

Cabinet

22 February 2017

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

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

Membership

Chair Cllr Roger Lawrence (Lab)

Vice-chair Cllr Peter Bilson (Lab)

Labour

Cllr Claire Darke
Cllr Steve Evans
Cllr Val Gibson
Cllr Milkinderpal Jaspal
Cllr Andrew Johnson
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 Philippa Salmon
Tel/Email Tel: 01902 555061 or philippa.salmon@wolverhampton.gov.uk
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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

Agenda

Part 1 – items open to the press and public

Item No. *Title*

MEETING BUSINESS ITEMS

- 1 **Apologies for absence**
- 2 **Declaration of interests**
- 3 **Minutes of the previous meeting** (Pages 5 - 12)
[For approval]
- 4 **Matters arising**
[To consider any matters arising from the minutes of the previous meeting]

DECISION ITEMS (RED - FOR DECISION BY THE COUNCIL)

- 5 **Capital Programme 2016/17 to 2020/21 quarter three review and 2017/18 to 2021/22 budget strategy** (Pages 13 - 48)
[To approve matters relating to the 2017/18 Capital Budget Strategy and Medium Term Financial Strategy for Full Council to consider and approve matters relating to the 2016/17 capital budget at the end of the third quarter.]
- 6 **Treasury Management Strategy 2017/18** (Pages 49 - 132)
[To approve the 2017/18 Treasury Management Strategy, Annual Investment Strategy, Authorised Borrowing Limit, Prudential Indicators and MRP Policy for Full Council to consider and approve.]
- 7 **2017/18 Budget and Medium Term Financial Strategy 2017/18 - 2019/20**
(Pages 133 - 158)
[To approve matters and recommend the Budget to Full Council.]
- 8 **Wolverhampton Homes Annual Delivery Plan 2017-18** (Pages 159 - 204)
[To approve Wolverhampton Homes Annual Delivery 2017-18 ahead of adoption by full Council.]

DECISION ITEMS (AMBER - DELEGATED TO THE CABINET)

- 9 **Review of Waste and Recycling Service** (Pages 205 - 214)
[The report summarises the work that has been undertaken to review the current waste and recycling service, including a public consultation and the development of a draft strategy. The report proposes a revised service to be implemented through the contract variation process during the first half of 2017/18.]

- 10 **Libraries Transformation - Decision to Consult on a Ten Year Library Strategy** (Pages 215 - 270)
[In order to improve libraries in the City of Wolverhampton and meet our current and future challenges, Cabinet will be asked to consult on a draft ten year strategy.]
- 11 **Public Space Protection Order (Review of Designated Public Place Order)**
(Pages 271 - 294)
[To approve the city-wide Public Space Protection Order for (previously known as the Designated Public Place Order) providing Police with powers to confiscate alcohol when alcohol associated anti-social Behaviour is occurring or likely to occur. Provision to include proposals for an outright street drinking ban in designated locations.]
- 12 **Determined Schemes for Co-ordinated School Admissions and Determined Admission Arrangements for Community and Voluntary Controlled Schools - 2018/2019** (Pages 295 - 308)
[To approve the schemes for co-ordinated school admission arrangements for secondary and primary schools and the admission arrangements for community and voluntary controlled schools for 2018/19.]
- 13 **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

- 14 **WV Living Progress and Business Plan Update**
(Pages 309 - 366)
[To update on progress against the WV Living Business Plan approved in September 2016, to seek approval of a revised Business Plan incorporating further sites for development to enhance the operation of WV Living and to provide an improved offer of new housing for sale and market rent in the city.]
- Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)

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Attendance

Members of the Cabinet

Cllr Roger Lawrence (Chair)
Cllr Peter Bilson (Vice-Chair)
Cllr Steve Evans
Cllr Milkinderpal Jaspal
Cllr Andrew Johnson
Cllr John Reynolds
Cllr Sandra Samuels
Cllr Paul Sweet

Employees

Tim Clark	Communications Manager
Martin Fox	Finance Business Partner
Ros Jervis	Service Director - Public Health and Wellbeing
Tim Johnson	Strategic Director - Place
Julien Kramer	Director of Education
Keith Ireland	Managing Director
Kevin O'Keefe	Director of Governance
Jaswinder Kaur	Democratic Services Manager

Part 1 – items open to the press and public

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|---|
| 1 | Apologies for absence
Apologies for absence were submitted on behalf of Councillor Claire Darke and Councillor Val Gibson. |
| 2 | Declaration of interests
No declarations of interest were made. |
| 3 | Minutes of the previous meeting
That the minutes of the previous meeting held on 30 November 2016 be approved as a correct record and be signed by the Chair. |
| 4 | Matters arising
There were no matters arising from the previous minutes of the previous meeting. |

5 **Housing Revenue Account business plan (including 2017/18 budget rents and service charges)**

Councillor Peter Bilson presented an updated Housing Revenue Account (HRA) business plan for recommendation to Full Council. It was noted that an amendment was required at appendix A1, the second column in all three tables to be amended to thousands.

The report also provided, as an integral part of that business plan, a proposed HRA budget for 2017/18, including proposed rents and service charges to take effect from 3 April 2017, and a proposed HRA capital programme for the period 2017/18 to 2020/21 for recommendation to full Council.

An additional recommendation was proposed to Cabinet, that from April 2017 all new tenancies could start on any day of the week to reduce void times, increase rental income and protect properties from potential anti-social behaviour.

That Council be recommended to:

1. Implement the 1% reduction in social housing rents in accordance with the Welfare Reform and Work Act and to give 28 days' notice to all secure and introductory tenants of the rent reduction from 3 April 2017.
2. Adopt the business plan set out at appendix A (the second column in all three tables at A1 to be amended to thousands) as the approved Housing Revenue Account (HRA) business plan including;
 - a) The revenue budget for 2017/18 at Appendix A3;
 - b) The capital programme for 2017/18 to 2020/21 at Appendix A4 including the increased new build programme.
3. Agree the rates for garage rents and service charges set out in appendices B1-B3 and formally notify tenants.
4. Agree that from April 2017 all new tenancies can start on any day of the week to reduce void times, increase rental income and protect properties from potential anti-social behaviour.
5. That it be noted, that all Council dwelling rents would be reduced by 1% in line with the proposals contained in the Welfare Reform and Work Act.
6. That it be noted, that the consultation responses were outlined within Appendix C of the report.
7. That it noted, proposals to meet the requirements of the Heat Network Regulations 2014 for the district heating schemes at Heath Town be noted.
8. That the potential impact of the further implementation of the Housing and Planning Act 2016 on the HRA business Plan be noted.
9. That an additional £15 million be programmed in 2020/21 for further infill council housing development be noted.

6 **Provisional Local Government Finance Settlement Update**

Councillor Andrew Johnson presented an update on the 2017/18 provisional local government finance settlement, which the Government announced on 15 December 2016.

Resolved:

1. That the adoption of a minimum funding level for Adult Social Care as outlined in the report be approved.
2. That the outcome of the 2017/18 provisional local government finance settlement be noted.
3. That it be noted, the final budget report to Cabinet on 22 February 2017 would reflect the outcome of the budget consultation, for which the closing date was 14 January 2017. This report would also reflect the outcome of the scrutiny process as well as the detailed budget work for 2017/18, including a review of all savings and the risks associated with their delivery.

7 **Scrutiny Board Comments - Draft Budget and Medium Term Financial Strategy 2017/18 to 2019/20**

Councillor Andrew Johnson presented Scrutiny Board's feedback on the Draft Budget and Medium Term Financial Strategy 2017/18 - 2019/20 following its meeting on 13 December 2016.

