

CITY OF
WOLVERHAMPTON
COUNCIL

Resources and Equality Scrutiny Panel

8 June 2023

Time 6.00 pm **Public Meeting?** YES **Type of meeting** Scrutiny

Venue Committee Room 3 - 3rd Floor - Civic Centre

Membership

Chair Cllr John Reynolds (Lab)

Vice-chair Cllr Sohail Khan (Con)

Labour

Cllr Zee Russell
Cllr Tersaim Singh
Cllr Greg Brackenridge
Cllr Qaiser Azeem
Cllr Ciaran Brackenridge
Cllr Linda Leach
Cllr Lamina Lloyd
Cllr Alan Butt
Cllr Susan Roberts MBE

Conservative

Cllr Ellis Turrell

Quorum for this meeting is three Councillors.

Information for the Public

If you have any queries about this meeting, please contact the Scrutiny Team:

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Agenda

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Welcome and Introductions**
[The Chair to welcome everyone to the meeting].

- 2 **Meeting procedures to be followed**
[The Chair will explain how the meeting will proceed, how questions are to be asked and any matters of meeting etiquette.]

MEETING BUSINESS ITEMS

- 3 **Apologies and notifications of substitutions**
[To receive any apologies for absence and notification of substitutions].

- 4 **Declarations of interest**
[To receive any declarations of interest].

- 5 **Minutes of previous meeting** (Pages 3 - 14)
[To approve the minutes of the previous meeting as a correct record].

DISCUSSION ITEMS

- 6 **EDI strategy - Equalities Impact Assessments** (Pages 15 - 32)
[To consider a report on Equalities Impact Assessments].

- 7 **Land and Property Disposal Policy** (Pages 33 - 40)
[To receive a report on Land and Property Disposal Policy].

- 8 **Treasury Management Activity Monitoring Quarter Three 2022-2023** (Pages 41 - 66)
[To receive the Treasury Management Activity Monitoring Quarter Three 2022-2023 Report].

- 9 **Date of next meeting**
[Date of next meeting 12 October 2023].

Resources and Equality Scrutiny Panel

Agenda Item No: 5
Minutes - 16 March 2023

Attendance

Members of the Resources and Equality Scrutiny Panel

Cllr Milkinderpal Jaspal
Cllr Udey Singh (Vice-Chair)
Cllr Jonathan Crofts
Cllr Jaspreet Jaspal
Cllr Zee Russell (Chair)
Cllr Tersaim Singh
Cllr Ellis Turrell

Employees

Earl Piggott-Smith
David Pattison
Sukhvinder Mattu
Paula Moore

Scrutiny Officer
Chief Operating Officer
HR Service Lead for Policy and Strategy
Head of Organisational Development and
Apprenticeships
Deputy Director of People and Change

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Welcome and Introductions**
The Cllr Zee Russell, Chair, welcomed everyone to the meeting and advised it was being live streamed to the press and public. A recording of the meeting would be available for viewing on the Council's website.

- 2 **Meeting procedures to be followed**
The Chair explained the protocol to be followed during the meeting for asking questions and reminded everyone that microphones should be muted and cameras off, unless have been invited to speak by the Chair

- 3 **Apologies**
Apologies were received from the following Cllrs:

Cllr Carol Hyatt
Cllr Louise Miles
Cllr Greg Brackenridge
Cllr John Reynolds

- 4 **Declarations of interest**
There were no declarations recorded.

5 **Minutes of the meeting held on 19 December 2022**

The panel approved the minutes of the meeting held on 19 December 2022 as being a correct record.

6 **Minutes of the meeting held on 2 February 2023**

The panel approved the minutes of the meeting held on 2 February 2023 as being a correct record.

7 **Equality Diversity and Inclusion (EDI) Strategy Update: Objective 3**

The Chair invited Paula Moore, Head of Organisational Development, to present the report

The Head of Organisational Development advised the panel that aim of the presentation is to give an update on progress in delivering EDI Objective 3 – *Develop an inclusive workplace culture, where targeted professional training, development and support is provided* and to get comments from members.

The Head of Organisation Development gave a detailed summary of different initiatives aimed at supporting this agenda during the period April 2020 to January 2023. The Head of Organisation Development commented on the performance against key indicators, analysis of results by ethnicity, the numbers of people who participated and subsequently promoted.

The Head of Organisation Development advised the panel that the next step will be to undertake an EDI survey to gain feedback on all the action to date to better understand the impact of the different initiatives and to decide what further changes are needed.

The Head of Organisation Development advised the panel of communication and marketing plans to make all employees aware of the support available and to support managers to see the benefits of developing their employees. The aim will also be to encourage employees to undertake personal development and training and to further promote the Aspire into Management and the other programmes referred to in the presentation. The Brilliant Leaders programme will start again in September 2023 with a cohort of 15 employees from different ethnic backgrounds.

The Head of Organisation Development advised the panel that the service will continue to monitor the outcomes of the development of the interventions to ensure that people are getting promotions and to research other initiatives or learning from new opportunities elsewhere that could support progress towards achieving the stated objective.

The panel were invited to comment on the report and the presentation.

The panel thanked the presenter for the report.

The panel queried the reason for the majority of people taking up offers from the programme being women and if any specific action or strategies are being considered to increase male uptake rates.

The Head of Organisation Development commented that the approach taken is to promote these development opportunities wherever possible. A workforce planning

exercise is completed annually across all service areas to look training needs and the meetings with managers are used to help them understand the benefits of the programme. In addition, there are articles in City People which are used to promote good news stories, which will hopefully encourage more male employees to see the benefits of joining the programme.

The Head of Organisation Development commented that it is often more difficult to encourage men to participate in some types of personal development work but was confident that the more the issue is discussed the more likely it is that male employees will be encouraged.

The panel queried the relevant experience of mentors from West Midlands Coaching Pool to support employees who may have a different work experience from their own and the also the cost to the Council of using the service.

The Head of Organisation Development commented that the West Midlands Coaching Pool is part of West Midlands Employers Forum of which Wolverhampton is one of 32 different Councils across the region and has been running for about 15 years. The Head of Organisation Development advised that coaches and mentors are all training to ILM Level 5 and 7 and the explained that when someone is looking for a mentor or coach, they can review the online biographies and see which person best matches their needs.

The cost of being a member of the pool is £3000 a year which is considered good value when compared to the cost of an executive coach or an online coaching service. The more people that use the service the better the value for money it represents to the Council.

The panel suggested that a current member could be asked to share a success story or become a champion encouraging other men to get involved.

The Head of Organisation Development welcomed the suggestion and agreed to take forward the idea.

The panel queried the use of 'other' as an ethnic group in the presentation and the reason for its continued use, given previous concerns shared about its appropriateness as a category.

The Head of Organisation Development commented that the use of 'other' is for people who are not from an English background or non-white. The panel commented that the analysis by ethnic origin should not be used, and care taken in how the data is presented as the aim of the initiative should be to support all employees.

The panel queried the reason for the focus on ethnic and gender in the presentation and not including other groups with protected characteristics.

The Head of Organisation Development commented that further details about people with different protected characteristics are in full presentation, sent separately to panel members.

The panel thanked the presenter for the report.

Resolved:

The panel comments on the report to be noted.

8 **Race Equality Code & Ethnicity Pay Gap Actions Update**

The Chair invited David Pattison, Chief Operating Officer, and Suki Mattu, Service Lead – HR Policy, to present their reports.

The Chief Operating Officer advised the panel that the purpose of presenting the report was to provide an update on work done in relation to the actions taken to deliver the Race Equality Code requirements.

The presentation would also include an update from the Service Lead on actions taken following the report to the panel of the Ethnicity Pay Gap in June 2022.

The Chief Operating Officer commented that the purpose of the report is also to evidence delivery and outcomes following the commitment in the equality and diversity inclusion strategy that was adopted in 2002. The Chief Operating Officer commented the importance of the issue to the Council and that it makes good business sense to meet the needs of diverse communities across Wolverhampton.

The Council have worked with Dr Karl George MBE to get an external peer assessment of progress against the RACE Code criteria. The Chief Operating Officer advised the panel that other local authority members of West Midlands Combined Authority have also completed the equality review.

The Chief Operating Officer outlined the stages of the assessment process and gave a summary of the findings and the strengths identified.

The Chief Operating Officer advised the panel that Wolverhampton have been awarded the Race Code Quality Charter Mark in March 2023.

The Race Action Plan when completed will be incorporated into the Council's EDI strategy and presented to the panel in June 2023 for comment on progress.

The Chief Operating Officer commented on the statement from Dr Karl George and highlighted a key challenge, while recognising the significant improvement in diversity in terms of promotions, was the lack of diversity at senior management level of the Council. The Chief Operating Officer commented the range of initiatives, for example The Brilliant Leaders programme, which is helping to provide a strong talent pipeline for developing employees within the Council to support them progress to more senior positions.

The panel were invited to comment on the presentation.

The panel thanked the presenter for the presentation.

The panel queried the reasons for recruiting Dr Karl George to undertake the review and the fee paid for the work.

The Chief Operating Officer commented that Dr Karl George was provide an independent assessment about the planned actions were taking the Council in the right direction against the self-assessment criteria and identify if there was anything further that could be done, based on learning elsewhere, to improve the situation. The Chief Operating Officer acknowledged that the Council was in a good place in terms of equalities but highlighted the value of getting an independent assessment and to build on the progress made.

The Chief Operating Officer advised the panel that a fee of £8000 was paid to Dr Karl George.

The panel discussed the reasons for the presenting information about pay gap in terms of gender and ethnicity. The Chief Operating Officer advised the panel that there is a legal requirement on the Council to publish an annual report detailing the mean and median pay difference for female employees compared male employees. The Council decided to also produce are report on ethnic pay gap difference and work being done to reduce it. The annual gender pay gap difference has reduced to about four per cent and the ethnicity pay gap also narrowed in recent years.

The panel expressed concern about the payment of the fee and the added value of findings and the rational for undertaking the review, when considering the progress made to improve equalities previously reported.

The Chief Operating Officer advised the panel that the fee represents good value for money and the Council has benefited from working with someone with a strong reputation of supporting other local authorities in this area. The Chief Operating Officer added that the assessment report is very detailed and offered to share the information with the panel.

The assessment process provided a challenge to the Council to show that the work it is doing to improve equalities is having a positive impact and that progress is being made to meet the previous policy commitments. The findings are supported by a process of independent external validation and verification of the evidence presented.

The panel commented the importance of having an external review of the Council's progress towards becoming more inclusive and representative of the communities that it serves. The report findings were welcomed and provide evidence that the Council is making good progress in many areas, while accepting there is more work to be done.

The Chair invited Suki Mattu, Service Lead – HR Policy, to present the ethnicity pay gap section of the presentation.

The Service Lead – HR Policy advised the panel that it when a similar report was presented in 2021 the panel were asked to comment on the findings. The panel feedback was well received at the time and changes were made to the improve the content of the ethnicity pay gap report published in 2022.

The Service Lead – HR Policy commented that the purpose of presenting the latest report is to get further panel feedback on the findings and actions proposed to address areas of concern highlighted in the presentation.

The Service Lead – HR Policy advised the panel that ethnicity pay gap reporting is not a statutory requirement and is part of the Council's commitment to improve inclusion and tackle inequality in the workplace.

