

Cabinet

24 February 2016

Time 5.00 pm **Public Meeting?** YES **Type of meeting** Executive

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

Membership

Chair Cllr Roger Lawrence (Lab)

Vice-chair Cllr Peter Bilson (Lab)

Labour

Cllr Claire Darke

Cllr Steve Evans

Cllr Val Gibson

Cllr Andrew Johnson

Cllr Elias Mattu

Cllr John Reynolds

Cllr Sandra Samuels

Cllr Paul Sweet

Quorum for this meeting is five Councillors.

Information for the Public

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

Contact Dereck Francis

Tel/Email Tel: 01902 555835 or dereck.francis@wolverhampton.gov.uk

Address Democratic Support, Civic Centre, 1st floor, St Peter's Square,
Wolverhampton WV1 1RL

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

Agenda

Part 1 – items open to the press and public

Item No. *Title*

MEETING BUSINESS ITEMS

- 1 **Apologies for absence**
- 2 **Declaration of interests**
- 3 **Minutes of the previous meeting (3 February 2016)** (Pages 5 - 8)
[For approval]
- 4 **Matters arising**
[To consider any matters arising from the minutes of the previous meeting]

DECISION ITEMS (RED - FOR DECISION BY THE COUNCIL)

- 5 **Capital programme 2015/16 to 2019/20 quarter three review and 2016/17 to 2020/21 budget strategy** (Pages 9 - 34)
[To receive the update on performance as at quarter three of 2015/16 and the budget strategy 2016/17 and to recommend to Council a revised General Fund capital programme for 2015/16 to 2020/21]
- 6 **Treasury management strategy 2016/17** (Pages 35 - 118)
[To recommend approval of the strategy to Full Council]
- 7 **2016/17 budget and medium term financial strategy 2016/17 to 2019/20** (Pages 119 - 142)
[To recommend a budget to full Council]
- 8 **Wolverhampton Homes annual delivery plan 2016/17** (Pages 143 - 184)
[To recommend the Wolverhampton Homes Annual Delivery Plan 2016/17 to full Council for approval]

DECISION ITEMS (AMBER - DELEGATED TO THE CABINET)

- 9 **Council tax charges and empty properties** (Pages 185 - 188)
[To discontinue the discretionary scheme under which the council tax discount is granted for the first 21 days that a property is empty]
- 10 **Admissions arrangements for Wolverhampton - 2017/18** (Pages 189 - 202)
[To approve the schemes for co-ordinated school admission arrangements for secondary and primary schools and the admission arrangements for community and voluntary controlled schools for 2017/18]
- 11 **Children's Services re-design** (Pages 203 - 216)
[To consider updated proposals for the fundamental re-design of front line services that deliver Early Intervention and Prevention also termed "Early Help"]

- 12 **HeadStart Wolverhampton submission of phase three funding bid to Big Lottery** (Pages 217 - 224)
[To approve arrangements to sign off and submit the phase three funding submission to the Big Lottery]
- 13 **Full joint inspection of the Youth Offending Team** (Pages 225 - 230)
[To receive the report on the full joint Inspection of the Wolverhampton Youth Offending Team held in November 2015]
- 14 **Joint Special Educational Needs and Disabilities strategy** (Pages 231 - 250)
[To approve the strategy for implementation over the next five years]
- 15 **Consultation on joint Autism Strategy** (Pages 251 - 272)
[To approve a three month period of consultation around the draft strategy]
- 16 **City of Wolverhampton open space strategy and action plan** (Pages 273 - 278)
[To adopt the updated strategy and action plan]
- 17 **Black Country Core Strategy review** (Pages 279 - 284)
[To approve commencement of work on the Black Country Core Strategy review]
- 18 **South Staffordshire site allocations document - preferred options consultation** (Pages 285 - 294)
[To approve the basis of the Council's response to the South Staffordshire site allocations Document preferred options consultation]
- 19 **The local strategy for flood risk management in the Black Country** (Pages 295 - 298)
[To approve the strategy]
- 20 **Exclusion of press and public**
[To pass the following resolution:

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 on the grounds shown below.]

Part 2 - exempt items, closed to press and public

<i>Item No</i>	<i>Title</i>	<i>Grounds for Exemption</i>
21	Developing a shared Urban Traffic Control service (Pages 299 - 306) [To consider the outcomes from the wider service review undertaken on the Urban Traffic Control and associated services in conjunction with Walsall Metropolitan Borough Council].	Information relating to the financial or business affairs of any particular person (including the authority holding that information) Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority. Para (3, 4)

[NOT PROTECTIVELY MARKED]

Meeting of the Cabinet

Minutes - 3 February 2016

Attendance

Members of the Cabinet

Cllr Roger Lawrence (Chair)
Cllr Peter Bilson (Vice-Chair)
Cllr Claire Darke
Cllr Steve Evans
Cllr Val Gibson
Cllr Andrew Johnson
Cllr Elias Mattu
Cllr John Reynolds
Cllr Paul Sweet

Employees

Linda Banbury	Democratic Support Officer
Keith Ireland	Managing Director
Linda Sanders	Strategic Director - People
Mark Taylor	Director of Finance

Part 1 – items open to the press and public

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|--|
| 1 | Apologies for absence
An apology for absence was submitted on behalf of Councillor Sandra Samuels OBE. |
| 2 | Declaration of interests
There were no declarations of interest. |
| 3 | Minutes of the previous meeting (13 January 2016)
Resolved:
That the minutes of the meeting held on 13 January 2016 be approved as a correct record. |
| 4 | Matters arising
There were no matters arising from the minutes. |
| 5 | Budget 2016/17 - outcome of consultation
Councillor Johnson presented the report, which outlined the responses of the consultation undertaken to support the 2016/17 budget setting decisions. He thanked councillor colleagues for their attendance at the various consultation meetings and officers for compiling the analysis of responses.
Resolved: |

That the responses to the 2016/17 budget consultation be received and taken into account in the final budget to be presented to Cabinet on 24 February 2016.

6 Scrutiny Board comments - 2016/17 draft budget

Councillor Johnson presented the report, which outlined the feedback from the Scrutiny Board in respect of the 2016/17 draft budget.

Resolved:

That the comments from the Scrutiny Board in relation to the 2016/17 draft budget be received and taken into account in the 2016/17 final budget to be presented to Cabinet on 24 February 2016.

7 Preventing gang involvement and youth violence strategy

Councillor Gibson presented the report, which sought endorsement to the city's Preventing Gang Involvement and Youth Violence Strategy 2016-19.

Resolved:

That the city's Preventing Gang Involvement and Youth Violence Strategy 2016-19 be endorsed.

8 Exclusion of press and public

Resolved:

That, in accordance with Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business as it involves the likely disclosure of exempt information falling within paragraph 3 of Schedule 12A to the Act relating to the business /financial affairs of a particular person (including the authority holding that information).

9 Improving the city housing offer - housing company outline business case

Councillor Bilson presented the report, which presented the outline business case for the establishment of a Council owned housing company and sought approval to develop the full detailed business case for future Cabinet consideration to establish the company.

Resolved:

1. That approval be given, in principle, to the establishment of a local housing company as a commercial enterprise approach, which also aims to pump prime the housing market and produce well managed homes at market rents.
2. That the Strategic Director of Housing be authorised to prepare a detailed business case for the first two years of the company to produce approximately 300 new homes and draft the necessary agreements, protocols and plans with a view to forming the company by July 2016.
3. That the Strategic Director of Housing be authorised, in conjunction with the Directors of Governance and Finance, to engage suitably qualified and experienced legal and finance advisors to assist in the development of the detailed business case and additional housing capacity to support the work on progressing suitable sites with the estimated total cost of £190,000 being met from the efficiency reserve.
4. That the company be a subsidiary of Wolverhampton Homes, wholly owned by the local authority with a small board of directors of appropriate council employees.

5. That approval be given to the creation of a shadow board with membership of the Strategic Director for City Housing, the Strategic Director for Place and the Director of Finance, to consider the company arrangements in draft form to enable the smooth transition to the company being operational.
6. That approval be given to the creation of a Councillor Steering Group with membership comprising the Cabinet Member for City Assets, Cabinet Member for Resources and two further councillors drawn from the controlling and opposition political parties.
7. That this report be referred to the Vibrant and Sustainable Communities Scrutiny Panel for information and comment.

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Cabinet Meeting

24 February 2016

Report title	Capital Programme 2015/16 to 2019/20 quarter three review and 2016/17 to 2020/21 budget strategy	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Keith Ireland, Managing Director	
Originating service	Strategic Finance	
Accountable employee(s)	Mark Taylor Tel Email	Director of Finance 01902 55(6609) mark.taylor@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Council Confident, Capable Council Scrutiny Panel	15 February 2016 02 March 2016 20 April 2016

Recommendation(s) for action or decision:

1. The Cabinet recommends that Council:

- a) Approves the revised medium term General Fund capital programme of £246.0 million, an increase of £31.3 million from the previously approved programme (paragraph 2.3), reflecting the latest projected expenditure for the medium term.
- b) Approves the additional resources for six new and thirty one existing General Fund projects totalling £31.3 million (paragraph 4.6).

2. The Cabinet is recommended to:

- a) Approve thirteen General Fund virements totalling £7.5 million detailed at appendix B (paragraph 4.11).
- b) Approve the updated schedules of works for the capital projects under the following directorates (paragraph 4.12);
 - i) Corporate: ICTS and in relation to Education; Primary Expansion programme and Schools Capital Maintenance (appendix C1).
 - ii) People: Sports Investment Strategy, Co-location programme, Short Breaks for Disabled Children Programme and Community Hubs (appendix C2).
 - iii) Place: Corporate Asset Management, Urban Parks Refurbishment Programme, Disposals Programme, Accessing Growth Fund, Managing Short Trips and Structural Maintenance (appendix C3).

Recommendations for noting:

1. The Cabinet is asked to note:

- a) The revised budgets for the Housing Revenue Account (HRA) as approved by Council on the 27 January 2016 (paragraph 2.5).
- b) The expenditure position for quarter three of 2015/16 which stands at 43.5% of the approved general fund capital budget (paragraph 2.4).
- c) The expenditure position for quarter three of 2015/16 which stands at 49.9% of the approved Housing Revenue Account (HRA) capital budget (paragraph 2.7).
- d) This report incorporates three budget reduction proposals (paragraph 4.13) which are subject to approval by this meeting and Council on 2 March 2016 as part of the Budget 2016/17 setting process, see report “2016/17 Budget and Medium Term Financial Strategy 2016/17 to 2019/20” on the agenda. The inclusion of the three projects in this report is on the assumption that approval will be given and therefore, their progression is dependent on that decision. The names of the budget reduction proposals/projects are:
 - Street Lighting
 - Highways Management
 - Fleet

If the budget reduction proposals are not approved, the capital programme will be reduced accordingly.

1.0 Purpose

- 1.1 To provide Cabinet with an update on the financial performance of the General Fund and HRA capital programmes for 2015/16 and the revised forecast for 2015/16 to 2020/21 as at quarter three of 2015/16.
- 1.2 To recommend a revised General Fund capital programme and to note the HRA capital programme for the period 2015/16 to 2020/21.

2.0 Executive Summary

- 2.1 At its meeting on 16 December 2015, Council approved a General Fund capital programme totalling £214.7 million.
- 2.2 Table 1 below shows the changes proposed when comparing the approved General Fund budget with that proposed, along with the resources identified to finance the proposed change.

Table 1: Summary of the General Fund projected budgets compared to approved budgets

General Fund	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Budget							
Approved	97,806	71,366	33,408	8,451	3,690	-	214,721
Projected	93,196	89,499	45,622	13,884	3,832	-	246,033
Variance	(4,610)	18,133	12,214	5,433	142	-	31,312
Financing							
Approved							
Internal resources	53,193	37,707	15,557	2,358	728	-	109,543
External resources	44,613	33,659	17,851	6,093	2,962	-	105,178
	97,806	71,366	33,408	8,451	3,690	-	214,721
Projected							
Internal resources	46,527	54,045	25,912	7,791	870	-	135,145
External resources	46,669	35,454	19,710	6,093	2,962	-	110,888
	93,196	89,499	45,622	13,884	3,832	-	246,033
Variance	(4,610)	18,133	12,214	5,433	142	-	31,312

- 2.3 This report recommends variations to the approved programme totalling an increase of £31.3 million bringing the total revised capital programme to £246.0 million.
- 2.4 The approved General Fund capital budget for 2015/16 amounts to £97.8 million. Expenditure to the end of quarter three 2015/16 totals £42.5 million. This represents 43.5% of the approved budget.

- 2.5 On 27 January 2016 a revised Housing Revenue Account (HRA) capital programme was approved by Council as part of the 30 year Business Plan and therefore the HRA budgets provided within this report are for information only.
- 2.6 Table 2 below shows the changes that were approved by Council on the 27 January 2016.

Table 2: Summary of the HRA approved capital programme

Housing Revenue Account	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Budget							
Approved 16 December 2015	62,762	50,133	32,892	33,708	31,368	-	210,863
Approved 27 January 2016	62,826	48,616	52,014	32,269	29,709	-	225,434
Variance	64	(1,517)	19,122	(1,439)	(1,659)	-	14,571
Financing							
Approved 16 December 2015							
Internal resources	62,762	50,133	32,892	33,708	31,368	-	210,863
External resources	-	-	-	-	-	-	-
	62,762	50,133	32,892	33,708	31,368	-	210,863
Approved 27 January 2016							
Internal resources	61,738	48,616	52,014	32,269	29,709	-	224,346
External resources	1,088	-	-	-	-	-	1,088
	62,826	48,616	52,014	32,269	29,709	-	225,434
Variance	64	(1,517)	19,122	(1,439)	(1,659)	-	14,571

- 2.7 The approved HRA capital budget for 2015/16 amounts to £62.8 million. Expenditure to the end of quarter three 2015/16 totals £31.4 million. This represents 49.9% of the approved budget.

- 2.8 The complete General Fund and HRA capital programmes for the period 2015/16 to 2020/21 can be viewed online on the Councils website by following the link below;

<http://www.wolverhampton.gov.uk/article/7046/Medium-Term-Capital-Programme>

3.0 2015/16 capital programme

- 3.1 At its meeting on 16 December 2015, Council approved a 2015/16 General Fund capital programme totalling £97.8 million.
- 3.2 On 27 January 2016 a revised 2015/16 Housing Revenue Account (HRA) capital programme totalling £62.8 million was approved by Council as part of the 30 year Business Plan. Therefore the HRA budgets provided within this report are for information only.
- 3.3 Table 3 provides an analysis of capital expenditure to the end of quarter three compared to the approved budget, along with the projected budget forecast.

Table 3: Capital expenditure to the end of quarter three of 2015/16 with projected budget

Directorate	Approved budget	Expenditure to the end of quarter three	Expenditure as % of approved budget	Projected budget	Variance projected v approved over / (under)
	£000	£000	%	£000	£000
Corporate	28,678	13,551	47.3%	29,188	510
People	6,062	1,495	24.7%	3,805	(2,257)
Place	63,066	27,500	43.6%	60,203	(2,863)
Total General Fund	97,806	42,546	43.5%	93,196	(4,610)
Housing Revenue Account	62,826	31,362	49.9%	62,826	-
Total Housing Revenue Account	62,826	31,362	49.9%	62,826	-
Total Capital Programme	160,632	73,908	46.0%	156,022	(4,610)

- 3.4 General Fund expenditure to the end of quarter three stands at £42.5 million, against the approved budget of £97.8 million, which represents 43.5% of the approved budget for 2015/16. The latest financial monitoring information indicates that capital expenditure will be lower than the approved budget by £4.6 million.
- 3.5 HRA expenditure to the end of quarter three stands at £31.4 million, against the approved budget of £62.8 million, which represents 49.9% of the approved budget for 2015/16.
- 3.6 Table 4 analyses these overall decreases. These changes are reflected in the revised medium term budgets proposed in section 4.

Table 4: Analysis of variations between the approved capital budget and 2015/16 projected outturn

	Approved budget	Projected outturn at quarter three	Variance over / (under)	Variance represented Increase / Re-profiling (decrease)	
	£000	£000	£000	£000	£000
Corporate	28,678	29,188	510	-	(6)
People	6,062	3,805	(2,257)	615	(2,872)
Place	63,066	60,203	(2,863)	1,889	(4,752)
Total General Fund	97,806	93,196	(4,610)	2,504	(7,630)
Housing Revenue Account	62,826	62,826	-	-	-
Total Housing Revenue Account	62,826	62,826	-	-	-
Total Capital Programme	160,632	156,022	(4,610)	2,504	(7,630)

4.0 Medium term capital programme and budget strategy

- 4.1 Table 5 details proposed revised medium term capital programmes, covering the period 2015/16 to 2020/21.

Table 5: Variance analysis of 2015/16 to 2020/21 projected budgets

Directorate	Approved budget 2015/16 to 2019/20 £000	Forecast budget 2015/16 to 2020/21 £000	Variance over / (under) £000
Corporate	57,408	78,089	20,681
People	6,062	6,677	615
Place	151,251	161,267	10,016
Total General Fund	214,721	246,033	31,312
Housing Revenue Account	225,434	225,434	-
Total Housing Revenue Account	225,434	225,434	-
Total Capital Programme	440,155	471,467	31,312

- 4.2 The complete General Fund and HRA capital programmes for the period 2015/16 to 2020/21 can be viewed online on the Council's website by following the link below.

<http://www.wolverhampton.gov.uk/article/7046/Medium-Term-Capital-Programme>

- 4.3 The projected increase of £31.3 million for the General Fund reflects additional expenditure which is discussed below.
- 4.4 £19.0 million relates to the development of transformation projects as a result of the announcement in the Autumn Statement 2015. In the statement the Chancellor of the Exchequer announced plans to allow local authorities the flexibility to spend capital receipts (excluding Right to Buy receipts) on revenue reform projects subject to conditions. Only receipts received during 1 April 2016 to 31 March 2019 are eligible to be used for this purpose. An efficiency strategy for the use of these receipts is included in the "2016/17 Budget and Medium Term Financial Strategy 2016/17 to 2019/20" report for approval as part of the budget setting process. The revenue costs of these projects will be capitalised against this proposed budget resulting in a revenue budget reduction.
- 4.5 The other main items to note are £3.1 million for Accessing Growth Fund funded through additional grant; £4.9 million for replacement LED Street Lighting delivering energy budget reductions; £1.6 million for Integrated Transport funded primarily by grant; £1.5 million for Corporate Asset Management to deliver essential works for Council buildings and £1.2 million of the Devolved Formula Capital grant allocated to schools. This additional expenditure funded from a mixture of internal and external resources

(appendix A) is offset by a reduction of £1.5 million for Energy Efficiency Measures following review of the business case.

- 4.6 Table 6 provides a summary of the forecast changes in expenditure requiring Council approval. Further details on changes to General Fund projects can be found in appendix A.

Table 6: Summary analysis of the forecast change in capital expenditure

Directorate	Projected change in expenditure		Total increase / (decrease) in expenditure £000
	New projects	Existing projects	
	£000	£000	
Corporate	18,995	1,686	20,681
People	575	40	615
Place	232	9,784	10,016
Total General Fund	19,802	11,510	31,312

- 4.7 Table 7 analyses the type of resources identified to finance the projected changes in expenditure for the General Fund capital programmes.

Table 7: Summary of financing for projected change in expenditure

Summary	Internal resources	External resources	Virements	Projected change in resources
	£000	£000		
General Fund				
New projects	19,245	325	232	19,802
Existing projects	6,357	5,385	(232)	11,510
Total General Fund	25,602	5,710	-	31,312

- 4.8 Internal resources reflect expenditure that requires the use of Council resources and over which the Council therefore has absolute discretion. Capital receipts are only assumed where there is reasonable certainty that they will be received within the required timeframe. External resources is funding secured from external organisations e.g. central government.
- 4.9 The implications of the levels of borrowing required are fully reflected in the revenue budget and medium term financial strategy. Details of the financing of the revised capital programmes are shown in Table 8.

Table 8: Summary of recommended changes to financing of the General Fund and HRA capital programmes

2015/16 to 2020/21				
	Approved budget	Recommended budget	Variance	Resource as % of expenditure
	£000	£000	£000	
General Fund Expenditure	214,721	246,033	31,312	
Financing				
Internal resources				
Capital receipts	15,565	24,879	9,314	10.1%
Prudential borrowing	92,920	109,114	16,194	44.3%
Revenue contributions	921	1,015	94	0.4%
Reserves	137	137	-	0.1%
Subtotal	109,543	135,145	25,602	54.9%
External resources				
Grants & contributions	105,178	110,888	5,710	45.1%
Subtotal	105,178	110,888	5,710	45.1%
Total General Fund	214,721	246,033	31,312	100.0%

2015/16 to 2020/21				
	Approved budget 16 December 2015	Approved budget 27 January 2016	Variance	Resource as % of expenditure
	£000	£000	£000	
Housing Revenue Account Expenditure	210,863	225,434	14,571	
Financing				
Internal resources				
Capital receipts	16,980	35,386	18,406	15.7%
Prudential borrowing	87,531	72,574	(14,957)	32.2%
Reserves	106,352	116,386	10,034	51.6%
Subtotal	210,863	224,346	13,483	99.5%
External resources				
Grants & contributions	-	1,088	1,088	0.5%
Subtotal	-	1,088	1,088	0.5%
Total Housing Revenue Account	210,863	225,434	14,571	100.0%

- 4.10 Capital receipts totalling £24.9 million have been assumed within the General Fund capital programme for quarter three and can be seen in Table 9. In order to be prudent a detailed review of the schedule of disposals is undertaken to identify only those that are highly likely to be completed. The planned utilisation of capital receipts reflects the need to balance the benefit for both the capital programme and the revenue budget.

Table 9: Receipts assumed in the revised General Fund capital programme

	Projected						Total £000
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
	£000	£000	£000	£000	£000	£000	
General Fund capital receipts	4,000	8,000	10,100	2,800	-	-	24,900

- 4.11 Requests for budget virements between General Fund projects, totalling £7.5 million are detailed in appendix B.
- 4.12 Ancillary schedules of General Fund works for approval are detailed in appendices C1 to C3.
- 4.13 This report incorporates three budget reduction proposals which are subject to approval by this meeting and Council on 2 March 2016 as part of the Budget 2016/17 setting process, see report “2016/17 Budget and Medium Term Financial Strategy 2016/17 to 2019/20” on the agenda. The inclusion of the three projects in this report is on the assumption that approval will be given and therefore, their progression is dependent on that decision. The names of the budget reduction proposals/projects are:
- Street Lighting - £278,000 reduction in revenue budget
 - Highways Management - £250,000 reduction in revenue budget
 - Fleet - £227,000 reduction in revenue budget

If the budget reduction proposals are not approved, the capital programme will be reduced accordingly. The proposals can be accessed via the links below:

<http://www.wolverhampton.gov.uk/CHttpHandler.ashx?id=8216&p=0>

<http://www.wolverhampton.gov.uk/CHttpHandler.ashx?id=8192&p=0>

<http://www.wolverhampton.gov.uk/CHttpHandler.ashx?id=8187&p=0>

- 4.14 Council, on the 15 July 2015, approved the capital financial strategy relating to the approval of future capital projects, the declaration of identified underspends and the use of capital receipts to reduce the Council’s need to borrow to fund the approved capital programme. As a consequence of this, no new schemes have been included in the 2020/21 financial year. Capital expenditure has a direct impact upon the Council’s revenue budgets and therefore needs to be restricted to projects essential to the Council’s priorities. Any proposals to increase the level of the capital programme are considered via a capital appraisal mechanism for value for money and appropriateness based on the current financial climate prior to approval being sought from Councillors.
- 4.15 In the coming year the Council expects to work closely with its partners in the proposed West Midlands Combined Authority to start delivering the Devolution Deal agreed with the Government. This is estimated to bring additional capital investment in excess of £8.0 billion over ten years across the West Midlands and associated LEP areas. This will

require new ways of delivering capital investment involving a variety of mechanisms appropriate to each investment programme. It is possible that some of the capital investment will be delivered by the West Midlands Districts. The Council may need to use prudential borrowing to fulfil its agreed part of this.

5.0 Key budget risks

- 5.1 An analysis of the risks associated with the capital programme, along with the details of the risk control measures that are in place in order to manage and mitigate these risks as far as possible can be viewed online on the Council's website by following the link below:

<http://www.wolverhampton.gov.uk/article/7046/Medium-Term-Capital-Programme>

- 5.2 The overall risk associated with the programme continues to be quantified as amber.

6.0 Financial implications

- 6.1 The financial implications are discussed in the body of this report.

[SH/09022016/Z]

7.0 Legal implications

- 7.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.

- 7.2 The Local Government Act 2003 brought in the current regime for capital finance for local authorities. It reduced the level of central control over local authority borrowing and capital expenditure.

- 7.3 The Council is required to comply with statutory codes of practice including current Financial Procedure Rules and the Prudential Code for Capital Finance in Local Authorities and Treasury Management in Public Services.

- 7.4 The legal framework therefore places a greater responsibility on Cabinet Members to ensure properly managed borrowing and capital expenditure without the need for government consent.

- 7.5 The main principles of the framework are prudence, sustainability and affordability. These statutory requirements are taken into account when making recommendations about the revised medium term capital programme.

[TS/05022016/L]

8.0 Corporate landlord implications

- 8.1 Projects funded and delivered through the Council's capital programme typically have significant impact on the Council's property portfolio. Corporate landlord implications

must be considered and included in relevant documents and reports when individual capital projects and programmes are being developed.

9.0 Equalities implications

9.1 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; the nine equality strands covered by the legislation are:

- Age
- Disability
- Gender reassignment
- Pregnancy and Maternity
- Religion or Belief
- Race
- Sex
- Sexual Orientation
- Marriage and Civil Partnership (this strand only applies to employment and not to service delivery).

These strands include everyone.

9.2 Cabinet Members should also be aware that under the Equality Act 2010, they must have due regard to the Public Sector Equality Duty when making budget decisions. What this means in practice is that Cabinet Members 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 encourage participation.
- Foster good relations between people from different groups.

9.3 Consideration of equality issues must influence the decisions reached by public bodies including:

- How they act as employers.
- How they design, deliver and evaluate services.
- How they commission and procure from others.

9.4 The Brown Principles, established as a result of a legal case concerning Post Offices closures in 2008, provide an important checklist 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 not delegable; 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.
- It is good practice to keep an adequate record showing that it has considered the identified needs.

9.5 There is a range of individual projects delivered through the Council's capital programme that have significant impacts on specific groups and equality implications should be considered when individual capital schemes are being developed.

9.6 This requirement would also apply if there were to be any redirection of capital funding in year so as to ensure that the impact of any changes is considered.

10.0 Environmental implications

10.1 A wide range of projects delivered through the capital programme have significant environmental implications and are geared to promote improvements to the physical environment.

11.0 Schedule of background papers

11.1 Capital programme 2015/16 to 2019/20 quarter two review, Report to Cabinet on 9 December 2015, Council on 16 December 2015

11.2 Housing Revenue Account business plan (including 2016/17 budget rents and service charges), Council 27 January 2016

11.3 70 Willenhall Road, Exempt Report to Cabinet (Resources) Panel on 9 February 2016

11.4 2016/17 Budget and Medium Term Financial Strategy 2016/17 to 2019/20, Report to Cabinet on 24 February 2016

12.0 Schedule of appendices

Appendix	Title	Page
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B	Virements	17
C	Ancillary schedule of works	18 – 26

Analysis of projected change in expenditure

Appendix A

Corporate	New / Existing project	Approved budget	Proposed budget	Forecast change in expenditure	Virements	Financing	
		£000	£000	£000		Internal resources	External resources
		£000	£000	£000	£000	£000	£000
Transformation Development Efficiency Strategy A new budget line for development of transformation projects funded by the capital receipts flexibility announced in the Autumn Statement 2015.	New	-	18,995	18,995	-	18,995	-
Corporate Contingency Change reflects the re-provision of corporate contingency budget so that priority projects can be progress in a timely manner, and a virement to approve as detailed within Appendix B.	Existing	516	1,000	484	(32)	516	-
ICTS - General Programme Change reflects a virement to approve as detailed within Appendix B.	Existing	2,983	3,283	300	300	-	-
ICTS - Desktop Refresh Change reflects a virement to approve as detailed within Appendix B.	Existing	1,733	1,583	(150)	(150)	-	-
ICTS - Disaster Recovery Change reflects a virement to approve as detailed within Appendix B.	Existing	687	537	(150)	(150)	-	-
Schools Devolved Formula Capital Change reflects an additional Devolved Formula Capital grant allocation for the scheme.	Existing	3,078	4,280	1,202	-	-	1,202
Subtotal		8,997	29,678	20,681	(32)	19,511	1,202

People	New / Existing project	Approved budget	Proposed budget	Forecast change in expenditure	Virements	Financing	
		£000	£000	£000		Internal resources	External resources
		£000	£000	£000	£000	£000	£000
Sexual Health A new project developed to accommodate capital costs of the scheme fully funded from Public Health Grant.	New	-	250	250	-	250	-
Children's Transformation Re-design-Barnhurst A new project developed under Co-location Programme fully funded from Community Capacity Grant.	New	-	250	250	-	-	250
Children's Transformation Re-design-Avenues A new project developed under Co-location Programme fully funded from Community Capacity Grant.	New	-	75	75	-	-	75
NOM - Windsor Childrens Centre Change reflects an increased budget for the project within Co-location scheme that is fully funded from reserves held by Windsor Nursery.	Existing	61	101	40	-	40	-
Subtotal		61	676	615	-	290	325

Analysis of projected change in expenditure

Appendix A

Place - Non Housing	New / Existing project	Approved budget £000	Proposed budget £000	Forecast change in expenditure £000	Virements £000	Financing Internal resources £000	External resources £000
Willenhall Road Corridor Improvements Change reflects a virement to note as detailed within Appendix B.	New	-	200	200	200	-	-
Enforcement enhancement - camera equipment Change reflects a virement to approve as detailed within Appendix B.	New	-	32	32	32	-	-
I54 Access & Infrastructure Changes reflect an increased requirement of additional borrowing due to projected capital receipts being reduced by £426,000. All additional borrowing costs associated with the scheme will be recovered through the business rates generated.	Existing	1,662	1,990	328	-	754	(426)
Accessing Growth Fund Change reflects an increased budget due to successful bids for the further grant funding.	Existing	12,000	15,075	3,075	-	-	3,075
City Centre Transport & Movement Enhancements Change reflects a virement to approve as detailed within Appendix B.	Existing	835	1,576	741	741	-	-
Street Lighting Change reflects a budget increase due to invest to save capital requirement in relation to revenue budget reduction proposal URN 457 of £278,000 and a net virement to approve as detailed within Appendix B.	Existing	-	5,056	5,056	130	4,926	-
Integrated Transport Programme Change reflects an additional Local Pinch Point Funding allocation in relation to the A4123 Birmingham New Road/Shaw Road project and an additional investment to facilitate improved Highways Management scheme as per revenue budget reduction proposal URN 0432 of £250,000. It also reflects a net virement to approve as detailed within Appendix B.	Existing	2,526	3,587	1,061	(545)	127	1,479
Local Safety schemes Change reflects a virement to approve as detailed within Appendix B.	Existing	1,080	1,054	(26)	(26)	-	-
Traffic Management/ Minor Works Change reflects an increase of external resources due to additional Section 106 funding allocation to fund the traffic calming and zebra crossing on Peel Street.	Existing	511	516	5	-	-	5
Safer Routes to School Change reflects a virement to approve as detailed within Appendix B.	Existing	-	10	10	10	-	-
Cycling Change reflects a virement to approve as detailed within Appendix B.	Existing	50	90	40	40	-	-

Analysis of projected change in expenditure

Appendix A

Place - Non Housing (continued)	New / Existing project	Approved budget £000	Proposed budget £000	Forecast change in expenditure £000	Virements £000	Financing Internal resources £000	External resources £000
Corporate Asset Management Change reflects an increased budget due to additional investment required for the identified priority 1 works to ensure that buildings are sustainable to meet business requirements.	Existing	1,979	3,439	1,460	-	1,460	-
Energy Management The business case for the further energy efficiency work has been reviewed leading to a reduction in capital expenditure and associated reduced revenue budget.	Existing	2,331	864	(1,467)	-	(1,467)	-
Maintenance of Classified Roads Change reflects a virement to approve as detailed within Appendix B.	Existing	19,793	14,268	(5,525)	(5,525)	-	-
Maintenance of Unclassified Roads Change reflects a virement to approve as detailed within Appendix B.	Existing	-	4,240	4,240	4,240	-	-
Maintenance of non-highway structures Change reflects a virement to approve as detailed within Appendix B.	Existing	-	475	475	475	-	-
Maintenance of highway structures Change reflects a virement to approve as detailed within Appendix B.	Existing	-	400	400	400	-	-
Disabled Access Change reflects a virement to approve as detailed within Appendix B.	Existing	-	60	60	60	-	-
Youth Zone Change reflects a virement to approve as detailed within Appendix B.	Existing	976	896	(80)	(80)	-	-
Southside Change reflects a virement to approve as detailed within Appendix B.	Existing	3,294	2,754	(540)	(540)	-	-
Targeted Strategic Disposals Programme Change reflects a net virement to approve and to note as detailed within Appendix B.	Existing	630	350	(280)	(280)	-	-
Reallocation of Resources for Regeneration Priorities Change reflects a virement to approve as detailed within Appendix B.	Existing	53	753	700	700	-	-
Westside Change reflects a budget increase due to the relocation of the Urban Traffic Control centre to the Civic Centre. Additional resources to cover costs have been secured from Walsall MBC.	Existing	3,951	3,971	20	-	-	20
Black Country Growth Deal - Cultural Programme Change reflects an additional funding secured from Local Growth to cover additional asbestos works.	Existing	12,278	12,678	400	-	-	400

Analysis of projected change in expenditure

Appendix A

Place - Non Housing (continued)	New / Existing project	Approved budget £000	Proposed budget £000	Forecast change in expenditure £000	Virements £000	Financing Internal resources £000	External resources £000
Black Country Gold ERDF Project Change reflects a budget decrease based on the latest project change request.	Existing	246	206	(40)	-	-	(40)
Broadband Vouchers Change reflects a budget decrease due to the programme now being closed and therefore vouchers will no longer be issued.	Existing	770	440	(330)	-	-	(330)
Subtotal		64,965	74,980	10,015	32	5,800	4,183

Place - Private Sector Housing	New / Existing project	Approved budget £000	Proposed budget £000	Forecast change in expenditure £000	Virements £000	Financing Internal resources £000	External resources £000
All Saints Phase 1 Change reflects settlement of the final contract payment for the project.	Existing	-	1	1	-	1	-
Subtotal		-	1	1	-	1	-

TOTAL				31,312	-	25,602	5,710
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Virements for approval

Appendix B

Directorate	Capital project	Virement required £000	Comments
Corporate Place	Corporate Contingency Enforcement enhancement - camera equipment	(32) 32	A virement from Corporate Contingency budget is proposed to fund the purchase of additional enforcement equipment - cameras.
Corporate Corporate Corporate	ICTS - Desktop Refresh ICTS - Disaster Recovery ICTS - General Programme	(150) (150) 300	A virement is proposed to reflect reallocation of resources across the schemes within the ICTS programme. The constantly changing and complex IT environment poses significant challenges and leads to a constant rescheduling of works.
Corporate Corporate Corporate Corporate Corporate	Boiler/Pipework Replacements Toilet Refurbishment Roof/Window Replacements Structural/Demolition/External Works Uncommitted Balance of Capital Maintenance (Provision for future programmes)	(20) (31) 11 31 9	Due to decreased budget requirement for Boiler/Pipework Replacements and Toilet Refurbishment schemes, virements to Roof/Window Replacements and Structural/Demolition/External Works projects are proposed to cover their increased costs. The remaining balance of £9,000 is proposed to be vired to Uncommitted Balance of Capital Maintenance for the provision for future programmes.
Place Place Place	Street Lighting Integrated Transport Programme City Centre Transport & Movement Enhancements	(220) (521) 741	A virement is proposed to reflect an alignment of funding directed to the city centre works.
Place Place Place	Integrated Transport Programme Cycling Safer Routes to Schools	(50) 40 10	A virement is proposed to reflect an alignment to the budget.
Place Place	Local Safety Schemes Integrated Transport Programme	(26) 26	A virement is proposed to reflect an alignment to the budget.
Place Place Place Place Place Place	Maintenance of Classified Roads Maintenance of Unclassified Roads Maintenance of non-highway structures Maintenance of highway structures Disabled Access Street Lighting	(5,525) 4,240 475 400 60 350	A virement is proposed to reflect the more accurately aligned budgets in line with the transport capital programme approved on the 11 March 2015.
Place Place	Youth Zone Reallocation of resources for regeneration priorities	(80) 80	The Youth Zone project is now practically complete and there is no further requirement for the £80,000 and therefore a virement is proposed.
Place Place Place	South Side Targeted Strategic Disposals Programme Reallocation of Resources for Regeneration Priorities	(540) 100 440	Despite the potential of the further acquisitions to enhance Southside site there are limited opportunities and insufficient fund remaining at this stage. Therefore a virement of £440,000 is proposed to the Reallocation of Resources for Regeneration Priorities until a wider review of the regeneration priorities will be undertaken. Virement of £100,000 to Targeted Strategic Disposals Programme is proposed to cover wider City Centre marketing hoardings.
Place Place	Targeted Strategic Disposals Programme Reallocation of Resources for Regeneration Priorities	(180) 180	A virement of unallocated balance is proposed until a wider review of the regeneration priorities will be undertaken.
Total		-	

Virements to note

Directorate	Capital project	Virement required £000	Comments
Place Place	Targeted Strategic Disposals Programme Willenhall Road Corridor Improvements	(200) 200	Virement as reported to Cabinet (Resources) Panel on the 9 February 2016.
Total		-	

Schedule of works – Corporate

Appendix C1

ICT capital programme	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Main programme:							
Future Developments	214	-	-	-	-	-	214
Emergency Projects	100	-	-	-	-	-	100
Security Enhancement							
Network Access Control	30	-	-	-	-	-	30
Network Intruder Detection	10	-	-	-	-	-	10
Penetration Testing and IT Health Check	26	-	-	-	-	-	26
	66	-	-	-	-	-	66
Refresh							
Microsoft Enterprise Agreement	415	407	-	-	-	-	822
Storage Refresh							
Increase Storage Capacity	-	30	-	-	-	-	30
Upgrade / Replace Filers	-	450	-	-	-	-	450
Upgrade / Replace Data Domain	-	200	-	-	-	-	200
	-	680	-	-	-	-	680
Upgrades							
Replace / Upgrade Firewalls	90	-	-	-	-	-	90
Infra Upgrade	54	-	-	-	-	-	54
Sharepoint Development	85	85	-	-	-	-	170
Revs & Bens E-Billing Solution	25	-	-	-	-	-	25
Enterprise Mobility Suite	30	-	-	-	-	-	30
Gladstone E-Booking Solution	150	-	-	-	-	-	150
	434	85	-	-	-	-	519
Infrastructure Upgrades							
Windows 7 Migration	35	-	-	-	-	-	35
Replace mainframe applications	80	-	-	-	-	-	80
Network Hardware Refresh	-	50	-	-	-	-	50
Expand production Virtual Machine environment and production Demilitarised Zone environment	-	30	-	-	-	-	30
System Centre Configuration Manager / System Centre Operations Manager	20	-	-	-	-	-	20
Office 365	-	21	-	-	-	-	21
Expand Secondary Data Centre Virtual Server Farm	-	30	-	-	-	-	30
Migrate to Windows 10	10	20	-	-	-	-	30
Hybrid Mail and Printing	90	-	-	-	-	-	90
"GOSS" Events Module	25	-	-	-	-	-	25
Civic Centre Infrastructure Upgrade	25	434	-	-	-	-	459
	285	585	-	-	-	-	870
Data Centres							
Additional Data Cabinets	-	2	-	-	-	-	2
Replace Uninterruptable Power Supply Batteries	-	5	-	-	-	-	5
Uninterruptable Power Supply Direct Current & Alternating Current Capacitor Replacement	-	5	-	-	-	-	5
	-	12	-	-	-	-	12
Main programme total	1,514	1,769	-	-	-	-	3,283
Desktop Refresh	173	1,410	-	-	-	-	1,583
Disaster Recovery	17	520	-	-	-	-	537
Total ICT capital programme	1,704	3,699	-	-	-	-	5,403

Schedule of works – Corporate

Appendix C1

Primary School Expansion Programme	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Phase 1 & 2							
Dunstall Hill Primary	2,600	1,672	55	-	-	-	4,327
Fallings Park Primary	2,418	65	-	-	-	-	2,483
Trinity Church of England Primary	3,863	714	110	-	-	-	4,687
	8,881	2,451	165	-	-	-	11,497
Phase 3							
Bilston Primary	889	748	36	-	-	-	1,673
Bushbury Hill	583	18	-	-	-	-	601
Eastfield Primary	586	16	-	-	-	-	602
Loxdale Primary	1,065	55	-	-	-	-	1,120
Manor Primary	2,366	1,261	33	-	-	-	3,660
St Martin's Primary	70	1,677	83	-	-	-	1,830
Stowlawn Primary	423	11	-	-	-	-	434
Westacre Infant	332	8	-	-	-	-	340
West Park Primary	555	20	-	-	-	-	575
St Mary's RC Primary	400	2,400	300	-	-	-	3,100
Holy Trinity (RC)	50	250	-	-	-	-	300
Lanesfield Primary	50	300	-	-	-	-	350
St Bart's Primary	50	400	-	-	-	-	450
Villiers Primary	50	400	-	-	-	-	450
Future expansion programmes	-	1,338	4,227	-	-	-	5,565
	7,469	8,902	4,679	-	-	-	21,050
Contingency	(11)	1,237	83	-	-	-	1,309
Total Primary School Expansion Programme	16,339	12,590	4,927	-	-	-	33,856

Schools Capital Maintenance	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
Boiler upgrades/replacement pipework/heaters:						
Springdale Infant and Junior - replacement pipework	-	207	-	-	-	207
Bantock Primary - re-pipe heating	20	130	-	-	-	150
Broadmeadow Special - upgrade fan convectors	34	-	-	-	-	34
Castlecroft Primary - bns panel and heating pump	27	-	-	-	-	27
Christ Church Infants - upgrade hall heating to reduce electrical load	42	-	-	-	-	42
Goldthorne Park - upgrade infant boiler plant and fan convectors	65	-	-	-	-	65
Graisley Primary - upgrade boiler plant	77	-	-	-	-	77
Loxdale Primary - upgrade flue	5	-	-	-	-	5
Oxley Primary - re-pip heating	20	130	-	-	-	150
St Stephens Primary - upgrade heating	28	-	-	-	-	28
Stow Health - hot and cold pipework	85	-	-	-	-	85
Coppice - New Boiler	180	-	-	-	-	180
Wodenfield Primary - replacement boiler plant	22	-	-	-	-	22
	605	467	-	-	-	1,072
Development Plans:						
Provision for future programmes	40	-	-	-	-	40

Schedule of works – Corporate

Appendix C1

Schools Capital Maintenance (continued)	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£000	£000	£000	£000	£000	£000
Roof replacements and ceilings:						
Bilston Nursery - replacement tiles to roof	95	-	-	-	-	95
Christ Church CE Jr - replacement roof covering	44	-	-	-	-	44
D'Eyncourt Primary - replacement roof covering	35	-	-	-	-	35
Dovecotes Primary - replacement roof covering	32	-	-	-	-	32
Long Knowle - replacement roof covering	30	-	-	-	-	30
Springvale Primary - replacement roof covering	15	-	-	-	-	15
St Bartholomew's CE Primary - replacement roof covering/re-build chimney	35	-	-	-	-	35
Uplands Junior - replacement roof covering	46	-	-	-	-	46
Whitgreave Junior - replacement roof covering	44	-	-	-	-	44
Woodthorne Primary - replacement roof covering	66	-	-	-	-	66
Provision for future programmes	86	-	-	-	-	86
	528	-	-	-	-	528
Window upgrade:						
Broadmeadow Nursery - replacement classroom windows	31	-	-	-	-	31
Claregate Primary - replacement classroom windows	45	-	-	-	-	45
Hill Avenue Primary - replacement classroom windows	65	-	-	-	-	65
Merridale Primary - replacement classroom windows	24	-	-	-	-	24
Oxley Primary - replacement classroom windows	39	-	-	-	-	39
St Alban's CE Primary - replacement classroom windows	15	-	-	-	-	15
Woodfield Junior - replacement classroom windows	21	-	-	-	-	21
	240	-	-	-	-	240
Structural/demolition/external works/security						
Bantock Primary - reform playground	35	-	-	-	-	35
Goldthorn Park Primary - replacement floor screeds	110	40	-	-	-	150
Lanesfield Primary - demolition of chimney	-	20	-	-	-	20
Woden Primary - Canopy	20	-	-	-	-	20
Merridale Primary - replacement timber floor	9	-	-	-	-	9
Oxley Primary - replacement wood block floor and DPM	18	-	-	-	-	18
Springvale Primary - resurfacing main entrance drive	30	-	-	-	-	30
Whitgreave Infant - rebuild retaining wall	25	-	-	-	-	25
Hill Avenue - Demolition of demountable	40	-	-	-	-	40
Castlecroft Primary - Playground resurfacing	70	-	-	-	-	70
Grove Primary - Replacement Fencing	15	-	-	-	-	15
Edward the Elder - Replacement Fencing	10	-	-	-	-	10
Provision for future programmes	68	-	-	-	-	68
	450	60	-	-	-	510
Contribution to New Build schemes:						
Edward the Elder Primary	25	-	-	-	-	25
Wood End Primary	25	-	-	-	-	25
New Park - design technology refurbishment	35	-	-	-	-	35
Springdale Infants - security gates to playground	10	-	-	-	-	10
	95	-	-	-	-	95
Asbestos removal:						
Merridale Primary	16	-	-	-	-	16
Castlecroft Primary	1	-	-	-	-	1
Parkfield Primary	18	-	-	-	-	18
Moreton School	15	-	-	-	-	15
Villiers Primary	14	-	-	-	-	14
Woodthorne Primary	24	-	-	-	-	24
New Park/Kingston PRU	9	-	-	-	-	9
Provision for future programmes	19	-	-	-	-	19
	116	-	-	-	-	116

Schedule of works – Corporate

Appendix C1

Schools Capital Maintenance (continued)	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£000	£000	£000	£000	£000	£000
Rewiring and electrical upgrades (Planned Maintenance):						
Palmers Cross Primary	27	-	-	-	-	27
St Andrew's Church of England Primary	21	-	-	-	-	21
Stow Heath Primary	24	-	-	-	-	24
Woodthorne Primary	27	-	-	-	-	27
Castlecroft Primary - main earthing and bonding improvement	3	-	-	-	-	3
D'Eyncourt Primary - main switchgear, sub-mains	39	-	-	-	-	39
Graiseley Primary - mains upgrade	39	-	-	-	-	39
Graiseley Primary - emergency lighting	20	-	-	-	-	20
Hill Avenue Primary - mains switchgear, sub-mains	29	-	-	-	-	29
Spring Vale Primary - fire alarm improvements	17	-	-	-	-	17
Uplands Junior - mains switchgear, fixed wiring works	32	-	-	-	-	32
Villiers Primary - mains and sub-mains	25	-	-	-	-	25
New Park - Electrical remedial works	68	-	-	-	-	68
Woodthorne - Electrical remedial works	10	-	-	-	-	10
Wodensfield Primary - Juniors targeted power, lighting and emergency lights	35	-	-	-	-	35
	416	-	-	-	-	416
Fire Prevention						
Dovecotes Primary - Replacement fire doors	10	-	-	-	-	10
Bantock Primary - Replacement fire escape staircase	60	-	-	-	-	60
	70	-	-	-	-	70
Contingency for emergency works						
New Park Fire Alarm	140	-	-	-	-	140
Provision for future programmes	27	-	-	-	-	27
	167	-	-	-	-	167
Uncommitted Balance of Capital Maintenance (Provision for future programmes)	32	2,225	2,225	-	-	4,482
Total Schools Capital Maintenance capital programme	2,759	2,752	2,225	-	-	7,736

Schedule of works – People

Appendix C2

Sports Investment Strategy	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000	£000	£000
Barnhurst Land Pitches	350	852	-	-	-	-	1,202
Synthetic Pitch at Our Lady and St Chads School	572	412	-	-	-	-	984
Aldersley Synthetic Pitch	12	-	-	-	-	-	12
Payment of grant to Bilbrook FC	846	-	-	-	-	-	846
Payment of grant to Bilston Town FC	28	-	-	-	-	-	28
Cricket Provision	104	-	-	-	-	-	104
Bowling provision	102	-	-	-	-	-	102
Provision for future programmes	-	637	-	-	-	-	637
Total Sports Investment Strategy capital programme	2,014	1,901	-	-	-	-	3,915

Co-location Programme	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000	£000	£000
NOM - Middleway Green	1	-	-	-	-	-	1
NOM - Graiseley Centre	10	-	-	-	-	-	10
NOM - Warstones	3	-	-	-	-	-	3
NOM - Windsor Childrens Centre	101	-	-	-	-	-	101
NOM - Bingley Enterprise Centre	14	-	-	-	-	-	14
NOM - Whitmore Reans Childrens Centre	23	-	-	-	-	-	23
NOM - The Berries	18	-	-	-	-	-	18
NOM - Childrens Village	36	-	-	-	-	-	36
NOM - Blakenhall Family Resource Centre	5	-	-	-	-	-	5
Valley Park MAST	3	-	-	-	-	-	3
Children's Transformation Re-design - Barnhurst	250	-	-	-	-	-	250
Children's Transformation Re-design - Avenues	75	-	-	-	-	-	75
Provision for future programmes	89	-	-	-	-	-	89
Total Co-location capital programme	628	-	-	-	-	-	628

Short Breaks for Disabled Children Programme	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000	£000	£000
Mander Centre Changing Place toilet facilities	26	-	-	-	-	-	26
Civic Centre Changing Place toilet facilities	40	-	-	-	-	-	40
Provision for future programmes	-	76	-	-	-	-	76
Total Short Breaks for Disabled Children capital programme	66	76	-	-	-	-	142

Community Hubs	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000	£000	£000
Ashmore Park	63	-	-	-	-	-	63
Priory Green	1	-	-	-	-	-	1
Long Knowle	12	-	-	-	-	-	12
Wednesfield	78	56	-	-	-	-	134
Low Hill	46	-	-	-	-	-	46
Provision for future programmes	-	372	-	-	-	-	372
Total Community Hubs capital programme	200	428	-	-	-	-	628

Schedule of works – Place

Appendix C3

Corporate Asset Management Programme	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Planned Programme of Enhancements							
Grand Theatre balustrade strengthening	27	-	-	-	-	-	27
Wolverhampton Art Gallery - lighting works	52	-	-	-	-	-	52
Fowlers Park Changing rooms - refurbishment	25	-	-	-	-	-	25
Central Baths - changing rooms refurbishment	60	-	-	-	-	-	60
Bilston Community Centre - windows replacement	6	-	-	-	-	-	6
Wolverhampton Art Gallery - stone works	48	-	-	-	-	-	48
Blakenhall Community and Healthy Living Centre - air handling replacement	12	-	-	-	-	-	12
City Archives – external protective system	32	-	-	-	-	-	32
West Park Lakeside Shelter - restoration	32	-	-	-	-	-	32
Magistrates Court - external coating	41	-	-	-	-	-	41
Wolverhampton Art Gallery – Makers Dozen - resurface piazza	65	-	-	-	-	-	65
Racecourse Road - relocation of independent living service	170	-	-	-	-	-	170
Central Library - external redecoration	10	-	-	-	-	-	10
Albert Road Day Centre - drainage in car park	12	-	-	-	-	-	12
Northcote Farm - refurbishment of toilets	10	-	-	-	-	-	10
Low Hill Offices - roof recovered and insulated	5	-	-	-	-	-	5
	607	-	-	-	-	-	607
Statutory compliance testing							
Civic & Wulfrun Halls - door replacements	27	-	-	-	-	-	27
Graiseley Music School -rewiring	4	-	-	-	-	-	4
Finchfield Library - rewiring	2	-	-	-	-	-	2
Northwood Park Office- rewiring	6	-	-	-	-	-	6
Central Library - entrance repaving	5	-	-	-	-	-	5
Beacon Hill Cemetery -rewiring	1	-	-	-	-	-	1
Brickkiln Centre - rewiring	3	-	-	-	-	-	3
Adult Education; (Foyer Building) - rewiring	6	-	-	-	-	-	6
Danescourt Cemetery - rewiring	5	-	-	-	-	-	5
Penn Cemetery - rewiring	9	-	-	-	-	-	9
Bantock House -external improvements	2	-	-	-	-	-	2
Aldersley Leisure Village - external resurfacing	49	-	-	-	-	-	49
Bond House - rewiring	57	-	-	-	-	-	57
Alan Garner Centre - rewiring	2	-	-	-	-	-	2
Towers ; The Outdoor Education Centre - rewiring	5	-	-	-	-	-	5
Bilston Community Centre - rewiring	14	-	-	-	-	-	14
Dunstall Community Centre - rewiring	10	-	-	-	-	-	10
Bradmore Community Centre rewiring	16	-	-	-	-	-	16
Bilston Library & Museum - car park resurfacing	4	-	-	-	-	-	4
Albert Road Day Centre - rewiring	5	-	-	-	-	-	5
Bradley Lodge Resource Centre - rewiring	10	-	-	-	-	-	10
Portobello Community Centre - rewiring	8	-	-	-	-	-	8
Unit 28/29 Fordhouse Road - rewiring	2	-	-	-	-	-	2
All Saints Youth & Community Centre - rewiring	12	-	-	-	-	-	12
Wolverhampton Art Gallery - automation of doors	10	-	-	-	-	-	10
Warstones Resource Centre - rewiring	13	-	-	-	-	-	13
Lower Bradley Comm. Centre - asbestos removal works	24	-	-	-	-	-	24
West Park Conservatory - replacement of window frames (Phase 2)	75	-	-	-	-	-	75
	386	-	-	-	-	-	386

Schedule of works – Place

Appendix C3

Corporate Asset Management Programme (continued)	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Minor Works Programme for Adult's Social Care Fund							
Merry Hill House - boiler and doors replacement	19	-	-	-	-	-	19
Duke Street Bungalows - rewiring	3	-	-	-	-	-	3
Merry Hill House doors improvements	3	-	-	-	-	-	3
Neville Garratt Centre - new boiler	15	-	-	-	-	-	15
Neville Garratt Centre - air conditioning upgrade	20	-	-	-	-	-	20
	60	-	-	-	-	-	60
Minor Works Programme for Children's Social Care Fund							
Beldray Building - rewiring	3	-	-	-	-	-	3
Avenues Family Centre - rewiring	5	-	-	-	-	-	5
Priory Green Offices - boiler replacements	105	-	-	-	-	-	105
Bingley Enterprise - rewiring	4	-	-	-	-	-	4
Bingley Enterprise - flooring	44	-	-	-	-	-	44
Towers Outdoor Education Centre - windows replacement	25	-	-	-	-	-	25
	186	-	-	-	-	-	186
Asbestos Removal Programme							
Civic Halls - asbestos removal	35	-	-	-	-	-	35
Learning Technology Centre, Graiseley - asbestos removal	1	-	-	-	-	-	1
Unit 6, Landport Road - asbestos removal	1	-	-	-	-	-	1
Retail Market - asbestos removal	1	-	-	-	-	-	1
Provision for future programmes	62	-	-	-	-	-	62
	100	-	-	-	-	-	100
Boiler/Heating replacements							
Magistrates (Blossoms Fold)	-	5	-	-	-	-	5
Magistrates Court (Red Lion St)	-	55	-	-	-	-	55
Molineux Hotel (Archives)	-	33	-	-	-	-	33
	-	93	-	-	-	-	93
Drainage replacement							
City 10 (18 Queens Square)	-	11	-	-	-	-	11
	-						-
Internal/external renovation / refurbishment / restoration							
Bantock House	-	19	-	-	-	-	19
Wolverhampton Art Gallery	-	42	-	-	-	-	42
Bradmore Community Centre	-	5	-	-	-	-	5
Bilston Library	-	21	-	-	-	-	21
	-	87	-	-	-	-	87
Roof/Insulation replacement							
Central Library (Main Building)	-	11	-	-	-	-	11
Bantock House	-	11	-	-	-	-	11
Central Library (Old Hall St)	-	12	-	-	-	-	12
Bradmore Community Centre	-	6	-	-	-	-	6
Towers Outdoor Ed. Centre	-	33	-	-	-	-	33
	-	73	-	-	-	-	73
Step/ramp entrance improvements							
Penn Library	-	6	-	-	-	-	6
Bantock House	-	3	-	-	-	-	3
Dunstall Community Centre	-	6	-	-	-	-	6
Graiseley Learning Technology Centre	-	11	-	-	-	-	11
Various Libraries	-	17	-	-	-	-	17
	-	43	-	-	-	-	43
Structural maintenance of paths/car parks							
Bantock House	-	54	-	-	-	-	54
Bilston Market	-	50	-	-	-	-	50
Blakenhall Resource Centre	-	21	-	-	-	-	21
Claregate Playing Fields	-	50	-	-	-	-	50
Hall Green Cemetery	-	28	-	-	-	-	28
Various Libraries	-	16	-	-	-	-	16
	-	219	-	-	-	-	219