Resolved:

That the comments from the Scrutiny Board were considered in relation to the Draft Budget and Medium Term Financial Strategy 2017/18 to 2019/20.

8 **Budget 2017/18 - Consultation Update**

Councillor Andrew Johnson presented an update on the Budget Consultation 2017/18 being undertaken to support the 2017/18 budget setting process. The report to be presented to Cabinet (Resources) Panel on the 7 February 2017 would reflect the outcome of budget consultation, which was due to finish on 14 January 2017, and would enable the Panel to take the responses into account for the Final Budget 2017/18 to be reported to Cabinet on 22 February 2017.

Resolved:

That authority be delegated to Cabinet (Resources) Panel to consider and review the final responses to the 2017/18 budget consultation on 7 February 2017, and to take the responses into account for the Final Budget 2017/18 to be reported to Cabinet on 22 February 2017.

9 **Collection Fund Estimated Outturn 2016/17**

Councillor Andrew Johnson informed Cabinet of the estimated outturn for Council Tax and Business Rates, also referred to as Non-Domestic Rates (NDR), transactions on the Collection Fund in 2016/17.

Resolved:

1. That payments to the precepting authorities be approved of their share of the Council Tax surplus in equal instalments.

The estimated outturn in 2016/17 was a cumulative surplus of £1.5 million. Based on their proportion of the 2016/17 council tax bill, as approved by Council in March 2016 the amounts were as follows:

- City of Wolverhampton Council £1.35 million
- West Midlands Police £106,000
- West Midlands Fire Service £53,000

2. That payments to central government and the precepting authority of their share of the Business Rates, also referred to as Non-Domestic Rates (NDR), deficit in equal instalments be approved.

The estimated outturn in 2016/17 was a cumulative deficit of £8.6 million. As prescribed by legislation the amounts were as follows:

- City of Wolverhampton Council £4.2 million
- Central Government £4.3 million
- West Midlands Fire Service £86,000

3. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to confirm any final changes to the forecast outturn reflecting any further information received ahead of the statutory deadline of 31 January 2017.

10

Council Tax Base and Business Rates (NDR) Net Rate Yield 2017/18

Councillor Andrew Johnson presented the estimates for the Wolverhampton Collection Fund for 2017/18, which the Council manages on behalf of local precepting bodies and central government.

Resolved:

1. That the Collection Fund Council Tax Base for 2017/18 be set at 61,397.45 Band D equivalents.
2. That the Collection Fund Business Rates, also referred to as Non-Domestic Rates (NDR), Net Rate Yield for 2017/18 be set at £71.7 million.
3. That authority be delegated to the Cabinet Member for Resources in consultation with the Director of Finance to approve amendments to:

a) the final Business Rates net rate yield as required as a result of changes to the NNDR1 form (National Non-Domestic Rates return) by the Department for Communities and Local Government (DCLG) or data revisions and changes in projections;

b) the Council Tax Base as a result of any data revisions and changes in projections.

11 **West Midlands Rail Ltd, Appointment of Directors**

Councillor Steve Evans sought approval to change the appointment of substitute Director to the board of West Midlands Rail Ltd. Previously agreed as the Cabinet Member, City Assets, It was proposed to change this designation to Deputy Leader of the Council to be appointed as substitute Director. All other agreed governance arrangements remained the same.

Resolved:

1. That the appointment by the Council of the Leader of the Council as a principal director on the Board of WMR Ltd and the Deputy Leader of the Council as substitute director on that Board and the Council agrees to indemnify its appointees to the Board other than for wilful misconduct be approved.
2. That it be noted, the governance arrangements for the development and oversight of West Midlands Rail Ltd, as approved by Cabinet on 11 Nov 2015, had not changed.

12 **Towards an Active City - a physical activity framework**

Councillor Paul Sweet sought endorsement for the publication and adoption by the City of Wolverhampton Council of 'Towards an Active City – a physical activity framework' which had been developed to encourage the population to be active every day. In addition to this, give delegated authority to the Cabinet Member for Public Health and Wellbeing and the Strategic Director for People to approve external funding applications to support the delivery of the actions identified within the framework.

The intention of the framework was to root physical activity into the city's plans and priorities, which had a profound impact on the planning of health and physical activity including the perceptions of the people, the place, and its business competitiveness.

The framework concentrated on those who were currently inactive and offered approaches that can be taken to make physical activity a normal part of everyday life.

Resolved:

1. That the publication and adoption of 'Towards an Active City – a physical activity framework' and supporting documentation be endorsed.
2. That authority be delegated to the Cabinet Member for Health and Wellbeing and Strategic Director for People for external funding applications to support the delivery of the actions identified within the framework.
3. That the intention to develop an action plan through an independent 'Active City Board' be noted.

13 **Post-16 Education and Skills Report**

In the absence of Councillor Claire Darke, Councillor Andrew Johnson presented an overview of the Post-16 education and skills landscape and a strategic plan to deliver Post-16 priorities. There were five priority areas which were supported by an implementation plan, endorsed by The Young People Skills and Employment Group, and Wolverhampton Education Board.

As a result of the Black Country Area review, Colleges in the Black Country were working together with partners on apprenticeships, High Need SEND provision, Learners with no qualifications, Level 4 provision, English and Maths.

Resolved:

1. That the Post-16 priorities for City of Wolverhampton summarised in section 3.1 of the report be approved.
2. That the additional work being undertaken to meet future employment and skills needs of Post-16 learners in the City be endorsed.
3. That the citywide commitment to support Post-16 learners in accessing education, training and employment opportunities be noted.

14 **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 relating to any individual, information which was likely to reveal the identity of an individual and/or information relating to the business affairs of any particular person (including the authority holding that information)]

15 **Westside delivery strategy update**

Councillor John Reynolds advised that Urban&Civic PLC were selected from a list of eleven national developers to enter into an exclusivity agreement with the Council to collaboratively refine proposals for the Westside development. An update was provided on the progress made throughout the exclusivity period, the terms of the Agreement with the developer and the implications in achieving Vacant Possession of the site to enable development.

Resolved:

1. That authority be delegated to the Cabinet Members for City Economy and Resources, in consultation with the Strategic Director for Place and Director of Finance, to enter into Agreement with Urban & Civic (Wolverhampton) Limited on the terms outlined in section 7 of the report for the delivery of the regeneration at Westside.
2. That the strategy to relocate the retail market to the Snow Hill site at Southside be approved.

3. That authority be delegated to the Cabinet Member for City Economy, in consultation with the Strategic Director for Place to approve tenders for this work to ensure that the relocation meets the deadlines for achieving Vacant Possession of Westside aligned to the developers programme.
4. That a budget of £2.5 million for the relocation of the retail market be agreed.
5. That authority be delegated to the Cabinet Member for City Economy, in consultation with the Head of Corporate Landlord and Director of Finance to accept that the base sale price for the Property meets the Council's statutory duty to ensure that it was obtaining the best consideration reasonably obtainable.
6. That the proposed scheme for the Westside development be noted.
7. That it be noted, the Capital budget quarter three monitoring 2016/17 report to Council would seek approval to a budget of £2.5 million for the market relocation, in the event that Cabinet approve the strategy to relocate the retail market to the Snow Hill site at Southside.