The report going forward will include background information on why the difference in pay is measured between White or White British and minority groups.

The Service Lead – HR Policy advised the panel that use of terms to describe different groups in the report is based on the terminology recommended in the

Council's inclusive language guide. The guide itself is based on the Governments preferred style of writing about ethnic minority groups. The Service Lead – HR commented on further changes to the report made in response to Government guidance, for example, ethnic minorities include white minorities such as Gypsy, Roma, and Irish Traveller groups.

In response to previous comments from the panel the report includes information about other factors which can affect the ethnicity pay gap over which the Council has very limited control.

The report has also been changed to include real time data on the performance of the Council, for example, changes at Grade 10 and above when compared to the City's population profile. The Service Lead – HR Policy advised the panel that the previous report highlighted there was less ethnic diversity among senior management positions and the data will be used with pay gap information to decide where action is most needed to improve the situation.

The Service Lead – HR Policy outlined the current and future actions planned to support equality of opportunity in the Council.

The Service Lead – HR Policy outlined the timeline for publishing the final ethnicity pay gap report and different groups that will be consulted with over the next few months. The Service Lead – HR Policy offered to present the final report to a future meeting of the panel. The panel were invited to comment on the report.

The panel thanked the presenter for the report.

The panel commented on how an action plan aimed at reducing the ethnicity pay gap, while welcome, can deal with the structural and historical nature of the issues it is trying to overcome, for example, the lack of representation at senior management level in Wolverhampton is similar to that of other local authority areas.

David Pattison, Chief Operating Officer, acknowledged the challenges facing local government sector in improving ethnic representation at senior management level and commented on work done to remove artificial barriers to progression which require experience or qualifications which in some situations is not essential to the role.

The Chief Operating Officer highlighted the success of doubling the number of non-white employees at Grade 9 or above since 2018/2019 in the Council as evidence of progress in responding to the concerns from the panel.

The panel queried the expectation of progress in reducing the ethnicity pay gap in 12 months' time.

The Service Lead – HR Policy commented that there is an expectation that the pay gap will have reduced in 12 months, while accepting that this may fluctuate and was unlikely to be zero as there are a range of factors that will influence the figure. The overall aim of the plan is to reduce the pay gap to a lower figure as possible.

The panel thanked the presenter for the report.

Resolved:

1. The panel comments on the ethnicity pay gap report to be noted.

2. The panel agreed to receive a further report on progress to a future meeting.

9 **Yoo Recruit Review (report to follow)**

The Chair invited David Pattison, Chief Operating Officer, to present the report.

The Chief Operating Officer apologised for the late circulation of the report.

The Chief Operating Officer reassured the panel that a further report will be presented for pre-decision scrutiny if any formal changes are proposed about the future of YOO Recruit.

The Chief Operating Officer advised the panel about the main findings from the Annual Governance Statement (AGS). A key conclusion was that the Monitoring Officer has confidence that there are good arrangements in place to oversee the performance of Council owned or involved bodies. This finding was supported by external auditors as detailed in the Annual Audit Review (January 2023) report. A copy the financial accounts for YOO Recruit is available online.

The Chief Operating Officer advised that it was agreed previously that following a 'deep dive' review of YOO Recruit an update report on the finding and recommendations would be presented to the panel for comment before being presented to Cabinet.

A 'deep dive' review takes place every three years for all linked Council bodies to provide reassurance about the governance arrangements. The Chief Operating Officer commented on the importance of reviewing the governance arrangements of linked bodies or trading companies.

The Chief Operating Officer outlined the four objectives of the high-level review of YOO Recruit.

The Chief Operating Officer advised the panel that YOO Recruit is a wholly owned Council Company which provides most temporary staff and that is a cost-effective way of controlling the cost of recruiting employees.

The Chief Operating Officer outlined the reasons for recruiting temporary employees, for example, managing workload demands in a service area where an employee is away from work due long-term sickness or disability. The Chief Operating Officer highlighted the higher costs to the Council of using recruitment agencies to recruit a temporary worker when compared to using YOO Recruit.

The Chief Operating Officer commented on the governance structure and financial performance of YOO Recruit.

The Chief Operating Officer advised the panel that the current contract with Adecco UK Ltd, who act as management partner, will expire in August 2024 and this has provided the opportunity to consider different models of operation for the future of YOO Recruit. Adecco UK Ltd manages all temporary and contract recruitment for the Council, through YOO Recruit.

The panel were reassured that Council has the power to decide whether to continue operating YOO Recruit in the current way, to change to a different operating model or to change Directors.

There is a regular assessment to check company is still fit for purpose and update reports are presented Cabinet Members and Leader of the Opposition.

The Chief Operating Officer commented that there were limited risks from the current operating model and the governance arrangements in place were satisfactory.

The Chief Operating Officer commented on the findings from the 'deep dive' review and future options proposed for YOO Recruit.

The Chief Operating Officer commented on changes to the national context in terms of the challenges facing both the private and public sectors in terms of recruitment, highlighting specific challenges in recruiting to roles procurement and planning services.

The Chief Operating Officer commented on the implications of the decision by West Midlands Board to approve the business case to offer the West Midlands Temporary Workforce Strategy and Regional Agency Provision for Local Authorities and the option in relation to temporary workforce strategy which some authorities are using to recruit employees. This may be an option the Council may wish to consider in the future.

The Chief Operating Officer reassured the panel that in terms of governance YOO Recruit is legally compliant. The Chief Operating Officer commented the future model could include a combination of the different options outlined in the presentation. A further report on the preferred options could provisionally be presented to the panel in June or July 2023 for pre-decision scrutiny.

The panel were invited to comment on the report.

The panel thanked the presenter for the report.

The panel discussed the reasons at the time YOO Recruit behind the decision to set it up, highlighting the high cost to the Council of recruiting agency staff. The panel welcomed the decision to review the operating model and the opportunity to consider possible alternatives.

The Chief Operating Officer advised the panel about the idea of removing the Director of Finance from the YOO Recruit Ltd Board and replacing her with the Chief Accountant as a change that is being considered following the review.

The panel expressed concern about the lateness of the report and the importance of publishing all the meeting papers on the agreed deadline to give members time to properly consider the information and to be able to scrutinise presenters.

The panel asked for details of the membership YOO Recruit Ltd Board and whether any Councillors were represented and the name of the Chair of the Board.

The panel also queried if other local authorities have a similar arrangement to manage all temporary and contract recruitments and if other alternative options have been considered and the scale of the recruitment challenge.

The panel queried the rationale for the Council's role in the recruitment process and suggested the option of Adecco UK Ltd having direct day to day responsibility, with no Council involvement. The panel suggested that alternative could be to appoint a Wolverhampton based recruitment agency which would also support the

recommendation in the report Select Committee: The Wolverhampton Pound - Procurement, Contract Management, and Commissioning.

The panel asked for details of the number of temporary and contract workers recruited by YOO recruit annually and the roles.

The Chief Operating Officer advised the panel that as regards the recruitment challenge the issue is where there is a need for a specific role requiring a certain level of experience and or expertise.

The Chief Operating Officer advised the panel that a report was presented to Governance and Ethics Committee in June 2022 which detailed the membership of the YOO Recruit Board.

The Chief Operating Officer advised the panel that the advice from external auditors and nationally is that Councillors should not be on the board of a Limited Company and accepted that if the current operating model continues consideration may be given to having non-Council representatives on the Board, particularly people from a business background.

The Chief Operating Officer advised the panel that the S151 Officer role on YOO Recruit Board is to give independent advice and this approach is supported by him and the external auditors when reviewing the governance arrangements.

The Chief Operating Officer commented in response to the suggestion of direct contracting the service to a recruitment agency or using a local agency is an option that is being considered as part of the options review.

The panel expressed concerns about the potential conflict of interest where Council employees are also members of YOO Recruit Board and level of accountability and challenge for decisions made and suggested a separate company would avoid this issue.

The Chief Operating Officer advised the panel that Darren Herries is Chair of the YOO Recruit Ltd Board in response to an earlier question.

The Chief Operating Officer reassured the panel about the role of the S151 Officer on the YOO Recruit board in response to concerns about possible accountability gap and that a request to attend a meeting would be supported.

The Chief Operating Officer commented on the importance accountability and transparency of decisions made by YOO Recruit board. The Chief Operating Officer highlighted the decision to have 'deep dive' exercises done every three years and to present an update report annually on performance and governance matters relating to Council linked external bodies to the relevant scrutiny panels as evidence of this commitment.

The Chief Operating Officer suggested inviting a member of YOO Recruit board to talk to the panel about their work and would support the provision of information to enable the panel members to scrutinise and challenge the decisions to reassure itself about the working arrangements.

The Chief Operating Officer agreed to share details with the panel of the numbers of temporary employees recruited by YOO Recruit.

The panel discussed changes in the way people now search for jobs online since YOO Recruit was set up and commented on internet search where the results showed Adecco not appearing in the first few pages and queried if this operating model was still an effective way of recruiting temporary employees.

The Chief Operating Officer acknowledged the significant changes in the way in which people search for jobs and the switch to remote working has added to the challenge and highlighted the change post pandemic where employees in some areas are not required to be in the workplace every day. As a result, local authorities are not only competing with other local authorities but with private sector companies in trying to recruit employees with the required skills and experience in areas of shortage, who now have much greater choice about where they work for higher salary levels.

The panel queried if YOO Recruit recruited for posts on behalf on any other organisation. The Chief Operating Officer confirmed that YOO Recruit was primarily set up to recruit temporary employees for City of Wolverhampton Council. There was an early discussion about the possibility of arranging a contract with another local authority to provide a similar service, but this option was not pursued further.

The panel discussed in detail the finances of YOO Recruit and specifically the level of annual trading profits. The panel queried the decision of YOO Recruit board to annually to retain shareholder profits as reserves for cash flow purposes rather than pay dividends. The panel further queried the added value to the Council provided by the current operating model and suggested a more profitable option could be to consider providing recruitment services to external organisations.

The Chief Operating Officer welcomed the comments and advised the panel that the purpose of the 'deep dive' review was to consider if the current operating model is the still right one. The Chief Operating Officer added that YOO Recruit was set up in 2016 and was right to offer a challenge about if the current model was still the best approach.

The Chief Operating Officer commented that the added value of having YOO Recruit to the Council is that it pays significantly less than other local authorities for agency fees but welcomed the need for check and challenge.

The panel discussed the background to the decision to set up YOO Recruit and there was support for the approach taken. The panel suggested a further report on progress should be presented to the panel in 12 months.

The Chief Operating Officer reassured the panel that clear guidance has been given to Council employees represented on external bodies such as YOO Recruit Board to make sure they can manage any potential conflicts of interest between their different roles and approach to be taken when they attend meetings to present reports to panels.

The panel discussed the contribution of YOO Recruit in supporting the aims of the Council and welcomed the opportunity to be consulted about the findings of the review and to comment on the options being considered.

The panel thanked the presenter for the report.

Resolved:

1. The panel comments on the presentation to be noted.
2. The Chief Operating Officer to provide details on the number of employees recruited by YOO Recruit.
3. The panel agreed to receive a further progress report on the performance of YOO Recruit in 12 months.
4. The Chief Operating Officer to present a full options appraisal report for pre-decision scrutiny to the panel.

