure.

Full details of capital expenditure plans and funding can be found in the quarter three capital budget monitoring 2023-2024 report.

	Approved by Council 1 March 2023			Approved by Council 28 February 2024		
	2023-2024 Forecast £000	2024-2025 Forecast £000	2025-2026 Forecast £000	2023-2024 Forecast £000	2024-2025 Forecast £000	2025-2026 Forecast £000
General Fund *	168,372	69,053	9,810	85,901	155,284	98,655
HRA	131,111	142,117	106,290	118,691	142,060	128,959
	299,483	211,170	116,100	204,592	297,344	227,614
* Service investments included in General Fund figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc. for service and regeneration delivery purposes.	13,000	11,900	3,000	2,609	6,344	6,940

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

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

	Approved by Council 1 March 2023			Approved by Council 28 February 2024		
	2023-2024 Forecast £000	2024-2025 Forecast £000	2025-2026 Forecast £000	2023-2024 Forecast £000	2024-2025 Forecast £000	2025-2026 Forecast £000
General Fund *	719,461	719,195	685,234	672,037	703,861	719,479
HRA	391,937	493,346	561,714	371,451	471,372	560,116
	1,111,398	1,212,541	1,246,948	1,043,488	1,175,233	1,279,595
* Service investments included in General Fund figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc. for service and regeneration delivery purposes.	44,792	42,692	32,776	34,436	38,086	38,163
Movement in capital financing requirement represented by:						
New borrowing for capital expenditure	156,049	138,600	71,882	109,818	169,950	141,883
Less minimum revenue provision/voluntary minimum revenue provision	(33,299)	(37,457)	(37,475)	(35,925)	(38,205)	(37,521)
Movement in capital financing requirement	122,750	101,143	34,407	73,893	131,745	104,362

PI 3 - Authorised limit for external debt.

These limits apply to the total external debt gross of investments and separately identify borrowing from other long term liabilities such as finance leases including Private Finance Initiatives (PFI). This is a self determined level reviewed and set each budget setting cycle.

	Approved by Council 28 February 2024		
	2023-2024 Limit £000	2024-2025 Limit £000	2025-2026 Limit £000
Borrowing	1,137,035	1,184,887	1,324,196
Other Long Term Liabilities	75,960	76,416	72,939
Total Authorised Limit	1,212,995	1,261,303	1,397,135
Forecast External Debt as at 31 December 2023:			
Borrowing	820,109	967,398	1,078,236
Other Long Term Liabilities	73,960	74,416	70,939
	894,069	1,041,814	1,149,175
Variance (Under) / Over Authorised limit	(318,926)	(219,489)	(247,960)
Authorised limit for service investments included in the above figures			
Authorised Limit	57,928	49,064	48,281
Forecast External Debt as at 31 December 2023:	44,319	47,968	48,046
Variance (Under) / Over Authorised limit	(13,609)	(1,096)	(235)

Prudential Indicators (PI) required by The Prudential Code

PI 4 - Operational boundary for external debt.

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

	Approved by Council 28 February 2024		
	2023-2024 Limit £000	2024-2025 Limit £000	2025-2026 Limit £000
Borrowing	1,098,093	1,168,280	1,310,022
Other Long Term Liabilities	73,960	74,416	70,939
Total Operational Boundary Limit	1,172,053	1,242,696	1,380,961
Forecast External Debt as at 31 December 2023:			
Borrowing	820,109	967,398	1,078,236
Other Long Term Liabilities	73,960	74,416	70,939
	894,069	1,041,814	1,149,175
Variance (Under) / Over Operational Boundary Limit	(277,984)	(200,882)	(231,786)
Operational boundary for service investments included in the above figures			
Operational Boundary Limit	54,678	47,968	48,046
Forecast External Debt as at 31 December 2023:	44,319	47,968	48,046
Variance (Under) / Over Operational Boundary Limit	(10,359)	0	0

PI 5 - Gross debt and the capital financing requirement.

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

	Approved by Council 1 March 2023			Approved by Council 28 February 2024		
	2023-2024 Forecast £000	2024-2025 Forecast £000	2025-2026 Forecast £000	2023-2024 Forecast £000	2024-2025 Forecast £000	2025-2026 Forecast £000
Forecast Capital Financing Requirement at end of Second Year	1,212,541	1,257,210	1,257,915	1,279,592	1,324,557	1,338,736
Gross Debt	1,028,001	1,138,144	1,174,550	894,069	1,041,814	1,149,175
Capital Financing Requirement Greater than Gross Debt	Yes	Yes	Yes	Yes	Yes	Yes

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

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

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

	Approved by Council 1 March 2023			Approved by Council 28 February 2024		
	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast
General Fund *	15.8%	16.3%	16.4%	14.7%	14.7%	15.0%
HRA	34.8%	37.0%	40.4%	31.8%	35.9%	38.5%
* Service investments included in General Fund figure. These relate to areas such as capital expenditure on investment properties and loans to third parties etc. for service and regeneration delivery purposes.	0.8%	0.9%	0.8%	0.7%	0.7%	0.8%

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

This represents the financial exposure of the Council to the loss of income from commercial and service investments. Only costs directly attributable to the investments are netted off, so unlike PI 6, the costs of borrowing (interest and MRP) cannot be deducted as they are not directly attributable to managing the investments and will continue regardless of the existence or performance of the investments.

	Approved by Council 1 March 2023			Approved by Council 28 February 2024		
	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast
Commercial	-	-	-	-	-	-
Service	0.5%	0.5%	0.5%	0.5%	0.9%	1.2%

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

TMI 1 - Upper limits for long-term treasury management investments (previously called 'upper limits to the total of principal sums invested over 365 days').
This details the maximum amount which can be invested for up to 5 years (as per paragraph 1.5 of the Annual Investment Strategy). It has been determined that a maximum of 50% of total investments with a cap of £35.0 million could be prudently committed to long term investments should the Director of Finance decide it is appropriate to.

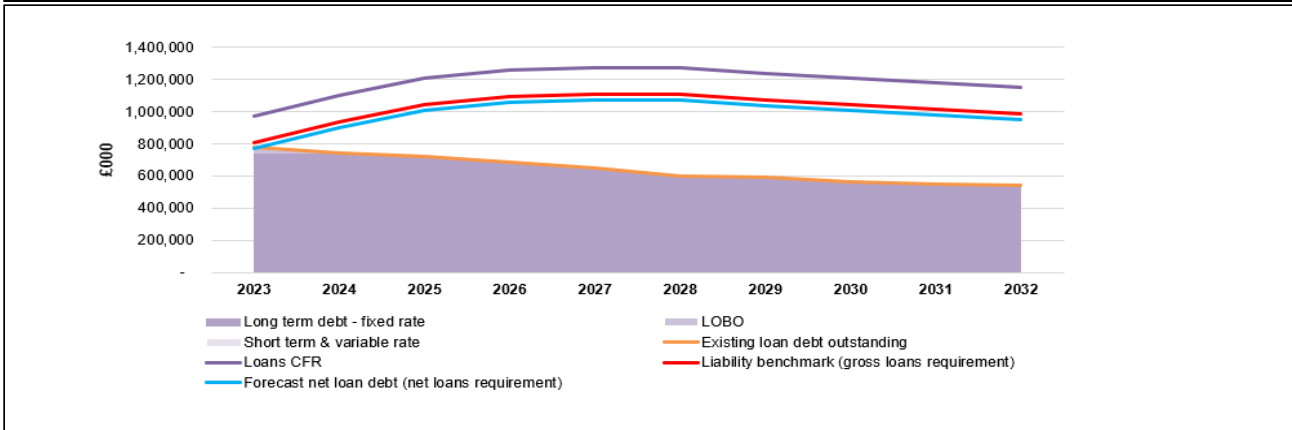
	Approved by Council 1 March 2023		
	2023-2024 Limit £000	2024-2025 Limit £000	2025-2026 Limit £000
Upper limit for long-term treasury management investments	35,000	35,000	35,000
Actual and Forecast Invested at 31 December 2023	-	-	-
Variance (Under) / Over Limit	(35,000)	(35,000)	(35,000)

TMI 2 - Upper and lower limits to the maturity structure of its borrowing.
These limits relate to the % of fixed and variable rate debt maturing.

	Approved by Council 1 March 2023		Approved by Council 28 February 2024 2023-2024 Forecast Borrowing
	Upper Limit	Lower Limit	
Under 12 months	25%	0%	3.66%
12 months and within 24 months	25%	0%	3.08%
24 months and within 5 years	40%	0%	14.41%
5 years and within 10 years	50%	0%	9.86%
10 years and within 20 years	50%	0%	15.17%
20 years and within 30 years	50%	0%	26.95%
30 years and within 40 years	50%	0%	17.02%
40 years and within 50 years	50%	0%	9.85%
50 years and within 60 years	50%	0%	-

TMI 3 - Liability benchmark

A liability benchmark is a measure of how well the Council's existing loans portfolio matches its planned borrowing needs. It is a projection of the amount of loan debt outstanding that the Council needs each year into the future to fund its existing debt liabilities, planned prudential borrowing and other cash flows. This indicator highlights any mismatches between actual loan debt outstanding and the planned borrowing needs. Where actual loans are less than the benchmark, this is an indication of a future borrowing requirement. Whereas actual loans exceeding the benchmark indicate an overborrowed position which will result in excess cash balances requiring investment



Non-treasury management investment indicators

The statutory guidance on local government investments encourages local authorities to develop qualitative indicators that allow the reader to assess the Council's total risk exposure as a result of commercial investment decisions.

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

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

	Approved by Council 1 March 2023			Approved by Council 28 February 2024		
	2023-2024	2024-2025	2025-2026	2023-2024	2024-2025	2025-2026
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
Service investments	13,000	11,900	3,000	2,609	6,344	6,940
Commercial investments	-	-	-	-	-	-
	13,000	11,900	3,000	2,609	6,344	6,940

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

This indicator measures the level of net debt for service and commercial investments in comparison to the Council's forecast net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.

