

# Cabinet (Resources) Panel

## 26 April 2016

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

**Venue** Committee Room 4 - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

### Membership

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

### Labour

Cllr Peter Bilson  
Cllr 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:

**Contact** Paul Fantom, Interim Democratic Support Officer  
**Tel/Email** 01902 555040 or [paul.fantom@wolverhampton.gov.uk](mailto:paul.fantom@wolverhampton.gov.uk)  
**Address** Democratic Support, Civic Centre, 1st floor, St Peter's Square,  
Wolverhampton WV1 1RL

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

# Agenda

## PART 1 – ITEMS OPEN TO THE PRESS AND PUBLIC

*Item No.*     *Title*

### MEETING BUSINESS ITEMS

- 1            **Apologies for absence**
- 2            **Declarations of interest**
- 3            **Minutes of the previous meeting** (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            **External Funding Update** (Pages 9 - 18)  
[To receive an update on external funding opportunities and to provide the necessary approvals to enable the delivery of projects.]
- 6            **Office for Low Emission Vehicles (OLEV) - Taxi Scheme Bid** (Pages 19 - 26)  
[To approve the submission of a funding bid to OLEV to be made by 31 May 2016.]
- 7            **Schedule of Individual Executive Decisions** (Pages 27 - 30)  
[To note the summary decisions approved by the appropriate Cabinet Member in consultation with the relevant employee.]
- 8            **Exclusion of press and public**  
[To pass the following resolution:  
That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information on the grounds shown below.]

## PART 2 - EXEMPT ITEMS, CLOSED TO PRESS AND PUBLIC

- 9            **Grant Application 2016/17 - Grand Theatre** (Pages 31 - 34)  
[To approve grants for revenue support in 2016/17 and delegate authority to the Director of Governance to execute the funding agreement.]
- 10           **Grant Application 2016/17 - Lighthouse Media Centre** (Pages 35 - 38)  
[To approve grants for revenue support in 2016/17 and delegate authority to the Director of Governance to execute the funding agreement.]
- 11           **Strategic Procurement - award of contracts for works, goods and services**  
(Pages 39 - 74)  
[To award contracts and delegate authority to execute contracts in respect of the recommendations as required.]

## Attendance

### Members of the Cabinet (Resources) Panel

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

### Employees

Paul Fantom	Interim Democratic Support Officer
Keith Ireland	Managing Director
Kevin O'Keefe	Director of Governance
Mark Taylor	Director of Finance

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## 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 Steve Evans.
- 2      **Declarations of interest**  
Councillor Bilson declared a disclosable non-pecuniary interest in respect of agenda item 9 (Strategic Procurement – Award of contracts for works, goods and services) in view of his membership of the Grand Theatre's Board of Directors.
- 3      **Minutes of the previous meeting**  
Resolved  
That the minutes of the meeting held on 8 March 2016 be approved as a correct record.
- 4      **Matters arising**  
There were no matters arising from the minutes.
- 5      **Additional resources to support older people's savings targets for 2016/17**  
Councillor Mattu presented the report, which sought approval to proposals to reduce the current overspend in Older People's Services and ensure that existing savings were delivered in a timely and safe manner. To achieve this, the proposed investment of £375,000 in 2016/17 was anticipated to deliver efficiencies of at least £1.1 million in 2018/19 by an average reduction in support plans of 10%. In 2016/17,

the impact would be to clear the backlog of reviews and assessments, thereby making the service safe whilst mitigating current overspends through more cost-effective care and support planning. These steps would actively promote independence for older people, which was one of the key elements underpinning future budget reductions and a major workstream within the Transformation Adult Social Care (TASC) programme.

Resolved:

That approval be given to the investment of £375,000 from the Efficiency Reserve to enable the Older People team to reduced current levels of unallocated assessments and outstanding reviews whilst at the same time developing new ways of working.

**6 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 approved.

**7 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).

**8 Improving the City Housing Offer: Provision of sites formerly identified for disposal for the delivery of new housing via the proposed Council owned local Housing Company**

Councillor Bilson presented the report, which sought approval for the use of sites, as identified in the report, for housing development through the proposed Council Housing Company. It was noted that the majority of the sites identified in the report had previously been declared surplus under various reports to the Cabinet (Resources) Panel by the Corporate Landlord service.

Resolved:

1. That the proposed use of the sites identified in Table 1 in paragraph 3.1 of the report for the purposes of the development of the Council's Housing Company and that these be re-categorised as strategic housing assets, which will form part of the Housing Company sites development pipeline.
2. That reports on the proposed housing developments to take place on the sites identified in the report be presented to future meetings of the Cabinet (Resources) Panel.
3. That reports on other general fund sites within the Council's asset portfolio, including the Housing Company and the Housing Revenue Account, that have been identified for housing development, together with any proposals, be presented to future meetings of the Cabinet (Resources) Panel.