10 **Review of Council and Staff Subscriptions to other bodies - Governance Directorate (report to follow)**

The Chair invited David Pattison, Chief Operating Officer, to present the report

The Chair Operating Officer advised that the purpose of the report was to respond to a quest from the panel for a list of annual subscriptions currently paid on behalf of the Council and its employees. The report focuses primarily on subscriptions within the governance directorate.

The Chief Operating Officer advised the panel that the list of subscriptions is considered as part of efficiency savings built into the annual budget consultation process.

In addition, Cabinet has also asked the service to check that the Council is getting value for money from the current list of subscriptions. The report includes recommendations to reduce the overall costs of subscriptions as part the annual review process.

The Chief Operating Officer presented a list in Appendix 1 of current subscriptions collated by service area within the Governance Directorate. The subscriptions were selected on the following criteria, a high value and those where possible changes to the continuation are being considered.

The Chief Operating Officer gave a summary of the subscriptions and recommendations to Cabinet to consider about their future continuation in the presentation.

The panel were asked to comment on the report.

The panel thanked the presenter for the report.

The panel suggested it would have been helpful to also include details of subscriptions in the other directorates.

The panel queried the details of approved subscriptions for 2023-2024 and asked for details of the annual budget and if it has been approved.

A panel member queried the sum paid to Stonewall Equality Limited in 2022-2023.

The Chief Operating Officer commented that a fee of £2575 was paid to Stonewall Equality Limited for 2022-2023 and that the decision to use the organisations was made by the Cabinet Member in order to support the Council in meeting its equality and diversity duties under the Equalities Act 2010 and the needs of members of the LGBTQ+ in the Council and local community.

The panel queried the payment to Kenyon International for disaster response services in the event of a mass fatalities event as this would be already provided by emergency services as part of their responsibilities. The Chief Operating Officer advised the panel that the Council has legal duties under the mortuary legislation and the specialist services provided by Kenyon International to support the Council to do this do not duplicate the work of the emergency services.

The panel thanked the presenter for the report.

Resolved:

The panel comments on the list of Council and Staff Subscriptions be noted.



Resources and Equalities Scrutiny Panel

8th June 2023

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| Report title | Equality Impact Assessments (EIA) Information | |
| Cabinet member with lead responsibility | Councillor Paula Brookfield Governance and Equalities | |
| Wards affected | All | |
| Accountable director | David Pattison, Chief Operating Officer | |
| Originating service | Equality Diversity and Inclusion (EDI) | |
| Accountable employee(s) | Jin Takhar | Head of Equality Diversity and Inclusion |
| | Tel | 01902 554650 |
| | Email | Jin.Takhar@wolverhampton.gov.uk |
| | Isobel Wood | Service Lead – Head of Enterprise |
| | Tel | 01902 551848 |
| | Email | Isobel.wood@wolverhampton.gov.uk |
| Report to be/has been considered by | | |

Recommendation(s) for action or decision:

The Resources and Equalities Scrutiny Panel is requested to:

1. To provide comments and feedback on the Integration and consideration of Equality Impact Assessments (EIAs) undertaken by City of Wolverhampton Council
2. Note the EDI Process in place
3. Note the examples attached in appendix 1

1.0 Purpose

- 1.1 To provide Resources and Equalities Scrutiny Panel with an outline on the Council's new arrangements on undertaking Equality Impact Assessments (EIA) following best practice guidance from The Equality and Human Rights Commission (EHRC) and how their integration has informed key projects within the city, including large capital projects, and to share the legal obligations of the local authority under section 149 of the Equality Act 2010, also known as the Public Sector Equality Duty (PSED).
- 1.2 The PSED requires us to eliminate unlawful discrimination, harassment, victimisation, advance equality of opportunity by minimising disadvantages, meeting differing needs and encouraging participation between different groups, foster good relations from people in different groups. Adherence to these duties is demonstrated through the systematic use of EIAs, a tool that allows us to assess the impact of our policies and practices on different groups within the community.
- 1.3 This report will provide an overview of how we have embedded this process in our work and the steps taken to ensure that our duties under the Equality Act 2010 are being fulfilled.

2.0 Background

- 2.2 The Equality and Human Rights Commission (EHRC), a statutory body established to help enforce and promote equality, provides detailed guidance on how public authorities can fulfil their obligations under the PSED. One significant suggestion is the systematic use of Equality Impact Assessments (EIAs) when planning, implementing, and delivering policies or projects.
- 2.3 EIAs allow us to assess and understand the potential impact of our policies or projects on different groups within our community, particularly those with protected characteristics. The process involves several key steps, including scoping and identifying the aims of the policy, collecting and analysing data, assessing impact and considering alternatives, and consulting and involving relevant stakeholders.
- 2.4 In line with our obligations under the PSED and the guidance from the EHRC, our council has been diligently integrating EIAs into any Service Function or Policy. This involves a thoughtful process that starts at the initial planning stage and continues throughout the project, ensuring that our regeneration initiatives promote equality and do not discriminate against any protected groups.

3.0 Internal EIA Process

- 3.1 Over the last 18 months the EDI team have reviewed the EIA template and guidance, to simplify the process and enhance understanding for lead officers to undertake EIAs. CWC Officers have access to EIA Templates and guidance via internal Governance Portal, Our People Portal and EDI Hub. All EIAs are now undertaken at the development stage of any new proposal, initiative, or strategy, to ensure there are no adverse impacts across all equality groups.

- 3.2 This is complemented by comprehensive training, including face-to-face sessions delivered by the EDI team and eLearning training modules, which ensures that all staff are equipped to undertake EIAs in their work.
- 3.3 All completed EIAs are sent to the EDI Team email inbox, which is monitored daily by the EDI Support Officer. The EDI Support Officer allocates EIAs to advisors based on work priorities and subject knowledge such as areas of the business covered by advisors.
- 3.4 The EDI Advisor will arrange to meet with the EIA Author/Project leads within 5 working days of allocation. Where advice is given to ensure the completed document takes account of any equality impacts across all equality groups. To ensure that the initiative takes account of data and/or consultation.
- 3.5 Author is asked to make any agreed changes, and final version asked to be sent to EDI inbox before EDI team sign off.
- 3.6 Review date is then agreed to ensure function and policy is still aligned with current data and continues to take into account outcomes of consultation. Members are to note that an EDI is a live document.

4.0 Next Steps

- 4.1 Scrutiny Panel to acknowledge the report and endorse this current process and advise on future proposals.
- 4.2 As a part of our ongoing commitment to improve our EIA process, we are planning to establish a new EIA forum. This forum, inspired by best practice seen in other councils and organisations, will comprise heads of service across the council, EDI team members, and community partners. The purpose of this forum will be to provide advice, guidance, and support, to evaluate EIAs, and to ensure no adverse impacts across all equality strands. Participants in the forum will be expected to assist managers throughout the EIA process, especially in the formative/planning stages, helping to identify potential concerns, minimise impacts, and consider improvements or new ways of working.
- 4.3 Continue to enhance the EIA process through ongoing training and development initiatives.

5.0 Finance implications

- 5.1 There are no direct financial implications associated with the report. The EIA Process continues to be a core function of the EDI Team, however, there will be financial implications on individual Initiatives where EIA's have been undertaken as part of any improvements and developments taking place in the city.

6.0 Legal implications

- 6.1 While there are no direct legal implications associated with this report, it should be noted that adherence to the EIA process and the PSED, as outlined in this report, is crucial to ensuring the council's compliance with the Equality Act 2010. This compliance helps to mitigate potential legal risks associated with failing to meet the PSED. [DP/30052023/A]

7.0 Equalities implications

- 7.1 The Council under the Equality Act 2010 has a legal duty to ensure that the authority eliminates unlawful discrimination, advance equality of opportunity & foster good relations. This is known as the Public Sector Equality Duty.
- 7.2 The EDI Strategy is a key example of how the authority is meeting its legal obligations.

8.0 Background Papers

- 8.1 EIA Template [Equality Analysis Template \(Word\).docx \(sharepoint.com\)](#)
- 8.2 Summary Guidance [Governance Portal - Summary-Guide.pdf \(sharepoint.com\)](#)
- 8.3 Detailed Guidance [Governance Portal - Equality Analysis - Detailed Guide.pdf \(sharepoint.com\)](#)

Equality Analysis Template.

| | |
|--|---|
| Directorate: Place Service Area: Transportation | Lead Officer: Ruth Taylor Date completed: October 2020 |
| Service / Function / Policy / Procedure to be assessed: Westside Link Public Realm Project (Phase 1 and 3) | |
| Is this: New / Proposed Existing/Review <input checked="" type="checkbox"/> ⊗ Changing (Please tick appropriate box) | Review date: October 2020 |

Part A – Initial Equality Analysis to determine if a full Equality Analysis is required.

What are the aims and objectives/purpose of this service, function, policy or procedure?

The Westside Link project is being designed in 3 phases and aims to improve the pedestrian and cycling connectivity and environment within Wolverhampton City Centre, and in particular between the retail core, The Interchange and other major regeneration schemes in the city. The scheme will also see the creation of new events spaces which will help repurpose the city centre to improve attractions for visitors. Phases 1 and 3 (Victoria Street and Civic Halls) of the project are the subject of this EA. Separate EA documentation will be completed for the further 2 phase of the project in due course.

Please indicate its relevance to any of the equality duties (below) by selecting Yes or No?

| | Yes | No |
|---|-----|----|
| Eliminating unlawful discrimination, victimisation and harassment | X | |
| Advancing equality of opportunity | X | |
| Fostering good community relations | X | |

If not relevant to any of the three equality duties and this is agreed by your Head of Service, the Equality Analysis is now complete - please send a copy to the Equality & Diversity Team. **If any of the three equality duties are relevant**, a Full Equality Analysis will need to be undertaken (PART B below).

PART B: Full Equality Analysis.

Step 1 – Identifying outcomes and delivery mechanisms (in relation to what you are assessing)

| | |
|--|---|
| What outcomes are sought and for whom? | The outcomes for the general public are a varied leisure offering, including the creation of new events space, better connectivity between various destinations within the city centre and increased public safety. The outcomes for the council and wider business community are increased footfall in the city centre and a higher resilliance to changing shopping habits. |
| Are there any associated policies, functions, services or procedures? | Connected Places Strategy Black Country Core Strategy Wolverhampton City Centre AAP |
| If partners (including external partners) are involved in delivering the service, who are they? | City Centre key Stakeholders (Benson Eliot, Hortons Estates, Urban and Civic etc) will provide indirect support for the project through investment in their estates as a consequence of the investment made in the public realm |

Step 2 – What does the information you have collected, or that you have available, tell you?

What evidence/data already exists about the service and its users? (in terms of its impact on the 'equality strands', i.e. race, disability, gender, gender re-assignment, age, religion or belief, sexual orientation, maternity/pregnancy, marriage/civil partnership and other socially excluded communities or groups) and **what does the data tell you?** e.g. are there any significant gaps?

The existing public realm in the phase 1 and 3 areas is of particularly poor quality which may prove a challenge to those with mobility or visual impairment issues. Improved quality of surface materials and layout may assist with these issues. The lack of activity and footfall in the area could be contributing to the higher level of crime and antisocial behaviour leading to a fear of crime particularly by certain groups in the community, especially women. Creating greater activity through events and supporting the new leisure and residential developments proposed in the area will help increase footfall and natural surveillance.