	Approved by Council 1 March 2023			Approved by Council 28 February 2024		
	2023-2024	2024-2025	2025-2026	2023-2024	2024-2025	2025-2026
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
Net debt for service and commercial investments	44,792	42,692	32,776	34,436	38,086	38,163
Net service expenditure	306,414	316,409	315,580	306,414	332,024	338,041
Debt to net service expenditure ratio	14.6%	13.5%	10.4%	11.2%	11.5%	11.3%

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

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

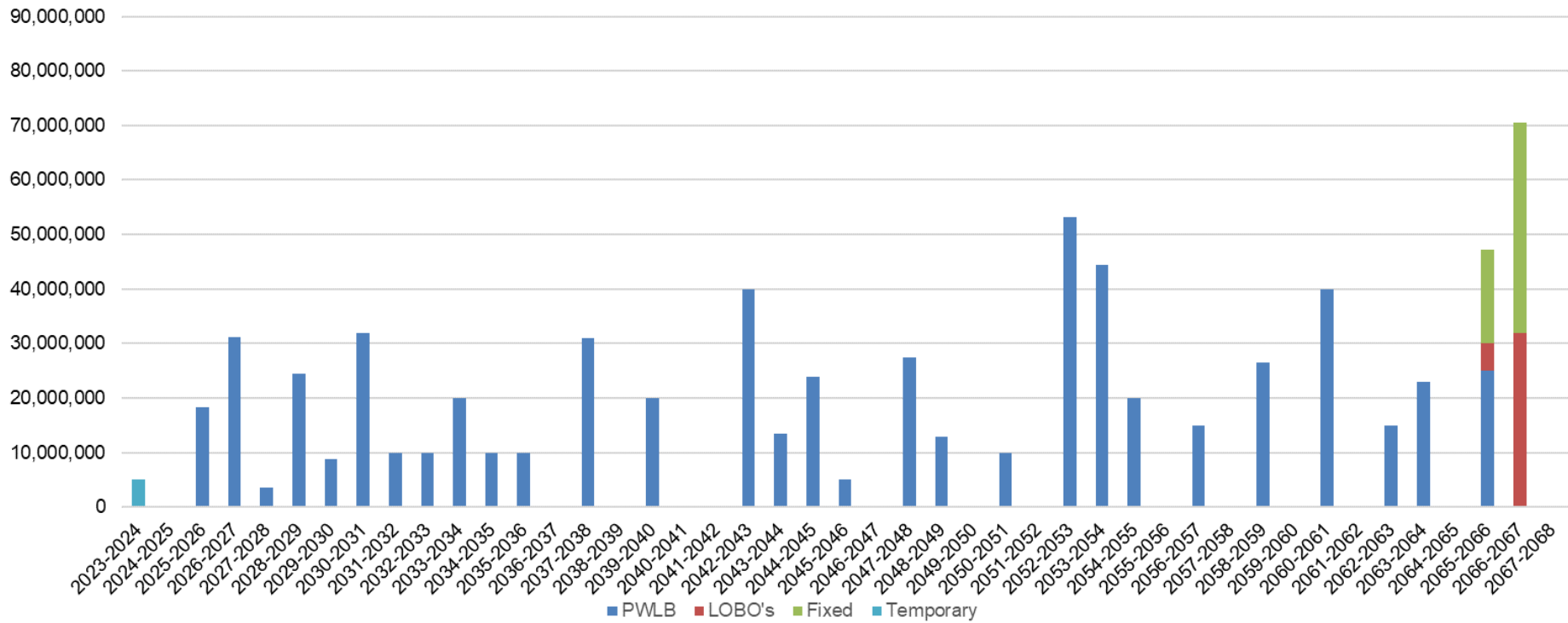
	Approved by Council 1 March 2023			Approved by Council 28 February 2024		
	2023-2024	2024-2025	2025-2026	2023-2024	2024-2025	2025-2026
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
Service and commercial investment income	1,573	1,666	1,666	1,685	3,191	4,105
Net service expenditure	306,414	316,409	315,580	306,414	332,024	338,041
Service and commercial income to net service expenditure ratio	0.5%	0.5%	0.5%	0.6%	1.0%	1.2%

NTM 4 - Estimates and actual loan to value ratio

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

	Approved by Council 1 March 2023			Approved by Council 28 February 2024		
	2023-2024	2024-2025	2025-2026	2023-2024	2024-2025	2025-2026
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Loan to value ratio	72.9%	70.7%	63.7%	59.9%	61.9%	61.1%

Borrowing Maturity Profile at 31 December 2023



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Link interest rate forecasts

The Council's treasury advisor, Link Group, provided the following forecasts on 8 January 2024 (PWLB rates are certainty rates, gilt yields plus 80bps):

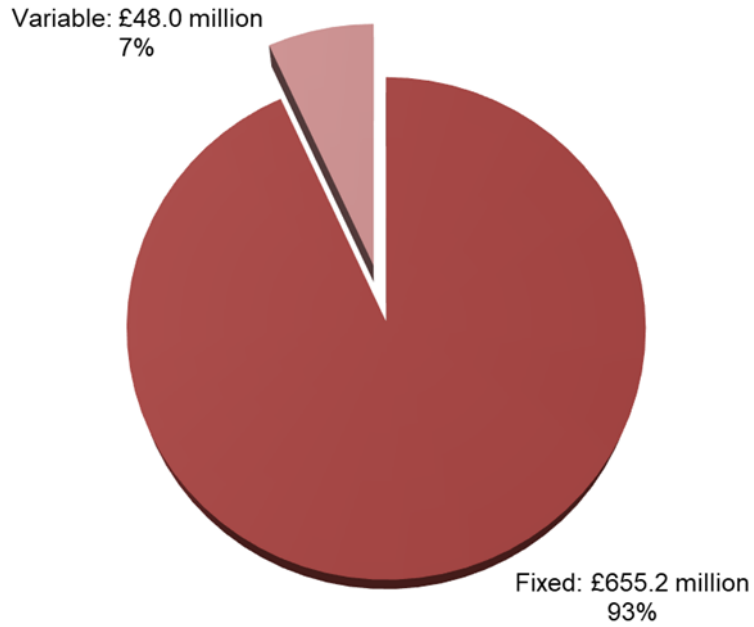
Link Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

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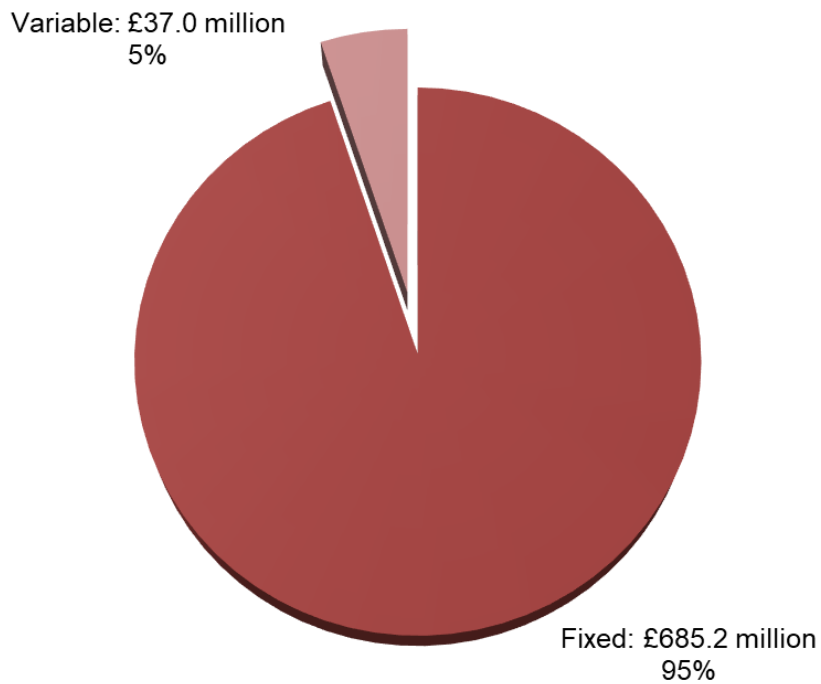
Borrowing: Graphical Summary

Borrowing by Type

As at 30 September 2023



As at 31 December 2023



Borrowing and Repayments in 2023-2024

	Start Date	Maturity Date	Amount £000	Length	Interest Rate	Full Year Interest £000
2023-2024 Borrowing						
PWLB Fixed Maturity:						
685447	20/12/2023	20/12/2026	25,000	3 Years	4.60%	1,150
Sub total for PWLB			25,000			1,150
LOBO Loans:						
No activity to date						
Sub total for LOBO			-			-
Temporary Loans:						
London Borough of Havering	21/12/2023	22/01/2024	5,000	32 Days	5.60%	25
Sub total for Temporary Loans			5,000			25
Grand total borrowing			30,000			1,175

	Start Date	Maturity Date	Amount £000	Length years	Interest Rate	Full Year Interest £000
2023-2024 Repayments						
PWLB Fixed Maturity:						
479749	01/08/1997	23/05/2023	2,661	26	6.875%	183
479644	10/07/1997	12/06/2023	4,434	26	7.000%	310
Sub total for PWLB			7,095			493
LOBO Loans:						
Commerzbank AG	10/04/2006	10/10/2023	7,000	60	4.60%	170
Commerzbank AG	23/05/2006	23/11/2023	4,000	60	4.95%	129
Sub total for LOBO			11,000			299
Temporary Loans:						
No activity to date						
Sub total for Temporary Loans			-			-
Grand total repayments			18,095			792
Net movement			11,905			383

Disclosure for Certainty Rate

Certainty Rate						
This table details the information that is required to enable the Council to submit a return for 2023-2024						
	Approved by Council 1 March 2023			Approved by Council 28 February 2024		
	2023-2024 Forecast £000	2024-2025 Forecast £000	2025-2026 Forecast £000	2023-2024 Forecast £000	2024-2025 Forecast £000	2025-2026 Forecast £000
Net Borrowing Requirement:						
Borrowing to finance planned capital expenditure	155,770	134,724	71,741	109,539	166,074	141,742
Existing maturity loans to be replaced during the year	33,095	65,000	70,264	56,095	46,000	75,264
Less:						
Minimum Revenue Provision for debt repayment	(20,577)	(22,381)	(23,175)	(20,436)	(20,845)	(23,157)
Voluntary debt repayment	(9,475)	(11,656)	(10,683)	(12,242)	(13,940)	(10,747)
	(30,052)	(34,037)	(33,858)	(32,678)	(34,785)	(33,904)
Loans replaced less debt repayment	3,043	30,963	36,406	23,417	11,215	41,360
Net Advance Requirement	158,813	165,687	108,147	132,956	177,289	183,102
Analysed by:						
Service delivery	19,201	7,930	-	21,543	31,136	23,894
Housing	110,819	111,965	70,151	83,389	117,901	100,431
Regeneration	25,750	14,829	1,590	4,607	17,037	17,417
Preventative action	-	-	-	-	-	-
Treasury Management	3,043	30,963	36,406	23,417	11,215	41,360
Primarily for yield	-	-	-	-	-	-
Total	158,813	165,687	108,147	132,956	177,289	183,102