Schedule of works – Place

Appendix C3

Corporate Asset Management Programme (continued)	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Upgrade Pillars							
Phoenix Park	-	6	-	-	-	-	6
Windows/doors replacement							
Bingley Enterprise	-	16	-	-	-	-	16
Bradmore Community Centre	-	11	-	-	-	-	11
Dunstall Community Centre	-	5	-	-	-	-	5
Graiseley Learning Technology Centre	-	11	-	-	-	-	11
	-	43	-	-	-	-	43
Re-wiring and upgrading of Electrical systems							
Dunstall Hill Community Centre	-	26	-	-	-	-	26
All Saints Community Centre	-	24	-	-	-	-	24
Graiseley Music School	-	50	-	-	-	-	50
Barnhurst Family Day Centre	-	65	-	-	-	-	65
Action For Independence	-	19	-	-	-	-	19
Adult Education (Foyer Building)	-	11	-	-	-	-	11
Alan Garner Centre	-	4	-	-	-	-	4
Unit 28/29 Fordhouse Rd	-	9	-	-	-	-	9
Grand Theatre	-	11	-	-	-	-	11
Central Baths	-	109	-	-	-	-	109
Aldersley Leisure Village	-	173	-	-	-	-	173
Magistrates Courts Building	-	109	-	-	-	-	109
Ashmore Park Community Hub	-	7	-	-	-	-	7
Avenues Family Centre	-	35	-	-	-	-	35
Newhampton Arts Centre	-	16	-	-	-	-	16
Neville Garratt Centre	-	27	-	-	-	-	27
Long Knowle Community Hub	-	20	-	-	-	-	20
Low Hill Community Hub	-	9	-	-	-	-	9
Maltings Day Centre	-	80	-	-	-	-	80
Upper Pendeford Farm	-	15	-	-	-	-	15
Lower Bradley Community Centre	-	8	-	-	-	-	8
Finchfield Library	-	11	-	-	-	-	11
Bilston Library	-	10	-	-	-	-	10
24 The Broadway	-	3	-	-	-	-	3
Blakenhall Healthy Living Centre	-	9	-	-	-	-	9
Units 37/38 Fordhouse Rd	-	8	-	-	-	-	8
Bilston Cemetery	-	3	-	-	-	-	3
Bilston Town Hall	-	6	-	-	-	-	6
Bushbury Crematorium	-	7	-	-	-	-	7
City 10	-	4	-	-	-	-	4
Northwood Park Office	-	6	-	-	-	-	6
Portobello Community Centre	-	20	-	-	-	-	20
Windsor Avenue Changing Rooms	-	152	-	-	-	-	152
Duke St Bungalows	-	5	-	-	-	-	5
Blakenhall Family Resources Centre	-	5	-	-	-	-	5
East Park Library	-	2	-	-	-	-	2
Adult Education College	-	7	-	-	-	-	7
Wolverhampton Art Gallery	-	55	-	-	-	-	55
Bradley Community Resource Centre	-	15	-	-	-	-	15
Bradley Day Centre	-	32	-	-	-	-	32
Beacon Hill Cemetery - rewiring	-	5	-	-	-	-	5
Bantock House - external improvements	-	22	-	-	-	-	22
Bond House - rewiring	-	159	-	-	-	-	159
Bilston Community Centre - rewiring	-	22	-	-	-	-	22
Bradmore Community Centre - rewiring	-	30	-	-	-	-	30
	-	1,425	-	-	-	-	1,425
Asbestos Removal Programme	-	100	-	-	-	-	100
Total Corporate Asset Management capital programme	1,339	2,100	-	-	-	-	3,439

Schedule of works – Place

Appendix C3

Urban Parks Refurbishment Programme	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000	£000	£000
East Park	38	-	-	-	-	-	38
Spring Road Estate	56	-	-	-	-	-	56
Greenway Playing Fields (Bradley Facilities)	20	-	-	-	-	-	20
Heath Town Park	50	58	-	-	-	-	108
West Park Play	60	-	-	-	-	-	60
All Saints Park	56	14	-	-	-	-	70
Rakegate Wood Project	2	-	-	-	-	-	2
Ashmore Park	-	62	-	-	-	-	62
Castlecroft Avenue	-	82	-	-	-	-	82
Total Urban Parks Refurbishment capital programme	282	216	-	-	-	-	498

Disposals Programme	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000	£000	£000
Outline Planning Consents	49	50	-	-	-	-	99
Pennfields School Demolition	165	-	-	-	-	-	165
Graisley Caretakers House	100	-	-	-	-	-	100
Danesmore - Relocation of licensees	30	-	-	-	-	-	30
Wednesfield High - Demolition	522	-	-	-	-	-	522
Colman Avenue	-	484	-	-	-	-	484
Phoenix Rise	151	-	-	-	-	-	151
Reprovision of playing field provision	-	192	-	-	-	-	192
Future years demolitions	-	360	-	-	-	-	360
Total Disposals capital programme	1,017	1,086	-	-	-	-	2,103

Accessing Growth Fund	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000	£000	£000
Coach Station - Bilston Street	500	-	-	-	-	-	500
Bilston Urban Village Access	1,570	1,530	600	500	-	-	4,200
J10 resilience package (Walsall)	300	-	-	-	-	-	300
North Smethwick Canalside Access (Sandwell MBC)	630	-	-	-	-	-	630
Compton Park Improved Connectivity	175	-	-	-	-	-	175
Wednesbury to Brierley Hill Metro project	100	-	-	-	-	-	100
Provision for future programmes	-	4,270	2,400	2,500	-	-	9,170
Total Accessing Growth Fund capital programme	3,275	5,800	3,000	3,000	-	-	15,075

Managing Short Trips	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000	£000	£000
Network 81 Route Enhancements - grant to Canal & River Trust	50	-	-	-	-	-	50
Network 81 Route Enhancements - Aldersley Junction and Lower Walsall Street	351	-	-	-	-	-	351
Network 81 Route Enhancements - Lower Walsall Street to Dixon Street	41	211	-	-	-	-	252
Cycle links to Moseley park/ Willenhall Road	-	210	-	-	-	-	210
City Centre Cycling and Public Realm improvements	206	494	-	-	-	-	700
Cycle Route i54 Link from Bushbury/Heath Town	-	500	-	-	-	-	500
Total Managing Short Trips capital programme	648	1,415	-	-	-	-	2,063

Structural Maintenance	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000	£000	£000
Non- Highway Structures							
Oxley Moor Road - Bridge demolition	8	80	-	-	-	-	88
Footpath N of Fowlers Field - Deck removal/ replacement	-	20	-	-	-	-	20
Provision for future programmes	-	292	-	-	-	-	292
	8	392	-	-	-	-	400
Demolition of 60-60A Willenhall Road on a highway improvement line	10	65	-	-	-	-	75
Total Structural Maintenance capital programme	18	457	-	-	-	-	475

Cabinet Meeting

24 February 2016

Report title	Treasury Management Strategy 2016/17	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Mark Taylor, Finance	
Originating service	Strategic Finance	
Accountable employee(s)	Claire Nye Tel Email	Chief Accountant 01902 550478 Claire.Nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Council Confident, Capable Council Scrutiny Panel	15 February 2016 2 March 2016 20 April 2016

Recommendation(s) for action or decision:

1. That Cabinet recommends that Council approves:
 - (a) The authorised borrowing limit for 2016/17 as required under Section 3(1) of the Local Government Act 2003 be set at £1,008.6 million (PI 5, page 27).
 - (b) The Treasury Management Strategy Statement 2016/17 as set out in appendix A to this report (pages 8 to 17).
 - (c) The Annual Investment Strategy 2016/17 as set out in appendix B to this report (pages 18 to 25).
 - (d) The Prudential and Treasury Management Indicators as set out in appendix C to this report (pages 26 to 29).

- (e) The Annual Minimum Revenue Provision (MRP) Statement setting out the method used to calculate MRP for 2016/17 onwards as set out in appendix D to this report (pages 30 to 33).
 - (f) The method used to calculate MRP for 2015/16 as set out in the Annual Minimum Revenue Provision (MRP) Statement approved by Council on 4 March 2015 be amended to the method as set out in appendix D to this report (pages 30 to 33).
 - (g) The Treasury Management Policy Statement and Treasury Management Practices as set out in appendix F to this report (pages 35 to 84).
 - (h) That authority continues to be delegated to the Director of Finance to amend the Treasury Management Policy and Practices and any corresponding changes required to the Treasury Management Strategy, the Prudential and Treasury Management Indicators, the Investment Strategy and the Annual MRP Statement to ensure they remain aligned. Any amendments will be reported to the Cabinet Member for Resources and Cabinet (Resources) Panel as appropriate.
2. That Cabinet recommends that Council notes:
- (a) That as a result of the changes to the MRP policy approved and implemented during 2014/15, the MRP charge for financial years 2015/16 to 2017/18 will be zero increasing to £12.3 million in 2018/19 (paragraph 2.10).
 - (b) That Cabinet (Resources) Panel and Council will receive regular Treasury Management reports during 2016/17 on performance against the key targets and Prudential and Treasury Management Indicators in the Treasury Management Strategy and Investment Strategy as set out in paragraph 2.8 and appendices B and C to this report.

1.0 Purpose

- 1.1 This report sets out the Council's Treasury Management Strategy for 2016/17 for approval by full Council. The strategy incorporates six elements, which are detailed in separate documents, appended to this report. These documents are the Treasury Management Strategy, the Annual Investment Strategy, the Prudential and Treasury Management Indicators, Minimum Revenue Provision (MRP) Statement, the Disclosure for Certainty Rate and the Treasury Management Policy Statement and Treasury Management Practices.

2.0 Background

- 2.1 The treasury management activities of the Council are underpinned by The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. For further information on the requirements of the Code please refer to the Treasury Management Policy Statement and Treasury Management Practices which is appended to this report.
- 2.2 Treasury management is defined as:
- “The management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 2.3 The system of controls on local authority capital investment is based largely on self-regulation by local authorities themselves. At its heart is CIPFA's Prudential Code for Capital Finance.
- 2.4 The strategy statements appended to this report have been prepared in accordance with the Code. Accordingly, the Council's Treasury Management Strategy will be approved annually by full Council and there will also be a mid-year report to full Council. In addition there will be quarterly monitoring reports and regular review by Councillors in both executive and scrutiny functions. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.
- 2.5 This Council will adopt the following reporting arrangements in accordance with the requirements of the Code.

Area of Responsibility	Council / Committee / Employee	Frequency of Update and Approval
Treasury Management Policy Statement and Treasury Management Practices	Director of Finance	As required
Treasury Management Strategy / Annual Investment Strategy / MRP policy	Cabinet (Feb) & Full Council (March)	Annually before the start of the year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – mid-year report	Full Council	Mid-year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – updates or revisions at other times	Full Council	As required
Annual Treasury Outturn Report	Cabinet and Full Council	Annually by 30 September after the end of the year
Treasury Management Monitoring Reports	Cabinet (Resources) Panel	Quarterly
Scrutiny and review of treasury management strategy	Audit / Scrutiny Committee	Annually before the start of the year
Scrutiny and review of treasury management performance	Audit / Scrutiny Committee	Quarterly

2.6 The treasury management role of the Director of Finance

The following are the key duties of the Director of Finance under the Code:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers

2.7 Treasury Management Strategy (appendix A)

Attached at appendix A is the recommended Treasury Management Strategy for 2016/17. This has been prepared in accordance with the CIPFA Treasury Management Code, and fully reflects the requirements of the Code. It summarises in strategic terms the approach the Council will take in performing its treasury management activities

during 2016/17. It also highlights some of the key current risks and issues relating to treasury management that will be monitored over the course of the year.

2.8 Annual Investment Strategy (appendix B)

The recommended Annual Investment Strategy for 2016/17 is attached at appendix B. This builds on the Treasury Management Strategy by focussing in greater detail on investment activities. It sets out in considerable detail the conditions under which the Council will place investments. This represents the Council's approach to managing a number of risks inherently associated with investment. These are discussed in greater detail in the Strategy itself.

2.9 Prudential and Treasury Management Indicators (appendix C)

Attached at appendix C are the recommended prudential indicators for the Council for 2016/17. The Prudential Code requires authorities to set and observe a range of prudential and treasury management indicators, and to keep these under review. The indicators set out in the appendix are the minimum required by the Code and associated guidance.

2.10 MRP Statement (appendix D)

The recommended MRP statement for 2016/17 is attached at appendix D. The formula for calculating MRP is mainly unchanged from the annuity basis used in 2014/15, there are some points of clarification that have been added relating to assets under construction; land; Magistrates Courts loan charges; PFI and leases and income generating assets with an additional element for the Combined Authority. The result is a zero charge for the period to 2017/18, increasing to £12.3 million in 2018/19. The Council's Section 151 Officer considers that this approach is prudent.

2.11 Certainty Rate (appendix E)

As part of the Budget 2012 announced by Government, a new 'certainty rate' was introduced from 1 November 2012. This rate enables eligible councils to access cheaper borrowing rates of 20 basis points below the standard rate across all loan types and maturities from the Public Works Loan Board. In exchange for the reduced rate, councils must complete an annual return to the Department for Communities and Local Government detailing their budgeted plans for capital expenditure and borrowing requirements. Appendix E details the information that will be required to enable the Council to submit a return for 2016/17.

2.12 Treasury Management Policy Statement and Practices (appendix F)

Attached at appendix F is an updated version of the Council's treasury management policy statement and practices as required by the CIPFA Code of Practice on Treasury Management.

2.13 Allocation of net interest payable

As a result of the introduction of the Housing Revenue Account (HRA) self-financing regime in 2012/13, the Council was required to determine a method of splitting its interest costs between the HRA and the General Fund. In so doing, it was required to determine a method that in its view was fair and reasonable. The method of splitting interest is unchanged from that used in 2015/16 (the inferred net cash balance of each fund).

3.0 Financial implications

3.1 These are detailed within the report.
[SH/11022016/F]

4.0 Legal implications

4.1 The Council's Treasury Management activity must be carried out in accordance with the requirements of the Local Government Act 2003. In addition the Local Government and Housing Act 1989 sets out requirements for local authorities in respect of capital controls, borrowing and credit arrangements. The Council is also required to comply with the Local Authority (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.

4.2 Treasury Management relates to the management of the Council's cash flow, borrowing and cash investments. This involves seeking the best rates of interest for borrowing, earning interest on investments, whilst managing risk in making financial decisions and adopting proper accounting practice.

4.3 The area is heavily regulated. The Local Government and Housing Act 1989 regulates the operation of the Housing Revenue Account. The 'CIPFA Code of Practice for Treasury Management in the Public Services', contains Treasury Management indicators and advice on Treasury Management Strategy. Investment strategy is regulated by 'DCLG Guidance on Local Government Investments' issued initially in 2004 and re-issued in 2010. Part 2 of this Guidance is statutory guidance.
[TS/08022016/T]

5.0 Equalities implications

5.1 This report has no equalities implications.

6.0 Environmental implications

6.1 This report has no environmental implications.

7.0 Human resources implications

7.1 This report has no human resources implications.

8.0 Corporate landlord implications

8.1 This report has no corporate landlord implications.

9.0 Schedule of background papers

2016/17 Budget and Medium Term Financial Strategy 2016/17 to 2019/20, Report to Cabinet, 24 February 2016

Capital Programme 2015/16 to 2019/20 quarter three review and 2016/17 to 2020/21 Budget Strategy, Report to Cabinet, 24 February 2016

Treasury Management Strategy Statement 2016/17

1.0 Introduction

- 1.1 The Local Government Act 2003 (the Act) and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice, and to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 1.2 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act) (included as appendix B of this report), which sets out the Council's policies for managing its investments and in particular for giving priority to the security and liquidity of those investments.
- 1.3 The recommended strategy for 2016/17 in respect of the following aspects of the treasury management function is based upon the Director of Finance's views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Capita Asset Services.

The strategy covers:

- treasury limits in force which will limit the treasury risk and activities of the Council
- Prudential and Treasury Indicators
- the current treasury position
- the borrowing requirement
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy
- policy on use of external service providers
- the Minimum Revenue Provision (MRP) strategy

1.4 Balanced budget requirement

It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority, when calculating its budget requirement for the forthcoming financial year, to include the revenue costs that result from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in interest charges, MRP and other costs associated with borrowing to finance capital expenditure, as well as any increases in running costs from new capital projects, are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

1.5 Training

The CIPFA Code requires the Director of Finance to ensure that councillors with responsibility for treasury management receive adequate training in treasury management. The training needs of councillors and treasury management employees are periodically reviewed to ensure that they have the appropriate level of knowledge for their roles in respect of treasury management.

1.6 Treasury management consultants

The Council uses Capita Asset Services as its external treasury management advisors

The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon the external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2.0 Treasury limits for 2016/17 to 2018/19

- 2.1 It is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Affordable Borrowing Limit”. In England and Wales the Authorised Limit represents the legislative limit specified in the Act.
- 2.2 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future Council tax and Council housing rent levels is ‘acceptable’.
- 2.3 Whilst termed an “Affordable Borrowing Limit”, the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of financing such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years. Details of the Authorised Limit can be found in appendix C of this report.

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3.0 Current portfolio position

3.1 The Council's treasury portfolio estimated position at 31 March 2016 will be made up as follows:

	Forecast £000	Average Rate %
External Debt		
Fixed rate borrowing - PWLB / Local Authorities	547,947	3.7927
Variable rate borrowing - Market	103,800	4.3832
Total Gross Borrowing	651,747	3.8978
Other Long Term Liabilities	96,471	-
Total External Debt	748,218	-
Total Investments	35,000	0.4649

4.0 Borrowing requirement

4.1 The Council's borrowing requirement is as follows:

	2015/16 Forecast £000	2016/17 Forecast £000	2017/18 Forecast £000	2018/19 Forecast £000
New borrowing	60,390	83,018	40,110	12,012
MRP and HRA voluntary debt repayment	(16,727)	(14,882)	(12,910)	(22,897)
Replacement borrowing	110,055	97,605	134,000	50,000
Total Borrowing Requirement	153,718	165,741	161,200	39,115

5.0 Prospects for interest rates

5.1 The Council has appointed Capita Asset Services as treasury advisor to the Council and part of their service is to assist the Council to formulate a view on interest rates. A more detailed interest rate view is shown on page 24. The following gives Capita's central view.

Capita Bank Rate forecast for financial year ends (March)

- 2015/16 0.50%
- 2016/17 0.75%
- 2017/18 1.25%
- 2018/19 1.75%

- 5.2 UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2%. Quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a slight increase in quarter 2 to +0.5% (+2.3% y/y) before weakening again to +0.4% (2.1% y/y) in quarter 3. The November Bank of England Inflation Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, most worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK.
- 5.3 The Inflation Report was notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013. However, the first round of falls in oil, gas and food prices over late 2014 and also in the first half of 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but a second, more recent round of falls in fuel and commodity prices will delay a significant tick up in inflation from around zero: this is now expected to get back to around 1% by the end of 2016 and not get to near 2% until the second half of 2017, though the forecasts in the Report itself were for an even slower rate of increase. However, more falls in the price of oil and imports from emerging countries in early 2016 will further delay the pick up in inflation. There is therefore considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate.
- 5.4 The weakening of UK GDP growth during 2015 and the deterioration of prospects in the international scene, especially for emerging market countries, have consequently led to forecasts for when the first increase in Bank Rate would occur being pushed back to quarter 4 of 2016. There is a downside risk to this forecast i.e. it could be pushed further back.

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- 5.5 The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then pulled back to 2.0% in quarter 3. The run of strong monthly increases in nonfarm payrolls figures for growth in employment in 2015 prepared the way for the Fed. to embark on its long awaited first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.
- 5.6 In the Eurozone, the ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it was intended to run initially to September 2016. At the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. The ECB also cut its deposit facility rate by 10bps from -0.2% to -0.3%. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.3% y/y) but has then eased back to +0.4% (+1.6% y/y) in quarter 2 and to +0.3% (+1.6%) in quarter 3. Financial markets were disappointed by the ECB's lack of more decisive action in December and it is likely that it will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.
- 5.7 During July, Greece finally capitulated to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.
- 5.8 Portugal and Spain. The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused pro-austerity mainstream political parties have lost their majority of seats. An anti-austerity coalition has won a majority of seats in Portugal while the general election in Spain produced a complex result where no combination of two main parties is able to form a coalition with a majority of seats. It is currently unresolved as to what administrations will result from both these situations. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

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- Investment returns are likely to remain relatively low during 2016/17 and beyond;
- Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically phenomenally low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

6.0 Borrowing strategy

6.1 Borrowing rates

The Capita forecast for the PWLB new borrowing rate is as follows:

Month	Bank Rate	PWLB Borrowing Rates % (including certainty rate adjustment)		
	%	5 Year	25 Year	50 Year
March 2016	0.50	2.00	3.40	3.20
June 2016	0.50	2.10	3.40	3.20
Sept 2016	0.50	2.20	3.50	3.30
Dec 2016	0.75	2.30	3.60	3.40
March 2017	0.75	2.40	3.70	3.50
June 2017	1.00	2.50	3.70	3.60
Sept 2017	1.00	2.60	3.80	3.70
Dec 2017	1.25	2.70	3.90	3.80
March 2018	1.25	2.80	4.00	3.90
June 2018	1.50	2.90	4.00	3.90
Sept 2018	1.50	3.00	4.10	4.00
Dec 2018	1.75	3.10	4.10	4.00
March 2019	1.75	3.20	4.10	4.00

More detailed forecasts are included on page 24.

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When undertaking any new borrowing the Director of Finance will give consideration to the following to ensure the best deal is obtained for the Council:

1. Internal / external borrowing.
2. Temporary borrowing (less than 1 year).
3. Variable / fixed rate.
4. Short / long term borrowing.
5. PWLB / market debt.

When considering the above, the balance and spread of debt in the Council's portfolio will be taken into account along with the financial implications for the medium term financial strategy.

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financial Requirement), has not been fully funded with loan debt as cash arising from the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

6.2 Sensitivity of the forecast – In normal circumstances the main sensitivities of the forecast are likely to be the two scenarios noted below. Council employees, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

6.3 External versus internal borrowing

The general aim of this treasury management strategy is to maintain cash balances at a reduced level, therefore keeping to a minimum the credit risk incurred by holding investments. Measures taken over the last few years have already reduced substantially the level of credit risk and the difference between borrowing rates and investment rates has been carefully considered to ensure the Council obtains value for money once an appropriate level of risk management has been attained to ensure the security of its investments.

The next financial year is expected to be another one of historically abnormally low Bank Rate. This provides a continuation of the current window of opportunity for local authorities to fundamentally review their strategy of undertaking new external borrowing.

Over the next year, investment rates are expected to be below long term borrowing rates, in which case, the Council can minimise its overall net treasury costs in the short term by continuing to avoid new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external debt (this is referred to as internal borrowing).

However, short term savings by avoiding new long term external borrowing in 2016/17 will also be weighed against the potential for incurring additional long term extra costs by delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be significantly higher.

6.4 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within approved Capital Financing Requirement estimates, and will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will:

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue costs created, and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow

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- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use
- consider the impact of borrowing in advance on temporarily increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, having regard to the controls in place to minimise such risks.

7.0 Debt rescheduling

- 7.1 The introduction by the PWLB in 2007 of a spread between the rates applied to new borrowing and repayment of debt, which was compounded in 20 October 2010 by a considerable further widening of the difference between new borrowing and repayment rates, has meant that PWLB to PWLB debt restructuring is now much less attractive than it was before both of these events. In particular, consideration would have to be given to the large premiums which would be incurred by prematurely repaying existing PWLB loans and it is very unlikely that these could be justified on value for money grounds in using replacement PWLB refinancing. However, some interest savings might still be achievable through using LOBO (Lender Option Borrowers Option) loans, and other market loans, as the source of replacement financing.
- 7.2 As short term borrowing rates will be considerably cheaper than longer term rates, there may be some potential or residual opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the size of the premiums incurred, their short term nature and the likely cost of refinancing those short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio.
- 7.3 Consideration will continue to be given to identifying any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings,
 - helping to fulfil the strategy outlined in paragraph 6 above, and
 - enhancing the balance of the portfolio (amending the maturity profile and/or the balance of volatility).
- 7.4 All rescheduling will be reported to the Cabinet (Resources) Panel, at the earliest meeting following its action.

8.0 Municipal Bond Agency

- 8.1 It is likely that the Municipal Bond Agency, currently in the process of being set up, will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). The Council may make use of this new source of borrowing as and when appropriate.

Annual Investment Strategy 2016/17

1.0 Annual Investment Strategy

1.1 Introduction: changes to credit rating methodology

The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.

In keeping with the agencies' new methodologies, the rating element of Capita's credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used for Standard & Poor's, this has been a change in the use of Fitch and Moody's ratings. It is important to stress that the other key elements to Capita's process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.

The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, councils typically assigned the highest sovereign rating to their criteria, the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. While this authority understands the changes that have taken place, it will continue to specify a minimum sovereign rating of AA+. This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.

It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution. They are merely reflective of a reassessment of rating agency methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have

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sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the “support” phase of the financial crisis.

1.2 Investment policy

The Council will have regard to the Department for Communities and Local Government’s Guidance on Local Government Investments (“the Guidance”) issued in March 2004, any revisions to that guidance, the Audit Commission’s report on Icelandic investments and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the CIPFA TM Code”). The Council’s investment priorities are:

- (a) firstly, the security of capital and
- (b) secondly, the liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Council is low in order to give priority to the security of its investments.

The borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity.

Investment instruments identified for use in the financial year are listed on pages 21 to 22 under the ‘Specified’ and ‘Non-Specified’ Investments categories. Counterparty limits will be as set through the Council’s Treasury Management Practices – Schedules.

1.3 Creditworthiness policy

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach using credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative

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creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The table below details Capita's recommendations of bands and durations along with the more prudent parameters that the Council will apply:

	Capita	Wolverhampton
Purple	2 years	1 year
Orange	1 year	6 months
Blue (only applies to nationalised or semi nationalised UK Banks)	1 year	3 months
Red	6 months	3 months
Green	100 days	50 days
No Colour	Not to be used	Not to be used

This list will be reviewed on any changes to the methodology used by Capita and the Council may revert back to using Capita's recommended durations if or when investment balances are at higher levels and longer deposits are possible without significantly increased risk to liquidity.

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of F1+ and a Long Term rating of AA-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored each time the Council is alerted to changes to ratings of all three agencies through its use of the Capita creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately. A severe downgrade may prompt the Director of Finance to instruct treasury management employees to take steps to withdraw any investment considered to be at risk. The potential penalties for such an action would need to be assessed.
- In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a daily basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this bought-in service. In addition the Council will also use market data and market information, information on any external support for banks to help support its decision making process.

1.4 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA+ from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria as at the date of this report is shown below. This list will be amended by employees should ratings change in accordance with this policy.

Approved countries for investments

AAA

- Australia
- Canada
- Denmark
- Finland
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland
- U.S.A.

AA+

- U.K.

1.5 **Specified investments:** All such investments will be sterling denominated, with **maturities up to a maximum of one year**, meeting the minimum 'high' rating criteria where applicable.

Minimum 'High' Credit Criteria	
Debt Management Agency Deposit Facility	Government backed
Money Market Funds	AAAmmf / Aaa-mf
Term deposits - UK Government	Government backed
Term deposits - Local Authorities	High Security
Term deposits - Banks & Building Societies	Short-term F1+, Long-term AA-

1.6 **Non-specified investments:** These are any investments which do not meet the specified investment criteria. A maximum of 50% of total investments with a cap of £35.0 million can be held in aggregate in non-specified investments.

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	Minimum Credit Criteria	Max Limit	Max Maturity Period
Term deposits - UK Government (with maturities in excess of 1 year)	Government Backed	£10.0 million	5 years
Term deposits - Local Authorities (with maturities in excess of 1 year)	High Security	£10.0 million per LA	5 years
Term deposits - Banks & Building Societies (with maturities in excess of 1 year)	Short-term F1+ Long-term AA-	£10.0 million per Bank	5 years

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by the Council. To ensure that the Council is protected from any adverse revenue implications, which may arise from these differences, the accounting implications of new transactions will be thoroughly reviewed before they are undertaken.

1.7 Investment strategy

All of the Council's funds are managed in-house. Based on its cashflow forecasts, the Council anticipates its fund balances in 2016/17 to range between £1.0 million and £50.0 million. The Council will hold investments for up to a maximum of 12 months, but has determined that a maximum of 50% of total investments with a cap of £35.0 million could be prudently committed to longer term investments of up to 5 years should the Director of Finance decide it is appropriate to.

Interest rate outlook: Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 2 of 2016. Capita's Bank Rate forecasts for financial year ends (March) are:

- 2016/17 0.75%
- 2017/18 1.25%
- 2018/19 1.75%

The overall balance of risks to these forecasts is currently to the downside (i.e. start of increases in Bank Rate occurs later). However, should the pace of growth quicken and / or forecasts for increases in inflation rise, there could be an upside risk.

The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless exceptionally attractive rates are available which make longer term deals worthwhile, within the risk parameters set by this Council.

For 2016/17 the Council will budget for an investment return of 0.50% on investments placed during the financial year.

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For its cash flow generated balances, the Council will seek to use its money market funds, business reserve accounts and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest, whilst maintaining liquidity.

1.8 End of year investment report

At the end of the financial year, a report will be submitted to the Cabinet and full Council on the Council's investment activity as part of its Annual Treasury Report.

1.9 Combined Authority

The Council will be prepared to lend to the Combined Authority. Such lending may be as part of arrangements agreed with the Combined Authority and other constituent authorities.

2.0 Interest rate forecasts

2.1 The table below has been provided by Capita Asset Services and shows a more detailed interest rate view along with the view of Capital Economics (an independent forecasting consultancy). PWLB rates and forecast shown below have taken into account the 20 basis point certainty rate reduction effective as of 1 November 2012.

Capita Asset Services Interest Rate View													
	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Bank Rate View	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%
3 Month LIBID	0.50%	0.50%	0.60%	0.80%	0.90%	1.00%	1.10%	1.30%	1.40%	1.50%	1.60%	1.80%	1.90%
6 Month LIBID	0.70%	0.70%	0.80%	0.90%	1.00%	1.20%	1.30%	1.50%	1.60%	1.70%	1.80%	2.00%	2.20%
12 Month LIBID	1.00%	1.00%	1.10%	1.20%	1.30%	1.50%	1.60%	1.80%	1.90%	2.00%	2.10%	2.30%	2.40%
5yr PWLB Rate	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%
10yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.60%	3.70%
25yr PWLB Rate	3.40%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.10%	4.10%
50yr PWLB Rate	3.20%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	3.90%	4.00%	4.00%	4.00%
Bank Rate													
Capita Asset Services	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%
Capital Economics	0.50%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	-	-	-	-	-
5yr PWLB Rate													
Capita Asset Services	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%
Capital Economics	2.60%	2.70%	2.80%	3.00%	3.10%	3.20%	3.30%	3.50%	-	-	-	-	-
10yr PWLB Rate													
Capita Asset Services	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.60%	3.70%
Capital Economics	3.35%	3.45%	3.45%	3.55%	3.65%	3.75%	3.85%	3.95%	-	-	-	-	-
25yr PWLB Rate													
Capita Asset Services	3.40%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.10%	4.10%
Capital Economics	3.35%	3.45%	3.45%	3.55%	3.65%	3.75%	3.85%	3.95%	-	-	-	-	-
50yr PWLB Rate													
Capita Asset Services	3.20%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	3.90%	4.00%	4.00%	4.00%
Capital Economics	3.40%	3.50%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	-	-	-	-	-

**City of Wolverhampton Council
Specified Investments Lending List**

Institution	Country (Sovereign Rating)	Limit £000	Term Limit
Australia & New Zealand Banking Group Ltd	Australia (AAA)	10,000	6 mths
Bank Netherlandse Gemeenten	Netherlands (AAA)	20,000	12 mths
Bank of Montreal	Canada (AAA)	10,000	6 mths
Bank of New York Mellon, The	USA (AAA)	20,000	12 mths
Bank of Nova Scotia	Canada (AAA)	10,000	6 mths
Canadian Imperial Bank of Commerce	Canada (AAA)	10,000	6 mths
Commonwealth Bank of Australia	Australia (AAA)	10,000	6 mths
Cooperatieve Centrale Raiffeisen - Boerenleenbank BA	Netherlands (AAA)	10,000	6 mths
DBS Bank Ltd	Singapore (AAA)	10,000	6 mths
HSBC Bank plc	UK (AA+)	10,000	6 mths
JP Morgan Chase Bank NA	USA (AAA)	10,000	6 mths
National Australia Bank Ltd	Australia (AAA)	10,000	6 mths
Nordea Bank AB	Sweden (AAA)	10,000	6 mths
Nordea Bank Finland plc	Finland (AAA)	10,000	6 mths
Oversea Chinese Banking Corporation Ltd	Singapore (AAA)	10,000	6 mths
Royal Bank of Canada	Canada (AAA)	10,000	6 mths
Svenska Handelsbanken AB	Sweden (AAA)	10,000	6 mths
Toronto Dominion Bank	Canada (AAA)	10,000	6 mths
United Overseas Bank Ltd	Singapore (AAA)	10,000	6 mths
Wells Fargo Bank NA	USA (AAA)	10,000	6 mths
Westpac Banking Corporation	Australia (AAA)	10,000	6 mths
Nationalised Banks			
Royal Bank of Scotland Group plc			
National Westminster Bank plc	UK (AA+)	10,000	3 mths
The Royal Bank of Scotland plc	UK (AA+)	10,000	3 mths
Money Market Funds			
Invesco STIC Account	Fitch AAmmf	20,000	Instant Access
Standard Life Investments Sterling Liquidity Fund	Fitch AAmmf	20,000	Instant Access
Federated Short-Term Sterling Prime Fund	Fitch AAmmf	20,000	Instant Access
Black Rock Sterling Liquidity Fund	Moody's Aaa-mf	20,000	Instant Access
Scottish Widows Sterling Liquidity Fund	Moody's Aaa-mf	20,000	Instant Access

Non-rated Institutions

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

Debt and Treasury Management - Prudential and Treasury Management Indicators

Prudential Indicators (PI)

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

PI 1 - Estimates and actual ratio of financing costs to net revenue stream.				
This represents the cost of financing capital expenditure as a % of net revenue for both the General Fund and HRA.				
	As at 24 February 2016			
	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
General Fund	4.3%	6.0%	7.6%	14.4%
HRA	34.9%	35.2%	36.1%	38.0%

PI 2 - Estimates of the incremental impact of capital investment decisions on the council tax and housing rents.				
The Council could consider different options for its capital investment programme in relation to their different impact on the council tax and housing rents. Negatives reflect a reduction in total capital expenditure.				
	As at 24 February 2016			
	2015/16 Forecast £	2016/17 Forecast £	2017/18 Forecast £	2018/19 Forecast £
Financial year impact				
Implications of the capital programme for year:				
For Band D council tax	63.97	97.03	120.34	127.56
For average weekly housing rents	1.45	1.42	3.36	3.93
Marginal impact to previous quarter				
Implications of the capital programme for year:				
For Band D council tax	1.42	7.98	12.65	14.11
For average weekly housing rents	(0.28)	(0.25)	(0.50)	(0.60)

PI 3 - Estimates and actual capital expenditure.				
Full details of capital expenditure plans and funding can be found in the quarter three capital budget monitoring 2015/16 report.				
	As at 24 February 2016			
	2015/16 Forecast £000	2016/17 Forecast £000	2017/18 Forecast £000	2018/19 Forecast £000
General Fund	93,196	108,733	45,622	13,884
HRA	62,826	48,616	52,014	32,269
	156,022	157,349	97,636	46,153

Debt and Treasury Management - Prudential and Treasury Management Indicators

PI 4 - Estimates and actual capital financing requirement General Fund and HRA.				
The capital financing requirement measures the authority's underlying need to borrow for a capital purpose.				
	As at 24 February 2016			
	2015/16 Forecast £000	2016/17 Forecast £000	2017/18 Forecast £000	2018/19 Forecast £000
General Fund	564,694	632,523	646,065	636,114
HRA	294,917	293,338	304,899	301,482
	859,611	925,861	950,964	937,596

PI 5 - Authorised limit for external debt.				
These limits apply to the total external debt gross of investments and separately identify borrowing from other long term liabilities such as finance leases including Private Finance Initiatives (PFI).				
	As at 24 February 2016			
	2015/16 Limit £000	2016/17 Limit £000	2017/18 Limit £000	2018/19 Limit £000
Borrowing	906,895	914,038	913,021	918,009
Other Long Term Liabilities	96,557	94,585	92,488	90,005
Total Authorised Limit	1,003,452	1,008,623	1,005,509	1,008,014
Actual and Forecast External Debt as at 24 February 2016	748,218	829,350	867,363	876,892
Variance (Under) / Over Authorised limit	(255,234)	(179,273)	(138,146)	(131,122)

PI 6 - Operational boundary for external debt.				
This is based on the same estimates as the authorised limit but directly reflects the Director of Finance's estimate of the most likely, prudent but not worst case scenario, without the additional headroom included.				
	As at 24 February 2016			
	2015/16 Limit £000	2016/17 Limit £000	2017/18 Limit £000	2018/19 Limit £000
Borrowing	880,937	893,284	902,994	915,006
Other Long Term Liabilities	96,557	94,585	92,488	90,005
Total Operational Boundary Limit	977,494	987,869	995,482	1,005,011
Actual and Forecast External Debt as at 24 February 2016	748,218	829,350	867,363	876,892
Variance (Under) / Over Operational Boundary Limit	(148,144)	(120,506)	(128,119)	(128,119)

Debt and Treasury Management - Prudential and Treasury Management Indicators

PI 7 - HRA limit on indebtedness.

This maximum debt limit has been set by Government as part of the self-financing regime and is compared to the HRA capital financing requirement.

	As at 24 February 2016			
	2015/16 Forecast £000	2016/17 Forecast £000	2017/18 Forecast £000	2018/19 Forecast £000
HRA Debt Limit	356,770	356,770	356,770	356,770
HRA Capital Financing Requirement	294,917	293,338	304,899	301,482
Headroom	61,853	63,432	51,871	55,288

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

PI 8a - Gross debt and the capital financing requirement.

"In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years". This replaced PI 8 net debt and the capital financing requirement from 2013/14 onwards.

	As at 24 February 2016			
	2015/16 Forecast £000	2016/17 Forecast £000	2017/18 Forecast £000	2018/19 Forecast £000
Forecast Capital Financing Requirement at end of Second Year	950,963	950,963	950,963	950,963
Gross Debt	748,218	829,350	867,363	876,892
Capital Financing Requirement Greater than Gross Debt	Yes	Yes	Yes	Yes

PI 9 - Has the local authority adopted the CIPFA Treasury Management in the Public Services: Code of Practice. Yes

Debt and Treasury Management - Prudential and Treasury Management Indicators

Treasury Management Indicators (TMI)

TMI 1 - Upper limits on fixed interest and variable interest exposures.				
These relate to the levels of net outstanding principal sums exposed to fixed and variable interest rates.				
	As at 24 February 2016			
	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
Upper limit for fixed rate	84%	86%	87%	87%
Upper limit for variable rate	16%	14%	13%	13%

TMI 2 - Upper and lower limits to the maturity structure of its borrowing.			
These limits relate to the % of fixed rate debt maturing.			
	As at 24 February 2016		
	Upper Limit	Lower Limit	March 2016 Forecast
Under 12 months	25%	0%	14.63%
12 months and within 24 months	25%	0%	14.71%
24 months and within 5 years	40%	0%	0.00%
5 years and within 10 years	50%	0%	4.19%
10 years and above	90%	50%	66.47%

TMI 3 - Upper limits to the total of principal sums invested longer than 364 days.				
This details the maximum amount which can be invested for up to 5 years (as per paragraph 1.6 of the Annual Investment Strategy). It has been determined that a maximum of 50% of total investments with a cap of £35.0 million could be prudently committed to long term investments should the Director of Finance decide it is appropriate to.				
	As at 24 February 2016			
	2015/16 Limit £000	2016/17 Limit £000	2017/18 Limit £000	2018/19 Limit £000
Upper limit for more than 364 days	35,000	35,000	35,000	35,000
Actual and Forecast Invested at 24 February 2016	-	-	-	-
Variance (Under) / Over Limit	(35,000)	(35,000)	(35,000)	(35,000)

Annual MRP Statement 2016/17

Minimum Revenue Provision – an introduction

1. What is Minimum Revenue Provision?

Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. In accordance with proper practice, the financing of such expenditure is spread over several years in order to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual charge known as Minimum Revenue Provision (MRP), which is determined by the Council under guidance.

2. Statutory duty

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended by Statutory Instrument 2008 no. 414 s4) lay down that:

“A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent.”

3. Government guidance

Along with the above duty, the Government issued guidance which came into force on 31 March 2008 which requires that a Statement on the Council’s policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.

The Council is legally obliged to “have regard” to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. Although it is up to each Council to determine for itself how to calculate its MRP, the guidance suggests four methodologies, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to ‘have regard’ to the guidance therefore means that:

1. Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.
2. It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

4. Timing

This statement shall take effect from 1 April 2015 and shall take precedence over any statements previously approved.

5. Calculation

MRP shall be calculated by adding together the amount calculated using the method as stated below.

Method

To be used for all capital expenditure taking into account only capital expenditure and financing decisions, and the classification of fixed assets, reflected in the Council's accounts for the preceding year.

With the variations set out below, MRP will be calculated, on an individual fixed asset basis (unless they are land or community assets (no depreciation), where it is capitalised under statute/direction (equal pay, REFCUS etc.) or when one grouped "asset" is created for MRP calculation purposes for each category for individual years), in accordance with the annuity method whereby MRP for each year will be the amount presumed to be the principal element of the equal amounts that would be payable each year in respect of a loan at the specified rate of interest that would reduce the outstanding principal amount to zero at the end of the estimated useful life.

The specified rate of interest will be the average interest rate of the Council's debt as at the end of the year preceding the first year in which the annuity rate is to be applied. Where the interest rate on debt is variable the rate to be used in calculating the average shall be the interest rate on the debt at 31 March of the year for which the average is being calculated.

MRP will thus be calculated in accordance with the following formula:

$$\text{PPMT (A,B,C,D-E) + F - G}$$

Where

PPMT is the PPMT financial function in Microsoft Excel 2010

A is the specified interest rate

B is the number of years (including the current year) for which MRP has been charged on an annuity basis

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C is the useful economic life of the asset as at the start of the year for which MRP is first charged on an annuity basis. C shall be equal to the useful life of the fixed asset in question, as estimated by the Council. For assets with a useful life of more than 99 years, C shall equal 99. C shall not be varied for changes in the useful life of the asset unless the Council considers that special circumstances apply that would mean that a change would result in MRP being more reasonably calculated on a prudent basis; for example the useful life of a particular asset (as assessed for depreciation purposes) could change so dramatically that continued use of the option would no longer be supportable as prudent. For example, a property could be sold only a short time into its originally estimated useful life.

D is the total need to borrow for capital purposes (resulting from capital expenditure).

E is the aggregate value of any anticipated future capital receipts that are an integral part of the capital scheme in question. E shall be reviewed each year on performing the calculation, and amended if necessary.

F is an amount determined by the Section 151 Officer. The cumulative total of F, taken across all past and current years, shall never be less than zero.

G is an adjustment arising where the Section 151 Officer considers that the previous method of calculating MRP has been overly prudent. An adjustment can be made (G) to reverse the overly prudent sum; the following conditions apply to this adjustment:

- (a) The total MRP after applying this new adjustment (G) will not be less than zero in any financial year;
- (b) The cumulative total of this new adjustment (G) will never exceed the amount of the calculated overly prudent sum.
- (c) The use of the new adjustment will be reviewed on an annual basis or more frequently if there is a mid-year revision for any reason.

The Method shall be varied in the following circumstances:

- (a) For non-operational assets, for which no charge will be made. Where an asset is classed as non-operational because it is under construction, the method above will commence once the asset becomes operational.
- (b) For expenditure on fixed assets that are not or would not be classed as fixed assets of the Council in accordance with proper accounting practice, in these instances C shall initially be equal to the estimated remaining useful life of the fixed asset in question.
- (c) For expenditure capitalised under direction, for which C shall initially equal 20, and shall not be reviewed or amended.

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- (d) For land acquired on or after 1 April 2015, no charge will be made. In circumstances where an acquisition relates to both land and buildings this policy will only be applied to the element relating to the land value.
- (e) For historical Magistrates' Courts Loan Charges, 4% charge will be made.
- (f) West Midlands Combined Authority: Collective Investment Fund
The agreed Combined Authority Devolution Deal proposes the establishment of a Collective Investment Fund to support investment in the region. It is possible that some of this investment may be delivered by individual districts, and funded from prudential borrowing.

MRP on capitalised loan advances to other organisations or individuals will not be required. Instead, the capital receipts arising from the capitalised loan repayments will be used as provision to repay debt. However, revenue MRP contributions would still be required equal to the amount of any impairment of the loan advanced.

MRP on investments in Equities will be made on an annuity profile over 20 years, as recommended by Government Guidance.

- (g) With regard to PFI and leases the most appropriate MRP method as deemed by the Section 151 Officer will be charged; either in accordance with the financial model imbedded in the legal agreements or annuity and useful economic life.
- (h) Where investment assets generate sufficient income to meet the total costs of borrowing, no charge will be made.

Disclosure for Certainty Rate

Certainty Rate
This table details the information that is required to enable the Council to submit a return for 2016/17.

	As at 24 February 2016			
	2015/16 Forecast £000	2016/17 Forecast £000	2017/18 Forecast £000	2018/19 Forecast £000
Net Borrowing Requirement:				
Borrowing to Finance approved Capital Expenditure	60,390	83,018	40,110	12,012
Existing Maturity Loans to be Replaced During the Year	110,055	97,605	134,000	50,000
Less:				
Minimum Revenue Provision for Debt Repayment	-	-	-	(12,315)
Voluntary Debt Repayment	(16,727)	(14,882)	(12,910)	(10,582)
	(16,727)	(14,882)	(12,910)	(22,897)
Loans Replaced Less Debt Repayment	93,328	82,723	121,090	27,103
Net Advance Requirement	153,718	165,741	161,200	39,115

Treasury Management Policy Statement and Treasury Management Practices February 2016

1.0 Introduction

- 1.1 The Council has previously adopted the 2002 and 2009 CIPFA Codes of Practice on Treasury Management and fully complied with their guidance. CIPFA issued a revised code in 2011 following developments resulting from the Localism Act 2011, including housing finance reform and the introduction of the General Power of Competence and the Council now complies with this revised code. It is a requirement of the Code that the Council should formally adopt the Code.
- 1.2 The Code seeks to satisfy nine main purposes:
1. To assist public service organisations in the development and maintenance of firm foundations and clear objectives for their treasury management activities and thereby to add to their credibility in the public eye.
 2. To emphasise the overriding importance of effective risk management as the foundation for treasury management in all public service bodies.
 3. To provide transparency for treasury management decisions including the use of counterparties and financial instruments that individual public service organisations intend to use for the prudent management of their financial affairs.
 4. To encourage the pursuit of value for money in treasury management, and to promote the reasoned use, development and appreciation of appropriate and practical measures of performance.
 5. To enable CIPFA members to fulfil their professional and contractual responsibilities to the organisations they serve and, in accordance with the members' charter, "to maintain and develop the professional competence of both themselves and those they supervise".
 6. To help facilitate a standardisation and codification of treasury management policies and practices in the public services.
 7. To assist those involved in the regulation and review of treasury management in the public services, particularly those charged with the audit of the same.
 8. To foster a continuing debate on the relevance and currency of the statutory and regulatory regimes under which treasury management in the various parts of the public services operates.

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9. To further the understanding and confidence of, and to act as a reference work for, financial and other institutions whose businesses bring them into contact with the treasury management activities of public service organisations.
- 1.3 The approved activities cover borrowing arrangements for funding capital expenditure, debt repayment and rescheduling, managing cash flow and investment of surplus balances and monitoring the underlying risks associated with the Authority's activities.
- 1.4 Arrangements made for the control and operation of bank accounts operated by schools come within this definition but day-to-day management of funds is the responsibility of the Head Teachers and the Governors under arrangements for the local management of schools. Banking arrangements for schools with their own cheque accounts are closely monitored by the Director of Finance.
- 1.5 Management of the West Midlands Pension Fund is not included as part of Wolverhampton Council's treasury management activities but similar arrangements have been adopted by the Pension Fund Investments Division.
- 1.6 Subject to the above, the Council's cash is aggregated for the purposes of treasury management and is under the control of the Director of Finance in accordance with Section 151 of the Local Government Act 1972. The executive control and administration of financial policy is under the direction of the Cabinet (Resources) Panel.
- 1.7 All external investments of surplus internal balances are restricted to authorised investments in accordance with the Local Authorities (Capital Finance) (Approved Investments) Regulations 1990 as amended. The Director of Finance is responsible for making any investments, subject to the guidelines agreed by the Council or subsequently amended by the Cabinet (Resources) Panel.

2.0 Adoption of the code

- 2.1 The revised 2011 CIPFA Code identifies three key principles:

Key Principle 1

The Council puts in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of its treasury management activities.

Key Principle 2

To note that these policies and practices make clear that the effective management and control of risk are prime objectives of its treasury management activities and the

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responsibility for these lie clearly within the Council. The Council's appetite for risk should form part of its annual strategy including any use of financial instruments for the prudent management of those risks and should ensure that priority is given to security and liquidity when investing funds.

Key Principle 3

To acknowledge that the pursuit of value for money in treasury management and the use of suitable performance measures are valid and important tools to employ in support of the Council's business and service objectives; and that within the context of effective risk management, its treasury management policies and practices reflect this.

2.2. In order to achieve the above, the Council will adopt the following four clauses:

(1) The Council will create and maintain, as the cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

- (2) Full Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in the TMPs.
- (3) Full Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Cabinet (Resources) Panel, and for the execution and administration of treasury management decisions to the Director of Finance, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- (4) The Council nominates Confident, Capable Council Scrutiny Panel to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

3.0 Treasury Management Policy Statement

3.1 The Council's treasury management policy statement defines the policies and objectives of its treasury management activities, as follows:

(1) Treasury management activities are defined as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

(2) The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.

(3) The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

4.0 Treasury Management Practices (TMPs) – Main principles

4.1 The Council's Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury management policies and objectives and how it will manage and control those activities. The main principles are below with more detailed explanations in the attached schedules; these follow the CIPFA Code and have been suitably amended where necessary to reflect the Council's particular needs and circumstances.

4.2 TMP 1 – Risk management

The Director of Finance will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements.

In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in Schedule 1 to this document.

[1] Credit and counterparty risk management

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

[2] Liquidity risk management

The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to which are necessary for the achievement of its business/service objectives.

The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

[3] Interest rate risk management

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts providing in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.

It will achieve this by the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected,

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potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

It will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives is clearly detailed in the annual strategy.

[4] Exchange rate risk management

The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

[5] Refinancing risk management

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time. It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

[6] Legal and regulatory risk management

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] Credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

[7] Fraud, error and corruption, and contingency management

The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

[8] Market risk management

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

4.3 TMP 2 – Performance measurement

The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of on-going analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in Schedule 2 to this document.

4.4 TMP 3 – Decision-making and analysis

The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reach those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in Schedule 3 to this document.

4.5 TMP 4 – Approved instruments, methods and techniques

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in Schedule 4 to this document, and within the limits and parameters defined in TMP1 Risk management.

Where the Council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy. The Council will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

4.6 TMP 5 – Organisation, clarity and segregation of responsibilities, and dealing arrangements

The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, the reduction of the risk of fraud or error, and the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with TMP 6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The Director of Finance will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangement for absence cover. The Director of Finance will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in Schedule 5 to this document.

The Director of Finance will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in Schedule 5 to this document.

The delegations to the Director of Finance in respect of treasury management are set out in Schedule 5 to this document. The Director of Finance will fulfil all such responsibilities in accordance with the organisation's policy statement and TMPs and CIPFA's the Standard of Professional Practice on Treasury Management.

4.7 TMP 6 – Reporting requirements and management information arrangements

The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum, Council will receive:

- an annual report on the strategy and plan to be pursued in the coming year
- a mid-year review
- an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.

Cabinet (Resources) Panel will receive regular monitoring reports on treasury management activities and risks.

Confident, Capable Council Scrutiny Panel will have responsibility for the scrutiny of treasury management policies and practices.

Local authorities should report the treasury management indicators as detailed in their sector-specific guidance notes.

The present arrangements and the form of these reports are detailed in Schedule 6 to this document.

4.8 TMP 7 – Budgeting, accounting and audit arrangements

The Director of Finance will prepare, and Council will approve and, if necessary, from time to time amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP 1 Risk management, TMP 2 Performance measurement, and TMP 4 Approved instruments, methods and techniques. The Director of Finance will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP 6 Reporting requirements and management information arrangements.

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The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

4.9 **TMP 8 – Cash and cash flow management**

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Director of Finance, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Director of Finance will ensure that these are adequate for the purposes of monitoring compliance with TMP1[1] Liquidity risk management. The present arrangements for preparing cash flow projections, and their form, are set out in Schedule 8 of this document.

4.10 **TMP 9 – Money laundering**

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in Schedule 9 to this document.

4.11 **TMP 10 – Training and qualifications**

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Director of Finance will recommend and implement the necessary arrangements.

The Director of Finance will ensure that councillors tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in Schedule 10 to this document.

4.12 TMP 11 – Use of external service providers

The Council recognises that responsibility for treasury management decisions remains with the Council at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over-reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Director of Finance, and details of the current arrangements are set out in Schedule 11 to this document.

4.13 TMP 12 – Corporate governance

The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of the Code. This, together with the other arrangements detailed in Schedule 12 to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Director of Finance will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Schedule 1 : TMP 1 – Risk management

1.1 Creditworthiness policy

The Council will use credit criteria in order to select creditworthy counterparties for placing investments with.

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach using credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The table below details Capita's recommendations of bands and durations along with the more prudent parameters that the Council will apply.

