

Cabinet (Resources) Panel

Minutes - 17 November 2015

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 Elias Mattu
Cllr John Reynolds
Cllr Paul Sweet

Employees

Linda Banbury Democratic Support Officer
Mark Taylor Director of Finance

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Apologies for absence**
An apology for absence for absence was submitted on behalf of Councillor Sandra Samuels.
- 2 **Declarations of interest**
There were no declarations of interest.
- 3 **Minutes of the previous meeting**
Resolved:
 That the minutes of the meeting held on 20 October 2015 be approved as a correct record.
- 4 **Matters arising**
There were no matters arising from the previous minutes.
- 5 **Revenue budget monitoring 2015/16**
Councillor Johnson presented the report, which detailed the latest projection of the likely revenue outturn position for the General Fund and Housing Revenue accounts and sought approval of matters relating to the 2015/16 revenue budget.
Resolved:
a)

1. That the use of £237,000 from the Regeneration Reserve to fund various regeneration priorities as detailed in Table 7 of the report be approved.
2. That the use of £15,000 from the Cemeteries and Crematorium Reserve to fund the installation of temperature monitoring system for the mortuary fridges/freezers be approved.
3. That the use of £230,000 from the Transformation Reserve of which £130,000 is to fund debt management transformation work and £100,000 to fund the implementation of a new e-tendering system and procurement transformation be approved.
4. That the use of £387,000 from the Efficiency Reserve of which £87,000 is to fund two Temporary Human Resources (HR) Advisors (Schools HR Consultancy) to support schools services and £300,000 for three Business Change Managers (Corporate Programmes) to support Social Care Transformation (1 April 2015 to 31 March 2017) be approved.
5. That the use of £44,000 from the Budget Contingency Reserve to fund an additional Assistant Category Manager in Corporate Procurement to support the Public Health work stream be approved.
6. That the use of £1.3 million from Public Health related reserves and balances to fund the corresponding reduction in local authority public health grant allocations for 2015/16 be approved.
7. That the write off of four prior year sundry debts totalling £49,869.74 as detailed in Appendix F to the report be approved.
8. That the write off of two prior year council tax debts totalling £15,765.83 as detailed in Appendix G to the report be approved.
9. That the write off of eight prior year non-domestic rates debts totalling £96,725.73 as detailed at Appendix H to the report be approved.
10. That the 31 virements totalling £2.9 million, for transfers within service directorates, as detailed in Appendix I to the report be approved.

b)

That the following be noted:

1. That the overall projected outturn for the General Fund is in line with the approved budget. After funding £1.9 million of projected redundancy costs from the General Fund, the balance of these costs totalling £3.1 million will be met from the Budget Strategy Reserve. The projected redundancy costs remain subject to change dependent upon the actual redundancies approved by year end.
2. That due to the significant underspends against the General Fund budget in 2014/15 a comprehensive review of all service areas has been undertaken to challenge all areas of underspend and to identify any recurrent savings. The results of this review were reported to Cabinet on 21 October 2015 and included in the Savings, Redesign and Income Generation proposals approved for consultation and scrutiny and Base Budget Revisions incorporated into the 2016/17 draft budget.

3. In the Draft Budget 2016/17 report presented to Cabinet on 21 October 2015, approval was sought to remove all undeliverable Domiciliary Care savings in 2016/17 in light of the announcement of the National Living Wage. This saving is also undeliverable in the current year and has been offset against the forecast underspend on the Treasury Management budget, for which a virement approval is sought in this report; this is detailed in the list of virements to be approved at Appendix I to the report.
4. That 406 largely prior year sundry debt accounts totalling £81,676.47 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
5. That 3,702 largely prior year council tax accounts totalling £743,120.40 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
6. That 309 prior year non-domestic rates accounts totalling £1,613,153.55 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules, the majority of which are due to insolvencies or bankruptcies.
7. The projected outturn for the Housing Revenue account (HRA) realises a surplus of £18.3 million 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 £2.6 million will be used to redeem debt in line with the HRA Business Plan.
8. The reduction in Youth Justice Board Grant of £56,000 and Public Health Grant of £1.3 million in 2015/16.

6 **Black Country Re-investment Loan Fund**

Councillor Reynolds presented the report, which sought agreement to a change of arrangements relating to the Black Country Reinvestment Loan Fund.

Resolved:

1. That the loan allocated to the Black Country Reinvestment Loan fund be converted to a grant to enabling those funds to continue to be used to support businesses to bring economic benefit to Wolverhampton.
2. That a change to the agreement with BCRS (formally known as Black Country Reinvestment Society) be approved.

7 **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.

8 **Exclusion of press and public**

Resolved:

That, in accordance with Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information falling within paragraph 1 of Schedule 12A to the Act relating to any individual/ paragraph 3 relating to the business affairs of any particular person (including the authority holding that information)/paragraph 5 relating to professional privilege.

9 **Outcome of consultation and revised mental health housing related support contracts**

Councillor Mattu presented the report, which detailed the outcome of the consultation exercise and sought approval of the revised service model and new contracting arrangements.

Resolved:

1. That the revised service model and contractual arrangements for the delivery of supported housing for adults with mental health needs be approved.
2. That the full implementation of the new service model for housing support services for adults with mental health needs be approved.

