



Cabinet (Resources) Panel

29 July 2014

Time 5.00 pm **Public Meeting?** YES **Type of meeting** Executive
Venue Committee Room 4 - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

Membership

Chair Cllr Andrew Johnson (Lab)
Vice-chair Cllr Roger Lawrence (Lab)

Labour

Cllr Peter Bilson
Cllr Steve Evans
Cllr Phil Page
Cllr John Reynolds
Cllr Paul Sweet

Conservative

Liberal Democrat

Quorum for this meeting is two Councillors.

Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

Contact Tessa Johnson
Tel/Email 01902 554003 or tessa.johnson@wolverhampton.gov.uk
Address Democratic Support, Civic Centre, 2nd floor, St Peter's Square,
Wolverhampton WV1 1RL

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Website www.wolverhampton.moderngov.co.uk
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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

Agenda

Part 1 – items open to the press and public

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|---|
| 1 | Declarations of interest |
| 2 | Apologies for absence |
| 3 | Minutes of the previous meeting (Pages 1 - 4)
[To approve the minutes of the previous meeting as a correct record.] |
| 4 | Matters arising
[To consider any matters arising from the minutes.] |

DECISION ITEMS

- | | |
|----|---|
| 5 | Business rates discretionary rates relief (partly occupied) (Pages 5 - 14)
[To approve the local policy for awarding discretionary business rates relief to partly occupied properties.] |
| 6 | Business Rates Discretionary Rates Relief (Hardship) Policy (Pages 15 - 22)
[To approve the local policy for awarding discretionary business rates relief on grounds of hardship.] |
| 7 | Empty Property Strategy - Compulsory Purchase of 171 Caledonia Road, Parkfields, Wolverhampton (Pages 23 - 32)
[To make a Compulsory Purchase Order under Section 17 of Part 2 of the Housing Act 1985.] |
| 8 | Flood risk management (Pages 33 - 36)
[To approve the proposed joint working arrangements with the metropolitan borough councils of Dudley, Sandwell and Walsall in respect of the councils' flood risk management functions.] |
| 9 | Black Country (Growth Deal - Civic Halls and Grand Theatre Improvement Programme) (Pages 37 - 50)
[To agree that the project can proceed to final detailed business case, which will be submitted for final consideration by the Black Country Joint Committee and Local Enterprise Partnership (LEP) Board in September 2014.] |
| 10 | External funding report (Pages 51 - 54)
[To note and endorse progress on three externally funded projects (Black Country Growth Opportunities; Local Delivery project (GOLD), Broadband Business Support, and Transformation Challenge Award) worth £3 million in total and to agree to act as accountable body for the expanded Black Country GOLD project, should the bid extension be successful.] |

- 11 **Urban Traffic Control Major Scheme: Journey Time Monitoring** (Pages 55 - 66)
 [To approve the proposals regarding the implementation of a journey time monitoring system (JTMS) within Wolverhampton associated with the West Midlands Urban Traffic Control Major Scheme (UTCMS).]
- 12 **Neighbourhood employment and skills** (Pages 67 - 72)
 [To approve the arrangements for the extension of the Neighbourhood Employment and Skills Service (NESS) grant from the European Regional Development Fund and to delegate authority for the Director for Education and Enterprise to sign the contract between the Department for Communities and Local Government (DCLG) and Wolverhampton City Council (WCC) for these arrangements.]
- 13 **Quarter One Revenue Budget Monitoring report 2014/15** (Pages 73 - 106)
 [To approve the funding arrangements and to note the projected outturn for the General Fund.]

INFORMATION ITEMS

- 14 **Schedule of Individual Executive Decision Notices** (Pages 107 - 110)
 [To note the summary of open and exempt individual executive decisions approved by the appropriate Cabinet Members in consultation with the relevant designated employees.]
- 15 **Exclusion of the press and public**
 That in accordance with Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information falling within the paragraphs of Schedule 12A of the Act set out below:

Item no.	Title	Applicable paragraph
16	Alternative design and construction arrangements for the primary expansion programme	3
17	Bilston centre regeneration	3
18	West Midlands construction university technical college	3
19	Reorientation of the Council's printing operations	3
20	Corporate asset management fund – approval of schemes 2014/15	3
21	Corporate landlord implementation report	3
22	Block 10, Wolverhampton interchange	3
23	Bushbury Hill estate management right to transfer	3
24	Procurement report	3
25	Quarter One revenue budget monitoring report 3	
26	Chief Executive	1
26	Senior management structure	3

Part 2 – exempt items, closed to the press and public

DECISION ITEMS

- 16 **Alternative Design and Construction Arrangements for the Primary Expansion Programme** (Pages 111 - 116)
[To approve the alternative design and construction arrangements proposed for the Primary School Expansion Programme.] Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- 17 **Bilston centre regeneration** (Pages 117 - 132)
[To approve the Homes and Communities Agency's sale of the Commercial Development Plot A2 on the terms detailed in the report and to agree to the appointments of personnel as detailed in the report.] Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- 18 **West Midlands Construction University Technical College** (Pages 133 - 142)
[To support the establishment of a West Midlands Construction University Technical College (WMCUTC) in the City.] Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- 19 **Re-orientation of the Council's printing operations** (Pages 143 - 148)
[To note the progress undertaken with the two phased approach to the reorientation of the Council's printing operations.] Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- 20 **Corporate Asset Management Funds - Approval of schemes 2014/15** (Pages 149 - 156)
[To approve the list of nine priority schemes to be funded from the Corporate Asset Management Fund as part of the Planned Programme of Enhancement Works for 2014/15.] Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- 21 **Corporate Landlord Implementation Report** (Pages 157 - 170)
[To endorse the asset categorisation proposed as an outcome of the Strategic Asset Review and sites excluded from the Disposals Programme as Strategic Regeneration sites.] Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)

- 22 **Block 10, Wolverhampton Interchange** (Pages 171 - 180)
[To confirm that the Phase Agreement for the construction of Block 10, Interchange is now unconditional and to note the coverage of floorspace on which the pre-let lease is agreed.] Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- 23 **Bushbury Hill Estate Management Board Right to Transfer - Submission to the HCA**
[Papers to follow.] Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- 24 **Procurement report**
[Papers to follow.] Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- 25 **Chief Executive**
[To consider future arrangements for the post of Chief Executive.] Information relating to any individual. Para (1)
- 26 **Senior Management Structures**
[To consider future management structures for the Council.] Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)

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Cabinet (Resources) Panel

Minutes - 8 July 2014

Attendance

Members of the Cabinet (Resources) Panel

Cllr Andrew Johnson (Chair)
Cllr Peter Bilson
Cllr Steve Evans
Cllr Phil Page
Cllr John Reynolds
Cllr Paul Sweet

Employees

Robert Baldwin	Lead Lawyer, Delivery
Tim Johnson	Strategic Director, Education and Enterprise
Kathy Roper	Head of Young Adults Commissioning
Mark Taylor	Assistant Director, Finance
Tessa Johnson	Graduate Management Trainee

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence**
Apologies for absence were received from Cllr Lawrence.
- 2 Declarations of interest**
There were no declarations of interest.
- 3 Minutes of the previous meeting**
The minutes were approved as an accurate record of the meeting.
- 4 Matters arising**
There were no matters arising.
- 5 Grant agreement with the Education Funding Agency for 16 - 19 Education and Training funding**
Cllr Page introduced the report.

Resolved:

To delegate authority to the Cabinet Member for Schools, Skills and Learning, in consultation with the Assistant Director Finance, to confirm and sign the Grant Agreement with the Education Funding Agency (EFA) as soon as it is received by the Council for the funding total detailed in the EFA Payment Schedule for local authority maintained schools' sixth forms, the Adult

Education Service (AES) and special schools with sixth form provision, for the academic year 2014/15, which will be approximately £7 million. The actual amount will be confirmed by the EFA in the Grant Agreement

6 **Special Educational Needs and Disability Reform**

Cllr Gibson introduced the report and reiterated that the grant was from the government and incurred no additional cost to the Council. This report outlined how the grant will be spent, with additional capacity added to enable delivery of changes introduced by central government.

Resolved:

To approve the expenditure of £188,000 to be funded from the SEND Reform Grant to fund the Implementation of the Children and Families Act 2014 in relation to disabled children.

7 **Schedule of Individual Executive Decision Notices**

Resolved:

To note the summary of Individual Executive Decisions approved by the appropriate Cabinet Member or Cabinet Members, following consultation with relevant senior employees.

8 **Exclusion of the press and public**

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information falling within the paragraphs of Schedule 12A of the Act set out below:

<i>Item no</i>	<i>Title</i>	<i>Applicable Paragraph</i>
9	Land at Proud's Lane, Bilston (Former Bilston Leisure Centre)	3
10	Bowman's Harbour Monitoring and Landfill Gas Specialist	3
11	Low Hill Pods – Pod Properties	3
12	Utilisation of Rocket Pool Youth Centre for Children's Centre Provision	3

9 **Land at Proud's Lane, Bilston (Former Bilston Leisure Centre)**

Cllr Bilson introduced the report. There was a discussion regarding the potential implications for the capital budget.

Resolved:

To approve the termination of negotiations between the Council and Heantun Housing Association for the sale of the site of the former Bilston Leisure Centre, Prouds Lane, Bilston and approve the remarketing of the site.

10 **Bowman's Harbour Monitoring and Landfill Gas Specialist**
Cllr Reynolds introduced the report.

Resolved:

1. To approve a dispensation from the Council's tendering requirements as set out in the Contract Procedure Rules in relation to the gas monitoring/maintenance contract at Bowman's Harbour.
2. To approve the appointment of Enital as environmental monitoring and landfill gas specialists for the Bowmans Harbour site, for a period of two years.
3. To authorise the execution of the contract by the Chief Legal Officer.

11 **Low Hill Pods - Pod Properties**

Cllr Bilson introduced the report and added that this report was part of a wider complex issue. Cllr Sweet acknowledged that there had been a lot of work to solve this issue.

Resolved:

1. Agree to proceed with a second phase of consultation with private owners on a revised set of options based upon those originally proposed in order to obtain a final decision from the private owner.
2. Agree to re-house tenants from conjoining council owned pod properties and award Band 1 priority together with the Home loss and disturbance payments set out in the report.
3. Agree to ring-fence void properties on the Low Hill estate for transfers from tenanted pod properties conjoined to privately owned properties. This will permit these residents to have access to local refurbished voids, and provide an incentive for them to move.
4. Agree to relax the allocations eligibility rules for tenants in pod properties conjoined to privately owned properties where the owner has refused to sell. This will permit residents to have access to properties equivalent in size to those which they are leaving, and provide an incentive for them to move.
5. Agree to give delegated authority to the Assistant Director of Regeneration to consider the future use or disposal of Low Hill conjoined pod properties purchased and any Low Hill Council-owned conjoined pod properties that become vacant.

12 **Utilisation of Rocket Pool Youth Centre for Children Centre's Provision**
Cllr Gibson introduced the report.

Resolved:

1. To agree to remove Rocket Pool Youth Centre from public sale and reduce the capital receipts requirements from the disposal programme in 2014/15.
2. To transfer the use of the building to the Governing Body of Bilston Nursery School for the operation of Children's Centre services on a peppercorn rental basis
3. To seek to recoup the loss of capital receipt and refurbishment costs from St Martin's Primary School
4. To delegate authority to the Cabinet Member for Resources in consultation with the Strategic Director for Education and Enterprise for approval of the capital expenditure on the children's centre facilities



Cabinet (Resources) Panel

29 July 2014

Report title	Business Rates Discretionary Relief (Partly Occupied Properties) Policy	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Keith Ireland, Delivery	
Originating service	Revenues and Benefits	
Accountable employee(s)	Sue Martin	Head of Revenues and Benefits
	Tel	01902 554772
	Email	Sue.martin@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	3 July 2014

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the local policy for awarding discretionary business rates relief to partly occupied properties.

1.0 Purpose

- 1.1 To seek approval of a local policy setting out the circumstances in which discretionary relief will be granted to business premises that are part occupied for a short period of time.

2.0 Background

- 2.1 Section 44A of the Local Government Finance Act 1988 (Section 44A) provides councils with discretion to grant rate relief where part of a property is unoccupied, provided it will remain so for a short time only.
- 2.2 Under Section 44A, where a clearly defined part of a property is empty for a short period of time which is not integral to the nature of the business (e.g. warehouses), the Council can ask the Valuation Office Agency to issue a certificate to split the rateable value between occupied and unoccupied parts of the assessment. The unoccupied rateable value is then used to calculate and apply relief for the period requested up to the maximum statutory exempt periods for empty properties (3 or 6 months). This reduces the overall rates bill for a short period.
- 2.3 Under the Constitution the decision whether to grant the relief is delegated to the Section 151 Officer.
- 2.4 This policy will join a suite of Business Rates Discretionary Relief policies that have previously been approved by Cabinet (Resources) Panel:
- a. Discretionary Relief (Charitable and Not for Profit Organisations) - approved June 2013
 - b. Discretionary Relief (Retail Reoccupation Relief) - approved April 2014
 - c. Discretionary Relief (New Build Empty Property) – approved April 2014
 - d. Discretionary Relief (Retail Discount) – approved April 2014
- 2.5 A further policy, Discretionary Relief (Hardship) is the subject of a separate report on this agenda.

3.0 Revising the Local Scheme for Business Rates Discretionary Reliefs

- 3.1 Relief has been granted using the discretionary power under Section 44A Local Government Finance Act 1992 (Section 44A relief) for a number of years using guidance issued by the Office of the Deputy Prime Minister December 2002 and general principles established through consideration of a range of applications.
- 3.2 In order to ensure a level of consistency, a framework policy has been developed to support the decision making process.

- 3.3 Consultation has been carried out with officers of Education and Enterprise to ensure the policy supports the corporate aim of encouraging enterprise and business. The recommended scheme is included as Appendix A.
- 3.4 The scheme gives preference to new businesses moving into the City and existing businesses moving to other premises within the City to support regeneration. Each case will however be considered on its own merits.

4.0 Financial implications

- 4.1 Section 44A relief is not separately Government funded. From April 2013, with the localisation of business rates, all mandatory and discretionary reliefs are shared as a cost between central government (50%), the Council (49%) and the Fire Authority (1%). This has been confirmed in the Local Government Finance Act and in the detailed calculations to provide baseline funding for 2013/14. The Council now collects business rates and receives an amount from the Collection Fund which is 49% of the net income after appeals, and other losses incorporating an adjustment for mandatory and discretionary reliefs.
- 4.2 During 2013/14 an amount of £47,933 was granted in respect of Section 44A relief, which is part funded by Central Government, the Council and the Fire Authority. Awards were made on three applications from a total of four applications received.

[CF/08072014/A]

5.0 Legal implications

- 5.1 Section 44A of the Local Government Finance Act 1988 (Section 44A) provides councils with discretion to grant rate relief where part of a property is unoccupied, provided it will remain so for a short time only.
- 5.2 When deciding whether to make an award of discretionary relief, consideration should be given to the fact that the Council must bear a percentage of the cost.
- 5.3 When granting relief the Council has to ensure that any relief granted does not transgress State Aid rules through asking whether the business receives any other Government relief which would take the total amount of relief granted beyond de minimis limits.

[KO/09072014/W]

6.0 Equalities implications

- 6.1 This policy has been looked at from an equalities perspective via an equalities initial screening. The policy is open to all businesses in the situation described by the report so there are no equality implications in this regard. Equalities considerations will be included in the monitoring of the policy to ensure that it is one that will be able to demonstrate that relief is awarded fairly. In this way councillors can be confident that the approach will

meet the requirements of the Public Sector Equality Duty as established by the Equality Act 2010.

7.0 Environmental implications

7.1 There are no environmental implications.

8.0 Human resources implications

8.1 There are no human resources implications.

9.0 Corporate landlord implications

9.1 There are no Corporate Landlord implications.

10.0 Schedule of background papers

10.1 Non Domestic Rates-Guidance on Rate Relief for Charities and other Non Profit Making Organisations issued by the Office of the Deputy Prime Minister December 2002.

Appendix A

Wolverhampton City Council Business Rates Discretionary Relief (Partly Occupied) Policy

- 1 Introduction**
- 2 Purpose and principles of the policy**
- 3 Requirements for Applications**
- 4 Decision Making Framework**
- 5 Duration of Awards**
- 6 State Aid**
- 7 Review process**

1. Introduction

- 1.1. This policy sets out the circumstances in which reductions in rate liability will be granted due to part occupation.
- 1.2. Section 44A of the Local Government Finance Act 1988 provides councils with discretion to grant rate relief where part of a property is unoccupied, provided it “will remain so for a short time only”.
- 1.3. The amount of any relief awarded is calculated by reference to the rateable value attributed to the unoccupied area by the Valuation Office Agency.
- 1.4. This is a discretionary provision and full rates will remain payable on a partly occupied property if the Council chooses not to exercise its power in this respect.

2. Purpose and principles of the policy

- 2.1. The purpose of this policy is to:
 - ensure that all applications are treated in a fair, consistent and equal manner
 - set a framework for how ratepayers can apply for this relief
 - make clear the limited criteria under which relief will be awarded
 - set out the delegated authority for dealing with applications
- 2.2. Each application will be considered on its individual merit but in making a decision on the award the decision maker will give due consideration to the requirements of the Policy Framework.
- 2.3. For the purpose of this policy a period of no more than three months, or six months in the case of industrial properties, in any 12 month period will be considered to be “a short time”.