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Lending List

2023-2024 Specified Investments as at 31 December 2023

Institution	Country (Sovereign Rating)	Limit £000	Term Limit
Bank Nederlandse Gemeenten	Netherlands (AAA)	20,000	12 mths
Bank of Montreal	Canada (AA+)	10,000	6 mths
Bank of Nova Scotia	Canada (AA+)	10,000	6 mths
Canadian Imperial Bank of Commerce	Canada (AA+)	10,000	6 mths
DBS Bank Ltd	Singapore (AAA)	10,000	6 mths
HSBC Bank plc	UK (AA-)	5,000	3 mths
Landwirtschaftliche Rentenbank	Germany (AAA)	20,000	12 mths
National Bank of Abu Dhabi	Abu Dhabi (U.A.E) (AA)	5,000	3 mths
Nordea Bank Abp	Finland (AA+)	10,000	6 mths
NRW.BANK	Germany (AAA)	20,000	12 mths
Oversea Chinese Banking Corporation Ltd	Singapore (AAA)	10,000	6 mths
Royal Bank of Canada	Canada (AA+)	10,000	6 mths
Skandinaviska Enskilda Banken AB	Sweden (AAA)	10,000	6 mths
Svenska Handelsbanken AB	Sweden (AAA)	20,000	12 mths
Swedbank AB	Sweden (AAA)	10,000	6 mths
Toronto Dominion Bank	Canada (AA+)	10,000	6 mths
United Overseas Bank Ltd	Singapore (AAA)	10,000	6 mths
Wells Fargo Bank NA	USA (AA+)	10,000	6 mths
Nationalised Banks			
Royal Bank of Scotland Group plc			
National Westminster Bank plc	UK (AA-)	10,000	3 mths
The Royal Bank of Scotland plc	UK (AA-)	10,000	3 mths
AAA Rated and Government Backed Securities			
Debt Management Office	UK (AA-)	20,000	30 mths
Money Market Funds		Fund Rating	
Invesco STIC Account	Fitch AAAmmf	20,000	Instant Access
Aberdeen Liquidity Fund (LUX) Class 2	Fitch AAAmmf	20,000	Instant Access
Federated Short-Term Sterling Prime Fund	Fitch AAAmmf	20,000	Instant Access
Black Rock Sterling Liquidity Fund	Moody's Aaa-mf	20,000	Instant Access

Non-rated Institutions

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

NB: This is a list of institutions that could be used if the Council wished to do so, as they meet the Council's minimum credit criteria.

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 March 2024
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Report title	Wolverhampton City Investment Prospectus – Update on the continued delivery of Transformational Priority Regeneration Projects	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Stephen Simkins Leader of the Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Richard Lawrence, Director City Development	
Originating service	City Development	
Accountable employee	Kassandra Polyzoides	Deputy Director City Development 01902 555969 Kassandra.Polyzoides@wolverhampton.gov.uk
	Tel	
	Email	
Report to be/has been considered by	Directorate Leadership Team Strategic Executive Board	5 March 2024

Recommendations for decision:

In order to continue to deliver Wolverhampton’s ambitious and transformational regeneration agenda, the Cabinet (Resources) Panel is recommended to approve the:

1. Continuation of progressing the City Centre West development scheme, £382,000 budget, funded from the Sustainable Medium Term Financial Strategy (MTFS) reserve for the project to March 2025.
2. Continuation of progressing the St Georges development scheme, subject to a satisfactory business case, £821,000 budget, funded from the Sustainable MTFS reserve for the project to March 2025.
3. Continuation of progressing the Green Innovation Corridor programme, £250,000 budget, grant funding from the Government’s Investment Zone Delivery Capacity Funding to support the progression of the project to March 2025.

4. Continuation of progressing the Bilston Town Centre Long Term Plan project, £250,000 budget, grant funding from the Government's Bilston Capacity Funding to support the progression of the project to March 2025.
5. Delivery of the Wolverhampton: Our Future City Plan, £381,000 budget, funded from the Regeneration Reserve.
6. Delegate authority to the Cabinet Member for Resources in consultation with the Director of City Development to approve the direct award of contract for £714,000 to Arcadis for support for the City Development Programme when the evaluation process is complete.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. The Council will seek to secure additional grant funding during 2024-2025 to mitigate the use of reserves to support the ongoing delivery of these transformational projects for Wolverhampton. These will be progressed through an Individual Executive Decision Notice (IEDN) supplementary budget approvals in line with financial procedure rules, as appropriate.
2. The Council will seek to utilise earmarked Enterprise Zone funding in 2025-2026 (circa £5 million for priority projects) to fully offset any use of the Sustainable MTFs reserve in 2024-2025. In doing so, replenishing reserves utilised in 2024-2025 as first call from the circa £5 million revenue income from the Enterprise Zone in 2025-2026.

1.0 Purpose

- 1.1 The report outlines the progress of the City Investment Prospectus priority projects and the revenue budget required for 2024-2025 for the continued delivery of these projects, together with the Bilston Long Term Plan for Towns and for the Wolverhampton: Our Future City Plan as requested in the recommendations. This budget will be reviewed as projects progress to ensure efficiencies on spend are maximised. Discussions with third parties are underway to ensure that provisional and additional grant funding is secured in 2024-2025. Any additional grant funding secured will mitigate the use of the Sustainable MTFs reserve in 2024-2025. Subsequent Enterprise Zone funding will be utilised to replenish the Sustainable MTFs reserve usage from 2025-2026 funding as accelerated project activity delivered in 2024-2025.
- 1.2 The report details the need to grow and build capacity in the city development team to progress the Council's ambitious investment prospectus key priority projects for 2024-2025, namely City Centre West, St Georges and Green Innovation Corridor and ongoing support for the Bilston Town Centre Long Term Plan. The report also provides information on outputs to be delivered in 2024-2025 and the risks if additional revenue, capacity and resource is not provided.
- 1.3 A preferred procurement framework to enable dedicated, short-term consultancy support for the city development team support delivery of the projects is also highlighted in procurement section 8.0 of this report.

2.0 Background

- 2.1 The Council has a growing and very ambitious regeneration programme with the delivery of a large number of existing and pipelines projects. These continue to align with Our City: Our Plan, the Local Plan, Housing Strategy and Good Growth Strategy.
- 2.2 The Council's Wolverhampton Investment Prospectus first phase delivery plan was taken to Cabinet on 22 March 2023 and identified the Council's priority projects, including City Centre West, St Georges and Green Innovation Corridor (GIC). In the March 2023 report these projects were highlighted as significant opportunities for delivery as part of the Council's engagement with the Department and Homes England given the impact these projects will have in delivering the Levelling Up agenda. In addition, Cabinet recognised that the delivery of the schemes would play a vital role in securing key outcomes for residents and stakeholders as set out in Our City: Our Plan such as jobs and economic growth and needed housing across the city. The Wolverhampton Investment Prospectus continues to present an ambitious vision of how the city can grow – highlighting opportunities to build on the levels of public and private sector investment already on site or in the pipeline in Wolverhampton.
- 2.3 The city development team with support and input from other officers, has been very successful at securing external grant funding over the past couple of years. This funding includes Levelling-up, Future High Streets and Homes England capacity funding of

£400,000 in 2023-2024. There are also on-going discussions regarding funding via the Single Settlement Devolution Deal with the West Midlands Combined Authority.

- 2.4 In 2023 following a meeting with Homes England the Council was chosen as one of 20 priority pilot cities, which shows the Government's growing interest in the work that the Council is delivering and the robust approach we are taking in both strategic regeneration and scheme delivery. It has also highlighted a further requirement from the Council for capacity revenue to support ongoing delivery of our ambitious placemaking programme.
- 2.5 In 2023 Homes England commenced a Place Commission, currently being offered to a select number of Councils across the UK. The purpose of the commission is to review the Council's capacity and capability to deliver our capital programme, regeneration and placemaking objectives and identify further ways in which Government can offer support.
- 2.6 The existing city development team is a small team comprising six members of staff who are currently at capacity, managing and delivering many of the other core regeneration projects including interchange 8, a business case for a new Hotel in the city and other major projects such as Canalside South and Horsely fields. In addition, the team requires specialist, development management and innovation corridor delivery expertise at this stage in order to deliver effectively. There is a plan in place for the Deputy Director of City Development to review the city development permanent structure in 2024-2025 to ensure that it is fit for purpose, aligned with our regeneration programme longer-term and is market competitive to ensure we attract the right calibre of permanent staff.
- 2.7 There are also plans to test the market in 2024-2025 and recruit to a service manager post to oversee all the city development projects and report to the Deputy Director City Development. Longer term aspirations include securing a strategic partner to support city development across functions and in line with programme demand. Furthermore, there will be a review of the programme management capacity in the Council, to bolster the Project Management Office and bring more of these functions in-house.
- 2.8 In the meantime, there is a need for surge capacity in the form of a specialist services and consultancy support, to enable the delivery of City Centre West, St Georges, Green Innovation Corridor and Bilston Town Centre Long Term Plan.
- 2.9 The report recommends the ongoing use of Arcadis Ltd to support the Council with specialist support services to ensure efficient delivery of the priority project programmes, as outlined in sections 2.10-2.12 of this report. Arcadis have been supporting the Council on these projects since August 2023, including via a Homes England direct commission and have assisted in the successful delivery of the priority projects offering specialist programme management, development management and management consultancy services. As a result, major milestones have been achieved as outlined in the sections below.