## **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 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 the Tap Works Housing Development, when the evaluation process is complete.
2. 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 mobile phones, when the evaluation process is complete.
3. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve the award of a contract to Northgate Public Services UK Ltd for a revenues and benefits management system, for a duration of four years from 1 May 2016 to 30 April 2020, when the negotiation process is complete.
4. That the award of a contract to Northgate Public Services UK Ltd for a contract for the hosted housing management system, for a duration of two years from 12 April 2016 to 31 March 2018, for a total contract value of £440,618, be approved.
5. That the award of a contract on behalf of the West Midlands Combined Authority partners to Ernst and Young LLP for financial, commercial and strategic support in relation to Midlands Expressway Ltd, for the duration of six months from 12 April 2016 to 30 September 2016, for a total contract value of £165,000, be approved.
6. That the varying of existing contracts and the application of weekly rates for new residential and nursing care home placements from 1 April 2016, be approved as follows: Residential, £394.94; Residential with Dementia, £447.86; and Nursing including Dementia, £386.72.
7. That authority be delegated to the Cabinet Member for Adults, in consultation with the Strategic Director for People, to approve the award of a contract for Better Care Technology, when the evaluation process is complete.
8. That authority be delegated to the Cabinet Member for Adults, in consultation with the Strategic Director for People, to approve the award of contracts for supported living, when the evaluation process is complete.
9. That the interim arrangements for extending the current contracts for supported living accreditation with the providers listed in paragraph 4.1.43 of the report, for a period of four months from 1 April 2016 to 31 July 2016, for a total contract value of £1.5 million, be approved.
10. That authority be delegated to the Cabinet Member for City Economy, in consultation with the Strategic Director for Place, to approve the award of a contract for the Grand Theatre refurbishment, when the evaluation process is complete.
11. That authority be delegated to the Director of Governance to execute contracts as required in respect of the above decisions.

Having regard to the award of the contract for supported living and the extension of the current contract for supported living accreditation, the Panel noted that there had been significant changes to the manner in which the Government wished local authorities to undertake their responsibilities. However, the communication of these

changes had been too late for incorporation in the tender process. Therefore, in view of the possibility that there could be a challenge, it was further noted that the Panel's decision to extend these contracts was being made in full knowledge of the legal implications with respect to the Public Contracts Regulations 2015.



# Cabinet (Resources) Panel

26 April 2016

<b>Report title</b>	External Funding Update	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor John Reynolds City Economy	
<b>Key decision</b>	No	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Keren Jones, City Economy	
<b>Originating service</b>	Service Development Team	
<b>Accountable employee(s)</b>	Heather Clark Tel Email	Service Development Manager 01902 555614 Heather.clark2@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Place Leadership Team	21 April 2016

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## Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve revenue budgets for Growth Hub totalling £328,000 in 2016/17.
2. Delegate authority to the Cabinet Member for City Economy, in consultation with the Service Director City Economy to approve the allocation of £328,000 Growth Hub funding in line with the funding schedule and agree to enter into legal agreements for the delivery of these projects and services.
3. Delegate authority to the Cabinet Member for Resources, in consultation with the Director of Finance to approve budgets for Black Country Advice Investment and Markets (AIM), Black Country Transformational Growth Opportunities Local Delivery (GOLD) and Black Country Impact project upon receipt of the offer letter.
4. Provide delegated authority for the Cabinet Member for City Economy in consultation with the Service Director, City Economy, to agree grants to Small and Medium Size Enterprises (SMEs) of up to £25,000 through the externally funded Black Country Transformational GOLD project.

5. Agree to submit a full bid to ERDF as accountable body for Black Country Blue Network and delegate authority to the Cabinet Member for City Economy, in consultation with the Service Director City Economy to sign the Grant Funding Agreement if successful.
6. Agree to submit an outline application for ERDF funding as appropriate for enhanced energy efficiency measures as part of the Civic Centre Building Works.
7. Agree the creation of a capital budget for LGF programme/pipeline development of £250,000 per annum in 2015/16, 2016/17 and 2017/18 and delegate authority to the Director of Governance to finalise all necessary legal agreement(s) with Walsall MBC as accountable body.
8. Agree the creation of a capital budget for Transport Director/Team costs of £250,000 per annum in 2015/16, 2016/17 and 2017/18 and delegate authority to the Director of Governance to finalise all necessary legal agreement(s) with Walsall MBC as accountable body.

## **1.0 Purpose**

- 1.1 To provide an update on the Black Country Growth Hub and current bids for European Structural funds, future opportunities and seek necessary approvals for other externally funded projects.

## **2.0 Background**

- 2.1 The Black Country Growth Hub offers a one stop shop approach to business assistance across the Black Country, with packages of support available to local businesses. It aims to equip Black Country manufacturing Small and Medium Sized Enterprises (SMEs) with the tools and support they need to compete, innovate and take advantage of supply chain opportunities on offer to them.
- 2.2 Cabinet (Resources) Panel agreed on 26 November 2013 for Wolverhampton to act as accountable body for the Black Country Growth Hub. Round 1 of the Growth Hub project was funded through the Regional Growth Fund (RGF) via the University of Lancaster as part of City Deal until June 2015. BIS offered interim funding of £400,000 for the Growth Hub from July 2015 and March 2016.
- 2.3 The Black Country European Structural and Investment Fund (ESIF) Strategy, developed on behalf of the Local Enterprise Partnership (LEP), outlined the Black Country's priorities for allocating European funding between 2014 and 2020. The Black Country's allocation between 2014 and 2020 was €177 million split 50/50 between European Regional Development Fund (ERDF) and European Social Fund (ESF).
- 2.4 Cabinet (Resources) Panel agreed on 15 September 2015 to submit full bids for European Regional Development Fund (ERDF) Black Country Advice Investment and Markets (AIM) and Transformational Growth Opportunities Local Delivery (GOLD) on behalf of the Black Country and act as a delivery partner for European Social Fund (ESF) and Youth Employment Initiative (YEI) funded Impact in the Black Country.