3. Requirements for Applications

- 3.1. Applications will only be considered where a written application is received from the ratepayer, or where the ratepayer is an organisation, a person properly authorised to make an application on behalf of the organisation.
- 3.2. Applications will only be considered in respect of unoccupied parts of a property that can be clearly defined and are reasonably segregated from the occupied part of the property.
- 3.3. Applications must include the following information:
 - the period for which relief is requested

- a plan of the premises which clearly shows the occupied and unoccupied areas and the estimated size of those areas
 - the reason why relief is requested
 - a business plan to show the intention to reach full capacity of/vacate the premises including timescales
 - contact details of the relevant officer
 - a signed declaration setting out any amount of State Aid received within the preceding three years
- 3.4. The Council will request any supporting evidence it considers necessary to properly assess the merits of the application.
- 3.5. The ratepayer must allow a Council Officer access to the property by appointment during normal working hours within two weeks of the Council receiving the application in order to verify the occupation of the property. The Council Officer may take photographs as evidence.
- 3.6. A Council Officer may visit the premises from time to time, without prior appointment, to check that the certified unoccupied area is not in use.
- 3.7. Ratepayers must continue to pay any amount of rates that fall due whilst an application is under consideration.

4. Decision Making Framework

- 4.1. When considering an application for relief the following factors will be taken into account:
- the circumstances leading to the partial occupation
 - the intention of the business in relation to the unoccupied parts
 - the availability of evidence that the unoccupied part will be empty for a short term only
- 4.2. Applications will be considered where the premises are part occupied due to:
- Full occupation being phased in over a period of time.
 - Full vacation occurring in stages over a period of time.
- 4.3. Relief will not normally be awarded where:
- part occupation is likely to exceed a short time
 - the area is not clearly defined
 - the owner of the premises sublets part of the premises on a commercial basis
 - there appears to be no attempt to let, sell or occupy the empty part of the premises

- part occupation is seasonal or due to the nature of the business
- the premises are empty due to essential maintenance or upgrading
- the company is moving out of Wolverhampton

4.4. Relief will not normally be awarded in respect of any day prior to the day that an application is received. In exceptional circumstances consideration may be given to awarding relief for a retrospective period where the ratepayer can demonstrate good cause for not submitting the application earlier.

4.5. Relief will not be granted where it appears to the Council that the reason for part occupation is wholly or mainly for the purposes of applying for rate relief.

5. Duration of Awards

5.1. If awarded, relief will normally start from the date of application.

5.2. The maximum period of award is three months (or six months for industrial property).

5.3. The period of relief will end on the day on which any of the following happens:

- there is a change in the extent of partial occupation
- the end of the financial year
- a new period of relief under a new application starts
- the premises become completely occupied or completely unoccupied
- there is a change in the rateable value
- the ratepayer ceases to be the person or organisation liable to pay rates in respect of the premises
- the Council is unable to verify, following reasonable notice, that the area remains unoccupied

5.4. Ratepayers will be notified of the decision in writing.

5.5. Ratepayers are required to notify the Council immediately of any change in circumstances that may affect their entitlement to relief.

6. State Aid

6.1. Relief will not be awarded in any circumstances where it appears that an award will result in the ratepayer receiving state aid that is above the current de minimis level. Each application must be accompanied by a statement signed by the appropriate person representing the business setting out the amount of state aid, including but not limited to

discretionary rate relief, which the ratepayer has received within the previous three years. Applications will not be considered until this statement is received.

7. Review Process

- 7.1. There is no statutory right of appeal against a decision made by the Council regarding discretionary rate relief. However, the Council recognises that ratepayers should be entitled to have a decision reviewed if they are dissatisfied with the outcome.
- 7.2. The letter notifying of the outcome of an application for relief will include instructions on how to request a review and the address where any request for review should be sent.
- 7.3. The council will accept a written request for a review of its decision. The request should include the reasons for requesting a review and any supporting information.
- 7.4. A request for review must be made within one calendar month of the date of the decision letter.
- 7.5. Reviews will be considered by an officer independent of the original decision maker.
- 7.6. The applicant will be notified of the outcome of the review in writing.
- 7.7. This review process does not affect a ratepayer's legal right to seek leave to challenge a decision by way of Judicial Review.

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Cabinet (Resources) Panel

29 July 2014

Report title	Business Rates Discretionary Relief (Hardship) Policy	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Keith Ireland, Delivery	
Originating service	Revenues and Benefits	
Accountable employee(s)	Sue Martin	Head of Revenues and Benefits
	Tel	01902 554772
	Email	Sue.martin@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	3 July 2014

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the local policy for awarding discretionary business rates relief on grounds of hardship.

1.0 Purpose

- 1.1 To seek approval of a local policy setting out the circumstances in which discretionary relief will be granted to businesses who are suffering hardship.

2.0 Background

- 2.1 Section 49 of the Local Government Finance Act 1988 (Section 49) provides councils with discretion to grant rate relief where a business is suffering hardship due to exceptional circumstances.
- 2.2 Under Section 49, the Council has the discretion remit some or all of the rates for a period of time.
- 2.3 Under the Constitution the decision whether to grant the relief is delegated to the Section 151 Officer.
- 2.4 This policy will join a suite of Business Rates Discretionary Reliefs that have previously been approved by Cabinet (Resources) Panel:
- a. Discretionary Relief (Charitable and Not for Profit Organisations) - approved June 2013
 - b. Discretionary Relief (Retail Reoccupation Relief) - approved April 2014
 - c. Discretionary Relief (New Build Empty Property) – approved April 2014
 - d. Discretionary Relief (Retail Discount) – approved April 2014
- 2.5 A further policy, Discretionary Relief (partly occupied properties) is the subject of a separate report on this agenda.

3.0 Revising the Local Scheme for Business Rates Discretionary Reliefs

- 3.1 Relief has been granted using the discretionary power under Section 49 Local Government Finance Act 1992 (Section 49 relief) for a number of years using guidance issued by the Office of the Deputy Prime Minister December 2002 and general principles established through consideration of a range of applications.
- 3.2 In order to ensure a level of consistency, a framework policy has been developed to support the decision making process.
- 3.3 Consultation has been carried out with officers from Education and Enterprise to ensure the policy supports the corporate aim of encouraging enterprise and business. The recommended scheme is included as Appendix A.
- 3.4 Each application will be considered on its own merits in line with the policy.

4.0 Financial implications

- 4.1 Section 49 relief is not separately Government funded. From April 2013, with the localisation of business rates, all mandatory and discretionary reliefs are shared as a cost between central government (50%), the Council (49%) and the Fire Authority (1%). This has been confirmed in the Local Government Finance Act and in the detailed calculations to provide baseline funding for 2013/14. The Council now collects business rates and receives an amount from the Collection Fund which is 49% of the net income after appeals, and other losses incorporating an adjustment for mandatory and discretionary reliefs.
- 4.2 During 2013/14 an amount of £4,188 was granted in respect of Section 49 relief, which is part funded by Central Government, the Council and the Fire Authority. An award was made on one application from a total of six applications received. It is not possible to estimate the potential costs for 2014/15.

[CF/08072014/A]

5.0 Legal implications

- 5.1 Section 49 of the Local Government Finance Act 1988 (Section 49) provides councils with discretion to grant rate relief where a business is suffering hardship due to exceptional circumstances.
- 5.2 When deciding whether to make an award of discretionary relief, consideration should be given to the fact that the Council must bear a percentage of the cost.
- 5.3 When granting relief the Council has to ensure that any relief granted does not transgress State Aid rules through asking whether the business receives any other Government relief which would take the total amount of relief granted beyond de minimis limits.

[KO/09072014/W]

6.0 Equalities implications

- 6.1 This policy has been looked at from an equalities perspective via an equalities initial screening. The policy is open to all businesses in the situation described by the report so there are no equality implications in this regard. Equalities considerations will be included in the monitoring of the policy to ensure that it is one that will be able to demonstrate that relief is awarded fairly. In this way councillors can be confident that the approach will meet the requirements of the Public Sector Equality Duty as established by the Equality Act.

7.0 Environmental implications

7.1 There are no environmental implications if temporary relief is granted to support a business through a difficult period and the company continues to trade.

8.0 Human resources implications

8.1 There are no human resources implications.

9.0 Corporate landlord implications

9.1 There are no Corporate Landlord implications.

10.0 Schedule of background papers

10.1 Non Domestic Rates-Guidance on Rate Relief for Charities and other Non Profit Making Organisations issued by the Office of the Deputy Prime Minister December 2002.

Appendix A

Wolverhampton City Council Business Rates Discretionary Relief (Hardship) Policy

- 1 Introduction**
- 2 Purpose and principles of the policy**
- 3 Requirements for Applications**
- 4 Decision Making Framework**
- 5 Duration of Awards**
- 6 State Aid**
- 7 Review process**

1. Introduction

- 1.1. This policy sets out the circumstances in which reductions in rate liability will be granted due to part occupation.
- 1.2. Section 49 of the Local Government Finance Act 1988 provides councils with discretion to grant rate relief where a business is suffering hardship.
- 1.3. The amount of any relief awarded can reduce or remit the full business rates charge on both occupied and unoccupied properties.

2. Purpose and principles of the policy

- 2.1. The purpose of this policy is to
 - Ensure that all applications are treated in a fair, consistent and equal manner.
 - Set a framework for how ratepayers can apply for this relief.
 - Make clear the limited criteria under which relief will be awarded.
 - Set out the delegated authority for dealing with applications.
- 2.2. Each application will be considered on its individual merit but in making a decision on the award the decision maker will give due consideration to the requirements of the Policy Framework.
- 2.3. This policy has been written in line with Government guidance.

3. Requirements for Applications

- 3.1. Applications will only be considered where a written application is received from the ratepayer, or where the ratepayer is an organisation, a person properly authorised to make an application on behalf of the organisation.
- 3.2. Applications must provide relevant information to demonstrate the loss of trade or business to include the following:
 - audited accounts for at least 3 years and cash flow forecast (in the case of a new business an estimate of annual income/expenditure by the Director/bookkeeper/accountant)
 - in the cases of sole traders/partnerships, details of drawings from the business and a breakdown of personal income and expenditure
 - details of steps that have been/are being taken in an attempt to keep the company sustainable

- a business plan
 - details of the number of employees prior the problems experienced and current number of employees
 - details of any relationships with any other businesses, particularly with local suppliers
 - details of any benefits provided by the business to the elderly, young or any other disadvantaged group
 - any other information which may support the application
 - contact details of the relevant officer
 - a signed declaration setting out any amount of State Aid received within the preceding three years
- 3.3. The Council will request any supporting evidence it considers necessary to properly assess the merits of the application.
- 3.4. Ratepayers must continue to pay any amount of rates that fall due whilst an application is under consideration.

4. Decision Making Framework

- 4.1. Relief will only be granted in exceptional circumstances giving consideration to the following:
- the ratepayer would sustain hardship if relief is not applied
 - it is reasonable for the Council to grant relief having considered the interests of its council tax payers
- 4.2. When considering an application for relief the following factors will be taken into account:
- whether the granting of relief will help the business through a temporary difficulty
 - the effect on local businesses, employment and the residents of Wolverhampton
 - whether the business is the only one of its kind in the vicinity and it is in the interests of the community to grant relief
 - whether the current hardship (financial or otherwise) could have been foreseen and avoided

5. Duration of Awards

- 5.1. The amount of relief granted may be for a fixed sum or be equivalent to a period of charge. Whilst each application will be considered on its own merits, it is unlikely that any relief will be granted for more than the current financial year.
- 5.2. The ratepayer will be notified of the decision in writing.

- 5.3. Ratepayers are required to notify the Council immediately of any change in circumstances that may affect their entitlement to relief.

6. State Aid

- 6.1. Relief will not be awarded in any circumstances where it appears that an award will result in the ratepayer receiving state aid that is above the current de minimis level. Each application must be accompanied by a statement signed by the appropriate person representing the business setting out the amount of state aid, including but not limited to discretionary rate relief, which the ratepayer has received within the previous three years. Applications will not be considered until this statement is received.

7. Review Process

- 7.1. There is no statutory right of appeal against a decision made by the Council regarding discretionary rate relief. However, the Council recognises that ratepayers should be entitled to have a decision reviewed if they are dissatisfied with the outcome.
- 7.2. The council will accept a written request for a review of its decision. The request should include the reasons for requesting a review and any supporting information.
- 7.3. A request for review must be made within one calendar month of the date of the decision letter.
- 7.4. Reviews will be considered by an officer independent of the original decision maker.
- 7.5. The letter notifying of the outcome of an application for relief will include instructions on how to request a review and the address where any request for review should be sent
- 7.6. The applicant will be notified of the outcome of the review in writing.
- 7.7. This review process does not affect a ratepayer's legal right to seek leave to challenge a decision by way of Judicial Review.



Cabinet (Resources) Panel

29 July 2014

Report title	Empty Property Strategy – Compulsory Purchase of 171 Caledonia Road, Parkfields, Wolverhampton. WV2 1JA	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson Economic Regeneration and Prosperity	
Key decision	No	
In forward plan	No	
Wards affected	Ettingshall	
Accountable director	Tim Johnson, Education and Enterprise	
Originating service	Private Sector Housing	
Accountable employee(s)	Richard Long	Housing Improvement Officer
	Tel	01902 555705
	Email	Richard.long@wolverhampton.gov.uk
Report to be/has been considered by	N/A	

Recommendation(s) for action or decision:

Cabinet (Resources) Panel is recommended to:

- i) Make the following Compulsory Purchase Order under Section 17 of Part 2 of the Housing Act 1985

The Wolverhampton City Council (171 Caledonia Road, Parkfields, Wolverhampton. WV2 1JA) Compulsory Purchase Order 2014 as shown on the plan attached.

- ii) To authorise the Strategic Director for Education and Enterprise on behalf of the Council to:
 - a) Acquire interests in the land within the Order either compulsorily or by agreement before or after making the Order.

- b) Take all reasonable steps as soon as it is reasonably practical to secure the making, confirmation and implementation of the Order including the publication and service of all Notices and the presentation of the Council's case at any Public Inquiry.
- c) Approve agreements with land owners setting out the terms for the withdrawal of objections to the Order, and/or making arrangements for re-housing or relocation of any occupiers.
- d) Approve the making of a General Vesting Declaration (the property is brought into Council ownership via this process).
- e) Approve the disposal of the whole and/ or parts of the property under lease by auction, tender or private treaty

1.0 Purpose

- 1.1 The purpose of this report is to request the Panel to authorise the making of a Compulsory Purchase Order under Section 17 of Part 2 of the Housing Act in respect of 171 Caledonia Road, Parkfields, Wolverhampton and for negotiations to continue with the owner to purchase in advance of confirmation of the Order.
- 1.2 Following confirmation of the Order, approval is sought for the making of a General Vesting Declaration.
- 1.3 This decision is in support of Wolverhampton City Council's Empty Properties Strategy 2010-2015.

2.0 Background

- 2.1 The property, highlighted on the attached plan, is a three bedroom terrace that has been empty since April 2009. Complaints regarding the condition of the property were first received in April 2010.
- 2.2 Following a Notice to Enter the property (Section 239 of the Housing Act 2004), access was gained with the permission of the owner in November 2010. The property was found to be in a severely dilapidated condition.
- 2.3 A Notice under Section 215 of the Town and Country Planning Act 1990 was served on 171 Caledonia Road in order to remove the detrimental effect the condition of the property/ land is having on the amenity of the area. The Notice required compliance by 8 August 2013. The owner has not responded or complied with the Notice served.
- 2.4 On 8 April 2014, Resources Panel authorised employees to enter into formal negotiations to acquire the property from the owner. Attempts to negotiate with the owner since April 2014 have not produced any meaningful dialogue or solution and it now considered necessary to take further action under the Empty Properties Strategy.

3.0 Proposals

- 3.1 Should the Compulsory Purchase Order be confirmed in favour of the Council, the Council would seek to dispose of the property by tender, auction or private treaty. The property would be sold with the condition that the property is brought back to a required standard of repair within a specified time limit.
- 3.2 It is hoped that the possibility of Compulsory Purchase action will achieve an early resolution.

4.0 Financial implications

- 4.1 The Housing Capital Programme approved by Council on 22 January 2014 includes provision over the medium term for the Empty Property Strategy. In the event of negotiated acquisition, the costs will be met from this provision.
- 4.2 There are no exceptional circumstances in the case of 171 Caledonia Road. A Notice under Section 215 of the Town and Country Planning Act 1990 to tidy the land/ buildings has not been complied with and it will therefore not be necessary to pay the additional statutory 7.5% compensation payment.

[CF/13072014/L]

5.0 Legal implications

- 5.1 Section 17 of the Housing Act 1985 empowers local housing authorities to compulsorily acquire land houses or other properties for the provision of housing accommodation. However the acquisition must achieve a qualitative or quantitative housing gain. In order to make a Compulsory Purchase Order under this power and achieve successful confirmation, the Council will need to show compliance with the requirements of the relevant statutory provision and circular 06/2004 Compulsory Purchase and the Crichel Down Rules. Where there are objections to a Compulsory Purchase Order the matter may go forward to a public inquiry and specialist Counsel may need to be engaged to present the Council's case.
- 5.2 Article 1 of Protocol 1 of the Human Rights Act 1988 guarantees peaceful enjoyment of possessions and would be engaged by the making of a CPO. However, the contents of this report and the actions recommended are considered to be proportional and compatible with the Human Rights Act 1988, particularly bearing in mind the above checks and balances on the Local Authority's power.

[RB/16072014/Q]

6.0 Equalities implications

- 6.1 Equalities implications have been considered throughout the process and in assessing the outcome. An Equality Analysis has been completed and this does not indicate any adverse implications. Bringing an empty property back into use will improve the visual amenity of the area and can make the area more welcoming to some groups covered by the Equality Act 2010, in doing so this will promote participation in public life.

7.0 Environmental implications

- 7.1 Long term empty properties can have a detrimental impact on neighbourhood sustainability and cause environmental blight. Bringing the property back into residential use will improve the appearance of the neighbourhood, enhance property conditions and contribute to the regeneration of the City, meeting the Council's strategic objectives.