Has there been any consultation with, or input from, customers / service users or other stakeholders? If so, with whom, how were they consulted and what did they say? If you haven't consulted yet and are intending to do so, please list which specific groups or communities you are going to consult with and when.

Ongoing and inclusive public and stakeholder engagement over a period of 18 months has resulted in a robust understanding of the issues and requirements of the whole community. A number of disability and community groups have been consulted as part of the due diligence for the project. Key issues raised by the consulted groups were based around the need to retain disabled parking in the centre, access to bus stops and an improved pedestrian environment.

Are there any complaints, compliments, satisfaction surveys or customer feedback that could help inform this assessment? If yes, what do these tell you?

Concerns were raised about ensuring that disabled parking, access and needs of elderly and young family visitors to the city centre remain. We considered these carefully when designing street layouts and the removal of vehicular access and public transport from the project area. All comments have been followed up and concerns taken into consideration where possible without compromising the rationale and deliverables of the scheme.

Step 3 – Identifying the negative impact.

a. **Is there any negative impact on individuals or groups in the community?**

Barriers:

What are the potential or known barriers/impacts for the different 'equality strands' set out below? Consider:

- **Where** you provide your service, e.g. the facilities/premises;
- **Who** provides it, e.g. are staff trained and representative of the local population/users?
- **How** it is provided, e.g. do people come to you or do you go to them? Do any rules or requirements prevent certain people accessing the service?
- **When** it is provided, e.g. opening hours?
- **What** is provided, e.g. does the service meet everyone's needs? How do you know?

* Some barriers are justified, e.g. for health or safety reasons, or might actually be designed to promote equality (e.g. single sex swimming/exercise sessions), or cannot be removed without excessive cost. If you believe any of the barriers identified to be justified then please indicate which they are and why.

Solutions:

What can be done to minimise or remove these barriers to make sure everyone has equal access to the service and to reduce adverse impact? Consider:

- Other arrangements that can be made to ensure people's diverse needs are met;
- How your actions might help to promote good relations between communities;
- How you might prevent any unintentional future discrimination.

| Equality Themes | Positive Impacts | Negative Impacts identified | Solutions (ways in which you could mitigate negative impact) |
|--|---|---|--|
| Age (including children, young people and older people) | <ul style="list-style-type: none"> - Improve pedestrian safety. Pedestrianisation of the area will help to keep traffic away from children and older people. - Removing cars will lower air pollution | Older people will have further to walk to reach public transport links and destinations, which they may not physically be able to do. | Minimise the distance of bus stop relocation and provide seating at suitable intervals to create resting points for the elderly. |

| | | | |
|--|---|---|---|
| | <p>levels, improving the health of those most vulnerable;</p> <ul style="list-style-type: none"> - Creation of new events spaces will provide much needed play and congregation spaces for children, families and young people. | | |
| Disability (including carers) | <ul style="list-style-type: none"> - Service users with visual or hearing impairments will be kept away from traffic, increasing safety. - Carers health will be improved as trips to the city centre will be less stressful due to the removal of traffic, in terms of both navigation and safety. - Additional, relocated disabled parking spaces may help with improved access to new areas of the city centre where new activity is based. | <ul style="list-style-type: none"> - Service users with visual impairments will have to familiarise themselves with the new layout, which could prove stressful. - Removal of disabled parking spaces in some locations may create some difficulty in accessing certain destinations. | <ul style="list-style-type: none"> - Ensure that good signage is in place, utilising tactile maps to aid those who are visually impaired. - Reinstate adequate disabled parking in the nearest suitable location. |
| Gender (men and women) | <p>Improved safety. Women will feel safer as footfall increases and natural surveillance improves.</p> <p>Women will be better able to fully access all that the city centre has to offer due to better pedestrian connectivity between areas.</p> | Concerns about womens safety at night and their ability to participate in the evening economy. | Lighting provision must be adequate to ensure all visitors and residents are safe. Promote events and activities in newly created spaces to improve natural surveillance. |
| Race (including Gypsies & Travellers and Asylum Seekers) | People from Ethnic Minority backgrounds will have increased accessibility of all the city centre has to offer. | No impacts identified. | No solutions required. |
| Religion or belief (including people of no religion or belief) | Provides the Church with an increase in visitors due to higher levels of footfall in the surrounding area. | Disabled parishioners will not be able to park next to the Church. | Disabled spaces in Cheapside area will be retained. The project will result in an increase in disabled parking spaces through out the scheme area. |
| Gender Re-assignment (those that are going or have gone through a transition: male to female or female to male) | No impacts identified. | No impacts identified. | No solutions required. |

| | | | |
|--|------------------------|------------------------|------------------------|
| Pregnancy and Maternity | No impacts identified. | No impacts identified. | No solutions required. |
| Sexual orientation (including gay, lesbian, bisexual and heterosexual) | No impacts identified. | No impacts identified. | No solutions required. |
| Marriage and Civil Partnership | No impacts identified. | No impacts identified. | No solutions required. |
| Human Rights | No impacts identified. | No impacts identified. | No solutions required. |

Step 4 – Changes or mitigating actions proposed or adopted

Having undertaken the assessment are there any changes necessary to the existing service, policy, function or procedure? What changes or mitigating actions are proposed?

The mitigating actions proposed are;

- Minimising bus stop relocation distances
- Designing good signage and tactile materials
- Reproviding disabled parking in the nearest suitable location
- Utilising improved lighting and high quality materials

Step 5 – Monitoring

How are you going to monitor the existing service, function, policy or procedure ?

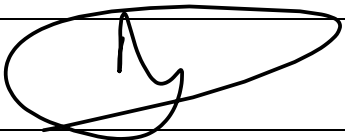
Continued consultations with the various stakeholders.

Part C - Action Plan

| Barrier/s or improvement/s identified | Action Required | Lead Officer | Timescale |
|--|------------------------------|--------------|----------------------------|
| Utilising improved lighting and high quality materials | Design team planning meeting | RT/MN | To be complete by Nov 2021 |
| Reproviding disabled parking in the nearest suitable location. | Design team planning meeting | RT/MN | To be complete by Nov 2021 |
| Designing good signage and tactile materials | Design team planning meeting | RT/MN | To be complete by Nov 2021 |
| Minimising bus stop relocation distances. | Design team planning meeting | RT/MN | To be complete by Nov 2021 |

Equality Analysis approved by:

Head of Service:



Date: 27/06/22

Please send an electronic copy of the Equality Analysis to the Equality & Diversity Team:

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Equality Impact Assessments – Informing Decisions in the city

Resources and Equalities Scrutiny Panel 8/06/22

Equality Impact Assessments – Importance

- Definition: An EIA is a process designed to ensure a project or initiative does not discriminate against any group and promotes equality where possible.
- Importance: It helps the council meet its legal obligation inline with the Equality Act 2010, considering different needs across all equality groups when making decisions to ensure that our services, policies and functions are fair and inclusive.
- Mitigation: EIAs ensure there are no adverse impacts across any equality groups
- Process: The EIA involves identifying potential impacts, gathering relevant data, consulting with stakeholders and identifying solutions to negative impacts

Overview – Public Realm Phase 1 & 3

- Phases 1 and 3 (Victoria Street and Civic Halls) - Aims to improve pedestrian and cycling connectivity in Wolverhampton City Centre, thus creating a more inclusive and accessible environment.
- They address issues such as mobility and visual impairments and aim to reduce crime and antisocial behaviour.
- **Positives impacts:** improve pedestrian safety, lower air pollution for vulnerable people, more footfall and natural surveillance improve safety, additional relocated disabled parking spaces

Consultation

- Consultation: Over 18 months, public and stakeholder engagement was conducted, yielding valuable insights from the community. Informing street layouts, current concerns around access.
- Impact Analysis: Potential negative impacts were identified for different equality groups, with particular focus on age, disability, gender, and religion.
- We engaged with the following partners
 - BID Board and their stakeholder groups including the Business and Retailers group and Pubwatch
 - The Grand Theatre
 - Hackney Carriage and Private Hire Taxi working groups
 - St Peter's Church
 - The Council's Staff Equality Forums
 - The Youth Council / Take Over Day participants
 - West Midlands Police
 - University of Wolverhampton
 - Local disability groups

Mitigation and Future Plans

- Mitigation: Actions proposed include minimising bus stop relocation distances, designing effective signage, and re-providing disabled parking.
- Anticipated Results: These mitigation measures and future plans aim to eliminate or minimise potential adverse effects of equality groups, promoting a more inclusive city

Conclusion and Next Steps

- **Recap:** EIAs are vital for promoting fairness and equality in council projects by meeting its legal obligation, as demonstrated in the Public Realm Phase 1 and 3 EIA.
- **Best practise:** With continued due diligence and routinely undertake EIAs, at development stage of future proposals, functions, policies.
- **Future Vision:** As a part of our ongoing commitment to improve our EIA process, we are planning to establish a new EIA forum. This forum, inspired by best practice seen in other councils and organisations, will comprise heads of service across the council, EDI team members, and community partners. The purpose of this forum will be to provide advice, guidance, and support, to evaluate EIAs, and to ensure no adverse impacts across all equality strands. Participants in the forum will be expected to assist managers throughout the EIA process, especially in the formative/planning stages, helping to identify potential concerns, minimise impacts, and consider improvements or new ways of working



Resources and Equality Scrutiny Panel

8 June 2023

| | | |
|--|---|-------------|
| Report title | Land and Property Disposals Annual Report 2022-2023 | |
| Cabinet member with lead responsibility | Councillor Paula Brookfield | |
| Wards affected | All | |
| Accountable director | Claire Nye, Director of Finance | |
| Originating service | City Assets | |
| Accountable employee(s) | Julia Nock, Deputy Director of Assets Tel 01902 550316 Email Julia.nock@wolverhampton.gov.uk | |
| Report to be/has been considered by | City Asset Leadership Team | 31 May 2023 |

Recommendation(s) for action or decision:

The Scrutiny Board is recommended to:

1. Review the Land and Property Disposals Annual Report 2022-2023.
2. Provide confirmation of assurance that the disposals contained within this report have been actioned in accordance with statutory regulations and the Council's constitution.

1.0 Purpose

- 1.1 To provide the annual land and property disposal outturn for 2022-2023 for assets with a capital receipt value of £10,000 or more. The report summarises the details of approvals obtained, method of sale and compliance with best consideration.

2.0 Background

- 2.1 One of the Council's priorities under Our City: Our Plan is for the Council to use its land and property to enable transformation within local communities. In order to achieve this change, the Council must continually review its land and property holdings. The Council's Strategic Asset Plan is the primary driver in identifying opportunities to dispose of surplus land and property which is no longer required for current or future service delivery.
- 2.2 Capital receipts from property disposals are a critical part of the Medium Term Financial Plan. It is important the Council has a predictable and resilient plan to accurately predict and achieve receipts whilst demonstrating that best value has been achieved in accordance with the Local Government Act 1972.
- 2.3 In January 2023, The Council adopted a formal Land and Property Disposal Policy which details how disposals of surplus land and property are managed, providing stakeholders with a clear framework within which the Council carries out land and property disposal transactions.
- 2.4 The Land and Property Disposal Policy provides a robust, clear and fair approach in line with current legislation and policies to ensure that we are managing and disposing of surplus assets appropriately and ensuring that the Council's interests are sufficiently safeguarded.
- 2.5 The key message delivered throughout this policy is the Council's duty to obtain best consideration for its surplus land and property assets. There is both an ethical and statutory duty to obtain the best value for surplus land and property and the Council holds its fiduciary duty to the public when divesting of assets in the highest regard.