City Centre West

2.10 The Wolverhampton City Centre Local Plan Area Action Plan (AAP), adopted in 2016, identifies the City Centre West site as the largest development and regeneration opportunity in the city centre with the potential to create a new district for the city through high-quality mixed-use development. The scheme is earmarked for up to 1,000 new homes, 70,000 sq/ft of commercial space, new green space and public realm, a pedestrian and cyclist focused network over a minimum of four delivery phases. Approvals were secured at 18 October 2023 Cabinet to progress the scheme with English Cities Fund (ECF) as its preferred developer, who have a solid track record of delivering strategic sites across the U.K. Cabinet also approved that the scheme Heads of Terms be pursued, which were agreed in February 2024 with the scheme Business Case due to go to Cabinet on 24 April 2024 on target. Work has commenced on the phase 1 masterplan and meanwhile use opportunities on market square. Discussions have commenced in March 2024 to progress and agree the scheme Development Agreement. The key milestone and outputs to be achieved in 2024-2025 with the support of the budget and capacity as requested in this report are:

Key Outputs	Target Start Date	Target End Date
Development of scheme business case and Cabinet approval	Jan-24	April -24
Develop and enter into options agreement and development agreement	Feb-24	May-24
Hybrid planning development and application submitted/ scheme planning condition met	Mar-24	Jul-24
Planning resolution to grant	Sep-24	Sep-24
Planning determination/ phase planning condition met	Oct-24	Nov-24
Funding partner procurement and selection	Oct-24	Dec-24
Main contractor procurement and build contract agreed	Sep-24	Mar-25
Funding condition met/ phase 1 drawdown	Mar-25	Mar-25
Phase 1 start on site (developer led)	Apr-25	Apr-25

St Georges

2.11 St Georges is a vital gateway scheme for the city, set to deliver a new neighbourhood and add to the next phase of placemaking of the area following the City Learning Quarter project. It is earmarked to deliver up to 400 new homes, community public spaces and high quality commercial space. At 13 December 2023 Cabinet the appointment of

Capital&Centric was agreed through a direct award via the Pagabo Developer led framework. The developer is currently working with the Council on, an architectural competition which has generated a lot of interest and the development of a strategic brief and feasibility studies to inform an HMT Outline Business Case (OBC) identifying the preferred option for the site. All work this work is progressing at pace which is aimed at providing the optimum financial, commercial and social value benefits for the future development. The key milestone and outputs to be achieved in 2024-2025 with the support of the budget and capacity as requested in this report are:

Key Outputs	Target Start Date	Target End Date
Baseline assessment, surveys & investigations	Feb-24	May-24
RIBA stage 1 design period, options appraisal and preferred option and route identified	Mar-24	Jul-24
Outline Business Case (OBC) development and Cabinet Approval - OBC and development partner route	Jun-24	Aug-24
Heads of terms, development agreement, Full Business Case (FBC) progression and Cabinet approval to enter into development agreement	Jun-24	Oct-24
Hybrid planning application preparation and submission	Oct-24	Feb-25
Planning resolution to grant	Feb-25	March/Apr-25

Green Innovation Corridor

- 2.12 The Green Innovation Corridor (GIC) Programme is a key priority for Levelling Up the City as it will support the growth of new green industries, accelerating economic prosperity and closing the productivity gap. GIC connects several key assets and sites at the University of Wolverhampton’s Springfield Campus and Science Park with the core city centre and i54 Business Park. This approach will physically and operationally link sector knowledge, research, innovation, and industry to nurture and support new, entrepreneurs, business start-ups, products and services, creating quality jobs for local residents and improving the city’s green and blue networks. Ongoing collaboration work with Department of Levelling Up, Housing and Communities (DLUHC), West Midlands Combined Authority (WMCA) and University of Wolverhampton has resulted in the designation of the GIC as a core development site within the West Midlands Investment Zone (WMIZ) which from 1 April 2024 will provide £160 million regionwide over 10 years. The GIC Science Park sites benefit from a provisional West Midlands Investment Zone

(WMIZ) allocation of £7 million over Years 1-5 to fund enabling and advanced development works to bring forward 11,740 sqm R&D and business incubation space. The Council has also recently been awarded £19.9 million funding through the Levelling Up Fund Round 3 (LUF3) to deliver a GIC scheme by March 2026. The LUF3 scheme will ultimately provide over 5,000 sqm of newly created and refurbished demand led Research and Development, specialist laboratory and business innovation space targeting GIC occupiers, create and facilitate over 300 jobs and provide support for over 100 advanced manufacturing and digital businesses. Through WMCA, Government WMIZ Delivery Capacity Funding, £250,000 has been provisionally allocated to support the GIC programme coordination / management, business plan development and masterplanning work. Significant progress has been made in collaboration with the University of Wolverhampton in updating the GIC vision, codeveloping the WMIZ GIC Delivery and Investment Plan and updating the governance and delivery programme, culminating in direct grant funding allocations through the WMIZ and LUF3 of £7 million and £19.9 million respectively. The grant funding validation documentation was successfully submitted to DLUHC on 16 February 2024 and feedback is awaited following conclusion of DLUHC’s validation process. The key milestone and outputs to be achieved in 2024-2025 with the support of the budget requested are:

Key Outputs	Target Start Date	Target End Date
Strategic outline case complete	Jan-24	Apr-24
Development prospectus for development partner complete	Mar-24	Apr-24
Heads of Terms between the Council and University agreed	Mar-24	Jun-24
Main development partner procurement finalised	Apr-24	Dec-24
Pre-planning stage complete	Jan-25	Mar/Apr-25

2.13 The Investment Prospectus priority projects are now at predevelopment stage and need progressing to full business case approval, planning and onto delivery. The one year, revenue budget and capacity requested as part of the recommendations of this report will enable the Council to realise the significant opportunities offered by these schemes that meaningfully contribute towards Our City: Our Plan and Good Growth Strategy.

Bilston Town Centre Long Term Plan

2.14 On 30 September 2023, as part of its national Levelling Up Programme, the long-term plan for towns was launched by Government with 55 places across the UK allocated £20 million each over a period of 10 years. Associated with this initiative Government are establishing a Towns Taskforce, reporting directly to the Prime Minister and Levelling Up

Secretary, led by Adam Hawksbee. The Taskforce will help Town Boards to develop their Town Plans and advise them on how best to take advantage of Government policies, unlock private and philanthropic investment and engage their communities.

- 2.15 Wolverhampton was named as one of 55 local authorities nationwide to receive £20 million of government funding over ten years for a Bilston Town Centre Plan. To support this the Council is due to receive revenue Capacity Funding totalling £250,000 in two grant payments. The Council is already in receipt of £50,000 to establish the project and a local Bilston Town Centre Board by the end of March 2024. Government will pay a further £200,000 once it is evidenced that a local Bilston Town Centre Board is in place for developing a detailed Investment Plan (aligned to three key investment themes - safety and security; high streets, heritage and regeneration; transport and connectivity) for Government submission and approval by 1 August 2024.
- 2.16 Therefore, a revenue budget totalling £250,000 is required to progress workstreams associated with the creation the Bilston Town Centre Board and drafting of the Investment Plan which includes project management / assurance, legal and technical advice and stakeholder engagement. In the absence of a revenue budget there is a risk that the Investment Plan produced within Government's required timeframes is of poor quality falling short of Government's requirements potentially jeopardising the draw down of the £20 million grant funding to support investment priorities for Bilston.
- 2.17 The Bilston Town Centre Board will be supported by the Government's Towns Taskforce and have responsibility for the delivery of the approved Investment Plan. Ongoing programme management and reporting to the City Investment Board is also needed on an ongoing basis. It is expected that the Government will approve the Investment Plan in late 2024-2025 with funding of £400,000 of revenue per year. The work to date, from October 2023, has enabled the progression of the Town Plan workstream and has included ongoing project management support, and progress on establishing the Town Board in line with DLUHC timescales.

Our Future City Plan

- 2.18 It is a growing corporate priority to deliver a 15-year Wolverhampton: Our Future City Plan which will set out a clear vision and ambition for regeneration and placemaking in the city, align all the Council's placemaking strategies, prioritise the capital programme pipeline, deliver a clear programme for delivery and encompass our investment strategy for the city. The plan will align with Our City: Our Plan and Good Growth Strategy objectives and support the delivery of the Local Plan and Housing Strategy. The process of delivering the city plan will also ensure meaningful and ongoing engagement with our key stakeholders, including our communities, and businesses to enable collaboration and co-delivery of outcomes. The Wolverhampton: Our Future City Plan is also a priority for Homes England, who are increasingly looking to Council's to demonstrate strategic and holistic placemaking. Homes England are currently considering a grant funding contribution for the delivery of the plan in 2024-2025. Work on procuring this work will

commence in April 2024, subject to agreement of the recommendation in this report and is anticipated to take up to 12 months to deliver.

- 2.19 Delivering City Centre West, St Georges, Green Innovation Corridor and Bilston Town Centre Long Term Plan at pace is also vital to meet grant funding requirements as set out by funding bodies and Government. The viability gap grant funding deadlines for the WMCA administered Brownfield Infrastructure and Land Fund is March 2025 and March 2026 for the Single Regeneration Fund for schemes scheduled to have started on site, by those dates. The progression of City Centre West and St Georges in line with current programme milestones, will provide the opportunity to qualify for the capital grant funding, necessary to deliver the regeneration schemes. The expectation from DLUHC is that the Green Innovation Corridor development proposals will be delivered by March 2026, in line with the programme milestones. Therefore, continuity of delivery is imperative to meet both, key grant funding milestones and important Government deadlines.
- 2.20 The outcomes and benefits delivered by City Centre West, St Georges and Green Innovation Corridor over a 25-year period are anticipated to be:

Outcomes/ Benefits	Priority Project Projected Outputs
Remediation of brownfield land (ha)	8.7
New/ Improved Public Realm (sqm)	56,250
New Homes	1,519
New Commercial Floorspace (sqm)	27,746
Estimated Jobs	1,530
Gross Development Value (m)	700
Lifetime Council Tax Increase (m)	84.80
Lifetime Business Rate Increase (m)	40.74
Land Receipt (existing use)	3.50

3.0 Proposal

- 3.1 The breakdown of the budget and funding strategy is shown in the table below. The Council has confirmed grant funding totalling £500,000 (8-9 below) towards the priority projects, £381,000 from the Regeneration reserves, and £1.203 million from the Sustainable MTFs reserve per the recommendations of the report.

Item	2024-25 £000
Costs:	2,084
Consultant Services	714
1. GIC Direct Award	250

2. CCW Direct Award	232
3. St Georges Direct Award	232
Other	1,370
4. Bilston Town Centre Long Term Plan	250
5. St Georges Revenue Support (C&C, QS, legal, compliance monitoring)	589
6. CCW Revenue Support (QS, legal, compliance monitoring)	150
7. Wolverhampton Our Future City Plan	381
Funded by:	2,084
8. Bilston Town Centre Long Term Plan	250
9. WMCA WMIZ capacity funding	250
10. Regeneration reserve	381
11. Sustainable MTFS reserve	1,203

- 3.2 Grant funding submissions have been made for the amounts in the below table that if secured will further offset the £1.203 million Sustainable MTFS reserve funding outlined above in 2024-2025. These will be progressed through an Individual Executive Decision Notice (IEDN) supplementary budget approval in line with financial procedure rules as appropriate:

Grant Funding Submissions	£000
Potential Grant Funding	375
1. WMCA - Place Plan - CCW	87.5
2. WMCA - Place Plan - St Georges	87.5
3. HE Grant Funding Estimate	200

4.0 Value for Money

- 4.1 Consideration has been given to the appropriate resourcing and capacity needed to deliver the priority schemes at pace. Currently and since August 2023, Arcadis have been providing the Council with specialist advice and support on City Centre West, St Georges and Green Innovation Corridor. The Arcadis team have assisted the Council in making significant progress on the delivery of the key schemes. Arcadis now have extensive experience working on these schemes and knowledge of the work required to meet the key project milestones as outlined in sections 2.10-2.12 The justification for the direct award to Arcadis is:

- a) At this stage a competitive tender would cause delays in meeting the immediate key milestones of the projects e.g: City Centre West Development Agreement April 2024.