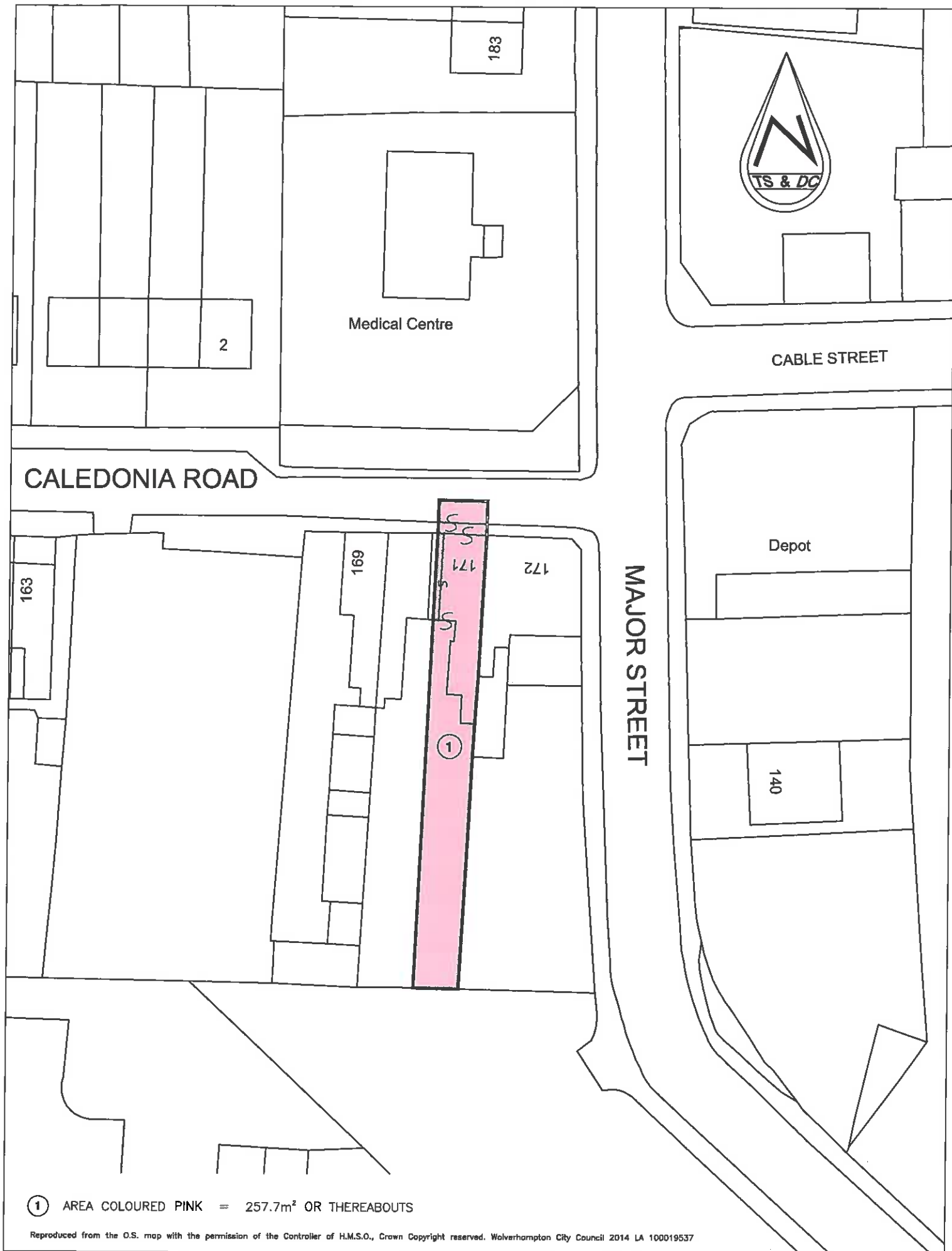
8.1 Corporate landlord implications

8.1 There are no corporate landlord implications arising from this report.

9.0 Schedule of background papers

- An Action Plan to Deliver the Empty Property Strategy 11/01/06;
- Private Sector Empty Property Strategy 2010-2015;
- Wolverhampton Housing Needs Survey 2007;
- Empty Property Strategy – 171 Caledonia Road – Property Identified for Action – 8/4/14

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① AREA COLOURED PINK = 257.7m² OR THEREABOUTS

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date	March 2014
scales	1:500
drawn by	AJP
dwg. no.	\\Caledonia Road 171.dwg

THE MAP REFERRED TO - 171 CALLEDONIA ROAD

Wolverhampton City Council

Director of Education and Enterprise
Civic Centre, St. Peter's Square, Wolverhampton

Tel. (01902) 556556

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171 CALEDONIA ROAD
13.3.14



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Cabinet (Resources) Panel

29 July 2014

Report title	Flood Risk Management in the Black Country	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor John Reynolds City Services	
Key decision	No	
In forward plan	No	
Wards affected	All	
Accountable director	Tim Johnson, Education and Enterprise	
Originating service	Transportation	
Accountable employee(s)	Lydia Barnstable	Head of Transportation
	Tel	01902 555684
	Email	lydia.barnstable@wolverhampton.gov.uk
Report to be/has been considered by	N/A	

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the proposed joint working arrangements with the metropolitan borough councils of Dudley, Sandwell and Walsall in respect of the Councils' flood risk management functions, including the appointment of a Black Country Flood Risk Manager and 25% funding contribution from Wolverhampton Council until March 2016.
2. Authorise the Chief Legal Officer to enter into any necessary legal agreement or memorandum of understanding with the other authorities.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. The intention to develop proposals for a joint Black Country approving body for sustainable drainage, to be reported at a future meeting.

1.0 Purpose

- 1.1 To approve joint working arrangements with the other Black Country authorities in respect of flood risk management, including the appointment of a Black Country Flood Risk Manager.

2.0 Background

2.1 The Flood and Water Management Act 2010 (FWMA) established Wolverhampton City Council, along with other unitary authorities and county councils, as a Lead Local Flood Authority (LLFA) with specific duties and obligations relating to flooding. The role includes responsibility for surface water, groundwater and ordinary watercourses.

2.2 Under the FWMA, Lead Local Flood Authorities are required to:

- prepare and maintain a strategy for local flood risk management in their areas, coordinating views and activity with other local bodies and communities through public consultation and scrutiny, and delivery planning
- maintain a register of assets – these are physical features that have a significant effect on flooding in their area
- investigate significant local flooding incidents and publish the results of such investigations
- establish approval bodies for design, building and operation of Sustainable Drainage Systems (SuDS)
- issue consents for altering, removing or replacing certain structures or features on ordinary watercourses
- play a lead role in emergency planning and recovery after a flood event.

2.3 Most county councils and larger unitary authorities have established the post of 'Flood Risk Manager' to manage their duties under the FWMA. However, given the geography of the Black Country it is felt that significant efficiencies can be achieved by the four local authorities working together and appointing a single Flood Risk Manager for the Black Country.

2.4 The Association of Black Country Authorities (ABCA) Chief Executives' Meeting on 16 April 2014 approved a proposal for the employment of a Black Country Flood Risk Manager to address and coordinate strategic flood risk obligations and duties across the Black Country and to establish a regional SuDS Approval Body (SAB). This will be in effect a shared service to deliver the Council's statutory duties as LLFA.

3.0 Post of Black Country Flood Risk Manager

- 3.1 Officers from each of the four authorities have been working together to develop the proposal, including the preparation of a detailed job description and person specification for the post of Black Country Flood Risk Manager. It is proposed that Dudley Metropolitan Borough Council should be the employing authority for this post.
- 3.2 The Black Country Flood Risk Manager would lead on flood risk matters across the Black Country and advise all four Lead Local Flood Authorities on issues relating to flood risk and sustainable drainage. This would include flood risk strategies and action plans, asset registers, grant funding submissions, liaison meetings, public consultations, technical advice, flooding investigations, watercourse consents and emergency planning.
- 3.3 The post holder would also lead on the development of the proposed Black Country SuDS Approval Body (SAB). The timetable for this depends on the Government implementing Schedule 3 of the FWMA, the date of which is uncertain. The Department for Environment, Food and Rural Affairs (Defra) has postponed the proposed implementation date several times and its latest advice is that at least six months' notice will be given to councils prior to implementation.
- 3.4 Schedule 3 of the FWMA, when implemented, will establish each unitary authority as an approving body for sustainable drainage systems in its area. The intention is for the four Black Country authorities to establish a joint Black Country SAB. The SAB will approve, adopt and maintain new SuDS constructed in accordance with national standards. The SAB is intended to be self-financing with a combination of fee income from developers who apply for approval and charges for maintenance of adopted SuDS. The level of income is expected to grow steadily as more applications are received and more SuDS are adopted, and at the same time the SAB would be expected to employ additional staff as required to manage its workload.
- 3.5 The detailed proposal for a joint Black Country SAB will be reported to a future meeting of Cabinet (Resources) Panel for consideration once it has been fully developed and the timetable for implementation is clear.

4.0 Financial implications

- 4.1 The total cost of employing the Black Country Flood Risk Manager is expected to be in the region of £80,000 per year, this would include all overheads and accommodation charges. In the first two financial years (2014/15 and 2015/16) this cost would be shared equally among the four authorities, with Wolverhampton's share of £20,000 per year (pro rata for 2014/15) being funded from its Lead Local Flood Authority revenue budget. In subsequent years it is anticipated that the cost of the post will be met from fee income and/or maintenance charges generated by the Black Country SAB, however, any income is dependent on when schedule 3 of the FWMA is implemented, if there is any such

delay Wolverhampton's share can continue to be funded from within the Lead Local Flood Authority revenue budget. [JR/09072014/C]

5.0 Legal implications

5.1 Section 101 of the Local Government Act 1972 allows local authorities to arrange for the discharge of any of their functions by another local authority. In addition, Section 13(4) of the FWMA states that "a risk management authority may arrange for a flood risk management function to be exercised on its behalf by another risk management authority". [RB/04072014/Q]

6.0 Equalities implications

6.1 The proposed Black Country Flood Risk Manager will be employed by Dudley Metropolitan Borough Council and the advertising and recruitment process will be subject to that authority's recruitment and employment procedures with regard to equalities.

7.0 Environmental implications

7.1 The appointment of a Black Country Flood Risk Manager will assist with the management of key environmental issues including flooding of property, pollution of watercourses and sustainable drainage systems, to the long term benefit of the environment.

8.0 Human resources implications

8.1 The Black Country Flood Risk Manager will be employed by Dudley MBC and there are no direct human resources implications for Wolverhampton Council.

9.0 Corporate landlord implications

9.1 This report has no implications for the Council's property portfolio.

10.0 Schedule of background papers

10.1 None.



Cabinet (Resources) Panel

29 July 2014

Report title	Black Country (Growth Deal - Civic Halls and Grand Theatre Improvement Programme)	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Elias Mattu Leisure and Communities	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Tim Johnson, Education and Enterprise	
Originating service	Entertainment and Events	
Accountable employee(s)	Keren Jones	Assistant Director, Partnerships, Economy and Culture
	Tel	01902 555410
	Email	Keren.jones@wolverhampton.gov.uk
Report to be/has been considered by	Executive Team	September 2013

Recommendation(s) for action or decision:

- 1) To agree that the project can proceed to final detailed business case, which will be submitted for final consideration by the Black Country Joint Committee and Local Enterprise Partnership (LEP) Board in September 2014.
- 2) To note that £170,000 is allocated from the regeneration reserve in order to proceed with critical stages in the work programme.

1.0 Purpose of the report

- 1.1 This report provides a summary of the work that has been undertaken to advance the **Civic Halls and Grand Theatre Improvement** proposal, since it was considered by the Council's Executive Team in September 2013.

2.0 Introduction

- 2.1 The Civic Halls is the largest business in the Black Country's creative and entertainment sector, generating £4.3 million of Gross Value Added (GVA) in the local Wolverhampton economy. Alongside this the Grand Theatre supports a further £3.6 million of GVA in the wider economy. Both venues have already assessed as supporting 637 jobs directly and indirectly within the wider economy.
- 2.2 There are two main drivers for the Civic Halls and Grand Theatre Improvement Project:
- Firstly, both venues are major contributors directly and indirectly to the local economy, they are highly regarded, well established venues, both with strategic market positions within the wider region. This project will not only safeguard the equivalent of 637 jobs in the wider economy, but attract an additional 510,000 visitors per annum and result in a further 120 jobs being created as a result of the increased visitor numbers and spend.
 - Although both venues draw very large audiences, in return for a modest public sector investment, given the severe pressure on the Council's revenue budget, there is a need to reduce council subsidy. Since 2013/4 the Council's Medium Term Financial Strategy (MTFS) has included a reduction to council support towards the Civic Halls of £500,000 of which £115,000 has already been achieved through efficiencies. The Strategy set out that the remainder would need to be raised from earned income and would require a significant capital investment in the building. Likewise the Grand Theatre's subsidy is in the process of being reduced incrementally over the MTFS period.
- 2.3 These two entertainment venues are not only Council assets in the physical sense, but are also well established operations within the creative industry sector nationally, with Civic Halls being in a unique market position because of its size. To quote one market leader: *"Wolves Civic is an iconic and well-established venue for live entertainment, the different halls offering great flexibility to stage a wide range of events."*
- 2.4 The Council has now secured £6.6 million of external funding towards the improvement project through the Black Country Local Enterprise Growth Deal to support the delivery of a major refurbishment and improvement of the Civic Halls, together with seed corn funding for the Grand Theatre. Both venues are Grade 2 listed buildings owned by the Council.
- 2.5 This report sets out the unique opportunity, by virtue of the external funding offer. For this reason up to £4.2 million is prioritised within the Council's regeneration capital programme, to finalise the Growth Deal. This includes a substantial investment to upgrade the heating and ventilation and deliver essential repairs.

3.0 Scope of the Civic Halls and Grand Theatre Improvement Programme

- 3.1 The planned works for the Civic Halls fall into four key categories:

- **Increased seating capacity and improved catering and hospitality offer:** This includes increased seating capacity through the construction of new higher level balconies (390 additional seats for the Wulfrun Hall, 400 additional seats for the Civic Halls, plus additional accommodation for wheelchair users). Development of multi-purpose spaces includes improved bar and hospitality spaces, conference break out spaces. There will be a complete refurbishment and modernisation of the kitchens and catering facilities.
- **Improved customer facilities:** There will be new and replacement toilet facilities for both Halls, at all floor levels.
- **Improved customer experience and access:** This includes the construction of new lifts, improved access to Wulfrun Hall entrance, improved staircases, new ventilation and redecoration.
- **Modernisation of staging, supporting technologies and facilities for performers, conference organisers and training facilities.** This includes private lifts, new dressing rooms, raised fly tower providing improved training facilities and wider range of backdrops.

3.2 Even without having secured external funding, the Council would need to spend up to £2.0 million on catch up repairs and replacement of the inadequate heating and ventilation system in the Civic Halls. Thus the investment also supports the new Corporate Landlord, as the call on repairs and maintenance budgets will be reduced.

3.3 The works planned for the Grand Theatre will deliver the first set of proposals recommended by the Burns Owen Partnership (BOP) that fall within the existing business envelope. This could involve a set of measures ranging from structural alterations to the backstage area, including flattening the stage, altering the “get in” area, and opening up the foyer to improve circulation and providing additional storage space adjacent to the auditorium and additional dressing rooms.

4.0 Options Appraisal

4.1 The 2015 independent economic impact assessment of the two venues included an analysis of a number of options for the physical improvement of the Civic Halls and Grand Theatre venues. All options were scored using a matrix of a number of factors: boost GVA and jobs, attract wider markets, provide excellent experiences, create a distinctive offer, boost confidence and support regeneration, contribute to civic pride, reduce net public sector subsidy, reduce risk, address affordability.

4.2 The analysis of the various options is summarised below:

- **Option 1: No investment.** The study identified that this would very likely result in the venue losing substantial revenue because of it would be increasingly less attractive to audiences and promoters, and therefore becoming increasingly unviable.
- **Option 2: Consolidate operations with catch up repairs and maintenance.** Under this option council funding would be required to be spent in accordance with the asset management plan for the venue. However, at best this would only allow a standstill position and not enable the Civic Halls to diversify its business or generate new income.

- **Option 3: Invest in the existing venue in order to improve facilities and expand its offer.** This is the option that forms the basis of the proposal, and has been market tested in respect of 2,000 existing users and focus groups of non-users in the West Midlands and in London. It assumes that the improved venue could increase net income through an improved and diversified events and auxiliary offer by 33%. This includes all proposed functions business conferencing, a wider range of events and exhibitions. It is calculated that this would increase earned income by £0.38 million a year.
- **Option 4a: Build a new arena with significantly greater capacity.** This option considered constructing a large indoor arena capable of accommodating large conferences and exhibitions, alongside music, entertainment and sporting events, with a capacity of 8,000 – 10,000. This includes exhibitions and conferences for between 500 – 3,000 delegates. It was calculated that this would require a capital investment of circa £30.0 million. Although this option represents considerable regeneration and economic benefits, this was identified as a high risk option, as trading performance of arenas varies considerably across the UK
- **Option 4b: Develop a site for temporary use to for events that require much greater capacity, alongside investment in the existing facilities.** Under this option a large temporary “warehouse” type arena would be created to test demand for a permanent facility. A “warehouse” model would consist of one space with the ability to accommodate 8,000 – 10,000 people standing, and seating capacity of 5,000, a further space to provide bars and services, and a third structure to act as exhibition space. This option would work in conjunction with the existing and improved Civic Halls and have a lifespan of five years, with the view to testing the viability of a more permanent 10,000 capacity structure. This option was considered by the council, in conjunction with option c, but available sites within the city centre are limited.