### **3.0 Additional funding from the Department of Business Innovation and Skills (BIS)**

- 3.1 BIS has recently announced that they will continue to offer funding for Growth Hubs of £328,000 per year for two years. The allocation will provide continuation funding and can be spent on growth hub related activities - building capacity, capability and self-sustaining models - but cannot be used to make grants to businesses.
- 3.2 On 19 February, a proposal as to how we would use the funding award from BIS in 2016/17 was submitted on behalf of the Growth Hub Strategic Board. The Board proposed that the funding would focus on driving activities which were complimentary and additional to those which would be supported by the ERDF Bid. In summary, the funding will be utilised to:
- **Support the management and coordination of delivery** including a continuing presence at the Business Solutions Centre and to ensure that our data collection is robust and fully aligned to ensure value for money and influence future policy direction. **£112,000**
  - **A detailed gathering of robust intelligence to inform our future work** In particular we will focus on finding out what works best through our project management and CRM systems so that we better understand the return on our investment. This will inform the design of future programmes, commissioning partner led activity and developing common methods of working not only to shape our on-going activity at the Black Country and wider Combined Authority level but also to inform Government and influence policy direction. **£72,000**
  - **Enhance our engagement activity to attract more businesses** and to develop our triage activity so that enquiries are driven to the most appropriate solution e.g. self-help and web based solutions; telephone helpline; diagnostic and more intensive support. **£72,000**
  - **Further development of our approach to major supply chain initiatives.** We will focus on better understanding of the needs of larger businesses to shape our activity with SMEs and to joint working with other areas on cluster and sectoral development. **£72,000**
- 3.3 BIS have approved our funding submission as described above. Growth Hub partners include the four Black Country local authorities, Black Country Chamber of Commerce, Black Country Consortium and University of Wolverhampton. Service Level Agreements will be put in place with delivery partners. Detailed proposals on the allocation of spend against each of the functions set out above will now be developed by the Growth Hub Delivery Board for approval by the Growth Hub Strategic Board.

## 4.0 European Funding Update

### 4.1 Place: Stronger Economy: An environment where new and existing businesses thrive

4.1.1 Following submission of the full bids for AIM and GOLD in November 2015, the managing authority the Department for Communities and Local Government, requested the bids be reduced since the Priority was oversubscribed. The revised figures are provided below:

Funding source	Description of Project(s) to be funded	Proposed Funding	Status and approvals required	Outcomes
ERDF Priority 3 SME competitiveness	<b>Black Country Advice Investment and Markets (AIM)</b> will offer specialist support for SMEs pooling business support across four local authorities, the University and Chamber of Commerce, enhanced with specialist consultancy and delivered via the Growth Hub. The City of Wolverhampton Council is acting as accountable body on behalf of the Black Country.	£1.9m ERDF towards a total project cost of £3.8m	Delegated approval sought to approve budget	2000 new businesses enquiries 1000 diagnostic and brokerage support 460 business assists 115 new jobs 120 new referrals to national specialist schemes
ERDF Priority 3 SME competitiveness	<b>Black Country Transformational Growth Opportunities Local Delivery (BCT GOLD)</b> project will issue grants to Small and Medium Sized Enterprises (SMEs) to enable a sustainable step change in their working processes, business development and performance. SMEs will apply for grants using an application process. Decisions will be made by the Investment Decision Group (IDG) the membership of which includes private sector representatives from financial and legal specialists, including Barclays and Santander.	£1.6m ERDF out of a total project cost of £5.0 million with £3.4m private sector match.	Delegated approval sought to approve budget.  Delegated approval to approve grants funded through this project which have been agreed by the IDG of up to £25,000.	160 business assists 81 new jobs 16 new to firm products 8 commercial buildings built or renovated GVA increased by £14.5m

#### 4.2 Place: Stronger Economy: people develop the skills to get and keep work

Funding source	Description of Project(s) to be funded	Proposed Funding	Status and approvals required	Outcomes
European Social Fund (ESF)/Youth Employment Initiative (YEI)	<p><b>Impact in the Black Country</b> will support young people between 15-29 not in employment, education or training move towards employment.</p> <p>Funding will be used to fund an local Impact team to deliver the project and procure customised support for the young people.</p>	<p>£5.7m for Wolverhampton – third ESF, third YEI and third local match</p> <p>(£34.0m across the Black Country.</p> <p>Revenue</p>	<p>Funding approved for Black Country bid</p> <p>Delegated approval sought to approve budget.</p>	<p>Engage 3,342 young people</p> <p>Provide 1,237 with a customised support package, Supporting 920 into employment, education and training</p>