- b) Arcadis have also been supporting the Council since August 2023, have in-depth knowledge of the projects, and stakeholders and will therefore continue to deliver at pace to meet key grant funding deadlines. The Council will be using the framework schedule of rates and has given combined consideration to cost, quality and expertise in determining the preferred consultant. A comparison of day rates was made with another firm on the ESPO framework, whose daily rates came in lower, albeit they do not offer the Development Management and Innovation Corridor services required for the delivery of the investment prospectus projects.
- c) Longer term delays would jeopardise the Council's ability to source delivery grant funding. Current deadlines are March 2025 for the Brownfield Infrastructure Land Fund (City Centre West programme) and March 2026 (St Georges programme) for the Single Regeneration Fund.
- d) There is a risk that our development partners would cease work if there were delays on the Council's part. This would lead to abortive costs related to officer time to date and other costs e.g. external legal advice.
- e) All other work to deliver the schemes will be procured via open competition ensuring ongoing Value for Money considerations and support of Wolverhampton pound.

Other recommendations

- f) Progressing the investment prospectus priority schemes at pace with development partners will enable market confidence and ongoing investment into the city.
- g) Ensuring that the Council continues to secure and utilise grant funding revenue to support the delivery of development schemes ensures that pressure on the General Reserve budgets is kept to a minimum.
- h) The short-term use of the Sustainable MTFS Reserve to deliver our key, priority schemes enable the Council to secure capacity and resource, to meet key milestones in March 2025 and March 2026 for major capital investment needed to delivery developments (Brownfield Infrastructure Land Fund and Single Regeneration Fund). It also ensures the development partners can continue to invest finances in the delivery of the schemes and access investment partner equity.
- i) The Wolverhampton Our Future City Plan will deliver a structured and deliverable development pipeline, including the delivery of social and other infrastructure and will provide confidence to funding bodies and Government to continue to invest grant funding and capacity support for delivery.

5.0 Risk assessment

Risk Description	Impact	Mitigation
Not approving a budget to progress the priority projects	<p>Projects would stall/reduce pace.</p> <p>Not meeting key funding milestones</p> <p>Non-delivery would undermine the Council's ability to assure key organisations of the ability to deliver.</p> <p>Non-delivery would reduce Council's ability to secure further grant funding.</p>	Approve budget to deliver programme deliverables.
Short term reliance on Arcadis and interim staff	Potential impact on permanent staff experience, upskilling and knowledge transfer	<p>Quick transition to new permanent structure.</p> <p>Knowledge transfer- utilising consultancy's experience delivering for over 100 other local authorities to promote best practice and upskilling</p> <p>Arcadis to provide CWC staff mentoring to support RICs APM and other relevant accreditation</p>
Direct award to Arcadis Value for Money	Not testing market	<p>Utilising ESPO framework- fully tendered and cost benchmarked.</p> <p>Utilise Arcadis' added value Services:</p> <p>Support the development of a corporate social value framework (Wolverhampton pound).</p>

		<p>One workshop per month to support Corporate objectives</p> <p>Provision of strategic/governance review advice</p> <p>Commence a transition strategy to bring interim functions in house more quickly to reduce cost outlay.</p>
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6.0 Evaluation of alternative options

Option	Outcome	Impact
Do nothing	Priority Regeneration projects would not proceed	The benefits of the proposed schemes would not be realised, and the risks would not be mitigated
Recruit to interim team post	Potential delay in progressing priority projects. Uncertainty in market's capacity to provide appropriate skills	Potential delays would mean that benefits of the proposed schemes would not be realised in a timely manner.
Progressing schemes with existing staff	Capacity of existing team not adequate.	<p>The ability to deliver would be limited. The city development team are at capacity and the necessary skills including of a senior development manager are not available in the team at the current moment.</p> <p>The additional resources will strengthen the skill set of the current team.</p>

7.0 Reasons for decision(s)

- 7.1 The efficient and streamlined delivery of priority, projects and the ability to meet important grant funding deadlines and Government deadlines are the key drivers for the recommendations of this report. The budget and surge capacity via Arcadis's input, would allow city development to continue to deliver the priority projects within the defined timescales, meet key 2024-2025 milestones and provide the deputy director city development with the capacity to conduct a review and fit-for-purpose restructure of the team. The new permanent structure would align the capacity of the team to the medium

and longer term regeneration delivery objectives for the city in a cost-effective manner, which makes efficient use of Council and external revenue sources.

8.0 Procurement

8.1 This report seeks delegated authority to award a contract for consultant support to deliver the Investment Prospectus priority projects.

Proposed Contract Award	
Contract duration	One year
Contract Commencement date	1 April 2024
Total value	£714,000

The intended procurement procedure will be a framework call off from the ESPO 664_21 Consultancy Services framework lot 8g (Regeneration and Regional Development) in accordance with the Public Contract Regulations 2015 and Council's Contract Procedure Rules. This route to market has been decided as it will allow the Council to source consultancy support that meets the competencies requirements and relevant timescales to meet the key project milestones.

- 8.2 Consideration is being given to the Wolverhampton Pound and all further work associated with the projects will be tendered and procured with the local and regional market and supply chain in mind.
- 8.3 Any amendments to the procurement procedure, including the specific framework route to market, will be reported in an Individual Executive Decision Notice (IEDN) to the relevant Cabinet Member in consultation with the relevant Director in accordance with the delegation within this report.

9.0 Financial implications

- 9.1 The recommendations of the report seek to establish a revenue budget totalling £2.084 million for 2024-2025 in the delivery of the investment prospectus priority projects, Bilston Long Term Plan for Towns and for the Wolverhampton Our Future City Plan, the breakdown of which is provided in the table at 3.1 of the report. To be funded by utilising £500,000 of grant funding, along with £381,000 from the Regeneration reserve and up to £1.203 million from the Sustainable MTFs reserve.
- 9.2 The Council will continue to source further grant funding opportunities in 2024-2025 to mitigate the funding required from reserves and currently £375,000 of potential grant funding is awaiting an outcome per the table at 3.2. Any further grant funding secured will be subject to further reports in line with financial procedure rules.
- 9.3 The Council is due to receive circa £5 million from the Enterprise Zone in 2025-2026 for funding towards priority projects. In line with the recommendations of the report it is

intended that any use of the Sustainable MTFs reserve in 2024-2025 of up to £1.203 million be first call on the 2025-2026 Enterprise Zone funding to replenish the Sustainable MTFs reserve being used to accelerate activity in relation to priority projects in 2024-2025.

[LD/11032024/Z]

10.0 Legal implications

- 10.1 Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs. The Council's Section 151 officer has responsibility for the administration of the Council's financial affairs. Pursuant to the Local Government Act 2003 there is a duty on the Council's Section 151 officer to report on the robustness of the estimates and adequacy of the reserves referred to in the body of this report.
- 10.2 The Council must have regard to all its statutory obligations relating including but not limited to its fiduciary duties. Each project mentioned in this report will have its own specific legal implications, raised and detailed in their respective reports.
- 10.3 It is necessary for the project leads to engage the Council's Legal Services at the outset and all the way through projects to ensure that the delivery of the Investment Prospectus accord with the Constitutional arrangement and the relevant legislation including subsidy control and the Public Contract Regulations 2015.

[JA/10032024/C]

11.0 Equalities implications

- 11.1 In bringing forward development opportunities in the city centre, the Council, as landowner and enabling body, has the opportunity to clearly establish and shape target objectives, outcomes and impacts for the investment prospectus priority projects to ensure they align with Council's Corporate objectives under Our City: Our Plan.
- 11.2 The Council will develop, in collaboration with its consultants, through the contract social value commitments a social value strategy to ensure the delivery of targeted benefits and outputs.
- 11.3 The Council in collaboration with consultants will work with the Council's Senior Equality Diversity and Inclusion officer to assist in developing a strategy to inform the approach to projects and ensure Equality Impact Assessments are developed.

12.0 All other implications

- 12.1 There are no other implications.

13.0 Schedule of background papers

- 13.1 Cabinet report of 22 March 2023 - [Wolverhampton Investment Prospectus - First Phase Delivery Plan](#)
- 13.2 Cabinet report of 18 October 2023 - [Wolverhampton Investment Prospectus - First Phase Delivery Plan-City Centre West](#)
- 13.3 Cabinet report of 13 December 2023 - [Wolverhampton Investment Prospectus - First Phase Delivery Plan - St Georges.](#)

CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 March 2024
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Report title	Procurement – Award of Contracts for Works, Goods and Services	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	James Howse, Interim Director of Finance	
Originating service	Procurement	
Accountable employee	John Thompson	Head of Procurement
	Tel	01902 554503
	Email	John.thompson@wolverhampton.gov.uk
Report to be/has been considered by	Directorate Leadership Team	

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Delegate authority to the Cabinet Member for Digital and Community Inclusion, in consultation with the Executive Director of Economy, to approve the award of a contract for Supply and Delivery of Paper when the evaluation process is complete.
2. Delegate authority to the Cabinet Member for Governance and Equalities, in consultation with the Director of Resident Services, to approve the award of a contract for Phased Demolition Works (Phase 1) at New Park Village when the evaluation process is complete.
3. Delegate authority to the Cabinet Member for Governance and Equalities, in consultation with the Deputy Director of Assets, to approve the award of a contract for the Roof Replacement for the Council Chamber when the evaluation process is complete.
4. Delegate authority to the Cabinet Member for Visitor City, in consultation with the Director of City Economy and Partnerships, to approve the award of a contract for Roundabout Sponsorship & Advertising when the evaluation process is complete.