3.0 Disposal Process

- 3.2 In accordance with the Land and Property Disposal Policy the following steps are followed when declaring assets surplus and leading to a subsequent disposal:

Step 1

The Council adopts an effective pro-active and reactive response to identifying assets which may be surplus to Council requirements. The pro-active approach, in line with the Council's Strategic Asset Plan, involves a continual review of evolving service delivery needs and how land and/or property plays a part.

Step 2

Internal service and Ward Councillor consultations are essential to ensure a holistic view of any land or property asset is obtained. All feedback provides valuable input into the the decision making.

Step 3

Following internal consultation, if there are no valid objections raised to the proposed disposal, a report is taken to the Council's Asset Management Board. The report to Asset Management Board contains an estimate of value, undertaken by a qualified internal RICS Registered Valuer, along with a series of options for disposal and a recommendation. The options are discussed and the Chair provides instruction either based on the recommendation or the outcome of Board discussion.

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

Step 4

For assets with an estimated value of the land/property exceeding £250,000 or following marketing an offer is received exceeding £250,000, a report to Cabinet is prepared, outlining the options and recommended route to disposal. The report is considered and should Cabinet agree the recommendation outlined, approval to proceed will be granted. All Cabinet approvals to dispose of land/property with an estimated value of more than £250,000 are subject to a supplementary IEDN report being presented which provides the detail of the outcome of marketing along with the recommended offer for acceptance.

- 3.2 The Council's Strategic Asset Plan which provides the direction in the future management of Council land and property portfolio is due to be reviewed and refreshed during 2023. The Strategic Asset Plan 2024-2029 will clarify the Council's approach to the management of its land and buildings portfolio (including disposals), alongside its aspirational future aims, over the next five years period.

4.0 Disposals 2022-2023

- 4.1 During 2022-2023 the Council disposed of eight land and property assets generating a total General Fund capital receipt income of £448,500 and a total Housing Revenue Account capital receipt income of £278,000. All assets were disposed of in accordance with Section 123 of the Local Government Act 1972 and the Council's Land and Property Disposal Policy.
- 4.2 Appendix 1 provides a summary of interests sold with a capital receipt value of £10,000 or more during 2022-2023. The summary provides details of approval obtained, method of sale and compliance with best consideration.

5.0 Questions for Scrutiny to consider

- 5.1 Scrutiny Panel is asked to confirm their assurance on the Council's compliance in disposing of the assets included within Appendix 1 of this report for the period 2022-2023.

6.0 Financial implications

- 6.1 There are no direct financial implications arising from this report.
- 6.2 The financial implications for each asset disposed of during 2022-2023 were detailed within the relevant IEDN or Cabinet Report as appropriate, depending on the value of the capital receipt.

[RJ/25052023/N]

7.0 Legal implications

- 7.1 The Council processes disposals in accordance with both legislation (Section 123 of The Local Government Act 1972) and the Council's constitution to form a consistent and transparent structure which determines how surplus land and property is disposed of (Land and Property Disposal Policy). The Council is required to obtain best consideration reasonably obtainable when disposing of assets.

JA/25052023/L

8.0 Equalities implications

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

9.0 All other implications

- 9.1 None

10.0 Schedule of background papers

- 10.1 Strategic Asset Plan 2018-2023
- 10.2 Land and Property Disposal Policy Cabinet Report – 18 January 2023

CITY OF WOLVERHAMPTON C O U N C I L

Capital receipts generated from land and property disposals

Summary for financial year 2022-2023

A summary of interests sold with a capital receipt value of £10,000 or more during the above period including approval obtained, method of sale and compliance with best consideration.

Abbreviations:

CRP – Cabinet (Resources) Panel

IEDN – Individual Executive Decision Notice

HRA - Housing Revenue Account

GF - General Fund

| Asset | GF or HRA | Authority to dispose date | Authority granted via | Best consideration | Sale price | Completion date |
|---|-----------|---------------------------|-----------------------|--|---|---|
| Garage site adjoining former Happy Wanderer PH, Marchant Road | HRA | 07-12-2020 | IEDN | Sale via Private Treaty | £83,000 | 29-07-22 |
| 46 Mount Pleasant, Bilston | GF | 05-03-19 | CRP | Open market – Offered for sale by way of auction | £130,000 (10% deposit received, balance due on completion pending) | Pending Completion. Buyer to bring property up to a decent homes standard within 12 months of the Contract Date (21.07.2022) Deposit £13,000 received on 28-07-2022 |
| 1 Clarendon Street | GF | 01-10-2019 | CRP | Open market – Offered for sale by way of auction | £145,000 | 22-03-2023 |
| 10 Lloyd Street | GF | 16-01-2018 | CRP | Open market – Offered for sale by way of auction | £136,000 (10% deposit received, balance due on completion pending) | Pending Completion. Buyer to bring property up to a decent homes standard within 6 months of the Contract Date (15.09.22) |

| | | | | | | |
|---|-----|------------|------|-------------------------|-----------------|---|
| | | | | | | 3 month extension given to the longstop date Deposit £13,600 received on 22-09-2022 |
| 9 Strathfield Walk - New Park Village | HRA | 11-08-2021 | IEDN | Right to Buy sale | £82,500 | 14-04-2022 |
| 56 Hall Park Street (Plot 16 Sweet Briary) <i>Shared ownership lease</i> | HRA | 12-11-2020 | IEDN | Sale via Private Treaty | £112,500 | 07-10-2022 |
| Land fronting Barlow Motors <i>Freehold sale of land licenced to Barlow Motors</i> | GF | 08-12-21 | IEDN | Sale via Private Treaty | £22,500 | 17-01-23 |
| Land adjoining 14 Lydian Close <i>To regularise encroachment by Midland Heart with land to be retained as open space</i> | GF | 09-08-22 | IEDN | Sale via Private Treaty | £15,000 | 22-02-23 |

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Resources and Equality Scrutiny Panel

8 June 2023

| | | |
|--|--|--|
| Report title | Treasury Management Activity Monitoring Quarter Three 2022-2023 | |
| Cabinet member with lead responsibility | Councillor Obaida Ahmed Resources and Digital | |
| Wards affected | All | |
| Accountable director | Tim Johnson, Chief Executive | |
| Originating service | Strategic Finance | |
| Accountable employee(s) | Claire Nye | Director of Finance |
| | Tel | 01902 550478 |
| | Email | Claire.Nye@wolverhampton.gov.uk |
| Report to be/has been considered by | Cabinet (Resources) Panel | 22 March 2023 |

Recommendation for noting:

Members of the Resources and Equality Scrutiny Panel are asked to note the contents of the report.

1.0 Purpose

- 1.1 To bring to the panel's attention, information about the Council's treasury management activity that has been reported to Cabinet (Resources) Panel on 22 March 2023.

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) Treasury Management Code of Practice. The Code requires a nominated body be responsible for ensuring effective scrutiny of the Council's treasury management strategy and policies, the Resources and Equality Scrutiny Panel fulfils this role.
- 2.2 On 22 March 2023 Cabinet (Resources) Panel received the report 'Treasury Management Activity Monitoring Quarter Three 2022-2023'. This report can be found in Appendix A.
- 2.3 The Scrutiny Panel are asked to note the activity outlined in this report.

3.0 Financial implications

- 3.1 The financial implications are detailed in the Cabinet (Resources) Panel report of 22 March 2023.
[SH/18052023/Y]

4.0 Legal implications

- 4.1 The legal implications are detailed in the Cabinet (Resources) Panel report of 22 March 2023.
[TC/24052023/C]

5.0 Equalities implications

- 5.1 The equalities implications are detailed in the Cabinet (Resources) Panel report of 22 March 2023.

6.0 All other implications

- 6.1 These are detailed in the Cabinet (Resources) Panel report of 22 March 2023.

7.0 Schedule of background papers

- 7.1 Treasury Management Activity Monitoring Quarter Three 2022-2023, report to Cabinet (Resources) Panel, 22 March 2023

| | |
|--|--|
| CITY OF WOLVERHAMPTON COUNCIL | Cabinet (Resources) Panel 22 March 2023 |
|--|--|

| | | |
|--|--|---------------------------------|
| Report title | Treasury Management Activity Monitoring Quarter Three 2022-2023 | |
| Decision designation | AMBER | |
| Cabinet member with lead responsibility | Councillor Obaida Ahmed Resources and Digital City | |
| Key decision | Yes | |
| In forward plan | Yes | |
| Wards affected | All Ward | |
| Accountable Director | Tim Johnson, Chief Executive | |
| Originating service | Strategic Finance | |
| Accountable employee | Claire Nye | Director of Finance |
| | Tel | 01902 550478 |
| | Email | Claire.Nye@wolverhampton.gov.uk |
| Report to be/has been considered by | Strategic Executive Board | 9 March 2023 |
| | Resources and Digital Scrutiny Panel | 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 2022-2023.
2. That a revenue underspend of £3.5 million for the General Fund and a revenue overspend of £881,000 for the Housing Revenue Account (HRA) are forecast from treasury management activities in 2022-2023.
3. That mainly due to additional income being received than forecast over the Christmas period, the Council temporarily exceeded the limit of £10.0 million to be held in the Council's bank account by £4.4 million from 30 December 2022 until rectified on 3 January 2023.

1.0 Purpose

- 1.1 This report provides a monitoring and progress report on treasury management activity for the third quarter of 2022-2023 and highlights the revised Prudential Indicators which were approved by Council on 1 March 2023.

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 2022-2023 report which can be accessed online on the Council's website by following the link:

[Agenda for Cabinet on Wednesday, 23rd February, 2022, 5.00 pm :: Wolverhampton City Council \(modern.gov.co.uk\)](#)

- 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 2022-2023. 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. This service contract expired 31 December 2022 and following a re-tendering exercise, Link have been awarded the contract for a further three years with a possibility of two further extensions of twelve months each.
- 2.6 In the 'Treasury Management – Annual Report 2021-2022 and Activity Monitoring Quarter One 2022-2023' report to Cabinet on 6 July 2022, it was reported that CIPFA had recently consulted on proposals to update the CIPFA Code of Practice on Local Authority Accounting for infrastructure assets. In response to the issues being considered by CIPFA, the Council was reviewing its accounting policy and would discuss the findings with the Council's external auditors. This may have resulted in additional charges being made in respect of Minimum Revenue Provision (MRP) for the General Fund for 2021-2022 onwards. At the time of writing this report, CIPFA have released a temporary

solution to the Code of Practice on Local Authority Accounting for infrastructure. This solution features a temporary relief for local authorities with regards reporting the elements of the value of infrastructure assets until March 2025. Therefore, it is projected no additional charges for MRP for the General Fund are required at this time. This will be monitored going forward as this topic develops.

