

Cabinet (Resources) Panel

8 March 2016

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

Venue Committee Room 4 - Civic Centre

Membership

Chair Cllr Andrew Johnson (Lab)

Vice-chair Cllr Roger Lawrence (Lab)

Labour

Cllr Peter Bilson
Cllr Claire Darke
Cllr Steve Evans
Cllr Val Gibson
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:

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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 **Declarations of interest**
- 3 **Minutes of the meeting dated 9 February 2016** (Pages 5 - 8)
[To approve the minutes of the previous meeting as a correct record.]
- 4 **Matters arising**
[To consider any matters arising from the minutes.]

DECISION ITEMS (AMBER - DELEGATED TO THE CABINET)

- 5 **Police and Crime Commissioner Police Grant Community Fund Allocation 2016/17** (Pages 9 - 18)
[To approve delegation of the 2016/17 ring-fenced allocation from the Police and Crime Commissioner (PCC) to the Safer Wolverhampton Partnership (SWP)]
- 6 **Discretionary Business Rate Relief - Extension to the local scheme for charities and voluntary organisations** (Pages 19 - 22)
[To approve the extension of the scheme for discretionary rate relief for charitable and voluntary organisations for 2016/17]
- 7 **Revenue Budget Monitoring 2015/16** (Pages 23 - 62)
[To provide a projection if the likely revenue outturn position, compared with the Council's approved revenue budgets for 2015/16]
- 8 **Improving the Civic Centre Car Park Offer** (Pages 63 - 66)
[To approve further enhancements to the Civic Centre Car Park facilities and equipment to enhance the parking offer and generate additional income]
- 9 **Schedule of Individual Executive Decisions** (Pages 67 - 70)
[To note the summary of decisions approved by the appropriate Cabinet Member in consultation with the relevant employee]

10 **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 falling within paragraphs 3 and 5 of Schedule 12A to the Act relating to the financial or business affairs of particular persons (including the authority holding that information)]

PART 2 - EXEMPT ITEMS, CLOSED TO PRESS AND PUBLIC

- 11 **Bilston Urban Village** (Pages 71 - 78)
[To approve the marketing and disposal of further land for residential development at Bilston Urban Village]
- 12 **Variations to Standard Terms of Academy Conversions and Delegation of Authority** (Pages 79 - 84)
[To delegate authority to approve the terms of academy conversions]
- 13 **Schools Capital Programme 2016/17** (Pages 85 - 92)
[To approve school projects and to note the resources available to implement the 2016/17 Capital Building Programme]
- 14 **Strategic Procurement - Award of contracts for works, goods and services**
(Pages 93 - 126)
[To award contracts and delegate authority to execute the contracts in respect of the recommendations as required]
- 15 **Developers' Shared Equity Units as Affordable Housing** (Pages 127 - 132)
[To approve the receipt of an assignment of an equity scheme for housing units as a form of affordable housing]

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Cabinet (Resources) Panel

Minutes - 9 February 2016

Attendance

Members of the Cabinet (Resources) Panel

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

Employees

Linda Banbury	Democratic Support Officer
Keith Ireland	Managing Director
Mark Taylor	Director of Finance
Tim Johnson	Strategic Director - Place

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence**
An apology for absence was submitted on behalf of Councillor Elias Mattu.
- 2 Declarations of interest**
Councillor Steve Evans declared a disclosable non-pecuniary interest in respect of agenda item 8 (Accountable Body for Pocket parks bids by Bushbury EMB and Wolverhampton Homes) in view of his membership on the Scotlands Bushbury Hill Partnership.
- 3 Minutes of the previous meeting**
Resolved:
That the minutes of the meeting held on 19 January 2016 be approved as a correct record.
- 4 Matters arising**
There were no matters arising from the minutes.
- 5 Commissioning and Procuring Voluntary Sector Services - 2016/17 onwards**
Councillor Reynolds presented the report, which sought approval to a proposal that would formalise funding to the Voluntary and Community Sector (VCS) and align future processes to the City Board's Commissioning Cycle and Charter and the Council's Procurement Strategy 2015-18. To achieve this, all agreements for

services required from the VCS would be obtained through a transparent commissioning procurement process with all grant funding arrangements ceasing by 31 March 2017. The implementation would be overseen by the Strategic Director of Place Leadership Team.

Resolved:

1. That, where funding is available and the service still meets City Strategy and Corporate Plan priorities, the responsible Directorate be allowed to extend existing Voluntary and Community Sector (VCS) grant agreements for a period not exceeding 31 March 2017.
2. That with effect from 1 April 2017, all services that the Council requires to be provided by the VCS should follow the processes set out in the City Boards Commissioning Cycle and Charter and the Council's Procurement Strategy 2015-18.

6 **Quarter Three Treasury Management Activity Monitoring**

Councillor Johnson presented the report, which outlined progress on treasury management activity for the third quarter of 2015/16, in line with the Prudential indicators approved by Council in March 2015.

Resolved:

1. That the report be noted and, in particular, that the Council is continuing to operate within the Prudential and Treasury Management Indicators approved by Council, and also within the requirements set out in the Council's approved Treasury Management Policy Statement.
2. That savings of £3.7 million for the General Fund and £1.5 million for the Housing Revenue Account forecast from treasury management activities in 2015/16 be noted.

7 **Procurement Strategy 2015 to 2018**

Councillor Johnson presented the report, which set out the strategic view and aims for procurement. The report highlighted the priority areas the Council will focus on over the next three years and how progress and success would be measured.

Resolved:

That the Procurement Strategy for 2015 to 2018 be approved.

8 **Accountable Body for Pocket Parks bids by Bushbury EMB and Wolverhampton Homes**

Councillor Bilson presented the report, which sought approval for the Council to act as accountable body on behalf of Wolverhampton Homes and Bushbury Hill Estate Management Board in respect of their bids to Department for Communities and Local Government Pocket Parks fund.

Resolved:

1. That approval be given to the proposal that the Council act as accountable body for Wolverhampton Homes and Bushbury Hill Estate Management Board (EMB) in respect of their bids to the Department for Communities and Local Government (DCLG) Park Pockets fund.
2. That authority be delegated to the Cabinet Member for City Assets and the Director of Finance to enter into such Funding and Collaboration/Grant Agreements in relation to DCLG Pocket Parks projects as may be required.

9 **Schedule of Individual Executive Decisions**

Resolved:

That the summary of open and exempt individual executive decisions, approved by the appropriate Cabinet Members following consultation with the relevant employees be noted.

10 **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 items of business as they involve the likely disclosure of exempt information falling within paragraph 3 of Schedule 12A to the Act relating to the financial or business affairs of any particular person (including the authority holding that information).

11 **70 Willenhall Road**

Councillor Bilson presented the report, which sought approval to the principle of acquiring the property to facilitate highway widening as part of the widening as part of the East Park Gateway project.

Resolved:

1. That approval be given in principle to the Council acquiring 70 Willenhall Road, Wolverhampton.
2. That authority be granted to the Cabinet Member for City Assets, in consultation with the Service Director City Assets and Director of Finance, to agree the acquisition price following negotiation with the owners, should this prove possible, and approve purchase of the site through an Individual Executive Decision Notice, subject to the establishment of a budget to deal with any holding costs.

12 **Strategic procurement - award of contracts for works, goods and services**

The recommendations for the award of contracts for works, goods and services were introduced by the relevant Cabinet Members.

Resolved:

1. That the contract for Fire Warning and Fire Safety Equipment Servicing and Maintenance with Interserve (Facilities Management) limited, Norwich, be extended for six months from 1 April to 30 September 2016, with an estimated extension value of £90,000 (dependent upon demand)
2. That the contract for Water Systems Hygiene Monitoring and Management with Integrated Water Services Limited, Fradley, be extended for six months from 1 April to 30 September 2016, with an estimated extension value of £90,000 (dependent upon demand)
3. That authority be delegated to the Cabinet Member for City Assets, in consultation with the Strategic Director for Place, to approve the award of a contract for highway capacity improvements at the Birmingham New Road – Shaw Road junction, when the evaluation process is complete.
4. That approval be given to the award of contracts for the Community Short Breaks services to the providers detailed below for a period of three years from 1 May 2016 to 30 April 2019, with an option to extend up to a further one year:
 - Lot 1 - Progress Children's Services
Trident Reach the People Charity
Harmony Care Homes (2003) limited

- Lot 2 - The Way Youth Zone
Progress Children's Services
Trident Reach the People Charity
 - Lot 3 - Progress Children's Services
 - Lot 4 - Barnardo's
5. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve the award of a contract for Cash in Transit when the evaluation process is complete.
 6. That authority be delegated to the Director of Governance to execute contracts in respect of the above as required.

13

Surplus properties for disposal

Councillor Bilson presented the report, which sought approval to declare properties surplus and agree to their disposal by auction or tender process.

Resolved:

That the following non-strategic properties be declared surplus to requirements and placed on the open market for disposal by auction or tender process for an appropriate use:

- 19 Chester Street, Whitmore Reans
- 29 Lime Street, Penn Fields
- 319 Dudley Road, Blakenhall

Cabinet (Resources) Panel

8 March 2016

Report title	Police and Crime Commissioner Police Grant Community Fund Allocation 2016/17	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Sandra Samuels Public Health and Well Being	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Linda Sanders, Strategic Director People Ros Jervis, Director of Public Health	
Originating service	Community Safety	
Accountable employee(s)	Karen Samuels	Head of Community Safety
	Tel	01902 551341
	Email	Karen.samuels@wolverhampton.gov.uk
Report to be/has been considered by		

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve delegation of the Police Grant Community Fund 2016/17 allocation from the Police and Crime Commissioner (PCC) to Safer Wolverhampton Partnership (SWP) for the purposes of delivering against the city's Crime Reduction, Community Safety and Drugs Strategy 2014-17 and the Local Policing & Crime Plan 2016-17.

1.0 Purpose

- i) To seek delegation of the Police Grant Community Fund allocation 2016/17 from the Police and Crime Commissioner (PCC) to Safer Wolverhampton Partnership (SWP) in line with grant conditions, to aid delivery of agreed City-wide crime and community safety objectives. Allocation of the grant for 2016/17 is subject to PCC approval of a fully costed programme of delivery, the details of which are outlined in this report.
- ii) To note the revised allocation of grant from the PCC for 2016-17.
- iii) To note the outcome of reviews undertaken by the Office for Policing and Crime (OFPC) and the West Midlands Strategic Police and Crime Panel on use of the grant and revised conditions of use.