#### 4.3 Place: Stronger Economy: delivering effective core services that people want

Funding source	Description of Project(s) to be funded	Proposed Funding	Status and approvals required	Outcomes
ERDF Priority 6 Environment	<p><b>Black Country Blue Network</b> will create a high quality ecological network with a diverse range of habitats, centred on the area's historically important waterways and associated green spaces. This will be achieved through a three year programme of infrastructure and habitat improvements along canals and rivers in the Black Country as well as other key nature greenspaces linked into this blue network facilitating better visitor management and improved access for local communities. The four sites currently included within Wolverhampton are Smestow Valley LNR, Wyrley &amp; Essington Canal Proposed LNR, Fowler Open Space and Penk Risk</p>	<p>£1.7m ERDF out of a total project cost of £3.8m.</p> <p>Capital.</p>	<p>Passed Gateway.</p> <p>Approval to be accountable body and submit full bid</p> <p>A further report will be bought to Cabinet Resources once the details are finalised.</p>	<p>11 hectares rehabilitated</p> <p>157 hectares to attain better conservation status.</p>

ERDF Priority 4 Low Carbon	<b>Civic Centre Energy Efficiency:</b> early discussions are underway to develop a project seeking £1 million ERDF funding for additional energy efficiency measures to enhance the Future Space project.	£1.0m ERDF Capital	Approval is sought to submit an outline application under ERDF Priority 4 Low Carbon for energy efficiency projects.	Enhanced energy efficiency
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## 5.0 Black Country Local Growth Deal – Programme Management Development & Support

- 5.1 At its meeting on 9 March 2016 the Black Country Executive Joint Committee approved a total allocation of £5.267m to develop capacity within Team Black Country to support the effective programme development, delivery and programme/contract management through 2015/16, 2016/17 and 2017/18 financial years.
- 5.2 The initial round of LGF projects included many that were developed, submitted and supported through the assessment and approval process by staff within the 4 Black Country local authorities, internally funded from a mix of revenue and capital funding allocations. With the implementation of the Government's austerity measures these funding streams are now either lost or under severe pressure moving forward. In order to assist the four Councils in retaining and improving their capacity to support project development both within their own organisations and in support of the private sector, the four Black Country local authorities will develop dedicated skilled staff teams to focus on this work, funded directly through LGF funding allocations. The work of these teams will be traceable to the Black Country 'Plan on a Page' associated with pipeline projects, with evidence of their involvement and costs provided through existing capital programme claim procedures, including the completion of timesheets and activity records.
- 5.3 City of Wolverhampton has been provisionally allocated £250,000 per annum for 2015/16, 2016/17 and 2017/18 for the development of pipeline projects. Similar amounts have also been received to cover the Council's role as host for the Black Country Transport Director.

## 6.0 Financial implications

- 6.1 **Growth Hub:** On 29 February 2016 BIS awarded the Black Country Growth Hub £328,000 for 2016/17. Approval is sought as part of this report to establish a revenue budget for £328,000 based on the proposals included in section 3.2. This budget will be fully funded through BIS grant.
- 6.2 Detailed proposals on the allocation of spend against this budget will now be developed by the Growth Hub Delivery Board for approval by the Growth Hub Strategic Board. It is anticipated that delivery of the proposed activities will be undertaken by the Growth Hub partners through SLA agreements including the four Black Country local authorities, Black Country Chamber of Commerce, Black Country Consortium and University of

Wolverhampton. Service Level Agreements will be put in place with delivery partners. These proposals will then be brought forward for Council approval with responsibility delegated to the Cabinet Member for City Economy in consultation with the Service Director.

- 6.3 **Black Country AIM Project / Black Country Transformational (GOLD)** – on 15 September 2015 Cabinet (Resources) Panel agreed to submit full bids as accountable body for the AIM and GOLD and delegated authority to the Cabinet Member for City Economy, in consultation with the Service Director City Economy to sign the Grant Funding Agreement if successful. The approval processes are now concluding and it is anticipated that Wolverhampton should receive grant agreements, imminently, if it has not already by the date of this meeting. In order to commence delivery in line with expenditure profiles it is recommended that budgetary approval for both these schemes are delegated to Cabinet Member for Resources, in consultation with the Director of Finance upon confirmation of grant approval.
- 6.4 The value of the GOLD bid has been reduced at the request of DCLG to £1.6 million ERDF towards of a total project cost of £5.0 million with £3.4 million private sector match funding and £124,000 match from Black Country partners. The project will issue grants to SMEs of up to £25,000 with an intervention rate ranging from 10% to 50% of eligible project costs. Delegated authority is therefore also sought to agree grants to Small and Medium Size Enterprises (SMEs) of up to £25,000. The financial profile of the project is shown in the table below based on an average intervention rate of 30% and ERDF grant award of £9000. The target number of business assists to be achieved is 160.