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Cabinet Meeting

22 February 2017

Report title	Capital Programme 2016/17 to 2020/21 quarter three review and 2017/18 to 2021/22 budget strategy	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Keith Ireland, Managing Director	
Originating service	Strategic Finance	
Accountable employee(s)	Mark Taylor	Director of Finance
	Tel	01902 554410
	Email	mark.taylor@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	7 February 2017
	Council	1 March 2017
	Confident Capable Council Scrutiny Panel	15 March 2017

Recommendation(s) for action or decision:

1. The Cabinet recommends that Council:

- a) Approves the revised medium term General Fund capital programme of £314.5 million, an increase of £14.5 million from the previously approved programme (paragraph 2.4), reflecting the latest projected expenditure for the medium term.
- b) Approves the additional General Fund resources of £14.5 million identified for;
 - i. twelve new projects totalling £11.1 million (paragraph 4.1);
 - ii. eight existing projects totalling £3.4 million (paragraphs 3.14).

2. The Cabinet is recommended to:

- a) Approve the General Fund virements totalling £2.4 million detailed at Appendix C for;
 - i. existing projects totalling £1.5 million (paragraph 3.15);
 - ii. new projects totalling £948,000 (paragraph 4.2).
- b) Approve the Housing Revenue Account (HRA) virements totalling £400,000 for existing projects (paragraph 3.15);
- c) Approve the updated schedules of works for the capital projects under the following directorate (paragraph 3.16);
 - i. Corporate: ICTS, WV Active – Leisure Centres and in relation to Education; Schools Capital Maintenance, Building Schools for the Future (BSF) and Primary School Expansion Programme (appendix D1).
 - ii. People: Sports Investment Strategy, Co-location Programme, Children in Need - Aiming High for Disabled Children, Community Hubs and Early Education - Two Year Education Pilot (appendix D2).
 - iii. Place: Corporate Asset Management Programme, Urban Parks Refurbishment Programme, Disposals Programme, Accessing Growth Fund, Managing Short Trips, Highway Structures (bridges, subways, retaining walls), Southside Programme, Maintenance of classified roads, Maintenance of unclassified roads, Non - Highway Structures, Energy Efficiency Measures, Street Lighting, Highway Improvement Programme, Safety Programme and Cycling - Cycle Route Improvements (appendix D3).
- d) Delegate authority to the Cabinet Member for Resources in consultation with the Director of Finance to approve the allocation of the provision of the 'Transformation Development Efficiency Strategy' to individual transformation projects in order to benefit from the capital receipts flexibility announced in the Autumn Statement 2015 and in line with the Medium Term Financial Strategy (paragraph 3.22).

Recommendations for noting:

1. The Cabinet is asked to note:

- a) The General Fund expenditure position at quarter three of 2016/17 for existing projects stands at 40.6% of the approved capital budget.
- b) The General Fund forecast outturn for existing projects for 2016/17 stands at 78.3% of the approved capital budget.
- c) The HRA expenditure position at quarter three of 2016/17 for existing projects stands at 57.8% of the approved capital budget.
- d) The HRA forecast outturn position for existing projects for 2016/17 stands at 100.0% of the approved capital budget.
- e) This report incorporates four revenue budget reduction and income generation proposals which require capital resources and are subject to approval by this meeting and Council on 1 March 2017 as part of the Budget 2017/18 setting process, see report “2017/18 Budget and Medium Term Financial Strategy 2017/18 – 2019/20” on the agenda. The inclusion of the four projects in this report is on the assumption that approval will be given and therefore, their progression is dependent on that decision. The names of the budget reduction and income generation proposals/projects are:
 - Waste & Recycling strategy - service transformation
 - Highways Management
 - Commercial Facilities - Northcote Farm
 - District Parking

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

- f) There are two new projects requiring internal resources included in this report but which are subject to separate detailed project reports to Cabinet (Resources) Panel on 28 February 2017. The inclusion of these projects is for budget approval purposes and is on the assumption that the approval to progress with each project is given on 28 February 2017. As their progression is dependent on that decision, if the projects are not approved, the capital programme will be reduced accordingly. The names of the projects are:
 - Art Gallery Improvement Scheme
 - Development of Bantock House Complex
- g) That a separate report on this agenda seeks approval to the conversion of £1.0 million of loan capital to WV Living into investment in share capital (paragraph 3.20).

1.0 Purpose

- 1.1 To provide Cabinet with an update on the 2016/17 financial performance of the General Fund and HRA capital programmes and the revised forecast for 2016/17 to 2021/22 as at quarter three of 2016/17.
- 1.2 To recommend revisions to the current approved General Fund capital programme covering the period 2016/17 to 2021/22.

2.0 Executive summary

- 2.1 This report considers specific changes to budgets. A full list of capital programme can be found here:

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

- 2.2 At its meeting on 14 December 2016, Council approved a General Fund capital programme totalling £299.0 million for the period 2016/17 to 2020/21. Since then further reports submitted to Councillors have been approved to increase this amount by £900,000 to £299.9 million. Of this £141.7 million relates to the 2016/17 financial year.
- 2.3 Table 1 below shows the approved General Fund budget compared with that proposed, along with the resources identified to finance the proposed change.

Table 1: Summary of the General Fund projects requiring approval

General Fund	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
Budget							
Approved	141,733	96,041	33,522	8,944	19,691	-	299,931
Projects requiring approval:							
New projects	2,760	8,383	-	-	-	-	11,143
Existing projects	(30,725)	12,464	15,759	2,600	1,660	1,660	3,418
	(27,965)	20,847	15,759	2,600	1,660	1,660	14,561
Projected	113,768	116,888	49,281	11,544	21,351	1,660	314,492
Financing							
Approved							
Internal resources	92,448	70,141	28,959	4,682	19,691	-	215,921
External resources	49,285	25,900	4,563	4,262	-	-	84,010
	141,733	96,041	33,522	8,944	19,691	-	299,931
Projects requiring approval							
Internal resources	(26,458)	18,136	15,788	2,393	1,660	1,660	13,179
External resources	(1,507)	2,711	(29)	207	-	-	1,382
	(27,965)	20,847	15,759	2,600	1,660	1,660	14,561
Projected							
Internal resources	65,990	88,277	44,747	7,075	21,351	1,660	229,100
External resources	47,778	28,611	4,534	4,469	-	-	85,392
Variance	113,768	116,888	49,281	11,544	21,351	1,660	314,492

- 2.4 This report recommends variations to the approved programme totalling an increase of £14.5 million bringing the total revised programme to £314.5 million.
- 2.5 Expenditure to the end of quarter three 2016/17 for existing projects totals £57.5 million. This represents 40.6% of the approved budget.
- 2.6 A forecast outturn for 2016/17 for existing projects totals £111.0 million; this represents 78.3% of the approved budget.
- 2.7 On 1 February 2017, Council approved a revised HRA capital programme totalling £263.6 million for the period 2016/17 to 2020/21. Of this £43.1 million relates to the 2016/17 financial year.
- 2.8 Table 2 shows the approved budget for information only as there are no proposed changes to the overall budget.

Table 2: Summary of the HRA approved projects

Housing Revenue Account	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
Budget							
Approved	43,052	47,977	59,158	53,197	60,223	-	263,607
Projected	43,052	47,977	59,158	53,197	60,223	-	263,607
Financing							
Approved							
Internal resources	42,151	47,275	59,158	53,197	60,223	-	262,004
External resources	901	702	-	-	-	-	1,603
	43,052	47,977	59,158	53,197	60,223	-	263,607
Projected							
Internal resources	42,151	47,275	59,158	53,197	60,223	-	262,004
External resources	901	702	-	-	-	-	1,603
Projected	43,052	47,977	59,158	53,197	60,223	-	263,607

- 2.9 Expenditure to the end of quarter three 2016/17 for HRA existing projects totals £24.9 million. This represents 57.8% of the approved budget.
- 2.10 A forecast outturn for 2016/17 for existing projects totals £43.1 million; this represents 100.0% of the approved budget.