5. Approve honouring the provision of advertising for verified paid customers of the previous contractor for Roundabout Sponsorship & Advertising but are as yet to have received their advertising through provision by the new contractor, to be funded through the Council's element of future profit share.
6. Delegate authority to the Cabinet Member for Adults and Wellbeing, in consultation with the Director of Adult Social Care to approve the award of the contract(s) for advocacy services when the evaluation process is complete.

1.0 Councillor Obaida Ahmed, Cabinet Member for Digital and Community Inclusion
1.1 Delegated Authority to Award a Contract – Supply and Delivery of Paper

Ref no:	CWC24008
Council Plan aim	Driven by Digital
Originating service	Digital & IT Print Room
Accountable officer	Nick Knowles, Digital Print Solutions Manager (01902) 556678
Leadership Team approval	29 January 2024
Accountable Lead Cabinet Member	Cllr Obaida Ahmed, Cabinet Member for Digital and Community Inclusion
Date Lead Cabinet Member briefed	19 February 2024
Procurement advisor	Sheena Douglas, Procurement Buyer

1.2 Background

1.3 The Print Room based at the Civic Centre provides a vital service to City of Wolverhampton Council (CWC) and its partner organisations. It also generates income from the provision of its print services. Paper is purchased in bulk quantities from a supplier at competitive rates and on demand. The current contract expires on 18 May, and it is necessary to put in place a new supplier contract to ensure continuation of the Print service.

Proposed Contract Award	
Contract duration	Five years (4 + 1)
Contract Commencement date	19 May 2024
Annual value	£76,000
Total value	£380,000

1.4 Procurement Process

1.5 The procurement procedure will be an Open Tender in accordance with the Public Contract Regulations (PCR) 2015 and the Council's Contract Procedure Rules. This route to market has been decided because there is a limited number of wholesale suppliers of paper to the UK market. This route also provides opportunities for local suppliers to bid, supporting the Wolverhampton Pound.

1.6 The evaluation scoring balance will be 75% price, 10% quality, 5% Equalities and 10% Social Value. Any amendments to the procurement procedure will be reported in an Individual Executive Decision Notice (IEDN) to the relevant Cabinet Member in consultation with the relevant Director in accordance with the delegation within this report.

1.7 The evaluation team will comprise:

Name	Job Title
Nick Knowles	Digital Print Solutions Manager
Deepak Kumar	Digital Print Estimator and Buyer

1.8 Evaluation of alternative options

1.9 The use of PCR compliant frameworks e.g. Crown Commercial Service, ESPO, has been considered but paper merchants are not registered on them. Providers of Office Supplies can be found on these frameworks, but the experience of digital print services has been that they are unable to supply the quantities of paper required, often at short notice.

1.10 Reason for decisions

1.11 An open tender process has been chosen to enable local suppliers to bid to supply the goods. This supports the Wolverhampton Pound.

1.12 Financial implications

1.13 The estimated annual contract cost of £76,000 can be accommodated within the existing stationery budget.

1.14 Legal implications

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

1.16 Equalities implications

1.17 An equalities impact assessment is being completed and consideration will be given to the provision of alternative paper colours, off-white/cream that may benefit colleagues with dyslexia, as an example.

1.18 All other implications

1.19 An Information Governance impact assessment has been completed.

1.20 Recommendation

1.21 Cabinet (Resources) Panel is recommended to delegate authority to the Cabinet Member for Digital and Community Inclusion, in consultation with the Executive Director of Economy, to approve the award of a contract for Supply and Delivery of Paper when the evaluation process is complete.

2.0 Councillor Paula Brookfield, Cabinet Member for Governance and Equalities

2.1 Delegated Authority to Award a Contract for Phased Demolition Works (Phase 1) New Park Village

Ref no:	CWC24024
Council Plan aim	Good homes in well-connected neighbourhoods
Originating service	Housing Development (Regeneration)
Accountable officer	Nicky Sahota-Brown, Project Delivery Manager
Leadership Team approval	4 July 2023
Accountable Lead Cabinet Member	Cllr Paula Brookfield, Cabinet Member for Governance and Equalities
Date Lead Cabinet Member briefed	14 July 2023
Procurement advisor	Florence Ahiante, Procurement Manager

2.2 Background

2.3 An assessment was undertaken to look at the development of the allotment site located on Valley Road, and 97% of the allotment pitches were allocated. As such the implications were that the allotments cannot be used as a first phase for new build developments for residents to move into. Which prompted a feasibility study that was undertaken to determine other suitable development sites in the nearby locality, and Longford Road Open Space was identified as an option that was suitable and was put forward for development as the first phase of the newbuild scheme subject to planning agreement and resident consultation.

2.4 The proposed approach for phase one is the demolition, rehousing and new build of properties which will include Nos 9 - 31 Ellerton Walk (Block one) and Nos 172 – 193 Ellerton Walk (Block 2) to be the first blocks to be demolished, and the options for relocation during this period that have been discussed with the residents are as follows:

- a. Tenants can wait until the site at Longford Road is developed and be considered for re-housing within this first phase. The Project Team has communicated to residents that there is no guarantee that everyone who lives in block one and two can be accommodated on the completion of this first phase.

b. Tenants can apply for re-housing in alternative accommodation in other parts of the city. New Park Village (NPV) Tenant Management Committee (TMC) will assist tenants with their applications for City of Wolverhampton Council (CWC) accommodation.

c. Tenants may prefer to seek private accommodation if they wish.

2.5 Where the rehousing of tenants residing in those blocks marked for demolition is expected to take a longer period, they will be asked to move into vacant properties in other blocks within the estate, and residents who decide to move out of the estate and be re-housed in other parts of the city will be offered the chance of Right to Return once the new properties have been completed. However, residents wishing to remain on the estate while demolition and redevelopment takes place will be given priority.

Proposed Contract Award	
Contract duration	48 weeks
Contract Commencement date	12 August 2024
Annual value	£N/A
Total value	£3,700,000

2.6 Procurement Process

2.7 The intended procurement procedure will be an Open Procedure, below the Works threshold in accordance with Public Contract Regulations 2015. This route to market has been selected for the purposes of opening up this competition to the wider market, which would also serve to encourage a robust competitive tender process supporting the Wolverhampton Pound. This route would also serve to provide best value for CWC, while assisting in promoting some of its key goals aligned to sustainability and Social Value.

2.8 The evaluation scoring balance will be:

Criteria	Percentage Weightings
Price	60%
Quality	25%
Social Value	10%
Equality, Diversity & Inclusion (EDI)	5%

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

2.10 The evaluation team will comprise:

Name	Job Title	Organisation (if not WCC)
Nicky Sahota-Brown	Project Delivery Manager	
Gareth Mascarenhas	Architectural Technician	
Adrian Boyle	Construction Quality Supervisor	
Kam Faulkner	Quantity Surveyor	Arcadis

2.11 Evaluation of Alternative Options

- 1) Frameworks were considered for this procurement and discounted, as these works are not considered to be of a complex nature to warrant the use of specialised contractors from a framework.
- 2) Do Nothing – Would constitute reputational damage to CWC, who has already committed to this scheme, and undertaken extensive consultations with the residents and other stakeholders within the community.
- 3) The option for CWC to undertake the works was not considered due to the lack of inhouse resources, Knowledge and expertise required for the management and implementation of this scheme.

2.12 Reason for decisions

2.13 This scheme is part of a wider programme of works being implemented for the New Park Village Redevelopment Scheme, in which two blocks are to be demolished in preparation for phase one of the redevelopment programme.

2.14 As such Open Tender Procedure has been selected as the preferred procurement route to market, because it will enable this opportunity to reach the wider market and generate greater interest in the participation of this tender exercise.

2.15 Financial implications

2.16 Cabinet on 17 January 2024 approved a capital budget of £67 million for the 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.

2.17 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.

2.18 Legal implications

2.19 The procurement will be a below threshold procedure in accordance with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules.

2.20 CWC will ensure that it complies with the applicable statutory and other processes when awarding the contract.

2.21 Equalities implications

2.22 As part of CWC'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 CWC 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.

2.23 All other implications

2.24 There will be environmental implications, because the proposed works are geared towards improvements and redevelopment to the physical environment, residents, and community at large, with this redevelopment scheme.

2.25 There are also other implications arising from the need to implement the relocation of residents of which there will be continued consultations with those affected.

2.26 Schedule of background papers

2.27 New Park Village Redevelopment Programme Cabinet Report – Funding approved 17 February 2021.

2.28 Recommendation

2.29 Cabinet (Resources) Panel is recommended to delegate authority to the Cabinet Member for Governance and Equalities, in consultation with the Director of Resident Services, to approve the award of a contract for Phased Demolition Works (Phase 1) at New Park Village when the evaluation process is complete.

3.0 Councillor Paula Brookfield, Cabinet Member for Governance and Equalities

3.1 Delegated Authority to Award a Contract for Roof Replacement for the Council Chambers

Ref no: CWC24023	
Council Plan aim	Climate Action
Originating service	Asset Management
Accountable officer	Ola Ona, Design Engineering Manager
Leadership Team approval	8 February 2024
Accountable Lead Cabinet Member	Cllr Paula Brookfield, Cabinet Member for Governance and Equalities
Date Lead Cabinet Member briefed	21 February 2024
Procurement advisor	Florence Ahiante Procurement Manager

3.2 Background

3.3 The presence of Reinforced Autoclaved Aerated Concrete (RAAC) was confirmed on the Council Chamber’s roof structure. Historic RAAC panel failures have included the significant collapse of whole structures occurring suddenly without minimal warning. The presence of RAAC panels is an important health and safety issue, and the structural engineer has recommended that the panels be replaced.

Proposed Contract Award	
Contract duration	Three months
Contract Commencement date	1 July 2024
Annual value	£N/A
Total value	£426,703

3.4 Procurement Process

3.5 The intended procurement procedure will be an Open Tender Procedure, below the Works threshold in accordance with the Public Contract Regulations 2015. The open tender process provides opportunities for local suppliers to bid supporting the Wolverhampton Pound. The evaluation scoring balance will be:

- Quality – 25%
- Price – 60%
- Social Value – 10%
- Equality, Diversity & Inclusion - 5%

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

3.7 The evaluation team will comprise.

Name	Job Title	Organisation (if not WCC)
Ola Ona	Design Engineering Manager	
Gareth Mascarenhas	Architect Technician	
Sunny Sahota	Structural Engineer	
Nicky Sahota-Brown	Project Delivery Manager	
Kam Faulkner	Quantity Surveyor	Arcadis

3.8 Evaluation of Alternative Options

- Option 1- Do nothing - This option has been discounted as the roof is beyond a state of economic repair and needs replacement due to its poor condition and related health and safety issues.
- Option 2 - Frameworks were not considered suitable, as these works are not classed as specialist works, and can be carried out by most contractors in the market that can undertake roofing and construction works, which could be better achieved via an Open Competition.
- Option 3 - the option for CWC to undertake the works was not considered due to the lack of inhouse resources, knowledge and expertise required for the management and implementation.