	Capita	Wolverhampton
Purple	2 years	1 year
Orange	1 year	6 months
Blue (only applies to nationalised or semi nationalised UK Banks)	1 year	3 months
Red	6 months	3 months
Green	100 days	50 days
No Colour	Not to be used	Not to be used

This list will be reviewed on any changes to the methodology used by Capita and the Council may revert back to using Capita's recommended durations if or when investment balances are at higher levels and longer deposits are possible without significantly increased risk to liquidity.

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of Short Term rating F1+, Long Term rating AA-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

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All credit ratings will be monitored each time the Council is alerted to changes to ratings of all three agencies through its use of the Capita creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately. A severe downgrade may prompt the Director of Finance to instruct treasury management employees to take steps to withdraw any investment considered to be at risk. The potential penalties for such an action would need to be assessed.
- In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this bought-in service. In addition the Council will also use market data and market information, information on government support for banks and the credit ratings of that government support.

Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA+ from Fitch Ratings (or equivalent from other agencies if Fitch does not provide).

Approved counterparties

The complete list of approved counterparties is included in the Treasury Management Strategy and in each quarterly monitoring report. The Finance Manager (Treasury Management) will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection.

Investment Strategy

The Council will have regard to the CLG's Guidance on Local Government Investments, the Audit Commission's report on Icelandic investments and the 2011 revised CIPFA Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes ("CIPFA TM Code").

This Investment Strategy states which investments the Council may use for the prudent management of its treasury balances during the financial year under the heading **Specified investments** and **Non-specified investments**. These are listed below:

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Specified investments - all investments listed below must be sterling-denominated.

Investment	Share / Loan Capital?	Repay / Redeem within 12 months?	Security / Minimum Credit Rating	Capital Expenditure	Use	Maximum Period
Term deposits with credit-rated deposit takers, including callable deposits, with maturities up to 1 year : - UK Government - Local Authorities - Banks & Building Societies	No	Yes	Yes Government backed High Security Short-term F1+, Long-term AA-	No	In-house	1 year
Money Market Funds - these funds do not have any maturity date	No	Yes	Yes AAAmmf / Aaa-mf	No	In-house	Period of investment may not be determined at outset but will be subject to cash flow and liquidity requirements
Debt Management Agency Deposit Facility	No	Yes	Yes Government backed	No	In-house	1 year

Non-specified investments – a maximum of £35.0 million will be held in aggregate

Investment	Share / Loan Capital?	Repay / Redeem within 12 months?	Security / Minimum Credit Rating	Capital Expenditure	Use	Maximum Period
Term deposits with credit-rated deposit takers, with maturities in excess of 1 year: - UK Government - Local Authorities - Banks & Building Societies	No	Yes	Yes Government backed High Security although Local Authorities are not credit rated Short-term F1+, Long-term AA-	No	In-house	5 years

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The strategy also sets out:

- The procedures for determining the use of each asset class (advantages and associated risk).
- The maximum periods for which funds may be prudently committed in each asset class.
- The £ or % limit to be invested in each asset class.
- Whether the investment instrument is to be used by the Council's in-house employees.
- The minimum amount to be held in short-term investments.

Accounting treatment of investments

The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by the Council. To ensure that the Council is protected from any adverse revenue implications, which may arise from these differences, the accounting implications of new transactions will be thoroughly reviewed before they are undertaken.

1.2 Liquidity

Cash Balances

Cash balances are derived from reserves, surpluses, provisions and any capital receipts held pending future use. These are invested externally with approved institutions.

Investment of surplus funds

After the aggregation of all internal balances, surplus funds will be invested externally to earn interest and returned to the Council in order to meet projected future shortfalls in cash flow.

The Council's aggregate daily internal balances can vary quite markedly from day-to-day. Active cash flow management is essential to ensure that sufficient cash balances are available to meet commitments on pay days and creditor and other payment days.

Temporary loans (maximum of 364 days)

Temporary loans can be obtained within the borrowing limits to provide short term finance or to match any cash flow shortfall pending receipt of other revenues or longer term loans. In the current low interest rate climate, they may be used to obtain short term borrowing at exceptionally low interest rates.

Banking facilities and limits

The Council's banking arrangements are conducted in accordance with the statutory requirement including:

- the Local Government Finance Acts 1988 and 1992
- the Education Reform Act 1988
- the Local Government and Housing Act 1989

An overdraft facility is provided on a net balance and on the aggregate of the core main account balances.

As some of the accounts may be in debit whilst others may be in credit, the net balance of each account will be maintained within the net limit. The aggregate of all balances will be maintained within the gross limit.

Net Limit:	£500,000
Gross limit:	£10,000,000

Core main bank accounts:

- WCC Current Account
- WCC Automated Income Account
- WCC Payments Account
- WCC Local Taxes Account

There is an additional group of Imprest bank accounts whose balances are pooled for interest purposes, however, these do not have an overdraft facility.

Overdraft pricing is based on base rate + 1% with an annual fee of £2,500.

Bankers' Automated Clearing Services (BACS)

The following service credit limits are in place:

993695	Payroll	£25,000,000
972860	Payments	£20,000,000
971926	Council Tax	£1,250,000
920046	NNDR	£2,500,000
973636	Housing Benefit	£4,000,000
973531	Electoral	£150,000

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Clearing House Automated Payments System (CHAPS)

CHAPS are able to be made when insufficient funds are held on the bank balance.

The bank will make payment in anticipation of receiving covering funds by the end of the business day. This risk is called the daylight exposure limit which is set at £40,000,000.

The bank reserves the right to refuse any payment in excess of this limit.

The bank may review the risk it is willing to take on this limit with the Council at its discretion.

These transactions are completed using online banking and are done in accordance with the Council's procedures.

Policy in terms of borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will:

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue costs created, and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.
- consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, having regard to the controls in place to minimise such risks.

1.3 Interest rate

Maximum proportions of variable rate debt/interest

Each financial year Council approves upper limits on variable interest exposures. These can be found in the Treasury Management Indicator TMI 2 of the annual Treasury Management Strategy document and the quarterly monitoring activity reports.

Maximum proportions of fixed rate debt/interest

Each financial year Council approves upper limits on fixed interest exposures. These can be found in the Treasury Management Indicator TMI 2 of the annual Treasury Management Strategy document and the quarterly monitoring activity reports.

Policies concerning the use of financial derivatives for interest rate risk management

Financial derivatives are not an approved instrument and will therefore not be used.

1.4 Exchange rate

Details of approved exchange rate exposure limits for cash investments/debt

It is council policy to undertake transactions in pounds sterling only and therefore, the exposure to fluctuations in exchange rates is limited to grants or payments from a third party that may be received in a foreign currency. Accordingly, there are no approved exchange rate exposure limits.

Approved criteria for managing changes in exchange rate levels

In respect of any sums received in a foreign currency, steps will be taken to convert to sterling as soon as practicable to minimise the risk. In respect of third party payments, the third party carries this risk.

Policies concerning the use of financial derivatives for exchange rate risk management

Financial derivatives are not an approved instrument and will therefore not be used.

1.5 Refinancing

The Council will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

- the generation of cash savings at minimum risk
- to reduce the average interest rate
- to amend the maturity profile and/or the balance of volatility of the debt portfolio

Rescheduling will be reported to the Cabinet (Resources) Panel at the meeting immediately following its action.

In considering the affordability of its capital plans, the Council will consider all the resources currently available estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax and housing rent levels. It will also take into account affordability in the longer term beyond this three year period.

The Council will always keep revenue implications of capital financing under review to ensure they continue to be affordable and sustainable in the context of the Medium Term Financial Strategy.

The Council will use the definition provided in the Prudential Code for borrowing, capital expenditure, capital financing requirement, debt, financing costs, investments, net borrowing, net revenue stream and other long term liabilities.

1.6 Fraud, error and corruption, and contingency management

Details of systems and procedures to be followed including internet services

In all the services the Council undertakes, it is committed to acting at all times with integrity and in an open and honest manner.

The Council will not accept any level of fraud or corruption and will vigorously investigate all allegations of fraud or corruption.

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The Council is committed to having in place procedures and systems so as to limit as far as possible the opportunities for fraudulent acts or enable their early detection, together with procedures to ensure such acts are promptly and thoroughly investigated. The Council will:

- Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

The practices and procedures outlined in the Treasury Management Practices are designed to fully document all transactions and to clearly demonstrate that the highest standards have been adhered to.

Emergency and contingency planning arrangements

In the event of an emergency or other events which prevent the Director of Finance and his staff from carrying out treasury management activities, the Director of Finance, or his Deputy in his absence, will authorise the Council's bankers in writing (the National Westminster Bank plc, trading as RBS Commercial & Private Banking) to roll-over surplus cash balances on a daily basis to accrue interest.

Insurance cover details

It is normal practice in the private and public sector for employing bodies to indemnify their employees. Employees are currently covered by a Finance and General Purposes Committee Resolution of 13.4.87:

"That the Council shall indemnify in perpetuity all employees and former employees of the Council against all liability, professional or otherwise for negligence or negligent omission or breach of contractual or statutory duty arising out of the employee's employment with the Council and that such indemnity shall extend to any such liability arising out of the employee's engagement of duties undertaken by the Council on behalf of any other authority or body.

Provided that such indemnity shall not extend to any liability arising as a result of fraud, dishonesty or other criminal activity or of wilful misconduct, gross negligence or gross dereliction of duty on the part of the employee".

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The indemnity will not apply if any employee, without the written authority of the Authority, admits liability or negotiates or attempts to negotiate a settlement of any claim falling within the scope of this Resolution.

The indemnity does not extend to loss or damage directly or indirectly caused by or arising from:

- (a) Fraud, dishonesty or any other criminal act on the part of the employee;
- (b) Actions outside his/her normal duties;
- (c) Wilful misconduct, gross negligence or gross dereliction of duty, including liability in respect of surcharges made by the External Auditor.

Insurance cover for employees is as follows:

- Public and employers' liability
- Officers' indemnity (financial loss to third parties)
- Libel and slander
- Fidelity guarantee and special contingency for cheques
- Cash in transit
- Personal accident (assault)
- Travel cover on request for official journeys outside the U.K.

1.7 Market value of investments

Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (gilts, CDS, etc.)

In the event that opportunities for making such investments appear to the Director of Finance to be in the Council's financial interests, a report will be submitted to the Cabinet (Resources) Panel setting out the costs, benefits and potential risks.

No such investments will proceed without prior approval of such a report by the Cabinet (Resources) Panel.

Schedule 2 : TMP 2 – Performance measurement

2.1 Evaluation and review of treasury management decisions

The Council has a number of approaches to evaluating treasury management decisions:

- (a) the treasury management team will carry out ongoing reviews of its activities
- (b) reviews will be undertaken with its treasury management consultants
- (c) annual review after the end of the year is reported to full council
- (d) quarterly reports to Cabinet (Resources) Panel
- (e) comparative reviews with other local authorities
- (f) strategic, scrutiny and efficiency value for money reviews

Ongoing periodic reviews during the financial year

The Director of Finance regularly reviews the actual activity against the Treasury Management Strategy Statement and cash flow forecasts. This includes monitoring debt including average rate, maturity profile and the Council's borrowing strategy; and investments including average rate, maturity profile and changes to the above from the previous review and against the Treasury Management Strategy (Annual Investment Strategy). The Council's credit rating methodology and current counterparty list is also reviewed regularly.

Reviews with the Council's treasury management consultants

The treasury management team holds reviews with the Council's treasury management consultants to review the performance of its investments and debt portfolios. The Council's borrowing strategy and counterparty risk strategy are also reviewed at these meetings, which are held periodically, usually to coincide with a specific need (e.g. the imminent need to borrow, or following a significant change in the market/economy). At least one review meeting is held during each financial year.

Annual review after the end of the financial year

An Annual Treasury Report is submitted to the Council each year after the end of the financial year which reviews the performance of the debt/investment portfolios. This report covers the following:

- (a) total debt and investments at the beginning and close of the financial year and average interest rates
- (b) borrowing strategy for the year compared to actual strategy
- (c) investment strategy for the year compared to actual strategy
- (d) explanations for variance between original strategies and actual
- (e) debt rescheduling done in the year
- (f) actual borrowing and investment rates available through the year
- (g) comparison of return on investments to the investment benchmark

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(h) compliance with Prudential and Treasury Indicators any other relevant information

Comparative reviews

When data becomes available, comparative reviews are undertaken to see how the performance of the authority on debt and investments compares to other authorities with similar size portfolios, (but allowing for the fact that Prudential and Treasury Indicators are locally set). Data used will be sourced from:

- CIPFA Treasury Management statistics published each year for the last complete financial year
- CIPFA Benchmarking Club
- WM Treasurers Support Group Benchmarking Club

2.2 Benchmarks and calculation methodology

Debt management

- Average rate on all external debt
- Average rate on external debt borrowed in previous financial year
- Average rate on internal borrowing
- Average period to maturity of external debt
- Average period to maturity of new loans in previous year

Investment

The performance of investment earnings will be measured against the following benchmarks:-

Bank of England Base Lending Rate; 7 day LIBID; 1 month LIBID; 3 month LIBID

2.3 Policy concerning methods for testing value for money in treasury management

Frequency and processes of tendering

These will be determined in accordance with the Council's Constitution.

Banking services

Banking services will be re-tendered every five years to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing trends.

Money-broking services

Money market brokers are used for placing surplus internal funds with approved financial institutions on a short term basis as part of the Council's cash flow management. Surplus internal funds are invested in the money markets in accordance with the guidelines set out in Section 1.1. Money market brokers are also used to assist the Council in meeting any temporary borrowing requirements. The current panel of brokers used by the Council are as follows:

- Tullett Prebon (Europe) Limited
- Martin Brokers (UK) plc
- ICAP Europe Limited
- Tradition (UK) Limited trading as City Deposit Brokers

Consultants'/advisers' services

The Council has appointed Capita Asset Services as its professional treasury management advisers.

Policy on external managers (other than relating to pension funds)

The Council's current policy is not to appoint external investment fund managers. The reasons for this are:

- the estimated level of surplus funds likely to be available over the medium term can be adequately managed by the Director of Finance;
- In light of this appointment of external fund managers would not be cost effective.

Schedule 3 : TMP 3 – Decision-making and analysis

3.1 Funding, borrowing, lending and new instruments/techniques

Records to be kept

The Director of Finance shall be the Council's registrar of stocks, bonds and mortgages and shall maintain records of all borrowings and investments of money by the Council. All records and documents shall be available for inspection by internal audit and the Council's external auditors. All borrowings and investments of money under the Council's control shall be made in the name of the Council.

Processes to be pursued

The Chief Accountant shall document for the approval of the Director of Finance the systems, procedures and processes which deliver the approved Treasury Management Policies and Practices. The documentation will be kept up-to-date. The aim will be to provide a treasury management systems document which has day to day relevance and within which all treasury management staff are aware of their duties and responsibilities.

Issues to be addressed

In respect of every decision made, the Council will:

- (a) above all be clear about the nature and extent of the risks to which the organisation may become exposed;
- (b) be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained;
- (c) be content that the documentation is adequate both to deliver the organisation's objectives and protect the organisation's interests, and to deliver good housekeeping;
- (d) ensure that third parties are judged satisfactory in the context of the organisation's creditworthiness policies, and that limits have not been exceeded;
- (e) be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

In respect of borrowing and other funding decisions, the Council will:

- (a) evaluate the economic and market factors that might influence the manner and timing of any decision to fund;

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- (b) consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships;
- (c) consider the alternative interest rate options available, the most appropriate periods to fund and repayment profiles to use, consider the on-going revenue costs, and the implications for the Council's future plans and budgets.

In respect of investment decisions, the Council will:

- (a) consider the optimum period, in the light of cash flow availability and prevailing market conditions;
- (b) consider the alternative investment products and techniques available, especially the implications of using any which may expose the organisation to changes in the value of its capital.

Schedule 4 : TMP 4 – Approved instruments, methods and techniques

4.1 Approved activities of the treasury management operation

- borrowing
- lending
- debt repayment and rescheduling
- consideration, approval and use of new financial instruments and treasury management techniques
- managing cash flow
- banking activities
- leasing
- the use of external fund managers (other than in respect of the Pension Fund)
- managing the underlying risk associated with the Council's capital finance and investment activities

4.2 Approved instruments for investments

In accordance with The Local Organisations (Capital Finance) (Approved Investments) Regulations 1990 and subsequent amendments, the instruments approved for investment and commonly used by local councils are:

- Gilts
- Treasury Bills
- Deposits with banks, building societies or local organisations (and certain other bodies) for up to 364 days
- Certificates of deposits with banks or building societies for up to 364 days
- Euro-Sterling issues by certain Supra-national bodies listed on the London and Dublin Stock Exchanges
- Triple A rated money market funds
- Debt Management Account (run by DMO/PWLB)

4.3 Approved techniques

The following are approved techniques:

- Forward dealing up to 5 years
- There was a limit of £20.0 million for deposits over 1 year and up to 5 years; this was increased to £35.0 million in 2008/09 to take advantage of exceptionally high interest rates available on longer term deals. This decision was approved by Cabinet (Resources) Panel 15 July 2008.

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The following may be used by organisations which are not local authorities:

- Swaps
- Caps
- Collars
- Options

The Council will not use any of the above techniques.

4.4 **Approved methods and sources of raising capital finance**

Finance will only be raised in accordance with statute, and within this limit the Council has a number of approved methods and sources of raising capital finance. These are:

On balance sheet

- PWLB
- EIB
- Finance Leases
- Market (long term)
- Market (temporary)
- Market (LOBOs)
- Stock issues
- Local Temporary
- Local Bonds
- Overdraft
- Negotiable Bonds
- Internal (capital receipts and revenue balances)
- Commercial Paper
- Medium Term Notes
- Deferred Purchase

Other methods of financing

- Government and EC Capital Grants
- Lottery monies
- PFI / PPP
- Operating Leases

All forms of funding will be considered by the Director of Finance taking into consideration the prevailing economic climate, regulations and local considerations. The Director of Finance has delegated powers through this Policy and the Strategy to take the most appropriate form of borrowing from the approved sources.

All borrowing transactions entered into by the Director of Finance will be reported to the Cabinet (Resources) Panel.

Schedule 5 : TMP 5 – Organisation, clarity and segregation of responsibilities, and dealing arrangements

5.1 Limits to responsibilities/discretion at Council and Cabinet (Resources) Panel

Council

- (a) Approving the annual report on treasury management policies, practices and activities.
- (b) Approving the Treasury Management Strategy Statement/Annual Investment Strategy/MRP Policy, including a mid-year review and any other revisions/updates.
- (c) Approving the Annual Treasury Report
- (d) Approval of Treasury Management budgets

Cabinet

- (a) Recommending the Annual Treasury Report to Council.

Cabinet (Resources) Panel

- (a) Receiving and reviewing the quarterly Treasury Management Monitoring reports.
- (b) Monitoring performance against budgets.
- (c) Approval of the division of responsibilities.
- (d) Receiving and reviewing external audit reports and acting on recommendations.
- (e) Approving the selection of external service providers and agreeing terms of appointment.

5.2 Principles and practices concerning segregation of duties

The varied aspects of treasury management and the large volume of funds involved require a clear segregation of duties. The Council's Treasury Management Practices reflect the separation of duties, namely:

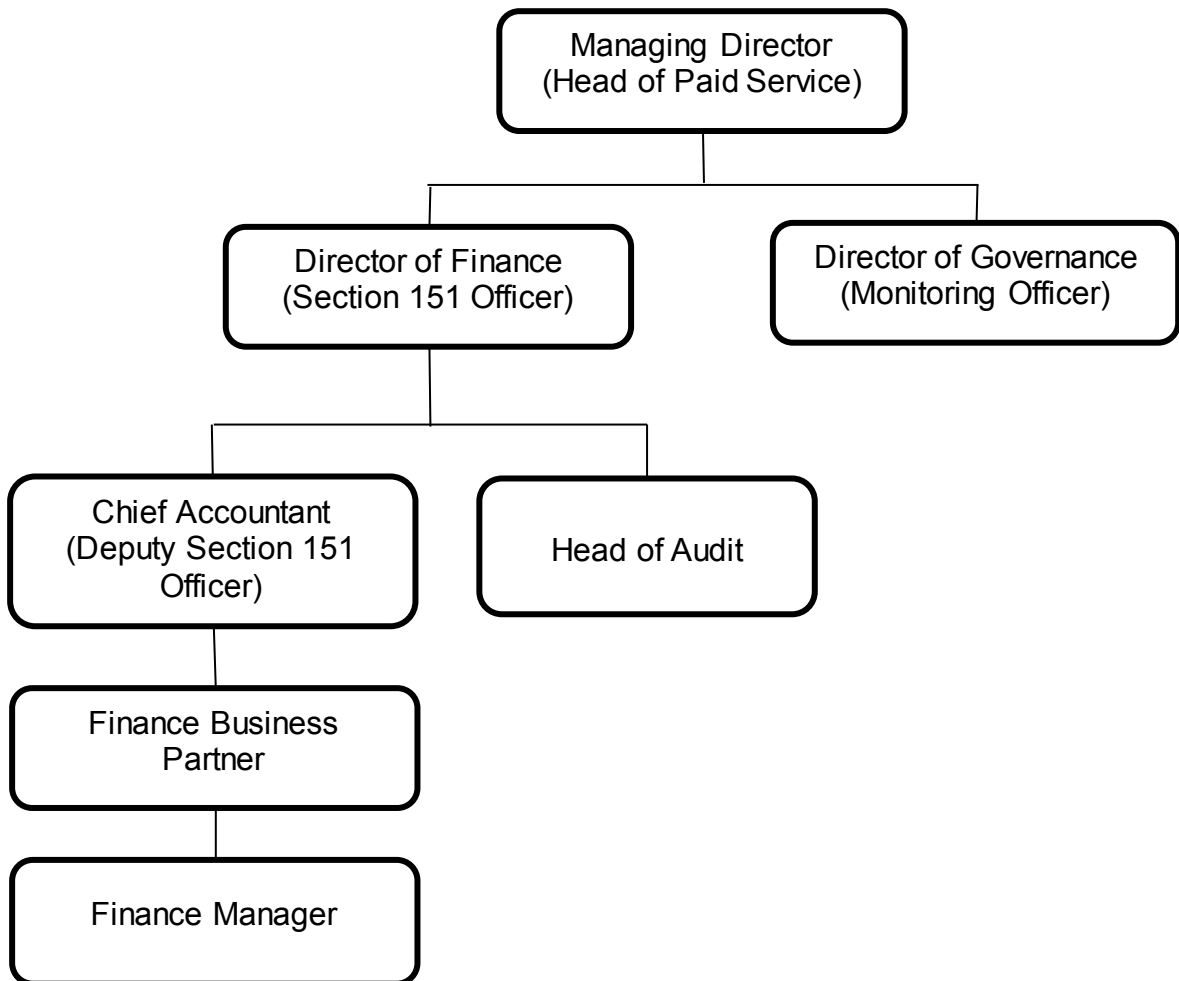
- (a) Policy formulation - approved by Council and monitored/amended by Cabinet (Resources) Panel.
- (b) Treasury advice - the Director of Finance is the responsible officer for advising Council and Cabinet (Resources) Panel. The recommendations made to Councillors will also reflect the advice provided to the Director of Finance by specialist external advisors.
- (c) Dealing in the Market - undertaken by rotating use of one of four approved brokers.
- (d) Recording and administration is carried out by the Finance Manager (Treasury Management).
- (e) All transactions are subject to both internal and external audit.

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- (f) The Managing Director has responsibility for ensuring that a specified system is implemented.
- (g) The Director of Governance has responsibility for ensuring compliance with the law.

5.3 Treasury management organisation chart

The treasury management organisation chart as at February 2016 is as follows:



5.4 Statement of duties/responsibilities of each treasury post

5.4.1 Director of Finance (Section 151 Officer)

1. The Director of Finance will:
 - (a) Recommend treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
 - (b) Submit regular treasury management policy reports to Cabinet (Resources) Panel.
 - (c) Submit reports on performance against budgets to Cabinet (Resources) Panel.
 - (d) Receive and review management information reports.
 - (e) Review the performance of the treasury management function and promote best value reviews.
 - (f) Ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
 - (g) Ensure the adequacy of internal audit.
 - (h) Liaising with external audit.
 - (i) Recommend the appointment of external service providers.
2. The Director of Finance has delegated powers to take the most appropriate form of borrowing from the approved sources, and to take the most appropriate form of investments in approved instruments.
3. The Director of Finance may delegate his power to borrow and invest to members of his staff. The Director of Finance, Chief Accountant, Finance Business Partner or the Finance Manager (Treasury Management) must conduct all dealing transactions, or staff authorised by the Director of Finance to act as temporary cover for leave/sickness. All transactions must be authorised by at least one of the named officers above.
4. The Director of Finance and the Director of Governance will ensure that the treasury management policy is adhered to, and if not, will bring the matter to the attention of elected councillors as soon as possible.
5. Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Director of Finance to be satisfied, by reference if appropriate to the Director of Governance, and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations.
6. It is also the responsibility of the Director of Finance to ensure that the Council complies with the requirements of The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

5.4.2 Finance Manager

Under the direction and supervision of either the Director of Finance or, in their absence, the Chief Accountant, the Finance Manager will be responsible for:

- (a) Execution of transactions
- (b) Adherence to agreed policies and practices on a day-to-day basis
- (c) Ensuring that adequate records are maintained and procedures are fully documented
- (d) Maintaining cash flow projections
- (e) Maintaining relationships with third parties and external service providers
- (f) Supervising treasury management staff
- (g) Monitoring performance on a day-to-day basis
- (h) Submitting regular management information reports to the Director of Finance
- (i) Identifying and recommending opportunities for improved practices
- (j) Reporting any actual or potential variations to agreed policies and procedures as they arise.

5.4.3 Managing Director (Head of the Paid Service)

The responsibilities of this post will be:

- (a) Ensuring that the treasury management system is specified and implemented
- (b) Ensuring that the Director of Finance reports regularly to the Council and Cabinet (Resources) Panel on treasury policy, activity and performance.

5.4.4 Director of Governance (Monitoring Officer)

The responsibilities of this post will be:

- (a) Ensuring compliance by the Director of Finance with the treasury management policy statement and treasury management practices and that they comply with the law.
- (b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- (c) Giving advice to the Director of Finance when advice is sought.

5.4.5 Internal Audit

The responsibilities of Internal Audit will be:

- (a) Reviewing compliance with approved policy and procedures.
- (b) Reviewing division of duties and operational practice.
- (c) Assessing value for money from treasury activities.
- (d) Undertaking probity audit of treasury function.

5.5 Absence cover arrangements

The Chief Accountant will ensure that other staff within Corporate Accountancy who do not deal with treasury management activities on a daily basis are sufficiently trained so that they can provide absence cover. Such cover will be limited to dealing with the production of daily up-dates of the Council's cash flow statements and, in exceptional circumstances, communicating deals through to the Council's brokers and bank once instructions have been received from either the Director of Finance or the Chief Accountant.

5.6 List of approved brokers

ICap Europe Ltd
Martin Brokers (UK) plc
Tullett Prebon (Europe) Ltd
Tradition UK Limited

5.7 Policy on brokers' services

To avoid an over-reliance on a single broker and thereby enhance objective dealings, deals will be spread amongst brokers on a rotation basis. The exception being when undertaking temporary borrowing in which case all brokers will be approached to obtain the best rate available.

5.8 Policy on taping of conversations

Taping of conversations with the Council's brokers and bank is not normally carried out by the Director of Finance or his staff.

5.9 Direct dealing practices

Direct dealing with counterparties by the Director of Finance or his staff is undertaken with the following, in order to achieve higher rates than dealing with them via our brokers and to maintain adequate levels of liquidity:

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- The Council's bankers (National Westminster Bank plc, trading as RBS Commercial & Private Banking) - overnight deposits only
- Invesco Global Asset Management Limited (previously Aim Global Ltd and STIC) - Money Market Fund
- Black Rock Institutional Sterling Liquidity Fund – Money Market Fund
- Standard Life Investments Liquidity Fund (previously called Ignis Sterling Liquidity Fund) – Money Market Fund
- Federated Cash Management Funds (previously Prime Rate Sterling Liquidity Fund) - Money Market Fund
- Santander - Business Reserve Account
- BOS – Corporate Instant Access Account
- Natwest - Call Account
- Allied Irish Bank (GB) – Fixed Term Account
- Bank of Ireland – Time Deposit Account
- Scottish Widows Institutional Sterling Liquidity Fund - Money Market Fund

In the event that any of these counterparties fall below the Council's minimum lending criteria, activity in that account will temporarily cease and any balance withdrawn immediately. However, the accounts will remain open for future dealings if or when their credit ratings recover.

5.10 Settlement transmission procedures

Deals will normally be made by telephone and confirmed by fax, with payments being made and sums being received by telephonic transfer.

5.11 Documentation requirements

Every deal will be fully documented showing the name of the broker used, amount, period, counterparty, interest rate, date, commission and transmission arrangements. All documentation will be available for inspection by internal and external audit. All documentation will be retained for six years.

5.12 Arrangements concerning the management of third party funds

The Council holds a number of trust funds. The cash in respect of these funds is held in the Council's bank account but transactions are separately coded. Interest is given on credit balances at the average rate for internal balances for the year.

Schedule 6 : TMP 6 – Reporting requirements and management information arrangements

6.1 Annual Treasury Management Strategy Statement

The Treasury Management Strategy sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Council for approval as part of the overall budget and council tax determination process prior to the commencement of each financial year.

The formulation of the annual Treasury Management Statement involves determining the appropriate borrowing and investment decisions in light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, the Director of Finance may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early (subject to borrowing in advance of need) if fixed interest rates are expected to rise.

The Treasury Management Strategy is concerned with the following elements:

- Prudential and Treasury Indicators
- current treasury portfolio positions
- borrowing requirement
- prospects for interest rates
- borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- investment strategy
- creditworthiness policy
- policy on the use of external service providers
- any extraordinary treasury issues
- the Council's MRP policy

The Treasury Management Strategy will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable), and highlight sensitivities to different scenarios.

6.2 Annual Investment Strategy

At the same time that the Council receives the Treasury Management Strategy Statement it will also receive a report the Annual Investment Strategy which will set out the following:

- the Council's risk appetite in respect of security, liquidity and optimum performance
- the definition of high credit quality

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- the investment instruments that the Council will use
- whether they will be used by the in-house team, external managers or both
- the Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- which credit ratings the council will use
- how the Council will deal with changes in rating, rating watches and rating outlooks
- limits for individual counterparties and group limits
- country limits
- levels of cash balances
- interest rate outlook
- budget for investment earnings
- policy on the use of external fund providers

6.3 Annual Minimum Revenue Provisions Statement

This will set out how the Council will make revenue provision for repayment of its borrowing and will be submitted at the same time as the Annual Treasury Management Strategy Statement and Annual Investment Strategy Statement.

6.4 Policy on Prudential and Treasury Indicators

The Council will approve before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.

The Director of Finance is responsible for incorporating these limits into the Annual Treasury Management Strategy Statement and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the Director of Finance shall submit the changes for approval to full Council.

6.5 Mid-year review

In addition to the annual review, the council will review its treasury management activities and strategy on at least one occasion during the financial year in question. This review will consider the following:

- activities undertaken
- variations, if any, from agreed policy/practices
- interim performance report
- regular monitoring
- monitoring of treasury management indicators for local authorities

6.6 Annual report on treasury management activity

An annual report will be presented to the Cabinet and to Council, at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following:

- transactions executed and their revenue effects
- report on risk implications of decisions taken and transactions executed
- compliance report on agreed policies and practices, and on statutory/regulatory requirements
- performance report
- report on compliance with CIPFA Code recommendations
- monitoring of treasury management indicators

6.7 Management information reports

Management information reports will be prepared regularly by the Finance Manager (Treasury Management) and will be presented to the Director of Finance.

These reports will contain the following information:

- a summary of transactions executed and their revenue effects
- measurements of performance including effect on loan charges/investment income
- degree of compliance with original strategy and explanation of variances
- any non-compliance with Prudential limits or other treasury management limits

6.8 Quarterly monitoring reports

A quarterly monitoring report will be submitted by the Director of Finance to meetings of the Cabinet (Resources) Panel or Cabinet as appropriate to compare actual performance, practices and activity with the current approved Treasury Management Policy Statement/Practices.

Schedule 7 : TMP 7 – Budgeting, accounting and audit arrangements

7.1 Statutory/regulatory requirements

The accounts are drawn up in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom which is recognised by statute as representing proper accounting practices. The Council has also adopted in full the principles set out in CIPFA's Treasury Management in the Public Services – Code of Practice (the CIPFA Code), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

7.2 Accounting practices and standards

Due regard is given to the Code of Practice on Local Authority Accounting in the United Kingdom.

7.3 Sample budgets / accounts / prudential and treasury indicators

The Director of Finance will prepare a medium term financial plan with Prudential and Treasury Indicators for treasury management which will incorporate the budget for the forthcoming year and provisional estimates for the following two years. This will bring together all the costs involved in running the function, together with associated income. The Director of Finance will exercise effective controls over this budget and monitoring of performance against Prudential and Treasury Indicators, and will report upon and recommend any changes required in accordance with TMP6.

7.4 List of information requirements of external auditors

- Reconciliation of loans outstanding in the financial ledger to treasury management records
- Maturity analysis of loans outstanding
- Certificates for new long term loans taken out in the year
- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances
- Interest accrual calculation
- Principal and interest charges reports
- Analysis of any deferred charges
- Calculation of loans fund creditors and debtors
- Annual Treasury Report
- Treasury Management Strategy Statement and Prudential and Treasury Indicators
- Review of observance of limits set by Prudential and Treasury Indicators
- Calculation of the Minimum Revenue Provision

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The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

Schedule 8 : TMP 8 – Cash and cash flow management

8.1 Arrangements for preparing/submitting cash flow statements

The Finance Manager (Treasury Management) prior to the start of a new financial year will prepare a cash flow statement showing the Council's expected payments and income over that forthcoming financial year. This will be updated daily by no later than 11.00 a.m. to form rolling cash flow forecasts. The cash flow forecast will be monitored on a regular basis by the Director of Finance or, in his absence, the Chief Accountant.

The cash flow forecast will identify the following factors:

(a) Payments

- Repayment of maturity and instalment loans
- Profile of salary payments
- Profile of payments to HMRC for income tax and national insurance
- Profile of payments to precepting authorities
- Profile of creditor payments
- CHAPS and Telephone Transfer payments to be identified in advance

(b) Income

- Profile of Government Grants for RSG purposes
- Profile of Dedicated Schools Grant
- Profile of other Government Grants
- Profile of daily cash income
- Profile of VAT reimbursements
- Profile of weekly Collection Fund income
- Large capital receipts to be identified

The cash flow forecast for the financial year will be updated on a daily basis. In addition, a forecast for the following financial year will be created 3 months prior to the start of that year. Forecasts will be monitored against daily bankings and clearings.

The estimated daily bank overdraft is not to exceed £500,000.

8.2 Bank statement procedures

Daily bank statements for all accounts are available through online banking which are reconciled to all income and expenditure.

8.3 Payment scheduling and agreed terms of trade with creditors

All contracts for the supply of goods or services must be subject to the Council's standard payment terms – monthly in arrears. Any contracts which require special financing arrangements these must be agreed by the Director of Finance.

Where a contract provides for payments to be made by instalments following the delivery of services or completion of work, a cost plan must be prepared for such contracts and payments monitored against that plan.

Work carried out by 'statutory undertakings' is excluded from the Competition Requirements of the Contracts Procedure Rules and payment in advance of the works being carried out is considered to be acceptable.

The standard method of payment of creditors is by BACS, 30 days from date of invoice unless the invoice is in dispute.

8.4 Arrangements for monitoring debtor/creditor levels

Revenues and Benefits carry out monthly analysis (which is audited) of debtor levels against performance targets.

The Hub Payments Team will carry out monthly analysis (which is audited) of creditor levels against performance targets.

8.5 Procedures for banking of funds

The Director of Finance shall approve the arrangements for the collection and banking of all money due to the Council.

Each officer shall ensure the prompt raising of debtor invoices for the recovery of income due.

All stationery used in connection with the collection and allocation of income shall be held and distributed under approval from the Director of Finance.

On receipt of income the employee shall; immediately record the transaction, provide the customer with verification of payment and subsequently bank the monies in accordance with Council procedure rules.

No deduction may be made from any income receipted without approval from the Director of Finance.

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In accordance with the Accounts and Audit Regulations 2003, the amount of each cheque shall be recorded on either the bank paying in slip or an attached cheque listing detailing; the amount, the receipt number or reconciling information.

Personal cheques shall not be cashed through the Council's bank accounts.

Any transfer of physical money from one employee to another will be evidenced in the records of the responsible service.

The Council has established an Anti-Money Laundering Policy to ensure it is compliant with the requirements of the current Money Laundering Regulations.

Therefore, all employees receiving cash on behalf of the Council should ensure that they comply with this policy.

To help prevent money laundering, cash payments (including notes, coin or travellers cheques in any currency) above £5,000 will not be accepted for any Council service.

All income streams in excess of £25,000 that were not included in the approved budget shall be reported to the Director of Finance at the earliest opportunity.

Schedule 9 : TMP 9 – Money laundering

The Council refreshed its anti-money laundering policy and procedure in December 2014, below is a copy of this policy approved by Audit Committee 15 December 2014.

9.1 Introduction

Money laundering is any process whereby funds derived from criminal activity are given the appearance of being legitimate. The Council must be alert to the possibility that attempts could be made to utilise funds obtained from criminal activity to pay for Council services.

The Council is committed to preventing money laundering by having anti-money laundering systems in place to establish the legitimacy of the sources of income.

This Anti-Money Laundering Policy makes it clear that it is extremely important that all employees are familiar with:

- the legal responsibilities;
- the serious criminal sanctions that may be imposed for breaches of the money laundering legislation;
- the need to be vigilant and take appropriate steps to reduce the opportunities for breaches of the Money Laundering Regulations 2007 (the Regulations);
- The key requirement to promptly report (disclose) any suspected money laundering activity to the Money Laundering Reporting Officer.

9.2 Legal requirements

The regulations set out detailed requirements for the Council to establish procedures to prevent its services being utilised for the purposes of money laundering. In addition, to adherence with the Regulations the Council must also comply with the Terrorism Act 2000 which makes it illegal to financially support money laundering for the purposes of terrorism. The Proceeds of Crime Act (POCA) 2002 further defines the offences of money laundering, creates mechanisms for investigating and recovering the proceeds of crime as well as placing an obligation on the Council and its employees to report suspected money laundering activities.

9.3 What is money laundering?

Money laundering is any process which is intended to use, control, hide or disguise monies or property which are the proceeds of 'crime'. The primary money laundering offences are:

- concealing, disguising, converting, transferring or removing criminal property from the UK (section 327 of POCA);

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- entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328 of POCA);
- acquiring, using or possessing criminal property (section 329 of POCA);
- becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (section 18 of the Terrorist Act 2000).

There are also two secondary offences:

- failure to disclose any of the three primary offences;
- tipping off the people suspected of being involved in money laundering, in such a way as to reduce the likelihood of them being investigated or prejudicing an investigation.

9.4 Which service areas are affected by money laundering?

The Money Laundering legislation defines 'regulated activity' as the provision 'by way of business' of advice about tax affairs, accounting services, treasury management, investment or other financial services, audit services, legal services, estate agency, services involving the formation, operation or arrangement of a company or trust or, dealing in goods wherever a transaction involves a payment of €15,000 (approx. £12,500) or more.

To help prevent money laundering, cash payments (including notes, coin or travellers cheques in any currency) above £5,000 will not be accepted for any Council service.

9.5 Establishing the identity of a customer (due diligence)

Where the Council is carrying out certain 'regulated activities', extra care is required to confirm the identity of the customer. Documents, data or information obtained from reliable and independent sources should be checked – this is known as carrying out customer due diligence.

However, if the answer to any of the following three questions is no then there is no need to carry out customer due diligence.

- Is the service a regulated activity?
- Is the Council charging for the service?
- Is the service being provided to a customer other than a UK public authority?

If the answer to all questions is yes then customer due diligence must be carried out before any business is undertaken with the customer. If there is uncertainty whether customer due diligence is required then advice must be obtained from the Money Laundering Reporting Officer.

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Due diligence can be used to evidence a customer's identity by, for example:

- checking with the customer's website to confirm their business address
- conducting an on-line search via Companies House to confirm the nature and business of the customer and confirm the identities of any directors
- Conducting personal identity checks for example, requesting that the customer provide their current passport/driving licence, birth certificates

In certain circumstances enhanced customer due diligence must be carried out, for example, where:

- the customer has not been physically present for identification
- the customer is a politically exposed person
- there is a beneficial owner who is not the customer – a beneficial owner is any individual who holds more than 25% of the shares, voting rights or interest in a company, partnership or trust.

If it is believed that enhanced customer due diligence is required then the Money Laundering Reporting Officer should be consulted prior to carrying it out. Customer due diligence should be completed for all relevant new customers and for existing customers, during the life of a business relationship, proportionate to the risk of money laundering and terrorist funding.

If, at any time, it is suspected that a client or customer for whom the Council is currently, or is planning to carry out a regulated activity with, is involved in money laundering activities, terrorist financing, or has lied about their identity then this must be reported to the Money Laundering Reporting Officer.

9.6 Reporting suspected cases of Money Laundering

Where an employee or Councillor knows or suspects that money laundering activity is taking/has taken place, or becomes concerned that their involvement in a matter may amount to a prohibited act under sections 327 to 329 of POCA, they must disclose this without delay or as soon as reasonably practicable to the Money Laundering Reporting Officer. Failure to report such activity may render the employee subject to prosecution and/or disciplinary action in accordance with the Council's disciplinary policy. The procedure for disclosure is:

- to complete a 'Disclosure Report to the Money Laundering Reporting Officer' (using a standard form) to include as much detail as possible e.g. name, date of birth, address, company names, directorships, phone numbers, nature of the activity etc;

The Council has appointed the following employee as the Money Laundering Reporting Officer (MLRO):

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Peter Farrow - Head of Audit Services
Tel: (01902) 554460
e-mail: peter.farrow@wolverhampton.gov.uk

In the absence of the MLRO listed above, the following employee is authorised to deputise:

Mark Wilkes, Client Lead Auditor
Tel: (01902) 554462
e-mail: mark.wilkes@wolverhampton.gov.uk

Further advice on money laundering matters can also be obtained from:

Mark Taylor – Director of Finance (S151 Officer)
Tel: (01902) 556609
e-mail: mark.taylor@wolverhampton.gov.uk

Kevin O’Keefe – Director of Governance/Monitoring Officer
Tel: (01902) 554910
e-mail: kevin.o’keefe@wolverhampton.gov.uk

9.7 Investigating and Reporting Money Laundering

How will the Money Laundering Reporting Officer investigate a disclosure?

The Money Laundering Reporting Officer will:

- acknowledge receipt of the disclosure report;
- assess the information provided to make a judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering activities and;
- prepare a Suspicious Activity Report (SAR) to the National Crime Agency (NCA), where appropriate;
- The employee or Councillor must follow any directions given by the Money Laundering Reporting Officer
- The employee or councillor must cease all involvement in the transaction (not make any further enquiries into the matter themselves) unless or until consent is provided by the NCA.
- The employee or Councillor must specify in the disclosure report if such consent is required to comply with any transaction deadlines.
- Any necessary investigation will be undertaken by the NCA. Employees and Councillors will be required to co-operate with any subsequent money laundering investigation.
- At no time and under no circumstances should the employee or Councillor voice any suspicions to the person(s) suspected of money laundering, even if the NCA

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has given consent to a particular transaction proceeding, without the specific consent of the Money Laundering Reporting Officer, otherwise a criminal offence of “tipping off” may be committed.

- Where the Money Laundering Reporting Officer concludes that there are no reasonable grounds to suspect money laundering then they shall mark the disclosure report accordingly and give their consent for any ongoing or imminent transaction(s) to proceed.
- All in-house disclosure reports and NCA Suspicious Activity Reports will be retained for a minimum of five years after the business relationship ends or an occasional transaction is completed.

9.8 **Record Keeping**

Each area of the Council which conducts relevant business must maintain suitable records of any completed due diligence checks and details of relevant transactions must be maintained for at least five years. This provides an audit trail and evidence for any subsequent investigation into money laundering, for example, distinguishing the client and the relevant transaction and recording in what form any funds were received or paid. In practice, the business units of the Council will be routinely making records of work carried out for clients in the course of normal business and these should suffice in this regard.

9.9 **Review of the Money Laundering Policy**

The Money Laundering Policy will be reviewed on an annual basis by the Head of Audit Services to ensure that it remains up to date, fit for purpose and represents generally acceptable good practice.

Schedule 10 : TMP 10 – Training and qualifications

10.1 Details of approved training courses, etc.

Principally using seminars and training, where appropriate, provided by Capita Asset Services:

- bi-annual seminars, including workshops
- regional training
- specific training or individual briefing sessions

A record will be maintained of all training courses and seminars attended by staff and councillors engaged in treasury management activities.

All staff engaged on treasury management activities will undergo regular management development reviews to assist in career development, etc.

The Chief Accountant, Finance Business Partner and Finance Manager (Treasury Management) will be professionally qualified accountants, preferably CIPFA.

Councillors charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

10.2 Standards of professional practice (SOPP)

The Council's Assistant Director Finance is a member of CIPFA. The postholder is committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained. Other senior staff involved in treasury management activities who are members of CIPFA will also comply with the SOPP.

Schedule 11 : TMP 11 – Use of external service providers

11.1 Details of contracts with service providers, including bankers, brokers, consultants, advisers and details of services provided

11.1.1 Core Banking Services

- (a) Name of supplier of service - National Westminster Bank plc, trading as RBS Commercial & Private Banking.
- (b) Contract commences 1 April 2015 and runs for five years with the option to extend for a further two years.
- (c) The above contract was awarded by Individual Executive Decision Notice on 11 November 2014.

11.1.2 Merchant Acquiring Services (Card Acquiring Services)

- (a) Name of supplier service – Lloyds Banking Group.
- (b) Contract commences 1 April 2015 and runs for five years with the option to extend for a further two years.
- (c) The above contract was awarded by Individual Executive Decision Notice on 30 January 2015.

11.1.3 Money-broking services

ICAP plc (formerly Intercapital plc)
Martin Brokers (UK) plc
Tullett Prebon (formerly Prebon Yamane)
Tradition UK Limited

11.1.4 Cash/fund management services

No external suppliers are used to provide these services.

11.1.5 Consultants'/advisers' services

- (a) Name of supplier of service – Capita Asset Services
- (b) Contract commenced 1 January 2015 for three years until 31 December 2017.
- (c) Service provided - treasury management specialist advice

11.2 Procedures and frequency for tendering services

See Schedule 2 : TMP 2 Performance measurement.

Schedule 12 : TMP 12 – Corporate governance

12.1 List of documents to be made available for public inspection

The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions.

The Council will make available to any interested party:

- Treasury Management Policy and Practices Statement
- Treasury Management Strategy Statement
- Annual Investment Strategy
- Minimum Revenue Provision policy statement
- Annual Treasury Report
- Treasury Management monitoring reports (quarterly)
- Annual Statement of Accounts and financial instruments disclosure note
- Annual budget and Medium Term Financial Strategy
- HRA Business Plan
- Approved Capital Programme
- Minutes of Council/Cabinet meetings

12.2 Procedures for consultation with stakeholders

Stakeholders have an opportunity to comment on the Council's Treasury Management activities as part of the overall annual budget consultation process and to inspect any transactions when the Council's accounts are placed on deposit for inspection each year.

12.3 List of external funds managed on behalf of others and the basis of attributing interest earned and costs to these investments

The Council does not manage funds on behalf of other organisations.

Cabinet Meeting

24 February 2016

Report title	2016/17 Budget and Medium Term Financial Strategy 2016/17 – 2019/20	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Keith Ireland, Managing Director	
Originating service	Strategic Finance	
Accountable employee(s)	Mark Taylor Tel Email	Director of Finance 01902 554410 mark.taylor@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Council Confident Capable Council Scrutiny Panel	15 February 2016 2 March 2016 20 April 2016

Recommendations for action or decision:

That Cabinet recommends that Council approves:

1. The net budget requirement for 2016/17 of £217.4 million for General Fund services (paragraph 12.3).
2. The Medium Term Financial Strategy 2016/17 to 2019/20 as detailed in Table 6 and the budget preparation parameters underpinning the MTFs as detailed in Appendix B.
3. A Council Tax for Council services in 2016/17 of £1,424.29 for a Band D property, being an increase of 3.99% on 2015/16 levels (paragraph 7.3), which incorporates the newly permitted 2% increase in relation to Adult Social Care (paragraph 7.2).

4. In principle the acceptance of the Government's offer of a four year settlement by 14 October 2016 (paragraph 3.3), noting that the Financial Plan and Efficiency Strategy will be reported to Cabinet and Council ahead of final acceptance of the offer.
5. The Efficiency Plan Relating to Capital Receipts Flexibility as detailed in Appendix C (paragraph 3.4).
6. That work starts on developing budget reductions for 2017/18 and progress be reported to Cabinet in July 2016 (paragraph 12.4).

That Cabinet is recommended to approve:

1. The changes to the 2016/17 draft budget for General Fund services, since the draft budget was last reported to Cabinet on 21 October 2015, as detailed in sections 3 to 12 and summarised in Appendix A.
2. The delegation of authority to the Director of Finance (Section 151 Officer) to agree the composite rate for employer's contributions with West Midlands Pension Fund.

Recommendations to note:

That Cabinet notes:

1. That the budget for 2016/17 is in balance without the use of general reserves (paragraph 12.2).
2. That, in the opinion of the Director of Finance (Section 151 Officer), the 2016/17 budget estimates are robust (paragraph 12.3).
3. That, in the opinion of the Director of Finance (Section 151 Officer), the proposed levels of reserves, provisions and balances is adequate in respect of the forthcoming financial year (paragraph 13.4).
4. That a further £54.6 million needs to be identified over the period 2017/18 to 2019/20 in order to address the projected budget deficit (paragraph 12.2).
5. That, due to external factors, budget assumptions remain subject to significant change, which could, therefore, result in alterations to the financial position facing the Council (paragraph 4.2).
6. That, having identified significant budget reductions over the last six financial years, the extent of the financial challenge over the medium term continues to represent the most significant that the council has ever faced (paragraph 12.6).

7. That the overall level of risk associated with the 2016/17 budget and Medium Term Financial Strategy 2016/17 – 2019/20 is assessed as Red (paragraph 15.1).
8. That Councillors must have due regard to the public sector equality duty (Section 149 of the Equality Act 2010) when making budget decisions (paragraph 18.0).

1.0 Purpose

- 1.1 This is the final report of the financial year on the 2016/17 Budget and the Medium Term Financial Strategy for the period to 2019/20. The report provides Cabinet with a budget for recommendation to Full Council.

2.0 Background and Summary

- 2.1 The Budget 2015/16 and Medium Term Financial Strategy (MTFS) 2015/16 to 2018/19 was presented to Full Council for approval on 4 March 2015. After taking into account budget reduction proposals approved during the 2015/16 budget setting process, equating to £26.9 million over the four year period to 2018/19, it was projected that the Council would be faced with finding further estimated budget reductions totalling £46.3 million by 2018/19.
- 2.2 A strategy to address the projected budget deficit over the medium term was approved by Full Council in March 2015, with an initial focus on identifying £20.0 million of additional budget reductions for 2016/17 during the first few months of the current financial year, in order to demonstrate that a balanced budget can be achieved in 2016/17. Whilst the projected budget deficit for 2016/17 stood at £14.8 million, a budget reduction target in excess of the projected budget deficit was deemed necessary due to the increased uncertainty surrounding future government funding. It was deemed that in the unlikely event that government funding is in line with, or better than, current projections, this strategy would give the Council some choice over the implementation of budget reduction proposals.
- 2.3 It is important to note that a £2.0 million Adult Services budget reduction target was incorporated into the existing MTFS within 2016/17, taking account of this the total budget reduction target for 2016/17 stood at £22.0 million in July 2015.
- 2.4 A review of the anticipated assumptions and projections built into the Draft Budget and Medium Term Financial Strategy 2016/17 – 2018/19 was undertaken following the Government Summer Budget 2015 announcement which indicated that there would be some additional cost pressures and potential further cuts to grant, in addition to reviewing existing assumptions concerning the successful delivery of significant levels of challenging budget reductions. As a result on 21 October 2015, Cabinet approved that the budget reduction target for 2016/17 be revised upwards from £22.0 million to £24.0 million. It is important to note, that this new budget reduction target for 2016/17 still included a prudent uplift of £5.2 million in anticipation of the forthcoming Spending Review.
- 2.5 On 21 October 2015 Cabinet approved that Reductions, Redesign and Income Generation proposals totalling £14.1 million and Financial Transactions and Base Budget Revisions totalling £7.1 million proceed to the formal consultation and scrutiny stages of the budget process. This left a shortfall against the revised budget reduction target of £2.8 million.

- 2.6 On 17 December 2015 the Government announced the provisional local government finance settlement for 2016/17. An analysis of the impact of the announcement on the assumptions included in the Medium Term Financial Strategy was reported to Cabinet on 13 January 2016. On 8 February 2016 the Secretary of State announced the final local government finance settlement.
- 2.7 On 3 February 2016 Cabinet received a report on the outcome of the consultation process along with the outcome of the scrutiny process.
- 2.8 This report provides an update on the outcome of the final local government finance settlement and also responds to the outcome of the budget scrutiny and consultation processes.

3.0 Final Local Government Finance Settlement

- 3.1 On 8 February 2016, the Secretary of State announced the final local government finance settlement, referred to herein as the final settlement, which provided details of the core government grants including Revenue Support Grant, Top Up Grant and New Homes Bonus. For Wolverhampton, the final announcements were broadly in line with the provisional settlement announced in December 2015.
- 3.2 In addition to providing the Council with final settlement figures for 2016/17, the Government have also provided each authority with indicative core government grant allocations for 2017/18 to 2019/20, to cover the Parliamentary period. In order to secure the four year settlement it is necessary to publish an efficiency strategy which must be approved by Full Council. As part of the final settlement announcements, the Secretary of State identified that councils would have until 14 October 2016 to consider and respond to the offer of a four year settlement. The Department for Communities and Local Government (DCLG) have indicated that they will be writing to each council shortly setting out the details of the multi-year settlement offer and the process for acceptance.
- 3.3 The provision of four year settlement information is welcome and would, to some extent, enable greater certainty in medium term financial planning. However, due to the outstanding grant funding information for future years and the potential transfer of responsibilities that the Government have alluded to, the impact of the settlement over the medium term remains uncertain at this stage. It is proposed that Cabinet recommend that Council approve in principle the acceptance of the Government's offer of a four year settlement by 14 October 2016. Following receipt of the guidance a Financial Plan and Efficiency Strategy will be reported to Cabinet and Council.
- 3.4 In the provisional settlement announcement, the Government also stated that councils will be able to use new capital receipts from April 2016 to March 2019 to pay for revenue set up costs of transformational projects that are designed to make revenue budget reductions. It is anticipated that this flexibility will form part of the wider efficiency strategy. Final guidance has not yet been issued by the Government regarding this new capital receipts flexibility, however DCLG have indicated that the final guidance will not differ significantly from the draft guidance. In accordance with the draft guidance, an

initial list of qualifying expenditure and corresponding efficiencies anticipated to be delivered are detailed at Appendix C. Council are recommended to approve the use of new capital receipts from April 2016 to March 2019 to fund revenue transformational projects as detailed as at Appendix C. The implications of the capital receipt plan are fully reflected in the 'Capital Programme 2015/16 to 2019/20 Quarter Three Review and 2016/17 to 2020/21 Budget Strategy' and 'Treasury Management Strategy 2016/17' reports which are also presented to Cabinet on this agenda. Regular updates on the capital receipt flexibility will be provided to Cabinet.