4.3 The findings were presented to the Council’s Executive Team meeting in September 2013 which concluded that option 3 was the preferred option, but substantial external funding would need to be secured in order to take the project forward

5.0 The Business Case for investment

5.1 Given the Council’s Executive Team’s steer that substantial external funding would need to be secured in order to take the project forward an application was made in early 2014 for Black Country Growth Funding through the Black Country Local Enterprise Partnership as part of the LEP’s Growth Bid. This required the project to be assessed and graded by an independent panel using Green Book Economic appraisal methodology. The project was ranked fifth out of the 55 projects that were put forward for inclusion in the Growth Deal, which meant it went forward in the LEP bid as a priority project, with a request for £6.2 million towards the Civic Halls and a further £400,000 towards the Grand Theatre.

5.2 All centrally funded public sector spending proposals are required to use the Treasury approach, and all major projects considered for LEP Growth Deal must be prepared using the Treasury’s five case model method:

- The strategic case
- The economic case
- The commercial case
- The financial case

- The management case

5.3 A summary of the case that was been made for the project is set out below.

6.0 The Strategic and Economic Case for Investment

6.1 The Civic Halls and Grand Theatre are located in the city centre, which is the Council's main regeneration priority. The strategic importance and economic benefits that these two venues bring to the city, particularly the city centre, are very significant:

6.2 **Council's Corporate Plan, City Strategy and Black Country LEP Strategic Economic Plan** highlight the need for the city to develop a strong cultural offer as an integral part of its economic strategy. In modern economies the quality of the cultural offer is an increasingly important role in attracting and retaining a skilled workforce and promoting a positive and vibrant image to investors.

6.3 **Economic growth and support to local businesses:** The Civic Halls is the largest business in Black Country's creative sector, generating £4.3 million of GVA in the local economy. Alongside this the Grand Theatre supports a further £3.6 million of GVA in the wider economy. The independent economic appraisal highlights that many smaller retail and hospitality businesses located in the city centre benefit from the footfall generated by the Civic Halls and Grand Theatre. It is estimated that 510,000 additional visitors will be attracted to the city centre per annum as a result of the improvement project. This level of increase in visitor numbers would not only safeguard the existing economic benefits but increase them by a further £1.7 million.

6.4 **Safeguarding and creation of jobs through the Civic Halls Improvements:** This increase in visitor numbers computes to a calculated additional £385,000 of earned income that will be generated at Civic Halls, enabling the service to meet its savings target, thus:

- Safeguarding 158 direct jobs at the Civic Halls and its local supply chain and 479 indirect jobs in the wider economy.
- Creating a further 72 direct jobs mainly in the local supply chain and 35 indirect jobs in the wider economy.

6.5 **Safeguarding and creation of jobs through the Grand Theatre:** It is estimated that a considerable number of additional visitors will also be attracted as a result of an improved hospitality and customer experience and increase the variety of the events that can be secured.

6.6 **Culturally led regeneration and housing:** The Centre of Economics and Business Research Limited (2013 Report for Arts Council England) highlights that an urban centre in the UK which has twice the average level of cultural density has been found to generate an average £26,817 increment on the value of housing. This means that maintaining and enhancing the cultural offer in Wolverhampton has a key role to play in helping to unlock investment on the brownfield sites in and around the city centre that are planned to deliver up to 1414 homes. Increasing City centre living is a key strategy to increase spend within the local economy.

- 6.7 **Construction industry:** The refurbishment programme will also provide opportunities for the local supply chain, as well as the possibility of local employment opportunities in the construction industry. The construction sector is one of the key sectors for growth in the Black Country Strategic Economic Plan. It is calculated that up to an additional 122 construction jobs will be supported during the refurbishment of the project.
- 6.8 **Workbased Training and Learning:** The Centre for Economics and Business Research Limited (CEBR) 2013 highlights the importance of the cultural, creative and entertainment sector in helping to rebalance economies that have been in decline and that the largest centres for culture also have the largest levels of employment in the knowledge economy. In Wolverhampton there is considerable opportunity to exploit the links between the cultural offer and learning and training at all levels. For example, the proposed Civic Halls refurbishment includes enhancing the venue's training facilities. This will enable the Civic Halls to develop its existing commercial partnership with Wolverhampton College to deliver BTEC performing arts courses – benefiting 60 students per annum. From September 2014 the Civic Halls will also host the country's first venue based accredited HND course linked to degree courses in Stafford and Wolverhampton. Direct suppliers to the Civic Halls, also use the venue as their full time training area. Approximately 150 - 200 people are trained to NVQ level 2 in door supervision, spectator safety and first aid. Discussions are also being had with the University of Wolverhampton to provide work placements and internships at degree and post-degree level. It has been estimated that there will be an additional 350 learners per annum benefitting from enhanced training facilities once the project is completed.
- 6.9 **Economic inclusion and the creation of a creative economy intermediate labour market:** The Greater Birmingham Visitor Economy Strategy Economic Impact study by Regeneris (2014) highlights importance of the visitor economy job opportunities in providing opportunities for lower skilled, often younger job seekers, and that these jobs can be particularly valuable for the chronically unemployed population or those that struggle to obtain regular employment. A refurbished Civic Halls, with an increased all year round events programme, has the potential to create one of the largest "intermediate labour markets" in the city by working in partnership with YOO, the Council's recruitment company and the Wolverhampton Adult Education Service.

7.0 The Commercial Case for Investment

- 7.1 In making the case for the Growth Deal Investment, the Council was required to provide evidence of market demand in order to support the case for public investment in the Civic Halls. The findings from the independent economic appraisal helped to make the commercial case, as a range of well-established quantitative research methods were used to analyse the current supply and demand, assess the potential of redevelopment to commercialise the operations and increase levels of earned income.
- 7.2 The economic impact assessment concluded that the Civic Halls has a unique position within the market. With a seating capacity of 3,000, and close proximity to good rail and road infrastructure, the Civic Halls are already the largest entertainment, events and cultural venue in the Black Country and are therefore uniquely positioned to grow to meet any gaps or new opportunities opening up in the urban West Midlands market.

- 7.3 The 2013 Arts Council audience development project mapped the reach of the Civic Halls. It demonstrates that, with the right product, the venue can draw national audiences from across the UK, particularly West and East Midlands, London and the South East, South Wales and Devon (**see Appendix A attached**).
- 7.4 Other evidence captured in the BOP report that supports the case that improved venues will generate the additional income includes:
- The Civic Halls and Grand Theatre are already established and popular venues which draw very large audiences, in return for a comparatively modest public sector investment.
 - There is a large pool of potential new audiences that could be drawn upon. Young visitors to the West Midlands, in particular, are attracted by live events and music, festivals, arts and culture, and night life.
 - Over 2,000 people surveyed by BOP who are customers of the Civic Halls rated the range and quality of the offer very highly at 96%. The BOP report supports the proposed capital investment. 74% of the current audience said they would visit more regularly if the capital investment increased the seating capacity. If the stage and backstage improvement meant that the Civic could host bigger shows and offer more choice, then 41% of the current audience say they would visit more regularly).
 - 47% of the Civic Halls' current audience that was surveyed said it was important to improve the ancillary offer e.g. bar and hospitality offer.
 - Members of the entertainment industry, with whom the Civic Halls venue has established relationships, have confirmed that improvements to the Civic Halls would make it easier to book bigger and more varied shows.
- 7.5 **Further commercial opportunities:** The fact that the Council has pursued grant funding through the Black Country LEP has significantly raised Wolverhampton's profile and interest within the commercial entertainment sector, which could open up further sponsorship and partnership opportunities for the Council.
- 7.6 **Diversification into niche business conferencing:** The economic assessment highlighted that there was also an opportunity to focus in niche business events and conferencing as part of the overall approach to city centre regeneration. In May 2014 a report by Regeneris for Marketing Birmingham identifies a potential gap in urban West Midlands market for an additional 1,500 capacity conference and exhibition venue. The Black Country Chamber of Commerce has also confirmed that there is a gap in provision to meet the demand for niche business conferencing. This indicates that as well as growing in its established sector of entertainment, there is the opportunity for the Civic Halls to diversity into new markets, and further increase the return on investment in the medium to longer term.
- 7.7 Commercial opportunities for niche business conferencing in the UK will also be stimulated by national policy. Visit England has been set a national growth target of a 5% increase in domestic business visitor trips. Given Wolverhampton has a number of nationally

important high value manufacturing growth sectors, and a business facing university, it is well positioned to capture some of this market, provided it improves its offer. If successful, there are considerable spin offs as business visitors enjoying their stay can also support cultural and leisure economy either through extending their stay, or a follow up cultural and leisure trip.

8.0 The Financial Case for Investment

8.1 The table below summarises the planned financial contributions for the Civic Halls element of the project:

Civic Halls	Sources of funding
Capital works (includes professional fees for design and site supervision and project management)***	Growth Deal Grant - £6.2 million Council Regeneration Capital- £3.4 - £4.1 million
Enabling works e.g. technical surveys, planning, building regulations, acoustic testing***	Council Regeneration Capital - £0.1 million
Total capital	

***Cost estimates provided by Council corporate landlord and property services

- 8.2 **Leverage for the Council:** The Council's Capital investment levers £6.2 million Growth Fund for the Civic Halls and a further £800,000 for the Grand Theatre, thus significantly improving both Council assets. It should be noted that even without having secured external funding, the Council would need to be spending around £2.0 million alone, just to address basic maintenance issues such as the inadequate heating and ventilation system and deliver essential repairs. The outcome from attracting external funding of £6.2 million for the Civic Halls will not only create a substantially better performing facility that would no longer require a Council subsidy, but from the interest that the proposal has already generated among major industry players, a major refurbishment of the Civic Halls will also open up significant partnership opportunities.
- 8.3 **Council savings targets:** A key driver is to enable the Civic Halls to generate additional income to meet the savings target. Refurbishment and improvement of facilities would enable additional income to be generated through the current revenues streams that already provide a substantial revenue stream for the Council. Increased seating capacity will help to increase ticket sales and increased bookings of the venue by entertainment promoters. Improved bar and hospitality areas, coupled with new modern catering facilities will help to increase secondary income from both the current and the additional audience numbers. Improved customer comfort, will help to generate increased number of repeat visits. Modernisation of staging, supporting technologies and facilities for performers, conference organisers and training facilities will also help to attract bigger and more popular performers.

8.4 This would not only mean that the Council's entertainment service would become cost neutral, it would also be able to make a contribution of around £118,000 towards the cost of the Council's other cultural venues e.g. Bantock House, Bilston Craft Gallery, the Art Gallery and Museum. The upgraded facilities should also reduce the premises related costs currently met by the corporate landlord. In addition, the improved more flexible and upgraded venue will open up new opportunities to generate further commercial revenue through niche business conferencing and leisure events.

8.5 **Grand Theatre:** The improvements to the Grand Theatre are planned in two stages, the first phase, which is included in this proposal, is to make improvements within the existing business envelope. This could involve a set of measures ranging from structural alterations to the backstage area, including flattening the stage, altering the "get in" area and opening up the foyer to improve circulation and providing additional storage space adjacent to the auditorium and additional dressing rooms. This part of the project will be at no costs to the Council.

9.0 The Management Case for Investment

9.1 One of the key factors that make the project attractive for the first phase in the Black Country Growth Deal is that the buildings are in the Council's ownership, thus making delivery of a capital project easier to deliver. In addition, the feasibility work has already been completed, as shown in the table below:

Project feasibility studies	These have been completed for both the capital element and business continuity element, including an independent economic impact assessment and options appraisal.
Project design and costings	Concept designs and detailed schedules have been produced. Calculations on costs have been completed, and recently been reviewed and uplifted to take account of price increases, and a predicted start on site, summer 2015 (see attached summary). Further detailed work is due to commence in August 2014.
Statutory and other consents	Initial discussions have been held with Wolverhampton's Planning service. Further work will take place to secure all necessary consents.
Delivery partner procurement	The project will be project managed by Wolverhampton City Council and the new Corporate Landlord function that has been recently established. A dedicated technical team will be appointed, and all construction work will be tendered through normal standing orders and in compliance with OJEU regulations.

- 9.2 The project is now at a critical stage. In order to secure the Growth Deal funding, the project needs to have delivered £2.5 million of Capital expenditure during the 2015/6 financial year. This requires the Council to proceed with a number of critical activities as listed below:

code	Main tasks
Workstream 1: Feasibility and business case development	
S7	Complete further work on the commercial business case
S8	Complete further work on the management case e.g. procurement method
Workstream 3: Technical development and construction	
T1	Review and update survey information
T2	Concept Design (old RIBA stage C)
	Refine concept design
	Refine outline proposals for structural design
	Prepare building services systems design
	Prepare outline specifications
	Refine costings
T3	Procure technical team
	Procure technical team for detailed design onwards

- 9.3 An allocation of £170,000 has been approved from the regeneration reserve to progress with these stages of the work. This work is also required to strengthen the final business case that will be put forward to the Black Country Local Enterprise Partnership, Black Country Joint Committee and Council Cabinet Resources Panel.

10.0 Financial implications

- 10.1 Section 8 of the report sets out the financial case for investment. The total scheme cost is estimated at £10.4 million of which £6.2 million has been secured from the Growth Fund. The remaining £4.2 million, which includes a contingency sum, would be met from Council resources, though private sponsorship of up to £300,000 may be secured which would reduce the sum required from the Council.
- 10.2 As reported in the quarter 1 monitoring of the Council's capital programme a budget of £6.5 million has been identified for investment in regeneration priorities. The Council's matched funding to the Growth Fund allocation would be met from this budget following approval in September of the final business case.
- 10.3 The current medium term financial strategy has a savings target from 2014/15-2018/9 of £500,000 from the civic halls budget. In 2014/15 efficiency savings of £115,000 have been delivered and the remaining savings are planned to be achieved through

generating additional income. The additional capacity and improved facilities following the proposed investment provide the opportunity for the facility to meet the savings targets in the current MTFS.

- 10.4 There is a requirement for urgent work to be undertaken as set out in paragraph 9.2 to finalise the bid and prepare for delivering the project in advance of final approval in September. These will be met initially from the regeneration reserve but if the scheme is approved these costs have been included in the overall capital estimates for the scheme.
- 10.5 The project will result in significant short term disruption to the programme of events at the Civic Hall which will have a significant financial impact. The business continuity arrangements will need to be considered as part of the final report in September [MF/16072014/W].

11.0 Legal implications

- 11.1 There are no immediate legal implications arising from this report. Details of the grant agreement with the Black Country LEP are awaited. These will be considered as part of the final business case to be presented to Cabinet (Resources) Panel in September 2014 and any legal implications arising from the grant will be considered in that report. [RB/14072014/J]

12.0 Equalities implications

- 12.1 Improvements to the Civic Halls will promote equalities, as they include making the buildings more accessible to disabled people and creating a more family friendly environment.

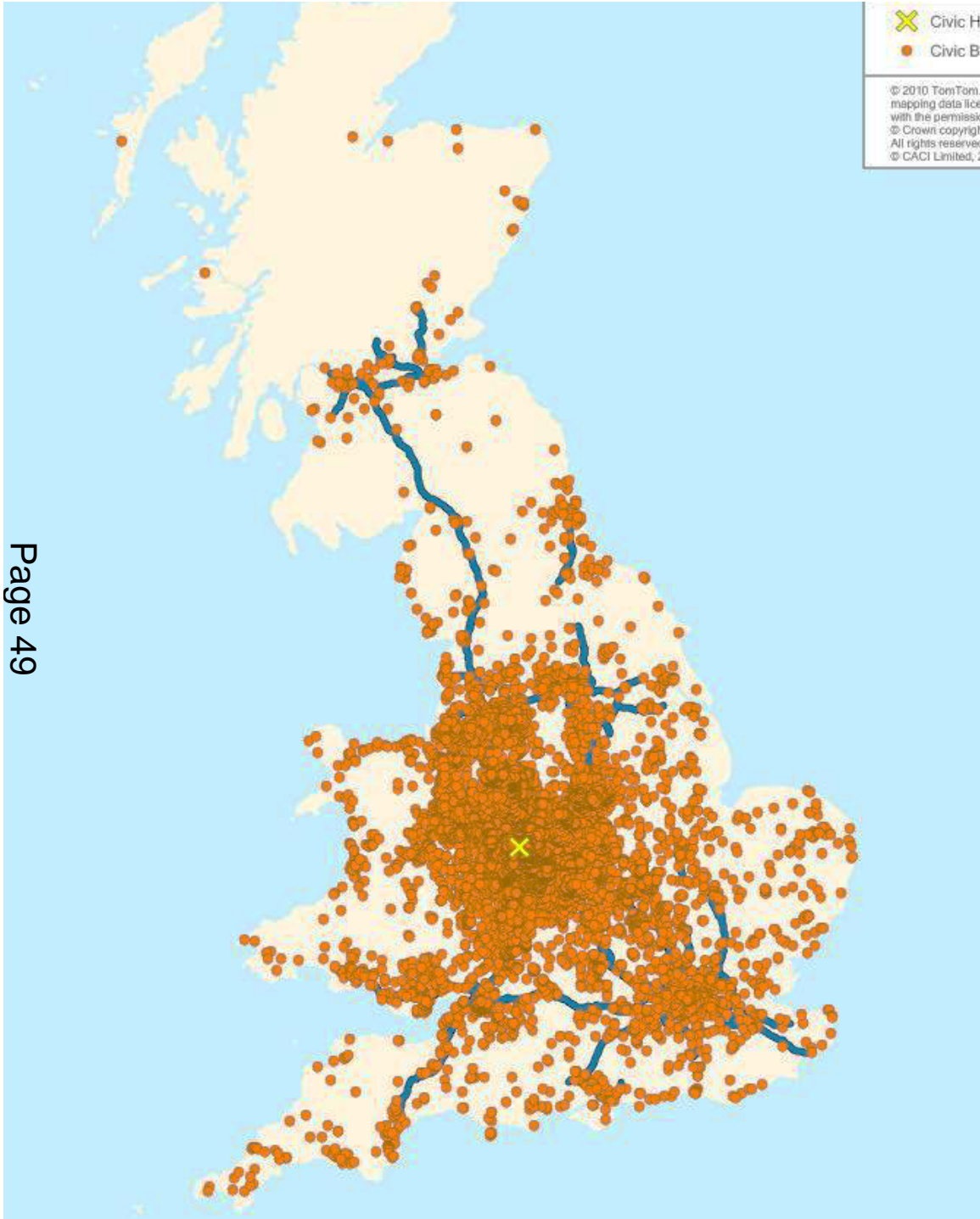
13.0 Human resources implications

- 13.1 This proposal will help safeguard all jobs in the Council's Entertainment Service and enable the Council to move from reliance on zero hours contracts to create one of the largest intermediate labour markets in the city.