2.0 Background

- 2.1 The PCC makes an annual allocation of grant to the seven Local Police & Crime Boards (LPCB) within the West Midlands metropolitan area to support delivery of their strategic plans. In Wolverhampton, SWP undertakes the role of the LPCB and approved the City's Crime, Community Safety & Drugs Strategy 2014-17 (which was also endorsed at Cabinet) early in 2014.
- 2.2 The following strategic priorities feature within the strategy:
 - Reducing Reoffending – effective management of offenders with a focus on rehabilitation to prevent a cycle of reoffending
 - Substance Misuse – provision of drug and alcohol support services recognising the link between drug and alcohol use and crime
 - Gangs/Youth Violence – strengthening the focus on prevention and targeting children and young people at risk
 - Violence Against Women and Girls (VAWG) – covering sexual and domestic violence, forced marriage, female genital mutilation and honour-based violence
- 2.3 The Board also advocated that whilst the main focus for delivery should be centred on these priorities, a commitment towards other areas of business should be maintained; these included, Priority Areas, reducing harm and vulnerability, support for victims and Prevent. Provision has been made to monitor progress against these areas of business and draw on available partner resources in response to need.
- 2.4 Additionally, SWP has committed to continued delivery of neighbourhood priorities featured within the Local Policing and Crime Plan (LPCP) 2016-17 which are reflective of resident priorities. These are:
 - Anti-social behaviour
 - Speeding and inconsiderate parking,
 - Drug dealing and use

2.5 There is an expectation that the costed programme for 2016-17 should also be aligned to PCC priorities detailed in the West Midlands Strategic Police & Crime Plan. The key features of the draft plan as they currently stand are summarised below:

- **Pride in our police** – this theme is primarily concerned with increasing public confidence in West Midlands Police
- **Stronger, safer, more prosperous communities** – this theme sets out the part West Midlands Police plays in the wider economy, community and network of partnerships
- **Protecting people from harm** – which covers how West Midlands Police will reduce the threat, risk and harm caused by criminality
- **Making better use of our people and resources** – this theme is about financial planning during austerity and preparing the workforce for future challenges
- **Creating a new era in policing** – this theme is about how the existing change programme and the WMP2020 partnership with Accenture will make West Midlands Police ready for the future, equipped with new technology and using the most effective processes
- **Playing our part in responding to national threats** – this theme covers how West Midlands Police will fulfil its obligations under the national Strategic Policing Requirement

2.6 There is sufficient alignment within the 2016/17 costed programme to fit within the PCC's strategic plan.

3.0 Funding Availability

3.1 The PCC has indicated that the community grant allocation across the 7 West Midlands Local authority areas will, for 2016-17 be subject to a 25% reduction. Wolverhampton received £493,000 during 2015-16; indicative figures have been provided by the PCC's Office for 2016-17, which are detailed in the table below. At present, this would reduce by £124,000 to £369,000. Increasingly, during the current financial year, delivery has been heavily reliant on the use of mainstream resources; it is anticipated that during 2016-17, this focus should continue and relationships strengthened between other City-wide forums to identify opportunities for joint commissioning, both across partners operating within the city and with the Community Safety Partnerships (CSPs) covering the 6 other areas which make up the West Midlands metropolitan area.

3.2 Police Grant Community Fund Allocations:

Police Grant Community Fund Allocations	
Area	£000s
Birmingham	1,873
Coventry	410
Dudley	297
Sandwell	398

Solihull	214
Walsall	302
Wolverhampton	369
Total	3,863

3.3 Historically, SWP has allocated a significant proportion of grant to support the criminal justice element of the Public Health commissioned drug and alcohol contract; reflecting the fact that the Drugs Intervention Programme (DIP) grant was subsumed within changed grant allocations made by the Home Office in 2013. Public Health has confirmed that for the forthcoming financial years, as for 2015-16, it is not seeking a contribution towards this contract; thus releasing a significant proportion of the grant for wider use.

4.0 Reviews of Police Grant Community Fund

4.1 In Oct 2015, The OFPC announced the intention to undertake two reviews to consider the effective use of the grant. The reviews would be conducted simultaneously to inform its future use and would consider effectiveness of current programmes, joint commissioning opportunities, the distribution of resources and monitoring arrangements for spend and outcomes.

4.2 Both reviews, whilst having a similar focus, were conducted independently from each other. The first review was conducted by the West Midlands Strategic Police & Crime Panel and the second by the OFPC.

4.3 The Panel review explored whether the current approach of dividing grant allocations between the seven districts was the most efficient and most likely to secure real outcomes for people. Heads of Community Safety were invited to present evidence at a Panel hearing to inform deliberations. Questions were also posed on the grant conditions and monitoring arrangements.

4.4 The Panel's report contains five principles for the PCC to consider when making a final decision on future funding. It concluded that:

- a local funding approach is vital,
- it recommended simplified monitoring arrangements,
- consideration should be given to longer term funding,
- the decision on proposed grant cuts be revisited,
- opportunities for joint working across the districts should be explored.

4.5 A summary of findings from the latter has been circulated to SWP Board separately; the full report and the PCC's response can be accessed on the following link:

<http://westmidlandspcp.co.uk/panels-community-safety-funding-report-published-this-week/>

4.6 The second review, led by the PCC's Chief Finance Officer focused on how to improve performance monitoring systems to capture local outcomes achieved from the PCC's investment and evidence value for money. A summary of findings is outlined below:

- Local authorities should learn from each other in terms of completing returns with a continued emphasis on demonstrating outcomes. This will be through sharing best practice.
- In line with reductions in police force budgets there should be a reduction in grant to districts by 25% from April 2016.
- Through partnership meetings local authorities should be encouraged to jointly commission services. This will be through reaching an agreement of the services to be jointly commissioned and implementing those arrangements.
- Developments from devolution and the West Midlands Combined Authority need to be factored into the arrangements around the grant as more details emerge.
- The current arrangements for the seven districts completing quarterly returns for the PCC to evidence expenditure and outcomes should continue.
- The mechanism for paying local authorities allocations of grant on a quarterly basis should continue.

5.0 Anticipated Revisions to Grant Conditions

5.1 As a result of review outcomes, the PCC has indicated his expectation for Local Authority areas to develop areas of cross-boundary working to identify efficiencies; whilst the details of this are not prescribed, this is expected to be introduced as a condition of grant funding from 2017 onwards. In order to identify potential workstreams for collaborative working, a workshop has been held with Heads of Community Safety and OFPC to reach consensus on an initial short list with a view to scoping these over the coming financial year for 2017/18 delivery. The following 5 workstreams were shortlisted for further exploration:

- Domestic homicide reviews
- Trafficking
- Domestic violence (perpetrator provision)
- Female genital mutilation, honour-based violence, forced marriage
- Analytical support

5.2 The views of SWP are being sought to indicate a willingness to progress these through the coming year.

5.3 The PCC also indicated his intension to commit to a 2 year allocation of grant covering 2016/17 and 2017/18 to allow for greater contracting and commissioning flexibility.

6.0 Proposed 2016-17 Delivery Against Strategic Priorities

6.1 At its meeting on 13 February 2015, SWP Board agreed to adopt an 'invest to save' model, trialling new areas of joint working around prevention and early intervention. This involved establishing a number of new posts to co-locate within teams with a view to stemming the escalation of risk and the consequent demand for 'crisis' intervention. The approach was to be followed by an evaluation of impact to assess whether these posts

have generated cost savings and had the potential for a business case to be made for mainstreaming.

- 6.2 It was fully anticipated that initial delays with recruitment would result in significant underspend during 2015-16; on this basis, agreement was reached with the OFPC in April 2015 that a proportion of the grant could be carried forward into the subsequent financial year to allow 12 month contracts to be issued spanning two financial years.
- 6.3 As a number of these posts have only recently been recruited to, it is too early to assess impact; it is proposed, therefore, that the programme for 2016-17 consists largely of a continuation of 2015-16 commitments, (with delivery supplemented by the 2015-16 carry forward), and that a full evaluation of all SWP commissioned services is carried out in the autumn to inform key decisions on a reduced programme for 2017-18 delivery.
- 6.4 This approach will mitigate the full impact of the reductions in grant for 2016-17 and also enable SWP to reflect on its strategic priorities over the summer period to inform a revised Crime Reduction, Community Safety and Drugs Strategy for 2017 onwards.
- 6.5 Using this rationale, the costed plan, detailed at **Appendix A** follows the current SWP strategic priorities of Violence Against Women and Girls, Reducing Reoffending, Substance Misuse and Gangs/Youth Violence. It also includes agreed commitments to deliver against the vulnerability agenda which makes provision for new requirements under the Counter Terrorism and Security Act 2015, which implemented the Prevent duty, and supports proposals to improve the climate for business growth as outlined in the City's Vision 2030.
- 6.6 The PCC's office has also indicated an intention to commit to 2 year grant funding, covering 2016-17 and 2017-18 which allows for a degree of flexibility around current annual contracting and identification of local joint commissioning opportunities. Early discussions are underway to explore joint commissioning opportunities with the Council's Children's Commissioning team linked to VAWG strategy outcomes; the Clinical Commissioning Group has also indicated its intention to commission new specialist services to support delivery of the new VAWG strategy.
- 6.7 As the Community Safety Team has experienced significant difficulty recruiting to its Prevent and Cohesion role, it is proposed that this post is advertised as a 2 year contract to increase the quality of applications in the recruitment process.

7.0 Financial implications

- 7.1 Implementation of the Community Safety Strategy will be largely delivered through existing mainstream partner resources. The PCC has indicated that the 2016-17 allocation for Wolverhampton will be subject to a 25% reduction in grant in line with the other West Midlands authorities; this will be subject to approval of a fully costed programme of delivery to the PCC. This would result in a grant allocation of £369,000 in 2016-17. Subject to this allocation being made, the programme proposed in **Appendix A**

would fall within the anticipated available resources. The programme has a cost of £538,000 funded from the 2016/17 allocation and carry forward from 2015/16.

- 7.2 The PCC allocation, when received, is ringfenced for Community Safety use by SWP. The grant is received by Wolverhampton City Council as accountable body for SWP, requiring delegation of the resource to be agreed by Cabinet Resources Panel. [GS/04022016/D]

8.0 Legal implications

- 8.1 Sections five and six of the Crime and Disorder Act 1998 require the Council and other responsible authorities to formulate and implement strategies to reduce crime and disorder in the area. Subsequent revisions to the Act (Police and Justice Act 2006) places a duty on Community Safety Partnerships to prepare strategic assessments with the purpose of informing the partnership plan revisions. [AS/03022016/B]

9.0 Equalities implications

- 9.1 The programme of delivery for 2016-17 is based on an assessment of need and contributes towards implementation of the strategic priorities in the Crime Reduction, Community Safety and Drugs Strategy. This will result in crime reduction measures being implemented within some of the City's most deprived neighbourhoods and providing support to some of the City's most vulnerable residents through targeted interventions. A full equality analysis has been undertaken on the strategy; there are no negative implications from its delivery.

10.0 Environmental implications

- 10.1 Delivery of the programme detailed in this report will impact positively across all areas of the City through the implementation of crime reduction initiatives; particularly those neighbourhoods adversely affected by crime and anti-social behaviour.

11. Human resources implications

- 11.1 The City of Wolverhampton Council is the employer for five posts which are funded using contributions from the Police Grant Community Fund which are detailed within the attached costed plan; two posts within the Community Safety Team, two posts within the Youth Offending Team and a new Domestic Violence Advisor aligned to Children's Social Care. The proposals within this report will provide funding for continuation of these fixed term posts to 31 March 2017.