4.0 Medium Term Financial Strategy – Key Assumptions

- 4.1 Due to the financial challenges facing the Council, it continues to be increasingly important to consider next year's budget as part of a Medium Term Financial Strategy. As detailed in section 3 above, the final settlement provided the Council with indicative core grant allocations up to 2019/20, which provides an element of certainty; therefore the Medium Term Financial Strategy has now been extended to cover the same four year period to 2019/20. The major budget assumptions used in the preparation of the Medium Term Financial Strategy are set out in Appendix B. Specific assumptions are set out in more detail below.
- 4.2 It is particularly challenging to project key assumptions over the medium term period, however, they have been adjusted based upon the information available at present and professional judgement. It is important to note that, due to external factors, budget assumptions remain subject to significant change, which could, therefore, result in alterations to the financial position facing the Council.

5.0 Pay Related Pressures

- 5.1 Detailed work has been undertaken to assess the likely impact of Auto Enrolment, increases in employer's National Insurance contributions, the National Living Wage and proposed levels of Pay Award. In order to address the increase in National Living Wage it is anticipated that future pay award agreements will include increases of above 1% for the lower pay points and therefore a level of contingency has been built into the budget over the medium term. The projected increase arising from these combined pay related pressures is detailed in Table 1 below. The table details the estimated impact of pay awards, increases in employer's National Insurance and pension contributions and other known pay related pressures.

Table 1 – Pay Related Pressures

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Pay Award, Employers Pension and National Insurance	10,343	12,006	1,092	3,400
Annual Increments	1,833	1,250	1,000	750
	12,176	13,256	2,092	4,150

5.2 As in previous years, a composite rate for employer’s contributions to the pension fund, incorporating future service and deficit recovery costs, will be agreed with West Midlands Pension Fund. It is recommended that authority be delegated to the Director of Finance (Section 151 Officer) to agree this rate with the Fund.

6.0 Budget Pressures and Developments

6.1 Table 2 below details budget growth that has been incorporated into the Medium Term Financial Strategy.

Table 2 – Budget Pressures and Developments

	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Inflationary Pressures	3,149	4,265	4,069	4,000
Demographic and Demand Pressures	1,907	1,170	2,170	2,000
Developments	1,623	600	-	-
	6,679	6,035	6,239	6,000

6.2 Inflationary pressures include contract increases, utilities and the impact of the increases in the National Living Wage in relation to external contracts. As approved by Cabinet on 21 October 2015, £1.0 million of the Provision for Future Inflationary Pressures will be used to offset the impact of inflation on the General Fund; the figures above reflect this adjustment.

6.3 As previously, Demographic and Demand Pressures mainly relate to Social Care provision.

6.4 The budget has been increased to reflect development pressures in relation to the new Apprenticeship Levy. The local government settlement includes a levy of 0.5% of the pay bill to contribute to the training of apprentices from 2017/18 onwards. It is estimated that this will be approximately £600,000 for the Council. Work is being undertaken to establish the extent to which this cost can be mitigated by the securing of grant funding, back from the apprenticeship levy, for the training related cost of apprentices.

6.5 In addition provision has been made for an anticipated levy from the Combined Authority totalling £500,000 from 2016/17 onwards.

7.0 Council Tax

7.1 The Council Tax Base and NDR (Business Rates) Net Rate Yield 2016/17 report was presented to Cabinet on 13 January 2016. Cabinet approved that the Council Tax Base for 2016/17 is to be set at 60,405.94 Band D equivalents.

7.2 In the Autumn Spending Review the government announced that it is to allow local authorities with adult social care responsibilities, the power to raise an additional 2%

through Council Tax to fund adult social care. The 2% would be in addition to the Council Tax referendum limit and would need to be used for adult social care only. In accordance with Cabinet approval the Director of Finance notified the Secretary of State that the council intends to take up the 2% option to increase Council Tax to support Social Care. This report recommends that Cabinet approve the 2% adult social care precept on council tax for 2016/17.

- 7.3 Taking account of the above this report recommends a total increase in Council Tax of 3.99%, the maximum permitted without triggering a referendum.
- 7.4 Table 3 details the resulting impact on the level of the Council element of Council Tax for a Band D property in 2016/17. Details of the impact on all bands can be found in Appendix D.

Table 3 – Council element of Council Tax for Band D Property in Wolverhampton

Band D	£
2015/16 Council Element of the Council Tax	1,369.64
1.99% Increase	27.26
2% Adult Social Care Precept	27.39
	1,424.29

- 7.5 It is projected that income from Council Tax will rise in subsequent years, based upon the latest collection rates and tax base. Projections assume that Council Tax will continue to increase by the referendum limit of 1.99% and the 2% adult social care precept in future years, whilst the tax base is anticipated to rise by 0.5% each year.

8.0 Business Rates

- 8.1 The National Non-Domestic Rates Return 1 (NNDR1) was compiled and returned to the Department for Communities and Local Government (DCLG) by the deadline of 31 January 2016. As a result of updated information available to the Council, the Cabinet Member for Resources in consultation with the Director of Finance approved, via an Individual Executive Decision Notice, the final business rates yield for 2016/17 at £77.2 million of which the council will be expected to retain £37.8 million.
- 8.2 There are a number of Business Rates policies that the Government have stipulated for which the Council is reimbursed through section 31 of the Local Government Act 2003. These include a cap of 2% on the small business multiplier and the cost of temporary doubling of Small Business Rate Relief. Grant income totalling £2.0 million is projected for 2016/17 however; final confirmation from Government has not been received at the time of writing.

9.0 Collection Fund Deficit

- 9.1 On 13 January 2016 Cabinet received a report detailing the estimated outturn on the Collection Fund for 2015/16 which consisted of a projected cumulative surplus of £2.6 million on Council Tax and a projected cumulative deficit of £8.3 million on Business Rates.
- 9.2 Following revisions, arising as a result of further data becoming available and analysis being undertaken, the Cabinet Member for Resources in consultation with the Director of Finance approved, via an Individual Executive Decision Notice, the final total Collection Fund Estimated Outturn for 2015/16 at an accumulated deficit of £6.7 million, consisting of a £2.6 million projected surplus on Council Tax and a £9.3 million projected deficit on Business Rates. It is important to note, that the projected deficit on Business Rates has arisen primarily as a result of the backdating of Business Rates appeals prior to localisation.
- 9.3 The Council will retain £2.2 million of the total estimated 2015/16 Collection Fund accumulated deficit as detailed in Table 4.

Table 4 – Retained Element of Collection Fund Deficit

Element of Collection Fund	(Surplus) / Deficit £000	Retained %	Retained (Surplus) / Deficit £000
Council Tax	(2,571)	89.5%	(2,300)
Business Rates	9,258	49.0%	4,536
Total	6,687		2,236

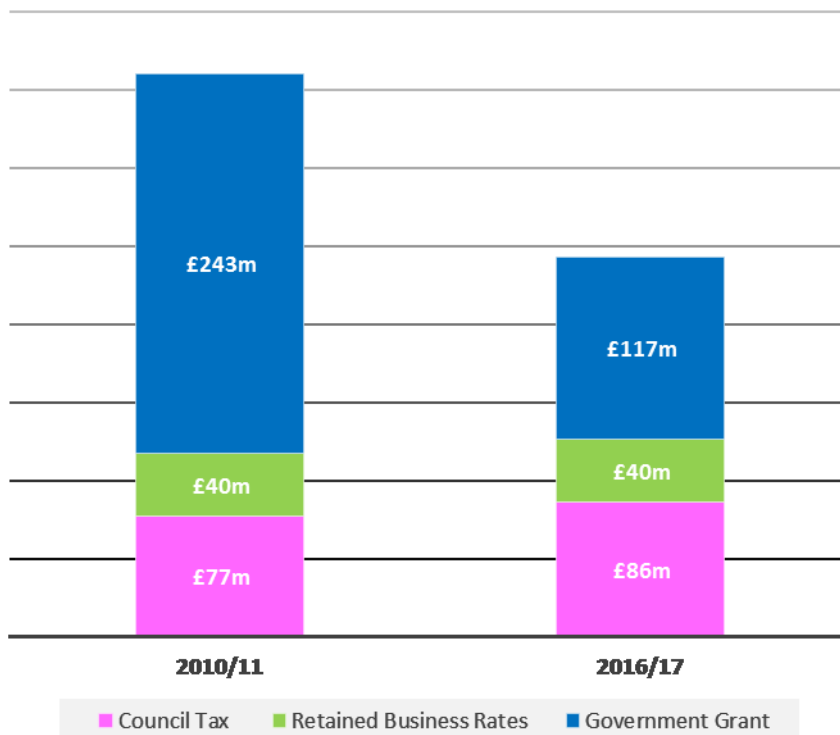
- 9.4 During the 2014/15 outturn process, a Business Rates Equalisation reserve was established to support the Council in relation to the deficit on the Collection Fund, primarily arising as a result of Business Rates appeals, £1.6 million of this Equalisation Reserve will be utilised in 2016/17 to reduce the impact of the deficit on the General Fund Budget.

10.0 Grants

- 10.1 On 13 January 2016 Cabinet were informed that the provisional settlement included indicative allocations for Revenue Support Grant, Top Up Grant, New Homes Bonus and Education Services Grant. The final settlement on 8 February 2016 confirmed these allocations for 2016/17 and indicative figures for the period to 2019/20.
- 10.2 The Government are undertaking consultation on proposed changes to the allocation of New Homes Bonus, specifically to reduce payments from 6 years to 4. The MTFS assumptions reflect this proposed change.

- 10.3 The Council was notified of the 2016/17 Public Health grant allocation and indicative allocation for 2017/18 on 11 February 2016. The grant allocation was broadly in line with current projections for 2016/17. The Department of Health have indicated that there will be a cash reduction of 9.6% over the period to 2019/20; based on the indicative allocation for 2017/18, further reductions of approximately 2.65% per annum would be necessary in 2018/19 and 2019/20.
- 10.4 The detail of these allocations and other specific grants can be found by following this link: <http://www.wolverhampton.gov.uk/financialstrategy>
- 10.5 At the time of writing the Council is still waiting for confirmation of Council Tax Admin Support Grant.
- 10.6 The following chart demonstrates the level of reduction in grant funding since 2010/11. It can be seen that there has been a reduction of over 50% in Government Grant over this period.

Analysis of Change in Funding at 2016/17 Prices (£m)



11.0 Budget reduction proposals

- 11.1 On 21 October 2015, Cabinet approved that Budget Reduction, Redesign and Income Generation proposals, totalling £14.1 million in 2016/17, should proceed to the formal consultation and scrutiny stages of the budget process and Financial Transactions and Base Budget Revisions totalling £7.1 million in 2016/17 be incorporated into the 2016/17 draft budget. Further details of individual proposals are available on the Council's website using the following link <http://www.wolverhampton.gov.uk/financialstrategy>
- 11.2 The results of budget consultation were reported to Cabinet on 3 February 2016. This report provides the final response of Cabinet to the budget consultation.
- 11.3 During November and the start of December 2015, each Scrutiny Panel reviewed and scrutinised the relevant budget reduction proposals. All of these views and observations were then reported to Scrutiny Board on 15 December 2015 and Cabinet on 3 February 2016. This report provides the final response of Cabinet to the budget scrutiny.
- 11.4 As a result of budget consultation and scrutiny processes a number of revisions are proposed.
- 11.5 The consultation process concluded that a significant number of respondents were not in favour of the reductions proposed in relation to Grounds Maintenance and also the reduction in school crossing patrols. Therefore it is proposed that these budget reductions are removed from the MTFS.
- 11.6 The online budget consultation indicated that 64% of respondents were not in favour of extending charging for the use of Public Conveniences. As a result, this report recommends that this income generation proposal is delayed until 2017/18 to allow for further detailed review of service provision before any changes to charges are implemented.
- 11.7 It is also proposed to delay the budget reduction proposals in relation to West Park Conservatory and Bilston Craft Gallery. In each case this will allow further time to establish a commercial approach.
- 11.8 The proposal to restructure the library service has been delayed until 2017/18 to allow for modelling of alternative methods of service delivery.
- 11.9 The Children's Services Redesign budget reduction has been rephased to reflect current information arising from the implementation plan.
- 11.10 Table 5 provides a summary of the financial impact of the proposed revisions.

Table 5 – Revisions to budget reduction proposals

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
Total of budget reduction proposals	(14,110)	4,126	458	-	(9,526)
Revisions - Deletion of budget reduction proposal					
Grounds Maintenance Reductions and Efficiencies in Service	11	11	-	-	22
Review School Crossing Patrols	10	-	-	-	10
Rephrasing of proposals					
West Park Conservatory Alternative Service Provision	40	(40)	-	-	-
Review Public Conveniences Provision	42	(34)	(8)	-	-
Bilston Craft Gallery Review Current Service Provision including delivery of exhibitions and craft play	20	(20)	-	-	-
Restructuring of the Library Service	500	(500)	-	-	-
Children's Services Redesign	750	(750)	-	-	-
Revised total of budget reductions	(12,737)	2,793	450	-	(9,494)

11.11 Further revisions are also proposed to budget reductions previously approved. In addition, there are a number of new budget reduction proposals that have been identified during the 2016/17 budget setting process. Further details are provided in Appendix E.

12.0 Updated Budget and Medium Term Financial Strategy

- 12.1 Table 6 details projections for the period to 2019/20; incorporating extensive budget preparation work that has been on-going in recent months for the 2016/17 budget, in addition to those adjustments arising as a result of changes in assumptions, as detailed in this report.
- 12.2 The Council is now faced with finding further budget reductions estimated at £54.6 million over the next three years. The Council's proposed budget for 2016/17 does not require the use of any general reserves in order to balance the budget.
- 12.3 The net budget requirement for 2016/17 for General Fund Services is £217.4 million. In the opinion of the Director of Finance (Section 151 Officer) the 2016/17 budget estimates are robust.
- 12.4 However, work must start immediately to identify additional budget reductions to address the projected £22.2 million budget deficit for 2017/18. It is proposed that an update on progress will be reported to Cabinet in July 2016.
- 12.5 The July 2016 report will also include a high level strategy for tackling the estimated additional budget reductions totalling £32.4 million required between 2018/19 and 2019/20, taking the total additional budget reductions to be identified to £54.6 million, in order to address the projected budget deficit over the medium term to 2019/20.

- 12.6 It is important to note that the updated projected budget deficit assumes the achievement of budget reduction proposals amounting to £37.4 million over the four year period to 2019/20. Having identified budget reductions in excess of £175.0 million over the last six financial years, the extent of the financial challenge over the medium term continues to represent the most significant that the Council has ever faced.
- 12.7 Appendix A analyses the changes that have taken place since 25 February 2015, whilst the Council's proposed budget for 2016/17 and the medium term forecast is shown at Table 6. Further supporting information will be available at <http://www.wolverhampton.gov.uk/financialstrategy>
- 12.8 An updated version of the Financial Plan will be produced to explain the extent of the financial challenge that is still faced by the Council to stakeholders. This document aims to inform stakeholders, in addition to supporting the 2017/18 budget consultation process.

Table 6 - Medium Term Financial Strategy 2016/17 to 2019/20

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Previous Years Net Budget Brought Forward	224,875	217,350	234,461	251,125
Increasing/ (Decreasing) Cost Pressures				
- Pay Related Pressures	12,176	13,256	2,092	4,150
- Treasury Management	(632)	2,455	14,309	164
- Budget Growth	6,679	6,035	6,239	6,000
- Full year effect of prior years budget reductions	(6,410)	(8,669)	(7,878)	(283)
- Financial Transactions and Base Budget Adjustments	(7,068)	1,349	1,204	-
- Budget Reduction Proposals - 2016/17 budget process	(12,887)	2,793	450	-
- Net Impact of change in specific grants	617	(108)	248	-
	(7,525)	17,111	16,664	10,031
Net Budget (Before Use of Resources)	217,350	234,461	251,125	261,156
Projected Corporate Resources				
Council Tax	(84,381)	(86,490)	(88,653)	(90,869)
Social Care Precept	(1,655)	(3,351)	(5,089)	(6,871)
Revenue Support Grant	(50,283)	(38,392)	(30,298)	(22,124)
Enterprise Zone Business Rates	(1,532)	(2,394)	(2,800)	(2,800)
Collection Fund (Surplus)/Deficit	2,237	-	-	-
Use of Business rates Equalisation Reserve	(1,592)	-	-	-
Top Up Grant	(36,198)	(36,910)	(38,000)	(39,213)
Localised Business Rates	(37,805)	(38,561)	(39,332)	(40,119)
New Homes Bonus	(3,957)	(4,154)	(2,610)	(2,504)
New Homes Bonus Adjustment Grant	(167)	-	-	-
Business Rates Section 31 Grant	(2,017)	(2,017)	(2,017)	(2,017)
	(217,350)	(212,269)	(208,799)	(206,518)
Projected Annual Change in Budget Deficit/(Surplus)	-	22,192	20,135	12,313
Projected Cumulative Budget Deficit	-	22,192	42,326	54,639

13.0 General Fund Reserves

13.1 General Fund Balances

13.2 The Reserves Policy requires the Council to maintain the minimum level of £10 million. As detailed in paragraph 12.2 the Council is able to set a balanced budget for 2016/17 without the use of General Fund Reserves. In order to maintain the required level of reserves it is necessary to deliver the budget reductions target of £54.6 million of the period to 2019/20 as detailed in Table 6.

13.3 Specific Reserves

13.4 Specific reserves represent monies set aside by the Council to fund future expenditure plans. In the opinion of the Director of Finance (Section 151 Officer), the proposed levels of reserves, provisions and balances is adequate in respect of the forthcoming financial year.

14.0 Redundancy Update

14.1 The Council continues to make progress with the voluntary redundancy (VR) exercise, having sought volunteers for redundancy/early retirement since late 2013. It is still anticipated that reductions of up to 2,000 full time equivalent staff will be required over the medium term period to 2018/19. The Council continues to work towards this, with over 1,200 people having received redundancy since May 2013.

14.2 Based upon the number of approved redundancies to date, in addition to the projected reduction in full time equivalent staff arising from budget reduction proposals identified during the 2014/15, 2015/16 and 2016/17 budget setting processes, it is anticipated that redundancy costs are likely to be in the region of £5 million in 2016/17, 2017/18 and 2018/19. It is worth highlighting that the redundancy costs are an estimate, and are subject to change dependent upon the number and nature of applications. The costs of redundancies will be funded by capital receipts through the new flexibilities outlined in paragraph 3.4.

14.3 Whilst it is the Council's policy to avoid making compulsory redundancies wherever it can, it is unrealistic to assume that these can be avoided altogether. Given the need to identify further budget reductions totalling £54.6 million over the medium term period to 2019/20, it is likely that there will be further significant redundancy costs to fund in future years.

15.0 Budget Risk Management

15.1 The following table provides a summary of the risks associated with the Medium Term Financial Strategy, using the corporate risk management methodology. The overall level of risk associated with the 2016/17 budget and Medium Term Financial Strategy 2016/17 – 2019/20 is assessed as Red.

Table 7 – General Fund Budget Risks 2016/17 – 2019/20

Risk	Description	Level of Risk
Medium Term Forecasting	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, uptake of pension auto enrolment, Equal Pay.	Amber
Budget Management	Risks that might materialise as a result of loss of key personnel or loss of ICTS facilities	Green
Transformation Programme	Risks that might materialise as a result of not identifying budget reductions, not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce.	Red
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. The risk of successful appeals against business rates.	Red
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 including changes in VAT and personal taxation rules and, in particular, from the Care Bill.	Red

16.0 Financial Implications

- 16.1 The financial implications are discussed in the body of the report.
[CN/15022016/Z]

17.0 Legal Implications

- 17.1 The Council's revenue budgets make assumptions which must be based on realistic projections about available resources, the costs of pay, inflation and service priorities and the likelihood of achieving any budget reduction proposals.
- 17.2 The legal duty to spend with propriety falls under S.151 Local Government Act 1972 and arrangements for proper administration of their affairs is secured by the S.151 Officer as Chief Financial Officer.
- 17.3 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to the Council when it is making the statutory calculations required to determine its Council Tax. The Council is required to take this report into account when making its budget decision. The Chief Financial Officer's report must deal with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides. Both are connected with matters of risk and uncertainty. They are inter-dependent and need to be considered together. In particular, decisions on the appropriate level of Reserves should be guided by advice based upon an assessment of all the circumstances considered likely to affect the Council.
- 17.4 The relevant guidance concerning reserves is Local Authority Accounting Panel Bulletin 77, issued by CIPFA in November 2008. Whilst the Bulletin does not prescribe an appropriate level of reserves, leaving this to the discretion of individual authorities, it does set out a number of important principles in determining the adequacy of reserves. It emphasises that decisions on the level of reserves must be consistent with the Council's MTFs, and have regard to the level of risk in budget plans, and the Council's financial management arrangements (including strategies to address risk).
- 17.5 In addition, Section 114 of the Local Government Finance Act 1988 requires the Chief Financial Officer to **'...make a report ... if it appears to him that the Authority, a committee or officer of the Authority, or a joint committee on which the Authority is represented'**:
- (a) has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful,
 - (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or
 - (c) is about to enter an item of account the entry of which is unlawful.
- 17.6 The Chief Financial Officer of a relevant Authority shall make a report under this section if it appears to him that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

17.7 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirement for 2016/17.
[KO/16022016/S]

18.0 Equalities implications

18.1 The council's annual budget and medium term financial strategy supports a range of services designed to meet key equalities objectives. A summary 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/financialstrategy>

18.2 Budget reduction proposals will only be implemented on completion of a full equalities analysis.

19.0 Human resources implications

19.1 In line with the Council's statutory duties as an employer under the Trade Union Labour Relations (Consolidation) Act 1992, an HR1 form has been issued to the Secretary of State for Business, Innovation and Skills identifying the intention to reduce the workforce by up to 1,000 jobs across the Council in the period up to 31 March 2016 through both voluntary redundancy and budget reduction targets which will result in compulsory redundancies. Further redundancies will be required in order to achieve the proposed budget reductions. A further HR1 will be issued, identifying the intention to reduce the workforce by up to a further 1,000 jobs in the period up to 31 March 2017.

19.2 Reductions in employee numbers will be achieved in line with the Council's HR policies. Compulsory redundancies will be mitigated as far as is possible through seeking voluntary redundancies in the first instance, and through access to redeployment. Given the volume and range of budget reductions being proposed, there will be reductions in services and employee numbers which will require fair and due process to be followed regarding consultation, selection and implementation of any compulsory redundancies. The accelerated timetable for achieving budget reductions in the light of the financial settlement is likely to require the Council, as an employer, to utilise the statutory 45 day and 30 day consultation periods for some service reductions, rather than the best practice position of allowing, where possible, 90 days.

19.3 The Council will ensure that appropriate support is made available to employees who are at risk of and selected for redundancy, and will work with partner and external agencies to provide support. Budget reduction targets to move service delivery from direct Council management to private, community or third sector providers may have implications under the TUPE regulations.

19.4 There is on-going consultation with the trade unions on the impact of the Council's budgetary position and the targets being made to meet the challenges posed by it.

20.0 Schedule of Background Papers

Scrutiny Board Comments – 2016/17 Draft Budget, report to Cabinet, 3 February 2016

Budget 2016/17 – Outcome of Consultation, report to Cabinet, 3 February 2016

Final Business Rates Yield 2016/17 and Collection Fund Estimated Outturn 2015/16, Individual Executive Decision Notice, 28 January 2016

2016/17 Budget and Medium Term Financial Strategy 2016/17 to 2018/19 – Provisional local Government Finance Settlement Update, report to Cabinet, 13 January 2016

Council Taxbase and Business Rates (NDR) net rate yield 2016/17, report to Cabinet, 13 January 2016

Collection Fund Estimated Outturn 2015/16, report to Cabinet, 13 January 2016

Draft Budget 2016/17, report to Cabinet, 21 October 2015.

Draft Budget and Medium Term Financial Strategy 2016/17 – 2018/19, report to Cabinet, 22 July 2015.

Revenue Outturn 2014/15, report to Cabinet, 22 July 2015.

Reserves, Provisions and Balances, report to Cabinet, 22 July 2015.

Budget 2015/16 and Medium Term Financial Strategy 2015/16 – 2018/19, report to Full Council, 4 March 2015.

Medium Term Financial Strategy: Analysis of Changes since 25 February 2015

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Projected Budget Challenge - 25 February 2015	14,800	29,813	46,284	46,284
Changes since 25 February 2015				
<i>Changes to growth projections:</i>				
Pay related pressures	1,172	(350)	(1,250)	4,150
Inflationary	533	1,146	1,146	4,000
Treasury	(2,898)	1,737	2,801	164
Demographic pressures	(1,000)	(1,000)	-	2,000
Budget Developments	317	600	-	-
Changes to budget reduction projections	(11,242)	4,836	3,722	(283)
Changes to Specific Grants	360	(360)	-	-
Changes to Corporate Resources projections	(2,042)	570	(2,756)	2,282
Total Changes since 21 October 2015	(14,800)	7,179	3,663	12,313
Add: Cumulative Budget Adjustments	-	(14,800)	(7,621)	(3,958)
Projected Budget Challenge 24 February 2016	-	22,192	42,326	54,639

Budget Preparation Parameters

The following key parameters have been reflected in the budget and medium term projections.

	2016/17 Forecast Budget	2017/18 Forecast Budget	2018/19 Forecast Budget	2019/20 Forecast Budget
Council Tax Annual Increase (Council element)	1.99%	1.99%	1.99%	1.99%
Growth in Council Tax Base	0.5%	0.5%	0.5%	0.5%
Adult Social Care Precept (Council element)	2.0%	2.0%	2.0%	2.0%
Pay Awards *	1.0%	1.0%	1.0%	2.0%
Price Inflation (excl. Gas, Electricity and NNDR)	0.0%	0.0%	0.0%	0.0%
Price Inflation (Gas)	0.0%	6.1%	5.8%	5.8%
Price Inflation (Electricity)	2.0%	2.5%	2.5%	2.5%
Price Inflation (NNDR)	1.0%	2.0%	2.0%	2.0%
Borrowing Interest Rate (PWLB 25 year rate)	3.7%	4.0%	4.1%	4.1%
Return on Investments	0.5%	0.5%	0.5%	0.5%
NNDR Income Annual Increase	0.8%	2.0%	2.0%	2.0%
Growth in NNDR Tax Base	0.0%	0.0%	0.0%	0.0%
Increase/(Decrease) in Top-Up Grant	0.8%	2.0%	3.0%	3.2%
Increase/(Decrease) in Revenue Support Grant	(20.5)%	(23.6)%	(21.1)%	(27.0)%

* As detailed in paragraph 5.1, in order to address the increase in National Living Wage it is anticipated that future pay award agreements will include increases of above 1% for the lower pay points and therefore a level of contingency has been built into the budget over the medium term.

Efficiency Strategy – Capital Receipt Flexibility

	2016/17 £000	2017/18 £000	2018/19 £000
Qualifying Transformational Projects			
Project – Estimated Redundancy and Early Retirement Costs associated with service reconfiguration, restructuring and rationalisation. Budget Reductions/Efficiencies – in accordance with our approved policy the payback on these costs is generally no greater than 18 months.	5,000	5,000	5,000
Project – Investment in increased numbers of Children’s Social Workers to reduce caseload in order to provide capacity for early intervention work. Budget Reductions/Efficiencies – contributing towards the overall Children’s Service Transformation annual budget reduction target of £6.35 million.	up to 380	-	-
Project – Professional costs associated with the debt refinancing of the BSF, PFI scheme. Budget Reductions/Efficiencies – contributing towards the overall budget reduction of £4.2 million over the remaining life of the contract.	1,000	-	-
Project – Feasibility of the investment in an energy company Budget Reductions/Efficiencies – to be determined through the feasibility	50	-	-
Project – Professional fees associated with the Customer Services Review. Budget Reductions/Efficiencies – contributing towards the overall annual budget reduction of £1.5 million.	200	-	-

Note:

1. The implications of this plan are fully reflected in the Capital Programme and Treasury Management Strategy including the appropriate prudential indicators.
2. Further projects will be developed and an updated plan will be reported to Cabinet.

Council Element of Council Tax for 2016/17 per Band

Valuation Band (1 April 1991)	Values not exceeding £40,000	Values exceeding £40,000 but not exceeding £52,000	Values exceeding £52,000 but not exceeding £68,000	Values exceeding £68,000 but not exceeding £88,000	Values exceeding £88,000 but not exceeding £120,000	Values exceeding £120,000 but not exceeding £160,000	Values exceeding £160,000 but not exceeding £320,000	Values exceeding £320,000
	A 6/9	B 7/9	C 8/9	D 9/9	E 11/9	F 13/9	G 15/9	H 18/9
Council Tax 2015/16 (Council element)	913.10	1,065.28	1,217.46	1,369.64	1,674.01	1,978.37	2,282.74	2,739.29
1.99% increase in Council Tax	18.17	21.20	24.23	27.26	33.31	39.37	45.43	54.51
2% Adult Social Care Precept	18.26	21.31	24.35	27.39	33.48	39.57	45.65	54.79
Council Tax 2016/17 (Council element)	949.53	1,107.79	1,266.04	1,424.29	1,740.80	2,057.31	2,373.82	2,848.59

Analysis of Adjustments to Previously Approved Budget Reduction Proposals

		2016/17	2017/18	2018/19	2019/20
		£000	£000	£000	£000
Previously Approved Budget Reduction Proposals	Description of change				
Future Space	Acceleration of delivery of budget reduction	(338)	444	(108)	(158)
Haven contract	Rephasing of budget reduction to allow for transition to reduced level of funding.	50	(50)	-	-
HSSI - very sheltered contracts	Amendment in budget reduction to reflect the outcome of contract negotiations	152	-	-	-
Care purchasing	Rephasing to reflect current implementation plan	500	(500)	-	-
Education proposals	Rephased to reflect a realistic delivery plan	350	-	(150)	(125)
Terms and conditions	It is intended that this budget reduction will be delivered with support of the unions, however, it will be removed from budget in order to be prudent, but remains a target and monitoring mechanism will be developed	400	-	-	-
Council Tax Benefits overpayments	This budget reduction has now been incorporated into the forecast income from council tax	(50)	-	-	-
Improve collection rate for Council Tax	This budget reduction has now been incorporated into the forecast income from council tax	60	-	-	-
New Budget Reduction Proposals					
ITA levy	Reduction in the forecast levy in line with latest projections from the ITA	(200)	-	-	-
Gas Contract	Reduction in contract costs following a tender process	(200)	-	-	-
Charge to Wolverhampton Homes	Income generated through re-couping costs associated with investment in ICTS	(250)	-	-	-

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Cabinet Meeting

24 February 2016

Report title	Wolverhampton Homes Annual Delivery Plan 2016-17	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Peter Bilson City Assets	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Lesley Roberts, Housing	
Originating service	Housing	
Accountable employee(s)	Kenny Aitchison	Service Manager Housing Strategy and Development Tel 01902 554841 Email kenny.aitchison@wolverhampton.gov.uk
Report has been considered by	Improving The City Housing Offer Board	27 January 2016
	Delivery Plan Quarterly Monitoring Group	10 February 2016

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Accept the Wolverhampton Homes Annual Delivery Plan 2016-17 and recommend its approval by Full Council.

1.0 Purpose

- 1.1 The purpose of this report is to seek Cabinet acceptance of the Wolverhampton Homes Annual Delivery Plan 2016-17 and to recommend approval of the plan by Full Council.

2.0 Background

- 2.1 Under the terms of the management agreement between the Council and Wolverhampton Homes, the latter has to produce an Annual Delivery Plan. The plan as developed in consultation with the Council sets out:

- How Wolverhampton Homes will manage and maintain council owned properties for the financial year 2016-17
- The revenue, capital and staffing resources available to deliver the above services
- Wolverhampton Homes' contribution to meeting the wider strategic objectives of the Council and the Local Strategic Partnership.

- 2.2 The management agreement also requires that the final version of the Annual Delivery Plan is considered and endorsed by the Delivery Plan Monitoring Group. This group is chaired by the Cabinet Member for City Assets and its membership drawn from senior officers and Board members of Wolverhampton Homes and the Council, together with representatives of the Wolverhampton Federation of Tenants Associations.

- 2.3 The Delivery Plan Monitoring Group receives quarterly reports from Wolverhampton Homes on the progress against the Annual Delivery Plan, enabling the group to monitor the outcomes against the activities detailed in the Action Plan (Appendix 2 of Delivery Plan) and the Key Performance Targets detailed (Appendix 3 of the Delivery Plan).

- 2.4 Wolverhampton Homes progress towards achieving performance indicator targets (Appendix 3 of the Delivery Plan) are also monitored monthly or quarterly, as appropriate, at joint performance monitoring meetings between Council employees and officers from Wolverhampton Homes.

3.0 Annual Delivery Plan 2016-17

- 3.1 The contents of the Annual Delivery Plan 2016-17 have been negotiated between Wolverhampton Homes and Council employees over the past three months. The Council's input was led by the Housing Strategy and Development Team.

- 3.2 At the meeting of the Delivery Plan Monitoring Group on 10 February 2016 the group endorsed the Annual Delivery Plan recommending it to the Council and the Board of Wolverhampton Homes for their acceptance. The Annual Delivery Plan must be accepted by both organisations before the end of March 2016 to allow implementation on 1 April 2016.

- 3.3 The Annual Delivery Plan sets out how Wolverhampton Homes proposes to deliver services and support the strategic objectives of the Council.

- The Financial Plan section details the allowances and other income within which expenditure on the delivery of the Plan must be achieved and contained.
- The Human Resource section sets out the on-going need for Wolverhampton Homes to continue to realign resources to address Welfare Reform challenges, in particular the potential roll out of Universal Credit and the specific need to focus on income recovery as a result.

3.4 Appendix 1 of the Annual Delivery Plan shows the Performance Review Arrangements which are reviewed annually as part of the Delivery Plan negotiations.

3.5 The Priorities Action Plan Appendix 2 details how the aims and objectives of the delivery plan will be achieved.

3.6 The Delivery Plan contains the performance indicator targets agreed between the Council and Wolverhampton Homes for 2016-17 in Appendix 3.

3.7 The ongoing development of the City housing offer will also include consideration of how plans such as this can continue to contribute to improving housing across the City.

4.0 Financial implications

4.1 The financial implications of the Annual Delivery Plan 2015-16 are set out on pages 14 to 17 of the plan. The Annual Delivery Plan is consistent with the approved Housing Revenue Account (HRA) Business Plan.
[JB/15022016/T]

5.0 Legal implications

5.1 The Annual Delivery Plan forms part of the contractual management agreement between Wolverhampton City Council and Wolverhampton Homes.
[TS/10022106/T]

6.0 Equalities implications

6.1 Wolverhampton Homes Delivery Plan has equalities implications. Each of the workstreams that the plan describes and summarises has been the subject of equality analysis within Wolverhampton Homes and in relation to the work planned to be undertaken during the term of the document. As a result of these considerations and analyses Councillors can be confident that they have complied with the requirements of the General Equality Duty as created by Section 149 of the Equality Act 2010.

Wolverhampton Homes has a set of Equalities Objectives as similarly required by the Specific Equality Duty also created by the Equality Act. The actions that flow from these objectives set out to meet this duty are those contained within the Delivery Plan which further supports the Council's requirements in terms of its compliance with the Act and the duties created by the Act.

7.0 Environmental implications

- 7.1 There are no direct environmental implications from this report, however, the delivery of the Decent Homes programme and other estate and property based programmes will contribute to the improvement of living conditions, enhance the visual appearance of neighbourhoods and investment in the housing stock will contribute towards reducing carbon emissions..

8.0 Human resources implications

- 8.1 There are no direct human resources implications emanating from the Annual Delivery Plan for the Council. The monitoring of the plan will be carried out by Housing Services within current staffing resources. Section 4 of the annual Delivery Plan sets out in detail the human resources implications and the need for organisational change within Wolverhampton Homes in 2015-16.

9.0 Corporate landlord implications

- 9.1 This report deals exclusively with the Council's housing stock and therefore has no direct Corporate Landlord implications.

10.0 Schedule of background papers

- 10.1 Wolverhampton Homes Annual Delivery Plan 2016-17
- Appendix 1 Wolverhampton Homes Annual Delivery Plan 2016-17– Performance Review Arrangements
 - Appendix 2 Wolverhampton Homes Annual Delivery Plan 2016-17– Priorities Action Plan
 - Appendix 3 Wolverhampton Homes Annual Delivery Plan 2016-17– Targets



Wolverhampton Homes

Delivery Plan 2016-17

Version: draft 12 – 12 January 2016

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- 1. Wolverhampton Homes' management responsibilities and performance framework**
- 2. Supporting local priorities and priority actions for 2016-17**
- 3. Financial plan for 2016-17**
- 4. Human resources plan for 2016-17**

Appendices:

- 1: Summary of Performance Review Arrangements for City of Wolverhampton Council to monitor Wolverhampton Homes
- 2: Action plan for delivery of 2016-17 priorities
- 3: Performance targets for 2016-17

INTRODUCTION AND FOREWORD

Welcome to the Wolverhampton Homes 2016-17 Delivery Plan. Now the Decent Homes programme has finished Wolverhampton Homes is taking the opportunity to re-focus its Delivery Plan on wider tenant issues.

Wolverhampton Homes' opportunities and aspirations to do more are set against the backdrop of the challenges faced by both the Council and Wolverhampton Homes, the housing sector in general and the wider community including the challenges from welfare reforms.

With this as a context, this document outlines the plans for next year and Wolverhampton Homes' aspirations for the future. It details Wolverhampton Homes' priorities and the actions and resources that will be applied to ensure the successful delivery of Wolverhampton Homes' aims. The plan will be formally agreed with the Council before the start of the year and will then be reviewed on a quarterly basis.

The plan demonstrates how Wolverhampton Homes will support the Council's priorities in relation to the Wolverhampton City Strategy 2011-26, the Wolverhampton Housing Strategy 2013-18 and the Local Investment Plan 2015-18. The relationship with the Council has always been supportive and Wolverhampton Homes wants to see it develop into an even stronger partnership – working together to deliver to the community.

Although the future for social housing may look challenging Wolverhampton Homes is keen to continue to deliver quality housing and housing management, but also to make a difference to the lives of its tenants and leaseholders through initiatives such as Digital First and Learning Employment and Achievement Programme LEAP. Wolverhampton Homes is keen continue to work with tenants to understand their expectations and the issues faced by the communities in which they live and play its part in helping them cope with the changes they will be facing.

Sue Roberts MBE (Chair)
Wolverhampton Homes

Cllr. Peter Bilson
(Cabinet Member)
City of Wolverhampton
Council

1 Wolverhampton Homes' management responsibilities and performance framework

1.1 Overall Wolverhampton Homes manages just under 23,000 properties of which 2,100 are leaseholds.

1.2 *Overview of governance and operational arrangements*

1.2.1 Wolverhampton Homes is an arms length management organisation (ALMO). It is a company limited by guarantee, wholly owned by City of Wolverhampton Council. Wolverhampton Homes started in 2005 and is operating under a 15 year management agreement signed in 2013.

1.2.2 Wolverhampton Homes is currently run by a board of five Council nominees, five tenants and five independent members. The board is responsible for the strategic direction of the company. Operational arrangements are led by the senior management team. This consists of the Chief Executive, three directors and two assistant directors.

1.2.3 The importance of involving tenants and leaseholders in influencing decisions about service planning and delivery is reflected in Wolverhampton Homes' governance and operational arrangements. In addition to representation at board level, a comprehensive range of formal and informal involvement mechanisms has evolved which aim to promote projects to develop pride, capacity and community spirit. These include:

- Review Panel carrying out tenant led scrutiny of Wolverhampton Homes' services
- Four local "Get Together's" held three times a year in each of the management areas and two city wide meetings held in winter
- Leaseholder forum
- The Federation and individual Tenants and Residents Associations representing tenants at estate level
- Mystery shopping
- Focus groups and satisfaction surveys, and
- One off projects that address specific community needs

1.3 *Performance framework*

1.3.1 Wolverhampton Homes has implemented a refreshed performance management and quality framework. This has moved the focus from a suite of performance indicators that were required by the government and audit commission to a streamlined suite of key performance indicators that reflect business and customer priorities.

1.3.2 Wolverhampton Homes is monitored by the Council within the terms of the Management Agreement.

2 Supporting local priorities and priority actions for 2016-17

2.1.1 The Business Plan 2013-18 provides an overview for how Wolverhampton Homes will support the Council's key strategies and meet customer requirements. This forms the basis for Wolverhampton Home's delivery plan targets for 2016/17. It has been supplemented by issues coming from the 2015 Summer Budget, the November 2015 Comprehensive Spending Review, and the Council's recent decision for Wolverhampton Homes to set up a subsidiary for new build.

2.1.2 The priorities for 2016/17 are:

- Supporting the Council's City and Housing Strategies
- Undertaking a role in supporting the Council's aspirations for new build which includes the setting up of a subsidiary of Wolverhampton Homes for the delivery of new homes
- The roll out of Digital First and the promotion of Wolverhampton Home's online self-service
- Continued focus on Wolverhampton Home's very successful Learning Employment and Achievement Programme (LEAP)
- Expanding Wolverhampton Home's social enterprise/commercial business – continuing to expand Wolverhampton Home's commercial activities, with a closer link to LEAP
- Responding to Welfare Reform and introduction of Universal Credit
- Further value for money (VFM) reviews to help Wolverhampton Home's make the most of available resources
- Continued focus on improving leaseholder satisfaction
- Managing the impact of the continued management fee freeze

Wolverhampton Homes recognises and welcomes the key role it can play in supporting the wider City objectives for economic recovery and growth and improved housing opportunities for all residents

2.2 **Action plan for 2016-17 – Key Themes**

2.2.1 Some on-going actions, particularly around managing the impact of Welfare Reform, will continue to impact on service delivery and will continue as part of Wolverhampton Home's delivery plan. Added to on-going issues like welfare reform, there are a number of new priority areas for 2016/17.

Safeguarding and vulnerability

2.2.2 An important issue for the Wolverhampton Homes 2016/17 delivery plan is the safeguarding agenda. Wolverhampton Homes is keen to use its LEAP initiative to continue to provide support to an increasing number of looked after children and support them into work.

- 2.2.3 Following a successful development project in 2015/16 a new vulnerabilities database will come into use in 2016/17 to assist in directing Wolverhampton Home's resources to supporting Wolverhampton Homes' most vulnerable tenants. The database risk assesses Wolverhampton Home's most vulnerable tenants to enable us to best target limited resources to provide support where it is most needed. As the company starts to learn from the data base Wolverhampton Homes anticipates it will become even more aware of vulnerable individuals or groups of tenants and will make changes to support them. We also intend to use our database to anticipate and plan for problems and prevent them by using our data better. This will see changes in how we deliver services during 2016/17.
- 2.2.4 This is all part of our initiative to "redefine excellence". Redefining excellence is about promoting self-service and other lower cost service delivery options so we can refocus resources on the most needy. In addition, Wolverhampton Home's will also continue to work closely with the council in the establishment of the MASH to assist with safeguarding vulnerable people.
- 2.2.5 Through Wolverhampton Homes' corporate social responsibility work (Giving Something Back) Wolverhampton Home's will be supporting a befriending service that will make regular contact with elderly isolated tenants within Wolverhampton Homes' managed properties. Linked to this Wolverhampton Homes' Digital First campaign will continue to target Wolverhampton Homes' most digitally excluded tenants to get on line to assist them with education and training, job search and the transition to universal credit.

Managing and delivering change

- 2.2.6 In 2015/16 there was a major change in the way housing services were provided within the City. The Wolverhampton Homes Chief Executive also now performs the role of Strategic Director for housing within the Council. There is now one post responsible for both Wolverhampton Homes and retained housing services provided by the City Council. At the end of 2015/16 there were further changes to the way services are managed. Changes to the Wolverhampton Homes senior management team at the end of 2015/16 saw the number of Directors reduce from four to three and appointment of two new assistant director roles. This has meant major changes in responsibilities at a senior level.
- 2.2.7 An important priority for 2016/17 will be bedding in this new structure and taking advantage of opportunities that arise for further efficiency improvements. A programme of reviews in 2016/17 will focus on how some specific services are delivered and how these arrangements can be improved. Clearly, bearing in mind its new structure Wolverhampton Homes has an opportunity to look for greater integration between Housing and Property services as they are now brought together under one director.
- 2.2.8 Service reviews will be a priority in 2016/17. It is essential that as much resource as possible is made available for dealing with vulnerable tenants. All reviews will be carried out in the context that Wolverhampton Homes' financial planning is based on the need to reduce staffing to ensure Wolverhampton Home's keep to budget. This will result in some further small scale restructuring in specific parts of the organisation in 2016/17 taking advantage where possible of retirements and resignations. To make the most of

our resources it is important that as much resource as possible is made available for dealing with vulnerable tenants, income recovery and Digital First.

- 2.2.9 An important change that will come into force in 2016/17 is the introduction of shared services with the City Council from 1 April 2016. This sharing of services will see new combined back office services covering finance, payment processing, desktop IT support and procurement. It will offer opportunities for both Wolverhampton Homes and the City Council to learn from best practice and improve the quality of back office services overall. New service level agreements and monitoring arrangements will need to be bedded in with the City Council to cover what were formerly in-house services. This sharing of back office services will reduce costs overall and move the focus within the company for some services from the direct management of teams to ensuring service standards are met within the new SLAs.

2.3 Service Development Priorities for 2016/17

Digital First

- 2.3.1 From a customer service perspective one of Wolverhampton Homes' key priorities for 2016/17 will be the further roll out of on-line and automated services to tenants and leaseholders. This will encourage tenants to "Get Online" to assist them with job search, social inclusion and coping with changes to welfare benefits.

Establishing a wholly owned subsidiary for new build development

- 2.3.2 At the end of 2015 the Council agreed to the establishment of a wholly owned company (WOC) within Wolverhampton Homes for the delivery of new build property. An important element of the 2016/17 Delivery Plan will be the work associated with the establishment of the WOC as a new delivery arm of Wolverhampton Homes by mid-2016. Following on from this the new WOC will want to hit the ground running with the development of its first new build sites.
- 2.3.3 Detailed sites and development plans have yet to be agreed. However, the intention is that the company will deliver approximately 150 new build properties per year starting with its first completions in 2017/18. Over the first five years the proposal could potentially deliver 750 new build properties across the city. These properties will be for a variety of tenures and include some units for private sale. This development not only offers Wolverhampton Homes the exciting prospect of being involved in new build it also offers an opportunity to manage some new rented stock.
- 2.3.4 The use of the new company subsidiary developing a number of sites offers Wolverhampton Homes the opportunity to assist the council with dealing with the housing shortage in Wolverhampton and the regeneration of some long-term undeveloped sites across the city.

Leaseholders

- 2.3.5 The 2015/16 financial year saw definitive guidance from the courts on the three different leases issued since the commencement of Right to Buy for the City's 2,100 leaseholders.

Wolverhampton Home's plans to build on improved relationship with leaseholders in 2016/17. A key objective will be agreeing maintenance and improvement works for the City's flatted estates overall. Merridale Court which has a large number of leaseholders will be the second biggest capital scheme for Wolverhampton Homes next year and will be an important focus for our leasehold team.

Tenancy Management

- 2.3.6 Two major cost elements for any social housing provider are the management of rent collection and arrears, and costs associated with the re-letting void properties. Wolverhampton Homes will continue to work hard on pathways into housing so that new tenants are clear on their obligations as tenants to pay rent on time and look after their properties. Reducing our voids costs in the future will be as much about ensuring that people are fully prepared to take on responsibilities as tenants and sustain their tenancies long term as it will be about reducing direct repair costs and void turnaround times.
- 2.3.7 Our Digital First strategy is aimed at getting as many tenants who are able to use on-line services so resources can be focused on the most vulnerable. An important part of delivering on this strategy will be ensuring all new tenants are signed up and able to use our on-line services going forward. Investing in training and preparation for new tenants will be an important part of our future plans.

Value for Money

- 2.3.8 The Councils 2016/17 HRA business plan includes provision to extend the current management fee freeze, which has been in place since 2011 to a new end date of 2018. This is reflected in our medium term financial planning but underlines the need to constantly review our spending. In 2016/17 we plan to revise and reissue our value for money strategy with a renewed focus on 'back to basics'. Wolverhampton Homes plans to look again at some of our key processes like void repairs and lettings to see if further efficiencies can be made and costs can be reduced.

Supporting Youth and Employment

- 2.3.9 Wolverhampton Homes is pleased that it has been offered a place on the board for "The Way", the new youth facility that has opened in the city centre. Wolverhampton Homes are keen to support the development because similar initiatives elsewhere have done a great deal to raise aspirations, educational success and employment prospects for young people.
- 2.3.10 In 2016/17 Wolverhampton Homes plans to work with its partners to expand Wolverhampton Works to provide more education and employment opportunities for its tenants and leaseholders. Wolverhampton Works has already been very successful in helping young people into employment education and training and we want this to continue this in future years.

Reviewing Governance

- 2.3.11 From an internal governance perspective, in Wolverhampton Homes' eleventh year the time is right to review how Wolverhampton Homes' manage its affairs at board level. Current governance structures will be reviewed in 2016/17.
Social Housing Finance and Policy issues
- 2.3.12 There were significant changes to social housing policy and finance announced in the 2015 Summer Budget following the general election. The Government's plans for future rent levels, new build, incentivising right to buy and further changes to welfare benefits will have the effect long term of reducing likely levels of resource for both the management and maintenance of stock and capital investment, as well as increasing the level of right to buy sales. Lower rent levels will also make it more difficult to make new build schemes stack up in financial terms at either social or affordable rent levels.

Staff and Tenant/Leasehold Engagement

- 2.3.13 Bearing in mind the level of change Wolverhampton Homes is facing in 2016/17 it will be important to maintain the momentum Wolverhampton Homes has created with staff engagement in the last few years. However, in the context of the financial pressures Wolverhampton Homes faces, Wolverhampton Homes need to reassess how it does this effectively. Although taking part in the Times 100 Best Companies survey has been effective it has also been at a cost and Wolverhampton Homes needs to decide how best to spend its money to support staff engagement going forward. However Wolverhampton Homes does it, bringing staff along and engaging them in delivering the huge changes that will be needed is essential to the success of the delivery plan.
- 2.3.14 Working closely with tenants, leaseholders and other key stakeholders, including the Council, Wolverhampton Homes has the potential to make a real difference to the lives, not only of its customers, but also of the wider community. Tenants will continue to play a role through tenant involvement activities in ensuring that service delivery is properly scrutinised and in the shaping of services.
- 2.3.15 Appendix 1 shows how Wolverhampton Homes will take forward the key priorities from the business plan during 2016-17.

2.4. *Performance indicators and targets for 2016-17*

- 2.4.1 Appendix 2 sets out the key performance indicators and targets relevant to the Delivery Plan 2016-17. These are not the entire suite of performance indicators used by Wolverhampton Homes as the basis for monitoring and improving services however they are the most relevant to the priorities set out above and in the action plan.

3 FINANCIAL PLAN FOR 2016-17

- 3.1 The financial environment for local authority social housing was changed significantly by the implementation nationally of the self-financing housing revenue account (HRA) business plans in 2012. This meant for the first time that Councils were able to produce 30 year business plans for the HRA to cover both revenue and capital expenditure. The

new self-financing model provided Councils with greater flexibility within the HRA in terms of moving money between the two and planning ahead.

- 3.2 To focus more resources into new build, at the end of 2013 the Council revised the HRA business plan, resulting in a reduction in forecast Wolverhampton Homes management fees over five years. A management fee freeze was introduced which meant that in effect the Company had to save 2% per year to cover the effects of inflation from its own resources. This has been the basis for financial planning within the company since 2013.
- 3.3 The Chancellor's 2015 budget was unexpected for social housing nationally in that it removed the Government's previous commitment to increase rents / housing benefit by the consumer price index plus 1% over a decade. Layered on top of this other changes such as further incentives to right to buy sales have also reduced forecast revenues for the housing revenue account. The financial impact of the budget for the Wolverhampton City Council HRA is very significant. The re-worked HRA business plan taking account of the budget forecasts a reduction in income of £622M to the HRA over its 30 year timescale.
- 3.4 To accommodate the Government's cuts the Council's revised HRA model has had to extend the management fee freeze to 2018 and scale back inflation allowances thereafter.
- 3.5 Wolverhampton Homes has built its 2016/17 budget around the assumption of an extended cash freeze. Although the Company has built up reserves to cope with pressures on its management fee it needs to continue to make savings in 2016/17 and beyond to cope with the implications of the revised HRA forecasts. The company has already been making savings since 2011 to accommodate the existing management fee freeze and its extension will add to the challenge. Wolverhampton Homes is already at the point where the establishment of around 700 staff is at its lowest since the company started. Finding further savings without having a significant impact on the services Wolverhampton Homes deliver will be very difficult in the short term and increasingly challenging in later years.

Addressing potential future revenue funding challenges

- 3.6 Indications from the West Midlands Pension Fund are that employer contribution rates for Wolverhampton Homes may have peaked. Indeed, some decrease in contribution rates from 2018/19 may be anticipated. This is because the valuation of the fund is driven by the return on government borrowing. The rates on treasury bills are abnormally low due to the current 0.5% base rate. This is likely to rise in 2016 and will almost certainly have gone up by the time the next valuation is carried out in 2017. Increases in yields for treasury bills, will increase the estimates for the amount the fund will earn. This will reduce the amount the actuary thinks Wolverhampton Homes need to put into the pension fund. If this happens the result of this will be lower employer contribution rates in the longer term and a reduction in pension costs.
- 3.7 In terms of new staff, the impact of new pension rules from 2014 will mean that the benefits accrued by staff (and the resultant costs to Wolverhampton Homes as an employer) will both decrease going forward.

- 3.8 The HRA is funded through rents and service charges collected by Wolverhampton Homes on behalf of the Council. Welfare Benefit reform and statutory rent reductions create a challenge both in terms of demands on the service provided and to the main income stream, as income collection may become increasingly difficult.

Universal Credit

- 3.9 Universal Credit will generate a single payment of benefit covering what was previously a range of benefits. The Council will no longer receive the payment of all housing benefit direct as a single payment from the Benefits Agency and will have to collect this money from individual tenants. The number of active rent accounts that have to be carefully managed the numbers directly paying their own rent will triple by the time Universal Credit is fully implemented. Universal credit will not be housing specific and recipients in some cases may struggle with budgeting and paying their rent. Universal credit is, therefore, likely to increase the challenge of collecting rent, and consequently, one of the big areas of focus going forward will be putting more resources into preparing tenants for universal credit and rent collection.

Value for Money Issues

- 3.10 A primary cost driver for Wolverhampton Homes is the cost of staff. Since Wolverhampton Homes was established in 2005, considerable work has been undertaken to reduce staffing costs. In aggregate, there was a reduction of 81 posts over the three year period from 2007/08 to 2010/11. There was a further reduction of 22 posts at the start of 2015/16. Staffing levels have since been consolidated in line with the HR plan. Looking forward WH will need to revise its staffing further over the next three years to meet its budget targets. Wherever possible this will be through natural wastage.
- 3.11 Wolverhampton Homes approach to VFM has always been strongly focused on achieving savings by increasing efficiency. VFM reviews that are already on-going that will yield savings without impacting on the quality of the service delivered include
- The implementation of shared services for back offices should provide some limited opportunities going forward for further efficiencies thus allowing resources to be moved to front line services.
 - Plans to implement self-service options for tenants (e.g. cash payment machines, ordering repairs on line, etc.) will also reduce transactions costs.
 - A key focus for service reviews in 2016/17 will be the integration of housing and property functions within one directorate. Reviews will focus on looking for synergies and streamlining service delivery where possible.
- 3.12 The 2016/17 financial year will see the delivery of a new VFM Strategy and a back to basics approach to services. Areas that will be looked at in 2016/17 will include our end to end processes for the re-letting of void properties to see how it can be speeded up and the wider topic of empty property management. The lease on the Market Street office

finishes in the second half of 2017 and Wolverhampton Homes will be reviewing the future of this site as well as the issue of building rationalisation in general.