- 2.7 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. The Council has not had to undertake any external borrowing during 2020-2021 and 2021-2022, the last time the Council carried out external borrowing was March 2019. Due to loans maturing during 2022-2023 the Council's external borrowing has reduced, standing at £713.8 million at 31 December 2022.
- 2.8 On 1 March 2023, 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.
- 2.9 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
- 2.10 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 three cross cutting principles – Climate Conscious, Driven by Digital, Fair and Equal.

3.0 2022-2023

- 3.1 The forecast outturn for treasury management activities in 2022-2023 compared to budget is shown in Table 1.

Table 1 – Treasury management budget and forecast outturn 2022-2023

| | Approved Budget £000 | Forecast Outturn £000 | Variance at Quarter Three £000 |
|-------------------------|----------------------------|-----------------------------|--------------------------------------|
| General Fund | 40,265 | 36,717 | (3,548) |
| Housing Revenue Account | 10,238 | 11,119 | 881 |
| Total | 50,503 | 47,836 | (2,667) |

- 3.2 Overall, an underspend of £3.5 million for the General Fund and an overspend of £881,000 for the Housing Revenue Account (HRA) are projected for the year 2022-2023.
- 3.3 In the main, the General Fund underspend is due to; no borrowing being undertaken in 2021-2022, a reduced borrowing need in year arising as a result of re-phasing of the capital programme and, following a review of the draft balance sheet for 2021-2022, a forecast change in the proportion split for interest between the General Fund and HRA.
- 3.4 The approved Medium Term Financial Strategy assumes a release of £1.7 million of the Treasury Management Equalisation Reserve in 2022-2023. This release isn't included in the above table as the treasury management budget needs to be monitored without this release for management purposes. However, the Performance and Budget Monitoring report to Cabinet on 22 March 2023, assumes this draw down of reserve for 2022-2023.
- 3.5 On 6 July 2022, it was reported to Cabinet in the Treasury Management Activity Monitoring Quarter One report, there were early indications suggesting there were pressures on the HRA budget. The HRA forecast overspend highlighted above, is mainly due to the corresponding increase in the interest proportion split. The Performance and Budget Monitoring report to Cabinet on 22 March 2023 refers to the updated forecast position on the HRA.
- 3.6 Upon the completion of the audit of the Council's Statement of Accounts for 2021-2022 the balance sheet will be reviewed again to see if there are any further changes to the proportion split for interest between the General Fund and HRA.
- 3.7 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 2022-2023 financial year.
- 3.8 The forecast positions will be considered and incorporated in the Performance and Budget monitoring report to Cabinet on 22 March 2023.
- 3.9 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.
- 3.10 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 22 February 2023 and approved by Council on 1 March 2023.

4.0 Borrowing forecast for 2022-2023

- 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.

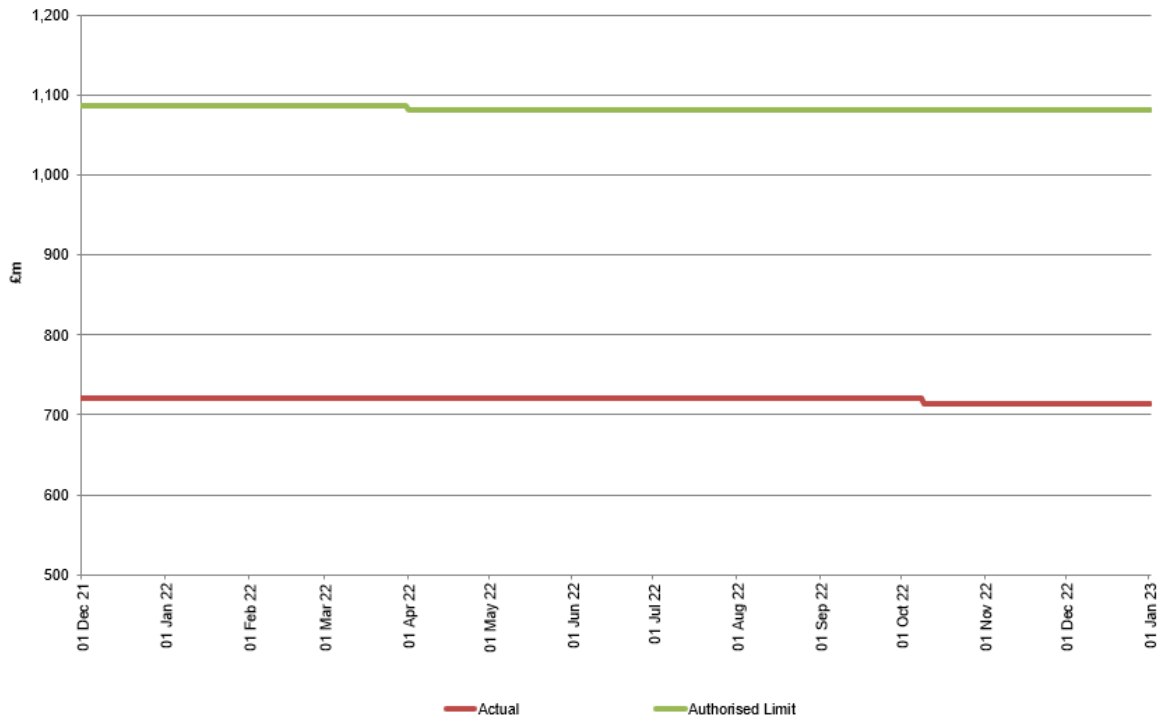
4.2 Table 2 shows the average rate of interest payable in 2021-2022 and forecast for 2022-2023.

Table 2 – Average interest rate payable in 2021-2022 and 2022-2023

| | 2021-2022 | 2022-2023 |
|-------------------------------|------------------|------------------|
| | Actual | Forecast |
| Average Interest Rate Payable | 3.79% | 3.78% |

- 4.3 The average interest rate payable for 2022-2023 in Table 2 includes the rates forecast provided by Link on 19 December 2022. Although interest rates have been rising, due to maturing loans in 2022-2023 being a higher rate than those available now, a slightly lower weighted average rate is forecast.
- 4.4 Each year it is usually necessary to raise new loans to finance capital expenditure and to replace existing maturing borrowing. The Council's policy is to prioritise the use of capital receipts to finance capital expenditure. Balances which are set aside to meet credit liabilities (i.e. to repay borrowing) are used to reduce the external borrowing requirement.
- 4.5 Decisions to take borrowing will be made by the Director of Finance when it is judged that rates are likely to be at their lowest levels, and probably about to rise according to market indications, and only when an inflow of funds is required to meet imminent cash flow commitments. This will keep overall surplus cash balances to a minimum, in line with the current strategy. Appendix 2 to this report shows the maturity profile of external borrowing.
- 4.6 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 2022-2023 which forecasts increasing interest rates peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023. This forecast done in December 2022 showed the base rate could potentially increase to a 4.5% high, which is lower than previous forecast. The Director of Finance will continue to keep actual and forecast rates under close review.
- 4.7 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



4.8 The level of borrowing at 31 December 2022 is £713.8 million, Appendix 4 to the report shows a summary of this position. During quarter three no new loans occurred but two loans totalling £6.7 million were repaid, £3.5 million of existing borrowing is due to be repaid in quarter four. There was no debt rescheduled during quarter three.

4.9 In March 2022, Council approved a net borrowing requirement for 2022-2023 of £112.0 million. The forecast net borrowing requirement for 2022-2023 is £92.1 million, as shown in Appendix 5, due to re-phasing in the capital programme. This appendix also shows the details for the disclosure for certainty rate, which enables the Council to access discounted borrowing at 0.20% below normal Public Works Loan Board (PWLb) rates.

5.0 Investment forecast for 2022-2023

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

5.2 Table 3 shows the total amount of surplus funds invested as at 30 September 2022 and 31 December 2022.

Table 3 – Total amounts invested 2022-2023

| | 30 September 2022 £000 | 31 December 2022 £000 |
|---|---------------------------------------|--------------------------------------|
| Business Reserve Accounts | 360 | 14,392 |
| Debt Management Account Deposit Facility | 10,565 | - |
| Money Market Funds | 60,300 | 47,450 |
| Total invested | 71,225 | 61,842 |
| Average cash balance for the year to date | 72,353 | 72,807 |

- 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 £47.7 million and a maximum of £89.0 million. The average cash balance for the quarter being £73.7 million.
- 5.5 It should be noted that, mainly due to additional income being received than forecast over the Christmas period, the Council temporarily exceeded the limit of £10.0 million to be held in the Council's bank account by £4.4 million from 30 December 2022 until rectified on 3 January 2023.
- 5.6 Table 4 shows the budgeted average rate of interest receivable in 2022-2023 and the forecast for the year.

Table 4 – Average interest rate receivable in 2022-2023

| | 2022-2023 Budget | 2022-2023 Forecast |
|----------------------------------|-----------------------------|-------------------------------|
| Average Interest Rate Receivable | 0.10% | 2.00% |

- 5.7 At the time the budget was set a prudent percentage was used for budgeting purposes as the Covid-19 pandemic had seen interest rates available for investments decrease significantly. As the Bank of England have been increasing the base rate since February 2022 the rates achieved on investments has been increasing. With the current uncertainties it is still increasingly difficult to forecast future investment rates that could be achieved therefore, a prudent rate is forecast based on the increased rates achieved to the 31 December 2022.
- 5.8 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).

- 5.9 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.
- 5.10 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 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.
- 5.11 In quarter three 2022-2023 the Director of Finance has not been required to use her discretion to temporarily exceed any upper limits with approved counterparties. 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 2022-2023, 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 2022-2023.

8.0 Financial implications

- 8.1 The financial implications are discussed in the body of this report.
[SH/09032023/L]

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.
[SZ/10032023/P]

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 2022-2023](#), Report to Cabinet, 23 February 2022

12.2 [Treasury Management – Annual Report 2021-2022 and Activity Monitoring Quarter One 2022-2023](#), Report to Cabinet, 6 July 2022

12.3 [Treasury Management Activity Monitoring – Mid Year Review 2022-2023](#), Report to Cabinet, 16 November 2022

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

12.5 [Performance and Budget Monitoring 2022-2023](#), Report to Cabinet, 22 March 2023

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 2022-2023 report.

| | Approved by Council 2 March 2022 | | | Approved by Council 1 March 2023 | | |
|---|----------------------------------|-------------------------------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|
| | 2022-2023 Forecast £000 | 2023-2024 Forecast £000 | 2024-2025 Forecast £000 | 2022-2023 Forecast £000 | 2023-2024 Forecast £000 | 2024-2025 Forecast £000 |
| General Fund * | 139,412 | 59,970 | 36,048 | 97,474 | 168,372 | 69,053 |
| HRA | 84,663 | 88,488 | 84,560 | 72,240 | 131,111 | 142,117 |
| | 224,075 | 148,458 | 120,608 | 169,714 | 299,483 | 211,170 |
| * 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. | 13,057 | 10,000 | 4,900 | 67 | 13,000 | 11,900 |