12.0 Corporate landlord implications

- 12.1 There are no corporate landlord implications.

13.0 Schedule of background papers

- 13.1 There are no background papers

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Appendix A - Safer Wolverhampton Partnership

Budget 2016/17

	Expenditure Type/Initiative	Cost £'s
1	Domestic Homicide Reviews	13,760
2	Locations (PACT/Domehawks)	7,500
3	Violence Against Women and Girls (VAWG) Strategy Coordinator	45,000
4	Business Development and Funding Adviser	29,370
5	Criminal Justice Independent Domestic Violence Advisor	27,000
6	MARAC Coordinator	27,000
7	Independent Domestic Violence Advisors (IDVA) x 2.5	74,000
10	VAWG Training	28,940
11	Offender Management Coordination	35,000
12	Gangs/youth violence specialist commissioning	56,190
13	Mobilising Communities	13,500
14	Business Crime (reporting / social media / website)	5,000
15	Youth Crime Prevention	66,000
16	Prevent and Cohesion Coordinator	31,250
17	Partnership analyst	37,000
18	Community Safety Coordinator	37,000
19	Running costs	4,500
	Total cost of 2016-17 programme	538,010

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Cabinet (Resources) Panel

8 March 2016

Report title	Discretionary Rate Relief – extension to the local scheme for charities and voluntary organisations	
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	None	

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the extension of the scheme for discretionary rate relief for charitable and voluntary organisations for 2016/17.

1.0 Purpose

- 1.1 To seek approval to extend the discretionary rate relief scheme (charitable and voluntary organisations) for 2016/17.

2.0 Background

- 2.1 Discretionary rate relief is granted under Section 47 of the Local Government Act 1988.
- 2.2 The local scheme consists of different categories of relief based on government guidance.
- 2.3 The existing scheme relating to charities and voluntary organisations was approved on 10 February 2015 and expires 31 March 2016.

3.0 Local scheme for discretionary relief (charitable and voluntary organisations)

- 3.1 The existing scheme relating to charitable and voluntary organisations was last revised and updated by Cabinet (Resources) Panel on 26 June 2013 and is approved annually for the following financial year.
- 3.2 This category of relief provides either up to 20% of liability for registered charities (to top-up mandatory relief) or up to 100% of liability in the case of organisations that are not established or conducted for profit.
- 3.3 Relief for existing recipients is reviewed annually and awarded for the forthcoming financial year subject to there being no change in circumstances. Each organisation is required to certify that they continue to fulfil the conditions for relief to be granted.
- 3.4 The policy is based on government guidance and sets out clear eligibility criteria against which applications are assessed. Authority to approve awards is delegated to the Cabinet Member for Resources in consultation with the Head of Revenues and Benefits.
- 3.5 This report does not contain any proposal to revise eligibility under the scheme. It is recommended that approval be given to continue the scheme for 2016/17.
- 3.6 All organisations receiving an award will be given notice that the relief will end on 31 March 2017 and they will be notified of any new scheme developed to take effect from 1 April 2017.

4.0 Financial implications

- 4.1 It is estimated that the reduction in business rates income for the Council as a result of discretionary (charitable and voluntary organisations) relief in 2016/17 will be approximately £300,000. This is reflected in the Medium Term Financial Strategy reported to Cabinet on 24 February 2016 and Council on 2 March 2016.
[CN/25022016/T]

5.0 Legal implications

- 5.1 Section 47 of the Local Government Finance Act 1988 gives discretionary power to billing authorities to grant partial or full relief to certain categories of non-domestic ratepayer. The Non-Domestic Rating (Discretionary Relief) Regulations 1989 allow for this relief to be restricted to a fixed period.
- 5.2 It will be for the Council to ensure that any relief granted does not transgress state aid rules.
[TS/23022016/D]

6.0 Equalities implications

- 6.1 A stage one equality analysis has been completed. No adverse impacts were identified and therefore a full equality analysis is not required.

7.0 Environmental implications

- 7.1 There are no environmental implications.

8.0 Human resources implications

- 8.1 There are no human resources implications.

9.0 Corporate landlord implications

- 9.1 There are no corporate landlord implications.

10.0 Schedule of background papers

- 10.1 None

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Cabinet (Resources) Panel

8 March 2016

Report title	Revenue Budget Monitoring 2015/16	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Keith Ireland, Managing Director	
Originating service	Strategic Finance	
Accountable employee(s)	Mark Taylor	Director of Finance
	Tel	01902 556609
	Email	mark.taylor@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	23 February 2016
	Confident Capable Council Scrutiny Panel	20 April 2016

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the use of £934,000 from the Efficiency Reserve as detailed in Table 6.
2. Approve the use of £35,000 from the Budget Contingency Reserve to fund a contract extension for an additional Assistant Category Manager to support the Public Health workstream (Corporate Procurement).
3. Approve the use of £105,000 from the Transformation Reserve as detailed in Table 7.
4. Approve the use of £62,000 from the Local Strategic Partnership Reserve to fund the Interim Head of Skills.
5. Approve the write off of two non-domestic rates debts totalling £29,256.02 as detailed at Appendix F.

6. Approve the write off of one sundry debt totalling £7,651.09 as detailed at Appendix G.
7. Approve the write off of three housing benefit debts totalling £31,017.41 as detailed at Appendix H.
8. Approve 14 virements totalling £583,000 for transfers within service directorates as detailed in Appendix I.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. That the overall projected outturn for the General Fund is an underspend of £348,000, after funding net projected redundancy costs of £5.3 million from the General Fund. The projected redundancy costs remain subject to change dependent upon the actual redundancies approved by year end.
2. The updated position on school balances as detailed in Section 8.
3. The update on Yoo Recruit and that the forecast financial benefit to the Council of Yoo Recruit is approximately £370,000 for 2015/16.
4. That 31 non-domestic rates accounts totalling £75,143.36 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
5. That 4,133 council tax accounts totalling £71,118.32 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
6. That 99 sundry debt accounts totalling £27,532.14 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
7. That a £18.5 million surplus on the Housing Revenue account (HRA) is projected compared with a budgeted surplus of £15.7 million as shown at table 8 and in detail at Appendix J. The projected increased surplus of £2.8 million will be used to redeem debt in line with the HRA Business Plan.

1.0 Purpose

- 1.1 The purpose of this report is to provide Cabinet (Resources) Panel with the latest projections of the likely revenue outturn positions for the General Fund and Housing Revenue accounts, compared with the Council's approved revenue budgets for 2015/16.

2.0 Summary

- 2.1 The overall projected outturn for the General Fund is an underspend of £348,000. The forecast outturn against service budgets is a net underspend of £4.8 million. In addition there is a forecast increase in Corporate Resources due to additional New Homes Bonus adjustment grant totalling £233,000 and additional S31 grant funding totalling £524,000 in 2015/16, which was not budgeted for due to the uncertainty surrounding government funding. As a result it is possible to fund £5.2 million of projected redundancy costs from the General Fund.

	Net Controllable Budget 2015/16 £000	Projected Outturn 2015/16 £000	Projected Variation Over/(Under)	
			£000	%
People	122,176	124,139	1,963	1.61%
Corporate	57,497	56,884	(613)	-1.07%
Place	44,659	43,069	(1,590)	-3.56%
Education	543	1,192	649	119.52%
Net Budget Requirement	224,875	225,284	409	0.18%
Government Grant (General)	(142,883)	(143,640)	(757)	-0.53%
Council Tax	(80,951)	(80,951)	-	0.00%
Collection Fund Surplus	(1,041)	(1,041)	-	0.00%
Total Resources	(224,875)	(225,632)	(757)	-0.34%
Net Budget (Surplus) / Deficit	-	(348)	(348)	-0.15%

- 2.2 The Council continues to be faced with a challenging projected financial position over the medium term, and further significant budget reductions are required in order to achieve a robust financial position. The Budget 2016/17 and Medium Term Financial Strategy 2016/17 to 2019/20 reported to Cabinet on 24 February 2016 and Full Council on 2 March 2016 identified that the Council is now faced with finding further budget reductions totalling £54.6 million over the next four years. It is important to note that the updated projected budget deficit assumes the achievement of prior year budget reduction proposals amounting to £37.4 million over the four year period to 2019/20.

- 2.3 An update on the General Fund budget risks is provided at section 6. Overall the risk for 2015/16 remains assessed as Red.
- 2.4 It is important to note that, as reported in the previous quarterly revenue budget monitoring reports, projected redundancy costs of £5.2 million, including the cost of strain, are included in the forecast outturn. The projected costs remain subject to change dependent upon the actual redundancies approved by year end.
- 2.5 In accordance with the Council's financial procedures rules, all virements in excess of £50,000, or those that result in a transfer between Employees and Other Controllable Expenditure headings, require the approval of this panel. There are 14 virements that require approval as detailed in Appendix I.
- 2.6 The most significant factors contributing towards the projected budget outturn are reported on a service-by-service basis in section 3.
- 2.7 There is a projected variance of £2.8 million on the Housing Revenue account budgeted surplus of £15.7 million leaving a projected surplus of £18.5 million.

3.0 General Fund Revenue Budget Monitoring: Service Analysis

3.1 People

3.1.1 A summary of the projected outturn against the People 2015/16 revenue budget is provided in the table below, whilst a detailed analysis is provided at Appendix A.

Table 2 - 2015/16 Revenue Budget Projected Outturn (People)

	Controllable Budget 2015/16 £000	Projected Outturn £000	Projected Variation	
			Over/(Under)	
			£000	%
Strategic Director People	276	387	111	40.22%
Older People	27,055	28,799	1,744	6.45%
Disability & Mental Health	40,052	41,409	1,357	3.39%
Children & Young People	51,882	50,666	(1,216)	-2.34%
Public Health & Wellbeing	2,911	2,878	(33)	-1.13%
People Total	122,176	124,139	1,963	1.61%

3.1.2 Overall a net overspend of £2.0 million (1.61%) is projected for the year. This represents an improvement on the previously reported forecast net overspend of £2.4 million (1.98%). The People directorate will continue to seek to manage any budget issues arising during the remainder of the year.

The main factors contributing towards the revised forecast overspend are:

1. **Older People** - A forecast deficit of £1.7 million across older people budgets, as a result of overspends across care purchasing budgets, particularly residential, nursing and domiciliary care (£2.7 million). The forecast reflects the risk sharing provision within the Better Care Fund. This is offset to some degree by forecast budget reductions of £866,000 against the Provider Management budget due to early achievement of budget reductions across the service.
2. **Disability & Mental Health** - A forecast overspend of £1.4 million largely as a result of overspends on care purchasing due to slippage in the implementation of budget reductions proposals (£724,000) and an overspend on External Placements Panel (EPP) placement costs for 18 to 19 year olds. The overspend has been reduced by staff vacancy budget reductions and accelerated budget reductions in Mental Health Care Management. The forecast reflects the risk sharing provision within the Better Care Fund.