Capital Expenditure

- 3.13 Capital Expenditure on the Council stock is funded directly from the HRA. Wolverhampton Homes assists the Council in the delivery of the Capital Programme.
- 3.14 Since the conclusion of the Decent Homes programme a significant amount of work has gone into reviewing the entire capital programme. Based upon up to date stock condition information adjustments to when decent homes investment will need to be replaced again have resulted in a further reduction in costs of £340 million over the 30 years of the business plan.
- 3.15 When this figure is adjusted for inflation over 30 years it reduces costs by an additional £80 million. It also results in less borrowing over 30 years and therefore less interest payable reducing projected costs by a further £120 million.
- 3.16 The overall impact of these measures equates to a reduction of £540 million over the lifetime of the business plan.
- 3.17 The HRA is expected to have sufficient resources to fund £1.6 billion of capital works that will be required to its houses over the next 30 years, as well as meeting its management and maintenance obligations over the same period. In addition, the savings achieved on the review of the capital programme and other changes has released resources that will enable an additional 400 new homes to be built over the next 4 years.
- 3.18 Looking to the next five years there are planned stock condition works of £21.4M in 2016/17, with overall spending over the next five years forecast at £90M. Wolverhampton Homes will remain the Council's main delivery agent for this part of the capital programme.
- 3.19 A significant development within the Council's capital plans is the new build programme, forecast to deliver £51M of new council housing by the end of 2019/20.

4 HUMAN RESOURCES PLAN FOR 2016/17

4.1 Context

- 4.11 The year ahead will be demanding with the Council and Wolverhampton Homes facing significant challenges. This is set in the context of severely constrained public finances and significant housing and Welfare Reform. The Council have indicated that the management fee freeze that WH will have to manage will continue to 2019/20. The management fee has been frozen since 2011/12.
- 4.12 There is clearly an element of unpredictability about the future however WH aims to retain as many jobs as possible in the medium term, and also wishes to continue growing the Learning Employment and Achievement Programme (LEAP) training and employment programme. A new Skills Development centre is planned which will provide training and

facilitate work experience. In addition there is a new target to provide work and training opportunities to support young people leaving the Council's care.

- 4.13 In the meantime, WH faces unprecedented challenges from major changes to the benefits system which will entail many thousands of tenants becoming responsible for rent payment from benefits, and the completely new system of benefits; Universal Credit. Without extremely careful management, and a lot of staff time input to income recovery and assisting tenants with money management, this could result in loss of income for WH and for the Council (and consequential loss of service to tenants).
- 4.14 It is necessary, therefore, both to reduce the cost of staff and to redeploy staff to help mitigate the effects of Welfare Reform.
- 4.15 It is also appropriate to consider the business case for realigning and changing some services, including introducing shared/joint services to better meet the challenging economic circumstances with better ways of working.

4.2 Organisational Change and Efficiency

- 4.21 Wolverhampton Homes has a history of achieving significant efficiency savings. This and the value for money strategy WH has continued to operate has paid dividends with savings on backroom costs used to fund front line services for tenants. LEAP is an example of this where employment prospects for tenants have been enhanced and this will continue and expand throughout 2016/17 and 2017/18.
- 4.22 Further value for money service reviews may yield more efficiency; however, there will be a need for a further reduction of staffing levels in 2016/17 and the two following years.
- 4.23 So, continued organisational change will be necessary in 2016/17 to achieve savings and to facilitate the continued realignment needed to cope with the general challenges of Welfare Reform and the specific need to move resources to focus on income recovery, supporting vulnerable people, and Channel shift/Digital First.

4.3 Organisational Structure and Proposed Changes

- 4.31 In 2015/16 there was a major change in the way housing services were provided within the City in that the Wolverhampton Homes Chief Executive also took over the role of Strategic Director for housing at the Council becoming responsible for both Wolverhampton Homes and retained housing services provided by the City Council. At the end of 2015/16 there were further changes to the way services are managed. Changes to the senior management team at the end of 2015/16 saw the number of Directors reduce from four to three.
- 4.32 The three Directors cover the areas of Operations, Commercial and People. The new structure allows greater opportunity to look for better integration between Housing and Property services as they are now brought together under one director with an Assistant Director for Property and an Assistant Director for Housing. This together with realigned responsibilities for a number of senior managers following the appointment of the two assistant directors has meant major changes in responsibilities at a senior level.

- 4.33 An important priority for early 2016/17 will be bedding in this new structure and taking advantage of opportunities that arise for further efficiency improvements. A programme of service reviews will also be a priority in 2016/17 and will focus on how some specific services are delivered and how these arrangements can be improved. It is essential that as much resource as possible is made available for dealing with vulnerable tenants, income recovery and Digital first. For example, a review of lettings will be one of the key reviews. This will focus on what checks are carried out etc. as part of the current process to see how things can be made more efficient. A saving of 30% on current costs will be the benchmark for this review.
- 4.34 In addition, an important change that will come into force in 2016/17 is the introduction of shared/joint services with the City Council from 1 April 2016. This sharing of service will see new combined back office services covering areas such as payment processing, desk top IT support, health and safety and procurement. It will offer opportunities for both Wolverhampton Homes and the City Council to learn from best practice and improve the quality of back office services overall. New service level agreements and monitoring arrangements will need to be bedded in with the City Council to cover what were formerly in-house services. This sharing of back office services will reduce costs overall and move the focus within the company for some services from the direct management of teams to ensuring service standards are met within the new SLAs.

4.4 Service and workforce planning

- 4.41 Workforce planning is about trying to predict the future demand for different types of staff and seeking to match this with supply. It involves analysing the current workforce, and then extending that analysis to identify the future skills and competencies needed to deliver new and improved services.
- 4.42 The workforce is built around customer and service needs and the skills required to deliver them. The gap between demand and supply and how this can be addressed forms the focus of the workforce plan.

Workforce and service planning enables WH to identify how and where the workforce needs to change to meet the future needs of the organisation and provides a means of challenging and modernising the way WH delivers value for money services.

4.5 Workforce Profile

Please note that the tables below include temporary and apprentice posts.

Tables 1 (a) & (b) show Wolverhampton Homes' workforce numbers and profile at December 2015.

Table 2 shows length of service of staff who left Wolverhampton Homes' employment during 2015/16 to 31 December 2015.

Table 3 shows staffing turnover rates for 2011/12, 2012/13, 2013/14 2014/15 and 2015/16 to 31 December 2015.

Table 4 shows the number of new staff who joined Wolverhampton Homes during 2015/16 to 31 December 2015.

Table 5 shows equality and diversity performance in relation to the workforce profile.

Table 1 (a): Workforce numbers and profile at 31 December 2015

Grade (or equivalent)	Men		Women		Total		Perm/Temp		Disability		BAME		LGBT	
	No	%	No	%	No	%	P	T	No	%	No	%	No	%
Craft	230	50%	3	1%	233	34%	215	18	17	24%	21	15%	0	0%
Scale 1-4	53	12%	73	31%	126	18%	107	19	19	26%	41	29%	-	40%
Scale 5 – SO2	119	26%	120	51%	239	34%	233	6	23	32%	76	53%	-	50%
POa – d	40	9%	31	13%	71	10%	71	0	9	13%	4	3%	-	10%
Poe – j	10	2%	7	3%	17	2%	17	0	3	4%	1	1%	0	0%
CO	5	1%	2	1%	7	1%	7	0	1	1%	0	0%	0	0%
Total	457		236		693		650	43	72		143		10	

Table 1 (b): Workforce age at 31 December 2015

	Number	%	BAME	Disability	LGBT
Under 25	30	4.33%	6	0	1
25-34	97	14.00%	32	5	3
35-44	147	21.21%	41	11	2
45-54	264	38.10%	41	29	2
55-64	149	21.50%	23	26	2
65+	6	0.87%	0	1	0
Total	693	100.00%	143	72	10

Table 2 (a) : Leavers during 2015/16 (to 31.12.15)

	Men	Women	Total	Disability	BAME	LGBT
Number	34	34	68	3	18	0
Percentage of Total	50%	50%		4.4%	26.4%	0%

Table 2 (b) : Leavers length of service

Length of Service			
Less than 1 Year	1 -5 years service	5 years + service	Total
4	26	38	68

Table 3 : Turnover Rate – all staff (all reasons)

Turnover Rate	2011/12	2012/13	2013/14	2014/15	2015/16 @ 31.12.15
		7.6%	6.3%	6.7%	6.6%

Table 4 : New Starters during 2015/16 (to 31.12.15)

	Men	Women	Total	Disability	BAME	LGBT
Number	13	7	20	2	5	0
Percentage of Total	65%	35%		10%	25%	0%

Table 5: Equality and Diversity Targets and Performance

Reference	Indicator	13/14 Performance	14/15 Performance	15/16 Target	Performance @ 31.12.15
BVPI 11a	% of the top 5% of earners who are female	31.25%	37.84%	45%	36.60%
BVPI 11b	% of the top 5% earners who are from black minority ethnic group	3%	5.40%	14%	3.30%
BVPI 16	% of the organisations workforce who are disabled (meet the DDA definition of Disability)	9.5%	9.90%	5%	10.39%
BVPI 17	% of the organisations workforce who are from black ethnic minority group.	21%	21.00%	26%	21.00%
LPI	% of the workforce who are male / female	M66% F34%	M 66% F 34%	Overall target M 65% F 35%	M = 66% F = 34%
LPI	% of the workforce by age distribution	Under 25's 6.75%	4.60%	Under 25's 8%	4.33%

Annual Delivery Plan 2016-17 – Appendix 1

Performance Review Arrangements between City of Wolverhampton Council and Wolverhampton Homes

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Performance Review Arrangements between City of Wolverhampton Council and Wolverhampton Homes

1.0 Introduction

- 1.1 City of Wolverhampton Council has delegated to Wolverhampton Homes housing management services under the terms of the Management Agreement. A new fifteen year Management Agreement was entered into in 09 July 2013.
- 1.2 This document summarises the performance review arrangements between City of Wolverhampton Council and Wolverhampton Homes.

2.0 Wolverhampton Homes Annual Delivery Plan

- 2.1 Wolverhampton Homes' Annual Delivery Plan is the key document which supports the delivery of the Management Agreement.
- 2.2 The Delivery Plan details:
 - 2.2.1 the agreed priorities of Wolverhampton Homes for the coming year, how these support its strategic objectives (as set out in its Business Plan) and contribute to the goals of the Council and the community the Council represents
 - 2.2.2 the key performance requirements for the services
 - 2.2.3 the performance standards expected
 - 2.2.4 the financial and staffing resources required to enable Wolverhampton Homes to deliver the Delivery Plan and perform the services with skill, care and diligence
- 2.3 The Council will use Wolverhampton Homes' achievement against the Delivery Plan to assess Wolverhampton Homes' compliance with the terms of the Management Agreement. Wolverhampton Homes will provide a summary of performance against the delivery plan for all tenants managed by Wolverhampton Homes.

3.0 Performance Review Arrangements

- 3.1 Day to day responsibility for Wolverhampton Homes' performance management and contribution to these performance review arrangements lies with the Principal Performance Manager, reporting to the Director of Commercial.
- 3.2 The Service Manager Housing Strategy and Development leads for the Council in matters relating to these performance review arrangements.
- 3.3 Representing the two organisations each of the leading post holders described above will report through the normal arrangements to senior officers and Wolverhampton Homes Board or City of Wolverhampton Council Cabinet, respectively.
- 3.4 The performance review arrangements include:
 - 3.4.1 jointly determining the standards required for the performance of the services within the Management Agreement
 - 3.4.2 jointly determining any added value outcomes (relevant to the strategic objectives of the Council and the community which it serves) to be achieved as a result of delivering the services within the Management Agreement

- 3.4.3 the review processes for the key exchanges between City of Wolverhampton Council and Wolverhampton Homes, namely:
 - 3.4.4 monitoring of Wolverhampton Homes performance
 - 3.4.5 monitoring and review of service level agreements between City of Wolverhampton Council and Wolverhampton Homes
 - 3.4.6 financial monitoring and reporting
 - 3.4.7 negotiation of the Annual Delivery Plan
- 3.5 Reflecting the close partnership relationship between the two organisations, there will be regular and effective formal and informal communication between strategic directors and managers of Wolverhampton Homes and City of Wolverhampton Council and where appropriate, City of Wolverhampton Council councillors and board members of Wolverhampton Homes.
- 3.6 The Service Manager Housing Strategy and Development is responsible for ensuring that where service delivery is the direct responsibility of the Council via service level agreements, these will be subject to review by exception report from the Director of Resources at the monthly Performance and Operational Group Meetings (described later in this document) and where necessary reporting to Heads of Service and Executive Directors.

4.0 The Setting of Standards

- 4.1 In line with the Management Agreement, the services delivered by Wolverhampton Homes will represent value for money, best value generally, and achieve continuous improvement for the benefit of the Council and its tenants and leaseholders. The Council will monitor the progress of Wolverhampton Homes towards agreed priorities, and its achievement against performance standards; ensuring as necessary that mechanisms are implemented to bring about corrective action in the event of under-performance. The objectives for continuously improving services are set out in the Delivery Plan.
- 4.2 Having regard the principles set out in paragraph 4.1 above and the needs of the Council's corporate planning priorities, performance targets will be jointly agreed annually for:
 - 4.2.1 All of the performance indicators, standards and targets which form part of the City of Wolverhampton Councils monitoring of Wolverhampton Homes' delivery of the services in the Management Agreement (as set out in the Delivery Plan)
 - 4.2.2 The ways in which Wolverhampton Homes will contribute to added value in the development of the City Strategy and the Housing Strategy
 - 4.2.3 The comparison of performance against that of recognised benchmarking groups and similar or neighbouring housing service providers, where appropriate
 - 4.2.4 Continuous improvement to top quartile performance which when achieved will be maintained
 - 4.2.5 How and which non-cashable efficiency savings will be achieved
- 4.3 The timetable and process for agreeing priorities and relevant performance targets each year will be an integral part of the development of the Annual Delivery Plan and will be as set out below:

- 4.3.1 The Council will inform Wolverhampton Homes of the key corporate performance indicators that are relevant to its operations.
- 4.3.2 By December of each year, following stakeholder consultation, Wolverhampton Homes will present proposed indicators and targets as part of its draft Annual Delivery Plan.
- 4.3.3 The Council will provide formal comments and feedback to inform the final draft Annual Delivery Plan through agreement reached in negotiation in the Delivery Plan Technical Meetings. The final draft Annual Delivery Plan, including the final proposals for targets, will be considered by the Delivery Plan Monitoring Group.
- 4.3.4 Any disputes regarding the setting of performance indicator targets will be determined under the relevant terms of the Management Agreement.
- 4.3.5 By March each year, following final approval of the coming year's Annual Delivery Plan, Wolverhampton Homes will provide its performance targets for that year to the Council. These will be reviewed during the year in the light of performance. Revisions to the targets may be agreed if performance exceeds or does not meet expectations.
- 4.3.6 The number and extent of key performance indicators will be reviewed annually as part of this process and any changes agreed by both organisations

5.0 Performance Review Meetings

- 5.1 Information from the meetings will be fed into the reporting cycles of the Council's Directorate Group, Cabinet, and the Board of Wolverhampton Homes.
- 5.2 The Management Agreement makes provisions for the following meetings:
 - 5.2.1 Performance and Operations Group (POG) Meetings
 - 5.2.2 Financial Issues Group (FIG) Meetings
 - 5.2.3 Asset Management Group (AMG)
 - 5.2.4 Delivery Plan Monitoring Meetings
 - 5.2.5 Delivery Plan Technical Meetings
 - 5.2.6 Ad hoc Management Agreement Meetings

Additionally, City of Wolverhampton Council and Wolverhampton Homes agree that the performance management arrangements will include:

- 5.2.7 An Annual Meeting/Event (if appropriate)
- 5.2.8 Briefing/exchange of information meetings
- 5.2.9 Scrutiny and Performance Panels
- 5.2.10 That there will be an annual review and formal adoption and annual review of these arrangements as included in the Annual Delivery Plan
- 5.2.11 Provision for observer status attendance by relevant City of Wolverhampton Council employees/councillors at the Board meetings of Wolverhampton Homes

6.0 Delivery Plan Meetings

The following sets out the way in which the City of Wolverhampton Council and Wolverhampton Homes have agreed to put into practice the calendar and membership of meetings and the supplementary arrangements.

6.1 Delivery Plan Monitoring Group

6.1.1 Membership comprises key employees from City of Wolverhampton Council, Wolverhampton Homes and the Tenant Representative Body as detailed below:

CWC	Cabinet Member for City Assets (Chair)
CWC & WH	Director of Strategic Housing & Chief Executive, respectively
CWC	Head of Housing
CWC	Service Manager Housing Strategy and Development
CWC	Housing Strategy and Development Support Officer
CWC	Finance manager
WH	Chair
WH	Director of Commercial
WH	Appropriate officers
Tenant Representatives	Tenant Representative Body (four nominations)

6.2 The Outline Calendar:

Wolverhampton Homes' Annual Delivery Plan Process	
DATE	ACTION
August	<ul style="list-style-type: none"> Wolverhampton Homes Business Plan preparatory review begins City of Wolverhampton Council will prepare the Delivery Plan process timetable of key dates
September } October }	<ul style="list-style-type: none"> Wolverhampton Homes senior Management Team and Board Business/Delivery Plan development process begins.
October } November }	<ul style="list-style-type: none"> First round Delivery Plan consultation with all stakeholders, including Wolverhampton Council, through the Delivery Plan Technical meetings.
December } January }	<ul style="list-style-type: none"> First draft of Delivery Plan produced for consultation with all stakeholders Wolverhampton Homes approved performance targets for the new year forwarded to the Council for inclusion in the Council's Corporate Business Plan.
February } March }	<ul style="list-style-type: none"> Final draft of Delivery Plan as one document including all appendices presented to the Housing Strategy and Development Team Final draft agreed by the Delivery Plan Monitoring Group and Wolverhampton Homes Board, adopted by the Council's Cabinet and Full Council.

6.3 Delivery Plan Monitoring Group Meetings:

- 6.3.1 The Delivery Plan Monitoring Group will be the designated forum through which all Annual Delivery Plan Meeting business will be conducted
- 6.3.2 Throughout the year and at year end, the group will review performance against the targets set out in the current year's Delivery Plan; and, at the appropriate time in their development, review the initial and final drafts of the Annual Delivery Plan
- 6.3.3 Prior to agreement to the document, comments/recommendations arising from the Delivery Plan Monitoring Group will be reviewed
- 6.3.4 On agreeing the final draft of the Annual Delivery Plan, the Group will recommend that the Annual Delivery Plan be accepted by City of Wolverhampton Council and Wolverhampton Homes

6.4 Delivery Plan Technical Meetings

CWC	Housing Strategy & Development Support Officer
CWC	Appropriate Officers
WH	Director of Commercial
WH	Appropriate officers

- 6.4.1 These meetings will be held as necessary after the first Draft has been distributed until the final adoption of the Delivery Plan by Wolverhampton Homes Board and the Council's Cabinet
- 6.4.2 These meetings at officer level are integral to the development of the annual sections of the Delivery Plan, and to the wider performance review process throughout out the year.
- 6.4.3 Responsibility for the development and production of the Annual Delivery Plan rests with Wolverhampton Homes. The process of Delivery Plan Technical Meetings will facilitate full and proper participation with appropriate representatives of City of Wolverhampton Council and opportunities for timely consultation with the Tenant Representative Body and other key stakeholders.
- 6.4.4 Wolverhampton Homes' Director of Commercial will be responsible for making available, at the appropriate times, the initial draft of the Annual Delivery Plan setting out the proposed performance indicator targets and the annual sections. The final draft of the Annual Delivery Plan will be forwarded as a single document including all appendices to the Council's Service Manager Housing Strategy and Development in a timely manner for presentation to the Group, and to be included in the report to Cabinet.
- 6.4.5 City of Wolverhampton Council's Service Manager Housing Strategy and Development will be responsible for ensuring that any feedback and/or recommendations arising from the quarterly monitoring of the Annual Delivery Plan are considered during the development of the new Annual Delivery Plan. The Service Manager Housing Strategy and Development is also responsible for

ensuring that the final draft of the new Annual Delivery Plan is presented to the meeting in a timely manner.

- 6.4.6 Any information to be exchanged will normally be managed by the Housing Strategy and Development Support Officer for City of Wolverhampton Council and the Director of Commercial for Wolverhampton Homes.
- 6.4.7 Any disputes arising out of any sections of the Delivery Plan, including performance indicator targets, will be determined under the terms of Clause 31 of the Management Agreement.

7.0 The Annual Meeting

- 7.1 The Council will, if appropriate, call this meeting, with invitations extended to all stakeholders. The purpose of the open forum is to provide a wider audience with the opportunity to participate in celebrating the value added outcomes for the City, of the partnership arrangements between City of Wolverhampton Council and Wolverhampton Homes.
- 7.2 Such stakeholders will include, but not exclusively:

CWC	All elected Councillors
CWC	Corporate Directorate
CWC	Appropriate senior employees
WH	All Board Members
WH	Senior Management Team
WH	Appropriate senior officers
Tenant Representatives	Tenant Representative Body
Tenant Representatives	Appropriate area representatives

8.0 Quarterly briefing/exchange of information meetings between City of Wolverhampton Council and Wolverhampton Homes

- 8.1 To maintain good communication links, a range of mechanisms are in place to promote positive working relationships and keep councillors well informed about Wolverhampton Homes' activities and performance. These include, for example, contributions to regular councillor briefings and attendance by invitation at City of Wolverhampton Council boards and panels.

9.0 Performance and Operations Group (POG) Meetings

- 9.1 City of Wolverhampton Council has put in place a Housing Strategy and Development Team to develop the relationship between itself and Wolverhampton Homes. This team is led by the Service Manager Housing Strategy and Development who has lead responsibility for the monitoring arrangements.
- 9.2 The Housing Strategy and Development Support Officer will undertake the servicing of the Performance and Operational Group (POG) meetings.

- 9.3 Information to be exchanged outside the meetings will normally be managed by the Housing Strategy and Development Team for City of Wolverhampton Council and the Policy and Performance Team for Wolverhampton Homes. Meetings will be held, as a minimum, on a monthly basis between City of Wolverhampton Council's and Wolverhampton Homes' nominated representatives.
- 9.4 In addition there will be opportunity for one meeting each quarter to take the form of City of Wolverhampton Council's representative attending Wolverhampton Homes' Management Team to take part in the section of that meeting that deals with the detail of performance reporting for the quarter, if so required.
- 9.5 Meetings will consider:
- 9.5.1 operational issues
 - 9.5.2 the manner and extent of Wolverhampton Homes' provision of the services described in the Management Agreement and Annual Delivery Plan
 - 9.5.3 long term void properties, both development and management in the light of revised arrangements relating to discount of Council Tax for these properties
 - 9.5.4 other relevant issues which may arise from time-to-time
- 9.6 A standing agenda will allow the group to consider on a monthly basis, operational issues; and on a quarterly basis, other strategic issues.
- 9.7 The table below indicates the members attending this meeting regularly and these may be supported by others as necessary for any particular meeting.

CWC	Housing Strategy and Development Support Officer
WH	Principal Performance Officer

10.0 Financial Issues Group (FIG) Meetings

- 10.1 FIG will be serviced by the Council's Finance Team.
- 10.2 FIG will consider all aspects of Capital and Revenue finance at a strategic level.
- 10.3 The group will meet on a regular basis.
- 10.4 Reporting of the outcomes of the meetings to councillors and the Board of Wolverhampton Homes will be the responsibility of respective Finance Teams for City of Wolverhampton Council and Wolverhampton Homes through their established routes.
- 10.5 The table below indicates the members attending this meeting regularly and these may be supported by others as necessary for any particular meeting.

CWC	Finance Manager (Housing)
WH	Director of Commercial
WH	Head of Financial Management

11.0 Asset Management Group (AMG)

- 11.1 The AMG will be serviced by Wolverhampton Homes and supported by City of Wolverhampton Council's Housing Strategy and Development Team.
- 11.2 AMG will provide strategic direction to the management of assets assigned by the Council to housing use.
- 11.3 The group will develop a housing management strategy with periodic review and revision.
- 11.4 The group will monitor capital programmes against budget, performance targets, project progress and related regulatory requirements.
- 11.5 Meetings will be held at approximately six week intervals.
- 11.6 The table below indicates the membership of the group. These may be supported by others as necessary.

CWC & WH	Director of Strategic Housing & Chief Executive, respectively
CWC	Head of Housing
CWC	Service Manager Housing Strategy and Development
CWC	Finance Manager (or representative)
WH	Chief Executive Officer
WH	Head of Commercial Services
WH	Head of Asset Management

12.0 Management Agreement Meetings

- 12.1 Additionally, City of Wolverhampton Council and Wolverhampton Homes shall meet at such a level and with such frequency as may be reasonably required to ensure the Management Agreement is honoured and the Annual Delivery Plan is performed.

13.0 City of Wolverhampton Council Boards/Panels

- 13.1 The Scrutiny Board of City of Wolverhampton Council holds the Directorates to account for their decisions, and assists the Directorates in the review and development of policies. The Scrutiny Board comprises members from all parties and maintains communications with the Executive and Member Champions.
- 13.2 Where reasonably requested to do so, appropriate senior employees of City of Wolverhampton Council will be required to attend the Council's Performance Management Panel and/or Scrutiny Board.
- 13.3 Senior Officers of Wolverhampton Homes may, from time to time, be requested to report directly to appropriate City of Wolverhampton Council Boards/Panels on the performance of Wolverhampton Homes.

14.0 Wolverhampton Homes' Board

- 14.1 Representatives of City of Wolverhampton Council will be entitled to receive meeting papers and to observe Wolverhampton Homes' Board meetings.

**2016-17 DELIVERY PLAN
ACTION PLAN TO DELIVER 2016-17 PRIORITIES**

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
1. Safeguarding and Vulnerability					
1.1 Through LEAP, give increased support to Looked After Children leaving the Council's care.			Quarter 1 – up to 4 with start dates spaced throughout the quarter	Sue Kunynec	
			Quarter 2 – up to 4 with start dates spaced throughout the quarter		
			Quarter 3 – up to 4 with start dates spaced throughout the quarter		
			Quarter 4 – up to 4 with start dates spaced throughout the quarter		
1.2 Implement and make use of the new vulnerabilities database.	WH has developed a vulnerabilities database to enable analysis highlighting potentially the most vulnerable tenants. This will be used as a tool to focus the use of resources and preventative work.		Quarter 1 – launch the new supporting tenants in need arrangements. Complete staff training.	Sue Kunynec	
			Quarter 2 – Monitor volume of cases , contacts made and outcomes.		
			Quarter 3 – Review to identify any patterns or concerns and action accordingly.		

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
1.3 Establishment of the Mash			<p>Quarter 4 – Report to SMT & Board.</p> <p>Quarter 1 – Establish processes to identify split between Public/Private sector referrals and those specific to WH</p> <p>Quarter 2 – Assess total case received and those specific to WH</p> <p>Quarter 3 – Identify cases prevented from potential serious case review</p> <p>Quarter 4 – Report outcome of pilot – and splits as per Qtr1</p>	Darren Baggs	
1.4 Befriending service			<p>Quarter 1 –</p> <ul style="list-style-type: none"> • February 2016 –First tranche of door knocking for service users; • March 2016 – training for volunteers and second round of door knocking, if required. • April 2016 – pilot service to be launched in Merry Hill area. <p>Quarter 2</p>	Ruth Fletcher	

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
			Quarter 3 six monthly monitoring of service to date to be carried out in October 2016.		
2. Managing and Delivering Change					
2.1 Undertaking jointly with the Council reviews of housing services retained by the council and implementing any decisions.	Carry out reviews of the Council's housing options service and the management of adaptations.		Quarter 1 - Complete reviews / report back to Cabinet and WH on outcomes Quarter 2 – Report on Reviews to Cabinet / WH Board Quarter 3 – Agree implementation plan and commence implementation Quarter 4 – Complete implementation of the plan.	Lesley Roberts	
2.2 Bedding in the new SMT structure and taking advantage of opportunities that arise for further efficiency improvements.	VFM reviews will focus on following through on existing reviews and targeting new areas for review in 2016/17. VFM reviews will		Quarter 1 – Production of revised VFM strategy and Finance Committee to agree VFM Strategy for 2016/17 Quarter 2 – carry out and report VFM projects Quarter 3 – carry out and report on VFM projects	Philip Toni	

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
	aim to assist with reducing expenditure in line with the extension of the management fee freeze to 2020.		Quarter 4 – report to Board on outcome of projects to date and recommendations for 2017/18 budget		
3. Service Development Priorities for 2016/17					
3.1 The further roll out of on-line and automated services and encouraging tenants to “Get Online”.			The targets for this area are all about increasing our percentage of tenants using on line self-service and making use of more efficient payment methods for rents and charges. Quarterly targets for take up of use of self service, use of direct debits for payments, and reductions in calls to Homes Direct etc. are detailed within our performance indicator suite.	Philip Toni	
3.2 Review how we manage our affairs at Board level.			Quarter 1 <ul style="list-style-type: none"> • Review of governance structures by board at February board meeting; • Review finalised at April Board meeting; • If required, review 	Sue Kunynec	

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
			<p>approved by Council's Cabinet at April Cabinet Meeting</p> <ul style="list-style-type: none"> If required DCLG and Companies House notified of any changes to memorandum and articles of association 		
<p>3.3 To assist the Council with the delivery of HRA new build through scheme design and project management and support the Council in the establishment of a local housing company.</p>			<p>Quarter 2</p> <ul style="list-style-type: none"> New structure in place by September 2016. <p>Q1.To assist the Council with preparatory work for a local housing company, including creating a subsidiary in line with the Council's requirements and providing governance and other support.</p> <p>Q2. Target establish company by Summer 2016; approve necessary SLAs, agreements and other documents by July 2016;</p>	<p>Lesley Roberts</p>	

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
			Q3 / Q4 To acquire knowledge of, and make plans for, providing a market rent lettings and management service for the local housing company from 2017;		
4. ITEMS ONGOING FROM 2015/16 DELIVERY PLAN					
4.1 Delivery of the Housing Capital Asset Management Plan	<ul style="list-style-type: none"> • Project Overview • Progress on AMP • Meeting capital programme priorities of WCC 		Q1. Work to timetable on programme delivery and budget preparation. Q2. Work to timetable on programme delivery and budget preparation. Q3. Development of 2017-18 programme with WCC; work to timetable on programme delivery and budget preparation. Q4. Mobilisation of 2017/18 projects; work to timetable on programme delivery and budget preparation.	Simon Bamfield and Kevin Manning	

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Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
4.2 Implement new version of asset management software (Promaster 4)	<ul style="list-style-type: none"> • Data validation and migration • Phased roll-out and training across Property Services • Implement mobile working for stock condition surveyors • Introduce options appraisal capability 		Q1. Complete testing and implement for core users Q2. Implement mobile working on asset management Q3 Implement plant asset management module Q4 Implement options appraisal modules	Simon Bamfield	
4.3 CSR Delivery	<ul style="list-style-type: none"> • Management of social enterprise • Specific CRS projects 		Q1. Review and agree new mission vision and values and business plan for Wolverhampton Works; establishment of befriending service (see separate item) Q2. Identification and planning for giving something back project; review business cases for new business / service proposals for Wolverhampton Works Q3. Delivery of giving something back project; establishment of new	Shaun Aldis and Sue Kunynec	

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
			activities within Wolverhampton Works		
4.4 Tenancy sustainment combating impact of welfare reform	<ul style="list-style-type: none"> • Pre tenancy support • Impact of universal credit 		Q1 / Q4. Implement the project plan to address next stages of welfare reform; outreach / support work for tenants likely to be affected by roll out of universal credit.	Anne Herrmann	

2016-17 DELIVERY PLAN
Performance targets for 2016-17

Digital First

Code	Performance Indicator	Performance 2015-16 QTR3	Likely to meet Mar 2016 target	Target 2015-16	Target 2016-17	Good performance
DF3a	% of transactions by payment type (a, 'Offices')	28.06 (qu 3 profiled target 30)	On target	25.00	Targets To be set at quarter 4 when it is clear of the impact kiosks are having.	↓
DF3b	% of transactions by payment type (b, 'Direct Debit')	30.62 (qu 3 profiled target 30.50)	On target	31.00		↑
DF3c	% of transactions by payment type (c, 'Other')	35.04 (qu 3 profiled target 34.50)	On target	36.00		↑
DF3d	% of transactions by payment type (d, 'Kiosks')	6.27	no current target set	not set		↑
tbc	% of households accessed self service system	New indicator for 2016 to be confirmed				↑
DFS6	% availability of self serve systems	95.80	Yes	95.00	98.00	↑

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Supporting People In Need

TBC	A small suite of indicators designed to monitor performance of the new database and processes.	Indicators to be decided following the pilot ending April 2016				↑
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Voids & Allocations

VA1a	Average time taken to re-let local authority housing (all)	25	On target	25.00	25.00	↓
VA3	% Rent lost through empty property	1.52	Yes	1.60	1.48	↓

Welfare Reform

RM1a	% of rent collected	97.57 (97.14 target)	Yes	97.50	97.50	↑
RM3	% of Tenants evicted due to rent arrears	0.34 (0.33 target)	No	0.45	0.48	↓
RM6	% of Tenants paying via direct debit	22.33 (21.24 target)	Yes	21.5	25.5	↑

VFM

BP1	Average number of working days lost through sickness	5.52	Yes	6.50	6.25	↓
HO3a	% of Service charges inc ground rent collected from leaseholders	92 (84.50 target)	Yes	97.00	97.00	↑
RM10a	% of monies charged this financial year to active rechargeable repairs accounts that have been recovered (Indicator under review)	7.85 (10.50 target)	No	14.00	TBC	↑
S21	Satisfaction with response repairs service (New electronic survey method)	78.79	No	98.00	85.00	↑

Health & Safety

RP2	% of valid gas certificates for tenanted properties	99.98	Yes	99.60	99.60	↑
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LEAP

LP1	Number of tenants newly employed by WH or partner.	34 (27 profiled target)	Yes	35.00	TBC	↑
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Operational

Anti Social Behaviour

AB1	% Satisfied with the way their anti-social behaviour complaint was dealt with	96.27	Yes	90.00	92.00	↑
AB2	% Satisfied with the outcome of their anti-social behaviour complaint	94.67	Yes	90.00	92.00	↑

Repairs

RP1	% of responsive repairs during period for which an appointment was made / kept	95.28	Yes	95.00	95.00	↑
RP12	% of response repairs completed within timescales	96.86	No	99.00	97.00	↑

Customer Care

CC1a	Homes Direct - Average call answer wait time	70.00	Yes	90.00	90.00	↓
CC1b	Homes Direct - % of calls abandoned	12.80	Yes	15.00	15.00	↓
CC12	% of complaints resolved at Stage 1	90.75	Yes	90.00	90.00	↑

Tenant Engagement

EN4	Number of tenants who have actively involved in Tenant Engagement activities such as Get Togethers, Training or local engagement projects	105	Yes	100	100	↑
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Cabinet Meeting

24 February 2016

Report title	Council Tax Charges for Empty Properties	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Mark Taylor, Director of Finance	
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	9 February 2016

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. End the discretionary scheme which grants 100% council tax discount for 21 days on empty properties, with effect from 1 April 2016

1.0 Purpose

- 1.1 This report seeks approval from Cabinet to discontinue the discretionary scheme under which a council tax discount is granted for the first 21 days that a property is empty.

2.0 Background

- 2.1. The Local Government Finance Act 2012 (the Act) was passed on 31 October 2012 giving councils discretion to alter the amount of council tax payable on empty properties and second homes.
- 2.2. On 23 January 2013 Cabinet approved a discretionary scheme for discounts and charges on empty properties to be implemented with effect from 1 April 2013, comprising the following elements:
- A discount of 100% of the liability to be granted for the first 21 days in respect of any dwelling that is empty and unfurnished.
 - A premium equal to 50% of the liability to be charged on any property that has been left empty for two years or more (subject to statutory exemptions).
 - The discount awarded for any property which is furnished but not occupied by anyone as their 'sole or main residence' is revised from 25% to 0%.

3.0 Proposed changes to the discretionary scheme

- 3.1. In 2013/14 £486,000 of council tax was forgone through the award of discretionary empty property discount. In 2014/15 the amount was £451,000. In each year 77% of the value of discount awarded was for the maximum 21 days.
- 3.2. The table below shows the charging policy in neighbouring authorities and highlights the fact that most of our near neighbours offer no discount.

	Empty property discount
Birmingham	None
Coventry	100% for 14 days
Dudley	None
Sandwell	None
Solihull	None
Stoke	None
Walsall	100% for 7 days
Wolverhampton	100% for 21 days

- 3.3. In view of the financial challenge faced by the Council, a proposal to remove any discretionary discounted period on empty properties was included within the 2016/17 draft budget proposals and was subject to consultation along with all other proposals.
- 3.4. Within the overall consultation, comments were invited to the question "To help balance the books it is proposed to redesign services to deliver savings by reviewing council tax discount scheme and discounts including single person discount and discretionary council tax discount for empty properties".

3.5. The outcomes were reported to Cabinet on 3 February 2016 and showed that in response to this question, 44% of respondents were in favour, 36% of respondents were not in favour and 20% of respondents were undecided.

3.6. As a result Councillors are now being requested to approve the removal of the discretionary discount period entirely.

4.0 Financial implications

4.1. The 2016/17 draft budget included additional income from council tax of £500,000 which was to be generated from a combination of ending this discretionary discount and a review of single person discounts.

4.2. If the discount is not ended an alternative budget reduction or income generating option would have to be implemented in its place to ensure that the 2016/17 budget can be set without the reliance on general reserves.
[MH/15022016/V]

5.0 Legal implications

5.1. The legal provision to charge council tax on empty properties and second homes is contained within the Local Government Finance Act 1992 and associated regulations.
[TS/05022105/C]

6.0 Equalities implications

6.1. The discount scheme is related to empty properties and therefore not based on individual circumstances or family characteristics and will apply equally to all groups.

6.2. A stage one equality analysis has been completed, no adverse impacts were identified and a full analysis is not required.

7.0 Environmental implications

7.1. None.

8.0 Human resources implications

8.1. None.

9.0 Corporate landlord implications

9.1. Removal of a discounted period will have implications where the Council is liable for council tax on empty domestic properties it owns.

10.0 Schedule of background papers

10.1. Report to Cabinet 23 January 2013

<http://wolverhampton.moderngov.co.uk/Data/Cabinet/201301231630/Agenda/05B%20-%20Council%20Tax%20Base%20and%20NDR%20Net%20Rate%20Yield%202013-14.pdf>

10.2. Report to Cabinet 3 February 2016

<http://wolverhampton.moderngov.co.uk/documents/s20279/Budget%20201617%20-%20outcome%20of%20consultation.pdf>

Cabinet Meeting

24 February 2016

Report title

Admission Arrangements for Wolverhampton - 2017/2018

Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Claire Darke Cabinet Member for Education	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Julien Kramer, Education	
Originating service	School Planning and Resources	
Accountable employee(s)	Bill Hague Tel Email	Service Manager – School Places and Transport 01902 556943 bill.hague@wolverhampton.gov.uk
Report to be/has been considered by		

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Approve the Co-ordinated Admission Schemes for secondary and primary school admissions at the normal year of entry for 2017/18 and that the Secretary of State be notified by 28 February 2016.
2. Approve the proposed admission arrangements for community and voluntary controlled schools for 2017/18.

1.0 Purpose

- 1.1 To approve the schemes for co-ordinated school admission arrangements for secondary and primary schools and the admission arrangements for community and voluntary controlled schools for 2017/18.

2.0 Background

- 2.1 In accordance with legislation and the School Admissions Code, each LA is required to draw up a scheme (or schemes) for co-ordinating admission arrangements for all mainstream, maintained schools (community, voluntary controlled, voluntary aided, foundation and academies) within their area.
- 2.2 In addition, each Admission Authority is required to review their admission arrangements annually and to consult on their proposed admission arrangements. The Local Authority's responsibility in this regard is for the Community and Voluntary Controlled Schools in Wolverhampton. For academies the academy trust(s) are the admitting authority not the LA, however some academies follow LA admission arrangements.

3.0 Progress, options, discussion, etc.

- 3.1 Since their introduction the Authority's schemes have been amended each year and they have worked well. During previous consultations no comments, objections or concerns have been raised.
- 3.2 The Admissions Schemes and Admission Arrangements have been rewritten with a view to making them easier for parents/carers to read and understand.
- 3.3 Due to the rewriting of the schemes/arrangements a formal consultation was undertaken in accordance with the School Admissions Code 2014. No comments or queries were received during the consultation.
- 3.4 The LAs within the West Midlands and beyond operate an inter-LA scheme for primary and secondary admissions. There are no proposals to change the schemes in this regard.
- 3.5 For 2017/2018 the Local Authority will maintain waiting lists for primary schools including year two to three transfers and secondary schools until 31 December 2017.
- 3.6 During the Autumn term 2015, Governors were asked to consider their recommendations in respect of their school's Planned Admission Number (PAN). There are no proposed changes to PAN for 2017/18 at this point.
- 3.7 Work is ongoing with regard to ensuring a sufficient level of school places is available in future years. Further information regarding future demand will be detailed within upcoming School Organisation policy documents. Any proposed changes to the school estate will be reported to Cabinet in due course.

4.0 Financial implications

- 4.1 The Schools Admissions services is funded largely through the Dedicated Schools Grant as an approved centrally managed service. There are no specific financial implications arising from this report.
(DE/15022016/J)

5.0 Legal implications

- 5.1 School admission arrangements are heavily regulated by the School Standards and Framework Act 1998 as amended by the Education and Skills Act 2008. Regulations also apply and the Local Authority is required to comply with the School Admissions Code in relation to admission arrangements.
- 5.2 The Schemes for co-ordinated admissions and the Admission arrangements for Wolverhampton community schools, voluntary controlled schools, free schools and academies comply with the current relevant legislation.
- 5.3 The Authority must notify the Secretary of State that a co-ordinated scheme for admissions in 2017 has been adopted by the 28 February 2016.
[TS/11022016/S]

6.0 Equalities implications

- 6.1 An initial equality analysis has been undertaken with regard to the Co-ordinated Admission Schemes and Admission Arrangements and a full equality analysis is not required.

7.0 Environmental implications

- 7.1 The report has no environmental implications.

8.0 Human resources implications

- 8.1 There are no human resource implications from this report.

9.0 Corporate landlord implications

- 9.1 There are no corporate landlord implications from this report.

10.0 Schedule of background papers

- 10.1 School Admissions Code 2014 and School Admissions Regulations 2012.

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Admission Arrangements for Wolverhampton 2017/18

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Overview of the Application Process

The scheme is an “Inter-Local Authority” scheme whereby Birmingham, Dudley, Sandwell, Shropshire, Staffordshire, Telford and Wrekin, Walsall and Wolverhampton Local Authorities have agreed to co-ordinate applications for their schools to ensure that each child receives the best possible single offer of a place at a secondary school, based upon parents’ preferences.

In brief terms:

- Parents whose child has a Statement of Special Educational Needs or an Education and Health Care Plan follow separate admission procedures through the Statutory Assessment or Annual Review process.
- Parents will only have to fill in one application form, on which they will state their school preferences and reasons for those preferences. Applications are made online;
- Five preferences are invited;
- Initially, all preferences are treated as equal, and sent out as equal to other admission authorities as appropriate (i.e. voluntary aided and academy schools in Wolverhampton, and other participating Local Authorities as detailed above).
- After over-subscription criteria have been applied (where appropriate), if more than one school place can potentially be offered, the single offer is for the available school the parent ranked highest on the preference form.

Primary Admissions 2017 – Including Admission into Reception Year and Transfer from Infant to Junior Education.

If your child was born between 1/09/2012 and 31/08/2013 you must apply for a place in Reception Year before the 15 January 2017.

The online application system is made live on the **1st September 2016**. Applications should be made online, hard copies of the form will only be made available on request. Parents are invited to name and give reasons for applying for up to 5 preferred schools, ranked in order of preference, by 23:59 **15th January 2017**. Parents should name all schools (to a Maximum of 5), for which they wish their child to be considered for a place, including any Voluntary-Aided schools, Academies or Free schools and/or any school outside the Wolverhampton area.

By **13th February 2017**, the admissions and appeals team will send other Local Authorities and own Admitting Authority Schools details of applicants for their schools. These details will not reveal the order of preference. All Own Admitting Authority schools will apply their over-subscription criteria, and return their complete ranked list of applicants to the admissions and appeals team who will then compare the potential offer lists. If more than one school place can potentially be offered, a place will be allocated at the available school that the parent ranked highest on their application.

On **17th April 2017** parents who made their applications online will be able to view their allocation via the online admissions facility. The admissions and appeals team will also write to every applicant resident in Wolverhampton telling them of their allocated school place. Parents will be required to respond to any offers made within 10 school days.

Transfer from Infant to Junior Education

There are five Infant Schools in Wolverhampton which cater for children up to the age of seven. At this point there is an expectation that pupils will transfer to the corresponding Junior School.

Parents of children attending a Wolverhampton Infant School will receive a letter from the Local Authority in the Autumn Term 2016 informing them that their child will automatically transfer to the corresponding Junior School.

If the parent wishes for this to happen they will need to take no action. If, however they wish to apply for a place in a Primary School they should make an application via the online application system.

Primary School Application Timeline	
01/09/2016	Online application is made live
15/01/2017	Closing date for application forms to be submitted
11/02/2017	The final date for late applications
13/02/2017	Wolverhampton City Council sends/receives unranked preferences to/from other authorities
24/02/2017	Schools submit final lists of applicants in ranked order
16/03/2017	Wolverhampton provisionally allocates places
30/03/2017	Final data exchange with co-ordinating authorities
17/04/2017	Allocation day

Secondary School Applications

Children born between 1/9/2005 and 31/8/2006 will commence secondary education in September 2017. Parents must apply for a secondary school place before 31 October 2016.

The online application is made live on the **1st September 2016**. Applications should be made online, hard copies of the form will only be made available on request. Parents are invited to name and give reasons for applying for up to 5 preferred schools, ranked in order of preference, by **23:59 31st October 2016**. Parents should name all schools (to a Maximum of 5), for which they wish their child to be considered for a place, including any Voluntary-Aided schools, Academies or Free schools and/or any school outside the Wolverhampton area, with the exception of any independent schools.

By **17th November 2016**, the admissions and appeals team will send other Local Authorities and Own Admission Authority Schools details of applicants for their schools. These details will not reveal the order of preference. All admission authorities will apply their over-subscription admission criteria including any selection tests and return their complete ranked list of applicants to the admissions and appeals team who will then compare the potential offer lists. If more than one school place can potentially be offered, they will allocate a place at the available school that the parent ranked highest on their application.

On **1st March 2017** parents who made their applications online will be able to view their allocation via the online admissions facility. The admissions and appeals team will also write to every applicant resident in Wolverhampton telling them of their allocated school place. Parents will be required to respond to any offers made within 10 school days.

Secondary School Application Timeline	
01/09/2016	Online application is made live
31/10/2016	Closing date for application forms to be submitted
17/11/2016	Wolverhampton City Council sends/receives unranked preferences to/from other authorities
30/11/2016	The final date for late applications
13/01/2017	Schools submit final lists of applicants in ranked order
23/01/2017	Wolverhampton provisionally allocates places
13/02/2017	Final data exchange with co-ordinating authorities
01/03/2017	Allocation day

Admissions Criteria for Community and Voluntary Controlled Schools

1. Looked After Children and Previously Looked After Children

Priority will be given to a child who is in the care of a local authority or provided with accommodation by that authority or a child who has been adopted (or is subject to a residence order or special guardianship order) immediately following being in the care of a Local Authority.

Supporting Evidence

If the child is in the care of a local authority or provided with accommodation by that authority this must be indicated on the common application form and evidence (e.g. evidence of child in care from the placement authority) to support this claim must be submitted with the preference form.

If the child has previously been in the care of a local authority or provided with accommodation by them and has subsequently been adopted, or is subject to a child arrangements order or special guardianship order this must be indicated on the common application form and evidence (e.g. adoption certificate/copy of court order) to support this claim must be submitted with the common application form.

2. Children who are attending the corresponding Infant School (Infant to Junior transfers only)

3. Medical/Social

Whether there are specific medical or social circumstances that can be met only by the child's attendance at the preferred school.

Supporting Evidence

If parents believe there are specific reasons, medical or social, for claiming priority for their child to attend a particular school these special factors must be indicated on the form and evidence (e.g. a letter from a registered health professional such as a doctor or a social worker) to support this claim must be submitted with the common application form. The information submitted must state clearly the effects of the condition/illness and why the preferred school is the only school that can meet their child's needs. This is necessary because parents would be asking the Authority to assess their child as having a stronger case than many other children, even some who live closer to the school in question than they do. The information provided will be used to prioritise the request for a particular school. Please note that only in exceptional cases are places prioritised in respect of a child's/parent's medical/social grounds.

4. Siblings

Whether siblings attend the school (or the associated Infant/Junior School) and will still be attending the school in September 2017. See the definition of a sibling on page 9.

5. Religious Reasons for voluntary controlled schools (PRIMARY ONLY)

To a child and family who has religious reasons for attending the preferred voluntary controlled school and for whom it can be demonstrated by the faith leader that s/he has current strong religious connections. This reason will only be taken into consideration if the preferred school is the nearest Church of England (voluntary controlled or voluntary aided) school to the child's home address (measured by a straight line from the home address to the school).

Supporting Evidence

A Supporting Evidence form will be provided for parents and your faith leader to complete, to enable them to demonstrate your child and family's current strong religious connections.

6. Distance

How close the child lives to the school requested with those living closest to the school getting the highest priority. The measurement between home and school will be determined by the straight line measurement from the home address to the preferred school carried out by the LA's software.

If there are a limited number of spaces available and we cannot distinguish between applicants using the above criteria, children who live in the same block of flats will be offered the available spaces randomly selected by drawing lots.

Additional Arrangements and Information

Changes of Address (occurring during the allocation process)

In these circumstances - or if a query arises in respect of your child's place of residence - you will be required to supply evidence of your new address. This would need to be validated by documentary evidence such as a solicitor's letter confirming the completion of a house purchase or rent book confirming tenancy.

Financial Implications

There is no charge or cost related to the admission of a child to a Wolverhampton schools.

Fraudulent or Misleading Applications

The Local Authority will follow up any reports they receive that allege that a fraudulent or misleading application has been made.

Parents can alert the Local Authority of any potential fraudulent applications by contacting the Admissions and Appeals team. Contact details are published in the composite prospectuses.

Late Applications

Applications received after the closing date will be treated as late.

Applications received after the closing date and before the final date for late submissions with approved written evidence will only be incorporated into the initial allocation process if the late

submission is for a valid reason or parents can demonstrate a material change of circumstances (see below).

When submitting late applications parents must give reasons in writing and supporting documentary evidence for the late submission. The appropriate admission authority will give consideration to the reasons, following which the application will be:

- Either 1) incorporated into the initial allocation and assessed against the over-subscription criteria for the school(s) concerned
Or 2) considered only after all other applications.

Applications without written reasons for the late application or received after the final date for late submissions will only be considered after all other applications and the notification may be sent shortly after the national offer day.

Material Changes of Circumstance

In claiming material changes of circumstances the applicant, at the time of application, must supply documentary evidence to confirm the changes. An example of material changes of circumstances is a house move that necessitates a change of preferences. This would need to be validated by documentary evidence such as a solicitor's letter confirming the completion of a house purchase or rent book confirming tenancy. An impending change of circumstances should not delay the submission of the preference form.

If applicants' circumstances change during the course of making the application that relate to any of the published criteria it is the applicant's responsibility to provide evidence to the Admissions and Appeals Team as this may affect the outcome of the application.

Sixth Form Admission Arrangements for Academy and Community Schools

Applications for admission to Sixth form will be dealt with by the school in accordance with the school's published admission arrangements.

Each school which admits pupils into Year 12 is required to publish in the school prospectus the minimum requirements for entry into sixth form.

Pupils already in school will not be required to apply formally for places in Year 12 but should have reached the minimum entry qualifications for admission into the sixth form.

Minimum entry requirements are the same for internal and external applications.

External applicants must not be refused the opportunity to make an application, or advised that they can only be placed on a waiting list rather than make a formal application

Pupils will be considered for entry into Year 12 based on their academic attainment and/or individual subject grade criteria and the availability and suitability of courses at the school. Entry to Year 12 is not dependent upon attendance, behaviour records, and perceptions of attitude or motivation.

Schools must not interview children or their families for entry to Year 12 although meetings can be held to provide advice on options and entry requirements for particular courses.

Any applicant refused a place in year 12 is entitled to appeal to an independent appeal panel whether the child is already attending the school or is an external candidate.

Special Educational Needs

The admission of children with a Statement of Special Educational Needs (SEN) or an Education and Health Care Plan (EHCP) will be agreed between the Local Authority's SEN Statutory Assessment and Review Team, parents and school in accordance with parental preference, as far as possible, and the child's individual needs. Children with Statements of SEN or a EHCP are given overall priority to the named school. This will reduce the number of places at the school, which are available for allocation in accordance with the above criteria.

Deferred Entry

In this authority children commence full time education in September prior to their fifth birthday. Parents can choose to defer entry until later in the school year but not beyond the point at which they reach compulsory school age and not beyond the beginning of the final term of the school year for which it was made.

Where the parents wish, children may attend part-time until later in the school year but not beyond the point at which they reach compulsory school age.

Summer Born Children

Parents of a summer born child may choose not to send that child to school until the September following their fifth birthday and may request that they are admitted out of their normal age group – to reception rather than year. Any parent wishing to make such a request must put the request in writing to the Admissions and Appeals section.

Requests will be considered on an individual basis and decisions will be reached by taking account of the parent's views; information about the child's academic, social and emotional development; where relevant, their medical history and the views of a medical professional; whether they have previously been educated out of their normal age group; and whether they may naturally have fallen into a lower age group if it were not for being born prematurely. The view of the head teacher of the school concerned will also be sought as part of the decision making process.

Supplementary Information Forms

In order to assess the application for Voluntary Aided schools and Academies parents are required to provide additional information to that collected on the preference form and should complete a "supplementary information form". For Wolverhampton schools these forms will be made available on the Wolverhampton City Council website and they should be returned to the relevant school or schools by the specified date. In the case of Voluntary Controlled schools the supplementary information form must be returned to the Local Authority. Please note if the school is over-subscribed the additional information gathered will be used to determine the allocation of school places.

Parents who are applying for schools outside of Wolverhampton are advised to contact the appropriate LA to determine whether any Supplementary Information Forms are required, their submission date and to whom they must be submitted.

Parents should be aware that where a Supplementary Information Form is completed it will not be regarded as a valid application unless the LA has also received a completed application showing an expressed preference for the school concerned.

Similarly, if applicants are required to sit school tests they will be required to complete an “entrance examination registration” form. These forms will be made available on the Wolverhampton City Council website.

Tie Breakers for Over-Subscribed Schools

If there are an insufficient number of places to accommodate all the children of a particular criterion, the next criterion will be used to assess the applications concerned in order to prioritise applications.

Unsuccessful Applications and Appeals

If the applicant is a Wolverhampton resident and the admissions and appeals team is unable to allocate a place at any of the preferred schools then a place will be allocated at the nearest Wolverhampton maintained school that has a place available except where parents have indicated on the application form that they do not wish their child to attend a faith school. Allocations to Own Admitting Authority schools in this case would be made following consultation with the governing body concerned.