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

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

| | Approved by Council 2 March 2022 | | | Approved by Council 1 March 2023 | | |
|---|----------------------------------|-------------------------------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|
| | 2022-2023 Forecast £000 | 2023-2024 Forecast £000 | 2024-2025 Forecast £000 | 2022-2023 Forecast £000 | 2023-2024 Forecast £000 | 2024-2025 Forecast £000 |
| General Fund * | 723,620 | 707,006 | 691,987 | 685,052 | 719,461 | 719,195 |
| HRA | 316,145 | 359,879 | 396,978 | 303,596 | 391,937 | 493,346 |
| | 1,039,765 | 1,066,885 | 1,088,965 | 988,648 | 1,111,398 | 1,212,541 |
| * 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. | 45,165 | 40,730 | 34,206 | 32,474 | 44,792 | 42,692 |
| Movement in capital financing requirement represented by: | | | | | | |
| New borrowing for capital expenditure | 109,302 | 68,029 | 70,016 | 67,862 | 156,049 | 138,600 |
| Less minimum revenue provision/voluntary minimum revenue provision | (37,391) | (40,909) | (47,936) | (33,684) | (33,299) | (37,457) |
| Movement in capital financing requirement | 71,911 | 27,120 | 22,080 | 34,178 | 122,750 | 101,143 |

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 1 March 2023 | | |
|---|----------------------------------|----------------------------|----------------------------|
| | 2022-2023 Limit £000 | 2023-2024 Limit £000 | 2024-2025 Limit £000 |
| Borrowing | 1,080,693 | 1,137,035 | 1,284,348 |
| Other Long Term Liabilities | 82,628 | 75,960 | 76,416 |
| Total Authorised Limit | 1,163,321 | 1,212,995 | 1,360,764 |
| Forecast External Debt as at 31 December 2022: | | | |
| Borrowing | 802,323 | 954,041 | 1,063,728 |
| Other Long Term Liabilities | 76,928 | 73,960 | 74,416 |
| | 879,251 | 1,028,001 | 1,138,144 |
| Variance (Under) / Over Authorised limit | (284,070) | (184,994) | (222,620) |
| Authorised limit for service investments included in the above figures | | | |
| Authorised Limit | 66,049 | 57,928 | 72,778 |
| Forecast External Debt as at 31 December 2022: | | | |
| | 42,361 | 54,678 | 53,678 |
| Variance (Under) / Over Authorised limit | (23,688) | (3,250) | (19,100) |

Prudential Indicators (PI) required by The Prudential Code

PI 4 - Operational boundary for external debt.

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

| | Approved by Council 1 March 2023 | | |
|---|----------------------------------|----------------------------|----------------------------|
| | 2022-2023 Limit £000 | 2023-2024 Limit £000 | 2024-2025 Limit £000 |
| Borrowing | 1,054,388 | 1,098,093 | 1,251,917 |
| Other Long Term Liabilities | 80,628 | 73,960 | 74,416 |
| Total Operational Boundary Limit | 1,135,016 | 1,172,053 | 1,326,333 |
| Forecast External Debt as at 31 December 2022: | | | |
| Borrowing | 802,323 | 954,041 | 1,063,728 |
| Other Long Term Liabilities | 76,928 | 73,960 | 74,416 |
| | 879,251 | 1,028,001 | 1,138,144 |
| Variance (Under) / Over Operational Boundary Limit | (255,765) | (144,052) | (188,189) |
| Operational boundary for service investments included in the above figures | | | |
| Operational Boundary Limit | 65,035 | 54,678 | 72,778 |
| Forecast External Debt as at 31 December 2022: | 42,361 | 54,678 | 53,678 |
| Variance (Under) / Over Operational Boundary Limit | (22,674) | 0 | (19,100) |

PI 5 - Gross debt and the capital financing requirement.

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

| | Approved by Council 2 March 2022 | | | Approved by Council 1 March 2023 | | |
|--|----------------------------------|-------------------------------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|
| | 2022-2023 Forecast £000 | 2023-2024 Forecast £000 | 2024-2025 Forecast £000 | 2022-2023 Forecast £000 | 2023-2024 Forecast £000 | 2024-2025 Forecast £000 |
| Forecast Capital Financing Requirement at end of Second Year | 1,088,964 | 1,088,964 | 1,094,833 | 1,212,541 | 1,212,541 | 1,257,210 |
| Gross Debt | 953,239 | 1,018,359 | 1,070,439 | 879,251 | 1,028,001 | 1,138,144 |
| 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 2 March 2022 | | | Approved by Council 1 March 2023 | | |
|---|----------------------------------|-----------------------|-----------------------|----------------------------------|-----------------------|-----------------------|
| | 2022-2023 Forecast | 2023-2024 Forecast | 2024-2025 Forecast | 2022-2023 Forecast | 2023-2024 Forecast | 2024-2025 Forecast |
| General Fund * | 18.1% | 18.6% | 18.4% | 16.7% | 15.8% | 16.3% |
| HRA | 31.4% | 31.7% | 32.2% | 32.2% | 34.8% | 37.0% |
| * 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. | 1.1% | 1.2% | 1.0% | 0.8% | 0.8% | 0.9% |

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 2 March 2022 | | | Approved by Council 1 March 2023 | | |
|------------|----------------------------------|-----------------------|-----------------------|----------------------------------|-----------------------|-----------------------|
| | 2022-2023 Forecast | 2023-2024 Forecast | 2024-2025 Forecast | 2022-2023 Forecast | 2023-2024 Forecast | 2024-2025 Forecast |
| Commercial | - | - | - | - | - | - |
| Service | 0.6% | 0.8% | 0.7% | 0.6% | 0.5% | 0.5% |

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 | | |
|---|----------------------------------|---------------|---------------|
| | 2022-2023 | 2023-2024 | 2024-2025 |
| | Limit £000 | Limit £000 | Limit £000 |
| Upper limit for long-term treasury management investments | 35,000 | 35,000 | 35,000 |
| Actual and Forecast Invested at 31 December 2022 | - | - | - |
| 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 1 March 2023 |
|--------------------------------|----------------------------------|----------------|------------------------------------|
| | Upper Limit | Lower Limit | 2022-2023 Forecast Borrowing |
| Under 12 months | 25% | 0% | 0.88% |
| 12 months and within 24 months | 25% | 0% | - |
| 24 months and within 5 years | 40% | 0% | 3.49% |
| 5 years and within 10 years | 50% | 0% | 10.63% |
| 10 years and within 20 years | 50% | 0% | 16.32% |
| 20 years and within 30 years | 50% | 0% | 29.69% |
| 30 years and within 40 years | 50% | 0% | 20.06% |
| 40 years and within 50 years | 50% | 0% | 18.93% |
| 50 years and within 60 years | 50% | 0% | - |

Non-treasury management investment indicators

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

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

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

| | Approved by Council 2 March 2022 | | | Approved by Council 1 March 2023 | | |
|------------------------|----------------------------------|-------------------------------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|
| | 2022-2023 Forecast £000 | 2023-2024 Forecast £000 | 2024-2025 Forecast £000 | 2022-2023 Forecast £000 | 2023-2024 Forecast £000 | 2024-2025 Forecast £000 |
| Service investments | 13,057 | 10,000 | 4,900 | 67 | 13,000 | 11,900 |
| Commercial investments | - | - | - | - | - | - |
| | 13,057 | 10,000 | 4,900 | 67 | 13,000 | 11,900 |
| | | | | | | |

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

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

| | Approved by Council 2 March 2022 | | | Approved by Council 1 March 2023 | | |
|---|----------------------------------|-------------------------------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|
| | 2022-2023 Forecast £000 | 2023-2024 Forecast £000 | 2024-2025 Forecast £000 | 2022-2023 Forecast £000 | 2023-2024 Forecast £000 | 2024-2025 Forecast £000 |
| Net debt for service and commercial investments | 45,165 | 40,730 | 34,206 | 32,474 | 44,792 | 42,692 |
| Net service expenditure | 267,150 | 268,326 | 277,311 | 267,159 | 306,414 | 316,409 |
| Debt to net service expenditure ratio | 16.9% | 15.2% | 12.3% | 12.2% | 14.6% | 13.5% |

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.

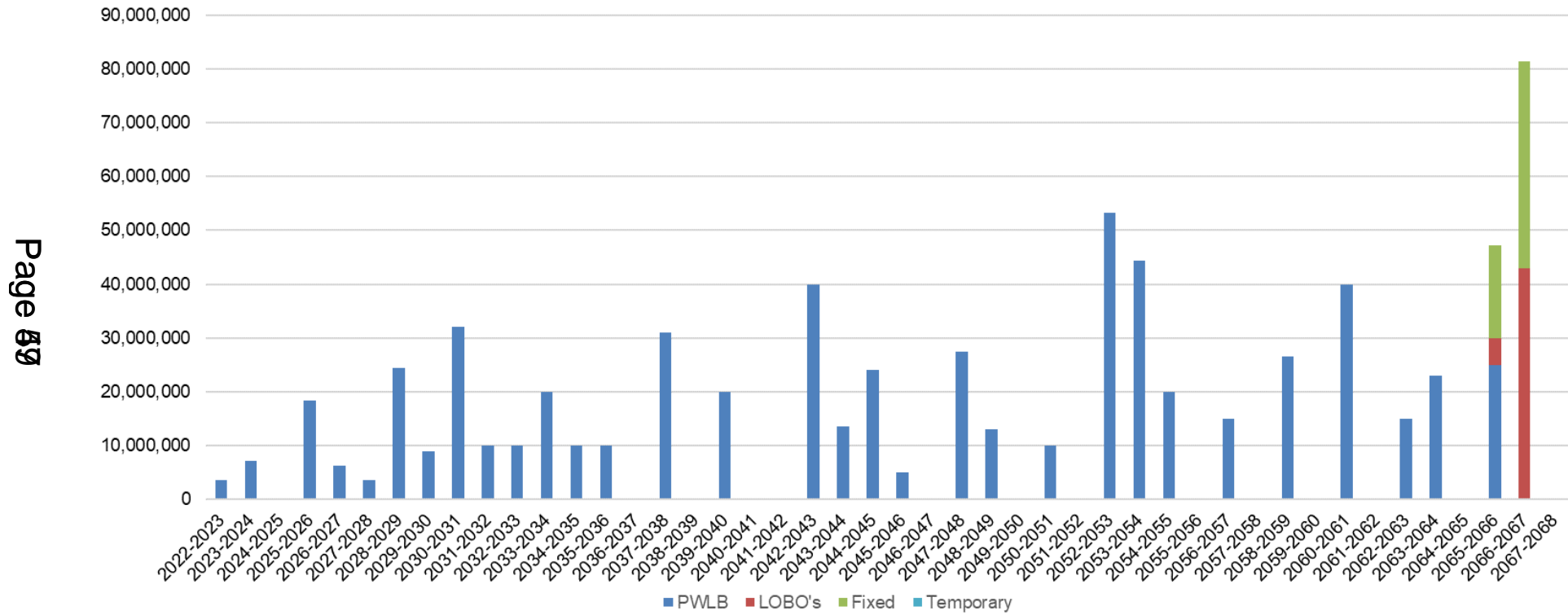
| | Approved by Council 2 March 2022 | | | Approved by Council 1 March 2023 | | |
|--|----------------------------------|-------------------------------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|
| | 2022-2023 Forecast £000 | 2023-2024 Forecast £000 | 2024-2025 Forecast £000 | 2022-2023 Forecast £000 | 2023-2024 Forecast £000 | 2024-2025 Forecast £000 |
| Service and commercial investment income | 1,819 | 2,115 | 2,033 | 1,647 | 1,573 | 1,666 |
| Net service expenditure | 267,150 | 268,326 | 277,311 | 267,159 | 306,414 | 316,409 |
| Service and commercial income to net service expenditure ratio | 0.7% | 0.8% | 0.7% | 0.6% | 0.5% | 0.5% |