3. **Children & Young People** - A forecast net underspend of £1.2 million within the service directorate. This is partly due to a £434,000 underspend within the Looked After Children (LAC) service due to the children's transformation work. Also underspends are forecasted elsewhere arising from staff vacancies (Children Centres £356,000, Social Inclusion & Play £208,000 and Youth Offenders Team 393,000).

3.2 Corporate

- 3.2.1 A summary of the projected outturn against the Corporate 2015/16 revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix B.

Table 3 - 2015/16 Revenue Budget Projected Outturn (Corporate)

	Controllable Budget 2015/16	Projected Outturn	Projected Variation	
			Over/(Under)	
	£000	£000	£000	%
Managing Director	370	370	-	0.00%
Finance	11,107	10,985	(122)	-1.10%
Governance	6,009	6,219	210	3.49%
Transformation	10,662	9,646	(1,016)	-9.53%
Corporate Budgets	29,349	29,664	315	1.07%
Corporate Total	57,497	56,884	(613)	-1.07%

- 3.2.2 Overall a net underspend of £613,000 (-1.07%) is projected for the year. The main factors contributing towards the forecast underspend are:

1. **Treasury Management Budgets** – There is a forecast net underspend of £3.7 million against the Treasury Management budget mainly due to a reduced borrowing need in year because of slippage in the capital programme and the re-phasing for the potential PFI refinancing requirement. In addition, following the publication of the Council's Statement of Accounts 2014/15 a detailed analysis of the balance sheet has been undertaken to update the split of interest between the General Fund and HRA. This has resulted in a reduced proportion to the General Fund. This underspend reflects the virement proposal of £450,000 to fund the removal of the unachievable Domiciliary Care budget reduction from the 2015/16 budget.

2. **Central Provision for Pension Costs** – There is a forecast net underspend of £1.6 million against the central provision for pension costs budgets. This has arisen as a result of the payment of all sums due to the West Midlands Pension Fund relating to pension strain in 2014/15, ahead of the agreed payment schedule, as reported to Cabinet on 22 July 2015 in the Revenue Outturn 2014/15 report. This represents the early implementation of a key element of the 2016/17 budget strategy as report to Cabinet on 21 October.
- 3.2.3 Projected redundancy costs of £5.2 million, including the cost of strain, are included in the forecast outturn for Corporate. The projected costs are subject to change dependent upon the actual redundancies approved by year end.

3.3 Place

3.3.1 A summary of the projected outturn against the Place 2015/16 revenue budget is provided in the table below, whilst a detailed analysis is provided at Appendix C.

Table 4 - 2015/16 Revenue Budget Projected Outturn (Place)

	Controllable Budget 2015/16	Projected Outturn	Projected Variation	
			Over/(Under)	
	£000	£000	£000	%
Directorate	382	482	100	26.18%
City Economy	5,445	5,210	(235)	-4.32%
City Assets	12,007	11,377	(630)	-5.25%
Housing	1,964	1,923	(41)	-2.09%
City Environment	24,861	24,077	(784)	-3.15%
Place Total	44,659	43,069	(1,590)	-3.56%

3.3.2 Overall a net underspend of £1,590,000 (-3.56%) is currently projected for the year. This represents an improvement on the forecast underspend of £685,000 (-1.54%) reported to Cabinet (Resources) Panel in November 2015. The main factors contributing towards the forecast position are:

- 1. Directorate** - An overspend of £100,000 is forecast, primarily due to delays in delivering cross Directorate budget reductions.
- 2. City Economy** - An underspend of £235,000 is currently forecast, primarily as a result of a staff vacancies, additional grants secured and additional Connexions Services income in Enterprise and Skills totalling £258,000 and staff vacancies and other non-employee underspends in Culture Arts and Heritage of £165,000. The effect of this is partially offset by a forecast overspend of £204,000 for Visitor Economy as a result in the delays in implementing the staff restructure following the temporary closure of civic halls.
- 3. City Assets** - An underspend of £630,000 is forecast mainly as a result of cleaning staff vacancies and additional income from schools (£249,000), budget reductions on statutory activities in Engineering and Civic Centre (£171,000), increased income from Universal Free Schools Meals (£115,000) and staff vacancies and additional grant in Planning (£91,000).

4. **Housing** - an underspend of £41,000 is forecast relating to employee costs.
5. **City Environment** – An underspend of £784,000 is forecast mainly due to an underspend of £660,000 as a result of capitalisation of surface dressing expenditure, £146,000 on street lighting energy budget reductions, £235,000 relating to staff vacancies in Regulatory Services (which have now been filled), £150,000 for Environmental Maintenance contract and operational budget reductions and £119,000 related to cost reductions associated with the Leisure PFI contract. These underspend have been partially offset by a projected overspend of £399,000 in Waste and Recycling Services caused by a delay in implementing depot rationalisation and achieving the associated budget reductions.

3.4 Education

- 3.4.1 A net overspend of £649,000 (119.52%) is projected for the year. A summary of the overall position is shown in the table below together with a more detailed analysis at Appendix D.

Table 5 - 2015/16 Revenue Budget Projected Outturn (Education)

	Controllable Budget 2015/16	Projected Outturn	Projected Variation	
			Over/(Under)	
	£000	£000	£000	%
Education	543	1,192	649	119.52%
Education Total	543	1,192	649	119.52%

- 3.4.2 The forecast overspend is due mainly as a result of delays in achieving approved in-year budget reductions of £455,000 and pressure on home to school transport due to additional pupils, legal costs for academy conversions and income shortfalls on some Service Level Agreement (SLA) services within School Planning and Resources of £187,000.
- 3.4.3 The new Director of Education is looking at all services and all options to deliver budget reductions and in order to be prudent, the targets for budget reductions have been re-profiled as part of the 2016/17 budget process, so that there are no similar underlying issues next financial year.

4.0 Changes to Grant Funded Expenditure

- 4.1 It is not always possible to reflect all grant funded expenditure in the budget approved by Full Council prior to the start of the financial year. This is due to late notification from grant awarding bodies of grant amounts, and proactive grant applications during the year.
- 4.2 For grant funded expenditure not currently approved, it is standard practice for approval to be sought from the Panel as part of the regular budget monitoring process. This allows an expenditure budget to be established within the Council's approved budget and has no effect on the Council's net revenue budget as the related spend is fully funded from grant. For this quarter, however, there is no new grant funded expenditure to report.

5.0 General Fund Reserves and Balances

- 5.1 At the beginning of 2015/16 a balance of £10.0 million was held within the General Fund balance. As part of the 2014/15 outturn, Cabinet approved that the balance in excess of £10.0 million in the General Fund balance be transferred into specific reserves to fund future invest to save projects and redundancies, with the emphasis therefore placed on identifying budget reductions towards the projected budget deficit over the medium term.
- 5.2 This report projects at this stage that overall spend for the Council during 2015/16 will be in line with budget. However, in those areas where an overspend is currently projected, budget managers will seek to identify and manage underspends during the year to ensure that services outturn within budget.

6.0 Other Transfers to/from Earmarked Reserves

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

Efficiency Reserve

- 6.2 Approval is sought from this meeting for the use of £934,000 from the Efficiency Reserve to fund one-off expenditure as shown in Table 6.

Table 6 – Allocations from Efficiency Reserve

Service	Amount Allocated £000	Details
HR Advice	75	Three temporary Human Resources officers to support the Children and Adult's Transformation Programmes
Corporate Programmes	150	Three Project Support officers supporting work in Adult Social Care and Children's Services
Corporate Programmes	154	Programme Manager supporting the Adult Services' budget reductions programme
Transformation	100	Outcome Based Planning Transformation Work
Strategic Finance	80	Two temporary Finance officers to support the Children and Adult's Transformation Programmes
Corporate Administration	125	Creation of a scanned and indexed record of all the birth, death and marriage certificates held on site at the Register Office, dating back to 1837.
Housing	190	External legal, financial and housing development support for the proposed wholly owned housing company
Corporate Landlord	50	To fund due diligence work for the establishment of an energy company
Democracy	10	Development of storage areas within the Civic Centre and Archives.
Total	934	

Budget Contingency Reserve

- 6.3 Approval is sought from this meeting for the use of £35,000 from the Budget Contingency Reserve to fund a contract extension for an additional Assistant Category Manager to support the Public Health work stream (Corporate Procurement).

Transformation Reserve

- 6.4 Approval is sought from this meeting for the use the Transformation Reserve to fund one-off expenditure as detailed in the Table 7.

Table 7 – Allocations from the Transformation Reserve

Service	Amount Allocated £000	Details
Transformation	63	The Portfolio Delivery Manager
Education	42	Review of Post 16 Education
Total	105	

Local Strategic Partnership Reserve

6.5 Approval is sought from this meeting for the use of £62,000 from the Local Strategic Partnership Reserve to part fund the costs of the Interim Head of Skills pending a further review of the structure later in the year.

7.0 General Fund Budget Monitoring - Risk Management

7.1 The overall level of risk associated with the budget 2015/16 is assessed as red. The six main areas of risk are summarised in the table at Appendix E.

8.0 Revenue Budget Monitoring - Schools Budgets

8.1 Schools received budget settlements for 2015/16 on the 27 February 2015. 2015/16 will continue to be a challenging year, particularly for those schools that will again lose funding as a result of funding reform, although the most significant losses in schools for 2015/16 have been as a result of pupil number reductions.

8.2 All maintained schools submitted revised plans during the Autumn Term. Schools projecting deficits for 2016/17 are being contacted to provide explanations. At this moment, St Matthias school is a matter for specific concern projecting significant deficit balances in future years 2016/17 (£330,423) and 2017/18 (£1,050,448). The following table provides a summary of projected balances over each school phase which shows balances decreasing significantly over the next 3 years.

Table 8 - Schools' Projected Year-End Surplus/(Deficit) 2015/16 to 2017/18

Phase	2015/16	2016/17	2017/18
	£	£	£
Secondary	17,202	(723,744)	(1,551,574)
Primary	5,188,312	4,079,653	2,218,748
Junior	321,070	271,793	88,856
Infant	283,023	188,996	61,152
Nursery	316,944	186,702	61,460
Special	1,053,151	373,300	(969,986)
Pupil Referral Unit	259,827	308,896	233,183
Total	7,439,529	4,685,596	141,839

Schools with Surplus Balances

- 8.3 In October 2015 Cabinet (Resources) Panel received a report on the overall level of balances held by schools at the end of 2014/15. The report set out the Council's intention to review surplus balance returns from schools and visit schools where better explanations were needed.
- 8.4 Following a desk top review of explanations, City Council officers visited 21 schools during the second half of the Autumn Term to obtain a clearer picture around use of the balances. This comprised 11 Primary schools, five Nursery schools, four Special schools and one Pupil Referral Unit (PRU). The purpose of the meetings was to obtain a more detailed explanation around the continuing high levels of balances, further information on their planned use, and any additional support that the Authority could offer to remove blockages around use.
- 8.5 The visits to schools provided officers with a greater understanding of the plans of schools and in most cases gave assurance that the proposals would be delivered so leading to reduced levels over the next two years. The position will be reviewed once the 2015/16 outturn is completed.
- 8.6 Schools Forum will be requested to instigate the review process contained within the Scheme for Financing Schools for eight schools to consider whether any of their excess surplus balances should be recovered and reinvested. The outcome of the review process will be reported to a future meeting of Cabinet (Resources) Panel for endorsement.