14.0 Corporate landlord implications

- 14.1 Property Services have been fully involved in the preparation of draft schedules and contracts. They will be part of the project steering group going forward and lead the in-house technical team.

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Ticketed audience for Wolves Civic in 2011

- Each orange dot represents a ticket buying household (UK audience only)
- 22% of the audience come from WV postcodes, 78% do not
- 36,000 individual addresses registered
- 176 addresses fall outside the UK

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Cabinet (Resources) Panel

29 July 2014

Report title	External Funding Update	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson Economic Regeneration and Prosperity	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Tim Johnson, Education and Enterprise	
Originating service	Economic Partnerships and Investment	
Accountable employee(s)	Heather Clark Tel Email	Strategic Projects and Funding Manager 01902 555614 Heather.clark2@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	1 May 2014 12 June 2014

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Note and endorse progress on three externally funded projects (Black Country Growth Opportunities; Local Delivery project (GOLD), Broadband Business Support, and Transformation Challenge Award) worth £3 million in total.
2. Agree to act as accountable body for the expanded Black Country GOLD project, should the bid extension be successful and to delegate authority to the Cabinet Member for Economic Regeneration and Prosperity, in consultation with the Strategic Director Education and Enterprise and Assistant Director, Finance, to sign the variation to the funding agreement and collaboration agreements.
3. Approve spending in relation to the three externally funded projects and approve the establishment of separate budget codes for project revenue

1. Purpose

- 1.1. The purpose of the report is to seek approval to submit proposals to the Regional Growth Fund, and to extend existing ERDF projects and the Transformation Challenge Award 2014.
- 1.2. The report also seeks delegated authority to enter into contract for an externally funded project Black Country Broadband Business Support project, to establish budget codes for the project and approve spending according to the project plan.

2. Background

- 2.1. Attracting external resources is becoming increasingly important in order to implement the Council's strategic priorities. Wolverhampton City Council has led on a number of successful bids for external funding supporting its corporate objectives.
- 2.2. The Department for Communities and Local Government (DCLG) will be issuing two calls for project extensions under the current ERDF programme 2007-2014. These calls are expected in June and December 2014. £35 million of funding is available for current projects that are performing well to apply for additional funding, as well as for new eligible projects that can be delivered by 31 December 2015.
- 2.3. The Department of Business Innovation and Skills (BIS) has launched a new call for the Regional Growth Fund round six on 19 June 2014 with a deadline of 30 September 2014, for private companies requesting over £1 million for growth investment in products, capital or job creation.
- 2.4. DCLG launched a Transformation Challenge Award and Capital Receipt Flexibility 2014-16 prospectus. The aim is to enable English local authorities to make savings by transforming their operations through resource efficiencies. The deadline for expressions of interest for funding in 2015/16 was 1 July 2014, which was a very short window which did not allow formal member consideration.

3. Projects submitted for funding

- 3.1. Black Country Growth Opportunities Local Delivery (GOLD) is a £1.96 million project partially funded by the European Regional Development Fund (ERDF) that is led by Wolverhampton City Council. It provides tailored one-to-one advice to businesses. This includes undertaking a business diagnostic which results in a development plan that is specific to the individual business. In addition the project provides workshops, business grant funding and follow up support for Small and Medium sized Enterprises (SMEs) who may be unable to exploit growth opportunities due to lack of capacity.

The project is currently funded until June 2015. It was approved by Cabinet (Resources) panel on 29 January 2013.

- 3.2. In response to the invitation to extend existing ERDF funded projects that are performing well, the Council has submitted a change request to:
- Extend the end date of the Black Country GOLD project from 31 June to 31 December 2015
 - Increase the project value by an additional £250,000 of ERDF
 - Increase the project outputs to assist a further 45 SMEs; lever an additional £233,308 private sector investment; create a further eight jobs and provide intensive support to seven businesses
- 3.3. The transformational fund aims to fund activities that re-engineer business processes through shared services, workforces, information systems and assets and encourages places to re-design the way services are delivered to provide better outcomes to citizens. Wolverhampton City Council is only able to submit one bid per year, therefore after consideration by SEB, the following bids have been submitted:
- 2015/16: Families r First project to support the reduction of Looked After Children by working in partnership to identify and work with families in stress to intervene early to avoid their children being taken into care.
 - 2014/15: Health Visitor/Children's Centre ICT project aimed at funding technology for health visitors to enable them to carry out mobile work, therefore freeing up time to support families more effectively.

4. Procurement

- 4.1. The Black Country Broadband Business Support project is a £500,000 project funded by £250,000 of ERDF and £250,000 of Growing Places fund. The project aims to support businesses to take up and use technologies enabled by superfast broadband in recognition of the positive correlation on growth for highly digitalised SMEs. Cabinet (Resources) Panel agreed for Wolverhampton City Council to act as the accountable body on 11 September 2013.
- 4.2. £427,990 was allocated to procure a business support organisation to deliver the business support element of the project as follows:
- Level 1 engagement events to reach 550 SMEs
 - Level 2 one-to-one advice to 180 SMEs
 - Level 3 seminars and group workshops 1,000 SMEs
 - Level 4 ICT diagnostic review to 180 SMEs
 - Level 5 ICT project support and mentoring
- 4.3. Wolverhampton City Council issued the OJEU notice on 20 May 2014 with a deadline for receipt of tenders 30 June 2014. A condition of the ERDF grant is to complete procurement of the business support element in order to achieve the profiled spend in 2014. The procurement report seeking approval to appoint Winning Moves based on this tender process is covered elsewhere on this agenda.

5. Financial implications

- 5.1. Cabinet (Resources) Panel has agreed that Wolverhampton City Council would act as accountable body and contribute match funding for Black Country GOLD. All these applications for external funding aim to boost the Council's resources in times of budgetary constraints. [TK/14072014/C]

6. Legal implications

- 6.1. There are no direct legal implications to this report. Previous reports have been approved by Cabinet (Resources) Panel seeking agreement to enter into collaboration agreements to share the risk across the Black Country partners. [RB/20062014/K]

7. Equalities implications

- 7.1. Externally funded projects must demonstrate how equality and diversity issues are taken into account. A condition of RGF funding is compliance with the Equalities Act 2010. All ERDF funded projects must demonstrate how equality and diversity issues are taken into account.

8. Environmental implications

- 8.1. All ERDF funded projects must demonstrate how sustainability issues and opportunities are taken into account. The BC GOLD project extension will offer this support to businesses in other sectors.

9. Human resources implications

- 9.1. Existing funding for BC GOLD funds a team of 2.5 FTE until the end of June 2015. The additional ERDF would extend these externally funded posts for another 6 months, until 31 December 2015 subject to funding.

10. Corporate landlord implications

- 10.1. There are no corporate landlord implications.

11. Schedule of background papers

- Cabinet (Resources) panel 29 January 2013: External Funding Update: ERDF and RGF Projects
- Cabinet (Resources) panel 26 November 2013: External Funding Update: Regional Growth Fund and European Regional Development Fund
- Cabinet (Resources) panel 11 September 2013: BC Broadband Business Support Project



Cabinet (Resources) Panel

29 July 2014

Report title	Urban Traffic Control Major Scheme: Journey Time Monitoring	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson Economic Regeneration and Prosperity	
Key decision	No	
In forward plan	No	
Wards affected	All	
Accountable director	Tim Johnson, Education and Enterprise	
Originating service	Transportation	
Accountable employee(s)	Lydia Barnstable	Head of Transportation
	Tel	01902 555684
	Email	lydia.barnstable@wolverhampton.gov.uk
Report to be/has been considered by	Education and Enterprise Management Board	12 June 2014
	Strategic Executive Board	04 July 2014
	Executive Team	25 July 2014

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the proposals regarding the implementation of a journey time monitoring system (JTMS) within Wolverhampton associated with the West Midlands Urban Traffic Control Major Scheme (UTCMS).
2. Approve the proposed locations of the associated automatic number plate recognition (ANPR) cameras for journey time and traffic control monitoring purposes.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. The system will be used for traffic management and not enforcement purposes, however, should the police request use of the system for enforcement, a further report will be submitted for consideration.
2. The journey time monitoring system (JTMS) is one of the final work streams of the Urban Traffic Control Major Scheme (UTCMS); the scheme is due to finish on 30 September 2014.
3. The work streams associated with the scheme are grant funded by the Department for Transport and previously approved by the Planning and Transportation sub-committee in accordance with the agreed governance structure for the project.

1.0 Purpose

- 1.1 To seek approval to implement a journey time monitoring system (JTMS) within Wolverhampton as part of the West Midlands Urban Traffic Control Major Scheme (UTCMS).

2.0 Background

- 2.1 The UTCMS commenced on 1 September 2008 and is due to finish on 30 September 2014 with the following West Midland local authorities: Birmingham City Council, Dudley Metropolitan Borough Council, Coventry City Council, Sandwell Metropolitan Borough Council, Solihull Metropolitan Borough Council, Walsall Council, and Wolverhampton City Council. The scheme was allocated a project program budget of £26.6 million grant funded by the Department for Transport. Approvals for each of the UTCMS work streams were previously approved by the Planning and Transportation sub-committee in accordance with the agreed governance structure for the project.
- 2.2 The purpose of the UTCMS is to support and enable joint management of the West Midlands strategic highway network. A principle aim is to reduce traffic congestion and meet the requirement of the Traffic Management Act 2004. The UTCMS scheme covers 21 strategic routes across the West Midlands with project aims achieved through:
- Upgrading all the local West Midlands Urban Traffic Control centres to improve communications between the centres, and cross boundary co-operation.
 - UTCMS compliant upgrades to on-street equipment situated on the strategic routes.
 - Use of variable message signs (VMS) at key locations for re-routing and provision of traffic information to the travelling public.
 - Replacement of legacy communication technology with wireless technology.
 - Use of technology to enhance the performance of the UTC systems by proactive management that responds to real time information of incidents on the network using live data from a Journey Time Monitoring System (JTMS). The JTMS is one of the final work streams of this scheme.
- 2.3 The journey time data is calculated using video based technology with ANPR cameras mounted on existing street lighting columns. The image processor captures the vehicle registration number (VRN) and the processing system encodes this information as a unique reference number (URN) with the source VRN subsequently discarded once the system has recognised that the VRN vehicle leaves the journey time monitoring area. This process provides data anonymity as the VRN cannot be accessed from the system. The system does not capture, store or transfer any images, the time, date, location and 'hashed' plate data from each camera will be the only data displayed. This information will be used for traffic management and to inform the use of VMS on strategic routes and on-line travel information for the travelling public of travel times and incidents on the network.

- 2.4 The system is designed to monitor traffic congestion on key arterial routes, reduce congestion and improve the traffic management infrastructure by enhancing the provision of traffic and travel information. Drivers have the ability to make informed decisions to re-route, as the information provided on the roadside VMS displays the routes average real time journey time. To reduce congestion, the data will also assist with strategic urban traffic control provision as operators have the ability to assess the average journey time along the route and manually alter traffic signal timings to improve the flow of traffic; this will also help to detect incidents on the highway and analyse the performance of the network. Research indicates that the data also supports traffic modelling practice and encourages sustainable transport.
- 2.5 The JTMS design has been extensively tested in Solihull prior to roll out across the West Midlands metropolitan area. This has enabled the assessment of the operational performance and method of integration to traffic management tools used within Urban Traffic Control centres. The technology and approach proposed is also one which is being used elsewhere in the UK such as Bristol City Council, Essex County Council, Gloucestershire County Council, Greater Manchester and Oxfordshire County Council. Research identifies that in order to ensure accurate and reliable journey time calculations, the location of the ANPR camera is a critical element. Positive feedback from members of the public has also been received with the output of data published on VMS. Overall, the JTMS is considered as a valuable addition to the traffic management strategy.

3.0 Progress, options and discussion

- 3.1 It is important to stress that the JTMS will be used for traffic management purposes only and is a key component to monitor the performance of the strategic urban road network by determining journey times across defined routes and cross-boundary.
- 3.2 The Wolverhampton JTMS comprises 28 cameras. Consideration has been given to the key points on strategic routes and the position of VMS to determine the ANPR camera locations. The system will record the vehicle journey times on the main routes to and from the ring road within Wolverhampton at the following locations:

Location		JTMS Cameras
A41 Bilston Road (inbound)	Nr Culwick Street	1
A41 Bilston Road (outbound)	Nr Culwick Street	1
A41 Chapel Ash (inbound)	Nr Brewery Road	1
A41 Chapel Ash (outbound)	Nr Brewery Road	1
A41 High Street (inbound)	Nr Great Bridge Road	1
A41 High Street (outbound)	Nr Great Bridge Road	1
A449 Penn Road (inbound)	Nr Penn Road Island	1
A449 Penn Road (outbound)	Nr Penn Road Island	1
A449 Penn Road (inbound)	Nr Vicarage Road	1
A449 Penn Road (outbound)	Nr Vicarage Road	1
A449 Stafford Road (inbound)	Nr Broadlands	1
A449 Stafford Road (outbound)	Nr Broadlands	1
A449 Stafford Road (inbound)	Nr Littles Lane	1

A449 Stafford Road (outbound)	Nr Littles Lane	1
A454 Willenhall Road (inbound)	Nr Horsley Fields	1
A454 Willenhall Road (outbound)	Nr Horsley Fields	1
A454 Willenhall Road (inbound)	Nr The Keyway	1
A454 Willenhall Road (outbound)	Nr The Keyway	1
A459 Wolverhampton Road East (inbound)	Nr Parkfield Road	1
A459 Wolverhampton Road East (outbound)	Nr Parkfield Road	1
A463 Black Country Route (inbound)	Nr Birmingham New Road	1
A463 Black Country Route (out-bound)	Nr Birmingham New Road	1
A463 Black Country Route (in-bound)	Nr Hare Street	1
A463 Black Country Route (out-bound)	Nr Hare Street	1
A4123 Birmingham Road (inbound)	Nr Lever Street	1
A4123 Birmingham Road (outbound)	Nr Lever Street	1
A4123 Birmingham New Road (inbound)	Nr Hessian Close	1
A4123 Birmingham New Road (outbound)	Nr Hessian Close	1
Total:		28

- 3.3 It is proposed that a press statement will be released and briefings held as appropriate in order to explain the objectives of the scheme. This will explain the very restricted use of the camera images and data for traffic management purposes only due to the sensitive nature and privacy concerns of the use of CCTV in public areas. Information signs will also be installed on all lamp columns with a traffic surveillance camera to outline the purpose of the scheme. The same signs will be used by all seven West Midlands authorities to give consistency.
- 3.4 In accordance with the 'surveillance code of practice', a privacy impact assessment has been conducted to assess the privacy risks to individuals in the collection, use and disclosure of information (appendix: A).
- 3.5 The installation and commissioning of the system is scheduled for summer 2014.
- 3.6 It is important to note that if the police request the use of the system for enforcement purposes, a further report will be presented for consideration.

4.0 Financial implications

- 4.1 Funding allocated from the scheme to Wolverhampton for the JTMS totals £173,250. This would allow the purchase of cameras, system design, installation and commissioning as well as information signage. The cameras will be connected via the wireless telecommunication system which is being installed across Wolverhampton as part of the UTCMS project. The annual maintenance of the JTMS is estimated at approximately £1,000 per annum, this will be funded from within the existing revenue budget for traffic signal maintenance. [TK/18072014/A]

5.0 Legal implications

- 5.1 The scheme supports the Council's statutory duty under the 'Traffic Management Act 2004' to facilitate the expeditious movement of traffic.

5.2 The operation of CCTV systems must be undertaken with due regard to legislation and practices. The authority's CCTV operators are fully trained and accredited for the management of surveillance systems. [RB/15072014/V]

6.0 Equalities implications

6.1 There are no equalities implications.

7.0 Environmental implications

7.1 This work stream will provide environmental benefits as the system aims to inform members of the public on VMS of the traffic conditions (times) on strategic routes. This is a significant tool to manage the network of the highway and reduce traffic congestion as motorists can make informative decisions to divert/re-route.

8.0 Human resources implications

8.1 The system will be managed by the UTC department, utilising the common database to action commands, schedule messages and set up strategies to ensure successful delivery.