10 **Bilston Urban Village Advance Works Programme**

Councillor Reynolds presented the report, which sought approval for the transfer of uncommitted funding and revenue reserves towards the Bilston Urban Village Advanced Works Programme.

Resolved:

1. That the virement of £2.5 million from the Regeneration Resources Capital programme to the Bilston Urban Village Advanced Works Programme be approved.
2. That the use of £45,000 from the Regeneration Reserve towards additional legal costs associated with the Advance Works Programme.

11 **Kings V A School - Resolution of BSF dispute and assignment of construction warranties held by the City Council in favour of the Kings VA School Governing Body**

Councillor Darke presented the report, which sought approval of the assignment of collateral warranties and the entering into of a Settlement Agreement with the Governing Body of the School.

Resolved:

1. The assignment of the collateral warranties referred to at 3.9 to either the Governing Body of Kings Church of England School or the Lichfield Diocesan Trust be approved, namely
 - A warranty dated 30 April 2010 from Carillion Construction Limited (the main contractor on the project) (“Carillion”).
 - A warranty dated 23 November 2011 from Shepherd Engineering Services Limited (the mechanical and electrical subcontractor on the project).
 - A warranty dated 23 November 2011 from Traditional Structures Limited (the structural steelwork subcontractor on the project).
2. The approval be given to the Council entering into a Settlement Agreement with the Governing Body of Kings Church of England School and/or the Lichfield Diocesan Trust as set out in 3.12 stating “that the School would be required to agree that it would not bring any claim, proceedings or complaint in respect of, or otherwise rely in any way whatsoever on, the Council’s

failure to procure collateral warranties as required by clause 4.3 and 7.7 of the Development Agreement and that it would not claim damages, specific performance or any other remedy in relation thereto. For the avoidance of doubt, this includes an undertaking not to seek to require the Council to enforce or claim under warranties that have been assigned to the School.”

3. That approval be given to delegate any minor variations to the assignment of the collateral warranties and the Settlement Agreement to the Director of Governance acting in consultation with the Cabinet Member for Education
4. That further reports be submitted if the School/Diocese reject the Council’s offer.

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. It was noted that there was a typographical error in section 3.1.31 of the report in that the company identified as the sole supplier should read Vision Wear Limited.

Resolved:

1. That approval be given to the extension of the contract for Electrical and Mechanical Repairs, Maintenance and Minor Works with RMC Mechanical Services Ltd of Unit 1, Steelhouse Lane, Wolverhampton, West Midlands WV2 2AF, R D Jukes of Walsingham Works, Walsingham Street, Walsall WS1 2JZ and Midwest of 370 New Hampton Road West, Wolverhampton WV6 0RX for one year from 01 December 2015 to 30 September 2016 with a combined estimated extension value of £4.0 million.
2. That approval be given to the extension of the contract for Building Repairs, Maintenance and Minor Works, with Gough Group Holdings Limited of Tudor House, Moseley Road, Bilston, WV14 6JD for eight months from 01 February 2016 to 30 September 2016 with an extension value of £400,000.
3. That the award of the contract for the Highways Asset Management System to Pitney Bowes of Building 5 Trident Place, Hatfield Business Park, Mosquito Way, Hatfield, Hertfordshire, AL10 9UJ for two years from 01 April 2016 to 31 March 2018 for a total contract value of £172,440 be approved.
4. That the award of contract for the Leisure Management System to Bramble Hub Ltd of 9e Albert Embankment, London SE1 7SP for five years from 01 January 2016 to 01 January 2021 for a total contract value of £436,745 be approved, subject to seeking a break clause in the contract after a period of three years.
5. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve the award of contracts when the evaluation processes are complete in relation to the Customer Transformation programme as follows:
 - Customer Relationship Management system and licences
 - Customer Relationship Management system Implementation Partner
 - Master Data Management system and licences
 - Business Intelligence system and licences
 - Business Intelligence system Implementation Partner

6. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director for Finance, to approve the award of a contract for BSF Vat Advice when the evaluation process is complete.
7. That the award of a contract for Empowerment Services to Changing our Lives of 22 - 24 Hagley Mews, Hall Drive, Hagley, Stourbridge, DY9 9LQ for an initial duration of two years 01 January 2016 to 31 December 2017, with an option to extend up to 31 December 2019 for up to a total contract value of £199,916 be approved.
8. 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 Healthwatch Wolverhampton & Independent Health Advocacy Service for NHS Clients when the evaluation process is complete.
9. 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 Dementia Cafes and Dementia Support when the evaluation process is complete.
10. That authority be delegated to the Cabinet Member for City Assets, in consultation with the Strategic Director for Place, to approve the award of contracts when the negotiation is complete in relation to the supply of gas.
11. That authority be delegated to the Director of Governance to execute contracts in respect of the above as required.

13

Staffing Issue

Councillor Sweet presented the report, which sought approval to the termination of employment of the Service Director, City Assets post holder.

Resolved:

1. That approval be given to the termination of the employment of the Service Director, City Assets post holder, as part of an on-going agile review of Senior Management, on 31 May 2016 or earlier if deemed appropriate by the Managing Director
2. That approval be given to the proposal on the basis that no redundancy payment will be made.
3. That approval be given to the release of pension for the post holder.
4. That approval be given that the Service Director post budget is not deleted but kept as part of a capacity fund for Senior Management and delivery of transformation of the Council.