Schools in Deficit

- 8.7 At the end of 2014/15 there were five schools in deficit.
- 8.8 Wodensfield Primary had a deficit of £15,171. The school is currently projecting a surplus of £44,000 at the end of the current financial year so is not a cause for concern.

- 8.9 Woodfield Junior had a deficit of £71,838 at the end of 2014/15. The school has had a licenced deficit application approved for 2015/16 of £57,000 with a projected surplus at end of 2016/17. The school will be requested to provide a termly update on its progress.
- 8.10 Colton Hills had a deficit of £319,000 at the end of 2014/15. It has an approved licenced deficit which assumes a return to surplus in 2016/17. The current projected deficit in 2015/16 is worse than planned due to the need to incur additional costs for increasing pupil numbers in advance of funding. However, current plans suggest the school will be close to achieving a balanced budget in 2016/17 with a surplus position showing in future years.
- 8.11 Coppice High School had a deficit of £83,000 at the end of 2014/15, significantly less than the licenced deficit approval of £260,000. The approved licenced deficit plan assumes a return to a surplus budget by 2017/18 but current plans suggest this may be difficult to achieve. Meetings are continuing between the Authority and the school.
- 8.12 New Park had a deficit balance of £327,994 at the close of 2014/15. It was placed in special measures and directed to convert to an academy which occurred in January 2016. It has continued to incur additional costs through additional leadership support and staffing levels to meet the needs of pupils. It is anticipated the school's deficit will be approximately £400,000 to £500,000 on conversion. As it is a directed conversion the deficit will remain with the Authority and will be met from the 2016/17 Dedicated Schools Grant.

9.0 Debt Write Offs

- 9.1 Debts are only written off as a last resort, when all feasible recovery action has been exhausted. If the situation surrounding an individual case changes in the future, steps would be taken to pursue the debt, despite the debt having been written off.
- 9.2 **The Collection Fund** - The City of Wolverhampton Council acts as billing and collecting authority for council tax and non-domestic rates income. The Council administers a separate Collection Fund account for this purpose. The Collection Fund accounts for the receipt of council tax and business rates income and payments to precepting authorities such as the Fire Authority and the Police. Within this account, provisions are made for bad and doubtful debts and any write offs are charged to the Council Tax or Business Rates provision as appropriate.
- 9.3 **Council Tax** - Overall, 4,133 debt write offs totalling £71,118.32 have been incurred. All have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
- 9.4 **Non-Domestic Rates** - Overall, 33 debt write offs totalling £104,399.38 have been incurred. Of these, two totalling £29,256.02 require approval by the Panel, as detailed at Appendix F. The remaining 31 valued at £75,143.36 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules
- 9.5 **Sundry Debtors** - Income is due to the council for a wide range of services provided to individuals and businesses. To reflect the fact that, despite the council's best efforts, not

all of this income will actually be collected, the council makes provision for bad and doubtful debts, which it charges directly to the General Fund.

- 9.6 Overall, 100 debt write offs totalling £35,183.23 have been incurred since the last budget monitoring report was submitted to the Panel. All but one valued at £7,651.09, which requires the approval of this Panel (see Appendix G), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
- 9.7 **Housing Benefits** - Housing benefit overpayments occur when rent rebate or rent allowance awards exceed a recalculated entitlement. Whilst the Council aims to limit the incidence of overpayments they may occur for a number of reasons including as a result of fraud or error. In general, overpaid benefit is written off in line with Government guidance where recovery would cause hardship, where the debtor has died or cannot be traced.
- 9.8 The Council receives Government subsidy in respect of overpaid housing benefit at rates of between 40% and 100% according to the circumstances in which the overpayment arose. The unsubsidised element of any overpayment is charged to the General Fund.
- 9.9 Overall three debt write offs totalling £31,017.41 have been incurred during the period April to December 2015/16, all of which require approval of this Panel. These are shown in detail at Appendix H.

10.0 Housing Revenue Budget Monitoring

- 10.1 The table below shows the latest forecast revenue outturn against budget for 2015/16. The forecast outturn position for the year is a surplus of £18.5 million, compared to a budgeted surplus of £15.7 million and the forecast of £18.3 million as reported to this Panel in November 2015. The additional surplus will be used to redeem debt, which will create headroom for further investment in the stock.

Table 9 - 2015/16 Revenue Budget Projected Outturn (Housing Revenue Account)

	Budget	Projected Outturn	Projected Variation
	£000	£000	£000
Total income	(99,542)	(100,201)	(659)
Total expenditure	69,687	68,860	(827)
Net cost of HRA services	(29,855)	(31,341)	(1,486)
Interest payments etc.	14,117	12,859	(1,258)
(Surplus)/deficit before transfers to/from reserves and provision for redemption of debt	(15,738)	(18,482)	(2,744)
<i>Allocation of (surplus)/deficit</i>			
Provision for redemption of debt	15,738	18,482	2,744
Balance for the year	-	-	-

- 10.2 There is a £1.3 million forecast underspend on interest payable. This is primarily due to slippage in the capital programme following reprioritisation of works resulting in less borrowing. It is also partly due to budget reductions generated by the treasury management strategy of maintaining cash balances at a reduced level.
- 10.3 The forecast for the revenue charge relating to bad debt provision has been reviewed and reduced to a more prudent level in line with the current data. This is showing an underspend of £1.2 million, primarily due to welfare reform and delays in universal credit implementation impacting less on rent collection levels than anticipated.
- 10.4 The forecast for rental income has been increased to show a 0.6% increase on the budget. This is due to the number of actual let properties being higher than forecast.
- 10.5 Following the recent review of the 30 year business plan it was recognised that a further £421,000 will be required in depreciation costs and this has now been included in the forecast.

11.0 Yoo Recruit Limited

- 11.1 In 2014 Yoo Recruit Limited commenced business by hiring caterers and cleaners only. The business now provides workers to City of Wolverhampton Council in various roles, namely support workers, administration, legal support assistants and specialist consultants.

- 11.2 In quarter three of 2015/2016 Yoo Recruit has placed on average 354 workers per month into 4,354 bookings. They have also positioned 14 different workers into 6 external companies.
- 11.3 Yoo Recruit continues to support the City Council’s objectives to help get the long term unemployed back into work, and work in partnership with the Economic Inclusion Team by providing people with access to entry level work and by referring potential workers to them for specialist support and guidance. Strong relationships have been established with key stakeholders such as the Job Centre and University of Wolverhampton to attract local candidates and continue to work hard to continually improve and grow.
- 11.4 The target financial benefit to the Council is £200,000, and Table 10 shows that based on the current position the net estimated profit after tax is £171,000.
- 11.5 As a result of recruitment through Yoo Recruit Limited the Council has also been able to avoid fees which would have otherwise have been incurred. These include approximately £200,000 in relation to the permanent recruitment of over 60 individuals who had been previously employed on a temporary basis through the agency. Ordinarily the Council could expect to pay a fee for the transfer of temporary staff to permanent posts.
- 11.6 The total financial benefit to the Council in 2015/16 is therefore forecast to be approximately £370,000.
- 11.7 On 22 July 2015, Cabinet approved a loan of £300,000 to Yoo Recruit to be repaid within 12 months. Yoo Recruit is on target to repay the loan within the required timescales and the figures in Table 10 fully reflect the interest payments payable.

Table 10 – Yoo Recruit Forecast Outturn

	Forecast for 2015/16
	£000
Sales	6,943
Less Cost of Sales	6,377
Gross Profit	566
Overheads	352
Net Profit before Tax	214
Tax	43
Net Profit after Tax	171

- 11.8 The next update in relation to Yoo Recruit will be to report the outturn position for 2015/16.

12.0 Financial Implications

12.1 The financial implications are discussed in the body of the report.

[RT/16022016/R]

13.0 Legal Implications

13.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs. It is a legal requirement under s25 of the Local Government Act 2003 to set a balanced budget and monitor the financial position throughout the year.

[RB/16022016/R]

14.0 Equality Implications

14.1 This report provides details of the projected outturn for 2015/16. The necessary equalities analyses were carried out as part of the preparations for setting the 2015/16 budgets, and will similarly form part of the requisite pre-work for 2016/17.

15.0 Environmental Implications

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

16.0 Background Papers

Improving the City Housing Offer Housing Company Outline Business Case, report to Cabinet, 3 February 2016.

Exploring the options to establish an Energy Services Company (ESCO), report to Cabinet (Resources) Panel, 19 January 2016.

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

Draft Budget and Medium Term Financial Strategy 2016/17 - 2018/19, report to Cabinet, 21 October 2015.

School Balances 2014/15, report to Cabinet (Resources) Panel, 20 October 2015.

Revenue Outturn 2014/15, report to Cabinet, 17 November 2015.

Revenue Budget Monitoring 2015/16, report to Cabinet (Resources) Panel, 28 July 2015.

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

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

Draft Budget and Medium Term Financial Strategy 2016/17 - 2018/19, 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.

General Fund Revenue Budget Monitoring – People

Service	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
Strategic Director People	276	387	111	142	An overspend is due to salary costs of £66,000.
Older People					
Service Director	129	145	16	-	
Carers Support	1,385	1,385	-	-	
ILS, Telecare & Adaptations	2,319	2,274	(45)	-	
Older People Assessment & Care Management	11,032	13,772	2,740	1,765	The overspend relates to care purchasing budgets for older people, particularly residential and nursing and domiciliary care.
Older People Provider Management	8,241	7,375	(866)	(284)	The early achievement of budget reductions across the service following the re-structure of in house services has led to a forecast underspend.
Welfare Rights & Financial Assessment	1,490	1,414	(76)	(65)	Underspend on staffing costs across the service
Housing	984	1,176	192	198	The full year effect of a budget reductions target not realised on Neighbourhood Support is resulting in an overspend
Community Recreation	247	109	(138)	(143)	The forecast underspend is due to resource budget reductions of £218,000 offset by reduced income expectations £66,000
Library Service	1,228	1,149	(79)	(10)	
Sub Total Older People	27,055	28,799	1,744	1,461	

General Fund Revenue Budget Monitoring - People

Service	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
Disability & Mental Health					
Service Director	152	191	39	(14)	
Children's Disabilities Commissioning	71	77	6	8	
Disabilities In-House Provision	6,537	6,782	245	(4)	There is an overspend on spot provision of Children's Short Breaks due to closure of in-house services.
Emergency Duty Team	417	479	62	60	
Housing Support & Social Inclusion	875	1,108	233	152	The overspend is due to the full year effect of a budget reduction target not yet realised
Mental Health Care Management	5,316	5,210	(106)	(600)	
Short Breaks	374	429	55	9	
Children With Disabilities	1,636	1,955	319	227	There is a forecast overspend on EPP placement costs for 18 - 19 year olds
Learning Disabilities Assessment & Care Management	18,072	18,796	724	811	An overspend is forecast on care purchasing due to slippage on the implementation of budget reduction proposals
Physical Disabilities Assessment & Care Management	5,232	5,263	31	(32)	
All Age Disability & Joint Commissioning Young Adults	1,540	1,289	(251)	(110)	An underspend on contracts is partially offset by overspends on Housing Support and Social Inclusion above.
SEN	(170)	(170)	-	-	
Disability & Mental Health	40,052	41,409	1,357	507	