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 2 March 2022 | | | Approved by Council 1 March 2023 | | |
|---------------------|----------------------------------|-----------------------|-----------------------|----------------------------------|-----------------------|-----------------------|
| | 2022-2023 Forecast | 2023-2024 Forecast | 2024-2025 Forecast | 2022-2023 Forecast | 2023-2024 Forecast | 2024-2025 Forecast |
| Loan to value ratio | 72.1% | 68.3% | 62.7% | 67.0% | 72.9% | 70.7% |

Borrowing Maturity Profile at 31 December 2022



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Link interest rate forecasts

The Council's treasury advisor, Link Group, provided the following forecasts on 19 December 2022 (PWLB rates are certainty rates, gilt yields plus 80bps):

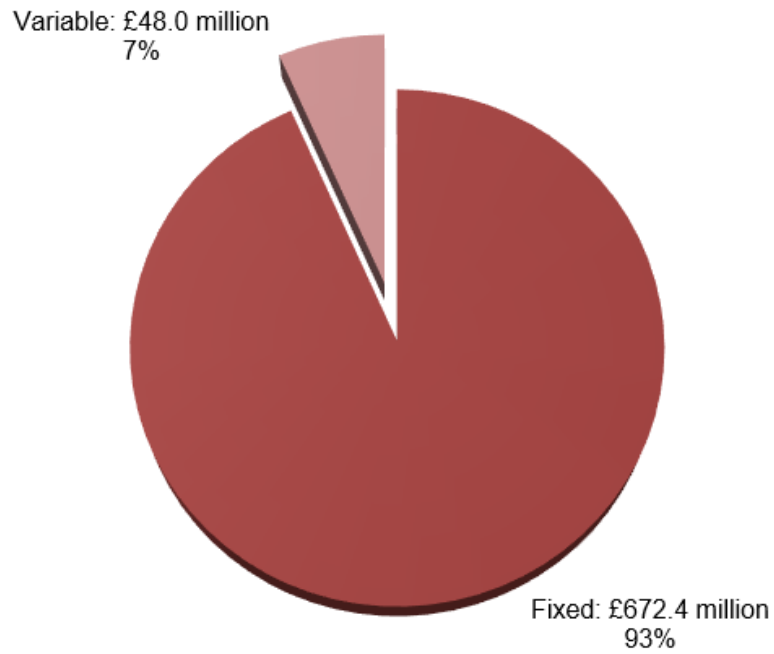
| Link Group Interest Rate View | | 19.12.22 | | | | | | | | | | | |
|-------------------------------|--------|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 | Dec-25 |
| BANK RATE | 3.50 | 4.25 | 4.50 | 4.50 | 4.50 | 4.00 | 3.75 | 3.50 | 3.25 | 3.00 | 2.75 | 2.50 | 2.50 |
| 3 month ave earnings | 3.60 | 4.30 | 4.50 | 4.50 | 4.50 | 4.00 | 3.80 | 3.30 | 3.00 | 3.00 | 2.80 | 2.50 | 2.50 |
| 6 month ave earnings | 4.20 | 4.50 | 4.60 | 4.50 | 4.20 | 4.10 | 3.90 | 3.40 | 3.10 | 3.00 | 2.90 | 2.60 | 2.60 |
| 12 month ave earnings | 4.70 | 4.70 | 4.70 | 4.50 | 4.30 | 4.20 | 4.00 | 3.50 | 3.20 | 3.10 | 3.00 | 2.70 | 2.70 |
| 5 yr PWLB | 4.20 | 4.20 | 4.20 | 4.10 | 4.00 | 3.90 | 3.80 | 3.60 | 3.50 | 3.40 | 3.30 | 3.20 | 3.10 |
| 10 yr PWLB | 4.30 | 4.40 | 4.40 | 4.30 | 4.10 | 4.00 | 3.90 | 3.80 | 3.60 | 3.50 | 3.40 | 3.30 | 3.30 |
| 25 yr PWLB | 4.60 | 4.60 | 4.60 | 4.50 | 4.40 | 4.20 | 4.10 | 4.00 | 3.90 | 3.70 | 3.60 | 3.50 | 3.50 |
| 50 yr PWLB | 4.30 | 4.30 | 4.30 | 4.20 | 4.10 | 3.90 | 3.80 | 3.70 | 3.60 | 3.50 | 3.30 | 3.20 | 3.20 |

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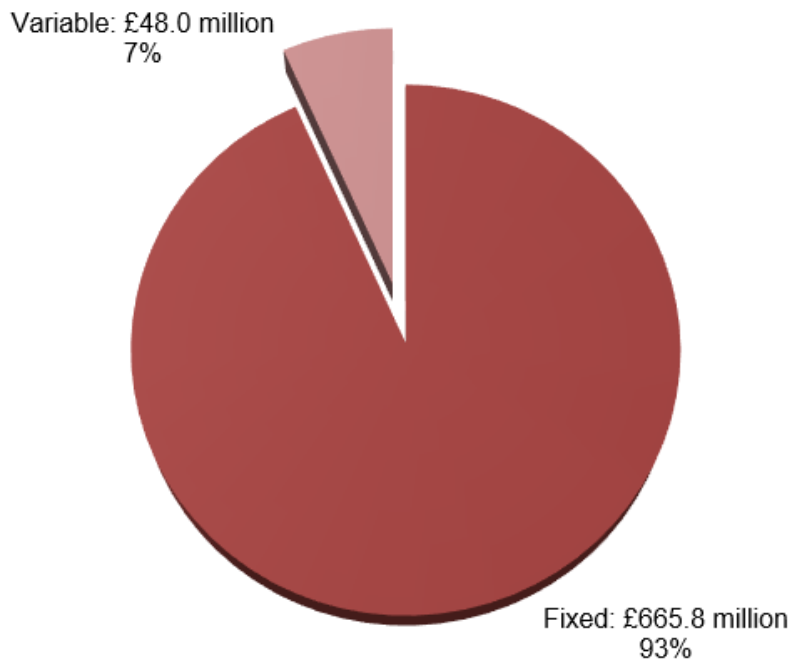
Borrowing: Graphical Summary

Borrowing by Type

As at 30 September 2022



As at 31 December 2022



Borrowing and Repayments in 2022-2023

| | Start Date | Maturity Date | Amount £000 | Length | Interest Rate | Full Year Interest £000 |
|--------------------------------------|------------|---------------|----------------|--------|---------------|----------------------------|
| 2022-2023 Borrowing | | | | | | |
| PWLB Fixed Maturity: | | | | | | |
| No activity in quarter 3 | | | | | | |
| Sub total for PWLB | | | - | | | - |
| Temporary Loans: | | | | | | |
| No activity in quarter 3 | | | | | | |
| Sub total for Temporary Loans | | | - | | | - |
| Grand total borrowing | | | | | | |
| | | | - | | | - |

| | Start Date | Maturity Date | Amount £000 | Length years | Interest Rate | Full Year Interest £000 |
|--------------------------------------|------------|---------------|----------------|-----------------|---------------|----------------------------|
| 2022-2023 Repayments | | | | | | |
| PWLB Fixed Maturity: | | | | | | |
| 479651 | 11/07/1997 | 09/10/2022 | 4,434 | 25.6 | 7.00% | 310 |
| 479863 | 18/09/1997 | 09/10/2022 | 2,217 | 25.6 | 6.88% | 152 |
| Sub total for PWLB | | | 6,651 | | | 462 |
| Temporary Loans: | | | | | | |
| No activity in quarter 3 | | | | | | |
| Sub total for Temporary Loans | | | - | | | - |
| Grand total repayments | | | | | | |
| | | | 6,651 | | | 462 |
| Net movement | | | | | | |
| | | | (6,651) | | | (462) |

Disclosure for Certainty Rate

| Certainty Rate | | | | | | |
|--|---|------------------|------------------|-------------------------------|------------------|------------------|
| This table details the information that is required to enable the Council to submit a return for 2022-2023 | | | | | | |
| | Approved by Council 2 March 2022 | | | As at 31 December 2022 | | |
| | 2022-2023 | 2023-2024 | 2024-2025 | 2022-2023 | 2023-2024 | 2024-2025 |
| | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Net Borrowing Requirement: | | | | | | |
| Borrowing to finance planned capital expenditure | 105,219 | 67,750 | 69,840 | 67,479 | 155,770 | 134,724 |
| Existing maturity loans to be replaced during the year | 41,071 | 95,095 | 70,000 | 55,199 | 33,095 | 65,000 |
| Less: | | | | | | |
| Minimum Revenue Provision for debt repayment | (19,817) | (21,121) | (22,316) | (19,557) | (20,577) | (22,381) |
| Voluntary debt repayment | (14,493) | (16,541) | (22,200) | (11,046) | (9,475) | (11,656) |
| | (34,310) | (37,662) | (44,516) | (30,603) | (30,052) | (34,037) |
| Loans replaced less debt repayment | 6,761 | 57,433 | 25,484 | 24,596 | 3,043 | 30,963 |
| Net Advance Requirement | 111,980 | 125,183 | 95,324 | 92,075 | 158,813 | 165,687 |
| Analysed by: | | | | | | |
| Service delivery | 28,743 | 8,374 | 2,503 | 26,926 | 19,201 | 7,930 |
| Housing | 58,821 | 57,275 | 54,199 | 35,963 | 110,819 | 111,965 |
| Regeneration | 17,655 | 2,101 | 13,138 | 4,590 | 25,750 | 14,829 |
| Preventative action | - | - | - | - | - | - |
| Treasury Management | 6,761 | 57,433 | 25,484 | 24,596 | 3,043 | 30,963 |
| Primarily for yield | - | - | - | - | - | - |
| Total | 111,980 | 125,183 | 95,324 | 92,075 | 158,813 | 165,687 |

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Lending List

2022-2023 Specified Investments as at 31 December 2022

| Institution | Country (Sovereign Rating) | Limit £000 | Term Limit |
|---|-------------------------------|--------------------|----------------|
| Bank Netherlandse 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 (AAA) | 10,000 | 6 mths |
| Nationalised Banks | | | |
| Royal Bank of Scotland Group plc | | | |
| National Westminster Bank plc | UK (AA-) | 10,000 | 3 mths |
| The Royal Bank of Scotland plc | UK (AA-) | 10,000 | 3 mths |
| AAA Rated and Government Backed Securities | | | |
| Debt Management Office | UK (AA-) | 20,000 | 30 mths |
| Money Market Funds | | Fund Rating | |
| Invesco STIC Account | Fitch AAmmf | 20,000 | Instant Access |
| Aberdeen Liquidity Fund (LUX) Class 2 | Fitch AAmmf | 20,000 | Instant Access |
| Federated Short-Term Sterling Prime Fund | Fitch AAmmf | 20,000 | Instant Access |
| Black Rock Sterling Liquidity Fund | Moody's Aaa-mf | 20,000 | Instant Access |

Non-rated Institutions

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

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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