	<b>Capital £000</b>	<b>Revenue £000</b>	<b>Total £000</b>
ERDF	721	845	1,566
SME Match	1,682	1,682	3,364
Public Match	0	124	124
Total	2,403	2,650	5,053

- 6.5 In response to a request by DCLG, the ERDF requested towards the AIM project has been reduced to £1.9 million revenue grant towards a total project cost of £3.8 million. It is proposed that Wolverhampton will contribute £477,000 of City Economy staff time as match for the project alongside £1.4 million of match provided by partners.
- 6.6 **Impact in the Black Country** – Dudley MBC have been awarded £34 million of ESF/ YEI funding as accountable body for the Black Country. Wolverhampton's grant allocation will be £3.8 million against total costs of £5.7 million. Similarly to the GOLD and AIM projects this report seeks delegated authority to approve revenue budgets of £3.8 million based on current forecasts as follows:

	2016/17 £000	2017/18 £000	2018/19 £000	Total £000
Employees	412	424	109	945
Support Packages	1,071	1,428	357	2,855
Revenue Grant Expenditure	1,483	1,852	466	3,800
Grant Funded Expenditure	1,483	1,852	466	3,800
Revenue Match Expenditure	844	844	212	1900
Gross Expenditure	2,327	2,696	678	5,700

- 6.7 Wolverhampton's match funding for YEI will be mainly in the form of staff time across a number of service.
- 6.8 **Black Country Blue Network project** - requesting £1.7 million ERDF out of a total project cost of £3.8 million. Wolverhampton submitted the outline application on behalf of a wider partnership consisting of the four Black Country local authorities and the Environment Agency. Partners will bring the required match for their sub-projects. Wolverhampton will be responsible for identifying match funding for three projects amounting to £390,000 with the majority being identified via Section 106, land receipts and local growth fund. A further report will be bought to Cabinet Resources providing the detail.
- 6.9 There could be an opportunity for a bid to be submitted for ERDF funding for additional efficiency measures as part of the works to be undertaken to the civic centre building. This is currently being reviewed as part of the finalisation of the scheme design and approval is sought to submit a bid if appropriate. [ES/07042016/S]
- 6.10 **Black Country Local Growth Deal** – An allocation has been made of £250,000 per annum for 3 years to meet the costs of developing and managing projects which will secure future funding through the Local Growth Fund. In addition, similar amounts are available to support the Black Country Transport Director and team in development of transport projects.
- 6.11 Appropriate financial accounting arrangements will be required to be put in place that record, justify and claim the LGF funding from the Accountable Body (Walsall Council). This will include appropriate staff time sheeting and/or activity evidence linked to the development and execution of projects that will, have or are planned to become part of the LGF programme or develop into projects that fulfil capital funding rules.
- 6.12 The four Black Country Councils have been requested to calculate the revenue funding to be freed up by this proposal, and to then utilise this funding to form a Black Country Proposition Funding Pot that can be used to underwrite speculative capital expenditure

or deliver agreed tasks. Any funding released in 2015/16 in Wolverhampton will be identified as part of the revenue outturn report with a request for the creation of a specific reserve. [MF/08042016/Q]

## **7.0 Legal implications**

- 7.1 The Accountable Body for the Growth Deal (Walsall Council) and Accountable Body for the Growth Hub (Wolverhampton City Council) are in the process of developing a suitable Grant Agreement for 2016/17.
- 7.2 As accountable body, the City of Wolverhampton Council will be required to enter into a funding agreement with the Department of Communities and Local Government (DCLG) which outlines the bid and also European rules and regulations that must be complied with. Collaboration agreements must be entered into with each Delivery Partner in accordance with the approval granted by Cabinet Resources Panel on 15 September 2015 in respect of BC AIM and BCT GOLD.
- 7.3 All necessary legal agreements must be entered into with the accountable body for the Growth Deal (Walsall Council) for the programme/pipeline development and Black Country Transport Director funding allocations. [LM/08042016/E]

## **8.0 Equalities implications**

- 8.1 Equal opportunities is a cross-cutting objective of all European funded bids, therefore must be considered in the delivery of all European funded projects with equalities data are monitored as part of delivery. YEI will have a positive implication since it is targeted young people at disadvantaged in the labour market. AIM and GOLD have targets in terms of supporting SMEs with women and BMEs on the Board.

## **9.0 Environmental implications**

- 9.1 Sustainability is a cross cutting objective of all European funded bids, therefore must be considered in the delivery of all European funded projects. Black Country Blue Network will support will support 157 hectares across the Black Country to attain better conservation status, 66 of which are in Wolverhampton.

## **10.0 Human resources implications**

- 10.1 Costs for the project management of externally funded projects are built into project costs with staff recruited on fixed term contracts. The Job Descriptions of employees that are used to match fund these projects, enabling the drawdown of additional resource will need to have some wording and the European flag added.

## **11.0 Corporate landlord implications**

- 11.1 The AIM and GOLD team will be physically based at the Business Solutions Centre at Wolverhampton Science Park, although the coverage of both projects will be Black Country wide. The YEI team delivered directly by the Council will be based in the Civic Centre, although much of their work will be outreach. These costs can be covered by the 15% indirect costs that are included in the bids.