3.0 Existing projects

3.1 Table 3 below provides an analysis of the capital expenditure to the end of quarter three, along with the projected budget forecast and the variations compared to the approved budget for existing projects.

Table 3: Capital expenditure to the end of quarter three of 2016/17 and projected budgets for existing projects

	General Fund				HRA £000	Total Capital Programme £000	Paragraph number
	Corporate £000	People £000	Place £000	Total £000			
2016/17							
Approved budget	47,829	4,891	89,013	141,733	43,052	184,785	
Expenditure at the end of quarter three	14,238	749	42,494	57,481	24,894	82,375	3.2 - 3.3
Expenditure as % of approved budget	29.8%	15.3%	47.7%	40.6%	57.8%	44.6%	
Projected budget	34,721	2,157	74,130	111,008	43,052	154,060	2.6
Forecast as % of approved budget	72.6%	44.1%	83.3%	78.3%	100.0%	83.4%	2.6, 2.10
Variance projected v approved over/(under)	(13,108)	(2,734)	(14,883)	(30,725)	-	(30,725)	3.4
Variance represented by:							
Re-profiling	(10,638)	(2,712)	(15,399)	(28,749)	-	(28,749)	3.5 - 3.7
Increase/(decrease)	(2,470)	(22)	516	(1,976)	-	(1,976)	3.8 - 3.10
Financing for projected variance:							
Internal resources	(13,078)	(2,402)	(13,468)	(28,948)	-	(28,948)	
External resources	(30)	(332)	(1,415)	(1,777)	-	(1,777)	
2017/18 to 2021/22							
Approved budget	50,488	97	107,613	158,198	220,555	378,753	
Projected budget	62,102	2,769	127,470	192,341	220,555	412,896	3.11
Variance projected v approved over/(under)	11,614	2,672	19,857	34,143	-	34,143	3.11
Variance represented by:							
Re-profiling	10,638	2,712	15,399	28,749	-	28,749	3.11
Increase/(decrease)	976	(40)	4,458	5,394	-	5,394	3.12
Financing for projected variance:							
Internal resources	11,584	2,297	18,216	32,097	-	32,097	
External resources	30	375	1,641	2,046	-	2,046	
Overall summary							
Projected budget	96,823	4,926	201,600	303,349	263,607	566,956	
Variance projected v approved over/(under)	(1,494)	(62)	4,974	3,418	-	3,418	3.14
Variance represented by:							
Re-profiling	-	-	-	-	-	-	
Increase/(decrease)	(1,494)	(62)	4,974	3,418	-	3,418	3.14

2016/17 Approved budget

- 3.2 General Fund expenditure to the end of quarter three stands at £57.5 million, against the approved budget of £141.7 million, which represents 40.6% (43.5% in 2015/16) of the approved budget.
- 3.3 HRA expenditure to the end of quarter three stands at £24.9 million, against the approved budget of £43.1 million, which represents 57.8% (49.9% in 2015/16) of the approved budget.
- 3.4 As shown in Table 3, the latest financial monitoring information indicates that General Fund capital expenditure during 2016/17 will be lower than the approved budget by £30.7 million. Of this £28.7 million is due to re-profiling of projects which is discussed below.
- 3.5 Of the £10.6 million re-profiling for the Corporate Directorate, a net £5.5 million was as a result of slippage and acceleration relating to the Transformation Development Efficiency Strategy. This is for the development of transformation projects funded by the capital receipts flexibility announced in the Autumn Statement 2015. This has a direct relationship to the availability of capital receipts and therefore, any changes in the timing or amount of receipts impacts upon this expenditure budget. The further slippage of £5.0 million relates to West Midlands Combined Authority (CA) – Land Remediation Fund where approval of bids for funding is now expected to commence in 2017/18.
- 3.6 There is re-profiling of £2.7 million for the People Directorate, the main items being slippage of £1.9 million on Sports Investment Strategy projects which is due to the need of further consideration on changing room building options for Barnhurst Land pitches and Synthetic Pitch at Our Lady & St Chad's School (this may also include gaining any required building consent), and the delay due to lease negotiations for Bilbrook Football Club (these are now resolved and the building work has commenced). Further slippage of £357,000 relates to Community Hubs which is due to awaiting confirmation of final costs and retentions on the existing projects, and finally, slippage of £250,000 relates to the Sexual Health project due to the current provider no longer pursuing the option detailed in their original business case and therefore Public Health are now looking at alternative estate options.
- 3.7 The £15.4 million re-profiling for the Place Directorate incorporates slippage of £2.4 million for Vehicles (Procurement) which is due to the requirement of revised procurement arrangements; £2.3 million slippage relating to Site Remediation Farndale - Courtaulds – Investigation project. This is due to the commencement of works being dependent upon on-going legal negotiations. A contract has now been awarded and the remediation works are beginning with a completion anticipated in 2017/18. Further £2.2 million slippage reflects the new construction programme for Black Country Growth Deal - Civic Halls Improvements project as the contractors now have been appointed; £1.8 million relates to the i54 Western Extension project due to on-going acquisition negotiations; a net slippage of £1.6 million for Bilston Urban Village next phase reflects a delay until external funding is secured and the slippage of some £1.0 million relates to Street Lighting programme. This is mainly due to the procurement processes and Official Journal of the European Union (OJEU) timescales - it is anticipated that mobilisation

works to fit LED lanterns will commence in 2017/18. Finally, slippage of £500,000 relates to Disabled Facilities Grant mainly due to the lack of staffing resource.

- 3.8 The projected forecast decrease of £2.0 million for the General Fund 2016/17 capital expenditure is a net position which is discussed below.
- 3.9 There is a forecast decrease of £2.5 million relating to the Transformation Development Efficiency Strategy which is linked to availability of capital receipts as explained in paragraph 3.5.
- 3.10 An increase of £516,000 for the Place Directorate is mainly due to the following; £204,000 for Site Remediation Farndale project which is reflecting the latest cost estimate for land remediation including contingency offset by third party contributions; £158,000 for Highway Improvement Programme is due to a favourable grant adjustment; and finally, £51,000 increase for Broadband Vouchers scheme is reflecting a final claim of the vouchers.

2017/18 to 2021/22 Approved budget

- 3.11 The latest financial monitoring information shown in Table 3 indicates that General Fund capital expenditure for 2017/18 to 2021/22 will be higher than the approved budget by £34.1 million. Of this, £28.7 million is due to re-profiling which is explained in paragraphs 3.5 to 3.7.
- 3.12 The projected budget increase of £5.4 million for the General Fund is discussed below.
- 3.13 An approval for a budget increase of £4.0 million is sought for the Maintenance of classified roads programme. This is required to support the continuation of works for the rolling programme. A further £1.3 million budget increase is proposed for the Maintenance of unclassified roads programme to support the continued capitalisation of surface dressing. Although the increases for both projects have been included in this report they are still subject to business cases being submitted. It is prudent to have the increases included for Treasury Management purposes.

Overall summary

- 3.14 A detailed analysis of projected net increase of capital expenditure totalling £3.4 million for existing projects can be found in Appendix A.
- 3.15 Requests for budget virements between existing projects for the General Fund and HRA totalling £1.5 million and £400,000 respectively are detailed in Appendix C.
- 3.16 Ancillary schedules of General fund works for approval are detailed in appendices D1 to D3.