For Wolverhampton residents, where preferences cannot be met, the Admissions and Appeals Team will notify parents accordingly, setting out the reasons and advising of the right of appeal, how to lodge an appeal and to whom.

For other applicants for Wolverhampton schools the home LA will notify parents of the reasons why parental preference cannot be met and to whom any appeal should be lodged.

Parents are only entitled to one appeal per year group, per school, per academic year unless there is a material change of circumstances.

Waiting Lists

If the applicant has not been allocated their first preference, the application will automatically be placed on a waiting list for the preferred Wolverhampton school or schools that were ranked higher than the allocated school.

Unless material changes of circumstances have been demonstrated a child’s name will only be included on those lists for schools that were ranked higher on the application than the school allocated to the child and, therefore, if a child is allocated a place at the first preference school the child’s name will not be added to the waiting list for any of the other preferred schools.

The waiting lists will be ranked in admission criteria order. As soon as places become vacant the LA on behalf of the admitting authorities will re-allocate those places from the waiting list, even if this is before appeals have been heard.

The Authority will maintain the waiting lists until 31 December 2017.

Requests for inclusion on waiting lists for non-Wolverhampton schools must be made in writing to the relevant local authority for the school concerned for assessment in accordance with their scheme.

Definitions

Sibling

For admission purposes, a sibling is a child who resides permanently at the same address as the child for whom a place is being requested, and is one of the following:-

- brother/sister
- half brother/sister (i.e. share one common parent)
- or stepbrother/sister (i.e. related by a parent's marriage)
- any other child for whom it can be demonstrated that s/he is residing permanently at the same address (e.g. under the terms of a residence order).

The sibling connection only applies where the child concerned has a sibling attending the school at the time of the application as well as at the time of admission, (i.e. for normal year of entry applications siblings are expected to be attending the same school in September 2017). A sibling connection will not be accepted if the original place was obtained by using fraudulent or false information.

Looked After Children

If the child is in the care of a local authority or provided with accommodation by that authority.

If the child has previously been in the care of a local authority or provided with accommodation by them and has immediately been adopted, or is subject to child arrangements order or special guardianship order.

Home Address

Parents are asked to provide their child's home address, i.e. the usual place of residence on weekdays and nights. Please note that childminder's addresses will not be accepted. This applies to both formal childminders and relatives and friends acting in a childminding capacity.

The home address of a pupil is considered to be the permanent residence of a child in a residential property when the place is offered. Documentary evidence relating to house moves taking place between National Offer Days of 1 March 2017 and 17 April 2017 and the start of the academic year in September 2017 will be considered. The address must be the child's only or main residence and is either:

- Owned by the child's parent(s), carer(s) or guardian(s)
- Leased to or rented by the child's parent(s), carer(s) or guardian(s) under lease or written rental agreement.

Documentary evidence of ownership or rental agreement may be required together with proof of actual permanent residence at the property concerned.

Where parents have shared responsibility for the child and the child lives with both parents for part of the week then the main residence will be determined as the address where the child lives for the majority of the school week. If the child equally shares living with both parents, the parents must inform the Local Authority which address should be used for admission purposes and which parent will make the application. Parents will be requested to supply documentary evidence to support the address used for the application.

CITY OF
WOLVERHAMPTON
COUNCIL

Cabinet Meeting

24 February 2016

Report title	Children's Services Re-Design	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Val Gibson Children and Young People	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Linda Sanders, People	
Originating service	Children and Young People	
Accountable employee(s)	Emma Bennett	Service Director, Children and Young People
	Tel	01902 551449
	Email	emma.bennett@wolverhampton.gov.uk
Report to be/has been considered by	People Leadership Team	8 February 2016
	Strategic Executive Board	9 February 2016

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Approve the eight localities strengthening families hub model with outreach, as detailed in the report presented to Cabinet on 11 November 2015 and as further developed following public consultation.
2. Receive outcome of the employee and stakeholder consultation and agree the areas for action arising from consultation feedback as summarised in the report (para 3).
3. Approve the full implementation of the new Early Intervention and Prevention model, including the structural arrangements as set out in Appendix one.

4. Approve the design, workforce development, commissioning, performance management and implementation arrangements as proposed within the report.
5. Delegate authority to the Cabinet Member for Children and Young People, in consultation with the Strategic Director of People, to make any further changes to the employee establishment within the new model as a result of the formal employee consultation which has taken place during January and February 2016 and ceases on 1 March 2016.

1.0 Purpose

- 1.1. The purpose of this report is to inform Cabinet on the updated proposals for the fundamental re-design of front line services that deliver Early Intervention and Prevention (EIP) also termed “Early Help”.
- 1.2. This report summarises the feedback from the consultation and sets out the changes to the proposed model as a result of the feedback. It also gives an overview of the work currently being undertaken to prepare for full implementation.

2.0 Background

- 2.1 The transformation of City of Wolverhampton Council’s EIP capability has been ongoing since the launch of the Families r First (FrF) Programme in April 2014.
- 2.2 The transformation, so far, has been a success. As of 31 March 2015, there were 780 Looked After Children (LAC). As at 1 February 2016, there were 667 LAC, 199 children subject to Child Protection plans and 1395 Children in Need.
- 2.3 The report submitted on 11 November 2015 outlined a whole system transformation, focusing on improving the outcomes of children in Wolverhampton. Cabinet agreed to:
 - Support the overarching aim of EIP being to safely prevent family breakdown and thereby reduce the number of children being taken into care
 - Approve the outline design of the EIP model and associated proposals for the re-design based on the objectives and principles set out in this report
 - Approve the commencement of formal consultation on these proposals.
 - Agree to receive a further report in February, following consultation, to make proposals for implementation
 - Approve any necessary Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) transfer of employees in Early Help (0-5) Services currently delivered through School Governing Bodies
- 2.4 Since the report to Cabinet, the Council has undertaken a comprehensive consultation programme with both employees and the public alongside the planning for implementation.
- 2.5 Also, since the report, 101 staff have been transferred from school to Council employment, which has allowed the employee consultation to begin.
- 2.6 This project reports into the Transforming Children’s Services Board, chaired by the Strategic Director for People to ensure strong programme management and supporting governance.

3.0 The results of the public and stakeholder consultation

- 3.1 Public and stakeholder consultation took place over 12 weeks from November 2015 to February 2016. The consultation used:
- an online survey, advertised through posters at Children's Centres, Community Centres and Libraries
 - the Council's, Wolverhampton Homes' and The Way Youth Zone's social media pages and websites
 - emails to stakeholder groups and in the schools' bulletin
- 3.2 The project team also completed the survey with members of the public visiting the Civic Centre and Family Support Workers completed the survey with service users.
- 3.3 17 members of the Youth Council and six members of the Children in Care Council also gave their comments.
- 3.4 The survey received 295 responses, 204 of whom were members of the public and 91 were professionals who work with children. A detailed summary of feedback can be found on the Council's consultation page¹.
- 3.5 In addition to the online consultation, eight public and four stakeholder events were held across the city in November and December 2015, including one aimed at school stakeholders and another aimed at Health. 25 people attended the stakeholder events and 65 people attended the public events.

Public consultation

- 3.6 80% of the public agreed or strongly agreed with the objectives of the re-design to focus resources on those most at risk of family breakdown. The majority of feedback was positive and highlighted the importance of Early Help services to families. There were concerns around the capacity of employees and around the impact that making cuts to save money has on the support available to a child.
- 3.7 With the investment going into the Specialist Intensive Support service, and the focus on directing support to those children most in need, we continue to be confident the proposals will allay these concerns. We also continue to believe the focus of the re-design on achieving significant sustained changes with families will reduce the need for families repeatedly needing support and, therefore, the current proposed model will be sufficient and sustainable to meet demand.
- 3.8 Respondents were asked where they currently spend time with their family and how they travel to services. The most popular places to spend time with family were at playgrounds and shopping centres. 45% of respondents said they could

¹ <http://www.wolverhampton.gov.uk/consultations>

travel between one and two miles to access services. This was the most popular answer, which aligns with the proposals for locations which are geographically spread across the city and enhanced by outreach bases in each of the localities. The number and location of outreach bases will be influenced by local need and where the public are most likely to visit.

- 3.9 68% of the public agreed that the Parent Champion initiative (parents who have positive experiences of accessing provision and act as advocates and peer advisers to other parents in their community) would be a good way to engage and support communities. 24 people gave their details as they were interested in becoming Parent Champions.
- 3.10 Based on this very positive feedback, we will now prioritise the implementation of a Parent Champion scheme as part of the implementation plans.
- 3.11 Respondents wanted staff that are friendly, respectful, genuine and understand their family situation. They access services from settings other than Children's Centre's and Family Support Workers, such as GP, health visitor, schools and the internet. Around 60% of respondents did not know of or rarely accessed advice online.
- 3.12 As a result of this feedback, we have developed a set of values and behaviours, which reflect what the public expect. We will further develop the EIP offer in conjunction with partners (where the public initially access services) to ensure the pathways into EIP are clear. We expect an increase in use of online services as part of the corporate digital transformation programme.

Stakeholder consultation

- 3.13 The majority of respondents supported more integrated working by professionals. There were some concerns about meeting families in their own homes, especially if they are vulnerable adults, children, victims of domestic abuse, drug users or when a family is in crisis.
- 3.14 We will therefore ensure the public are able to access the proposed community outreach bases as well as the eight Strengthening Families Hubs. We also intend to have specific staff within the new service who will have a greater level of skill and knowledge of specific needs so they are able to support other staff to engage with families in crisis and provide an integrated response.
- 3.15 Professionals fed back that the proposal for Strengthening Families Workers to be a single port of call for families would be less confusing for families and would help support better relationships and, therefore, produce better outcomes. There was enthusiasm to develop mechanisms to work together with other professionals in order to raise confidence in their work. We will therefore make sure that sharing skills and experience is core to the workforce development plan which will be developed.

- 3.16 Stakeholders were asked about how they access additional support from other professionals. 78% said they would contact others in their organisation for additional support, 56% said they would make a referral via Early Help and 42% said they would research online.
- 3.17 Therefore, we will ensure a culture of support and assistance is embedded both in the values that we expect employees to demonstrate and highlighted in the induction given to new and existing employees.

4.0 The proposed design

- 4.1 The outline design was set out in the November 2015 Cabinet Report. Work to develop the emergent model (which includes Universal Services and services for families from priority groups, the Targeted Early Intervention and Prevention service, the Specialist Intensive Support (SIS) service and the Central Early Intervention and Prevention team) is described below. The intended organisational structure for the new services can be found in Appendix one.
- 4.2 Due to the specialist nature of the therapeutic support function within the SIS Service, we propose this is commissioned from an organisation with a track record of delivery.
- 4.3 Job Descriptions have been reviewed or developed to support the new structure and include feedback from the consultation. They reference the agreed values and behaviours (as described in Section five) and reflect the skills and experience we expect employees to demonstrate.
- 4.4 A key component of the re-design is ensuring an agile and mobile workforce, supported by suitable technology solutions and aligned to the Council's digital transformation programme. Technology is being tested through the trial of devices with a selection of employees in various roles to ensure the final mobile working solution meets their needs.
- 4.5 Re-designed pathways, outlining the journey a family will make both into the EIP service and within the service (escalating up from universal to the SIS team and deescalating down), have been mapped out to ensure EIP offers the right level of support at the right time to families.

5.0 Workforce development

- 5.1 The Council has been considering which evidence-based working model to adopt to enable front line employees to effectively work with families and enable improved outcomes. The model will need to increase consistency and quality of casework, increase practitioner confidence, support the culture and be suitable for Wolverhampton. It will be strengths-based and solution-focused, with an emphasis on working in partnership with families.

- 5.2 As a result of in-depth research, understanding the evidence base from where models have been used elsewhere and evaluating the options against an agreed set of criteria, two models are being considered: Signs of Safety and the Family Partnership Model. Both models are being rigorously assessed and a decision about which to use will be presented to the Transforming Children's Board for approval.
- 5.3 The guiding principles and behaviours we expect employees to demonstrate are based on the corporate PRIDE behaviours, discussions with employees and feedback from the consultation. The values and behaviours are embedded within the new Job Descriptions, the induction for new and existing employees, the working model, and will be reflected in future workforce development plans.
- 5.4 The levels of skills and the specialisms within each locality are currently evolving and will be agreed before implementation begins. From an analysis of existing data, we already know there is a need to upskill the workforce in domestic violence, substance misuse, mental health issues and child sexual exploitation.

6.0 Developing the model with partners

- 6.1 Partners, such as schools, Health professionals, the Voluntary and Community Sector and the Youth Council have been involved in the consultation process through existing governance forums. Engagement will continue through Learning Communities and the Children's Service newsletter.
- 6.2 Partners will be involved within each project workstream, where required, to ensure their views are incorporated into the detailed design and during implementation. This will ensure the EIP service has the right local networks in place to optimise its effectiveness.

7.0 Commissioning and procurement

- 7.1 Work is underway to map out the commissioning and procurement processes for the EIP service and analysing spend data to establish purchasing trends, which will be matched with the needs identified across the city.
- 7.2 The Strengthening Families Workers will have the ability to broker support relating to specific needs so we are working to develop a clear process which will allow the micro-commissioning of additional, creative solutions. The process will ensure a timely response while adhering to the Council's procurement rules. The processes for the macro (or strategic) commissioning of goods and services are being reviewed to ensure they are streamlined, effective and avoid duplication of effort across teams.
- 7.3 We are also collating existing contracts from each locality so other localities can make best use of what's in place and identify where there are existing corporate contracts that could be utilised to achieve greater economies of scale. A "locality

contract register” will be developed, drawing on relevant contracts from the corporate register, to improve access to existing contractual arrangements.

8.0 Performance management

- 8.1 An EIP-wide performance framework is being developed, which will allow the service to measure the impact of interventions on individual families, the impact of specific services, and whether the Council is achieving its strategic aim of preventing family breakdown. The framework will provide strategic information to senior management and give operational reporting detail to the Strengthening Families Partnership Managers (previously named Locality Managers) and Heads of Service.
- 8.2 Existing Locality Managers and Heads of Service have been involved in developing the dashboards of management information to support them in making informed decisions. We intend to make use of readily available data where possible and to supplement with new data collections where necessary. Specifications for any data collection or reporting mechanisms which are currently unavailable will be fed into the corporate Future Performance Programme.
- 8.3 The new Development Officer role will provide clear links between each locality and city-wide planning for EIP, ensuring a flow of data and information. This will include performance and service user feedback data to support Strengthening Families Partnership Managers and will help inform commissioning priorities.
- 8.4 Work is also underway to identify how the Development Officers will work closely with the corporate Business and Intelligence Hub to best use the available data, cross-referencing data collected by other teams, directorates and partners and weighting the data so that localities are able to target the right families.

9.0 Implementation approach and timescales

- 9.1 Implementation of the new EIP model is planned to take place by June 2016 with some elements having the potential to be in place earlier.
- 9.2 Implementation plans are being developed for each workstream which show detailed activity from February to August 2016, including how each workstream output will be embedded following the go live date. The re-design will continue to be governed by the Transforming Children’s Services Programme and partners and users will continue to be consulted throughout the implementation.
- 9.3 A high level implementation plan, showing key activities and milestones for each workstream, can be found in Appendix two.

10.0 Financial implications

- 10.1 The total budget for Children and Young People Services for 2015/16 is £51.9 million.
- 10.2 There are a number of existing Early Intervention and Prevention services which have been initially deemed in scope for this transformation programme. The initial focus of this programme are those services that the Council delivers directly to families and those that a provider is commissioned to deliver. The total budget for these services is £10.2 million; the budgeted net cost to the Council in 2015/16 is £8.2 million.
- 10.3 The Medium Term Financial Strategy included a saving proposal for the reduction in Looked After Children of £6 million (£3 million in 2015/16 and £1 million each year for 2016/17 – 2018/19).
- 10.4 The Medium Term Financial Strategy also includes a savings target of £1 million, deferred from previous years. This will be realised as the number of Looked After Children reduce, enabling a reduction in employee resources. The Budget Report on the same agenda proposes to re-profile £750,000 of this from 2016/17 to 2017/18.
- 10.5 Cabinet on 22 July 2015 and 21 October 2015 included savings proposals of £4.4 million for the Children's Services Re-design, which were approved for further development in the Draft Budget and Medium Term Financial Strategy 2016/17 to 2018/19.
- 10.6 Therefore, the total savings requirement in the Medium Term Financial Strategy for 2016/17 is £6.4 million. In summary the savings for 2016/17 will be delivered by:

Description	£000
Total Savings Target for Children's Services 2016/17 – 2017/18	(6,350)
Net Savings from Service Re-Design	1,975
Savings from the reduction in the number of Looked after Children	3,625
Reduction in employee resources as a result of the reduction in LAC	750

- 10.7 The whole service re-design will underpin the delivery of an accelerated, sustainable and lasting reduction in the number of LAC over the medium term. The Medium Term Financial Strategy assumes a reduction in the number of LAC to 583 by 31 March 2017 and 559 by 31 March 2019, which assumes the delivery of significant savings in placement costs of £3.6 million.

10.8 Capital investment for this proposal will require investment of £405,000 to undertake essential works. This has been incorporated into Capital Programme 2015/16 to 2019/20 Quarter Three Review on the same agenda, which will then go onto Full Council for approval.
[NM/02022016/G]

11.0 Legal implications

11.1 Following on from the Cabinet Report in November 2015, Cabinet is now being asked to approve the EIP model and its implementation, including its proposed organisational structure. Given the human resources and equal opportunities implications of the proposed re-design of the EIP Service in relation to staff and their employment, all endeavours will be undertaken in accordance with relevant employment and equal opportunities legislation and practice to ensure that they comply with legal constraints.

11.2 Further, due to the potential nature of the proposed re-design, consideration has been given to Section 5(a) of the Childcare Act 2006, amended by the Apprenticeship, Skills, Children and Learning (ASCL) Act 2009 which requires Local Authorities to ensure there is sufficient Children's Centre provision within the local area to meet local need. The proposals set out in this report ensure that the Council continues to discharge its duties in relation to this.

11.3 Section 5(d) of the Childcare Act 2006 as amended by the Apprenticeships, Skills, Children and Learning Act 2009 provides a statutory framework in which consultation about proposed changes to Children's Centres can take place and due regard would be given to ensuring compliance with these requirements.
[JB/01022016/C]

12.0 Equalities implications

12.1 The Equality Act 2010 and the General Equality Duty that the Act creates at Section 149 require the Council to ensure, as far as is proportionate or practical, that policies and services are compliant before decisions are taken to approve them; to have what the Act calls "Due regard".

12.2 Equalities are core to the transformation set out in this report and have been integral to the process from the outset. This can be evidenced in the tender specification that was developed for the consultancy work that has underpinned these proposals.

12.3 The proposal to establish a service development function will enable local trends to be understood, evidence collated and work supported to ensure that the Council's equalities ambitions and duties operate in practice as well as in policy.

12.4 This report and its associated initial equality analysis have identified the potential for adverse implications for some people who share characteristics as defined and protected in the Equality Act. The report describes a new service model and

officers are clear that adverse impacts can be mitigated and/or justified within the context of those permissible under the Act.

12.5 A full equality analysis has been undertaken and this was informed by the consultation findings. The analysis can be found on the Council's website ².

12.6 Any proposed employee changes will fall within the Council's Equality in Employment Policy and will be reflected in the Council's annual equality monitoring reports.

13.0 Environmental implications

13.1 There are no environmental issues arising from this report.

14.0 Human Resource implications

14.1 The proposals for the re-design will lead to a reduction in the overall resource requirements within the EIP service. Affected employees have had the opportunity to participate in the design and development of the future service. Full consultation with employees and trade unions is taking place regarding the proposed changes to the service.

14.2 Changes to organisation structure, job roles and resource numbers is being managed in accordance with the City of Wolverhampton Council's policies and procedures. In order to minimise the impact of redundancy on employees and in accordance with the Council's Assimilation Policy and Process, where it's appropriate employees will be assimilated into posts with ring fenced recruitment being used for new posts or posts for which duties have substantially changed.

14.3 The proposed re-design will require employees to adopt a five out of seven day working pattern. In accordance with the Collective Agreement, full consultation will be undertaken with affected employees. Following appropriate local consultation processes, the working week of individual employees may be arranged over a seven-day period (five out of seven), including weekends, provided that the employee's average core hours over a pre-determined reference period does not exceed 37 hours.

14.4 Employees who do not secure a post through the restructure will be offered redeployment support in accordance with the Restructure and Redundancy policy. The Council is currently operating a voluntary redundancy scheme which has been made available to all employees to mitigate the need for compulsory redundancy.

14.5 Employees have TUPE transferred from Children's Centres to the Council. This has been undertaken ahead of the full consultation with employees on the re-design. Consultation with affected employees regarding potential redundancy

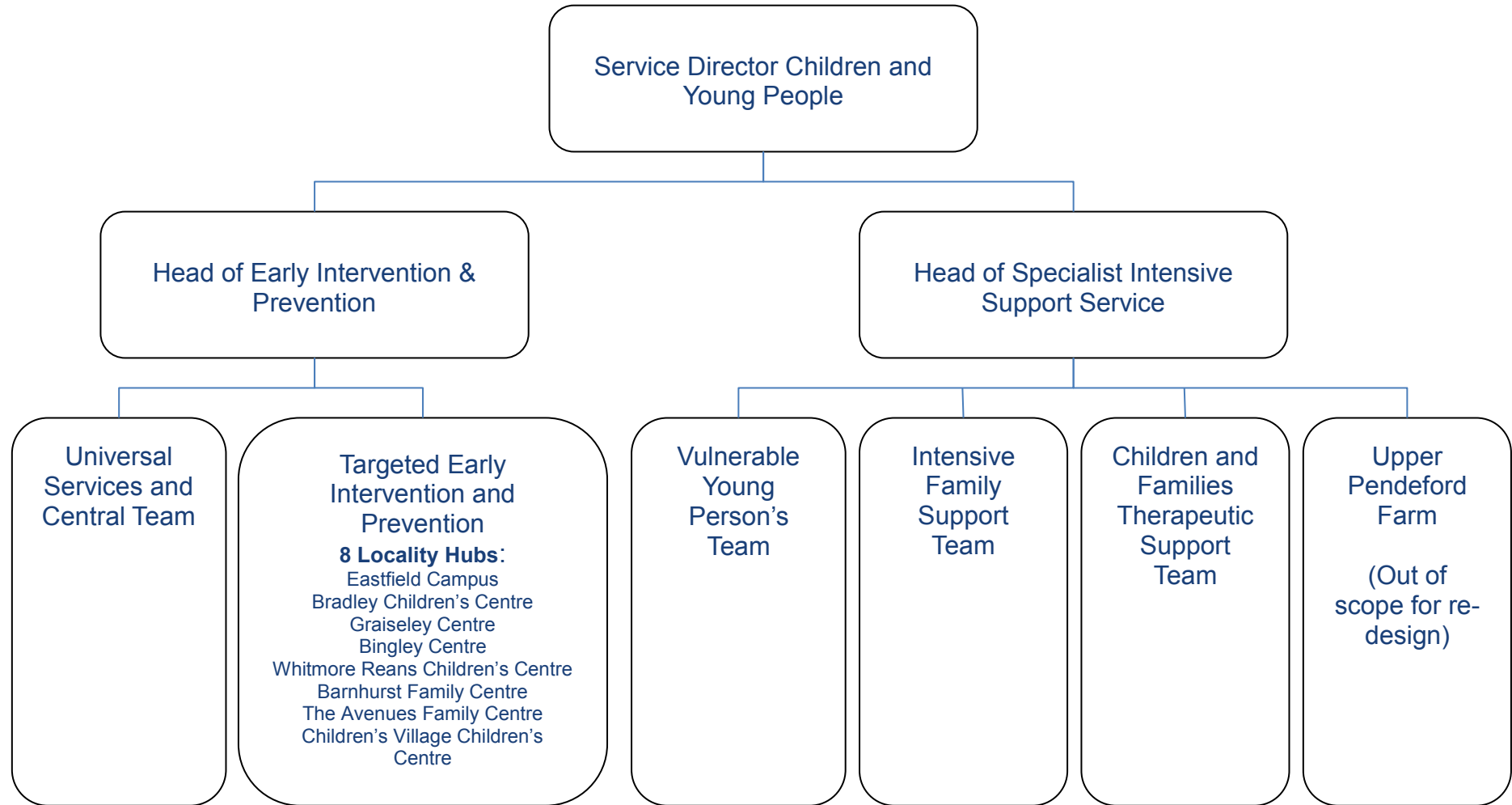
² <http://www.wolverhampton.gov.uk/article/3929/Equality-Analysis>

implications is being undertaken in accordance with the Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014.
[HR/JF/EB/008/v2]

15.0 Corporate landlord implications

- 15.1 The re-design proposes one Strengthening Families Hub supporting each of the eight localities, which will provide a strengthened offer than currently delivered in individual centres and which supports a less building-centred approach.
- 15.2 The service currently occupies 25 assets of which it is proposed to retain and remodel (where appropriate) six as Strengthening Families Hubs together with two new Council sites to create a Hub in each locality. The remainder will become vacant and are predominately school sites.
- 15.3 For the school assets that will become vacant, Corporate Landlord, Children's Services and Education Services are working together to determine how the vacant spaces can be fully utilised for the good of the school estate and to support future basic need requirements.
- 15.4 The future of the potentially vacant non-school assets (Wednesfield Housing Office and Middleway Green) will be determined by the Corporate Landlord Board and a decision will be made on their future following consultation and Cabinet approval.

Appendix One: Proposed Organisational Chart



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- Universal Services and Targeted Early Intervention and Prevention teams will work out of eight Strengthening Families Hubs
- The number of employees in each of the eight Targeted Early Intervention and Prevention locality teams are based on the analysis of need in each locality

Appendix Two: High Level Implementation Plan, February to August 2016

Workstream	February	March	April	May	June	July	August
1. Organisational Design	◆ <i>Formal staff consultation ends</i>			<i>Go / no go decision</i> ◆	PLANNED GO LIVE		
	New detailed design developed and agreed					◆ <i>Staff handbook go live</i>	
	New pathways, procedures and policies developed						
	New IT equipment user tested and agreed					New IT equipment roll out for mobile working	
	Strengthening Families Hubs prepared for use					Vacated assets repurposed	
2. Ways of Working	Working model assessed	Tools to support working model developed			Training in new model begins		
		Levels of skill and specialisms in each locality agreed					
		Specific training needs identified and planned			Other specific training begins		
	Induction process developed				Roll out of induction to existing employees		
3. Performance	EIP-wide performance framework developed		Framework testing		Roll out of performance framework and dashboards		
	Identify and weight risk of LAC indicators		LAC indicators tested to ensure correct		◆ <i>Risk of LAC indicators tracked as part of performance framework</i>		
4. Commissioning & Procurement	Commissioning process mapped for services						
	Micro-commissioning process developed for locality low values purchases					Training for localities in micro-commissioning process	
		Locality contract register developed and populated			◆ <i>Locality contract register go live</i>		

Cabinet Meeting

24 February 2016

Report title	HeadStart Wolverhampton Submission of Phase 3 Funding Bid to Big Lottery	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Val Gibson Children and Young People	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Viv Griffin, Disabilities and Mental Health Mark Taylor, Director Finance	
Originating service	HeadStart	
Accountable employee(s)	Kevin Pace Tel Email	HeadStart Programme Manager 01902 556817 kevin.pace@wolverhampton.gov.uk
Report to be/has been considered by	Place Leadership Team Strategic Executive Board	18 January 2016 26 January 2016

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Delegate authority to the Cabinet member for Children and Young People in consultation with the Strategic Director People and the Service Director – Disability and Mental Health to agree the phase three funding submission to Big Lottery by 26 February 2016.

1.0 Purpose

- 1.1 City of Wolverhampton Council is one of 12 HeadStart partnerships across the UK which were successful in securing £500,000 from Big Lottery in July 2014 to run a series of test and learn pilot programmes to test new ways of supporting children and young people aged 10-14 and their families to promote positive mental well-being and resilience building. The age-range was increased to 10-16 by Big Lottery in the summer of 2015. The focus of Headstart is on early intervention and prevention of mental ill health. The programme has worked intensively with 21 schools across the city (including primary, secondary and special schools) and a range of voluntary sector organisations.
- 1.2 A bid for extension funding of £406,000 was approved by Big Lottery in the Summer of 2015 in order for HeadStart Wolverhampton to extend the phase two pilot programme for the current academic year until 31 July 2016, and to build capacity within the Wolverhampton partnership in order to prepare its phase three proposals for further funding from July 2016 to July 2021.
- 1.3 Big Lottery is currently inviting phase three bids from the 12 HeadStart Partnerships to roll out the phase 2 pilot. These will range from £6m - £10m. The final submission deadline for phase three proposals is 26 February 2016.

2.0 Background

- 2.1 The overarching aim of HeadStart Wolverhampton during its phase two delivery (and extension to 31 July 2016) has been to test ways in which the traditional tiers one and two of CAMHS (children's and adolescents mental health services) can be extended and adapted through innovative methods to raise the profile of mental well-being, break the stigma of mental health amongst young people, parents and communities, educate and up skill young people with coping strategies, and provide access to early support when and where it is required. The current phase two delivery programme therefore has a number of different work streams at different stages of their life cycle, and all are in the process of being evaluated in order to inform the thinking for phase three.

Within schools two mental wellbeing resilience programmes have been adopted SUMO (Stop Understand and Move On) and PRP (Pennsylvanian Resilience Programme) and 2366 children have benefited from the resilience training. There have been some powerful successes in terms of benefits to these children and these have been formally evaluated by a team from Wolverhampton University (See appendix 1: Summary of Evaluation Report). In addition 1145 young people have engaged in voluntary sector commissioned activities including Gazebo (Kuumba Arts) 'A Place to Be Me', Changing Lives 'Girls Can Do' Base 25 'Satellite Project', Inspiring Futures 'Creative Family Craft and Play Sessions' plus digital and radio broadcasting projects.

- 2.2 The preparation for HeadStart Wolverhampton's phase three bid began in September 2015 and has been led by the Programme Manager, supported by a comprehensive project delivery plan. The bid has been subject to wider consultation and input from the HeadStart Executive Group, Partnership Board, service specialists, professionals, Big

Lottery Consultants, the young people's writing group and other key partners. The Headstart Partnership Board has overseen the phase two pilot and its progress and has driven the development of the Phase three bid. The close multi agency working across schools, Wolverhampton University, voluntary sector, social care, health and the police has been one of the key successes of Headstart. The Headstart Partnership Board has been shadowed throughout its duration by the 'Headstarters' who are a group of children and young people who have continuously engaged in the programme and provided us with a rich source of young people's opinions and helped us to shape the entire programme. The detail of the bid has been captured under a set of headings outlined by Big Lottery (see appendix 2 HeadStart Bid Structure). Within the bid is a detailed Programme Design Proposal that covers key themes including:

- Voluntary sector engagement
- Core programme governance costs
- Young people and family engagement
- Digital Technology
- A Specialist Support Team / School Support Services
- Events and Place to Go inreach and outreach (HeadSpace)

2.3 Partners are required by Big Lottery to submit proposals which meet a minimum bar, including a 'confidence' test in key areas including strategy and outcomes; leadership; governance; engagement; and sustainability. The phase three bid will focus on four geographic areas:

- A. Low Hill, The Scotlands and Bushbury South
- B. Springfield, Heath Town , Park Village, Old Heath / Eastfield
- C. Bilston East
- D. All Saints, Blakenhall, Parkfields and Ettingshall

These areas have been identified through detailed needs analysis undertaken by public health colleagues and CAMHS commissioners. The programme will continue to focus on the test and learn ethos of what works best in terms of promoting children's mental health wellbeing.

Phase three will cover significant breadth in terms of geographic coverage and will impact upon approximately 6500 children based in 25 schools plus participants of commissioned activity through the voluntary sector. Its depth will focus on universal services, universal plus services and targeted interventions. Universal services will include: commissioned activity, multi-agency working and school-based activity. Universal Plus services will include single point of contact and a Peer Support Programme. Targeted Services will include regular contact with trained HeadStart staff, CYRM (Children's Youth Resilience Measure) screening and a wraparound programme for parents and carers.

The submission of the written bid will be followed by interviews and presentations to England Committee and Big Lottery during late April to early May, with a decision at the beginning of June.

2.4 A process of continuous assessment is also in place whereby Big Lottery's Relationship Manager and other senior staff are maintaining a watching brief over HeadStart activity, including attending Partnership Board meetings and regular meetings with the Programme Manager and Strategic Lead, which is designed to assess the strength of leadership and management, strategic approaches, delivery and young people engagement and involvement in order to make recommendations to Big Lottery's England Committee, which is the final decision-maker for phase three.

3.0 Financial implications

3.1 The current HeadStart funding of £906,000 covers the period until 31 July 2016. Monitoring of the current budget and preparation of the projected phase three bid is being carried out with colleagues in Finance.

3.2 Possible additional funding of up to £10 million for the period 2016 to 2021 is dependent on the successful award at phase three by Big Lottery Fund. This funding programme will taper over the period with the aim that it becomes self-sustaining by the end of the five year period.
[GS/12012016/Q]

4.0 Legal implications

4.1 There are no direct legal implications arising from this report.

4.2 The activities described in this report meet the requirements of the terms and conditions of the Big Lottery grant. The phase three proposals would see significant sums of money being committed to the voluntary and community sector, schools and other organisations and the Council's Procurement team is supporting the preparation of the implementation plans for phase three.
[TC/13012016/A]

5.0 Equalities implications

5.1 The HeadStart equality analysis shows that there are no adverse impacts to a continuation and development of the existing programme, and that HeadStart could assist in eliminating discrimination, advancing equality and fostering good relations amongst people belonging to a protected characteristic.

5.2 HeadStart Wolverhampton has an equalities group of Council professionals, including members of the Equalities Team, and this group acts as a critical friend to the Programme Manager and the HeadStart Partnership Board. The Group is involved in supporting the determination of priority groups within the phase three target population.

6.0 Environmental implications

6.1 None

7.0 Human resources implications

- 7.1 HeadStart staff and contractors are all subject to contracts and agreements which do not place any liability on the council beyond the current phase two end date of 31 July 2016.
- 7.2 Current staff contracts will be extended and new staff appointed to posts included in the resources plan submitted to Big Lottery if phase three funding is awarded.

8.0 Corporate landlord implications

- 8.1 HeadStart currently occupies Council premises at Shaw Road. Appropriate notice of future occupation intentions will be provided from May 2016 when the Big Lottery has made its decision about Wolverhampton's phase three funding bid.

9.0 Schedule of background papers

- 9.1 None

Appendix 1: Summary of Evaluation Report

The findings summarised here are a for the most part, a synthesis of findings from both primary schools (SUMO) and secondary schools (PRP) though some findings pertain to specific programs where applicable:

- Both staff and pupils responded positively to the programs and both programs were seen as a useful addition to the work and life of the schools. There were some initial concerns around the amount of content (PRP) and the challenges of delivery against timetabling and curriculum demands.
- Pupils reported initial apprehension (PRP) but becoming increasingly positive as the program progressed and any anxieties were quickly overcome. Pupils found the language very accessible (SUMO) giving them a shared vocabulary for talking about emotions and responses to difficult/challenging situations. The adoption of a shared language arising from both PRP and SUMO was reported as an indicator of success regarding whether programs had become embedded in the life of the school.
- Pupils were better able to deal with challenges they face and there was a tangible improvement in terms of pupil behaviour.
- There was a noticeable increase in the capacity of pupils to draw on resources/strategies that support and sustain well-being and resilience. Pupils understood the objectives of the programs and recognised the positive influence the programs had upon attitudes and behaviours.
- For PRP pupils, the benefits of sharing experience were significant and reported as being very powerful in encouraging alternative perspectives and increasing tolerance and understanding.
- Staff-to-pupil and pupil-to-pupil relationships had seen a marked improvement thereby increasing social capital.
- Pupils reported significant personal gains from the programs: improved social relationships, capability to manage friendships more effectively, ability to manage personal behaviour and positive impact upon academic learning and achievement.
- Both pupils and Key members of staff (KMS) felt programs were sustainable given adequate numbers of trained staff, which would enable wider roll out of the programs. Sustainability would also be enhanced through reach beyond the school to parent/carers and communities.
- Schools reported innovative ways of adapting both SUMO and PRP delivery to respond to schools individual needs. Some schools drew on external resources and outside agencies to support program delivery and all pupils could independently draw on skills and techniques whilst at school. However, few pupils used such techniques beyond the school environment.
- Concurrent across KMS and pupils regarding Main Significant Changes was improved pupil behaviour and ability to deal with the challenges they may face. Other MSC included: increased confidence, improved decision-making skills, increase in self-esteem and improved stress management and reflective skills.

Appendix 2: HeadStart Bid Structure

The HeadStart phase three funding submission will be set out using the following headings as per Big Lottery's requirements:

HeadStart Phase 3 – Bid Application Section Headings
1. Executive Summary
2. History of HeadStart Wolverhampton
3. Description of Wolverhampton <ul style="list-style-type: none">A. GeographyB. PopulationC. Key strengths / assetsD. Particular challengesE. Young people needs analysisF. Implications for HeadStart Demographic
4. Overview of Phase 2 <ul style="list-style-type: none">Partnership composition:<ul style="list-style-type: none">A. WhoB. Governance arrangementsC. Overview of activity to dateD. WhatE. ScaleF. ImpactG. Lessons learned
5. Changing context <ul style="list-style-type: none">A. Geography 5.1. Population phase 2:<ul style="list-style-type: none">B. Further retrenchment of servicesC. CAMHS transformation
6. HeadStart Phase 3: <ul style="list-style-type: none">A. MissionB. Target PopulationC. Young PeopleD. WhereE. AdultsF. OutcomesG. Programme designH. Client journeyI. Digital elements

HeadStart Phase 3 – Bid Application Section Headings
<p>7. Governance and Programme Management</p> <ul style="list-style-type: none">A. GovernanceB. Org structure Description of different bodiesC. Programme management arrangementsD. Programme Lead <p>7.1. Other central delivery roles:</p> <ul style="list-style-type: none">A. Project managementB. Youth engagementC. Impact (performance management, evaluation)D. DigitalE. Communications
<p>8. Sustainability</p> <ul style="list-style-type: none">A. Sustainability strategyB. Sustainability safeguards:<ul style="list-style-type: none">i. Type of interventionsii. Governanceiii. Matched funding already brought in
<p>9. Youth engagement</p> <ul style="list-style-type: none">A. Describe activities to dateB. Provide tangible evidence of how young people have shaped the decisions described here aboveC. Describe how young people will continue to be engaged after award
<p>10. Implementation plan</p> <ul style="list-style-type: none">A. High level implementation plan with key milestonesB. Key risks and mitigation
<p>11. Finance - high level budget</p>

Cabinet Meeting

24 February 2016

Report title	Full Joint Inspection of Youth Offending Team	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Val Gibson Children and Young People	
Key decision	No	
In forward plan	No	
Wards affected	All	
Accountable director	Emma Bennett, Children and Young People	
Originating service	Youth Offending Team (YOT)	
Accountable employee(s)	Sally Nash	Head of Service – YOT
	Tel	01902 553722
	Email	sally.nash@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	16 February 2016

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Receive the inspection report¹ and recognise the strong level of performance identified in the inspection process.
2. Support the continuing work to address the inspection recommendations and further improve practice.

¹ <http://www.justiceinspectorates.gov.uk/hmiprobation/inspections/wolverhamptonfji/>

1.0 Purpose

- 1.1 The purpose of this report is advise Cabinet on the November 2015 Full Joint Inspection (FJI) of the Wolverhampton Youth Offending Team (YOT), the outcome of which demonstrated a high performing organisation.

2.0 Background

- 2.1 YOTs are multidisciplinary services set up under the Crime and Disorder Act 1998 with the main aim of preventing youth offending and reoffending. Since their inception, YOTs have been subjected to a variety of regulatory and inspection mechanisms.
- 2.2 The current inspection regime comprises a variety of methodologies, the most intense of which is the FJI. A variety of single agency inspectorates participate in a YOT FJI including the Care Quality Commission, Her Majesty's Inspectorate of Constabulary, the Office for Standards in Education (OFSTED) Social Care, OFSTED Learning and Skills and Her Majesty's Inspectorate of Probation, the latter of which will lead the inspection team. The involvement of the User Voice organisation is also commissioned to ensure that the views and feedback of service users is obtained and valued in the process. The FJI process comprises two fieldwork weeks; one involving intense scrutiny of 35 sample cases from the caseload; and the second week interviewing YOT partners about the quality of work.
- 2.3 An FJI is undertaken in six local authority areas each year, one of which is in Wales. The FJI Inspection in Wolverhampton was announced at the end of October 2015 and we were informed this was as a consequence of some concerns about the regularity of the YOT Management Board and the submission of the Youth Justice Plan in 2014/15.
- 2.4 The Wolverhampton FJI report was published on 9 February 2016. This included a press release and the publication of an extensive and comprehensive report of the findings.

3.0 Feedback on the Inspection Process

- 3.1 The FJI process was found to be very intense and demanding for all YOT staff and partners. It is pleasing to report that here in Wolverhampton the partnership response to the Inspection was very strong and over thirty partners were interviewed and consulted within the course of the second fieldwork week. Twenty three service users (young people, carers and victims) were interviewed in the first week and this was a higher number than the expected norm which was particularly commended by the Lead Inspector. There was also considerable pressure on a relatively small number of case managers in the staff group, both Social Workers and a Probation Officer, but the case file inspection outcomes were very positive.
- 3.2 There were set judgement criteria for the FJI which comprised six categories. The graded outcomes for these criteria range from one star to four stars without an overall judgement. Research has shown that of the YOTs selected for FJI in the last three years, Wolverhampton is the highest performing YOT service. The six categories with their Wolverhampton star ratings are as follows:

- Reducing Reoffending 4 stars
- Protecting the Public 4 stars
- Protecting children and young people 3 stars
- Ensuring the sentence is served 4 stars
- Governance and partnerships 3 stars
- Interventions to Reduce Reoffending 4 stars

3.3 As with all inspection regimes, there is an expectation that an Improvement Action Plan (IAP) is developed following the publication of the report. Wolverhampton commenced work on the IAP as soon as verbal feedback had been received on the Inspection findings, and this is now confirmed following receipt of the final written document. There are six key recommendations identified for improvement by the report:

1. Education, Training and Employment (ETE) outcomes for children and young people should be improved to ensure they are equipped with skills that contribute towards maximising their chances of employability
2. Leaders and managers should exercise their influence at all levels to secure an improved education and training offer that meets the behavioural and vocational needs of children and young people known to the YOT
3. The YOT Management Board (YMB) should include a Child and Adolescent Mental Health Services (CAMHS) representative
4. Child Sexual Exploitation (CSE) should be a standing item on the YMB agenda
5. Outcomes from the delivery of interventions should be evaluated in order to ensure that their impact is understood
6. Planning for work to reduce reoffending should take full account of barriers to engagement and the diversity needs of children and young people.

3.4 The first two key areas for improvement involve the need to address the quality of education, training and employment (ETE) outcomes for YOT children and young people. As part of the drive for this improvement, a review of 'Post 16' and alternative education provision has been commissioned by City of Wolverhampton Council's Strategic Executive Board. This work will enhance the current action plan within the YOT which targets the need to improve the engagement of young offenders in ETE, and the corporate target relating to educational engagement of Looked after Children and Young Offenders.

3.5 For a while there has been a delivery gap in the YOT in relation to CAMHS both in terms of operational staffing and strategic involvement in the YMB. The third Inspection recommendation relates to addressing this gap, and a staff post has already been scoped with recruitment now underway, and also there is now active strategic involvement in the YMB by CAMHS.

3.6 The Inspection team were particularly concerned with the quality and depth of YOT work that targets CSE. The fourth recommendation suggests that CSE issues are a standing item on the YMB agenda to ensure that this issue continues to receive strategic attention and that operational issues are escalated where appropriate. The report noted the YOT is strongly involved in current partnership CSE related initiatives. The YMB met at the end of January 2016 when a briefing paper was presented in respect of CSE issues. The

intention moving forward is to ensure that this and other Safeguarding issues receive agenda priority.

- 3.7 YOT reoffending levels were recognised as being some of the lowest in the country – within the top ten from the recorded figures. The fifth recommendation from the Inspectorate involves ensuring that the YOT interventions are properly evaluated to ensure the partnership understands ‘what works’ and assists with sustaining this success in the future. The YMB is looking to commission a bespoke piece of work to evaluate our interventions so that we can be more confident of future planning and resource allocation.
- 3.8 The final recommendation relates to the need to reduce barriers for engagement for some of the most disadvantaged young people which can be exacerbated by issues of diversity and disadvantage. Wolverhampton YOT has a strong record of commitment to improving quality of services to our diverse service users and this recommendation endorses this drive for this continuous improvement
- 3.9 In terms of strategic governance, the YMB and Youth Justice planning, the Inspectorate were satisfied that the concerns that had triggered this FJI had reflected a period of change in the whole YOT partnership. The report indicated that there was satisfaction that the current partnership arrangements were strong with some notable features including the membership of the Courts and Voluntary sector. There was a recognition that the YMB was well managed with good capacity to drive improvement. It was noted that the 2015/16 plan was one of the first submitted to the Youth Justice Board.
- 3.10 The IAP is approved by the Youth Justice Board and we are awaiting feedback from the Lead Inspector to confirm that all areas for consideration are covered. This IAP will be monitored by the YMB and needs to be signed off as complete within twelve months. In terms of Youth Justice planning, it is intended that the IAP will constitute the key themes of development for 2016/17, with a small number of additional targets which were not within the assessment scope of the FJI.

4.0 Financial implications

- 4.1 Any costs that arise as a result of the implementation of the improvement action plan (IPA) will be contained within existing budgets within the Youth Offending Service.
[NM/09022016/J]

5.0 Legal implications

- 5.1 There are no legal implications arising from this inspection report.
[RB/11022016/N]

6.0 Equalities implications

- 6.1 An equalities analysis has recently been undertaken in respect of the work of the Youth Offending Team. This has assisted planning & future improvements, ensuring they target the most disadvantaged young people.

7.0 Environmental implications

7.1 There are no environmental implications arising from this Inspection report.

8.0 Human resources implications

8.1 There are no human resources implications arising from this Inspection report.

9.0 Corporate landlord implications

9.1 There are no corporate landlord implications arising from the Inspection report.

10.0 Schedule of background papers

10.1 The FJI report is available on Her Majesty's Inspectorate of Probation website from 11 February 2016

<http://www.justiceinspectors.gov.uk/hmiprobation/inspections/wolverhamptonfji/>

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Cabinet Meeting

24 February 2016

Report title	Joint Special Educational Needs and Disabilities Strategy	
Cabinet member with lead responsibility	Councillor Val Gibson Children and Young People	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Linda Sanders, (People)	
Originating service	Disabilities and Mental Health	
Accountable employee(s)	Kathy Roper	Commissioning Team Manager
	Tel	01902 555043
	Email	Kathy.roper@wolverhampton.gov.uk
Report to be/has been considered by	People Leadership Team	11 January 2016
	Strategic Executive Board	19 January 2016

Recommendation(s) for action or decision:

Cabinet is recommended to:

1. Approve the final Joint Special Educational Needs and Disabilities Strategy for implementation over the next five years.

1. Purpose

- 1.1 The purpose of this report is to present the Joint Special Educational Needs and Disabilities Strategy for approval and implementation.

2 Background

- 2.1 This Special Educational Needs and Disabilities (SEND) Strategy developed by the SEND Partnership Board outlines the commitment from partners in education, health and social care in the city to making sure that disabled children and young people get the same life chances as children who do not have a disability.
- 2.2 This strategy aims to highlight the good practice already achieved in co-production with families and young people by the City Council, Wolverhampton Clinical Commissioning Group (CCG) and other partners during the local implementation of the SEND code of practice. It also highlights the challenges emerging in the city and areas for further development.
- 2.3 There is much to celebrate but we know that there are also many challenges, in particular the increasing number of children and young people with profound and multiple learning disabilities, autistic spectrum disorder, social, emotional and mental health difficulties (SEMH), specific and moderate learning difficulties and language and communication difficulties.

3 Strategy

- 3.1 This strategy is a high level document designed to highlight key strategic priorities. The implementation of the strategy will be supported by a number of detailed implementation plans that will be influenced by the information gathered during the consultation activities.
- 3.2 The vision for the strategy is that it promotes inclusion, maximizes young people's opportunities to be independent and enables young people with special educational needs and disabilities to be recognized as fully integrated citizens with the ability to contribute to their local community.
- 3.3 The strategy has been written to respond to the key priorities set out in the SEND code of practice, and highlights local strategic aims associated with each priority area for implementation. These are set out in the below:

AIM 1: to identify solutions to support children who need support with their mental health in partnership with the Child and Adolescent Mental Health Service (CAMHS) service, with a particular priority around children under five.

AIM 2: to develop a full range of suitable early years provision for children with complex needs and Autistic spectrum conditions

AIM 3: to equip all schools with the support they need to enable them to support children with SEN aged five–ten yrs in mainstream.

AIM 4: To ensure Wolverhampton's School estate is fit for purpose and meets the full range of more complex needs of the children and young people with special educational needs and disabilities now being placed.

AIM 5 to monitor and review the graduated response for children and young people with SEN/D with an emphasis on promoting inclusion through evidence-based early support and intervention, and enabling mainstream schools to meet a range of more complex needs.

AIM 6: to create a work force development programme that supports staff in mainstream schools in their role working with children with SEN

AIM 7: to develop local provision in order to reduce the number of children needing residential and out of area education health and care services.

AIM 8: to support all children and young people with significant special educational needs and disabilities and their families through a process of co-production to develop a person centred, outcome focused Education Health and Care (EHC) Plan where a single plan is required.

AIM 9: Where children and young people with special educational needs and disabilities do not transition to an EHC plan we will make sure that they have the most comprehensive support plan possible and that families are provided with appropriate information, advice, and support.

AIM 10: to develop a single integrated Resource Allocation System (RAS) to support eligible social care outcomes and ultimately to develop a single combined Resource Allocation System for all three elements of the EHC plan.

AIM 11: to review the children's equipment services and to develop a more stream line and integrated equipment service, which is responsive to the needs of disabled children, disabled adults and their families.

AIM 12: to increase the number of young people provided with a personal budget for their short breaks and to develop and extend the range of providers available for them to use.

AIM 13: to maximise the use of digital media as a way to provide up to date information

AIM 14: is to include a personal budget for transport as part of the creation of a single resources allocation system, and to do this in co-production with families.

AIM 15: to make sure there is on-going development of the Local Offer into a vibrant accessible interactive Local Offer that is up to date, easy to use and that meets the needs of local people.

AIM 16: to develop a supported employment pathway that support disabled young people into work and increase the number of disabled people in paid work

AIM 17: to make sure that we continue to provide and support the information advice and support service and make sure it meets quality standards.

- 3.4 The implementation of the strategy will be managed by the SEND Partnership Board who are accountable to the SEND strategy Group and the Children's Trust Board.

4 Consultation

4.1 Consultation was undertaken from 9 December 2015 to 14 February 2016. Listening to children and young people with special educational needs and disabilities and their carers is an integral part of the work we do, and they have told us that we should be striving for well-planned support for children and young people with special educational needs and disabilities from birth to 25. This means integrated services across education, health and social care, which work closely with parents and carers and where needs of the young person are identified in their Education Health and Care Plan (EHCP) and that these are met without unnecessary bureaucracy and delay.

4.2 As a result of the consultation the strategy has been amended to include:

- A stronger commitment to work in co-production disabled young people and families
- A greater focus on the inclusion of disabled children and young people in mainstream activities
- Greater support and training for staff in mainstream services
- Greater emphasis on the support requirements of disabled children and young people who will not transition to an Education Health and care plan
- Greater emphasis on leading an ordinary life including access to housing, and transport.
- A stronger focus on support for parent/carers including the provision of information advice and support.,

5 Financial Implications

5.1 There are no financial implications directly associated with this report. The implementation plans associated with the delivery of the strategy will need to include comprehensive financial plans. The delivery of the new strategy will need to be within the existing financial resources.

5.2 The Joint Special Educational Needs and Disabilities Strategy outlines the City Council's and the Clinical Commissioning Group's response to the requirement set out in the Special Educational Needs and Disabilities reforms set out in the Children and Families Act 2014.

[GS/10022016/N]

6 Legal Implications

6.1 This strategy supports the City Council and the CCG in the delivery of their statutory duties in relation to the SEND reforms as set out in Chapter 3: Working together across education, health and care for joint outcomes of the Special Educational Needs and Disabilities Code of Practice 0 – 25 years. [RB/11022016/V]

7 Equalities implications

- 7.1 There are equalities implications associated with this report as it relates to disabled children and young people. Information gathered as part of the consultation has been used within the equalities analysis.

8 Environmental implications

- 8.1 There are no environmental implications associated with this report.

9 Human resources implications

- 9.1 There are no human resources implications associated with this report.

10 Corporate landlord implications

- 10.1 There are no corporate landlord implications associated with this report

11 Schedule of background papers

- 11.1 No background papers.

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**Wolverhampton's Joint Strategy for
Children and Young People with
Special Educational Needs and
Disability (SEND)**

2015-2020



Wolverhampton
Clinical Commissioning Group

**CITY OF
WOLVERHAMPTON
COUNCIL**

Introduction

Wolverhampton is passionate about improving the lives of all children and young people, the Children's Trust Board has developed an ambitious 10 year Children, Young People and Families Plan – 'Healthy, Happy Families'.
www.wolverhampton.gov.uk

This Special Educational Needs and Disability (SEND) strategy developed by the SEND Partnership Board outlines the commitment from partners in education, health and social care in the city to making sure that disabled children and young people and children with additional needs also get the same life chances as children who do not have a disability. This is a high level document that will support more detailed implementation.

This strategy aims to highlight the good practice already achieved in co-production with families and young people by the city council, Wolverhampton Clinical Commissioning Group (CCG) and other partners during the local implementation of the SEND code of practice. It also highlights the challenges emerging in the city and areas for further development.

The special educational needs and disability code of practice: 0 to 25 years states that "a child or young person has SEN if they have a learning difficulty or disability which calls for special educational provision to be made for him or her. A child of compulsory school age or a young person has a learning difficulty or disability if he or she: has a significantly greater difficulty in learning than the majority of others of the same age, or has a disability which prevents or hinders him or her from making use of facilities of a kind generally provided for others of the same age in mainstream schools or mainstream post-16 institutions". You're disabled under the Equality Act 2010 if you have a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on your ability to do normal daily activities.

There is much to celebrate but we know that there are also many challenges, in

particular the increasing number of children and young people with profound and multiple learning disabilities, physical disabilities, long term medical conditions, autistic spectrum disorder, social, emotional and mental health difficulties (SEMH), specific and moderate learning difficulties and language and communication difficulties.

Although these are national challenges, locally we know that the number of children growing up in the city will be increasing by approximately 1000 children to 64,200 over the next 10 years. 4.9% of these children will have some form of disability. Up to 10% of children will have some type of learning difficulty or disability, 1 in 100 children will be diagnosed with an autistic spectrum condition, of which 50% will also have some degree of learning disability.

There has been significant investment in our special schools, with 3 of the 7 schools being rebuilt through the Building Schools for the Future programme and co-located with mainstream schools. 6 of the 7 special schools are rated good or outstanding by Ofsted. In 2015 a Free School called Wolverhampton Vocational Training Centre providing vocational courses opened offering provision for 16-18 year olds.

In addition, across our mainstream schools there are 6 Resource Bases in primary schools, 2 within secondary schools and a range of outreach services provided through devolved budgets to the special schools in the city.