## **12.0 Schedule of background papers**

- Cabinet (Resources) Panel 15 September 2015 Black Country European Funded Projects
- Cabinet (Resources) Panel 28 July 2015 update on external funding
- Cabinet (Resources) Panel 20 January 2015 update on external funding
- Black Country Executive Joint Committee 9 March 2016 on Resources for Programme Management Development & Support





# Cabinet (Resources) Panel

## 26 April 2016

<b>Report title</b>	<b>Office for Low Emission Vehicles (OLEV) Taxi Scheme Bid</b>	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor John Reynolds Sustainability & City Economy	
<b>Key decision</b>	No	
<b>In forward plan</b>	No	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Keren Jones, City Economy	
<b>Originating service</b>	Planning	
<b>Accountable employee(s)</b>	Ric Bravery Tel Email	Sustainability Officer 01902 552177 Ric.bravery@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Highways & Transportation Board City Centre Programme Board Place Leadership Team Strategic Executive Board	8 March 2016 17 March 2016 21 March 2016 12 April 2016

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### Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve submission of a bid to the Office for Low Emission Vehicles (OLEV) for funding under the £20 million Taxi Scheme.
2. If the bid is successful to delegate authority to the Head of Legal Services, in consultation with the Cabinet Member for City Economy, to enter into any necessary Agreements to obtain the funding.

## Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. The proposal forms part of wider work to promote low emission vehicles at West Midlands Integrated Transport Authority/Combined Authority, Black Country and Wolverhampton levels.

### 1.0 Purpose

- 1.1 To seek approval to submit a bid for government funding, under the £20 million Taxi Scheme, to promote low emission taxis; the bid is likely to be for around £680,000.

### 2.0 Background

- 2.1 Taxis are a significant source of air pollution and carbon emissions in the city, particularly the city centre where there is the highest concentration of work for taxis. The promotion of electric taxis serves the aims of:

- a) Reducing carbon emissions
- b) Improving air quality and public health
- c) Making the City more attractive
- d) Supporting the economy of the Midlands
- e) Supporting innovation and transformation

An opportunity has arisen to apply for government funding which would support electric taxis and charging points in the City. Further details are provided in the Technical Appendix.

- 2.2 The UK government is currently offering £20 million to support electric and other low emission taxis and have funded a number of feasibility studies. The Council has carried out its own feasibility study and is in a position to apply to the scheme, using existing budgets as match funding. Details are awaited of the final bidding process which is expected to allow a minimum of eight weeks from issue for preparation of a bid. Further details are provided in the Technical Appendix.

### 3.0 Business Case

- 3.1 **Strategic:** Support for electric taxis is a key component of the policies of the UK government, of the Integrated Transport Authority (ITA) and of the City Council, as outlined in more detail in the Technical Appendix. The council has declared the whole city an Air Quality Management Area for nitrogen dioxide and fine particulates (PM<sub>10</sub>). This initiative is particularly important as one of a limited number of opportunities to improve air quality in the city centre.
- 3.2 **Outcomes:** The proposal would lead to an improvement in air quality in the city centre and reduced carbon emissions with consequent benefits for public health and for tackling climate change. It would also create a more attractive city centre, improve perceptions of the city by visitors and present the city as one which supports innovation and

transformation. Furthermore it would support the automotive research and manufacturing sectors in the Midlands' economy.

- 3.3 **Commercial:** The scheme would support the development of a market for electric taxis by creating demand for electric Hackney carriages and providing infrastructure to support development of the sector.
- 3.4 **Financial:** By capital and revenue expenditure of around £300,000 over four years the council would lever in around £678,000 of government funding. Details are set out in paragraph 4.2 below.
- 3.5 **Project Management:** The scheme would be overseen by a steering group and administration carried out by a temporary Licensing Officer.

#### 4.0 Financial implications

- 4.1 Over the four year lifetime of the project from 2016-2020 the bid, if successful, would bring in around £678,000 of capital funding. The Council's match funding for the four years of the project would be capital costs of around £120,000, which would be met from the Transportation Capital Programme.

- 4.2 The annual revenue costs and current budgets from which they would be met are as follows:-

<u>Licencing</u>	
Administration	£30,000
Marketing	£5,000

<u>Transportation</u>	
Traffic Regulation Orders	£6,000

<u>Parking Services</u>	
Loss of Income	£6,600

- 4.3 If successful the project would be subject to a report to Cabinet (Resources) Panel for formal inclusion in the Council's capital programme.  
[MF/24032016/B]

#### 5.0 Legal implications

5.1 Any Office for Low Emission Vehicle (OLEV) grant would require the signing of a memorandum of understanding or similar agreement; details have yet to be received. The council would also need to ensure that any spending does not contravene EU regulations on state aid; full details would be considered as part of a full bid although initial work suggests the sums involved would not breach state aid regulations.  
[KR/13042016/I]

## **6.0 Equalities implications**

- 6.1 The proposal is an action in the Council's Sustainability Strategy and Implementation Plan 2013-18, on which an Equalities Analysis has previously been carried out. An additional screening has been carried out for this proposal and no negative impacts have been identified upon groups with protected characteristics.

## **7.0 Environmental implications**

- 7.1 There are direct environmental implications arising from this report. The introduction of ULEV taxis is an important part of national and local initiatives to reduce carbon emissions and improve air quality in order to meet European, UK and local standards.

## **8.0 Human resources implications**

- 8.1 The bid, if successful, would result in the employment of a temporary Licensing Officer for the remainder of 2016-17 and the following three years of the project.

## **9.0 Corporate landlord implications**

- 9.1 There are no direct Corporate Landlord implications although there are implications for the Council's highways and car parks, including the Council's regeneration proposals, as outlined above.