3.17 This report incorporates four revenue budget reduction and income generation proposals which require capital resources and are subject to approval by this meeting and Council on 1 March 2017 as part of the Budget 2017/18 setting process, see report “2017/18 Budget and Medium Term Financial Strategy 2017/18 – 2019/20” on the agenda. The inclusion of the four projects in this report is on the assumption that approval will be given and therefore, their progression is dependent on that decision. The names of the budget reduction and income generation proposals/projects are:

- Waste & Recycling strategy - service transformation - £200,000 reduction in revenue budget
- Highways Management - £250,000 income generation
- Commercial Facilities - Northcote Farm - £100,000 income generation
- District Parking - £200,000 income generation

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

<http://www.wolverhampton.gov.uk/CHttpHandler.ashx?id=10927&p=0>

<http://www.wolverhampton.gov.uk/CHttpHandler.ashx?id=10917&p=0>

<http://www.wolverhampton.gov.uk/CHttpHandler.ashx?id=10909&p=0>

<http://www.wolverhampton.gov.uk/CHttpHandler.ashx?id=10900&p=0>

- 3.18 At the time of writing this report, an extensive review of the ICT capital programme is being undertaken within the Corporate Directorate. The review is to identify the future need requirements and the outcome will either be included in the next capital quarterly monitoring report or subject to a separate report to Councillors as appropriate.
- 3.19 It is anticipated that there will be a requirement for additional capital expenditure over the medium term in relation to secondary schools to accommodate forecast increases in place requirements. Comprehensive modelling is being undertaken to ensure that there is a complete picture of the utilisation of the current school estate, the specific future demands on schools and the options to meet this demand. The current estimate of additional work is approximately £55 million. Work is being undertaken to mitigate the cost to the council by exploring options to secure external funding, working with free schools in the City and maximising the utilisation of the existing school buildings. Further reports will be brought to councillors when more detail becomes available.
- 3.20 On 14 September 2016, Cabinet approved the detailed Business Plan for WV Living. Subsequently, on 21 September 2016, Council approved an increase to the Council's Capital Programme by up to a maximum of £40 million to enable loans to be made to WV Living to be repaid to the Council at commercial rates in accordance with the provisions

of the Business Plan. A separate report on this agenda provides an update on the business plan and details of the initial financing requirements. The report seeks approval to convert £1 million of loans into investment in share capital which will ensure that WV Living has an appropriate level of working capital.

- 3.21 As part of the Interchange Phase 1 (Bus station) project a Regional Infrastructure Finance (RIF) loan of £9.5 million was provided by Advantage West Midlands (AWM) to support the project. It was repayable in 2 tranches the first being made in June 2014 (£3.2 million) with the second scheduled for March 2018 (£6.3 million). Following the abolition of AWM the responsibility for the loan transferred over to the Homes and Communities Agency (HCA) and it required the first tranche to be repaid on the due date. Subsequently, it offered a grant payment of an equivalent sum to the Council for the development of I10 and I11 which was required to be spent by March 2015. HCA will be approached to seek to convert the remaining sum into a grant payment but without this agreement a budget will be required to be identified in order to make the repayment of the final tranche in March 2018.
- 3.22 Approval is also being sought to delegate authority to the Cabinet Member for Resources in consultation with the Director of Finance to approve the allocation of the provision of the 'Transformation Development Efficiency Strategy' to individual transformation projects. This is in order to benefit from the capital receipts flexibility announced in the Autumn Statement 2015 and is in line with the Medium Term Financial Strategy.

4.0 New projects and virements

- 4.1 Table 4 provides an analysis of forecast outturn for the new projects requiring approvals, covering the period 2016/17 to 2021/22, identifying where additional funding is required and where the new expenditure can be met from existing resources.

Table 4: Analysis of new projects requiring approval

Directorate	2016/17 - 2021/22		
	Forecast outturn	Additional resources required	Virements from existing projects
	£000	£000	£000
Corporate	-	-	-
People	290	240	50
Place	10,853	9,955	898
Total General Fund	11,143	10,195	948
Housing Revenue Account	-	-	-
Total HRA	-	-	-
Total Capital Programme	11,143	10,195	948

- 4.2 The new projects requiring approval are funded from a mixture of internal and external resources and virements of £948,000 from the existing projects as detailed in Appendix C.
- 4.3 The main new projects requiring approval (see additional resources in table 4) are discussed below.
- 4.4 The £240,000 for the People Directorate relates to the proposed new Children's Transformation - Whitmore Reans project for the extension and improvement of space for day nursery fully financed from Whitmore Reans Company Limited contributions.
- 4.5 Within the Place Directorate, £6.0 million relates to the City Learning Quarter project for site acquisitions in accordance with the site assemble strategy approved by Cabinet (Resources) Panel on the 7 February 2017; £2.5 million relates to the relocation of the retail market to Southside as agreed by Councillors at the Cabinet meeting of the 18 January 2017.
- 4.6 There are two new projects totalling £1.1 million requiring internal resources included in this report but which are subject to separate detailed project reports to Cabinet (Resources) Panel on 28 February 2017. The inclusion of these projects is for budget approval purposes and is on the assumption that the approval to progress with each project is given on 28 February 2017. As their progression is dependent on that decision, if the projects are not approved, the capital programme will be reduced accordingly. The names of the projects are:
- Art Gallery Improvement Scheme - £750,000
 - Development of Bantock House Complex - £350,000
- 4.7 New projects created through virements from the existing projects can be found in Appendix C with the main items discussed below.
- 4.8 There are two new projects proposed for the People Directorate relating to the project Aiming High for Disabled Children - £40,000 for Bentley Bridge Changing Places Toilet Facilities and £10,000 for Brickkiln Centre Changing Places Toilet Facilities. Both projects are for the design and build of accessible disabled toilets.
- 4.9 The virements for Place Directorate include establishment of new schemes for the following works; £683,000 for footway works within the Maintenance of unclassified road programme; £175,000 for disposal of Wolverhampton Environment Centre (WEC) relating to Disposals programme (Non-Strategic); and £40,000 for A41 Oxford Street (borough boundary) within Maintenance of classified roads programme for the structural maintenance works.

5.0 Medium term capital programme and budget strategy

5.1 Table 5 details the approved financing of the capital programme for 2016/17 to 2021/22 and incorporates the requested approvals for projects included in this report.

Table 5: Approved and forecast capital financing 2016/17 to 2021/22

General Fund	2016/17 to 2021/22			
	Approved budget	Recommended budget	Variance	Resource as % of expenditure
	£000	£000	£000	
Expenditure	299,931	314,492	14,561	
Financing				
Internal resources				
Capital receipts	27,738	29,646	1,908	9.4%
Prudential borrowing	187,259	198,530	11,271	63.1%
Revenue contributions	924	924	-	0.3%
Reserves	-	-	-	0.0%
Subtotal	215,921	229,100	13,179	72.8%
External resources				
Grants & contributions	84,010	85,392	1,382	27.2%
Subtotal	84,010	85,392	1,382	27.2%
Total General Fund	299,931	314,492	14,561	100.0%

Housing Revenue Account (HRA)	2016/17 to 2021/22			
	Approved budget	Recommended budget	Variance	Resource as % of expenditure
	£000	£000	£000	
Expenditure	263,607	263,607	-	
Financing				
Internal resources				
Capital receipts	25,512	25,512	-	9.7%
Prudential borrowing	126,115	126,115	-	47.8%
Reserves	110,377	110,377	-	41.9%
Subtotal	262,004	262,004	-	99.4%
External resources				
Grants & contributions	1,603	1,603	-	0.6%
Subtotal	1,603	1,603	-	0.6%
Total HRA	263,607	263,607	-	100.0%

5.2 Capital receipts totalling £29.6 million have been assumed within the General Fund capital programme for quarter three and can be seen in Table 6. This is an increase of £1.9 million when compared to the approved budget, which has arisen as a net result of increased forecast from sales totalling £2.2 million and some £314,000 due to re-profiling of receipts and capital requirements. In order to be prudent a detailed review of the schedule of disposals is undertaken to identify only those that are highly likely to be

completed. The planned utilisation of capital receipts reflects the need to balance the benefit for both the capital programme and the revenue budget.