3.9 Reason for decisions

3.10 CWC has a duty to ensure that its assets are fit for purpose in line with statutory requirements and compliance regulations. As such these works are deemed an essential part of the maintenance regime of this building for it to remain in use.

3.11 An open tender is the preferred route to market, as it will enable small and medium-sized enterprises (SMEs), local suppliers, as well as larger contractors who are interested to participate in this tender exercise. Which would encourage a robust competition and enable CWC to achieve better value at contract award.

3.12 Financial implications

3.13 The cost estimate is £427,000 (£803/sqm) that has been based on current day rates with adjustments for variations in the tender bids and construction works inflation.

3.14 The approved capital programme includes budget provision for this project within the Corporate Asset Management Fund. The cost estimate of £427,000 can be met from the existing approved budget.

3.15 Legal implications

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

3.17 CWC will ensure that it complies with the applicable statutory and other processes when awarding the contract.

3.18 Equalities implications

3.19 The replacement of the roof does not have any equality implications, but these works are necessary, and will be in line with Health and Safety regulations, and the improved infrastructure can indirectly benefit various members of the community.

3.20 All other implications

3.21 These works will extend the life of the building and meet current building regulations and statutory requirements.

3.22 Schedule of background papers

3.23 The report is within the Quarter 3 Capital Outrun report to Cabinet on 21 February 2024.

3.24 Recommendation

3.25 Cabinet (Resources) Panel is recommended to delegate authority to the Cabinet Member for Governance and Equalities, in consultation with the Deputy Director of Assets, to approve the award of a contract for the Roof Replacement for the Council Chamber when the evaluation process is complete.

4.0 Councillor Bhupinder Gakhal, Cabinet Member for Visitor City

4.1 Delegated Authority to Award a Contract – Roundabout Advertising

Ref no:	CWC24028
Council Plan aim	Thriving economy in all parts of the city
Originating service	Commercial Services
Accountable officer	Ian Fegan, Director of City Economy and Partnerships (01902) 554286
Leadership Team approval	31 January 2024
Accountable Lead Cabinet Member	Cllr Bhupinder Gakha, Cabinet Member Visitor City
Date Lead Cabinet Member briefed	7 February 2024
Procurement advisor	Carol Wintle, Procurement Business Partner (01902) 553836

4.2 Background

- 4.3 In December 2021 approval was received by Cabinet (Resources) Panel that authority to delegate to the Cabinet Member for City Environment and Climate Change, in consultation with the Director of Communications and External Relations (SRO), to approve the award of a contract for Roundabout Sponsorship & Advertising once the evaluation process was complete.
- 4.4 CWC called off an ESPO framework agreement (3A_20 Advertising Solutions 2, Lot 6 Management of Commercial Advertising Space) and entered into a three-year call-off concession contract with Immediate Solutions Limited (ISL) which commenced on 1 April 2022 and expires on 31 March 2025 (with an option to extend for a further 12 months).
- 4.5 ISL are contracted to utilise selected roundabouts for advertising purposes across the city (once planning permission has been granted by CWC). This involves sourcing companies who wish to advertise their business, preparing advertising signs and installing signage at specific locations.
- 4.6 The anticipated contract income was £86,000 over the term of the three-year contract, plus the provision of social value commitments; in addition, however, this excludes business rates and planning fees. The income generated is to contribute to city events held for visitor economy.

- 4.7 Various contractual performance issues were being addressed with ISL prior to CWC being advised of a fall in credit rating and in January 2024 ISL entered into administration.
- 4.8 The Commercial team have been exploring options on how to proceed to support advertisers, manage risk for CWC and to retain an income stream for the sponsorship and advertising portfolio.
- 4.9 An alternative supplier is required to make good the existing contract, to ensure that advertisers receive the services they have paid for and has also negotiated a much-improved income arrangement for CWC.
- 4.10 This proposed contract award shows a significant anticipated increase in income of £352,000 over the life of the contract.

Proposed Contract Award	
Contract duration	Five years (3+1+1)
Contract Commencement date	1 April 2024
Annual value	£87,600
Total value	£438,000

4.11 Procurement Process

- 4.12 The intended procurement procedure will be a direct award, call-off from ESPO Framework 3A_20 Advertising Solutions 2 (Lot 6) in accordance with Public Contract Regulations 2015. Any amendments to the procurement procedure will be reported in an Individual Executive Decision Notice (IEDN) to the relevant Cabinet Member in consultation with the relevant Director in accordance with the delegation within this report.

4.13 Evaluation of alternative options

- 4.14 The Commercial team has considered four options, these are as follows:
- 4.15 **Option 1 – To seek an alternative supplier** – to ensure the advertisers including local businesses are supported, advertising signs are installed, risk is mitigated as there are no direct costs to CWC and optimise income from both the advertising and supplementary fees – all parties benefit from this option.
- 4.16 **Option 2 – In-house delivery** – to run the roundabout advertising service in-house. This would incur direct and upfront costs for CWC to setup, manage, source advertisers and deliver the operational aspects of advertising on the roundabouts – which in the current climate entails more risk than option 1 and may be worth considering at a later date.

- 4.17 **Option 3 – to complete installations and cease further advertising** – to ensure advertisers get the advertising space they have paid for, but this would be at cost to CWC as there would be no ongoing revenue to offset against these costs. By ceasing all future roundabout advertising there would be no further risk, however income opportunities would be lost.
- 4.18 **Option 4 – Do nothing** – This is not an option as CWC wish to support local business and advertisers and find a suitable solution.
- 4.19 **Reason for decisions**
- 4.20 Option 1 is recommended as this ensures the advertisers receive the advertising space they have paid for, minimises risk including reputational damage for CWC and generates a much improved income stream and contribution to the advertising and sponsorship portfolio.
- 4.21 Financial implications**
- 4.22 The new supplier estimates the Council could expect to receive income in the region of £438,000 throughout the lifetime of the contract for roundabout sponsorship and advertising. This equates to an extra £352,000 over the life of the contract compared to the exiting contract, however, it is dependent on market conditions and business demand. Regardless of this, this arrangement is likely to be much more commercially attractive to the Council than the previous contract which was agreed as the country was coming out of the pandemic.
- 4.23 Year 1 income will be lower due to roundabout sites that have already been sold by the previous supplier – these will not generate further revenue until they become available to sell again or are renewed.
- 4.24 Several customers of the previous contractor had paid (pending verification) for advertising which remains outstanding, we anticipate to honour providing advertising for these customers through the new contractor. This cost will be funded through the councils element of future profit share which is anticipated to be covered in year 1 of the contract with the provider.
- 4.25 Years 2-5 income is anticipated based on 50 roundabouts being sold, at an average price of £3,500 per site.
- 4.26 All direct and operational costs connected to the advertising, such as signage installation and maintenance, National Non-Domestic Rates, and planning consent will be paid by the supplier.
- 4.27 Legal implications**
- 4.28 The proposed framework process as regulated under Regulation 33 of the Public Contract Regulations 2015 will be a beneficial process for CWC as it will enable CWC

and the provider to enter in an arrangement that will save time, costs and resources in the tendering process and contract administration.

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

4.30 Equalities implications

- 4.31 An equalities analysis has been completed for this strategy and reviewed by the Equalities Team.

4.32 All other implications

- 4.33 Any other implications are detailed in the Sponsorship and Advertising Options Paper.

4.34 Schedule of background papers

- 4.35 Approval received by Cabinet (Resource) Panel that authority to delegate to the Cabinet Member for City Environment and Climate Change, in consultation with the Director of Communications and External Relations (SRO), to approve the award of a contract for Roundabout Sponsorship & Advertising once the evaluation process was completed – 8 December 2021.

- 4.36 IEDN signed by Cllr Steve Evans, Cabinet Member for City Environment & Climate Change and Director of Communications and Visitor Experience -14 February 2022.

4.37 Recommendation

- 4.38 Cabinet (Resources) Panel is recommended to delegate authority to the Cabinet Member for Visitor City, in consultation with the Director of City Economy and Partnerships, to approve the award of a contract for Roundabout Sponsorship & Advertising when the evaluation process is complete.
- 4.39 Cabinet (Resources) Panel is recommended to approve honouring the provision of advertising for verified paid customers of the previous Roundabout Sponsorship & Advertising contractor but are as yet to have received their advertising through provision by the new contractor, to be funded through the Council's element of future profit share.

5.0 Councillor Jasbir Jaspal, Cabinet Member for Adults and Wellbeing

5.1 Delegated Authority to Award a Contract – Advocacy Services

Ref no:	CWC23058
Council Plan aim	Fulfilled lives for all with quality care for those that need it
Originating service	Commissioning - Adults
Accountable officer	Shen Campbell, Commissioning Officer (01902) 551040
Leadership Team approval	8 February 2024
Accountable Lead Cabinet Member	Cllr Jasbir Jaspal - Cabinet Member for Adults and Wellbeing
Date Lead Cabinet Member briefed	12 February 2024
Procurement advisor	Babita Mal, Procurement Manager

5.2 Background

5.3 CWC currently commissions six advocacy services, all of which are statutorily required:

1. Independent Mental Capacity Advocacy (IMCA) – This service supports best interest decisions with people who are deemed to lack capacity to do so.
2. IMCA Deprivation of Liberty Safeguards 2009 (DoLS) – This service applies to individuals who are protected by the DoLS introduced as an amendment to the Mental Capacity Act 2005.
3. Relevant Persons Paid Representative (RPPR)/Volunteer Relevant Persons Representative (VRPR) – This service represents relevant people in matters relating to or connected with the deprivation of liberty.
4. Care Act Advocacy (CAA) - The Care Act 2014 requires the local authority to promote control by the individual over their care and support.
5. Independent Health Complaints Advocacy Service: Locally branded as Wolverhampton Health Advocacy Complaints Service (WHACS). Aids with individuals making a complaint in respect of NHS funded services, including the Health Service Ombudsman, under the Health and Social Care Act 2012.
6. Independent Mental Health Act (IMHA) - Section 43 of the Health and Social Care Act 2012 requires specialist advocates who are trained specifically to work within the framework of the Mental Health Act 1983, Amendment 2007.