General Fund Revenue Budget Monitoring - People

Service	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
Children & Young People					
Service Director	367	367	-	-	
Children Centres	4,827	4,471	(356)	(364)	There is an underspend due to staffing vacancies of £266,000 along with a reduction in general expenditure of £132,000. This is partially offset by trading deficit of £44,000 against Children's Village
Children in Need	7,255	7,385	130	(35)	There is a projected overspend on volunteer drivers and client transport £44,000 and S17 £105,000 all linked to increased caseloads, partially offset by savings against the contact contract of £100,000. Also, as part of the establishment of the MASH it was agreed that the Council would fund the cost of Guardian system, this is included at a cost of £98,000.
Children Commissioning	1,808	1,910	102	108	There is an overspend on contract costs of £159,000 which is partially offset by an underspend due to staffing vacancies of £108,000.
Edge of Care	425	368	(57)	(78)	

General Fund Revenue Budget Monitoring - People

Service	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
Looked-After Children	33,097	32,663	(434)	973	There are agency costs of £927,000 offset by staffing vacancies of £950,000. A pooled budget overspend £262,000 is offset by additional income from SEN £67,000 and the CCG £104,000 in relation to pooled budget increased costs. In addition there is an underspend of £500,000 due to the early achievement of savings linked to Children's Transformation work.
Social Inclusion & Play	1,740	1,532	(208)	(211)	Reduced costs due to staffing vacancies totalling £342,000 are offset by reduction in income from traded services of £198,000.
Psychology	683	683	-	-	
Youth Offenders Team	1,296	903	(393)	(75)	There is a forecast underspend due to staffing vacancies of £424,000 of which £150,000 will contribute towards the early achievement of 2016/17 budget reduction target of £150,000. The balance is due to one off budget reductions due to delays in recruiting, £59,000 of this will be used to absorb the in-year Youth Justice Board grant reduction.
Business Support	29	29	-	-	
Youth	355	355	-	(14)	
Sub Total Children & Young People	51,882	50,666	(1,216)	304	

General Fund Revenue Budget Monitoring - People

Service	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
Public Health, Parks and Safeguarding					
Public Health & Wellbeing					
Public Health - Service Director	-	-	-	-	
Public Health - Support Costs	-	-	-	-	
Public Health - Healthier Places	67	67	-	-	
Sport & Leisure Trust	-	-	-	-	
Public Health - Commissioning	-	-	-	-	
Public Health - Contracts	-	-	-	-	
Public Health - Health Protection & NHS Facing	-	-	-	-	
Public Health - Intelligence & Evidence	-	-	-	-	
Public Health - Sports Development	-	-	-	-	
Public Health - Transformation	-	-	-	-	
Business Continuity & Emergency Planning	142	115	(27)	-	
Community Safety	605	556	(49)	-	
Safeguarding	2,097	2,140	43	-	
Sub Total Public Health &	2,911	2,878	(33)	-	

General Fund Revenue Budget Monitoring - Corporate

Service	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
Managing Director	370	370	-	-	
Finance					
Director of Finance	166	167	1	(1)	
Audit Services	1,762	1,473	(289)	(116)	A one off underspend is forecast due to the transfer of the fraud team to the Department of Work and Pensions.
Corporate Financial Management	3,490	3,282	(208)	(235)	An underspend is forecast due to a reduction in external audit fees and ongoing enhanced pension costs.
Corporate Management	843	783	(60)	(60)	
Revenues and Benefits	2,000	1,927	(73)	14	
Housing Benefits Payments	(452)	(456)	(4)	(4)	
Strategic Finance	1,333	1,436	103	-	Additional costs are being incurred in Strategic Finance as it provides key support to the rest of the organisation in the delivery of transformation and budget reductions. These costs are being fully funded from in-year managed underspends from across the wider Finance Service. As the rest of the organisation transforms and contracts these additional costs will reduce.
The Hub	1,325	1,664	339	-	Additional costs are being incurred in The Hub as it provides key support to the rest of the organisation in the delivery of transformation and budget reductions. These costs are being fully funded from in-year managed underspends from across the wider Finance Service. As the rest of the organisation transforms and contracts these additional costs will reduce.
Corporate Procurement	640	709	69	15	
Sub Total Finance	11,107	10,985	(122)	(387)	

General Fund Revenue Budget Monitoring - Corporate

Service	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
Governance					
Director of Governance	165	165	-	-	
Corporate Administration	723	795	72	86	
Democracy	1,790	1,781	(9)	50	
HR Advice	1,207	1,316	109	-	Additional costs are being incurred in HR Advice as it provides key support to the rest of the organisation in the delivery of transformation and budget reductions. These costs are being fully funded from in-year managed underspends from across the wider Finance Service. As the rest of the organisation transforms and contracts these additional costs will reduce.
Legal Services	2,124	2,162	38	-	
Sub Total Governance	6,009	6,219	210	136	

General Fund Revenue Budget Monitoring - Corporate

Service	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
Transformation					
Communications and Marketing	565	531	(34)	-	
Customer Services	2,154	2,117	(37)	-	
ICTS	4,578	4,417	(161)	49	The forecast underspend is largely due to vacancies in the first half of the year as the restructuring of ICT was completed. Apart from a couple of exceptions where alternative approaches are now being taken, all of the roles have now been recruited to. There continues to be a gradual turnover of employees in the ICT service resulting in some short term vacancies which are also contributing to the underspend. Demand for ICT services are high and consequently these vacancies are being recruited to at the earliest opportunity to minimise the impact on service delivery.
Transformation	3,365	2,581	(784)	(325)	An underspend is forecast due to vacancies held across the Division and a reduction in training commitments.
Sub Total Transformation	10,662	9,646	(1,016)	(276)	

General Fund Revenue Budget Monitoring - Corporate

Service	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
Corporate Budgets					
West Midlands Transport Authority Levy	11,877	11,877	-	-	
Environment Agency Levy	67	67	-	-	
Provision for Bad Debts	200	200	-	-	
Treasury Management Budgets	15,273	11,556	(3,717)	(1,316)	This underspend is mainly due to a reduced borrowing need in year because of slippage in the capital programme and the re-phasing for the potential PFI refinancing requirement. In addition, following the publication of the Council's Statement of Accounts 2014/15 a detailed analysis of the balance sheet has been undertaken to update the split of interest between the General Fund and HRA. This has resulted in a reduced proportion to the General Fund.
Birmingham Airport - Rent	(69)	(69)	-	-	
Central Provision for increased Pension Costs	1,591	-	(1,591)	(1,591)	Projected underspend against the central provision for increased pension costs. This has arisen as a result of the payment of all sums due to the West Midlands Pension Fund ahead of the agreed payment schedule. This represents the early implementation of a key element of the 2016/17 budget strategy as reported to Cabinet on 21 October 2015.

General Fund Revenue Budget Monitoring - Corporate

Service	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
Cross-cutting Savings Proposals	(1,350)	(900)	450	250	Cross cutting budget reductions held corporately to be distributed during the year in accordance with existing delegations in the Constitution. The City Council has consulted and listened to the Trade Unions and therefore to be prudent it has been assumed that the Terms and Conditions reduction of £250,000 will not occur although it still remains a target.
Other Corporate /Transformation Budgets and Contingencies	1,760	1,678	(82)	(338)	The projected underspend has arisen as a result of the pay award in 2015/16 being less than what was originally budgeted for.
Redundancy Costs	-	5,255	5,255	5,000	Redundancy payments during 2015/16 arising as a result of the Voluntary Redundancy Programme and budget reduction proposals.
Contribution from the Budget Strategy Reserve	-	-	-	(3,113)	Contribution from the Budget Strategy Reserve to fund the projected redundancy payments during 2015/16.
Sub Total Corporate Budgets	29,349	29,664	315	(1,108)	
Total Corporate	57,497	56,884	(613)	(1,635)	

General Fund Revenue Budget Monitoring - Place

	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
Strategic Director Place	382	482	100	-	Delay in delivering cross Directorate budget reductions
City Economy					
Service Director	128	128	-	-	
Adult Education	(244)	(245)	(1)	-	
City Development	497	411	(86)	-	Staff vacancies in process of being filled as part of revised structure
Culture Arts & Heritage	1,085	920	(165)	-	Staff vacancies and other non-employee underspends
Enterprise & Skills	1,788	1,530	(258)	(10)	Staff vacancies, additional grants secured, and additional Connexions Service income
Inclusion & Employment	1,315	1,386	71	58	
Service Development	218	218	-	-	
Visitor Economy	658	862	204	61	Delay in implementing staff restructure following temporary closure of civic halls
Sub Total City Economy	5,445	5,210	(235)	109	

APPENDIX C

General Fund Revenue Budget Monitoring - Place

	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
City Assets					
Service Director	122	122	-	-	
Transportation	664	661	(3)	28	
Planning	771	680	(91)	(29)	Staff vacancies and additional grant
Catering Services	(995)	(1,110)	(115)	(153)	Increased income from universal free school meals
Cleaning and Caretaking Services	1,716	1,467	(249)	-	Staff vacancies and additional income from schools
Community Centres	216	215	(1)	-	
Corporate Asset Management	4,423	4,423	-	(8)	
Engineering & Civic Centre	2,505	2,334	(171)	-	Savings on statutory activities
Estates And Valuations	(1,418)	(1,412)	6	-	
Property Services (Including Utilities)	4,003	3,997	(6)	155	
Sub Total City Assets	12,007	11,377	(630)	(7)	
Strategic Director Housing	1,964	1,923	(41)	2	Private sector employee cost budget reductions

General Fund Revenue Budget Monitoring - Place

	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
City Environment					
Service Director	124	170	46	-	Agency costs
Bereavement Services	(2,124)	(2,043)	81	-	Additional repairs and maintenance
Environmental Maintenance	7,350	7,200	(150)	(159)	Contract and operational budget reductions
Fleet Services	(1,184)	(1,195)	(11)	9	
Highways Maintenance	2,260	2,281	21	19	
Landscape	(1)	(50)	(49)	(78)	
Leisure Services	1,567	1,448	(119)	-	Reductions in costs associated with the PFI contract
Markets	(1,004)	(1,004)	-	-	
Operation & Maintenance of Existing	795	855	60	103	
Parking Services	(1,218)	(1,239)	(21)	123	Delay in implementing employee car parking scheme offset by additional income elsewhere
Regulatory Services	1,752	1,517	(235)	(199)	Staff vacancies which are now filled
Street Lighting	3,447	2,641	(806)	(807)	Capitalisation of surface dressing expenditure and energy budget reductions
Waste and Recycling Service	13,097	13,496	399	200	Delay in implementing depot rationalisation budget reduction proposal
Sub Total City Environment	24,861	24,077	(784)	(789)	
Total Place	44,659	43,069	(1,590)	(685)	