Table 6: Receipts assumed in the revised General Fund capital programme

	Projected						Total £000
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	
	£000	£000	£000	£000	£000	£000	
General Fund capital receipts	6,200	5,200	16,600	1,600	-	-	29,600

5.3 Council, on the 15 July 2015, approved the capital financial strategy relating to the approval of future capital projects, the declaration of identified underspends and the use of capital receipts to reduce the Council's need to borrow to fund the approved capital programme. As a consequence of this, except for the inclusion of the continuation of the transportation rolling programme of works, no new projects have been included in the 2021/22 financial year. Capital expenditure has a direct impact upon the Council's revenue budgets and therefore needs to be restricted to projects essential to the Council's priorities. Any proposals to increase the level of the capital programme are considered via a capital appraisal mechanism for value for money and appropriateness based on the current financial climate prior to approval being sought from Councillors.

6.0 Key budget risks

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

<http://www.wolverhampton.gov.uk/CHttpHandler.ashx?id=8498&p=0>

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

7.0 Financial implications

7.1 The financial implications are discussed in the body of this report. The revenue implications of the new projects seeking approval can be seen in the table below and are fully reflected in the treasury management budgets included in the report '2017/18 Budget and Medium Term Financial Strategy 2017/18 – 2019/20' also on the agenda for approval at this meeting.

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Forecast cumulative impact:						
interest	62	209	240	240	240	240
minimum revenue provision	-	56	170	200	232	280
Net revenue cumulative impact for General Fund	62	265	410	440	472	520

[SH/02022017/R]

8.0 Legal implications

- 8.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.
- 8.2 The Local Government Act 2003 brought in the current regime for capital finance for local authorities. It reduced the level of central control over local authority borrowing and capital expenditure.
- 8.3 The Council is required to comply with statutory codes of practice including current Financial Procedure Rules and the Prudential Code for Capital Finance in Local Authorities and Treasury Management in Public Services.
- 8.4 The legal framework therefore places a greater responsibility on Cabinet Members to ensure properly managed borrowing and capital expenditure without the need for government consent.
- 8.5 The main principles of the framework are prudence, sustainability and affordability. These statutory requirements are taken into account when making recommendations about the revised medium term General Fund capital programme.

[TS/10022016/Y]

9.0 Corporate landlord implications

- 9.1 Projects funded and delivered through the Council's capital programme typically have significant impact on the Council's property portfolio. Corporate landlord implications must be considered and included in relevant documents and reports when individual capital projects and programmes are being developed.

10.0 Equalities implications

- 10.1 Under the Equality Act 2010, the Council has a statutory duty to pay due regard to the impact of how it carries out its business on different groups of people. This is designed to help the Council identify the particular needs of different groups and reduce the likelihood of discrimination; the nine equality strands covered by the legislation are:
- Age
 - Disability
 - Gender reassignment
 - Pregnancy and Maternity
 - Religion or Belief
 - Race
 - Sex
 - Sexual Orientation
 - Marriage and Civil Partnership (this strand only applies to employment and not to service delivery).

These strands include everyone.

- 10.2 Cabinet Members should also be aware that under the Equality Act 2010, they must have due regard to the Public Sector Equality Duty when making budget decisions. What this means in practice is that Cabinet Members must consciously think about the three aims of the Public Sector Equality Duty as part of the decision making process, the three aims are to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation.
 - Advance equality of opportunity by removing or minimising disadvantages, meet differing needs and encourage participation.
 - Foster good relations between people from different groups.
- 10.3 Consideration of equality issues must influence the decisions reached by public bodies including:
- How they act as employers.
 - How they design, deliver and evaluate services.
 - How they commission and procure from others.
- 10.4 The Brown Principles, established as a result of a legal case concerning Post Offices closures in 2008, provide an important checklist when making decisions:
- Decision makers must be made aware of their duty to have due regard to the identified goals.
 - Due regard must be fulfilled before and at the time that a particular decision is being considered, not afterwards.
 - The duty must be exercised in substance, with rigour and with an open mind. It is not a question of ticking boxes.
 - The duty is not delegable; it must be fulfilled by the organisation in question rather than through the use of an external body to do it to the organisation.
 - The duty is a continuing one.
 - It is good practice to keep an adequate record showing that it has considered the identified needs.
- 10.5 There is a range of individual projects delivered through the Council's capital programme that have significant impacts on specific groups and equality implications should be considered when individual capital schemes are being developed.
- 10.6 This requirement would also apply if there were to be any redirection of capital funding in year so as to ensure that the impact of any changes is considered.

11.0 Environmental implications

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

12.0 Schedule of background papers

- 12.1 Capital budget quarter two monitoring 2016/17 – Report to Cabinet on 30 November 2016, Council on 14 December 2016.
- 12.2 War Memorial Restoration Oxford Street, Bilston – Report to Cabinet (Resources) Panel on 10 January 2017.
- 12.3 Housing Revenue Account business plan (including 2017/18 budget rents and service charges) – Report to Cabinet on 18 January 2017, Council on 1 February 2017.
- 12.4 Westside delivery strategy update – Report to Cabinet on 18 January 2017.
- 12.5 Bilston Urban Village – Report to Cabinet (Resources) Panel on 7 February 2017.
- 12.6 City Learning Quarter – Potential Property Solutions – Report to Cabinet (Resources) Panel on 7 February 2017.
- 12.7 Department of Health Housing and Technology Capital Fund 2016-2017– Report to Cabinet (Resources) Panel on 7 February 2017.
- 12.8 Ring Road/Snow Hill Traffic Signal Upgrade – Pedestrian Countdown Timers – Individual Executive Decision Notice signed off on 7 February 2017.

13.0 Schedule of appendices

Appendix	Title
A	Analysis of projected change in expenditure
B	Projects requiring approval
C	Virements
D	Ancillary schedule of works

Analysis of projected change in expenditure for existing projects

Appendix A

Corporate	Approved budget	Forecast outturn	Forecast change in expenditure	Financing		
	£000	£000	£000	Virements £000	Internal resources £000	External resources £000
GF - Business Improvement District Change reflects a virement to approve as detailed in Appendix C.	7	-	(7)	(7)	-	-
Corporate Contingency Change reflects a virement to approve as detailed in Appendix C.	957	1,000	43	(128)	171	-
Transformation Development Efficiency Strategy Change reflects a decreased capital receipt availability for the development of transformation projects funded by the capital receipts flexibility announced in the Autumn Statement 2015.	23,618	22,096	(1,522)	-	(1,522)	-
ICT Disaster Recovery Change reflects a virement to approve as detailed in Appendix C.	537	100	(437)	(437)	-	-
ICT Desktop Refresh Change reflects a virement to approve as detailed in Appendix C.	1,782	2,219	437	437	-	-
Bilston Retail Market - Statutory works to upgrade electrics Change reflects a virement to approve as detailed in Appendix C.	40	35	(5)	(5)	-	-
Wednesfield Retail Market - Statutory works to upgrade electrics Change reflects a virement to approve as detailed in Appendix C.	8	5	(3)	(3)	-	-
Subtotal	26,949	25,455	(1,494)	(143)	(1,351)	-