Proposed Contract Award	
Contract duration	Five years (3 + 1 + 1)
Contract Commencement date	16 August 2024
Annual value	Year 1 – £271,270 Year 2 – £271,270 Year 3 – £271,270 Year 4 – £271,270 Year 5 – £271,270
Total value	£1,356,350

5.4 Procurement Process

- 5.5 The intended procurement procedure will be an open, above threshold Light Touch Regime procedure in accordance with Public Contract Regulations 2015 and Council's Contracts Procedure Rules. This route to market has been decided because CWC is committed to demonstrating that the services it procures represent good value for money which have been sourced using open, transparent, and equitable processes. This route to market also offers opportunities for local suppliers to submit bids supporting the Wolverhampton Pound.
- 5.6 The evaluation scoring balance will focus primarily on the quality of services - Quality 60%, 10% Social Value, 5% Equality Diversity & Inclusion, and 25% Price. Any amendments to the procurement procedure will be reported in an Individual Executive Decision Notice (IEDN) to the relevant Cabinet Member in consultation with the relevant Director in accordance with the delegation within this report.
- 5.7 The evaluation team will comprise:

Name	Job Title
Shen Campbell	Commissioning Officer (Adults)
Clare Hattersley	Senior Commissioning Officer (Adults)
Corrina Jeffrey	MCA DoLS Officer
Karen Chance	Service Manager - Mental Health

5.8 Evaluation of alternative options

- 5.9 The option to use internal resources has been discounted as there will be a potential conflict of interest with service users that require the service as an independent source of advocacy. There is also a lack of expertise and resource within CWC, and therefore an in-house provision would be unlikely to offer better value for money.

- 5.10 The option to utilise a framework has been discounted as there are no framework's available for this type of service requirement.
- 5.11 An alternative option would be to not redesign the service into one wider service and maintain multiple separate contracts with differing service providers: resulting in contract management time and resource inefficiencies.

5.12 Reason for decisions

- 5.13 The service will be procured as a single contract with separate service elements. This approach will provide flexibility in terms of service delivery, the deployment of staff across the services and opportunities to innovate. Additionally, this approach may offer efficiencies and benchmarking has identified that this approach has been adopted successfully in other authorities.

5.14 Financial implications

- 5.15 The 2024-2025 approved budget across Adult Social Care and Commissioning and Transformation to meet this contract is £271,300.

5.16 Legal implications

- 5.17 The procurement will be an open, above threshold procedure in accordance with the Light Touch Regime, Public Contract Regulations 2015 and Council's Contract Procedure Rules.
- 5.18 CWC has legal duties to comply with the following legislation and provide or commission the following services in response:
- CAA to comply with the Care Act 2014
 - IMCA including IMCA DoLS, and Relevant Paid Persons Representative Service (RPPR) to comply with the Mental Capacity Act 2005 and the Mental Capacity Amendment Act 2019
 - Independent Mental Health Advocacy (IMHA) to comply with the Mental Health Act 1983
 - IHCAS to comply with the NHS and Social Care Act 2012.
 - The Mental Capacity (Amendment) Act 2019 paved the way for DoLS to be replaced with a new scheme called the Liberty Protection Safeguards (LPS).

5.19 Equalities implications

- 5.20 The service is city-wide and will continue to support equality and be compliant with equality and disability legislations. The service specifications will include a requirement for the provider to collate demographic information.
- 5.21 The Provider must ensure they enable communication in a variety of verbal and non-verbal means, including pictorial aids, visual aids, symbols, Makaton, sign language, personal communication systems, interpretation/translation facilities and relevant aids (this list is not exhaustive).

5.22 All other implications

5.23 CWC believes that Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will apply and has completed an exercise to provide potential bidders with data involving TUPE considerations.

5.24 Recommendation

5.25 Cabinet (Resources) Panel is recommended to delegate authority to the Cabinet Member for Adults and Wellbeing, in consultation with the Director of Adult Social Care to approve the award of the contract(s) for advocacy services when the evaluation process is complete.

6.0 Financial implications

6.1 All financial implications are included within the relevant section of the report.
[RP/06032025/P]

7.0 Legal implications

7.1 All legal implications are included within the relevant section of the report.
[SZ/07032024/P]

8.0 Equalities implications

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

9.0 All other implications

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

10.0 Schedule of background papers

10.1 All background papers are included within the relevant section of the report.

CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 March 2024
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Report title	Restart Contract Update		
Decision designation	AMBER		
Cabinet member with lead responsibility	Councillor Jacqui Coogan Jobs, Skills and Education		
Key decision	Yes		
In forward plan	Yes		
Wards affected	All Wards		
Accountable Director	Charlotte Johns; Executive Director of Economy		
Originating service	Skills		
Accountable employee	Julie Obada	Head of Skills	
	Tel	01902 556456	
	Email	julie.obada@wolverhampton.gov.uk	
Report to be/has been considered by	Education Leadership Team	21 December 2023 and 18 January 2024	
	Strategic Executive Board	30 January 2024	
	Leader's Briefing	5 February 2024	
	Cabinet Member's Briefing	9 February 2024	

Recommendation for decision:

The Cabinet (Resources) Panel is recommended to:

1. Agree for the Council to negotiate with Serco to withdraw as a supply chain partner on the Restart Scheme.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. The continued priority to support more local people into good jobs and training as a city.
2. The significant changes to the Restart Scheme contract, which will result in greater financial risk to the Council should it not withdraw.
3. That Wolverhampton residents will not be negatively impacted as the Restart Scheme will continue to be delivered to Wolverhampton residents by another sub-contractor.

1.0 Purpose

- 1.1 This report outlines proposed financial and operational implications to Wolves at Work based on new modelling and discussions with the prime contractor, Serco, in relation to the delivery of the Restart Scheme.
- 1.2 It seeks approval to formally withdraw from the contract as a supply chain partner.
- 1.3 The report summarises recent discussions with Serco, the prime provider for the Restart Scheme, and the implications, contractually, financially and operationally for Wolves at Work.
- 1.4 It outlines the options to the local authority for consideration, decision and action.

2.0 Background

- 2.1 The Wolves at Work Employment Support service aligns with the Our City: Our Plan objectives to ensure:
 - More local people into good jobs and training
 - Thriving economy in all parts of the city
- 2.2 It also delivers against the Wolverhampton Education, Skills and Employment Strategy (ESES) action area of ***Lifelong learning and employment pathways to good quality work***, by:
 - Providing wrap around support and dedicated work coaches for local people looking for work or to retrain through our Wolves at Work service, including targeted support for those aged 18-24 and 50+
 - Delivering employment support programmes for our most vulnerable residents
- 2.3 Employment support has been delivered by the Council, under the Wolves at Work brand, since 2017. In that time, it has worked with 4,302 people, and achieved 2,654 job starts for residents with local employers, with around 40% of these jobs sustaining for 12 weeks or more.
- 2.4 Wolves at Work has traditionally been a voluntary service of which residents of all ages can access to support them in their journey to employment.
- 2.5 The Wolves at Work service has continued to be delivered on a voluntary basis since 2021 through Towns Deal funding, following the initial four years of delivery where it was funded through the Council.
- 2.6 In July 2021, the Council's Wolves at Work team began delivery of Department for Work and Pensions (DWP's) national welfare to work programme, Restart Scheme, as a supply chain partner, to the regional prime provider, Serco; one of four supply chain partners in Wolverhampton.
- 2.7 The Restart Scheme was devised by the DWP during the Covid-19 pandemic to address the expected impact of high levels of redundancy to the economy and workforce.

2.8 Restart was designed to support those closest to the labour market back into work with minimal interaction or specialist support over short turn-round times (an average of 3 months from start of programme to employment).

3.0 Subsequent Changes to the Restart Scheme

3.1 In early 2022, DWP revised the number of referrals to its prime providers, which led to a revision for supply chain partners.

3.2 This reduction in referrals came about due to the less than anticipated impact of redundancies following the pandemic nationally.

3.3 A further consequence of this was to lead the DWP to change the referral criteria to the Restart Scheme, essentially making all Universal Credit claimants eligible regardless of their circumstances.

3.4 The change of eligibility rules has had a marked impact on the participant profile, which in turn has required more intensive support.

4.0 Current Position

4.1 Serco had informed all sub-contractors that they would be reducing the number of sub-contractors in the region.

4.2 At the end of November 2023, the City Council attended a meeting with Serco Senior Management to discuss the current situation.

4.3. As a result of the meeting there are two options:

- Wolves at Work accept a reduction in referrals, by 35%,
- Or Wolves at Work agree with Serco on a phased exit from the contract by 31 March 2024 exit date to align with the financial year end.

5.0 Evaluation of alternative options

5.1 Option 1: Reduction in referrals - This option would be financially unsustainable, with a significant reduction in income, but not an equal reduction in cost.

5.2 Option 2: Withdrawal from Restart Scheme - This option would not put financial pressure on the Council to deliver the programme.

5.3 Wolves at Work Restart customers will be moved to other sub-contractors in the region.

5.4 Wolves at Work will continue to support residents until this process is completed. There will be no break in the journey of any resident, and DWP will be fully involved throughout.

5.5 Wolves at Work work coaches will transfer from working on Restart to its other employment support programmes, e.g. Commonwealth Games, Shared Prosperity Fund.

6.0 Reasons for decision(s)

6.1 It is proposed to follow **Option 2**: withdraw from the Restart Scheme.

7.0 Financial implications

7.1 The recommendations of the report seek to minimise financial implications of the Council's direct involvement with the Restart Scheme.
[LD/04032024/A]

8.0 Legal implications

8.1 Subject to approval of the recommendations in this report and the preferred option under point 6, the City of Wolverhampton Council ("the Council") must seek legal advice on the process of termination under the contract between the Council and Serco Limited ("Serco") and must understand and comply with its obligations and responsibilities on termination.

8.2 The Council must consider and take into account any potential Transfer of Undertakings Protection of Employment ("TUPE") implications under the contract with Serco.

8.3 The Council to ensure that the appropriate procedure is in place for the participants should the Council decide to progress with the termination of the contract.

8.4 Where personal data is involved, the Council must be compliant with the general data protection regulation (GDPR) and Data Protection legislation.
[AS/12032024/A]

9.0 Equalities implications

9.1 An Equality Impact Assessment has been completed, and if the preferred option is adopted, no negative impacts have been identified.

10.0 Schedule of background papers

10.1 [Link to decision to enter into Restart Scheme, 16 June 2021](#)

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