## **10.0 Schedule of background papers**

- 10.1 Wolverhampton Electric Taxi Feasibility Study, Cenex, March 2016.

## Technical Appendix

### 1.0 Background

- 1.1 UK government support for reducing carbon emissions is reflected in the Climate Change Act, 2008, Carbon Plan 2011 and a strategy for ultra low emission vehicles being promoted by the Office for Low Emission Vehicles (OLEV) through a £500 million package of measures.
- 1.2 The West Midlands is a centre for manufacturing and research in the automotive industry and ultra low emission vehicles (ULEVs) have significant potential to contribute to the local economy and the ambitions of the Black Country Strategic Economic Plan (SEP) and emerging Combined Authority's 'Super SEP'.
- 1.3 The EU has commenced infraction proceedings against the UK government, for failing to meet legally binding EU air quality standards, which could result in fines of circa £300 million being directly passed onto local councils.
- 1.4 The City of Wolverhampton Council declared the city an Air Quality Management area for nitrogen dioxide and fine particulates in 2005. Parts of the city centre are currently exceeding the air quality objective for nitrogen dioxide.
- 1.5 In December 2015 the government produced national and regional Air Quality Action Plans under which a programme of Clean Air Zones will be legally required in Birmingham and other cities.
- 1.6 Promoting ULEVs and improving both air quality and public health, through increasing sustainable and active travel, are key policy objectives within the West Midlands Strategic Transport Plan "Movement for Growth", approved in December 2015.
- 1.7 In addition the ITA has agreed, in January 2016, to develop a West Midlands Transport Emissions Framework building on existing work and as part of the move to a Combined Authority. The work of this Framework includes developing and adopting metropolitan wide policies towards the accelerated uptake of ULEVs, including fleet vehicles and taxis.
- 1.8 To complement this, a Low Emission Transport Strategy is being produced as part of a broader transport strategy for the Black Country; this will support the work of the Black Country LEP and associated funding bids.
- 1.9 The West Midlands, through the ITA, Centro and individual councils has a range of initiatives to promote ULEVs and tackle air quality problems. This includes the Low Emission Towns and Cities Programme (LETCP) and a range of bids for government funding.
- 1.10 Within Wolverhampton promotion of ULEVs links to the aims of the Corporate Plan, the Council's Sustainability Strategy and Implementation Plan and the recently launched Vision 2030 for the city, which includes commitments to deliver a network of electric vehicle charging points and ULEV public service vehicles. It is also an element of the City Centre Parking Strategy, currently under development. Consideration of ULEVs for the council's own fleet was also a recommendation of the Fleet Review, August 2015, carried out by the Energy Saving Trust.

- 1.11 Taxis are a significant source of emissions and air pollution in urban areas, particularly in city centres. In June 2015 the council bid for OLEV funding for a feasibility study to take part in the £20 million Taxi Scheme. The application for funding was unsuccessful but instead the Council has funded its own feasibility study which was submitted to OLEV on 1 March 2016, produced by the specialist consultancy Cenex with consultation with the taxi industry carried out by AECOM. The opportunity now exists to bid for a share of the £20 million. Detailed bidding guidance is awaited with a minimum of eight weeks expected to be allowed for submission of a final bid. Current indications are that these details are awaiting ministerial approval and are unlikely to be issued before the end of May 2016. OLEV has funded eight feasibility studies but has stated that it will fund up to 10 schemes. Funding will be made available for the four financial years 2016-17 to 2019-20.
- 1.12 There are four main elements to the OLEV Taxi Scheme:
- a) Charging infrastructure for ULEV taxis (Hackney and private hire) to be funded by OLEV up to 75% of capital cost of purchase and installation.
  - b) Top-up grants of up to £8,000 per vehicle to provide additional funding above the existing grant level for Hackney carriages; this would be funded 100% by OLEV.
  - c) Local measures to support ULEV taxi take up, such as favourable licensing terms for ULEV taxis; this would be funded by the council.
  - d) Marketing and promotion of the scheme and benefits of ULEV taxis; this also would be funded by the council.

## **2.0 Impact on Wolverhampton council and / or city**

- 2.1 Cenex's feasibility study has produced three scenarios for a possible bid to the OLEV Taxi Scheme. The low, medium and high scenarios would aim respectively to convert 10%, 20% and 30% of both the Hackney and private hire fleets in the city to ULEVs by 2020 and would involve installing either two, four or seven rapid charging points within the city centre. Top up grants of £8,000, funded by OLEV, would be provided to purchasers of new Hackney vehicles.
- 2.2 The main locations identified for charging points is Broad Street Car Park Bus Layover which forms part of a strategic regeneration site. The latest available information suggests, however, that charging points could be compatible with the proposed plans for the site. The other location identified is Castle Street feeder rank (near Pipers Row).
- 2.3 Other possible locations include Lichfield Street and Princess Street; these however raise issues regarding the appearance of charging infrastructure on the footway in city centre conservation areas. The railway station was also identified as a desirable location for charging infrastructure which it is hoped will be incorporated in future stages of the Interchange.
- 2.4 Local measures for ULEV taxis might include preferential access to restricted areas within the city centre, reduced licence costs and looking at specifying ULEV vehicles in transport contracts and favourable rates for the use of charging facilities. These would be considered in detail during bid preparation.