9.0 Schedule of background papers

9.1 Education and Enterprise Management Board, 12 June 2014 'Briefing Paper: Journey Time Monitoring System'

Strategic Executive Board, 3 July 2014 'Urban Traffic Control Major Scheme: Journey Time Monitoring'

Appendix A: Privacy Impact Assessment

Name of Authority: Wolverhampton City Council

Location of Camera being assessed: ALL

Date of assessment: 16/06/14

Name of person responsible: B. Willis

Part A: Data Protection Act 1998 and Surveillance Camera Code of Practice		
1	What is the organisation's purpose for using the CCTV and what are the issues that the system aims to address?	The cameras will be used for monitoring road traffic to determine journey times along a specific route. The information gained will be used for traffic management purposes and to inform the travelling public.
2	Can CCTV technology realistically deliver these benefits?	Yes
3	What are the views of those who will be under surveillance?	Not applicable, there will be no surveillance of any person.
4	Have other less privacy-intrusive solutions such as improved lighting been considered?	Not applicable for this application
5	What are the benefits to be gained from using CCTV?	The CCTV system used utilises ANPR technology and this is a well established method of determining vehicle journey times based on traffic speed and flow
6	What are the privacy issues arising from this surveillance camera system?	There are no privacy issues arising from the use of this technology.
7	What privacy design features will be adopted to reduce privacy intrusion?	The camera have been configured to not store or send images, it is configured to only send textual information. The camera will only retain textual information for the minimum time period. The camera cannot stream live video images. No images or video processed in the camera will be retained on the camera. The camera will be zoomed in to the centre of

		<p>the lane and focused on the VRM area of the vehicle. The VRM information will be anonymised by “Hashing” the plate information. The cameras are self-contained and only accessible with a work access platform. The cameras are password protected.</p>
8	<p>What organisations will be using the CCTV images and who will take legal responsibility for the data under the Data Protection Act 1998?</p>	<p>No organisations will be using the images as no images or video will be fed out from the camera only textual “Hashed” VRM data is sent. No images or video will be stored on the camera.</p> <p>Wolverhampton City Council will be responsible for the data.</p>
9	<p>Do the images need to be able to identify individuals, or could the scheme use other images not capable of identifying individuals?</p>	<p>No.</p> <p>No images or video will be fed from the camera, only textual “Hashed” VRM data. No images or video will be stored on the camera. The camera will be zoomed into the centre of the lane and focused on the VRM area of the vehicle. The camera cannot stream live video images. No images or video processed in the camera will be retained on the camera.</p>
10	<p>Will the CCTV equipment being installed and the system of work being adopted be sustainable? Is there sufficient funding for the scheme?</p>	<p>Yes, the equipment is provided by the UTC Major Transport Scheme funding and future sustainability is taken into account as a provision of the scheme deliverables.</p>
11	<p>Will the particular system/equipment being considered deliver the desired benefit now and remain suitable in the future?</p>	<p>Yes, under the grant conditions of the UTC Major Transport Scheme the equipment must provide benefit and be sustained for up to 10 years post scheme completion.</p>
12	<p>What future demands may arise for wider use of Images and how will these be addressed?</p>	<p>Not applicable, images are not produced within the context of this system</p>

Part B: Human Rights Act 1998

1	Is the system established on a proper legal basis and is it operated in accordance with the law?	Yes.
2	Is the system necessary to address a pressing need, such as public safety, crime prevention or national security?	Yes, the system is needed to manage congestion on strategic roads in Wolverhampton
3	Is it justified in the circumstances?	Yes, the Council is required under the provision of the Traffic Management Act 2004, to manage the expeditious movement of traffic on its roads.
4	Is it proportional to the problem that it is designed to deal with?	Yes, the system is targeted at strategic routes only.
5	Do any of these measures discriminate against any particular sections of the community?	No

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Notice of key decision to be made under General Exception provisions

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Date of notice: 08 July 2014
To: Councillor Peter O'Neill
Chair of Scrutiny Board
From: Bob Willis
Service Manager, Network Management

An intention to make the following key decision, which is to be considered by the Cabinet (Resources) Panel on 29 July 2014, was not publicised in advance as required by the Regulations.

Report title: Urban Traffic Control Major Scheme: Journey Time Monitoring
Classification: PUBLIC

The reason(s) for the omission from the forward plan of key decisions and the reason(s) why this decision cannot be delayed until the requisite 28 days have elapsed are:

A report will be taken to the Cabinet (Resources) Panel for approval to implement a journey time monitoring system within Wolverhampton due to the sensitive nature and privacy concerns associated with the use of automatic number plate recognition cameras. Approval for the work streams associated with the West Midlands Urban Traffic Control Major Scheme (UTCMS) were previously approved by the Planning and Transportation sub-committee in accordance with the agreed Governance structure for the project.

The UTCMS commenced on the 1 September 2008 and is due to finish on the 30 September 2014. The journey time monitoring system is one of the final work streams associated with the UTCMS scheduled for installation and commissioning before the 30 September 2014 subject to approval.

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Cabinet (Resources) Panel

29 July 2014

Report title	Neighbourhood Employment and Skills Service	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Philip Page Schools, Skills and Learning	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Tim Johnson, Education and Enterprise	
Originating service	Adult Education Service	
Accountable employee(s)	Paul Doherty	Interim Head of Service
	Tel	(01902 55)8087
	Email	Paul.Doherty@wolverhampton.gov.uk
Report to be/has been considered by	N/A	

Recommendations for action:

The Cabinet (Resources) Panel is recommended to:

- (a) approve the arrangements for the extension of the Neighbourhood Employment and Skills Service (NESS) grant from the European Regional Development Fund and to delegate authority for the Director for Education and Enterprise to sign the contract between the Department for Communities and Local Government (DCLG) and Wolverhampton City Council (WCC) for these arrangements.
- (b) acknowledge receipt of up to £530,000 European Regional Development Fund (ERDF) grant to WCC for the period 1 July 2014 to 31 December 2015.
- (c) delegate authority to the Cabinet Member for Schools, Skills and Learning, in consultation with the Assistant Director for Partnerships, Economy and Culture, to manage the distribution of the additional ERDF grant between WCC and its partners within the NESS Consortium in accordance with contract terms and conditions.

- (d) approve the virement of £530,000 to the grant payments budget, and compensating £530,000 from the grant income budget of £265,000 for the financial year 2014/15 and £265,000 for the financial year 2015/16, with the contract ending 31 December 2015.
- (e) delegate authority to the Chief Legal Officer to execute the contract between the Department for Communities and Local Governance and the Council.

1.0 Purpose

- 1.1 This report seeks to delegate authority to the Assistant Director Partnerships, Economy and Culture to manage the distribution of ERDF grant and authorise grant payments up to £530,000 to the NESS consortium for the period 1 July 2014 to 31 December 2015 in relation to the previously approved European Regional Development Fund (ERDF) project.

2.0 Background

- 2.1 The NESS ERDF project is part of the Priority Axis 3 within the ERDF 2007-2013 programme in the Achieving Sustainable Urban Development (SUD) priority. The grant is designed to support the development of multi-agency/provider centres in local community based facilities which will afford greater opportunities for access to advice and guidance for workless residents in deprived communities in Wolverhampton to help them to overcome the barriers to starting the journey to employment. Under this variation to contract, Bilston Resource Centre, TLC College and Wolverhampton YMCA will continue as project delivery partners. However, additional partners have been identified by a process approved by ERDF in order to deliver the expanded project. These partners are Access to Business, Job Change, TOPPs Training and Gloucester Street Community Centre, all of whom have confirmed in writing their targets and agreement to match fund. Overall management responsibility lies with the Adult Education Service (AES).
- 2.2 The proposal to bid for ERDF funding by Wolverhampton City Council was agreed by Cabinet (External Relations) Panel on 3 March 2008. AES was successful in its original application for £592,000 ERDF funding and was invited to apply for the opportunity to extend the grant as a result of its success to date in meeting and exceeding the targets set. This application was approved as a contract variation for the period from 1 July 2014 to 31 December 2015, with the original contract agreement for £592,000 ceasing on 30 June 2014 and the grant being adjusted accordingly.
- 2.3 The project supports unemployed residents within the 'SUD' wards into employment through neighbourhood-based services, and the original contract extended the premises at Bilston Resource Centre to improve services in the Bilston area. Capital works were completed in December 2013.
- 2.4 Unemployment is a significant problem in the city, which has higher rates of worklessness than its neighbours across all age groups. 7.6% of the economically active population are Job Seekers Allowance (JSA) claimants, compared to 4.8% for the West Midlands and 3.8% nationally. The city has significantly lower levels of skills than its neighbours and the rest of the country. 20% of the adult population has no qualifications.
- 2.5 The project is supported by the Department of Communities and Local Government (DCLG), Job Centre Plus (JCP) and the third sector.
- 2.6 The total contract value of the project will increase to £2.2 million, attracting an ERDF grant to the value of £1.1 million for the period 14 November 2011 to December 2015.

3.0 Project description

- 3.1 The original NESS project was managed by the AES in partnership with three 'core' third sector agencies: Bilston Resource Centre, the YMCA and TLC College and provided at nine centres across the City; the three 'core' centres, together with Low Hill, Eastfield, Heathtown, Bingley, YMCA (Temple Street) and Wednesfield Library. Expressions of interest were issued to other partners in the SUD wards to extend the project provision, bringing the total 'core' third sector agencies to seven, as detailed in 2.1, increasing the number of centres accordingly and adding St Chad's (Bilston).
- 3.2 Each of the existing centres provides an employability service supported by JCP and currently five centres run Job Clubs. Each centre has access to a full careers guidance service provided by Wolverhampton Job Change and, through its links with Job Change, NESS also participates in the National Careers Service which was established in 2012. The contractual arrangements with the National Careers Service are changing in Wolverhampton and in the future NESS as a consortium will link with Prospects to connect to the National Careers Service.

4.0 Governance

- 4.1 WCC is the accountable body for the duration of project, with operational management provided by AES. The NESS consortium steers the project as an operational group and the NESS Project Manager is accountable to AES.
- 4.2 A contract has been drawn up between WCC and DCLG for the management of the project. AES will continue to submit monthly claims on behalf of the project and will ensure contract compliance across the partners. WCC will receive grant payments from DCLG, with payments made to partners according to performance.

5.0 Financial implications

- 5.1 In 2011, WCC was awarded an ERDF grant to the value of £592,000 against the total value of the project of £1.2 million, with match funding provided through the three 'core' agencies. The value of the contract has increased to £2.2 million and the period extended to 31 December 2015, with match funding increased accordingly.
- 5.2 A capital grant of £140,000 was approved and included in the original contract value to extend the premises at Bilston Resource Centre. This amount was increased to £168,000 due to additional building requirements, with the Centre providing the match funding for this grant and a total contract value of £336,000. The building work was completed in December 2013.
- 5.3 A virement of £530,000 for the period 1 July 2014 to 31 December 2015 will be required to increase the grant payments budget to reflect the revised allocation with a corresponding increase to the grant income. The payments profile will be £265,000 in the financial year 2014/15 and £265,000 in the financial year 2015/16, with the contract ending 31 December 2015.

5.4 Whilst there are no additional direct costs or any further resource implications for the Council, there remains the potential for clawback if performance outputs and outcomes are not achieved and appropriate records are not maintained to the required standard. Clawback could potentially be 100% of the additional grant money (£530,000). This risk was previously highlighted to members in the report to Cabinet (Resources) Panel, 10 January 2012.

5.5 To mitigate against the potential for clawback, appropriate records are maintained and audited, internally on a monthly basis by AES and externally by DCLG. Two full audits have been carried out by DCLG resulting in only minor issues which have subsequently been addressed.
[CF/08072014/N]

6.0 Legal implications

6.1 The legal implications are covered in the body of this report. A contract will need to be entered into between WCC and DCLG for the management of this project.
[RB/07072014/G]

7.0 Equal opportunities implications

7.1 The project will target unemployed residents furthest removed from the labour market, living in the most deprived communities. Many of these unemployed residents have protected characteristics, with 43% from black and minority ethnic groups.

8.0 Environmental implications

8.1 There are no direct environmental implications.

9.0 Human resources implications

9.1 There are no human resources implications.

10.0 Corporate landlord implications

10.1 There are no corporate landlord implications.

11.0 Schedule of background papers

11.1 Neighbourhood Employment and Skills Service, Cabinet (Resources) Panel, 10 January 2012

11.2 European Regional Development Fund (Sustainable Urban Development) 2007-13, Cabinet (External Relations) Panel, 3 March 2008

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Cabinet (Resources) Panel

29 July 2014

Report title	Revenue Budget Monitoring 2014/15 – Quarter One	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Roger Lawrence Leader of the Council	
	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Simon Warren, Chief Executive Sarah Norman, Community Keith Ireland, Delivery Tim Johnson, Education and Enterprise	
Originating service	Strategic Financial Services	
Accountable employee(s)	Mark Taylor	Assistant Director Finance
	Tel	01902 556609
	Email	mark.taylor@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	17 July 2014
	Confident Capable Scrutiny Panel	10 September 2014

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the use of up to £18,000 from the Efficiency Reserve to employ a data analyst within the Families in Focus Service for a six month period, to review historical records concerning improvements in families, in order to secure additional payment by results funding.

2. Approve the use of £250,000 from the Looked After Children Transformation Reserve, to fund management and administrative support for the programme to reduce the total cost of Looked-After Children.
3. Approve the use of £2.4 million remaining in the FutureWorks Reserve to fund the programme costs during 2014/15.
4. Approve the use of £658,000 from the Regeneration Reserve to fund various regeneration priorities as detailed in table 10.
5. Approve the delegation of authority to the Cabinet Member for Resources, in consultation with the Chief Accountant, to vary the terms of the loan agreement to YOO Recruit in light of turnover and cash flow, up to the period ending 31 March 2015.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. The projected outturn for the General Fund which is a net over spend of £613,000 (0.25%) against the net budget requirement of £247.8 million, after taking account of the projected cost of redundancies which will be funded by calling on general balances.
2. With regard to schools, a significant number of budget plans remain outstanding from schools so it is not possible to provide a comprehensive view on the anticipated use of balances over 2014/15. A further update will be reported to Cabinet (Resources) Panel on schools plans and forecasts for 2014/15 to 2016/17 inclusive.

1.0 Purpose

- 1.1 The purpose of this report is to provide Cabinet with a projection of the likely revenue outturn position, compared with the council's approved revenue budgets for 2014/15 and related targets, as at the end of quarter one of the financial period.

2.0 Summary

- 2.1 Overall a net over spend of £613,000 (0.25%) is projected against the General Fund net budget requirement of £247.8 million, this is analysed in Table 1 below:

Table 1 – 2014/15 General Fund Revenue Budget Projected Outturn

	Budget 2014/15 £000	Projected Outturn £000	Projected Variation Over/(Under)	
			£000	%
Community	144,119	144,215	96	0.07%
Delivery	44,980	44,980	-	0.00%
Education and Enterprise	18,587	19,104	517	2.78%
Office of the Chief Executive	1,833	1,833	-	0.00%
Corporate Budgets	38,232	38,232	-	0.00%
Net Budget Requirement	247,751	248,364	613	0.25%
Government Grant (General)	(161,741)	(161,741)	-	0.00%
Council Tax	(76,567)	(76,567)	-	0.00%
Collection Fund Deficit	700	700	-	0.00%
Total Resources	(237,608)	(237,608)	-	0.00%
Use of General Balances	(10,143)	(10,143)	-	0.00%
Net Budget (Surplus) / Deficit	-	613	613	0.25%

- 2.2 The council is faced with an ever challenging projected financial position over the medium term, and significant savings are required in order to achieve a robust financial position. An update to the Medium Term Financial Strategy presented to Cabinet on 25 June 2014, detailed the work that has taken place during the early part of 2014/15 to identify further savings. A strategy was approved by Cabinet to identify £25 million of savings for 2015/16 by October 2014 in addition to a further £35 million for the medium term period to 2018/19. Acceleration and identification of 2014/15 savings proposals equating to £1.7 million were approved by Cabinet on 25 June therefore a revised budget has been reflected in this budget report. Those savings will reduce the call on general fund reserves this financial year.
- 2.3 With regard to schools, a significant number of budget plans remain outstanding from schools so it is not possible to provide a comprehensive view on the anticipated use of balances over 2014/15. A further update will be reported to Cabinet (Resources) Panel on schools plans and forecasts for 2014/15 to 2016/17 inclusive.

2.4 An update on the General Fund budget risks is provided at section 9. Overall the risk for 2014/15 is currently assessed as Amber.

2.5 It is important to note that the projected redundancy costs of £5.0 million is subject to change dependent upon the actual redundancies approved by year end.

3.0 Revenue Budget Monitoring – General Fund Summary

3.1 A summary of the council's projected outturn against General Fund revenue budgets for 2014/15 as at the end of quarter one is provided in the table below, whilst section 4 provides a detailed explanation of the projected outturn for each directorate.

Table 2 – 2014/15 General Fund Revenue Budget Projected Outturn.

	Budget 2014/15 £000	Projected Outturn £000	Projected Variation Over/(Under)	
			£000	%
Community	144,119	144,215	96	0.07%
Delivery	44,980	44,980	-	0.00%
Education and Enterprise	18,587	19,104	517	2.78%
Office of the Chief Executive	1,833	1,833	-	0.00%
Corporate Budgets	38,232	38,232	-	0.00%
Net Budget Requirement	247,751	248,364	613	0.25%
Government Grant (General)	(161,741)	(161,741)	-	0.00%
Council Tax	(76,567)	(76,567)	-	0.00%
Collection Fund Deficit	700	700	-	0.00%
Total Resources	(237,608)	(237,608)	-	0.00%
Use of General Balances	(10,143)	(10,143)	-	0.00%
Net Budget (Surplus) / Deficit	-	613	613	0.25%

3.2 Overall a net over spend of £613,000 (0.25%) is projected against the General Fund net budget requirement of £247.8 million. It is important to note, projected redundancy costs totalling £5.0 million that will be incurred by the council during the financial year have been included within the forecast, and will be funded from a contribution from the Efficiency Reserve.

3.3 An update to the Medium Term Financial Strategy presented to Cabinet on 25 June 2014, detailed the work that has taken place during the early part of 2014/15 to identify further savings. A strategy was approved by Cabinet to identify £25 million of savings for 2015/16 by October 2014 in addition to a further £35 million for the medium term period to 2018/19. Acceleration and identification of 2014/15 savings proposals equating to £1.7 million were approved by Cabinet on 25 June therefore a revised budget has been reflected in this budget report. Those savings will reduce the call on general fund reserves this financial year.

3.4 In accordance with the council's financial procedures rules, all virements in excess of £50,000 require the approval of this panel. There are no virements that require approval during this quarter.