However, increasing reliance and requests for specialist educational provision for children with complex needs is one of the challenges the city is facing, and this needs to be addressed through a comprehensive review of the City's Graduated Response with an emphasis on early help and support and the right to inclusion in mainstream for all children, including those children and young people with the most severe special educational needs and disabilities in line with the corporate plan priority to strengthen families and promote independence.

Integrated and collaborative working between the city council and the CCG has improved enormously as a result of the requirements of the SEND reforms within the Children and Families Act 2014 and the SEND code of Practice 2014. Children with complex health care needs are now proactively identified by the CCG and the Children's Continuing Health pathway is now aligned with the Adult Continuing Health Care. The Education Health and Care planning process results in an improved experience for young people with complex health care needs and their journey of transition into young adulthood. The CCG are also now working with family carers and young people to improve decision making processes and to embed co-production in all elements of the organisation. The involvement of young people and parents in the creation of the health information on the Local Offer has been recognised nationally as an example of good practice.

The transition into adulthood is described by young people and parents as one of the most difficult times in their lives. The care management teams responded to this challenge by being one of the first areas in the country to move to an All Age Disability model with the disabled children and young people's team now supporting young people and their families until they are 25 years old, in line with the principles of the SEND Code of Practice.
www.wolverhampton.gov.uk

While much progress has been achieved we are aware that a more integrated strategy is needed to make sure that we achieve further improvements and that education, health and social care must work more closely to respond to the challenges we face. This strategy is designed to address these issues and bring about the necessary improvements in the quality of provision and better outcomes for children and young people with special educational needs and disabilities from early years to adulthood.

Our Vision

We are committed to developing a city that promotes inclusion, maximises young people's opportunities to be independent and focuses on their abilities not their disabilities, in line with the Salamanca Statement which makes a commitment to 'education for all' and access to regular schools for disabled children and young people.

http://www.unesco.org/education/pdf/SALAMA_E.PDF

Listening to children and young people with special educational needs and disabilities and their carers is an integral part of the work we do and they have told us that we should be striving for well-planned support for children and young people with special educational needs and disabilities from birth to 25. This means services across education, health and social care, should work closely with parents and carers and where needs of the young person are identified in their Education Health and Care Plan (EHCP) and that these are met without unnecessary bureaucracy and delay.

We believe that every child and young person with special educational needs and disabilities from Wolverhampton should, where ever possible, have their needs met locally, and that they should expect to receive high quality provision which promotes good health, care and educational progress and achievement. This includes access to universal services as well as specialist support where required.

Our vision is also that all children including disabled children and young people with special educational needs and disabilities should be recognised as fully integrated citizens with the ability to contribute to their local community, and that when they need support to do this that the right support is available.

We expect every early years provider, mainstream school and post 16 setting to make best endeavours to provide effective provision for children and young people

with special educational needs and disabilities, so that they can make good progress in their learning and can move easily on to the next stage of their education and have aspirations for employment and independent adult life.

The principles of the SEND code of Practice 2014 underpin this vision, and they state that the Local Authority as the lead agency must have regard to:

- “ the views and wishes and feelings of the child or young person and the child’s parents.
- participating as fully as possible in decisions; and being provided with the information and support necessary to enable participation in those decisions.
- the need to support the child or young person, and the child’s parents in order to facilitate their development and to help them achieve the best possible educational and other outcomes, preparing them effectively for adulthood.
- the use of effective practice, data and wider intelligence and independent assessment to drive improvement.
- the development of clearly defined roles, responsibilities and accountability.”

Our vision is therefore to fully include children and young people with special educational needs and disabilities and their parents or carers, in all decisions about their individual support and about local education, health and care provision.

We will continue to embrace and deliver services in co-production with disabled children and young people and their families. We will provide high quality accessible information, advice and guidance to support children and young people with special educational needs and disabilities and their families throughout their early lives and into adulthood.



Key Priorities

Early Years

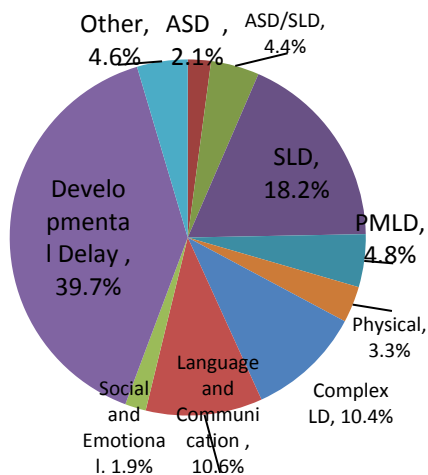
Disabled young children aged 0-5 with SEND need a range of support, some support needs to be provided by specialist services and some needs to be provided by universal services who can support young children and their families through their developmental pathway.

Specialist support for early years children with special educational needs or disability is provided by the Child Development Centre (CDC) and Special Needs Early Years (SNEY).

The SNEY provides assessment, diagnosis and early intervention for individual children from birth to 5 through a co-ordinated multi-agency approach.

Referrals to the SNEY multi-agency panel show an increase year on year, there has been a 12% increase since September 2011, with referrals from schools nearly doubling in 2014/15. This reflects schools requiring higher levels of support to implement the SEND reforms for children at SEN Support and the increasing number of children with complex needs in mainstream provision.

The team has a current caseload of 479. There were 20 referrals for children with a visual impairment and 10 referrals for children with a hearing impairment in 2014 in the early years. Children with visual and hearing impairments under 5 years of age make up 22% and 14.8% of the current staff workload.



Within the city there is an under 5's Autistic Spectrum Condition diagnostic panel. Between September 2011 and July 2012 the panel received 38 referrals and diagnosed 21 children. Between September 2014 and June 2015 the panel received 35 referrals and diagnosed 15 children with ASC.

Good practice

The 'Team Around the Child' (TAC) continues to be the most effective way of providing co-ordinated support for children with complex needs. 78 children and young people with special educational needs and disabilities SEN received a full TAC approach.

Wolverhampton City Council are cited in 'Paving the way' as an area of outstanding practice. www.challengingbehaviour.org.uk

"Wolverhampton is the best example in the country of key working for disabled children under 5". Christine Lenehan, Director, Council for Disabled Children

Integrated multi -agency work for under 5's between the SNEY team and a Health colleague at The Gem Centre is well established and works well.

A child with complex visual impairment has been successfully integrated and supported by the Visually Impaired Service into mainstream nursery with double funding.

There are excellent links between the Hearing Impaired Service and Children's Hearing Services including information sharing, liaison and training.

Challenges

53.8% of children supported by SNEY and 40% of children supported by the Visual Impairment Team have complex needs that require Team Around the Child (TAC) and multi-agency meetings that are requiring increased contact visits.

The under 5's Multi Agency Referral Panel have referrals from health professionals, early years settings and schools for children who have significant behaviour difficulties but not those assessed developmental delay.

However, as there is currently no service that we can signpost or suggest for families. SNEY are also seeing children referred to them from CAMHS who do not meet their criteria. There is a gap in service delivery for these children, and services need to be re-designed to respond to the changing needs of children.

Education

The city council supported 1415 children and young people with a Statement of Educational Needs (SEN) in 2015 and 85 children with an Education Health and Care plan (EHC). Special School provision provides places for up to 792 children. In addition there are 5714 children and young people with special educational needs and disabilities who do not have a Statement of SEN or an EHC Plan being supported through reasonable adjustments and additional SEN support funded from school budgets.

Boys are two and a half times more likely to have statements of Special Educational Needs or EHCP at primary schools and nearly three times more likely to have statements at secondary schools compared to girls, this is likely to be linked to a host of factors including social deprivation, and ethnic background. Boys are also more likely to have literacy difficulties or speech and language

difficulties. This is also true for Special Educational Needs without statements up to the age of 10, after which the prevalence declines from a peak of 18.6% at ages 9 and 10 to 15.7% for 15 year olds.

For pupils with statements the most common primary type of need is autistic spectrum disorder (22.9%). The most common at School Action Plus are behaviour, emotional and social difficulties and speech, language and communication needs (both 23.8%) and moderate learning difficulty (21.3%). These have consistently been the most common types of need over the past few years.

The needs of some children and young people in mainstream schools are becoming more complex. These schools therefore need increased levels of support and training through outreach services and evidence-based strategies to promote successful inclusion. The development of nurture groups and more targeted resource bases across the City can help to meet the needs of these children and young people in an inclusive way that helps to promote independence and better outcomes.

Almost 7 in 10 Looked After Children (LAC) have special educational needs. There has been a significant increase in the number of LAC children in the city. This has affected the Out of City placements and needs to be investigated further as a majority have high needs (Statements/EHCP).

An SEN & Inclusion working group has been established and is reviewing SEND provision within the city. They will develop an action plan to respond to this challenge.

Considerations

- Special schools may need to be reconfigured to a broad spectrum approach.
- A more targeted and graduated approach, with an emphasis on early help and support, is required to meet needs of children and young people

with special educational needs and disabilities. This includes support for mainstream schools such as outreach and nurture groups.

Education Health and Care Plans

Parents and carers have been involved in the development, introduction and piloting of Education Health and Care plans. Co-production will continue as the EHCP process evolves and is reviewed and we receive feedback from parents about the process.

From 1st September 2014, local authorities were required to consider new requests for an assessment of special educational needs under the new legislation, and co-ordinate services around a child or young person. Children and young people with existing statements are currently being transferred to the new system in a phased way, prioritised at key transition points. 85 Education Health and Care plans have been completed since 1st September 2014; this is the highest number of transfers to EHC plans within the Birmingham and West Midlands area. Children and young people with a current Statement of Educational needs will not automatically have a new EHC plan. Children with a current Statement of Educational needs will undergo an EHC Needs Assessment. Schools are expected to meet the first £6000 support. If the needs of the child can be met from within the schools own resources then this will be taken in consideration in determining whether or not an EHC plan is required which is in line with national guidelines. This is a particular concern for parent support groups nationally and locally.

The EHC plan must be child centred; outcomes focused, and involve the child or young person, their family and all the relevant professionals. The CCG and health providers have fully co-operated with the introduction of the new assessment and planning process.

Wolverhampton has been commended by the Department of Education on the quality of the local EHC plan template.

The Department of Education have put some challenging timescales on the single assessment process, with new referrals, conversions from Educational Statements and conversions from LDA's to statements being completed within 20 weeks. Achieving these timescales is a challenge if we truly want to embrace the delivery of person centred plans.

Personal Budgets

For children and young people assessed as needing an EHC plan, they have the right to request a personal budget from April 1st 2015. The local authority, CCG, families and young people are currently working collaboratively to develop local policy, procedure and processes to implement this new requirement which will be included in the Local Offer.

At present a funding matrix is established for the education component of a personal budget, children and young people assessed as meeting the Continuing Health criteria can have a direct payment from the CCG and children assessed as having social care needs can have direct payment to meet their needs in the community.

A Multi-agency Funding Panel has been established to consider all requests for personal budgets following an EHC plan. To date areas that have attracted the most requests for a personal budget are for home to school or home to short breaks transport.

Health

Data has been collected by the Clinical Commissioning Group via the GP practice systems using GRAPHNET. The data set is in its early stages and still needs to be ratified. Further work is being undertaken by Public Health as part of Joint Strategic Needs Analysis (JSNA). This information shows that there are more boys than girls identified with SEN and health/physical conditions including autism, ADHD, acquired disabilities, learning disabilities, and congenital conditions. There is a variation by condition but in general there

is a higher prevalence of conditions recorded in older children aged 10-19. When the data is compared with the deprivation quartile it shows that there are in general more people registered with these conditions living in the poorest 20% of the population than we would expect.

The CCG has led a health based work stream since April 2014 in order to develop and deliver on new requirements. It has actively involved parent representatives from the parent/carer forum Voice 4 Parents and this work has been cited in Department for Education and national Contact a Family best practice training and guidance tools.

A video has been made to demonstrate this good practice and can be viewed at: <https://www.youtube.com/watch?v=tcBUK1G8YqA>

All information published on the health sections of the Local Offer have been reviewed by parents so that it is accessible and relevant for parents and carers.

Voice 4 parents (the local parent forum) and Changing Young Lives (a local rights based organisation working in co-production with disabled young people) have also been commissioned by the CCG to work with them to improve transparency in decision making and the involvement of local parents and young people in the development of local health services.

A new Children's Continuing Care pathway has been established by the CCG. This is delivered in partnership with the local authority and other partner organisations to provide seamless high quality care for disabled children and young people who have specialist and complex needs that cannot be met by existing universal or specialist services alone.

The aim is to review all packages of care for children who have been assessed as being eligible for Continuing Care at least annually, to make sure that they still meet the needs of the young person. Systems and processes have been put in place to support early planning and seamless

transition for young people in to adult continuing health career services and this is made possible by a range of transition clinics at the Royal Wolverhampton Hospital Trust.

The provision of community equipment including tele-care can support and maintain the independence of a young person, both at home, school and in the community. New technology can revolutionise a young person's life.

Equipment can be provided to the young person via Wheelchair services, Occupational Therapy services, the Independent Living Service, School, hospital, and the Clinical Commissioning Group. Each service has difference criteria and referral pathways.

However at present equipment is not transferred from school to home, or other services and so a young person can have multiple pieces of the same equipment, in different localities, which can need replacing on a regular basis as the child grows.



Support for families including Short Breaks

Carers must be respected as expert care partners and have access to the integrated and personalised services they need to support them in their caring role, and carers need to be supported to stay mentally and physically well and be treated with dignity.

Families have told us that support at the time of diagnosis, (whether that happens at birth, or later in the child's life) is very

important. The best support often comes for other families but families need to be able to easily find and access the support they need. We recognise the need for families to have access to impartial information advice and support.

The Council also has a duty to provide short breaks provision for disabled children and their families, as part of the Children's Act 2008. The City Council with the Clinical Commissioning Group funds a range of short breaks services to support parents and carers. These services are provided either in the community, the family home, a residential unit or via a direct payment.

Children and young people's short breaks were reviewed between 2013-2014, they are now provided in four distinct ways;

- Community based activities
- Schools based activities
- Direct Payments
- A range of residential overnight services

In April 2015 40 children and young people were in receipt of an overnight short breaks, 38 young people are in receipt of a direct payment and approximately 800 community based short breaks were provided from a range of providers. The short breaks offer also includes two short breaks caravans that families can use between March and November.

If the options of personal budgets, outreach (supporting families in their homes and in community settings) and shared care become more developed and utilised we would expect to see a reduction in the demand for residential provision.

Around two thirds of the services are provided following an assessment of needs and one third are direct access.

Since the end of the Aiming High for Disabled Children's programme and the removal of the ring fence from funding, we have had to re-evaluate and target funding to activities that genuinely give families a break, that respond to the outcomes identified in an EHC plan and to those

areas activities that families have told us are most beneficial.

During consultation families were clear that short breaks were most beneficial at weekends and in school holidays. Families also wanted a co-ordinated programme of activities with better information about access and availability

“(We need) good variety of activities that offer something for children of all abilities over the course of the year. Appropriately trained staff who are interested in helping the children get the most out of the activities they attend.” (a parent)

Using information from the Local Offer feedback facility we have started to work closely with colleagues in leisure services to improve the leisure offer to disabled children and young people.

Transport

We currently provide transport to 800 pupils and spend £2.2m. The principle journeys are to and from special schools.

Wolverhampton City Council is going to review the provision of transport for pupils of statutory school age. We aim to enable more/ all pupils to access a local school that is able to meet their needs, through promoting inclusion, increased use of resourced provision in mainstream settings etc, which would reduce reliance on transport and an increased focus on promoting personalised transport options. Transport deemed necessary must be provided free of charge..

To date one of the key areas that families request a personal budget for as part of their EHC plan is transport.

Local Offer

Wolverhampton Local Offer was co-produced with young people and parents and published on 1st September 2014. WWW.wolverhampton.gov.uk/send/localoffer .

Parents of disabled children and young people have been an integral part of the

process of developing Wolverhampton’s Local Offer. They have worked collaboratively on the design and the content with professionals from health, social care, and media teams.

One parent involved said “it was important to be involved and get the message across to others parents in a similar position”

The local authority has commissioned the local young people’s rights based organisation ‘Changing Young Lives’ to provide critical commentary on the Local Offer so that it can be subject to on-going improvement.

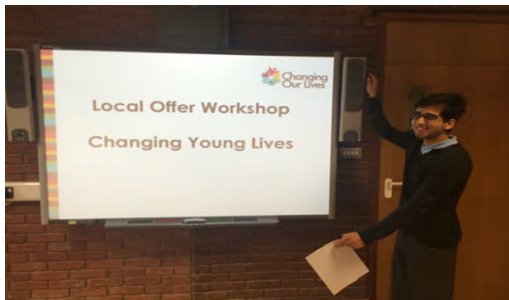
“It is so important to work in a co-production with us young people. Our unique views on what should be done will shape the Local Offer website and our contribution to decision –making will enable us to build our self-confidence, self-esteem, and empower us to make decisions about our own lives” (Young Leader CYL)

The Young Leaders have involved 57 young people aged 12-19 in their work and have made a number of recommendations for future development of the Local Offer including:

- the addition of film clips
- the use of an accessible toolbar on the web pages
- The use of ‘easy to understand’ language

We have a duty to seek views on our Local Offer and we want to make sure that the services and information we provide reflect the needs of parents, carers and young people.

Maintenance and upkeep of the Local Offer remains an area for on-going development by the local authority and CCG so that the information remains relevant, meaningful and accessible for children, young people and families. This is overseen by the SEND Partnership Board.



Joint Commissioning

The Children and Families Act 2014 and the SEND code of Practice requires local authorities and the CCG to make joint commissioning arrangements for education, health and care for children and young people with SEN from 0-25. Joint Commissioning should be informed by a clear assessment of local needs to support prevention, early identification, assessment and early intervention.

In order to better understand our local population needs and plan accordingly, the CCG and local authority have worked together to develop a local needs analysis. This has not been without its challenges due to different recording systems. However, colleagues in public health remain committed to support the collection and collation of the most reliable and accurate record of disabled children and young people in Wolverhampton.

Our aim is to continue to work collaboratively with Public Health to develop a joint strategic needs analysis for disabled children and young people that the city is responsible for. This will be supported in the future by the use of a child's NHS number.

From September 2014, commissioners within social care, health and education have worked together to develop and deliver the EHC assessment, planning and funding of services to support the identified needs and outcomes for individual children and young people. The necessary EHC funding panel process has been implemented and all commissioners are party to this.

The implementation of the SEND strategy and the formal joint commissioning arrangements between the LA and the CCG is a current priority. It is important that these developments are placed within the wider context of partnership discussions to improve commissioning arrangements for children and young people.

Preparing for Adulthood

The move from children to adult provision can be one of the most daunting times for a disabled young person and their families. There are so many things to consider including where to carry their education, how to become more independent, the possibility of employment and somewhere new to live. The journey for every young person is different but planning early and getting the right information and support is critical.

A guide to 'Preparing for Adulthood' is available for parents and young people on the Local Offer.

<http://www.wolverhampton.gov.uk/CHttpHandler.ashx?id=5794&p=0>

Young People preparing for adulthood with the most severe forms of special educational needs find it difficult to enter the world of work. With the national average employment rate as low as 7%, Wolverhampton has one of the lowest rates in the West Midlands at 2.7%.

Many disabled young people find that there is no clear pathway to employment once they have completed their chosen college courses, and often find themselves having to rely on the Council for provision of day activities when, given the right support, they would have chosen to pursue employment options.

A recent government trial of supported internships resulted in 36% of students with SEND gaining paid employment.

On the 12th March 2015 a Government initiative was announced allocating £5 million to be spent by local authorities to

support 'more talented young people in supported internships and work placements, helping them make that first step onto the career ladder'.

When exploring housing options for young adults with SEND, the location of local accommodation and support is an important factor which needs to be considered.

Young people with SEND should be offered a range of housing options including shared living models, as not everyone wants to live alone. It is important that housing and support providers understand the housing needs of people with autism and these are taken into account in housing plans, applications and allocation processes. The Wolverhampton Housing Strategy recognises the housing needs of vulnerable people and is committed to providing a range of housing options, and support to enable vulnerable and disabled people to live independently in our City.

Measuring and Reporting Success

The SEND strategy has been developed in partnership with a wide range of stakeholders. It will be further informed by the independent SEND review.

The following areas have been identified as priorities for action

AIM 1: to identify solutions to support children who need support with their mental health in partnership with the CAMHS service, with a particular priority around children under 5.

AIM 2: to develop a full range of suitable early years provision for children with complex needs and Autistic spectrum conditions

AIM 3: to equip all school with the support they need to enable them to support children with SEN aged 5-10 yrs in mainstream.

AIM 4: To ensure Wolverhampton's School estate is fit for purpose and meets the full range of more complex needs of the children and young people with special educational needs and disabilities now being placed.

AIM 5 to monitor and review the graduated response for children and young people with SEN/D with an emphasis on promoting inclusion through evidence-based early support and intervention, and enabling mainstream schools to meet a range of more complex needs.

AIM 6: to create a workforce development programme that supports staff in mainstream schools in their role working with children with SEN

AIM 7: to develop local provision in order to reduce the number of children needing residential and out of area education health and care services.

AIM 8: to support all children and young people with significant special educational needs and disabilities and their families through a process of co-production to develop a person centred, outcome focused Education Health and Care Plan where a single plan is required.

AIM 9: Where children and young people with special educational needs and disabilities do not transition to an EHC plan we will make sure that they have the most comprehensive support plan possible and that families are provided with appropriate information, advice, and support.

AIM 10: to develop a single integrated Resource Allocation System (RAS) to support eligible social care outcomes and ultimately to develop a single combined Resource Allocation System for all three elements of the EHC plan.

AIM 11: to review the children's equipment services and to develop a more stream line and integrated equipment service, which is responsive to the needs of disabled children, disabled adults and their families.

AIM 12: to increase the number of young people provided with a personal budget for their short breaks and to develop and extend the range of providers available for them to use.

AIM 13: to maximise the use of digital media as a way to provide up to date information

AIM 14: is to include a personal budget for transport as part of the creation of a single resources allocation system, and to do this in co-production with families.

AIM 15: to make sure there is on-going development of the Local Offer into a vibrant accessible interactive Local Offer that is up to date, easy to use and that meets the needs of local people.

AIM 16: to develop a supported employment pathway that support disabled young people into work and increase the number of disabled people in paid work.

AIM 17: to make sure that we continue to provide and support the information advice and support service and make sure it meets quality standards.

The implementation of the strategy will be managed by the SEND Partnership Board who are accountable to the SEND Strategy Group and the Children's Trust Board.

The Implementation plan will outline activities to implement all 16 Aims within the 10 priority areas. In addition the Implementation plan will also outline how the involvement of disabled children and young people and their families can be improved.

A performance framework is being developed in order to monitor the success of the priorities outlined above. The indicators below are already reported as part of the performance framework for the Children, Young Peoples, and Families Plan.

- The attainment gap between the children with Educational Health and Care plans and other pupils at key stage 2.

- The attainment gap between the children with Educational Health and Care plans and other pupils at key stage 4.

- The number of SEND pupils that are excluded from school.

- The percentage of schools and settings with a good quality published SEND information report.

- The percentage of SEND children aged 16-18 who are in education training or employment.

- The rate of EHC plans per 100,000 population.

- The number of EHC plans issued for social, emotional and mental health needs.

- The percentage of EHC plans issued within 20 weeks.

- The percentage of people who felt that involvement in their EHC plan had a positive impact.

- The percentage of the children and young people and their parent/carers with EHC plans opting for a personal budget.

- The percentage of children and young people with continuing care plans who have timely transition into adult mental health services.

- The percentage feedback rate from the Local Offer that has resulted in a change to services.

- The number of families accessing the Wolverhampton Information, Advice and Support Service in relation to the whole SEND population.

These indicators will be enhanced by performance indicators for each priority areas of the strategy.



Glossary

Advocate - An advocate is someone who works with someone to identify what they want, and speaks up for them if they have difficulty doing so themselves

Carer - A person who provides unpaid support to a partner, family member, friend or neighbour who is ill or disabled who could not manage without this help.

Co-produce - When you as an individual are involved as an equal partner in designing the support and services you receive.

Commissioning - How services are planned and paid for and checked that they are of good quality.

Consultation - To seek information/views from people about a topic or theme.

Diagnosis - The process of finding out the nature and cause of a medical condition through looking at a patient's history and through carrying out medical assessments.

Direct Payments - A Direct Payment is money your local authority can give you. It is a different way of getting the support you need. You use it to buy the support you want. Social Services give you the money instead of a service. You spend the money on getting the support you need.

Education Health and Care Plan – a single plan that is developed to support disabled

children who require higher levels of support.

Eligibility - When your needs meet your council's criteria for council-funded care and support. Your local council decides who should get support, based on your level of need and the resources available in your area. The eligibility threshold is the level at which your needs reach the point that your council will provide funding. If the council assesses your needs and decides they are below this threshold, you will not qualify for council-funded care.

Graduated Response - A four part cycle through which earlier decisions and actions are revisited, refined and revised, leading to a growing understanding of the pupil's needs and of what supports the pupil in making good progress and securing good outcomes. The four stages of the cycle are: Assess, Plan, Do Review

GP - General Practitioner: A doctor whose practice is not limited to a specific medical speciality but instead covers a variety of medical conditions in patients of all ages.

Outcomes - In social care, an 'outcome' refers to an aim or objective you would like to achieve or happen – for example, continuing to live in your own home, or being able to go out and about. You should be able to say which outcomes are the most important to you, and receive support to achieve them.

Personal Budgets - An amount of money allocated to meet a person's needs identified through a person's self or supported assessment and support plan. This may combine resources from different funding streams to which the individual is entitled but is most often related to meeting social care needs.

Residential Care - Care in a care home, with or without nursing, for older people or people with care disabilities who require 24-hour care. Care homes offer trained staff and an adapted environment suitable for the needs of ill, frail or disabled people.

Resource Allocation System – a way of

working out how much money is available for a personal budget.

Sensory - Problems with working out sensory information such as sounds, sights and smells.

Signpost - Pointing people in the direction of information that they could find useful.

Strategic Objective - A goal or action which are set to achieve a plan (Strategy)

Strategy - A plan

Team Around A Child –a way of working that means that all of the professionals work together to support a disabled child and their family.

Transition - The process of change a person goes through, for example growing from childhood into adulthood. For people with disabilities this process of reaching adulthood can mean changing the services from which they receive support and this can take place over a long period.

Universal Services – services that anyone can use e.g. swimming pools, libraries etc.

Acknowledgements:

Changing Young Lives
Voice 4 Parents and all parents who
Have commented
Information Advice and Support Service
Early Years Service
SEN Team
CCG
Educational Psychology
Connexions
Schools Improvement
SEND Partnership Board
Youth Organisations Wolverhampton

Cabinet Meeting

24 February 2016

Report title	Consultation on Joint Autism Strategy	
Cabinet member with lead responsibility	Councillor Val Gibson Children and Young People	
	Councillor Elias Mattu Adults	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Linda Sanders,(People)	
Originating service	Disabilities and Mental Health	
Accountable employee(s)	Kathy Roper	Commissioning Team Manager
	Tel	01902 555043
	Email	Kathy.roper@wolverhampton.gov.uk
Report to be/has been considered by	Place Leadership Team	11 January 2016
	Strategic Executive Board	26 January 2016

Recommendation(s) for action or decision:

Cabinet is recommended to:

1. Approve a three month period of consultation around the draft Autism Strategy. This will enable all key stakeholders to have active involvement in shaping the final strategy.

Purpose

- 1.1 The purpose of this report is to present the draft Joint Autism Strategy for consideration by Cabinet and to seek permission to consult with wider stakeholders.

2.0 Background

- 2.1 This Autism strategy was developed by partners in Education, Health and Social Care in the city to make sure that children, young people and adults with autism get the same life chances as people who do not have autism.

- 2.2 Autism is a lifelong neurodevelopmental condition, it is a 'spectrum' disorder which means that individuals experience it differently and are affected in different ways. There is however some common challenges for people with autism. These include:

- social communication
- social interaction
- social imagination

- 2.3 City of Wolverhampton Council and Wolverhampton Clinical Commissioning Group (CCG) are committed to commissioning high quality autism services and working with partner organisations to improve the lives and opportunities for children, young people and adults with autism.

- 2.4 The purpose of this strategy is to provide a clear plan outlining how support will be delivered in Wolverhampton, and to identify objectives and actions which reflect local need and diversity, in line with the vision set out in the national Think Autism 2015 Strategy:

“All children, adults and older adults with autism are able to live fulfilling and rewarding lives within a society that accepts and understands them. They can get a diagnosis and access support if they need it, and they can depend on mainstream public services to treat them fairly as individuals, helping them make the most of their talents.”

- 2.5 This strategy is a high level document designed to highlight key strategic priorities. There is a risk that stakeholders will not feel that the strategy provides sufficient detail to cover all areas. The implementation of the strategy will therefore be supported by a number of detailed implementation plans that will be influenced by the information gathered during the consultation activities.

3.0 Financial Implications

- 3.1 There are no financial implications directly associated with this report, however, once the consultation is complete the implementation plans associated with the delivery of the strategy will need to include comprehensive financial plans. The delivery of the new strategy will need to be within the existing financial resources.

[GS/07012016/L]

4.0 Legal Implications

- 4.1 The Adult Autism Strategy Statutory Guidance (2015) requires implementation of the adult autism strategy and provides clear requirements for local authorities, NHS bodies and NHS Foundation Trusts on what they need to do to meet the needs of people with autism living in their area. The Care Act (2014) confirms the need to put people and their carers in control of their own care and support, which is further supported by the National Institute for Clinical Excellence (NICE) Guidelines
- 4.2 This strategy supports the City Council and the CCG in the delivery of these statutory duties and in relation to the Autism Act 2009 and the supporting national “Think Autism Strategy 2015”.
[RB/18012016/L]

5.0 Equalities implications

- 5.1 There are equalities implications associated with this report as it relates to disabled children and young people. An Equalities Analysis will be completed before consultation commences and updated throughout the consultation process.

6.0 Environmental implications

- 6.1 There are no environmental implications associated with this report.

7.0 Human resources implications

- 7.1 There are no human resources implications associated with this report.

8.0 Corporate landlord implications

- 8.1 There are no corporate landlord implications associated with this report.

9.0 Schedule of Background Papers

None

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Wolverhampton Joint
Autism Strategy
2016 - 2021

Version 5: 16.12.15

Introduction

This is a high level strategy designed to support children and adults with autism who live in Wolverhampton.

Autism is a lifelong neurodevelopmental condition, it is a 'spectrum' disorder which means that individuals experience it differently and are affected in different ways. There are however some common challenges for people with autism. These include:

- social communication
- social interaction
- social imagination

People with autism can also experience sensory difficulties such as over, or under-sensitivity to sounds, touch, tastes, smells, light or colours. It is also more likely that people who have autism will experience higher levels of stress than someone who does not have autism. This makes mental health problems more likely.

Many people with autism are able to live independent lives. Others may need some support or the ability to access to services in order to achieve their full potential and lead fulfilled and happy lives. Approximately 50% of people with autism have an accompanying learning disability and 30% of people with autism experience mental health issues. Many people can access mainstream services with reasonable adjustments; however, some people may need specialist support to access services positively.

City of Wolverhampton Council and the Clinical Commissioning Group (CCG) are committed to commissioning high quality autism services and working with partner organisations, to improving the lives and opportunities for children, young people and adults with autism.

The purpose of this strategy is to provide a clear plan, outlining how support will be delivered in Wolverhampton and to identify objectives and actions which reflect local need and diversity and to reach the vision together set out in the Think Autism 2015 Strategy:

“All children, adults and older adults with autism are able to live fulfilling and rewarding lives within a society that accepts and understands them. They can get a diagnosis and access support if they need it, and they can depend on mainstream public services to treat them fairly as individuals, helping them make the most of their talents.”

For those individuals, who following an assessment of their needs are eligible for social care support, or receive health services, the strategy provides a clear and consistent, joined up approach to support throughout a person's life. It highlights the importance of personalised services and support. Offering individuals more choice and control with a particular emphasis on a clear plan and support when moving from children's to adults' services.

The primary focus of this strategy is to embed autism services and the range of associated support available within our existing provision. This will require the creative and innovative re-shaping and re-design of current services, utilising existing financial resources. It will be achieved by collaborating with local providers to develop more innovative cost effective solutions to community based provision and increase access and availability to local universal services to ensure that both the Council and CCG channel the right resources, at the right time, in the right place, to the right people.

This strategy builds upon earlier work within children's and adults' services, the involvement of customers, carers and other stakeholders, as well as responding to and acting upon national law and guidance.

Statutory responsibilities

This All Age Autism Strategy will be influenced by national and local policy and research, with particular reference to the following:

The National Autism Strategy states that autism services for adults are shaped by the National Autism Strategy for Adults, *Fulfilling and Rewarding Lives (2009)*.

This has five main areas for development:

- Increasing awareness and understanding of autism
- Developing pathways for diagnosis and personalised needs assessment
- Improving access to support services in the local community
- Helping people with autism into work
- Enabling local partners to plan and develop appropriate services

The refreshed national strategy, *Think Autism (2014)*, maintains a similar focus for development, with three new key proposals.

- Autism Aware Communities
- Autism Innovation Fund
- Better data collection and more joined up advice and information services

Statutory Guidance has been published (2015) to ensure the implementation of the adult autism strategy. It guides local authorities, NHS bodies and NHS Foundation Trusts with regards to what actions should be taken to meet the needs of people with autism living in their area.

It states that local authorities and the NHS:

- Should provide autism awareness training for all staff
- Must provide specialist autism training for key staff, such as GPs and community care assessors
- Cannot refuse a community care assessment for adults with autism based solely on IQ
- Must appoint an autism lead in their area
- Have to develop a clear pathway to diagnosis and assessment for adults with autism
- Need to commission services based on adequate population data.

The Care Act 2014 aims to put people and their carers' in control of their care and support and includes:

- A national minimum eligibility threshold for care and support
- The right to receive a personal budget for people and their carers who meet eligibility criteria
- New rights for carers, including a duty to offer them an assessment and to provide support if they have eligible needs
- A duty for councils to consider the physical, mental and emotional wellbeing of people needing care, and to provide preventative services and support.

General Equality Duty as established by S149 Equality Act 2010 states that public bodies covered by the Equality Act 2010 must develop policies and strategies in line with the requirements of S149 of the Equality Act.

There are three main aims of the General Equality Duty that services must:

- eliminate unlawful discrimination victimisation and harassment

- advance equal opportunities
- and foster good relations

Organisations will be able to demonstrate that they have had “due regard” by having evidence of having considered relevant equalities data in proportionate detail and in a timely manner before key decisions are taken.

This strategy and the services that support people with autism are subject to the perimeters of the Equalities Act.

Vision

Our vision is a City where people with autism of all ages and regardless of their equalities profile, have the same opportunities as anyone else, can live the life they choose, receive personalised support when they need it, enjoy meaningful activities and be active citizens and members of our community. A City where autistic people feel safe, understood and supported. Where the word autism means the same to every member of our community: ‘different not less’ (Temple Grandin, Ph.D., Professor of Animal Science, diagnosed with High Functioning Autism/Asperger).

Needs Analysis

In order to meet the current and future demand for services and support for people with autism, and in a diverse city like Wolverhampton, it is important to understand the national and local population profile and the prevalence of autism.

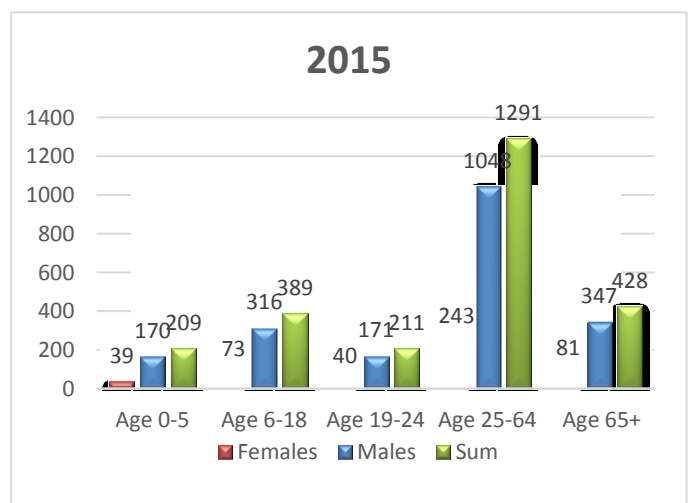
Recent studies estimate that the national prevalence is 1 in 100 people have autism. This equates to about 638,000 people in the United Kingdom suggesting that in Wolverhampton there are currently about 2528 people with autism and together with their families

make up around 10,000 people in Wolverhampton whose lives are touched by autism every single day. It will also be important that the equalities profile of the diagnosed population is considered in relation to Partner’s wider Equality Act responsibilities to ensure that services are offered equitably and that outcomes are not significantly different for reasons unrelated to clinical need.

Between 2011 and 2015, 82 children under the age of 5 and 137 children between the ages of 5 and 18 were diagnosed with autism. Around 75 children and 90 adults, 8 of whom have High Functioning Autism / Asperger’s syndrome are known to the local authority who meet the eligibility criteria for social care services.

Population projections forecast a 4.8% increase in the number of people with autism in Wolverhampton by 2020 and an additional 3.5% rise by 2030. Services will need to adapt to the growing number of people with autism over the coming years.

Based on the local population projection and the prevalence estimate of autism, the graph below shows the estimated number of children, adults and older adults with autism in Wolverhampton.



National and the local data indicate that people aged 55 and over with autism who probably have never received a diagnosis are the least likely of all age groups to access the support they may require. Most people with autism will not require long-term specialist health and social services, but they may need support at certain stages of their life to learn to manage and overcome their social, communication and sensory difficulties. In addition, the lives of people with autism could be significantly enhanced if their needs are known and recognised and those who interact with them have an awareness of the condition.

Only 15% of autistic adults in the UK are in full-time paid employment.

At least one in three adults with autism are experiencing severe mental health difficulties due to a lack of support.

People with autism are more likely to be excluded from school. 27 per cent had been excluded from school and 50 per cent had changed schools apart from normal transitions.

A study found that nearly 1 in 3 people with autism is socially isolated and nearly 40 percent of young adults with autism never saw friends.

PRIORITIES

Priority 1: To collect clear and consistent data that includes equalities data; and analysis as a fundamental practice across children and adults services

Priority 2: Organised information and intelligence sharing across a range of stakeholders

Strategic Objectives

Based on the Autism Act and the statutory guides, the Wolverhampton

profile and the on-going dialogues this strategy sets out eight Strategic Objectives for the forthcoming five years in which we intend to progress to improve the lives of all with autism.

Objective 1

Information, advice and Support

OUTCOME

To provide high quality accessible, easy to understand information

The City Council is committed to providing its citizens with good information and support to enable them to get the personalised care they need, make genuine choices and exercise control over their lives and remain independent and well.

City of Wolverhampton Council has, for a number of years, placed great emphasis on providing access to information and advice to its citizens mainly via its public facing services, word of mouth and the giving out of leaflets etc. Since 2009, this philosophy has helped to support and develop the specific requirements of the government policy including the Autism Act 2009 and the Care Act 2014.

The Care Act 2014 formalises many of these requirements and this strategy sets out how the City Council will respond to the new regulations contained within the Act and enhance existing services on offer to anyone who would benefit from them, across the City.

A new Information Portal has been developed www.wolvesnet.info, Wolverhampton Information Network (WIN) brings together existing information and advice resources in a single easy to use database for use by all members of the community. It aims to support the reduction in dependence

on council services, by helping people to help themselves. By providing information and advice to people on a range of issues, such as personal finances, healthy living, support groups and things to do It aims to help people remain as independent as possible for longer and to find alternatives to traditional Local Authority support.

As WIN develops and through feedback from users, it has grown to include a range of support and advice services available to the people of Wolverhampton, ranging from support to interest groups. It currently serves the adult population of Wolverhampton, but it is in the process of being upgraded to include Families, Children and the SEND Local Offer to increase its offer to City residents.

PRIORITIES

Priority 1; To ensure that local information networks such as WIN and the Local Offer have relevant information about Autism

Objective 2

Develop a clear and consistent pathway including post diagnostic support

Families will have access to timely diagnostic services that meet NICE guidelines.

Families will be supported through their assessment by the referrer and the diagnostic service, recognising that this is a time of stress for many people.

Children and adults diagnosed with autism will be given support to understand their diagnosis and information about social care provision (including for family carers), educational assessment and support (where appropriate) and

information about local and national organisations that can provide further support.

Families (regardless of the outcome of diagnostic assessment) will be signposted by the provider of the assessment to services that may be able to support them and their families in their local community.

Assessments are coordinated by a key worker from the panel, with support from the relevant services.

This section of the document relates to assessment and diagnostic care pathways for people with neurodevelopmental conditions including Autism and other conditions such as Attention Deficit Disorder.

The clinical elements of the diagnostic and assessment services are currently commissioned by the Wolverhampton Clinical Commissioning Group provided following GP referrals.

These services are currently provided by a range of providers including regional based specialist services. In some cases there are shared care arrangements regarding prescribing support and monitoring of medication with GP's and the Black Country Partnership NHS Foundation Trust both in terms of Adult Mental Health Services (AMHS) and Children's and Young Peoples Mental Health Services (CAMHS). This includes CAMHS and AMHS Learning Disability Services.

Adults with learning disabilities are assessed within the specialist learning disability health service, and adults without learning disabilities are referred to a specialist diagnostic service who co-ordinate a multi-disciplinary assessment.

As current diagnostic services are provided in a number of different ways

and by different providers this could make it difficult for families and referrers to navigate their way through the system, and could lead to inconsistencies of approach.

Some elements of the children's diagnostic pathway are not formally commissioned and this has led to some inconsistencies in the input by different professional groups into both assessments and the diagnostic panel.

On-going clinical support and treatment of people of all ages with neurodevelopmental conditions and co-occurring mental health needs is also provided by the Black Country Partnership Mental Health NHS Foundation Trust with core principles regarding:

- Strengthening the user and carer voice
- ensuring health support in educational and residential settings
- speedy access to support in a crisis as laid out in our local Crisis Concordat
- care close to home across secondary and tertiary services
- particular attention regarding the application of the care programme approach and management of risks and vulnerabilities
- care pathways and support in primary care
- care pathways and support regarding dual diagnosis (substance misuse) wherein people with neurodevelopmental conditions may have particular risks
- needs and requirements and support during periods of transition

Achieving the timeframes recommended by NICE in terms of

assessment completion has been a challenge for both children and adults, and there is no standard core information that is given to families post assessment.

We do not currently have robust ways to determine the difference a diagnosis makes to a family, and whether the outcomes sought through the pathway are met. Adults (and in particular older adults) may not have had an assessment for autism. Their life may have been affected by some of the difficulties associated with autism, but never having been diagnosed they may have been receiving inappropriate support, or no support at all.

PRIORITIES

Priority 1: In order to develop excellence, consistency and to promote a genuine understanding of the needs of Wolverhampton families we strive to commission one all-age pathway that is embedded across our services, and led by our local commissioned providers of health, social care and education.

Priority 2: To ensure that referrers have information about how to support a person who has received a diagnosis, and their family.

Priority 3: To ensure that post-assessment information about how to access support is accessible to families.

Priority 4: To evaluate the impact of that pathway and work with families to shape the future provision.

Objective 3

Increasing awareness and understanding of autism

OUTCOMES

To increase awareness and understanding of autism throughout the city workforce.

People with autism say that they face many difficulties as a result of a lack of understanding about autism.

Mental health and learning disability services will need to ensure that they are making reasonable adjustments for people with autism. We recognise that this will only be possible if all services have autism on their agenda and if the awareness and profile of autism is high.

High quality training not only ensures that all staff have a good understanding of the main characteristics of autism but also equips staff with the knowledge about how to treat people with respect and dignity and enables the team to make reasonable adjustments to take into account the multiple needs issues people with autism may experience.

A well-trained public sector workforce can be the foundation of wider societal changes by improving the way services are planned and delivered.

At present, the City of Wolverhampton Council offers four e-learning materials for its own staff: Autism Awareness, Autism Awareness - Asperger's Syndrome, Autism and Challenging Behaviour and Autism and Education.

There are online e-learning packages available for GPs, health and other public sector services. However, it is recognised that autism awareness within the general population, as well as the emergency and public services, is likely to be under developed.

There is a need for basic autism awareness training to be available for all staff, whilst specialist training should be provided for professionals in key roles including GPs, social workers, personal assistants, occupational therapists, commissioners and those in leadership roles.

The level and structure of training currently offered could be improved to support staff to identify people with autism. Wolverhampton recognises that staff who have a role in recruitment need an enhanced understanding of the difficulties people with autism face through the process so that reasonable adjustments can be made.

Wolverhampton will aim to actively involve people with autism, their family and carers in the development and delivery of the autism training and refresher programmes. It is anticipated that an increased awareness of public sector staff could support the early identification of the difficulties people with autism face thus increasing their prospect of receiving an appropriate referral, diagnosis and support.

PRIORITIES

Priority 1: To ensure that various levels of training are developed and delivered, including a specialist autism programme to increase awareness across all relevant agencies and enable key professionals to recognise, assess and support people with autism.

Priority 2: To ensure that all commissioned services include requirements for providers to train their staff appropriately so that reasonable adjustments can be made for people with autism.

Priority 3; To support services including GP's, hospital, leisure, criminal justice, and housing have appropriately skilled staff to support people with autism so that reasonable adjustments can be made

Objective 4

Preparing for Adulthood

OUTCOMES

All young people aged 13- 25 years who are on the autistic spectrum are able to or are supported to make informed decisions about their future.

Young people on the autistic spectrum are in a range of provision both within and outside the city this includes; special schools and mainstream secondary schools and units within the city, the local college, and special schools and colleges outside the city.

Young people should have access to independent and impartial careers education, information, advice and guidance, throughout their preparation for adulthood, from their school, and where appropriate from the Connexions service. Information is also available through the Local Offer for young people and their Parents/Carers.

Support throughout preparing for adulthood is provided through a multi-agency approach underpinned by the principles of person centred planning. For those young people for whom an Education Health and Care (EHC) plan is appropriate early support to develop vocational profiling leading to a Career Pathway Plan will help inform the outcomes from the completed EHC plan

Advocacy is available through Connexions for all young people and in particular for those over 16 years who may wish to indicate their preferences.

Challenges exist where a young person is not in receipt of an Education Health and Care Plan but is in need of effective careers education information advice and guidance.

Challenges also exist where a young person with autism is not in receipt of an Education Health and Care plan but is in need of wrap around support, particularly in mainstream settings, to

enable them to learn and progress and maximize their potential.

Another challenge is the need for young people to be exposed to the demands of an employment setting to successfully navigate their employment pathway.

PRIORITIES

Priority 1: Young people on the autistic spectrum and who are not in receipt of an Education Health and Care plan are identified early and are fully supported to maximize their potential.

Priority 2: All young people on the autistic spectrum who are preparing for adulthood should have access to quality assured work experience to help them prepare for their transition into further education employment or training.

Objective 5

Lifelong learning, increasing skills and inclusive employment

OUTCOMES

All exclusion will comply with national guidance and good practice.

All children and young people with autism will attend a school that has a good understanding of their condition, and have skills and resources to meet their needs.

Nationally, 2.8% of children and young people in education have a statement of Special Educational Need (SEN) or an Education, Health and Care Plan (EHCP)¹. Of these 24.5% have an Autism Spectrum Disorder (ASD) identified as their primary area of need,

¹ DfE (2015). *Statistical First Release: Special Educational Needs in England: January 2015*. London: Department for Education.

making ASD the most common category of primary need for pupils with a statement/EHCP. 15.4% of pupils are identified as requiring SEN support without having a statement/EHCP. Fewer than 5% of these have ASD identified as a primary need.

In Wolverhampton children and young people with ASD are educated in a range of settings, both mainstream and specialist. Wolverhampton has one special school designated for pupils with ASD as a primary need. There is also a specialist nursery/ KS1 school designated for pupils with ASD or severe learning difficulties. Across all Wolverhampton's special schools there are 105 pupils identified with ASD as a primary area of need, and 56 with ASD as a secondary need. ASD is identified as a category of need for approximately one fifth of the 760 pupils in Wolverhampton special schools

There is significant variation in the way that children and young people with autism are affected by their condition. Approximately half have additional learning difficulties, which may sometimes be severe. Others will not have learning difficulties and some may have very advanced cognitive skills. Language skills of children and young people with autism can also vary greatly. For some, spoken language is extremely limited or absent altogether, meaning that they require augmented or alternative methods of communication to help them to understand others and express themselves. Other children and young people with autism may be very fluent talkers, but have difficulties with their use of language in social contexts. Children and young people with autism are also more likely than their peers to experience other developmental conditions such as dyspraxia or attention deficit hyperactivity disorder.

The prevalence of autism and the significant variation across the autism spectrum has implications for education. Firstly, all schools are likely to include pupils on the autism spectrum. Second, however, a "one size fits all" approach to education for pupils with autism will not be appropriate.

There are a number of different evidence-based approaches and frameworks for teaching children and young people with autism. Research does not support the primacy of one approach over others, and tends to suggest that individualised approaches based on the child or young person's needs, incorporating certain core features is most appropriate.

The Autism Education Trust² has undertaken research into good practice in education for children and young people with autism. They identified eight themes or features that were important to ensuring good education for pupils with autism:

- High ambitions and aspirations
- Monitoring progress
- Adapting the curriculum
- Involvement of other professionals/ services
- Staff knowledge and training
- Effective communication
- Broader participation
- Stronger relationships with families.

When a child or young person's needs relating to autism are first identified, it is important to ensure a robust, effective and consistent graduated response to meeting those needs. Research shows that access to specialist approaches and expertise are more important in ensuring good education for pupils with SEND than whether pupils are taught in

² Autism Education Trust (2011). *What is good practice in autism education?* London: Autism Education Trust.

specialist or mainstream provision³. It is important to ensure that all educational settings are aware of good practices for supporting pupils, are able to implement these, and are able to access appropriate specialist support (including outreach and therapies) to enable children and young people's needs to be met as early and as locally as possible.

In addition to the difficulties that children and young people with autism may experience in accessing learning, research suggests that they are more likely than others to experience exclusions from school (both formal/legal exclusions and illegal exclusions)⁴. Pupils with autism are also more likely to experience bullying⁵. Therefore, it is a challenge to ensure not only that pupils with autism receive the right support to enable them to access learning and make progress, but also to ensure that they do not experience social exclusion.

There are a small number of children and young people with autism in Wolverhampton with the most complex needs, who may display behaviour that can be challenging, where it has been difficult to make effective educational provision within the city. Some of these pupils will have had a number of different educational placements before the right solution is found. For some their complex needs may make it difficult for them to remain at home all the time, so a residential educational

placement is required. It is a challenge to ensure that the right support is available to intervene early when complex needs are identified, to build as much capacity as possible at home and in the school, and to ensure that there is local provision that can meet these pupils' needs.

Leaving school and progressing into further and/or higher education, and on into employment can be a significant challenge for learners with autism. In addition to the academic skills to make these transitions, young people will need to develop social and independence skills to enable them to cope with less structured environments and a broader range of relationships.

People with Autism may require support throughout their life in order to obtain and retain paid work. This support and those who will provide it are shown on the Wolverhampton Supported Employment pathway on the Local offer. Support is required in schools and at home to raise the possibility of employment with young people. This must be built on as part of Education Health Care plans using vocational profiles, Connexions service involvement and work experience opportunities.

After school each person should have an individual plan to support them towards paid employment and this may involve further training, work experience, an internship and support from job coaches.

PRIORITIES

Priority 1; Support all educational settings to be autism aware and autism friendly settings, and embed a consistent, evidence-based graduated response to supporting the needs of pupils with autism when these are first identified.

³ OFSTED (2006). *Inclusion Does it matter where pupils are taught?* London: OFSTED.

⁴ National Autistic Society (2003) *Autism and Education: the on-going battle*. London: NAS.

⁵ Humphrey and Symes (2010). Perceptions of social support and experience of bullying among pupils with autistic spectrum disorders in mainstream secondary schools. *European Journal of Special Needs Education*

Vol. 25 (1), 77–91.

Priority 2; Review of SEND educational provision across the city to ensure the availability of inclusive options and in-city provision across the full spectrum of need.

Priority 3; Ensure sufficient and consistent access to specialist support services, including outreach and therapies, for all children and young people with autism in all educational settings.

Priority 4; Review approaches to education and access to specialist support to ensure that all children and young people access a range of evidence-based approaches and interventions.

Priority 5; Work with employment and Access to Work to support people with autism to employment.

Objective 6 Keeping Healthy

People with autism are able to access mainstream primary, acute and specialist health care as required

Children and adults with autism detained or at risk of being detained in secure care are supported by the Transforming Care Programme.

National data indicates that 1 in 3 people with autism will also experience mental health issues. Mainstream health services, including primary acute and mental health should be accessible to all, including those living with autism.

The Wolverhampton Local Transformation Plan for children and young people's mental health and wellbeing is the plan that is driving the

reshaping of mental health services for children and young people, and will support young people with autism who are require support with their mental health.

The plan's ambition is to develop and deliver appropriate and bespoke care pathways and evidence based intervention for vulnerable children and young people, ensuring those with autism are not turned away from services and ensuring that they receive care as close to home as is possible.

The NHS England Transforming Care Programme is a new delivery plan which was launched in October 2014 with actions taking place nationally, regionally and locally, each with the intention of making significant longer term improvements which enhance the quality of life for people with learning disabilities and autism who are either at risk of becoming an inpatient or already an inpatient in specialist local mental health hospital, or low, medium or high secure provision.

With a new target of reducing the learning disability and autism inpatient population by 50% by April 2015, CCGs were asked to organise a new programme of reviews. These reviews are called Care and Treatment Reviews (CTRs). They are organised and chaired by the lead commissioner, each is expected to last a full day and comprises of a team including representation from both the local authority and CCG, an independent expert and an expert by experience (a person with a learning disability or a family carer). Each review is expected to consider:-

1. Is the person safe?
2. Is the care and treatment the person is getting good?
3. What are the plans for the future (discharge planning)?

4. Does this person need to be in hospital now?

Wolverhampton has now embedded a system of Care and Treatment Reviews to occur wherever possible pre-admission or as soon after admission as is possible. This will enable all stakeholders to work together to ensure that outcomes are clear and that clear processes are in place to enable effective assessment, treatment and discharge planning for all young people and adults with autism who require specialist health services.

Priority 1; To ensure that all young people and adults with autism have a Care and Treatment review prior to any admission to specialist health care establishments.

Objective 7

Living well and Increasing Independence (Keeping Safe Criminal Justice, Housing Support,)

OUTCOMES

To reduce the vulnerability and risk of harm to individuals with autism by creating an autism friendly city.

People with autism are appropriately supported with reasonable adjustments through the criminal justice system whether they are victims, witnesses or suspected of committing a crime.

People with autism who have or who might be at risk of coming into contact with the criminal justice system have access to specialist multi-disciplinary health and social care support and have their needs reviewed regularly.

People with autism and their families have clear information & advice about housing options, including financial information to support financial capability among people with autism and how to manage personal finances and household budgeting.

There is a reduction in the number of people with autism living in residential care because there are a range of other housing and support options available for them.

Keeping Safe - Community safety is a key issue for people with autism. People with autism are more likely to become victims of crimes, bullying (school, workplace, public), hate crime, exploitation (sexual and criminal) and different forms of abuse. Safeguarding children and adults who may be vulnerable is a priority in Wolverhampton. This includes protecting people with autism and their carers within the city or placed out of area.

Independent advocacy, including peer advocacy, is a key way of ensuring safety and support for people living with autism. Some areas have developed a Safe Places scheme which has given people with autism more confidence in the community. The Safe Places scheme in Wolverhampton is designed to support people with a learning disability, however there is scope to extend and develop the scheme to include people with autism.