People	Approved budget	Forecast outturn	Forecast change in expenditure	Financing		
	£000	£000	£000	Virements £000	Internal resources £000	External resources £000
Electronic Social Care Records Capital scheme complete and funds returned. Grant to be used elsewhere.	12	-	(12)	-	-	(12)
Aiming High for Disabled Children - Provision for future programmes Change reflects a virement to approve as detailed in Appendix C.	76	26	(50)	(50)	-	-
Subtotal	88	26	(62)	(50)	-	(12)

Analysis of projected change in expenditure for existing projects

Appendix A

Place - Non Housing	Approved budget	Forecast outturn	Forecast change in expenditure	Virements	Financing Internal resources	External resources
	£000	£000	£000			
Future Spaces						
Change reflects a virement to approve as detailed in Appendix C.	18,690	18,833	143	143	-	-
Broadband Vouchers						
Change reflects a final claim of vouchers .	120	171	51	-	-	51
Site Remediation Farndale						
The proposed increase reflects the latest cost estimate for land remediation including contingency offset by third party contributions. Slippage is proposed reflecting the revised spend profile aligned to anticipated project completion date.	3,231	3,435	204	-	-	204
Maintenance of classified roads						
Change reflects a virement to approve as detailed in Appendix C and the inclusion of budget for future years to support the continuation of the transportation rolling programme of works.	7,059	11,433	4,374	374	4,000	-
Network Development - Safer Routes to School						
Change reflects a virement to approve as detailed in Appendix C.	20	30	10	10	-	-
Maintenance of unclassified roads						
Change reflects a virement to approve as detailed in Appendix C and the inclusion of budget for future years to support the continued capitalisation of surface dressing.	7,294	8,298	1,004	(316)	1,320	-
Highway Improvement Programme						
Change reflects a virement to approve as detailed in Appendix C offset by a favourable grant adjustment.	3,367	3,030	(337)	(491)	-	154
Street Lighting						
Change reflects a virement to approve as detailed in Appendix C.	5,276	5,026	(250)	(250)	-	-
Disabled Access (rolling programme)						
Change reflects a virement to approve as detailed in Appendix C.	120	70	(50)	(50)	-	-
Disposals Programme (Non-Strategic)						
Change reflects a virement to approve as detailed in Appendix C.	1,145	970	(175)	(175)	-	-
Subtotal	-	-	-	-	-	-
Grand total General Fund			3,418	(948)	3,969	397

Housing Revenue Account	Approved budget	Forecast outturn	Forecast change in expenditure	Virements	Financing Internal resources	External resources
	£000	£000	£000			
Tower and Fort Works						
Change reflects a virement to approve as detailed in Appendix C.	2,000	2,400	400	400	-	-
Contingency						
Change reflects a virement to approve as detailed in Appendix C.	12,867	12,467	(400)	(400)	-	-
Grand total HRA			-	-	-	-
Total Capital Programme			3,518	(948)	4,069	397

Projects requiring approval

Appendix B

New projects created from existing resources - virements	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
A full set of virements can be found in Appendix C	£000	£000	£000	£000	£000	£000	£000
General Fund							
Aiming High for Disabled Children - Brickkiln Changing Places Toilet Facilities A new scheme is proposed to design and build accessible disabled toilets in the Brickkiln Centre.	10	-	-	-	-	-	10
Aiming High for Disabled Children - Bentley Bridge Changing Places Toilet Facilities A new scheme is proposed to design and build accessible disabled toilets in the Bentley Bridge shopping Centre.	-	40	-	-	-	-	40
Maintenance of unclassified roads - Footway works Establishment of an individual project for footway works within the Maintenance of unclassified roads programme funded by reprioritisation of existing Transportation budgets.	-	683	-	-	-	-	683
Maintenance of classified roads - A41 Oxford Street (borough boundary) Approval to structural maintenance works on the A41 Oxford Street borough boundary, under the Highway Maintenance Challenge funded programme of works.	40	-	-	-	-	-	40
Disposals programme - Wolverhampton Environment Centre (WEC) Approval is sought to the inclusion of a new project in relation to the disposal of Wolverhampton Environment Centre and additional budget requirement. Additional budget is required as match funding in order to sign and accept an European Regional Development Fund (ERDF) bid for the same amount. A report will be presented to Cabinet (Resources) Panel on 28 February 2017.	-	175	-	-	-	-	175
Subtotal expenditure	50	898	-	-	-	-	948
Financing							
Internal resources	-	175	-	-	-	-	175
External resources	50	723	-	-	-	-	773
Subtotal financing	50	898	-	-	-	-	948

Projects requiring approval

Appendix B

New projects created from additional resources	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
General Fund							
Children's Transformation - Whitmore Reans Improvement to Council asset. Extension to ground floor plus internal reconfiguration to provide space for continued operation of a day nursery within the strengthening families hub fully financed from Whitmore Reans contribution.	240	-	-	-	-	-	240
Accessing Growth Fund - A4123 Birmingham New Road - development funding Approval sought to a new scheme for development works on A4123 Birmingham New Road as a result of a successful bid for Local Growth Funding via the Local Enterprise Partnership (LEP).	30	120	-	-	-	-	150
Market Relocation to Southside Approval is sought for a budget of £2.5 million for the relocation of the retail market to the Southside in accordance with the strategy agreed by Cabinet on 18 January 2017.	100	2,400	-	-	-	-	2,500
City Learning Quarter Approval is sought for a budget of £6.0 million for site acquisitions in the City Learning Quarter, in accordance with the site assembly strategy approved by Cabinet (Resources) Panel on 7 February 2017.	2,300	3,700	-	-	-	-	6,000
Development of Bantock House Complex and Gardens Approval is sought to a capital allocation of £350,000 for the proposed development of Bantock House Complex and Gardens, fully funded from additional income generated by the café subject to approval of the scheme details in a separate report to Cabinet (Resources) Panel.	10	340	-	-	-	-	350
Art Gallery Improvement Scheme Approval is sought to a capital allocation of £750,000 towards the proposed development of the Central Art Gallery, which will include re-location of the café, improvements to the entrance of the building and refurbishment of the upstairs exhibitions spaces. Approval will be sought as part of a separate report to Cabinet (Resources) Panel to the scheme details which will be fully funded through additional income generated at the site.	30	720	-	-	-	-	750
Disposals programme (Non-Strategic) - Wolverhampton Environment Centre (WEC) Approval is sought to the inclusion of a new project in relation to the disposal of Wolverhampton Environment Centre and additional budget requirement. Additional budget is required as match funding in order to sign and accept an European Regional Development Fund (ERDF) bid for the same amount. A report will be presented to Cabinet (Resources) Panel on 28 February 2017.	-	205	-	-	-	-	205
Subtotal expenditure	2,710	7,485	-	-	-	-	10,195
Financing							
Internal resources	2,440	7,365	-	-	-	-	9,805
External resources	270	120	-	-	-	-	390
Subtotal financing	2,710	7,485	-	-	-	-	10,195
Grand total General Fund expenditure	2,760	8,383	-	-	-	-	11,143
Financing							
Internal resources	2,440	7,540	-	-	-	-	9,980
External resources	320	843	-	-	-	-	1,163
Grand total financing	2,760	8,383	-	-	-	-	11,143