3.5 The most significant factors contributing towards the projected overspend against the budget are reported on a service-by-service basis in section 4.

4.0 General Fund Revenue Budget Monitoring: Service Analysis

4.1 Community

4.1.1 A summary of the projected outturn against the Community 2014/15 revenue budget, as at the end of quarter one, is provided in the table below, whilst a detailed analysis is provided in Appendix A.

Table 3 – 2014/15 Revenue Budget Projected Outturn – Community

	Budget 2014/15	Projected Outturn	Projected Variation	
	£000	£000	Over/(Under) £000	%
Older People & Personalisation	34,101	34,183	82	0.24%
Health, Wellbeing & Disabilities	48,788	49,067	279	0.57%
Children, Young People & Families	56,876	56,679	(197)	-0.35%
Public Health, Parks and Safeguarding	2,382	2,314	(68)	-2.85%
Community Initiatives	1,972	1,972	-	0.00%
Community Total	144,119	144,215	96	0.07%

4.1.2 Overall a net overspend of £96,000 (0.07%) is projected for the year. The main factors contributing towards the forecast overspend are:

1. **Health, Wellbeing & Disabilities** - There is a forecast net over spend of £943,000 in care purchasing, due to increase in volume and complexity of young people in transition and adult demographic pressures, which in part has been offset by higher than budgeted income from other organisations for the Disabilities Commissioning service totalling £474,000, in addition to staffing vacancies within the Assistant Directorate.
2. **Children, Young People & Families** - There is a forecast net under spend of £197,000 within the Assistant Directorate, which has arisen primarily as a result staffing vacancies and other underspends across the Assistant Directorate.

4.1.3 The council has implemented a programme with the aim of reducing the overall cost of looked-after children, the Families r First programme. This is forecast to achieve in-year

savings that will offset the continued growth in the number of looked-after children: this will be kept under review throughout the year. Should the savings ultimately achieved by the programme be less than currently forecast, it is possible that the council could experience a significant budget over spend.

4.2 Delivery

4.2.1 A summary of the projected outturn against the Delivery 2014/15 revenue budget, as at the end of quarter one, is provided in the table below, whilst a detailed analysis is provided in Appendix B.

Table 4 – 2014/15 Revenue Budget Projected Outturn – Delivery

	Budget 2014/15	Projected Outturn	Projected Variation	
	£000	£000	Over/(Under) £000	%
Delivery Directorate	257	257	-	0.00%
Resources	132	132	-	0.00%
Financial Services	4,185	4,185	-	0.00%
Human Resources	665	665	-	0.00%
Audit Services	(159)	(159)	-	0.00%
Corporate	16,229	16,229	-	0.00%
Legal Services	(235)	(235)	-	0.00%
Central Services	(4)	(4)	-	0.00%
Environmental Services	23,910	23,910	-	0.00%
Delivery Total	44,980	44,980	-	0.00%

4.2.2 There are no significant variances projected for the Directorate at this stage in the financial year. The Directorate will continue to identify all opportunities to deliver in year savings in order to assist with the Council's financial challenge.

4.2.3 Cabinet are requested to approve the delegation of authority to the Cabinet Member for Resources, in consultation with the Chief Accountant, to vary the terms of the loan agreement to YOO Recruit in light of turnover and cash flow, up to the period ending 31 March 2015. Any amendments will be reported to Cabinet (Resources) Panel in regular budget monitoring reports.

4.3 Education and Enterprise

4.3.1 A summary of the projected outturn against the Education and Enterprise 2014/15 revenue budget, as at the end of quarter one, is provided in the table below, whilst a detailed analysis is provided in Appendix C.

Table 5 – 2014/15 Revenue Budget Projected Outturn – Education and Enterprise

	Budget 2014/15	Projected Outturn	Projected Variation	
	£000	£000	Over/(Under) £000	%
Partnerships, Economy and Culture	6,093	6,093	-	0.00%
Regeneration	7,871	7,781	(90)	-1.14%
Learning & Achievement	4,623	5,230	607	13.13%
Education & Enterprise Total	18,587	19,104	517	2.78%

4.3.2 Overall a net overspend of £517,000 (2.78%) is projected for the Directorate. This is largely as a result of overspends within the Learning and Achievement Assistant Directorate resulting from non-achievement of prior year savings within the Standards & Vulnerable Pupils and School Planning & Resources Services.

4.3.3 Work is in progress to identify compensating savings that can be delivered during the financial year to address this projected overspend.

4.4 Office of the Chief Executive

4.4.1 A summary of the projected outturn against the Office of the Chief Executive 2014/15 revenue budget, as at the end of quarter one, is provided in the table below.

Table 6 – 2014/15 Revenue Budget Projected Outturn – Office of the Chief Executive

	Budget 2014/15	Projected Outturn	Projected Variation	
	£000	£000	Over/(Under) £000	%
Chief Executive	205	205	-	0.00%
Black Country Transport	29	29	-	0.00%
Communications	225	225	-	0.00%
Policy Team	1,262	1,262	-	0.00%
Political Assistants	112	112	-	0.00%
Office of the Chief Executive Total	1,833	1,833	-	0.00%

4.4.2 There are no significant variances forecast for the year. The Directorate will continue to identify all opportunities to deliver in year savings in order to assist with the Council's financial challenge.

4.5 Corporate Budgets

- 4.5.1 A summary of the projected outturn against 2014/15 corporate revenue budgets, as at the end of quarter one, is shown in Appendix E.
- 4.5.2 Overall it is anticipated that the forecast spend will be in line with budget. It is important to note however, that the forecast outturn includes projected redundancy payments that will be incurred during the financial year, funded from the Efficiency Reserve.
- 4.5.3 The Council introduced a voluntary redundancy programme during late 2013 in order to identify budget savings. Given the anticipated reduction in staffing numbers arising from the implementation of savings proposals during 2014/15, it is projected that redundancy costs of £5.0 million will be incurred during the financial year. The total cost of redundancies will be funded by a contribution from the Efficiency Reserve, following a transfer of £5.0 million from General Balances to the Efficiency Reserve as detailed in table 9. Council approved, on 6 November 2013 that the cost of redundancies during 2013/14 and 2014 /15 were to be funded from General Balances.
- 4.5.4 The final numbers are subject to change however, and a provision for those redundancies approved during 2014/15 but not paid until 2015/16 will need to be considered.

5.0 Changes to Grant Funded Expenditure

- 5.1 It is not always possible to reflect all grant-funded expenditure in the budget approved by full council prior to the start of the financial year. This is due to late notification from grant awarding bodies of grant amounts, and proactive grant applications during the year.
- 5.2 Approval is sought from the panel to establish expenditure headings within the 2014/15 approved budget as set out in the table below, and in accordance with each individual grant's terms and conditions. This will have no effect on the council's net revenue budget as this is fully funded from grant.

Table 7 – Grants

Grant	Description of Expenditure	Awarding Body	Expenditure 2013/14 £000
Community			
Care Act Implementation Grant	Preparing for the changes in Social Care introduced by the Care Act.	Department of Health	125
Special Educational Needs and Disabilities (SEND) Implementation Grant (New Burdens)	Implementing SEND reforms.	Department for Education	237
TOTAL			362

5.3 Voluntary Sector Community Initiatives Grant Funding 2014/15 an 2015/16 – BME United.

5.3.1 Approval to award additional grant funding of £3,005 in 2014/15 to BME United.

5.3.2 In the Cabinet Report on 25 February 2014 'Voluntary Sector Community Initiatives Grant funding 2014/15 and 2015/16', approval was given to cease funding to BME United giving them 3 months' notice; thereby reducing their 2014/15 grant allocation to £8,560. The same report awarded the organisation £39,805 from the Innovate to Save grant, taking their total funding for 2014/15 to £48,365. The organisation has raised concerns that the reduced level of funding would mean they fall short of fulfilling their responsibility for maintaining immigration files until 2017. Discussions with the organisations have come to an agreement and approval is now requested to award BME United an additional £3,005 for 2014/15 taking their total allocation to £51,370 (£11,565 mainline funding and £39,805 Innovate to Save) in return for the immigration files being maintained until they expire in 2017. The additional grant of £3,005 can be met from under-spends within the service.

6.0 Voluntary Redundancy Programme

6.1 During 2013/14 the Council sought volunteers for redundancy/early retirement in order to identify new savings. Phase 3 of the voluntary redundancy programme closed on 31 March 2014.

6.2 The most recent update on the voluntary redundancy programme presented to Cabinet on 25 June 2014, is detailed in the table below.

Table 8 – Voluntary redundancy status

	Phases 1 and 2	Phase 3	Total
Total expressions of interest	944	441	1,385
Approved	403	124	527
Rejected	159	57	216
To be decided	-	78	78
Withdrawn by employee	382	182	564

- 6.3 The estimated annual savings from the 527 approved redundancies are £14.2 million, while the estimated cost of redundancies is £10.8 million.
- 6.4 Given the anticipated reduction in staffing numbers arising from the implementation of savings proposals during 2014/15, it is projected that redundancy costs of £5.0 million will be incurred during the financial year. The final numbers are subject to change however, and a provision for those redundancies approved during 2014/15 but not paid until 2015/16 will need to be considered.

7.0 Reserves and Balances

- 7.1 At the beginning of 2014/15 a balance of £27.0 million was held within the general fund reserve.
- 7.2 The following table sets out the projected level of general fund reserves at 31 March 2015:

Table 9 – Projected Uncommitted General Fund Reserves at 31 March 2015

	£000
Balance as at 1 April 2014	27,000
Budgeted Use of General Balances	(10,143)
Quarter One Projected Overspend	(613)
Transfer to the Efficiency Reserve (to fund redundancy costs)	(5,000)
Projected Balance as at 31 March 2015	11,244

- 7.3 The projected outturn position as at quarter one of 2014/15, would result a closing position of £11.2 million in general fund reserves. The Council will continue to identify potential opportunities to deliver in year savings and therefore reduce the call on general fund reserves.

7.4 Other Transfers to/from Earmarked Reserves

7.4.1 Approval is sought from this meeting for a number of other transfers to/from earmarked reserves, as set out in the following paragraphs.

Efficiency Reserve

7.4.2 The Efficiency Reserve was established to fund pump priming and investment in new developments and initiatives whose main aim is to generate efficiencies and savings in the future, and may also result in redundancy costs.

7.4.3 Approval is sought from this meeting for the use of up to £18,000 to employ a data analyst within the Families in Focus Service for a six month period, to review historical records concerning improvements in families, in order to secure additional payment by results funding. This will only be required in the event that the additional payments by results funding does not exceed £18,000 or there is a timing delay relating to the receipt of the payment by results funding.

7.4.4 Council approved, on 6 November 2013 that the cost of redundancies during 2013/14 and 2014 /15 was to be funded from General Balances. Given this approval, a sum of £5.0 million will be transferred from General Balances, as detailed in table 9 above, to the Efficiency Reserve to fund the anticipated cost of redundancy during 2014/15.

Looked After Children Transformation Reserve

7.4.5 Approval is sought from this meeting for the use of £250,000 from the Looked After Children Transformation Reserve, to fund management and administrative support for the programme to reduce the total cost of Looked-After Children.

FutureWorks Reserve

7.4.6 Approval is sought from this meeting for the use of £2.4 million remaining in the FutureWorks Reserve to fund the programme costs during 2014/15.

Regeneration Reserve

7.4.7 The Regeneration Reserve was specifically established to support important regeneration priorities within the city. Approval is sought from this meeting for the use of £658,000 from the Regeneration Reserve, to fund regeneration expenditure as outlined in the table below.

Table 10 – Regeneration Reserve

	(Use of/ Addition to Reserve £000	Balance £000
Balance as at 1 April		1,908
<u>Approval Sought from this Meeting</u>		
Funding to undertake desk top study and site investigating works on sites identified for Primary Expansion.	(100)	
Independent challenge and validation of pupil projections to support bids for additional funding.	(10)	
Development work on Growth Fund Bid for Civic Halls Improvement.	(170)	
To support the exploration of financial models/options and feasibility/viability of specific schemes relating to delivery of the General Fund Element of the housing programme.	(65)	
Contract Management support during Advance Work programme for the Regeneration of Bilston Centre.	(50)	
Design work for Westside Regeneration scheme to facilitate discussion with developers and financial viability assessment on preferred development	(65)	
Feasibility Work on developments to the Canalside Quarter.	(41)	
Feasibility work on 5 priority transport schemes.	(75)	
Staff training and consultancy support for green book appraisals.	(29)	
Feasibility work on the location and design of the cafés at the Art Gallery and Bantock House.	(35)	
To provide support for the development of a Business Improvement District for Bilston Town Centre.	(18)	
		(658)
Forecast Balance as at 31 March 2015		1,250

8.0 General Fund Transformation Programme

8.1 The total savings target value for the 205 individual proposals included in the 2014/15 budget, which was approved by Council on 5 March, is £66.7 million. The table below provides an overview of the Council's forecast performance against these savings targets as at the end of June 2014.

Table 11 – 2014/15 Savings Targets – Likelihood of Achievement

Savings Already “Banked”	Savings With a Higher Level of Confidence	Savings With a Medium Level of Confidence	Savings With a Lower Level of Confidence	Total Savings Target
£000	£000	£000	£000	£000
7,343	43,443	14,955	994	66,735
11.0%	65.1%	22.4%	1.5%	100.0%
No.	No.	No.	No.	No.
55	126	21	3	205
26.8%	61.5%	10.2%	1.5%	100.0%

8.2 It is important to note that the monetary totals included in each column do not reflect an end of year forecast. They represent the total value of individual savings targets that have been assessed as falling within each column.

8.3 The detail behind the assessment is reflected in the budget forecasts included in this report. Where these give rise to variations greater than £100,000, they are separately disclosed in Appendices A-E.

9.0 General Fund Budget Monitoring – Risk Management

9.1 The overall level of risk associated with the budget 2014/15 is assessed as Amber. The six main areas of risk are summarised in the table at Appendix F.

10.0 Revenue Budget Monitoring – Schools Budgets

10.1 In Spring 2012 the government announced their plans to introduce a national funding formula for schools at some point in the next parliament, 2014/15 is the second year of a transitional period as schools move towards the introduction of a new national funding formula.

10.2 In March 2014 the Department for Education announced that the national formula that was due to be introduced in 2015/15 would be postponed for two years.

10.3 Schools funding settlements for 2014/15 have been produced on the basis of the significant reforms introduced and consulted on in 2013/14. These reforms involved:

- a) Local authorities use simpler formulae to allocate funding to schools.
- b) Schools must fund the £6,000 of the costs of additional support for Special Educational Needs pupils from their own delegated budgets before approaching the Local authority.
- c) Minimum Funding Guarantee (MFG) to prevent any setting from losing more than 1.5% per pupil.

- 10.4 2014/15 will continue to be a challenging one particularly for those schools that will again lose funding as a result of funding reform, although the most significant losses in schools for 2014/15 have been as a result of pupil number reductions.
- 10.5 For 2014/15 the overall schools budget as funded by the Dedicated Schools Grant (DSG) will continue to be protected at “cash flat per pupil”, meaning that every local authority has received the same per pupil amount of schools grants as it did in 2013/14 whilst funding for our high needs pupils will be funded at the same cash sum. However in real terms, given current levels of inflation this represents a reduction in real terms for schools.
- 10.6 In addition to the schools budget, funding continues to be available to schools in England through the Pupil Premium. In 2014/15 this will fund schools at:

£

Primary (FSM eligible pupil)	1,300
Secondary (FSM eligible pupil)	935
Service Child	300
Looked after Child	1,900

- 10.7 Indicative allocations for the city suggest the Local Authority will attract £16.9 million for 2014/15 an increase of £4.3 million on 2013/14.
- 10.8 Schools have the freedom to spend the Premium, which is in addition to the underlying schools budget, in a way that they think will best support the raising of attainment for the most vulnerable pupils. From September 2012 the DfE requires schools to publish online information about how they have used the Premium.
- 10.9 Funding for 16-19 provision, is channelled through The Education Funding Agency. Government plans to allocate over £7.2 billion to fund an increased number of places as the raising of the participation age is rolled forward, with transitional protection to assist schools and colleges continuing for 2014/15. Locally it is expected that there will be an overall reduction in funding for the 2014/15 financial year compared to 2013/14.
- 10.10 Schools started the 2014/15 financial year with revenue balances of circa £15.9 million, with only six schools in a deficit position.
- 10.11 Although schools have, to date, been largely protected from the cuts other public services have and continue to face, they and their governing bodies are mindful of the following pressures that they will face whilst working within the constraints of the “cash flat per pupil” increase for the next two years:
- General inflation for supplies and services - the latest Consumer Price Index (CPI) indicates an underlying increase of circa 1.8%

- New energy contracts for schools are likely to see significant increases, with energy costs representing a material element of schools' non staffing expenditure.
- Full effect of Single status costs to be borne by schools in 2014. For many schools this is likely to be material in the long term)
- The large reduction in capital grants has meant that schools will need to make greater contributions to repair and maintenance costs from revenue resources.
- Future pay increases following the current public sector pay freeze.
- Building Schools for the Future (BSF) Programme – affordability and sustainability of the annual Facilities Management (FM)/Life-cycle and ICT Managed Services and PFI Unitary Charge Payment to schools' budgets.

10.12 At the time of writing a significant number of budget plans remain outstanding from schools so it is not possible to provide a comprehensive view on the anticipated use of balances over 2014/15. A further update will be reported to Cabinet (Resources) Panel on schools plans and forecasts for 2014/15 to 2016/17 inclusive.