- 2.5 Marketing and promotion would involve a package of driver outreach and promotion including identifying driver champions, holding information days and providing educational material for taxi drivers. Investigation of favourable finance schemes for Hackney carriages, to supplement additional grants funded by OLEV, would also be considered.
- 2.6 It is envisaged that even the low scenario, which would target older Hackney vehicles, would have a relatively high beneficial impact on air quality in the city centre (NO<sub>x</sub> and PM).
- 2.7 Possible barriers to take up of the scheme, identified in consultations with the taxi industry, include scepticism on the costs and benefits of ULEV taxis, the lack of ULEV Hackney carriages on the market and driver attitude to vehicle finance.
- 2.8 Costs of the scheme are for the four financial years 2016-17 to 2019-20 and the ranges given are for the three different scenarios outlined above. Provision of Hackney carriage grants would cost between £160,000 and £416,000. All of this cost plus between £75,000 and £262,000, 75% of the cost of charging points, would be funded directly by OLEV.
- 2.9 The Council would need to provide between £32,000 and £120,000 capital funding as a contribution towards the cost of purchasing and installing charging points and for three years' maintenance, warranty and data management. The Council would also need to fund the revenue costs of: administering grants to Hackney operators, which is likely to require a full time post; any necessary Traffic Regulation Orders; local measures and the cost of marketing and promotion. There would be long term maintenance and data management costs for the charging points and loss of parking revenue for the spaces provided in Broad Street Bus Layover. These costs would be covered by existing Transportation, Public Realm and Licensing budgets.
- 2.10 OLEV has itself funded eight feasibility studies including ones for Coventry and Birmingham councils. The City Council is aware of one other council in the Midlands which has prepared its own feasibility study and there are likely to be more. Bids are expected to be ambitious and competition for the funding is likely to be fierce. It is therefore recommended that the City Council bids for the high scenario in order to maximise its chance of obtaining funding. Total expected costs of the high scenario are outlined in paragraph 4.1 above.

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## **Cabinet (Resources) Panel**

26 April 2016

<b>Report title</b>	Schedule of Individual Executive Decision Notices	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	All	
<b>Key decision</b>	No	
<b>In forward plan</b>	No	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Kevin O'Keefe, Governance	
<b>Originating service</b>	Democratic Support	
<b>Accountable employee(s)</b>	Paul Fantom Tel Email	Interim Democratic Services Officer 01902 555040 Paul.Fantom@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	N/A	

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### **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

None

#### 2. People

None

#### 3. Place

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Johnson	Director of Finance and Service Director, City Assets	4 April 2016	Keith Daw 01902 555764
<b>Title and Summary of Decision</b>			
<b>Carbon Reduction Commitment – Energy Efficiency Scheme: Approval of Forecast Allowance Purchases (2016/2017)</b> That the Cabinet Member for Resources, in consultation with the Director of Finance and the Service Director for City Assets, approves the purchase of 24,402 carbon allowances for the 2016/2017 reporting period, within the Carbon Reduction Commitment – forecast sale, at a cost of £392,872.			

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Bilson	Strategic Director, Housing	8 April 2016	Rowan Jones 01902 554990
<b>Title and Summary of Decision</b>			
<b>Affordable Rent Policy for all new build Wolverhampton Council housing:</b> That the Cabinet Member for City Assets, in consultation with the Strategic Director, Housing, approves the updated Affordable Rent Policy of April 2014, in respect of new build Council housing, property refurbishments, conversions and acquisitions for affordable Council letting in Wolverhampton, that are undertaken without Homes and Communities Agency grant.			

## Part 2 – Exempt Items

### 1. Corporate

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Lawrence	Director of Finance	13 April 2016	Mark Taylor 01902 556609
<b>Title and Summary of Decision</b>			
<b>Award of Contract for Lead Strategic, Economic and Financial Advisor for West Midlands Combined Authority:</b> That the Leader of the Council, in consultation with the Director of Finance, exercises the option to extend the contract for lead strategic, economic and financial advisor for the West Midlands Combined Authority programme.			

### 2. People

None

### 3. Place

Decision maker	In consultation with	Date Approved	Contact Officer
Councillors Johnson and Steve Evans	Strategic Director, Place and Director of Finance	29 March 2016	Peter Connelly 01902 556213
<b>Title and Summary of Decision</b>			
<b>WV Active Aldersley Velodrome Fence:</b> That the Cabinet Members for Resources and City Environment, in consultation with the Strategic Director for Place and the Director of Finance, approve the acceptance of the grants from British Cycling and the Bob Maitland Trust Fund, and approve a grant application and a 10 year Deed of Dedication in favour of British Cycling.			

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Reynolds	Service Director, City Economy, and Director of Governance	13 April 2016	Heather Clark 01902 555614
<b>Title and Summary of Decision</b>			
<b>Black Country Growth Deal – Cultural Capital Programme: Deed of Variation:</b> That the Cabinet Member for City Economy, in consultation with the Service Director for City Economy and Director of Governance and Solicitor to the Council enter into a Deed of Variation.			

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