Criminal Justice – It was identified in “Fulfilling and Rewarding Lives: Evaluating Progress 2011” - adults with autism can face particular difficulties if they come into contact with the criminal justice system. In some cases, this reflects an adult with autism reaching a crisis point. In some others, incidents occur or escalate largely or partially as a result of social and communication

difficulties: had the situation been handled differently – and the individual's autism been recognised – the outcome may have been different.

What's more, once in the system, adults with autism may make their situation worse through their behaviour – for example, struggling to respond in interviews.

This continues to be an issue in 2015 and further support and joint working with Police and probation services is required to improve the situation for people who come into contact with the criminal justice system.

Housing - When exploring housing options for people with autism, the location of local accommodation and support is an important factor which needs to be considered.

People with autism should be offered a range of housing options including shared living models, as not everyone wants to live alone. It is important that housing and support providers understand the housing needs of people with autism and these are taken into account in housing plans, applications and allocation processes. The Wolverhampton Housing Strategy recognises the housing needs of vulnerable people and is committed to providing a range of housing options, and support to enable vulnerable and disabled people to live independently in our City.

Families of children and young people with disabilities including autism identified that the lack of accessible and affordable transport in the city is a key barrier to them using all of the sports leisure and recreational activities available as a family, and is a barrier to them being active citizens in the city. Adults with disabilities report feeling vulnerable on public transport and this

also prevents them going 'out and about'.

PRIORITIES

Priority 1: Provide appropriate advice to individuals, carers, staff teams, schools on staying safe by promoting the city's Safe Places scheme with individuals, carers and more generally within the community.

Priority 2: Undertake vulnerability assessments on premises for those living independently.

Priority 3: Ensure that the local health and social care services know children and adults with autism who have or who might be at risk of coming into contact with the criminal justice system and ensure that they have access to the same services as the general population (including prevention teams, youth offending teams, liaison and diversion schemes, troubled families schemes and programmes such as those for drug and alcohol misuse) in addition to specialist multi-disciplinary support where appropriate.

Priority 4: Work with the Housing Options Team and the Housing Strategy Team to increase the housing options available for people with autism.

Objective 8

Support for families, parents and carers

OUTCOMES

Families feel supported to continue in their caring role.

Short breaks providers are skilled to support people with autism.

Carers must be respected as expert care partners and have access to the integrated and personalised services they need to support them in their caring role, and carers need to be supported to stay mentally and physically well and be treated with dignity.

Families, parents and carers say that they want access to good quality information that is provided in a timely way, that is easy to find and relevant to their circumstances.

Parents of children and young people with autism in the city can access the Information Advice and Support Service. Every Local Authority has to provide an Information, Advice and Support Service. This is a statutory requirement, set out in the Children and Families Act 2014.

The Information, Advice and Support Service offers free and impartial information, advice and support on matters relating to a child or young person's special educational needs or disability including autism from birth to 25 years.

They offer information, advice and support about:-

- Education, health and social care matters and relevant law
- Support available in schools, early years and post 16 settings
- Funding arrangements
- How needs are identified and met
- Disagreements and moving forward
- Exclusion from school

Based on a family's circumstance the team can offer individual support which may include:

- Support at and preparing for meetings
- Help to understand and complete paperwork

- Help to participate in discussions and decision making
- Liaising with other services and organisations
- Looking at positive outcomes

The Information, Advice and Support Service can offer support to families until their family member is 25, which importantly means that families are supported through the transition period.

The Council also has a duty to provide short breaks provision for disabled children and their families, as part of the Children's Act 2008, this includes children with autism. The City Council with the Clinical Commissioning Group funds a range of short breaks services to support parents and carers. These services are provided either in the community, the family home, a residential unit or via a direct payment.

Under the Care Act 2014, carers are entitled to an assessment of their needs in their own right. However, any assessment of carers' needs must be integrated with any services which are to be provided for the person they care for.

Carers often describe feeling isolated, and unsupported. Local peer support groups have proved successful in providing low level support for carers that enable them to continue in their caring role and build social networks.

Wolverhampton Council is in the process of developing a Joint All Age Carers Strategy which will be launched in June 2016. Following consultation this five year strategy will outline the council's approach to supporting unpaid carers of people with Autism.

PRIORITIES:

Priority 1; To work with the Third Sector to develop opportunity within

communities to arrange support groups and local and informal networks.

Priority 2; To make sure carers of people with autism are offered a carers assessment.

Priority 3; To make sure that the parents and carers of people with autism are encouraged and supported to influence and shape future services.

Conclusion

As mentioned throughout the strategy, how autism is experienced and impacts on an individual can be very varied. It is therefore really important that individuals can access the right support at the right time for them. Whilst producing this strategy, a number of themes emerged. It is clear that people wanted much more awareness and understanding about autism in the community at large and amongst professionals and services. Increased awareness and understanding underpins many of the other themes identified, such as equality of access to services and opportunities, proactive interventions and social inclusion. Specialist themes included the need for a single clear diagnostic pathway, which is something both professionals and people living with autism have called for.

Next Steps

In order to make sure that this draft strategy responds to the needs of people with autism and their family carers/ parents, it will be subject to a period of consultation. The main focus of this consultation will be an Autism Strategy workshop close to National Autism Day on 1st April 2016.

In recognition that people with autism need support from both specialist services and access to universal services that underrated the needs of

people with autism, it is proposed that an Autism Action Alliance group is established. This group will have responsibility for the delivery of the strategy and will be made up of a range of stakeholders including people with autism, parents, family carers, and any other organisation that can support the delivery of the strategy. As this is a wide ranging strategy that affects numerous people and organisations, considerations should be given to the appointment of an independent chairperson to chair the Autism Action Alliance. This proposal will also form part of the consultation.

Glossary

Advocate - An advocate is someone who works with someone to identify what they want, and speaks up for them if they have difficulty doing so themselves

Assessment - The way of working out what a person's needs are.

Carer - A person who provides unpaid support to a partner, family member, friend or neighbour who is ill or disabled who could not manage without this help.

Co-produce - When you as an individual are involved as an equal partner in designing the support and services you receive.

Commissioning - How services are planned and paid for and checked that they are of good quality.

Consultation - To seek information/views from people about a topic or theme.

Criminal Justice System - The system through which people are dealt with who are suspected or found guilty of committing a criminal offence.

Diagnosis - The process of finding out the nature and cause of a medical

condition through looking at a patient's history and through carrying out medical assessments.

Direct Payments - A Direct Payment is money your local authority can give you. It is a different way of getting the support you need. You use it to buy the support you want. Social Services give you the money instead of a service. You spend the money on getting the support you need.

Eligibility - When your needs meet your council's criteria for council-funded care and support. Your local council decides who should get support, based on your level of need and the resources available in your area. The eligibility threshold is the level at which your needs reach the point that your council will provide funding. If the council assesses your needs and decides they are below this threshold, you will not qualify for council-funded care.

GP - General Practitioner: A doctor whose practice is not limited to a specific medical speciality but instead covers a variety of medical conditions in patients of all ages.

Outcomes - In social care, an 'outcome' refers to an aim or objective you would like to achieve or happen – for example, continuing to live in your own home, or being able to go out and about. You should be able to say which outcomes are the most important to you, and receive support to achieve them.

Personal Budgets - An amount of money allocated to meet a person's needs identified through a person's self or supported assessment and support plan. This may combine resources from different funding streams to which the individual is entitled but is most often related to meeting social care needs.

Residential Care - Care in a care home, with or without nursing, for older people

or people with care disabilities who require 24-hour care. Care homes offer trained staff and an adapted environment suitable for the needs of ill, frail or disabled people.

Safe Places Scheme - Safe Places are local community places e.g. shops, libraries, cafes which have been set up to help people if they are feeling vulnerable or unsafe by supporting them to call for help from parent/carer or police.

Safeguarding - Making sure that adults who may be at risk of harm are not being abused or neglected.

Sensory - Problems with working out sensory information such as sounds, sights and smells.

Signpost - Pointing people in the direction of information that they could find useful.

Strategic Objective - A goal or action which are set to achieve a plan (Strategy)

Strategy - A plan

Supported Living - Where people live in their own home and receive care and/or support in order to promote their independence.

Transition - The process of change a person goes through, for example growing from childhood into adulthood. For people with disabilities this process of reaching adulthood can mean changing the services from which they receive support and this can take place over a long period.

Wolverhampton Information Network - Online webpages with information about local organisations, groups and agencies that provide activities, advice, services to people who are looking for services & support.

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Acknowledgements

Many thanks to everyone who contributed to the writing of this strategy including:

Mental Health Empowerment Service
Voice 4 parents
The Information Advice and Support Service
WCC Commissioning Teams
Clinical Commissioning Group
Educational Psychology Service
Early Years' Service
Wolverhampton Safety Partnership
Connexions
Library Service

Cabinet Meeting

24 February 2016

Report title	City of Wolverhampton Open Space Strategy and Action Plan Update	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson City Assets	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Nick Edwards, City Assets	
Originating service	Planning	
Accountable employee(s)	Michèle Ross	Senior Planning Officer
	Tel	01902 55(4038)
	Email	Michele.ross@wolverhampton.gov.uk
Report to be/has been considered by	Planning for Growth Board	2 December 2015
	Corporate Landlord Board	12 December 2016
	Strategic Executive Board	9 February 2016

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Adopt the updated City of Wolverhampton Open Space Strategy and Action Plan which is available at [web link](#)

1.0 Purpose

- 1.1 To seek approval to adopt an updated version of the City of Wolverhampton Open Space Strategy and Action Plan (OSSAP), which will direct investment and planning decisions on open space across the City in future years, help the Council to secure external funding (including developer contributions) and release surplus assets to maximise local community and regeneration benefits.

2.0 Background

- 2.1 Well managed and located open spaces make a vital contribution to the quality of life and health of individuals, families and communities across Wolverhampton. The Council owns and manages most of the open space in the City, providing a range of recreational opportunities for sport, exercise, play, contact with nature and growing produce. The Black Country Core Strategy is clear that a network of good quality open space is vital to attract people to live and work in Wolverhampton.
- 2.2 Investment is currently taking place in open space across the City, to improve key sites, create open space to serve new and existing residents such as at the former Goodyear site and Ward Street, and maximise use of existing sites such as playing fields. Much of the funding for on-going improvements has been secured from developers through the planning process.
- 2.3 During 2012-14, the Council adopted a strategic approach to open space in Wolverhampton, set out in a suite of documents: Sport Development Investment Strategy (SDIS); Playing Pitch Strategy and Action Plan (PPSAP); Open Space Strategy and Action Plan (OSSAP); and Open Space, Sport and Recreation Supplementary Planning Document. The strategic approach makes efficient use of open space assets and ensures delivery of regeneration priorities within constrained budgets through working with local communities and reconfiguring sites and services, where appropriate, to release funds for reinvestment. To make decisions about where this should happen, secure external funding and guide delivery it is important to have an up-to-date evidence base, strategy and action plan based on realistic open space standards.
- 2.4 When Cabinet adopted the OSSAP on 26 March 2014 it was agreed that the Action Plan part of the OSSAP would be monitored and updated every year and the Strategy element reviewed at an appropriate time or a minimum of every five years. The PPSAP was updated in 2015, as reported to Cabinet on 13 January 2016. Therefore it is now appropriate to update the OSSAP Action Plan and make minor changes to the Strategy to reflect recent policy and operational changes.
- 2.5 It is important that the Council adopts the updated OSSAP, which is available at [web link](#) in order to:
- Secure investment for priority open space, sport and recreation projects which will support regeneration, housing delivery and health objectives and increase the attractiveness of Wolverhampton as a place to live, visit and work;
 - Provide clarity and certainty to developers and land owners, including the Council, in relation to the disposals programme and planning obligations; and
 - Provide a strategic context for external funding bids and future budget decisions.

3.0 Delivery of the Open Space Strategy and Action Plan

- 3.1 The OSSAP is an investment strategy and evidence for planning decisions, which:
- Applies deliverable open space standards to different parts of the City and highlights areas of surplus and deficiency;
 - Provides clear, prioritised actions to protect, improve and extend open space provision where there are deficiencies, and rationalise open space provision where there are surpluses or this could improve quality or access (taking into account cross-boundary effects and City-wide priorities);
 - Maximises effective use of existing physical and financial resources in improving open space provision.
- 3.2 The OSSAP sets out quantity, quality and access standards for seven different types of open space:
- Parks
 - Natural green space
 - Amenity green space
 - Provision for children
 - Provision for young people
 - Outdoor sports (including playing pitches)
 - Allotments

It applies these standards to five Analysis Areas and highlights areas which have surpluses or deficiencies against the standards. The standards are generally lower than those set by neighbouring authorities, reflecting the densely built, urban nature of Wolverhampton.

- 3.3 The City-wide aims of the OSSAP are:
- To broadly retain the same amount of open space across the City (4.2 ha per 1,000 residents);
 - To target investment in key open spaces to address gaps and support growth;
 - To allow poorer quality open spaces to come forward for development, subject to levels of compensation which provide reasonable capital receipts;
 - To set out playing pitch priorities (based on the Playing Pitch Strategy and Action Plan) which provide a clear framework for disposal of school playing fields.
- 3.4 The priority projects set out in the Action Plan part of the OSSAP provide clear guidance on the Council's priorities for open space improvement by Analysis Area, which will form the focus for investment and allocation of developer contributions and other funding.
- 3.5 Since the OSSAP was adopted in March 2014 considerable progress has been made to deliver priority actions, funded by both internal and external resources. These actions include:
- Completion of a significant programme of improvements to East Park, including fitness trail, natural play area and multi-use games area;
 - Completion of new community use Artificial Grass Pitch at Our Lady and St Chad Catholic School and Sports College and Heath Park Business and Enterprise College;

- Completion of Penk Rise de-culverting to promote natural drainage and biodiversity;
- Completion of fitness trail at Claregate Playing Fields;
- Substantial completion of a new multi-pitch site to serve the north of the City at Barnhurst Lane;
- Substantial completion of improvements to Colman Avenue Park, including new pitches, play facilities, path network and trim trail;
- Substantial completion of the City Centre Youth Zone, providing two multi-use games areas and an outdoor recreation area.

4.0 Proposed Changes to the Open Space Strategy and Action Plan

4.1 Individual changes made to the original OSSAP 2014 are available on request. The Strategy and Action Plan have been subject to minor updates to reflect:

- Changes to the Local Plan;
- Changes in public consultation arrangements and input from the Neighbourhood Plan groups on detail for their areas;
- Amended playing pitch priorities following completion of an updated Playing Pitch Strategy and Action Plan;
- Changes in the Council's approach to allotments (to promote self-management);
- Progress made in delivering priority actions;
- Changes to details, timescales and funding arrangements for remaining priority actions;
- Emergence of new priority actions in accordance with the Strategy, including:
 - Play facility investment at West Park; Hickman Park, Muchall Park, Peace Green, Merridale Street Open Space, Bushbury Recreation Ground, Northwood Park, Howlands Close, Renton Road, Kingsclere Walk and Long Knowle Open Space;
 - Open space and access improvements at Hickman Park, Rocket Pool, Graiseley Recreation Ground and Heath Town Estate;
 - Creation of a new playing pitch at St Luke's Primary School;
 - Improving tennis court quality at East Park

5.0 Next Steps

5.1 The OSSAP is a working document and the Action Plan will be monitored and updated every year and the OSSAP as a whole reviewed at an appropriate time or a minimum of every five years. It is proposed to report annual progress and any updates to the Action Plan to Cabinet through the Council's agreed Asset Management governance and reporting groups.

6.0 Financial implications

6.1 The Action Plan contains details of projects that have either been successfully completed in recent years, are on site or have been identified as priority actions and therefore make up a programme of potential projects.

6.2 Elements of projects on site, namely Barnhurst Lane, Bilston Park (Bilston Urban Village), Ashmore Park, Castlecroft play provision, Heath Town Park, West Park and Taylor Road open space, are already reflected in the approved capital programme.

- 6.3 The programme of potential projects will help support future bids for external resources and direct private developer contributions in line with Council priorities. Not all of the potential projects will involve the Council incurring capital expenditure. However any required on-going maintenance of the sites will impact on the Council's revenue budget. The costs stated in the Action Plan are indicative based on the costs to complete the desired works and do not include any future maintenance costs. However, potential projects will not be progressed until any additional maintenance costs have been quantified and at least 10 years future maintenance costs secured.
- 6.4 The completion of desired works is dependent upon external resources from grant funding and developer contributions and until such time as funding is confirmed it is not possible to finalise any capital and revenue estimates. Included projects will be subject to future reports to Councillors seeking approval for terms and costs once known in line with current approval processes. [TT/04022016/Y]

7.0 Legal implications

- 7.1 There are no legal implications arising from this report. [TS/1002016/F]

8.0 Equalities implications

- 8.1 An Equality Analysis has been completed, which concludes that, overall, the Open Space Strategy and Action Plan (OSSAP) will have positive equal opportunity implications, by seeking to achieve equal access for all to a sufficient quantity and quality of open space and sport facilities of different types. The OSSAP will increase participation in sport and physical activity and access to high quality open space across the City.
- 8.2 There is identified potential for some localised adverse impacts through development of a limited number of open spaces. However, in these cases there has been careful consideration to ensure that any impacts are balanced by secured mitigation measures which will result in overall improvements to quantity, quality and/or access to open space in the local area.

9.0 Environmental implications

- 9.1 The OSSAP update will have positive implications for the improvement of open space for people and wildlife across the City.

10.0 Human Resources implications

- 10.1 There are no human resource implications directly arising from this report.

11.0 Corporate landlord implications

- 11.1 Any potential Council schemes will require approval by the Council before any capital expenditure is incurred as ongoing maintenance of the sites will impact on the Council's revenue budget. This will involve the submission of proposals to Corporate Landlord Board to be reviewed on value for money and appropriateness based on the current

financial climate. Capital expenditure has a direct impact upon the Council's revenue budgets and therefore needs to be restricted to projects essential to the Council's priorities. Any projects endorsed by Corporate Landlord Board will then be reported to Councillors for approval.

12.0 Schedule of background papers

Wolverhampton Playing Pitch Strategy and Action Plan, KKP for Wolverhampton City Council (January 2016)

Open Space, Sport and Recreation Supplementary Planning Document (2015)

Wolverhampton Open Space Strategy and Action Plan (February 2014)

Wolverhampton Open Space Strategy and Action Plan Equality Analysis (January 2014)

Cabinet 11 April 2012 – Sport Development and Investment Strategy

Wolverhampton Open Space Audit and Needs Assessment, PMP for City of Wolverhampton Council (2008)

Wolverhampton Playing Pitch Strategy and Assessment, KKP for City of Wolverhampton Council (2015)

City of Wolverhampton Open Space Strategy and Action Plan (February 2016)

Cabinet Meeting

24 February 2016

Report title	Black Country Core Strategy Review	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson City Assets	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Nick Edwards, City Assets	
Originating service	Planning	
Accountable employee(s)	Michèle Ross	Senior Planning Officer
	Tel	01902 554038
	Email	Michele.ross@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	15 December 2015

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Approve the timetable for the Black Country Core Strategy review for incorporation in the Council's Local Development Scheme;
2. Agree to receive a further report to approve public consultation on a Scoping / Issues / Options Document in late 2016.

Recommendations for noting:

Cabinet is asked to note:

1. The financial implications of the review;

1.0 Purpose

- 1.1 Cabinet approval is required for the Council to begin work on the Black Country Core Strategy review in early 2016 in partnership with Dudley, Sandwell and Walsall Councils and to incorporate the review timetable into the Council's Local Development Scheme.

2.0 Background

- 2.1 Local authorities are legally required to prepare a Local Plan and, once adopted, to continually monitor its effectiveness and carry out regular reviews. An up to date Local Plan provides certainty for investment, forms a robust basis for planning decisions and protects important community and environmental assets that contribute to the identity of local areas.
- 2.2 The Black Country Core Strategy is Wolverhampton's key strategic Local Plan document and forms a significant part of the Council's policy framework. The Core Strategy was adopted in 2011 and includes a commitment for a review to commence in 2016. The new Core Strategy will cover the period up to 2036 and, at this stage, it is anticipated that it will continue the existing "brownfield first" approach, focusing development in a sustainable network of Regeneration Corridors and Strategic Centres. The review will also need to consider the implications of emerging Combined Authority priorities and findings of the Greater Birmingham and Black Country Housing Study work.
- 2.3 Having an up to date Local Plan has allowed Wolverhampton to proactively plan for delivery of housing, employment and commercial development across the City in partnership with developers and land owners, and to bid for and secure external funding to unlock development. Given that brownfield sites take many years to progress from allocation to delivery, it is important that future development opportunity areas are identified beyond 2026 through the Core Strategy review. This will allow the Area Action Plans which sit below the Core Strategy to be reviewed to allocate new sites.

3.0 Timetable and Resources

- 3.1 The Core Strategy review timetable (set out in Appendix 1) will begin with commissioning of key housing and employment evidence in early 2016 and end with adoption of a new Core Strategy in 2019. Government guidance set out in the National Planning Policy Framework (NPPF) explains that appropriate and proportionate evidence is essential to produce a sound Local Plan and the review process will involve preparation of a number of evidence reports and public consultation at key stages. The Core Strategy will carry more weight in the planning process as the review progresses.
- 3.2 The first formal consultation on the scope of the review and key options will take place in late 2016, followed by consultation on a preferred options report / draft plan during 2017. The final plan will then be published and submitted to the Government for examination during 2018 and adopted in 2019.
- 3.3 A significant body of evidence is required to inform and support the review. The evidence commissioned in 2016 will focus on testing deliverability of the existing strategy beyond 2026. More detailed and extensive evidence will be required in 2017 to support

the draft plan and ensure the strategy has the necessary infrastructure and is sustainable and deliverable. This will include an update of the Gypsy and Traveller Accommodation Assessment (as current evidence only extends to 2018) and potentially a green belt review to provide sufficient land to meet development needs.

- 3.4 Table 1 sets out the forecast spend over the years 2015-19 which is necessary to deliver the Core Strategy review. The total cost will be split equally between the four authorities. On this basis the share allocated to Wolverhampton will be around £233,750 - the majority required in 2016-17. The estimated spend covers the minimum evidence work and consultation / examination costs necessary to progress the Core Strategy to adoption, and is less than the cost of preparing the original Core Strategy as this is a partial review only. Additional work may be required as the review progresses, therefore a contingency of 10% has been included in the forecast for each year.

Table 1 Black Country Core Strategy Review Spend Forecast: 2016-19

Year:	2016-17	2017-18	2018-19	2015-19
Estimated total cost:	£610,500	£132,000	£192,500	£935,000

4.0 Financial implications

- 4.1 The total estimated cost of the Core Strategy review is £935,000 which will be divided equally between the four Black Country authorities. On this basis the likely cost to be allocated to Wolverhampton is £233,750 which can be met from the Local Plan budget to be approved by full Council 2 March 2016, combined with the Neighbourhood Plan Grant. [TK/12022016/Z]

5.0 Legal implications

- 5.1 The timetable set out in the report will become part of the Council's published Local Development Scheme. Following adoption, the Black Country Core Strategy review will become a key material consideration in the determination of planning applications. The Core Strategy review will be prepared under the provisions of the Town and Country Planning (Local Planning) (England) Regulations 2012. [RB/05022016/H]

6.0 Equalities implications

- 6.1 The Black Country Core Strategy is a document of key importance for the future of the local area. To produce a review that is compliant with the requirements of S149 of the Equality Act 2010 it is important that the review produces a strategy that is clearly informed and influenced by relevant equalities evidence. Contributing authorities in the Black Country will develop a process to make this collection and consideration possible in a timely manner so that the resulting strategy is the most inclusive that can be delivered in the context of equalities and with the resources to hand. This evidence and these process will be recorded in equalities analyses as the work progresses.

7.0 Environmental implications

7.1 The Core Strategy review will have environmental implications, which will be assessed through the Sustainability Appraisal process.

8.0 Human resources implications

8.1 The report has no human resource implications.

9.0 Corporate landlord implications

9.1 The report has no direct Corporate Landlord implications.

10.0 Schedule of background papers

10.1 Black Country Core Strategy (2011)

Appendix 1 BLACK COUNTRY CORE STRATEGY REVIEW TIMETABLE

Formal stages

Jan 2016 Commence review

Late Autumn Scoping/Issues/Options Report Consultation

End 2016

Page 283

Summer Preferred Option/Draft Plan Consultation
Potential Site Options consultation

Early 2018 Publication

Mid 2018 Submission

Late 2018 Examination

Mid 2019 Adopt Plan

Work Programme

- *Monitoring update*
- *Economic Modelling*
- *Strategic Housing Market Assessment (SHMA)*
- *Viability/Deliverability - initial work*

Prepare Report
Consult

Consider consultation responses

- *Employment Land Study*
- *Potential Green Belt Review*
- *SHMA update / Gypsy & Traveller Assessment*
- *Retail & other town centre uses*
- *Water / flooding*
- *Waste / Minerals*
- *Transport & Accessibility*
- *Habitat Regulations Assessment Screening*
- *Infrastructure requirements*
- *Viability/Deliverability - further work*

Prepare Plan
Consult

Consider consultation responses / amend Plan
Finalise evidence

Prepare for Examination



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Cabinet Meeting

24 February 2016

Report title	South Staffordshire Site Allocations Document – Preferred Options Consultation	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson City Assets	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Nick Edwards, City Assets	
Originating service	Planning	
Accountable employee(s)	Michèle Ross	Senior Planning Officer
	Tel	01902 55(4038)
	Email	Michele.ross@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	26 January 2016
	Planning for Growth Board	6 January 2016

Recommendation(s) for action or decision:

The Cabinet is recommended to:

Approve the following as the basis of the Council's response to the South Staffordshire Site Allocations Document (SAD) Preferred Options consultation:

1. To support the principle of South Staffordshire District Council progressing the Site Allocations Document as a sound platform to support the bringing forward of an appropriate supply of land for new housing and employment development to complement the regeneration of Wolverhampton and the Black Country.
2. South Staffordshire covers large areas of Green Belt land, but those parts which are of most strategic importance are located around the urban area, as they stop settlements from merging and also support urban regeneration. Therefore it is of key importance to maintain the gap between the Black Country urban area and South Staffordshire villages.

3. In the case of Perton, site 239 is an appropriate allocation for housing up to 2028 and safeguarded land up to 2038, as this site makes a low contribution to Green Belt purposes and will not reduce the gap between Wolverhampton and Perton.
4. In the case of Bilbrook, site 443 should not be allocated or safeguarded for housing, as preferable alternative sites are available (sites 213 and 211) which would place less pressure on the Wolverhampton road network.
5. In the case of Codsall, sites 406 /419 should not be allocated for housing up to 2028 and safeguarded land up to 2038, as preferable alternative sites are available (sites 446, 447, 224, 225 and 220) which make a more limited contribution to Green Belt purposes and would place less pressure on the Wolverhampton road network.
6. Opportunities should be explored to bring forward safeguarded land for delivery by 2031 to help address the identified housing shortfall in the Greater Birmingham and Black Country Housing Market Area.
7. For all housing sites allocated in Perton, Bilbrook and Codsall, any detailed proposals should consider the impacts on Wolverhampton in terms of highway and school place implications and the City Council should be consulted on such proposals.
8. Support the proposed western extension of the i54 employment site and the bringing forward of additional high quality employment land at Featherstone. These sites should be made available for development in the short term.
9. Employment development at Featherstone should be served by the most direct, viable access, which presents minimum disruption to the surrounding area. Access options should be properly evaluated and the Council should ensure that any new route does not have a detrimental effect on the Wolverhampton network and take responsibility for remedial actions and other mitigation measures as appropriate for the Wolverhampton area. Any new infrastructure should cater for other modes of transport (cycling / walking / public transport users) and properly connect walking and cycling routes with the surrounding infrastructure, which would include cross boundary liaison for design and delivery.
10. Support extension of the i54 employment site boundary to include the Wobaston Road site to the south of i54.

1.0 Purpose

- 1.1 This report summarises the issues arising from the South Staffordshire Site Allocations Document (SAD) Preferred Options consultation and sets out the basis for a proposed City of Wolverhampton Council response for approval by Cabinet.

2.0 Background

- 2.1 The South Staffordshire Core Strategy was adopted in early 2014, setting out the broad planning strategy and amount of housing and employment development required in the District up to 2028. South Staffordshire Council are now progressing a Site Allocations Document (SAD) to provide detailed policies and allocate sites for development. The Core Strategy and the SAD, when adopted, will form the adopted Local Plan for South Staffordshire and will be used to determine planning applications in the District. It is in the best interests of Wolverhampton that South Staffordshire has in place an up to date and comprehensive planning framework in order to direct new investment to the most appropriate locations and resist proposals which could have a detrimental impact on the regeneration of the City.
- 2.2 The first period of consultation on the SAD - Issues and Options - ended on 19 May 2014. Cabinet of 23 April 2014 approved the Council's response to this consultation, which was duly made, and agreed to receive further reports at the next stages of the process. Cabinet of 1 October 2014 then approved the Council's response to a supplementary "Additional Sites" consultation.
- 2.3 South Staffordshire Council are now carrying out a Preferred Options consultation, which proposes housing development on sites adjoining Perton and Bilbrook / Codsall and employment development on land adjoining i54 and Royal Ordnance Featherstone. The consultation is a key opportunity to influence the allocation of sites for development up to 2038 which may have an impact on Wolverhampton. The consultation period closed on 12 February 2016, therefore a Council consultation response has been submitted with the approval of the Cabinet Lead for City Assets and following consultation with local Councillors.

3.0 Summary of Main Issues and Proposed Consultation Response

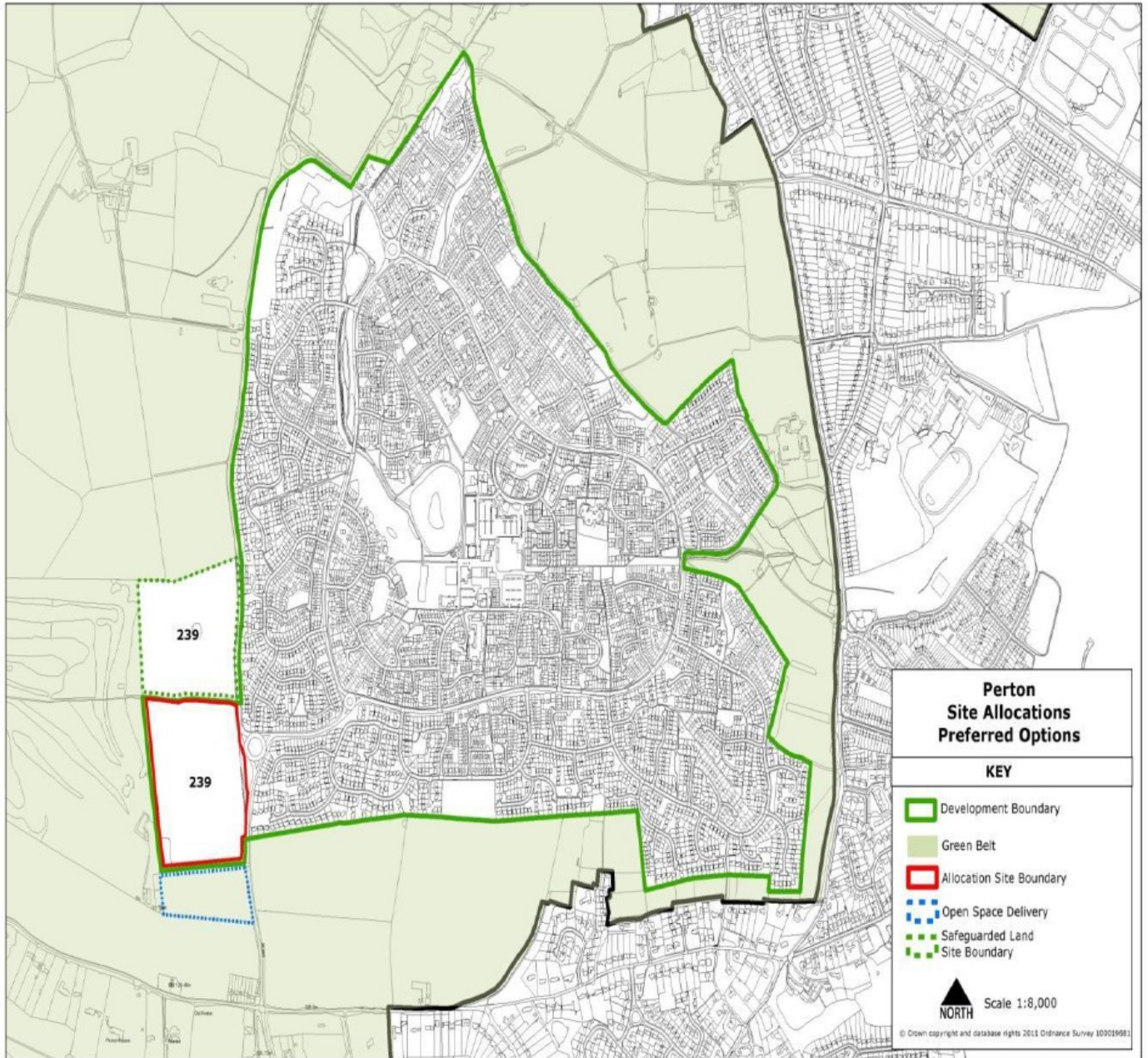
- 3.1 A summary of the main issues raised by the consultation and the basis of the proposed Council consultation response is set out below.

Housing

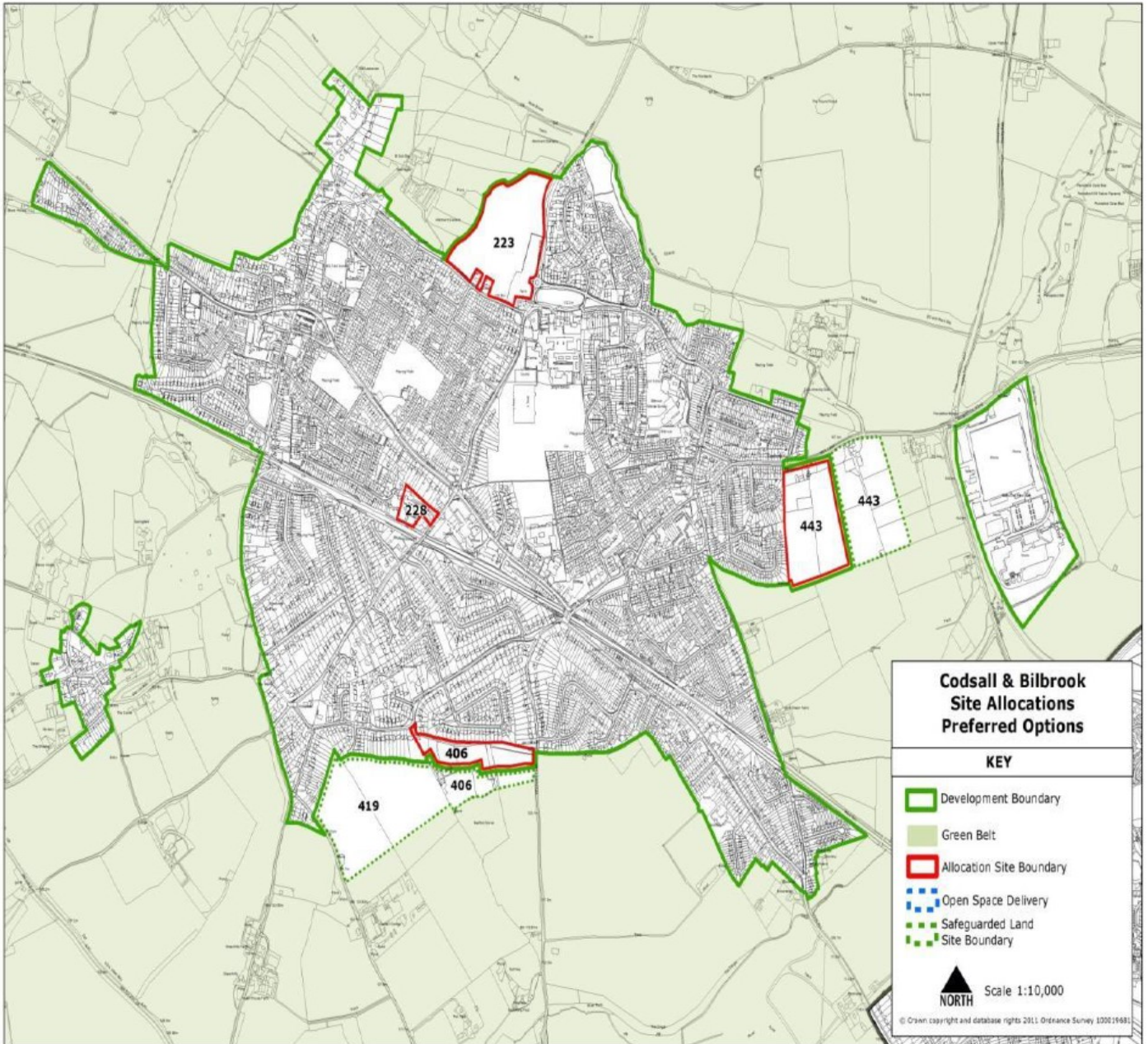
- 3.2 The adopted South Staffordshire Core Strategy sets a District wide target of 1,081 new homes up to 2028 and directs the majority of this housing to 15 settlements, with a target for each settlement. The SAD must allocate land to deliver by 2028: 163 homes around Perton; 102 homes around Bilbrook; and 221 homes around Codsall and "safeguard" land for an additional 84, 69 and 74 homes respectively during 2028-38. As there is very little land within Perton and Codsall / Bilbrook which is suitable for housing development, land needs to be taken out of the Green Belt around the edge of these settlements to

meet the targets. Views are sought on the preferred sites selected to deliver new housing, which are shown on Maps 1 and 2.

Map 1



Map 2



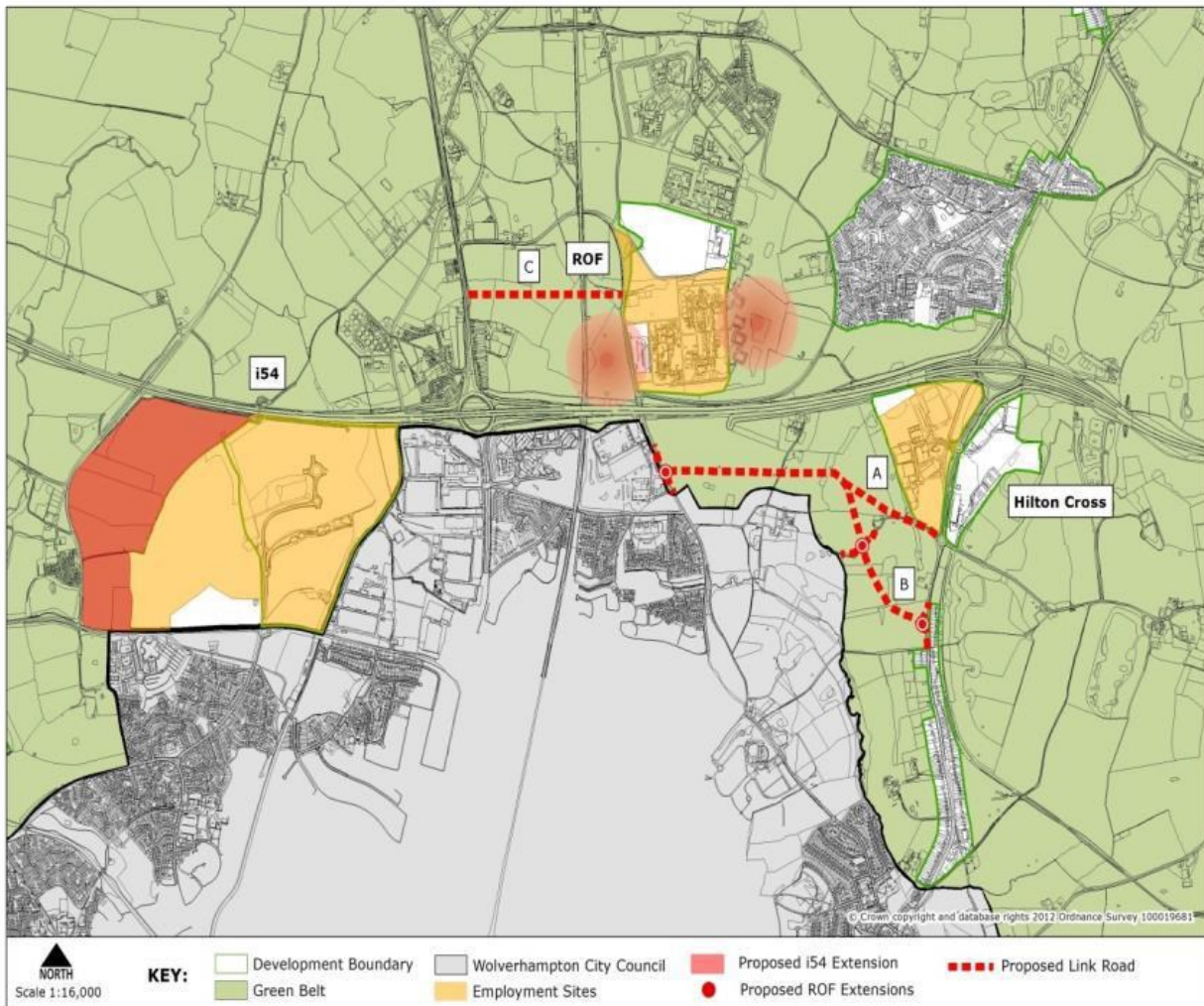
3.3 The key issue for Wolverhampton is the phasing and location of this housing, rather than its scale, and how this could affect the delivery of regeneration priorities and the setting and amenity of residential areas in the City. The proposals for new development in Codsall / Bilbrook and Perton have the greatest significance for Wolverhampton, and the Tettenhall Regis and Tettenhall Wightwick wards in particular. Tettenhall Councillors and local residents have expressed their concern about the implications of sites identified between Perton and Wolverhampton, in terms of encroachment towards Tettenhall and road access. Tettenhall and Oxley Members have been briefed on the SAD Preferred Options consultation and consulted on the proposed response.

- 3.4 There are existing local road congestion issues in Tettenhall which may be exacerbated by new housing development and changes to road systems in South Staffordshire. Work carried out to investigate the potential impact of housing development at Perton, Codsall and Bilbrook on the road network concludes that there could be an 8-11% increase to traffic flows along the A41. The Tettenhall Neighbourhood Plan (2014) therefore expects South Staffordshire Council to ensure that this development does not have a detrimental effect on the Tettenhall road network and to work with the Council to take remedial actions to avoid increased congestion on the A41 and other mitigation measures as appropriate (p.101).
- 3.5 At a strategic level, a significant housing shortfall has been projected for the period 2011-31 in the Greater Birmingham and Black Country Housing Market Area, which includes South Staffordshire. There is potential to introduce a policy in the SAD to bring forward safeguarded land for housing development, to help reduce this shortfall. This could increase allocations in the SAD from 1,081 to 2,881 homes. However, it is important that any potential highways and school place implications for Wolverhampton are taken into account when delivering proposed housing allocations and when considering bringing forward new allocations.
- 3.6 It is recommended that the Council's detailed response to the SAD Preferred Options consultation is based on the following principles:
- South Staffordshire covers large areas of Green Belt land, but those parts which are of most strategic importance are located around the urban area, as they stop settlements from merging and also support urban regeneration. Therefore it is of key importance to maintain the gap between the Black Country urban area and South Staffordshire villages.
 - In the case of Perton, site 239 is an appropriate allocation for housing up to 2028 and safeguarded land up to 2038, as this site makes a low contribution to Green Belt purposes and will not reduce the gap between Wolverhampton and Perton.
 - In the case of Bilbrook, site 443 should not be allocated or safeguarded for housing, as preferable alternative sites are available (sites 213 and 211) which would place less pressure on the Wolverhampton road network.
 - In the case of Codsall, sites 406 /419 should not be allocated for housing up to 2028 and safeguarded land up to 2038, as preferable alternative sites are available (sites 446, 447, 224, 225 and 220) which make a more limited contribution to Green Belt purposes and would place less pressure on the Wolverhampton road network.
 - Opportunities should be explored to bring forward safeguarded land for delivery by 2031 to help address the identified housing shortfall in the Greater Birmingham and Black Country Housing Market Area.
 - For all housing sites allocated in Perton, Bilbrook and Codsall, any detailed proposals should consider the impacts on Wolverhampton in terms of highway and school place implications and the City Council should be consulted on such proposals.

Employment

- 3.7 The Core Strategy supports modest extensions to the four strategic employment sites in the District (i54, Hilton Cross, ROF Featherstone and Four Ashes - all located close to north Wolverhampton), where robust evidence and reasoned justification is provided. The South Staffordshire Council and the Black Country authorities have now jointly completed two studies to provide this evidence.
- 3.8 The starting point for the studies was an acknowledged need for the provision of a competitive portfolio of readily developable employment sites to serve Wolverhampton and the Black Country. There is currently a lack of high quality sites close to the motorway network, and many sites, even where currently on the market, require extensive remediation or access improvements before being capable of development. This issue has been highlighted following the success of attracting JLR to i54, which is leading to strong enquiries from potential occupiers. At present i54 has only approximately 10 hectares available which is capable of accommodating c. 56,000 sqm of floor space and it is anticipated that this will be taken up in the next 2 to 4 years.
- 3.9 The studies conclude that there is a need for 81-87 ha of high quality employment land by 2026 and that i54 and ROF Featherstone are priority sites able to meet much of this shortfall. The Preferred Options consultation proposes a 40 ha western extension to i54 and a 22 ha extension to ROF Featherstone (shown on Map 3) to help meet this shortfall. The document contends that it is not appropriate for South Staffordshire to meet the entire shortfall as this can be addressed through future Local Plan reviews, in line with the study findings.
- 3.10 The Preferred Options consultation identifies a number of potential link roads to serve the ROF site and employees have been working with South Staffordshire Council to understand the relative strengths and weaknesses of these options. The key issues are ensuring that the access is deliverable and direct, and that there is minimum disruption to the surrounding area.

Map 3 – South Staffordshire SAD Preferred Options employment land site extensions



- 3.11 The Council's responses to the Issues and Options consultations proposed the allocation of a new employment site - 6 hectares of land to the south of i54 on Wobaston Road, which now has planning permission for employment development and is under construction. This site is the triangle of white land shown within the i54 employment site on Map 3. For accuracy, it is important that this site forms part of the i54 employment site, as it is available for development in the short term.
- 3.12 It is recommended that the Council's detailed response to the SAD Preferred Options consultation is based on the following principles:
1. Support the proposed western extension of the i54 employment site and the bringing forward of additional high quality employment land at Featherstone. These sites should be made available for development in the short term.
 2. Employment development at Featherstone should be served by the most direct, viable access, which presents minimum disruption to the surrounding area. Access options should be properly evaluated and the Council should ensure that any new route does not have a detrimental effect on the Wolverhampton network and take

responsibility for remedial actions and other mitigation measures as appropriate for the Wolverhampton area. Any new infrastructure should cater for other modes of transport (cycling / walking / public transport users) and properly connect walking and cycling routes with the surrounding infrastructure, which would include cross boundary liaison for design and delivery.

3. Support extension of i54 employment site boundary to include the Wobaston Road site to the south of i54.

4.0 Financial implications

- 4.1 There are no immediate financial implications arising from this report. Any staffing costs will be met from the approved Planning budget 2015/16.
[TK/29012016/C]

5.0 Legal implications

- 5.1 As a neighbouring authority, South Staffordshire Council are required to work with the Council on the preparation of their Local Plan documents, under the “duty to cooperate”. The “duty to cooperate” in relation to planning of sustainable development was enacted by Section 110 of the Localism Act 2011 inserting a new Section 33A into Part 2 of the Planning and Compulsory Purchase Act 2004. The National Planning Practice Guide states that the duty co-operate places a legal duty on local planning authorities to engage constructively, actively and on an ongoing basis to maximise the effectiveness of Local Plan preparation in the context of strategic cross boundary matters.
- 5.2 The duty to cooperate is not a duty to agree. But local planning authorities should make every effort to secure the necessary cooperation on strategic cross boundary matters before they submit their Local Plans for examination. Local planning authorities must demonstrate how they have complied with the duty at the independent examination of their Local Plans. If a local planning authority cannot demonstrate that it has complied with the duty then the Local Plan will not be able to proceed further in examination. Local planning authorities will need to satisfy themselves about whether they have complied with the duty. As part of their consideration, local planning authorities will need to bear in mind that the cooperation should produce effective and deliverable policies on strategic cross boundary matters.
[LD/02022016/F]

6.0 Equalities implications

- 6.1 A screening has been carried out for equalities implications and this concluded that a full Equality Analysis was not required for the recommendations of this report, as they do not involve a change to Council services, functions, policies or procedures.

7.0 Environmental implications

- 7.1 There are no direct environmental implications arising from this report.

8.0 Human resources implications

8.1 There are no human resources implications arising from this report.

9.0 Corporate landlord implications

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

10.0 Schedule of background papers

South Staffordshire Core Strategy – December 2012

Report to 25 July 2012 Cabinet: South Staffordshire Local Plan Update

Tettenhall Neighbourhood Plan - 2014

South Staffordshire Site Allocations Document (SAD) Issues and Options Consultation – March 2014

Report to 23 April 2014 Cabinet: South Staffordshire Site Allocations Document: Issues and Options Consultation

South Staffordshire Site Allocations Document (SAD) Issues and Options: Additional Sites Consultation – August 2014

Report to 1 October 2014 Cabinet: South Staffordshire Site Allocations Document (SAD) Issues and Options: Additional Sites Consultation

South Staffordshire Site Allocations Document (SAD) Preferred Options Consultation – December 2015

Cabinet Meeting

24 February 2016

Report title	The Local Strategy for Flood Risk Management in the Black Country	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Steve Evans City Environment	
Key decision	No	
In forward plan	No	
Wards affected	All	
Accountable director	Nick Alderman, City Environment	
Originating service	Highways Network	
Accountable employee(s)	Bob Willis	Urban Traffic Control and Traffic Manager
	Tel	01902 555790
	Email	bob.willis@wolverhampton.gov.uk
Report to be/has been considered by	Environmental Infrastructure Board	20 January 2016
	Place Leadership Team	1 February 2016
	Strategic Executive Board	9 February 2016

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Consider and approve, on behalf of the City of Wolverhampton Council, the Local Strategy for Flood Risk Management in the Black Country, which can be accessed via the link <http://www.wolverhampton.gov.uk/article/3336/Flooding-of-the-Highway>

Recommendation(s) for noting:

The Cabinet is asked to note:

1. The outcomes of public consultation on the Local Strategy for Flood Risk Management in the Black Country.

1.0 Purpose

- 1.1 This report seeks approval, on behalf of City of Wolverhampton Council, of the final Local Strategy for Flood Risk Management in the Black Country. This is a statutory requirement of the Flood and Water Management Act 2010. This report follows on from the Cabinet report of 21 October 2015, which sought and received approval to consult on the draft document.

2.0 Background

- 2.1 Following severe flooding nationally in the summer of 2007 the Government commissioned the Pitt Review which recommended that local authorities should lead on the management of local flood risk, working in partnership with other organisations. Consequently two key pieces of legislation were enacted; the Flood Risk Regulations (2009) and the Flood and Water Management Act 2010 (FWMA 2010).
- 2.2 The Council, as a Lead Local Flood Authority (LLFA), now has a statutory duty to co-ordinate local flood risk management and work with other organisations, such as the Environment Agency and Severn Trent Water, to develop, maintain, apply and monitor the implementation of a local flood risk management strategy. The Department for Environment, Food and Rural Affairs (DEFRA) has stated that strategies must be published by April 2016.
- 2.3 Each Local Authority has a duty as LLFA for its particular area. However the Association of Black Country Authorities and the Environment Agency have encouraged joint working arrangements between Dudley, Sandwell and Walsall Metropolitan Borough Councils and City of Wolverhampton Council in respect of flood risk management, hence the Local Strategy for Flood Risk Management in the Black Country has been produced and consulted on. These are public documents which explain the local flood risk, clarify who is responsible for managing it and set out an action plan to define an approach to mitigate its worst impacts.

3.0 Key Points of the Strategy

- 3.1 The strategy's Vision Statement is "Flood risk will be managed so as to reduce the risk to all across the Black Country". The strategy is very high-level in accordance with DEFRA guidance. While referring to some "flooding hot spots" the action plan does not detail specific projects to mitigate specific risks.
- 3.2 The strategy notes that "Historically Wolverhampton has not suffered from major flooding... due to its history of drainage infrastructure development, the topography of the land and its location upstream of the country's primary river basins". "The main flood risk is from localised incidents caused by extreme surface water run-off and blocked gullies". Any flood risks from ordinary watercourses (which are the Council's responsibility as LLFA) are most easily found at www.environment-agency.gov.uk due to the frequent updates of the online mapping. They are often associated with poor maintenance of culverts and/or trash screens leading to blockages. Several historical groundwater flooding issues have also been reported, especially in the north-east of Wolverhampton.

4.0 Consultation Outcomes

4.1 Public consultation took place 9 November – 18 December 2015 across the Black Country. Answers to the ten questions on the strategy Consultation Response Form have been positive. Support has also been received from the Environment Agency, Severn Trent Water and Highways England. While the region is not prone to the flood risks recently apparent in northern England and Scotland the feedback is that the document fulfils its requirements to:

- Understand and communicate flood risk in the Black Country
- Manage the likelihood and impacts of flooding
- Help the Black Country citizens to manage their own risk
- Ensure appropriate development in the Black Country
- Improve flood prediction, warning and post flood recovery
- Work in partnership with others to deliver the local strategy

4.2 As the Strategy is a living document it is proposed that it will undergo periodic review with key amendments and issues to be reported to Cabinet.

5.0 Financial implications

5.1 The Council's contribution towards the cost of preparing the Local Strategy for Flood Risk Management in the Black Country now totals £7,925.50, an increase of £1,213.00 from that previously reported to facilitate the finalisation of the strategy. This is funded from the Surface Water Management revenue budget managed by Highway Assets.
[TT/27012016/S]

6.0 Legal implications

6.1 Section 9 of the FWMA 2010 places a duty on the Council, as LLFA, to develop, maintain, apply and monitor the implementation of a Local Flood Risk Management Strategy.
[TS/0502016/F]

7.0 Equalities implications

7.1 Chapter 2 (Vision and Aims) and Chapter 6 (Objectives) of the strategy document address the initial equality objectives contained in the Council's Equality Objectives Action Plan:

- To assess the impact of our equality activities and policies
- Promote (positive action) programmes to address imbalance / inequalities in the demographic of the City of Wolverhampton Council's workforce
- To improve our performance on monitoring systems for identifying any inequality / disadvantages in the employment of people
- All the Council's commissioning and procurement process take account of equality issues. All contracts include a requirement to deliver an effective and appropriate service fairly and equitably
- To advance equalities by taking practical steps to ensure services are accessible and efficient for all communities
- To establish a corporate system for collecting and monitoring equality

information about our customers based across the City

- To increase opportunities and strengthen mechanisms in place for underrepresented communities / protected groups to be involved

8.0 Environmental implications

8.1 If approved this report would help safeguard Wolverhampton against the environmental impacts of flooding.

9.0 Human Resources implications

9.1 There are no Human Resources implications arising from this report.

10.0 Corporate Landlord implications

10.1 There are no Corporate Landlord implications arising from this report.

11.0 Schedule of background papers

11.1 The final report of The Local Strategy for Flood Risk Management in the Black Country can be found at:

<http://www.wolverhampton.gov.uk/article/3336/Flooding-of-the-Highway>

and

<http://www.wolverhampton.gov.uk/article/7926/Have-your-say-in-Black-Country-flood-defence-consultation>

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