General Fund Revenue Budget Monitoring - Education

Service	2015/16 Controllable Budget £000	2015/16 Forecast Outturn £000	2015/16 Forecast Variance £000	2015/16 Forecast Variance at Q2 £000	Reason for Variation
Education					
Director of Education	(269)	186	455	432	Delays in delivery of budget reduction targets set for 2015/16 which have now been reprofiled as part of 2016/17 budget process
Schools	(3,904)	(3,904)	-	-	
Standards and Vulnerable Pupils	886	893	7	-	
School Planning & Resources	3,830	4,017	187	231	Pressure on home to school transport due to additional pupils, legal costs for academy conversions and income shortfalls on some SLA services
Total Education	543	1,192	649	663	

General Fund Budget Risks 2015/16

Risk	Description	Level of Risk
Financial and Budget Management	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, staff vacancy factors, VAT rules, loss of ICTS facilities, treasury management activity and the impact of Equal Pay and budget management failure.	Amber
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.	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

APPENDIX F

Non Domestic Rates - Write offs Requiring Cabinet (Resources) Panel Approval

Account Number	Reason	Write off Amount £
5107677	No Trace	16,145.62
5110259	No Trace	13,110.40
	Total	29,256.02

General Fund Corporate Income - Write-offs Requiring Cabinet (Resources) Panel Approval

Account	Reason	Write off Amount £
Sundry Debtors		
16010099	Deceased	7,651.09
	Total	7,651.09

APPENDIX H

Housing Benefits - Write offs Requiring Cabinet (Resources) Panel Approval

Reference	Reason	Amount £
Mr B	Overpayment of benefit occurred as a result of claimant failing to declare earnings from self-employment while in receipt of ESA. Fraudulent overpayment of £14,354.81 calculated in August 2014 and recovery from on-going benefit commenced. Mr B passed away in April 2015 leaving an outstanding balance of £13,960.01. There is no estate from which recovery can be sought.	13,960.01
Mrs J	<p>Mrs J has been overpaid HB of £11,485.71 between April 2007 and March 2015 as a result of changes to her non dependant's income. This overpayment is recoverable but we are seeking permission to waive recovery. Mrs J suffers from dyslexia and cannot read or write.</p> <p>Her sole source of income is ESA of £72.40 per week. She has health problems with sciatica, arthritis and asthma diagnosed, and a Welfare Rights Officer is assisting with a claim for disability benefits. Her non-dependant has left the property so Mrs J is also liable for a 25% under-occupation charge of £21.86 per week.</p> <p>Mrs J does not have the means to repay this overpayment and write off of the debt is recommended.</p>	11,485.71
Mr W	Total overpayment of £9,524.29 was being recovered from on-going benefit. Balance of £5,571.69 outstanding when claimant died with no estate	5,571.69
	Total	31,017.41

APPENDIX I

General Fund Virements

From		To		£000	Reason for Virement
Directorate	Service	Directorate	Service		
Corporate	School Planning & Resources	Corporate	Customer Services	122	Transfer of posts to support Customer Services Transformation.
People	Older People Provider Services	People	Older People Provider Services	119	To fund transfer of staff from Woden to Bradley as part of service restructure.
People	Older People Provider Services	People	Service Director Older People	713	To reflect budget reduction on Blakenhall Resource Centre in line with planned service changes.
People	Older People Provider Services	People	Older People Assessment & Care Management	84	To reflect budget reduction on Blakenhall Resource Centre in line with planned service changes.
People	Older People Provider Services	People	Older People Assessment & Care Management	160	To reflect budget reduction on Blakenhall Resource Centre in line with planned service changes.
People	Welfare Rights & Financial Assessment	People	Welfare Rights & Financial Assessment	128	Correct coding of income & expenditure for McMillan grant.
People	Welfare Rights & Financial Assessment	People	Welfare Rights & Financial Assessment	166	Correct coding of income & expenditure for McMillan grant.
People	Public Health and Wellbeing Grant	People	SAIF	273	Contribution to running of Edge of Care Team from Public Health Grant
People	Older People Direct Payments	People	Disabilities and Mental Health Commissioning Disabilities	75	Budget Reallocation across People Services for Direct Payments
People	Public Health and Wellbeing Grant	People	Public Health and Wellbeing - Health Visitor 0-5	(2,183)	To reflect part year transfer of 0-5 Health Visitor service from NHS to Public Health Grant
People	Disabilities and Mental Health Employment Team	People	Disabilities and Mental Health Commissioning Disabilities	79	To reflect Supporting Employment Contract award.
People	Disabilities and Mental Health - Commissioning Disabilities	People	Disabilities and Mental Health - Mental Health	149	To fund transfer of staff from Commissioning Disabilities to Mental Health.
People	Disabilities and Mental Health - Learning Disability Provider	People	Disabilities and Mental Health - Children with Disabilities team	600	To fund a Children's Short Breaks Spot purchase commissioning budget from in-house provider.
People	Commissioning Mental Health	People	Disabilities and Mental Health - Commissioning Disabilities	98	To correct budget held in 3rd Party budgets for staff employed in Commissioning
Total				583	

APPENDIX J

Housing Revenue Account Revenue Budget Monitoring

	Budget £000	Forecast Outturn £000	Variance £000
Income			
Gross rents – dwellings	(93,683)	(94,257)	(574)
Gross rents – non dwellings	(711)	(768)	(57)
Charges to tenants for services and facilities	(5,148)	(5,176)	(28)
Total income	(99,542)	(100,201)	(659)
Expenditure			
Repairs and maintenance	26,103	26,103	-
Supervision and management	19,077	19,069	(8)
Rents, rates and taxes	460	460	-
Increase in provision for bad debts	2,240	1,000	(1,240)
Depreciation of fixed assets	21,807	22,228	421
Total expenditure	69,687	68,860	(827)
Net cost of HRA services	(29,855)	(31,341)	(1,486)
Interest payable	14,411	13,153	(1,258)
Interest and investment income	(1)	(1)	-
Adjustment for premiums and discounts	(293)	(293)	-
(Surplus)/deficit before transfers to/from reserves and provision for redemption of debt	(15,738)	(18,482)	(2,744)
Allocation of (surplus)/deficit			
Provision for redemption of debt	15,738	18,482	2,744
Balance for the year	-	-	-

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Cabinet (Resources) Panel

8 March 2016

Report title	Improving the Civic Centre Car Park Offer	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
	Councillor Steve Evans City Environment	
Key decision	No	
In forward plan	No	
Wards affected	All	
Accountable director	Mark Taylor, Director of Finance Nick Alderman, Service Director – City Environment	
Originating service	Parking Services	
Accountable employee(s)	Steve Woodward	Head of Service, Public Realm
	Tel	01902 554260
	Email	Steve.Woodward@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	1 March 2016

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve further enhancements to the Civic Centre car park facilities and equipment to enhance the parking offer and generate additional income.

2. Approve an additional capital allocation of £350,000 for the enhancements funded from additional annual external income of £43,000 that will be generated, and adjust the civic halls revenue budget from 2017/18 to reflect this income.
3. Authorise the Cabinet Member for Resources and the Cabinet Member for City Environment in consultation with the Director of Finance and the Service Director, City Environment to approve, through an Individual Executive Decision Notice, the award of contracts for the works and equipment.

1. Purpose

- 1.1. To obtain approval for further enhancements to the civic centre car park facilities and equipment to enhance the parking offer and generate additional income with funding via a virement from the corporate contingency.

2. Background

- 2.1. The Civic Centre car park is to be closed for a period of 24 weeks from the 14 March 2016 to allow repairs to the structure and refurbishment to be undertaken under the FutureSpace programme.
- 2.2. The Connected Places Board has commissioned the preparation of a City Centre Car Parking Strategy from external advisors. The strategy is still under development but early feedback indicates that as regeneration of the city centre progresses demand for premium parking is likely to increase.
- 2.3. The Mander Centre is to substantially upgrade their car park as part of the current redevelopment. This, together with the construction of any new parking facilities during the regeneration of the City centre (e.g. Westside) will substantially improve the quality of the parking offer and reduce demand on older facilities. This would undoubtedly put downward pressure on the income generation from the Civic centre car park.
- 2.4. The refurbishment of the Civic and Wulfrun Halls will lead to increased capacity for events which will lead to increased demand for nearby car parking space. The refurbishment will include the provision of new online ticketing facilities which will provide the opportunity for integration with parking systems to provide a premium pre-booked parking offer. The present car park systems do not provide the functionality to permit an integrated solution and the desired frictionless customer experience.

3. Proposals

- 3.1. Research into the enhanced facilities that could be offered to enhance the user experience has been undertaken with architects, car park operators, equipment providers and contractors.
- 3.2. The major elements of the enhanced equipment and facilities identified are
 - Pay machines and barriers to facilitate online and pre-book payment
 - Enhanced security and CCTV measures

- Improvements to signage and car park information equipment
 - Revisions to layout and traffic flows
 - Additional works to improve the customer environment
- 3.3. A review of current car park utilisation and possible additional usage, both at standard rates and for pre-booking in conjunction with the Civic Halls, has been carried out. This identified that with the appropriate facilities and the equipment to permit online, app enabled and integrated parking booking and payment, additional annual income of £100,000 could be achieved.
- 3.4. Budgetary costings for the required equipment and enhancements to provide these facilities have been obtained from contractors and equipment providers with a total estimated cost of £350,000.

4. Financial Implications

- 4.1. Capital costs for the works total £350,000 which generates an annual treasury management cost of £43,000 over a 10 year repayment period.
- 4.2. Analysis of potential pre-book income and usage from attendees at events at the civic halls has identified that additional annual income of £100,000 could be generated through installation of the enhanced facilities and equipment. The civic halls budget will be adjusted from 2017/18 by £43,000 to reflect this additional income which will fund the repayment of the treasury management costs.
- 4.3. A decision will be taken at a later date as to whether the further income balance of £57,000 generated by the proposal will be used to support the Council's medium term budget strategy or to fund the other projects. [MF/08032016/C]

5. Legal Implications

- 5.1. There are no direct legal implications arising from this report. The award of contracts for the works and equipment will be in accordance with the Council's Contract procedure rules and the Public Contracts Regulations 2015. [RB/29022016W]

6. Equalities Implications

- 6.1. There are no equalities implications arising from this report.

7. Environmental Implications

- 7.1. There are no equalities implications arising from this report.

8. Human Resource Implications

- 8.1. There are no equalities implications arising from this report.