11.0 Financial Implications

11.1 The financial implications are discussed in the body of the report.
[MH/21072014/S]

12.0 Legal Implications

12.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.
[AS/21072014/R]

13.0 Equality Implications

13.1 Under the Equality Act 2010, the council has a statutory duty to pay due regard to the impact of how it carries out its business on different groups of people. This is designed to help the council identify the particular needs of different groups and reduce the likelihood of discrimination on the nine protected characteristics covered in the legislation are:

- Age;
- Disability;
- Gender reassignment;
- Marriage and Civil Partnership;
- Pregnancy and Maternity;
- Race;
- Religion or Belief;
- Sex;
- Sexual Orientation.

13.2 In relation to determining the overall revenue budget for the council there is always a difficult balance to be struck in deciding the levels at which to invest, reduce expenditure and raise income set against the often competing needs of different groups within the Wolverhampton community.

- 13.3 In order to address these complex issues the council operates an open and consultative approach to budget and council tax determination. Year-on-year and medium term spending forecasts are provided to every household and business ratepayer within the city as part of the documentation which accompanies the council tax demand.
- 13.4 Budget consultation meetings have been held with the education community, the business community, the voluntary sector, communities of interest and trade unions. The council's budget consultation approach has also included online surveys and a telephone hotline in order to gain feedback on budget and service priorities.
- 13.5 In determining the budget for 2014/15 considerable focus has been placed on the development of savings proposals. All of these proposals have been subject to an equality analysis screening and where necessary a full equality analysis has been conducted.
- 13.6 The Council is facing a particularly challenging short and medium term financial environment in which savings must be generated and a tight control on spending maintained. This means that a greater focus than ever is necessary to ensure that core equalities commitments are met. In determining the 2014/15 budget particular attention has been given to attempts to lessen any adverse impact of proposals on individuals and communities in most need.
- 13.7 In summary the council's annual budget and medium term financial strategy supports a range of services designed to meet key equalities objectives. A cumulative equalities analysis has been conducted on the overall budget proposals, including the overall impact of job losses. This can be found on the Council's website via the following link: <http://www.wolverhampton.gov.uk/budgetsavings>
- 13.8 Councillors should also be aware that under the Equality Act 2010, they must comply with the Public Sector Equality Duty (PSED) when making budget decisions. What this means in practice is that Councillors must consciously think about the three aims of the public sector equality duty as part of the decision making process, the three aims are to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation;
 - Advance equality of opportunity by removing or minimising disadvantages, meet differing needs and encouraging participation, and
 - Foster good relations between people from different groups.
- 13.9 The Act does not require the council to treat everyone in the same way; sometimes different treatment is required, for example, be making reasonable adjustments to meet the needs of disabled people.
- 13.10 Consideration of equality issues must influence the decisions reached by public bodies including:
- How they act as employers;

- How they develop, evaluate and review policy;
- How they design, deliver and evaluate services, and
- How they commission and procure from others.

13.11 The Brown Principles, established as a result of a legal case concerning Post Offices closures in 2008, provide an important checklist that should be considered when making decisions:

- Decision makers must be made aware of their duty to have due regard to the identified goals;
- Due regard must be fulfilled before and at the time that a particular decision is being considered, not afterwards;
- The duty must be exercised in substance, with rigour and with an open mind. It is not a question of ticking boxes;
- The duty is cannot be delegated; it must be fulfilled by the organisation in question rather than through the use of an external body to do it to the organisation;
- The duty is a continuing one, and
- It is good practice to keep an adequate record showing that it has considered the identified needs.

14.0 Environmental Implications

14.1 A range of services focused upon the council's environmental policies is supported through revenue budgets reviewed in this report. Changes in levels of funding will be considered as such changes are proposed.

15.0 Background Papers

Treasury Management – Annual Report 2013/14 and Activity Monitoring Quarter One 2014/15, report to Cabinet, 23 July 2014.

Managing the Budget Cuts – The Next Phase, report to Cabinet, 25 June 2014.

Voluntary Sector Community Initiatives Grant funding 2014/15 and 2015/16, report to Cabinet, 25 February 2014.

5 Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19, report to Full Council, 6 November 2013.

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Revenue Budget Monitoring Quarter One - Community

Service	2014/15 Budget £000	2014/15 Forecast Outturn £000	2014/15 Forecast Variance £000	Reason for Variation
Older People & Personalisation				
Directorate	47	47	-	
Assistant Director	322	422	100	
Carers Support	1,390	1,290	(100)	
ILS, Telecare & Adaptations	2,335	2,268	(67)	
Older People Assessment & Care	14,158	14,898	740	Overspend across care purchasing budgets,
Older People Provider Management	9,876	9,767	(109)	Forecast under spend on staffing due to
Welfare Rights & Financial Assessment	1,968	1,770	(198)	Forecast under spend on staffing due to vacancies.
Workforce Development	-	-	-	
Housing	1,129	1,004	(125)	Under spend due to revised formula for apportioning costs of services shared by the General Fund and HRA.
Community Centres	807	707	(100)	
Libraries	2,069	2,010	(59)	
Sub Total Older People & Personalisation	34,101	34,183	82	

Revenue Budget Monitoring Quarter One – Community

Service	2014/15 Budget £000	2014/15 Forecast Outturn £000	2014/15 Forecast Variance £000	Reason for Variation
Health, Wellbeing & Disabilities				
Assistant Director	176	176	-	
Children's Disabilities Commissioning	118	83	(35)	
Disabilities In-House Provision	10,527	10,393	(134)	Forecast under spend on staffing due to vacancies.
Emergency Duty Team	95	111	16	
Housing Support & Social Inclusion	4,876	4,876	-	
Mental Health Care Management	5,297	5,183	(114)	Forecast under spend on staffing due to vacancies.
Short Breaks	543	543	-	
Children With Disabilities	905	982	77	
Learning Disabilities Assessment & Care Management	19,174	19,893	719	Over spend in care purchasing, due to increase in volume and complexity of young people in transition and adult demographic pressures.
Physical Disabilities Assessment & Care Management	6,081	6,305	224	Over spend in care purchasing, due to increase in volume and complexity of young people in transition and adult demographic pressures.
Disabilities Commissioning	1,091	617	(474)	Higher than budgeted income from other organisations.
Families in Focus	-	-	-	
SEN	(95)	(95)	-	
Sub Total Health, Wellbeing & Disabilities	48,788	49,067	279	

Revenue Budget Monitoring Quarter One – Community

Service	2014/15 Budget £000	2014/15 Forecast Outturn £000	2014/15 Forecast Variance £000	Reason for Variation
Children, Young People & Families				
Assistant Director	1,728	1,728	-	
Children Centres	5,651	5,651	-	
Children in Need	6,960	7,160	200	Higher than budgeted spend forecast across a range of headings, in particular agency staffing and legal fees.
Children Commissioning	468	468	-	
Looked-After Children	29,833	29,833	-	The Families r First programme is forecast to achieve in-year savings that will offset growth in the number of Looked-After Children: this will be kept under review throughout the year.
Social Inclusion & Play	3,709	3,709	-	
Youth Offenders Team	1,344	1,194	(150)	Forecast under spend on staffing due to vacancies.
Business Support	5,395	5,221	(174)	Individual variations below £100,000.
Youth	1,788	1,715	(73)	
Sub Total Children, Young People & Families	56,876	56,679	(197)	

Revenue Budget Monitoring Quarter One - Community

Service	2014/15 Budget £000	2014/15 Forecast Outturn £000	2014/15 Forecast Variance £000	Reason for Variation
Public Health, Parks and Safeguarding				
Public Health Management	3,738	3,738	-	
Public Health Contracts	15,558	15,558	-	
Public Health Grant	(19,296)	(19,296)	-	
Sport & Leisure Trust	-	-	-	
Parks	393	374	(19)	
Safeguarding	1,989	1,940	(49)	
Sub Total Public Health, Parks and Safeguarding	2,382	2,314	(68)	
Community Initiatives	1,972	1,972	-	
Total Community Directorate	144,119	144,215	96	

Revenue Budget Monitoring Quarter One – Delivery

Service	2014/15 Budget £000	2014/15 Forecast Outturn £000	2014/15 Forecast Variance £000	Reason for Variation
Delivery Directorate	257	257	-	
Resources				
Assistant Director (Resources)	132	132	-	
Financial Services				
Assistant Director (Finance)	144	144	-	
Corporate Programmes	169	169	-	
Corporate Procurement	229	229	-	
Strategic Financial Services	(206)	(206)	-	
Operational Finance	16	16	-	
Payroll Services	82	82	-	
Risk Management & Insurance	(159)	(159)	-	
Future Work Saving	(805)	(805)	-	
Revenues & Benefits	4,715	4,715	-	
Sub Total Financial Services	4,185	4,185	-	

APPENDIX B

Revenue Budget Monitoring Quarter One – Delivery

Service	2014/15 Budget £000	2014/15 Forecast Outturn £000	2014/15 Forecast Variance £000	Reason for Variation
Human Resources	665	665	-	
Audit Services	(159)	(159)	-	
Corporate				
Other Accounts	16,229	16,229	-	
Contribution to Reserve	-			
Sub Total Corporate	16,229	16,229	-	
Legal Services				
Legal Services	(187)	(187)	-	
Local Land Charges	(48)	(48)	-	
Sub Total Legal Services	(235)	(235)	-	
Central Services				
Assistant Director	(9)	(9)	-	
Health & Safety	276	276	-	
Emergency Planning	180	180	-	
Civic & Other Catering	31	31	-	

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APPENDIX B

Revenue Budget Monitoring Quarter One – Delivery

Service	2014/15 Budget £000	2014/15 Forecast Outturn £000	2014/15 Forecast Variance £000	Reason for Variation
Schools & Welfare Catering	(868)	(868)	-	
Cleaning of Buildings	49	49	-	
Corporate Landlord	(2,110)	(2,110)	-	
Public Conveniences	372	372	-	
Wholly Owned Company	-	-	-	
ICTS	(2,946)	(2,946)	-	
Multi Functional Devices	200	200	-	
Multi Functional Devices	-	-	-	
Customer Services	125	125	-	
Democratic Services	428	428	-	
Elections	646	646	-	
Members Expenses	3,429	3,429	-	
Mayoral	193	193	-	
Sub Total Central Services	(4)	(4)	-	

APPENDIX B

Revenue Budget Monitoring Quarter One – Delivery

Service	2014/15 Budget £000	2014/15 Forecast Outturn £000	2014/15 Forecast Variance £000	Reason for Variation
Environmental Services				
Highways Maintenance	6,313	6,313	-	
School Crossing Patrols	-	-	-	
Grounds Maintenance and Street Scene	8,400	8,400	-	
Landscape & Ecology	29	29	-	
Fleet Services	(2,721)	(2,721)	-	
Passenger Transport	(707)	(707)	-	
Bereavement Services	(1,841)	(1,841)	-	
Parking Services	(990)	(990)	-	
Markets	(817)	(817)	-	
Waste Services	13,991	13,991	-	
Leisure Services	2,253	2,253	-	
Sub Total Environmental Services	23,910	23,910	-	
Total Delivery	44,980	44,980	-	

APPENDIX C

Revenue Budget Monitoring Quarter One – Education and Enterprise

Service	2014/15 Budget £000	2014/15 Forecast Outturn £000	2014/15 Forecast Variance £000	Reason for Variation
Partnerships, Economy and				
Assistant Director	244	244	-	
Economic Partnerships and Investment	1,125	1,125	-	
Neighbourhood Services	1,423	1,423	-	
Partnerships Operations and	69	69	-	
Community Safety	471	471	-	
Entertainments and Events	962	962	-	
Culture, Arts and Heritage	1,799	1,799	-	
Sub Total Partnerships, Economy & Culture	6,093	6,093	-	
Regeneration				
Assistant Director	244	244	-	
Transportation	2,611	2,625	14	
Physical Regeneration	(914)	(860)	54	
Housing	938	834	(104)	Acceleration of 2015/16 restructure savings.
Performance and Service Support	819	1,041	222	Administrative restructure will deliver significant savings but not meet full target.

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Revenue Budget Monitoring Quarter One – Education and Enterprise

Service	2014/15 Budget £000	2014/15 Forecast Outturn £000	2014/15 Forecast Variance £000	Reason for Variation
Planning	1,190	1,100	(90)	Acceleration of 2015/16 restructure savings.
Regulatory Services	2,984	2,798	(186)	Acceleration of 2015/16 restructure savings.
Sub Total Regeneration	7,871	7,781	(90)	
Learning & Achievement				
Assistant Director	247	239	(8)	
Standards & Vulnerable Pupils	1,091	1,528	437	Restructure will deliver savings in 15/16 but residual staffing costs will lead to non-achievement of prior year savings. Home to School Transport Review should reduce the overspend by year end.
School Planning and Resources	5,899	6,164	265	Restructure will deliver savings in 15/16 but residual staffing costs will lead to non-achievement of prior year savings. Home to School Transport Review should reduce the overspend by year end.
Employability Skills and Adult Learning	2,740	2,653	(87)	Staff vacancies.
Net Schools Budgets	(5,354)	(5,354)	-	
Sub Total Schools Skills and Learning	4,623	5,230	607	
Total Education and Enterprise	18,587	19,104	517	

Revenue Budget Monitoring Quarter One – Office of the Chief Executive

Service	2014/15 Budget £000	2014/15 Forecast Outturn £000	2014/15 Forecast Variance £000	Reason for Variation
Office of the Chief Executive				
Chief Executive	205	205	-	
Black Country Transport	29	29	-	
Communications	225	225	-	
Policy Team	1,262	1,262	-	
Political Assistants	112	112	-	
Total Office of the Chief Executive	1,833	1,833	-	

Revenue Budget Monitoring Quarter One – Corporate Budgets

Service	2014/15 Budget £000	2014/15 Forecast Outturn £000	2014/15 Forecast Variance £000	Reason for Variation
West Midlands Transport Authority Levy	12,600	12,600	-	
Environment Agency Levy	67	67	-	
Looked After Children Budgeted Contingency	2,500	2,500	-	
Provision for Bad Debts	375	375	-	
Interest Payable	10,921	10,921	-	The Treasury Management report presented to Cabinet on 23 July did not reflect savings proposals. They have been reflected in this report, and prudential indicators are currently being reviewed to identify further in-year savings.
Provision for the Redemption of Debt	12,646	12,646	-	
Treasury Management Fees	101	101	-	
Dividends and Interest Receivable	(188)	(188)	-	
Birmingham Airport - Rent	(78)	(78)	-	
Contribution from Southside Reserve	(735)	(735)	-	
Central Provision for increased Pension Costs	2,091	2,091	-	
Cross-cutting Savings Proposals	(2,050)	(2,050)	-	
Redundancy Costs	-	5,000	5,000	Redundancy payments during 2014/15 arising as a result of the Voluntary Redundancy Programme and savings proposals.
Contribution from the Efficiency Reserve	-	(5,000)	(5,000)	Contribution from the Efficiency Reserve to fund the projected redundancy payments during 2014/15.
Other Corporate Budgets	(18)	(18)	-	
Total Corporate Budgets	38,232	38,232	-	

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General Fund Budget Risks 2014/15

Risk	Description	Level of Risk
Financial and Budget Management	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, staff vacancy factors, VAT rules, loss of ICTS facilities, treasury management activity and the impact of single status and budget management failure.	Amber
Transformation Programme	Risks that might materialise as a result of not identifying savings, not delivering the savings incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering savings and downsizing the workforce.	Amber
Income and Funding	Risks that might materialise as a result of income being below budgeted levels, claw back, reduction to government grant or increased levels of bad debts.	Amber
Service Demands	Risks that might materialise as a result of demands for services outstretching the available resources.	Amber
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise as a result of changes to Government policy during the year e.g. changes in VAT	Amber



Cabinet (Resources) Panel

29 July 2014

Report title	Schedule of Individual Executive Decisions	
Decision designation	AMBER	
Cabinet member with lead responsibility	All	
Key decision	No	
In forward plan	No	
Wards affected	All	
Accountable director	Keith Ireland, Delivery	
Originating service	Democratic Services	
Accountable employee(s)	Tessa Johnson	Graduate Management Trainee
	Tel	01902 554003
	Email	Tessa.johnson@wolverhampton.gov.uk
Report to be/has been considered by	N/A	

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

The summary of open and exempt individual executive decisions approved by the appropriate Cabinet Members following consultation with the relevant designated employees.

Schedule of Green Decisions

Part 1 – Open Items

Originating Directorate	Title and Summary of Decision	Accountable Senior Manager	Accountable Cabinet Member	Date Approved	Contact Officer
1. Office of the Chief Executive					
2. Community					
3. Delivery					
4. Education and Enterprise					

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Part 2 – Exempt Items

Originating Service	Title and Summary of Decision	Designated Director/Officer	Cabinet Member Consulted	Date Approved	Contact Officer
1. Office of the Chief Executive					
2. Community					
3. Delivery	<p>(a) Award of discretionary rate relief That the Cabinet Member for Resources, in consultation with the Head of Revenues and Benefits, approve the award of discretionary rate relief to the listed organisations.</p>	Strategic Director, Delivery	Cllr Andrew Johnson	26 June 2014	Rajnikant Patel 01902 555867
Page 109	<p>(b) Appointment of West Midlands Pension Fund Property Portfolio Manager That the Cabinet Member for Resources, in consultation with the Director of Pensions, award a contract to CRBE Global Investors of London for the management of the Fund's commercial property portfolio for a period of seven years commencing 1 October 2014, with an option to extend for a further three years.</p>	Director of Pensions	Cllr Andrew Johnson	18 Jul 2014	Mike Hardwick 01902 552089
4. Education and Enterprise	<p>(a) Low Hill Residential Repairs (Pods) – Acquisition That the Cabinet Member of Economic Regeneration and Prosperity, in consultation with the Strategic Director for Education and Enterprise, approve completions of the transactions summarised in Appendix 1.</p>	Strategic Director, Education and Enterprise	Cllr Peter Bilson	8 July 2014	Karen Beasley 01902 554893

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