9. Corporate Landlord Implications

9.1. There are no equalities implications arising from this report.

Cabinet (Resources) Panel

8 March 2016

Report title	Schedule of Individual Executive Decision Notices	
Decision designation	AMBER	
Cabinet member with lead responsibility	All	
Key decision	No	
In forward plan	No	
Wards affected	All	
Accountable director	Kevin O'Keefe, Governance	
Originating service	Democratic Support	
Accountable employee(s)	Abigail Vella Tel Email	Graduate Management Trainee 01902 553219 Abigail.Vella@wolverhampton.gov.uk
Report to be/has been considered by	N/A	

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note the summary of open and exempt individual executive decisions approved by the appropriate Cabinet Members following consultation with the relevant employees.

Schedule of Individual Executive Decision Notices

Part 1 – Open Items

1. Corporate

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Andrew Johnson	Director, Finance	29 January 2016	Claire Nye, 01902 550478
Title and Summary of Decision			
Final Business Rates Yield 2016/17 and Collection Fund Estimated Outturn 2015/16 That the Cabinet Member for Resources, in consultation with the Director, Finance, <ol style="list-style-type: none">1. Amend the Collection Fund Business Rates Net Yield for 2016/17 to £77.2 million, from £78.6 million.2. Amend the total Collection Fund Outturn for 2015/16 to 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, from an accumulated deficit of £5.7 million.			

2. People

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Elias Mattu	Service Director, Older People	24 February 2016	Helen Winfield, 01902 553353
Title and Summary of Decision			
Deferred Payment Agreements under the Universal Deferred Payments Scheme That the Cabinet Member for Adults, in consultation with the Service Director for Older People, approves the use of the maximum permitted interest rate and administrative costs and give delegated authority to the Director of Governance or nominee, to sign/seal necessary agreements, legal charge deeds and discharge documents in relation to Deferred Payment Agreements.			

3. Place

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor John Reynolds	Service Director, City Economy	24 February 2016	Jim Cunningham, 01902 550166
Title and Summary of Decision			
Black Country Growth Hub – Allocation of Funding That the Cabinet Member for City Economy, in consultation with the Service Director, City Economy, agree funding to support Growth Hub activities.			

Part 2 – Exempt Items

1. Corporate

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Claire Darke	Director, Education Director, Finance	1 February 2016	Marc Webb, 01902 551368
Title and Summary of Decision			
Acceptance of tender for St Martin's CE Primary School: Primary Expansion Programme			

2015 That the Cabinet Member for Education, in consultation with the Directors of Education and Finance, accepts the preferred tender from Interclass PLC at St Martin's CE Primary School for the primary expansion programme 2015.			
Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Claire Darke	Director, Education	8 February 2016	Marc Webb, 01902 551368
Title and Summary of Decision			
Acceptance of tender for Oxley Primary School: replacement heating main That the Cabinet Member for Education, in consultation with the Director of Education, accepts the preferred tender from RMC Mechanical Services Ltd for the replacement heating main.			
Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Paul Sweet	Director, Finance	16 February 2016	Lisa Taylor, 01902 552742
Title and Summary of Decision			
Approval of Flexible Retirement That the Cabinet Member for Governance, in consultation with the Director, Finance, retrospectively approves the use of the discretionary functions applied to the terms of flexible retirement.			
Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Claire Darke	Director, Education Director, Finance	18 February 2016	Marc Webb, 01902 551368
Title and Summary of Decision			
Acceptance of tender for St Mary's Catholic Primary School: Primary Expansion Programme 2015 That the Cabinet Member for Education, in consultation with the Directors of Education and Finance, accepts the preferred tender from Interclass PLC at St Mary's Catholic Primary School for the primary expansion programme 2015.			

2. People

None

3. Place

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor John Reynolds	Service Director, City Economy	15 February 2016	Kevin Moore, 01902 555570
Title and Summary of Decision			
Sites N and F, Carder Crescent, Bilston Urban Village That the Cabinet Member for City Economy, in consultation with the Service Director, City Economy, approves the revised land price.			

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Cabinet (Resources) Panel

8 March 2016

Report title

Developers' shared equity units as affordable housing

Decision designation	AMBER
Cabinet member with lead responsibility	Councillor Peter Bilson City Assets
Key decision	No
In forward plan	No
Wards affected	Oxley
Accountable director	Lesley Roberts, Housing
Originating service	Housing Services
Accountable employee(s)	Kenny Aitchison Service Manager Housing Strategy & Development Tel 01902 554841 Email kenny.aitchison@wolverhampton.gov.uk
Report to be/has been considered by	

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Approve the principle of the Council receiving an assignment of a share in the equity of six housing units as a form of affordable housing provision at Buttercup Close, Rakegate.

1.0 Purpose

- 1.1 The purpose of this report is to seek approval from Cabinet (Resources) Panel for the Council to receive an assignment of an equity share for housing units as a form of affordable housing. Further, this report seeks authority from Panel to accept an equity share in six properties at the former Rakegate Primary School, now known as Buttercup Close.

2.0 Background

- 2.1 The Council defines ‘affordable housing’ as housing provided, with subsidy, for rent or sale at a price which is affordable to local people in housing need, and which meets their housing requirements. Local people in housing need are those who are unable to meet their housing requirements in the general housing market because of the relationship between local housing costs and incomes.
- 2.2 What constitutes affordability, for the purposes of the Council’s planning policy, was determined by the 2002 Wolverhampton Housing Needs Survey with regard to local income levels and housing costs for dwellings of varying types, subject to review in the light of any subsequent surveys. The affordability measures used in the Housing Needs Survey 2002 and the 2004 update are that housing should cost no more than three times gross income for mortgage borrowing; and no more than 25% of net household income for rent.
- 2.3 To meet affordability requirements most affordable housing provided on new developments is affordable housing for rent, owned by Registered Providers. Whilst provision of affordable rented tenure is the priority for meeting identified housing need, intermediate housing products can also be provided under the National Planning Policy Framework definition of affordable housing. Shared equity is one of a number of products defined as intermediate housing, which may be used in exceptional circumstances as an alternative tenure option.
- 2.4 Since 2009 the Council has adopted a flexible approach to securing Section 106 Planning Obligations on housing developments where financial viability has been an issue.
- 2.5 Where viability has been determined as an issue, negotiations between the Council and developers have in some instances resulted in developers offering their shared equity products as part of the Section 106 planning obligations as affordable housing.
- 2.6 Developers building new houses within the City offer prospective buyers a range of options to enable them to sell including shared equity. Where prospective purchasers do not have sufficient finance for a deposit, developers offer an equity loan to bridge the gap between the available mortgage and the purchasers own deposit. The Government scheme “Help to Buy” offers purchasers up to 20% equity loan where the purchaser can provide a 5% deposit and a mortgage for the remaining 75%.

- 2.7 For a developer's shared equity units the retained equity (usually up to 20% of the sale value) may be held by the developer. The developer is expected to act in an open and transparent manner, to avoid the risk of the product being sold on the open market without the Council's consent.
- 2.8 In order for a developer's shared equity product to be fully acceptable to the Council as an affordable housing contribution in S106 agreements or development agreements, the Council has sought to create a mechanism that ensures the equity share can be recycled into the provision of affordable housing in the city in perpetuity. By adopting the process of the Council taking an assignment of the legal charge on the property, we can ensure that should the property owner buy out the remaining 20% share of their home the value of that equity share is recycled for further affordable housing. A worked example of this arrangement is set out in Appendix 1.
- 2.9 As part of the affordable housing offer, Taylor Wimpey proposed that the shared equity product outlined above, with the Council taking an assignment of the 20% equity charge from Taylor Wimpey UK Limited.

3.0 Shared Equity Units at former Rakegate Primary School

- 3.1 Rakegate Primary School was declared surplus by the Council and sold by invitation to tender. Taylor Wimpey paid a capital receipt to the Council but subsequently argued that the development was not financially viable if there was to be the amount of affordable housing, required by the Council's planning policies, on site.
- 3.2 Taylor Wimpey was given planning permission for 41 houses, with a planning requirement of 25% of these to be affordable. In total ten units were provided as affordable units; four rented and six shared equity, with an informal agreement that 20% equity share would transfer to the Council at point of sale of each of the six units.
- 3.3 The individual units have been transferred to the home owners subject to a charge in favour of Taylor Wimpey UK Limited. This charge will be assigned to the Council. The effect of this will be that the Council will own 20% of the equity in the six properties.
- 3.4 The 20% equity share for the six properties currently has a total value of £160,996, which is gifted to the Council as part of the requirement for affordable housing on this site.

4.0 Financial implications

- 4.1 The equity share for the six properties will be transferred to the council and appear a long term debtor on the General Fund balance sheet. When the Council's equity is bought out by the occupant this will result in a capital receipt to the General Fund. The amount received will depend on the level of the housing market at the time. Should the home owner default on their mortgage, the mortgage lender will have first charge on any monies received. [JB/24022016/K]

5.0 Legal implications

- 5.1 At the former Rakegate Primary School, the individual units have been transferred to the home owners subject to a charge in favour of Taylor Wimpey UK Limited. This charge will be assigned to the Council. The effect of this will be that the Council will own 20% of the equity in the six properties.
- 5.3 The Council will need to comply with the terms of the legal charges once they are assigned, including accepting payments from the plot owners if they wish to reduce the equity share held by the Council. [TS/24022016/E]

6.0 Equalities implications

- 6.1 Affordable Housing whether for rent, shared ownership or shared equity, is specifically targeted at people and families who cannot afford to rent or purchase housing on the open market.

7.0 Environmental implications

- 7.1 There are no environmental implications resulting from this report.

8.0 Human resources implications

- 8.1 There are no human resources implications resulting from this report.

9.0 Corporate landlord implications

- 9.1 The equity share held by the Council will be a property asset, however this asset can only be used for further investment in affordable housing.

10.0 Schedule of background papers

Appendix 1 - Shared Equity Worked Example

Shared equity is an Intermediate Housing tenure within the extended definition of 'Affordable Housing' in Annex Two of the National Planning Policy Framework (27 March 2012).

Shared equity is designed to assist individuals purchasing a property at a cost below the open market value in circumstances where they are unable to afford a mortgage for the full property value.

Unlike shared ownership (another form of Intermediate Housing tenure), instead of part buying and part renting a property, the proposed shared equity scheme will allow an individual to secure a conventional mortgage with a high street lender and to share the equity with the Council. In other words a shared equity scheme operates as a deferred payment arrangement.

By way of example for the proposed Council shared equity arrangement;

- An individual may secure a mortgage from a high street lender for a percentage, say seventy per cent, of the purchase price of the property.
- In respect of the remaining thirty per cent the Council will retain an equity share.
- The mortgage from a high street lender will rank as a first charge in favour of the high street lender.
- The Council will be entitled to a charge in its favour to the value of its equity share. This charge will rank as a second charge.
- Usually no interest is charged upon the Council's equity share.
- Repayment of the Council's equity share may occur as follows:
 - (a) Upon the resale of the property.
 - (b) After a fixed period of time (5 - 10 years) of occupation of the property.
- The repayment sum is linked to the property value at the time of the resale.
- Marketing of the shared equity units is undertaken by the house builder/developer, who will also be responsible for producing the marketing for any other intermediate homes on their development.

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