Virements for approval

Appendix C

Directorate	Capital project	Virement			Comments
		Existing project £000	Existing project £000	New project £000	
Corporate	Aldersley Leisure Village Enhancements	(70)	-	-	A virement is proposed to reflect reallocation of resources across the projects within the Leisure Centre Enhancement Programme.
Corporate	Central Baths Enhancements	-	50	-	
Corporate	Central Gym Equipment	-	20	-	
Corporate	ICTS - Disaster Recovery	(437)	-	-	A virement is proposed to reflect reallocation of resources across the schemes within the ICTS programme. The constantly changing and complex IT environment poses significant challenges and leads to a constant rescheduling of works.
Corporate	ICTS - General Programme (Upgrades)	(48)	-	-	
Corporate	ICTS - General Programme (Future Developments)	(32)	-	-	
Corporate	ICTS - Desktop Refresh	-	437	-	
Corporate	ICTS - General Programme (Refresh)	-	73	-	
Corporate	ICTS - General Programme (Infrastructure Upgrades)	-	7	-	
Corporate	Business Improvement District Loan	(7)	-	-	Virements to the Corporate Contingency budget are proposed due to a second payment to the Bilston Improvement District company being no longer required and the final payments for Market schemes are forecasted to be marginally lower than anticipated.
Corporate	Bilston Retail Market - Statutory works to upgrade electric	(5)	-	-	
Corporate	Wednesfield Retail Market - Statutory works to upgrade electrics	(3)	-	-	
Corporate	Corporate Contingency	-	15	-	
Corporate Place	Corporate Contingency Future Spaces	(143) -	- 143	-	A virement is proposed to fund project management costs for a two year period.
People	Aiming High for Disabled Children - Provision for future programmes	(50)	-	-	A virement is proposed from the provision for Aiming High future programmes to fund the design and build of disabled toilets at the Brickkiln Centre and Bentley Bridge shopping centre.
People	Aiming High for Disabled Children - Bentley Bridge Changing Places Toilet Facilities	-	-	40	
People	Aiming High for Disabled Children - Brickkiln Changing Places Toilet Facilities	-	-	10	
Place	Highway Improvement Programme	(491)	-	-	Virements are proposed to reflect reallocation of resources across projects within the Transportation capital programme to align with current prioritisations and the inclusion of a new project.
Place	Maintenance of unclassified roads	(266)	-	-	
Place	Maintenance of classified Roads	-	707	-	
Place	Maintenance of classified Roads - A41 Oxford Street (borough boundary)	-	-	40	
Place	Network Development - Safer Routes to School	-	10	-	
Place	Maintenance of classified Roads	(333)	-	-	Virements proposed reflect the inclusion of an individual project for footway works within the maintenance of unclassified roads programme of works.
Place	Street Lighting	(250)	-	-	
Place	Disabled Access (rolling programme)	(50)	-	-	
Place	Maintenance of unclassified roads - Provision for future programmes	(50)	-	-	
Place	Maintenance of unclassified roads - Footway works	-	-	683	
Place	Disposals Programme (Non-Strategic)	(175)	-	-	The proposed virement reflect the inclusion of the new project for the Wolverhampton Environment Centre under the Disposals Programme for which approval is being sought from this meeting.
Place	Wolverhampton Environment Centre (WEC)	-	-	175	
Total General Fund		(2,410)	1,462	948	
Housing Revenue Account					
HRA	Contingency	(400)	-	-	The cost of the new build Tower and Fort Works site for council housing has been finalised at £2.4 million. This will require a budget virement of £400,000 for 2017/18 to be transferred from Contingency.
HRA	Tower and Fort Works	-	400	-	
Total HRA		(400)	400	-	
Total		(2,810)	1,862	948	

Schedule of works - Corporate

Appendix D1

ICT capital programme	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
Main programme:							
Provision for Future Developments	84	330	200	200	-	-	814
Emergency Projects	100	-	-	-	-	-	100
Security Enhancement							
Network Access Control	30	-	-	-	-	-	30
Network Intruder Detection	10	-	-	-	-	-	10
Penetration Testing and IT Health Check	50	13	13	-	-	-	76
Internal Security Testing Tools	-	10	-	-	-	-	10
	90	23	13	-	-	-	126
Refresh							
Microsoft Enterprise Agreement	480	600	600	600	-	-	2,280
Storage Refresh							
Increase Storage Capacity	30	30	30	-	-	-	90
Upgrade / Replace Filers	450	-	-	450	-	-	900
Upgrade / Replace Data Domain	-	150	-	200	-	-	350
	480	180	30	650	-	-	1,340
Upgrades							
Replace / Upgrade Firewalls	-	-	50	-	-	-	50
Sharepoint Development	85	-	-	-	-	-	85
Gladstone E-Booking Solution	150	-	-	-	-	-	150
Agresso Milestone 6 Modules	86	-	-	-	-	-	86
WV Active Kiosk	36	-	-	-	-	-	36
	357	-	50	-	-	-	407
Infrastructure Upgrades							
Telephony Improvement	-	50	-	-	-	-	50
Core network infrastructure upgrade	-	-	150	-	-	-	150
Network Hardware Refresh	50	20	20	20	-	-	110
Expand production Virtual Machine environment and production Demilitarised Zone environment	-	30	-	30	-	-	60
System Centre Configuration Manager / System Centre Operations Manager	10	-	-	-	-	-	10
Office 365	21	-	-	-	-	-	21
Expand Secondary Data Centre Virtual Server Farm	15	-	30	-	-	-	45
Migrate to Windows 10	30	-	-	-	-	-	30
Hybrid Mail and Printing	90	-	-	-	-	-	90
"GOSS" Events Module	-	-	-	-	-	-	-
Civic Centre Infrastructure Upgrade	115	330	-	-	-	-	445
Application Rationalisation and Software As A Service	-	100	-	-	-	-	100
Auditing Tools and Log Management Solution	-	100	-	-	-	-	100
Telephony Refresh	-	10	10	10	-	-	30
Civic Centre Wireless Upgrade	-	-	-	40	-	-	40
Replace/Upgrade System Centre Appliance	-	-	-	60	-	-	60
	331	640	210	160	-	-	1,341
Data Centres							
Additional Data Cabinets	-	2	2	2	-	-	6
Air conditioning	-	20	-	-	-	-	20
Data centre decommission and deep clean	-	5	-	5	-	-	10
Replace Uninterruptable Power Supply Batteries	-	5	15	-	-	-	20
Uninterruptable Power Supply Direct Current & Alternating Current Capacitor Replacement	-	15	-	5	-	-	20
	-	47	17	12	-	-	76
Main programme total	1,922	1,820	1,120	1,622	-	-	6,484
Desktop Refresh	1,719	500	-	-	-	-	2,219
Disaster Recovery	-	100	-	-	-	-	100
Total ICT capital programme	3,641	2,420	1,120	1,622	-	-	8,803

Schedule of works - Corporate

Appendix D1

WV Active - Leisure Centres	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Bert Williams Leisure Centre	-	11	-	-	-	-	11
Leisure Centre Enhancement Programme							
Aldersley Leisure Village Enhancement	232	-	-	-	-	-	232
Bert Williams Enhancements	19	-	-	-	-	-	19
Central Baths Enhancement	160	-	-	-	-	-	160
Aldersley Velodrome fence refurbishment	125	-	-	-	-	-	125
WV Active Central Baths gym equipment	70	-	-	-	-	-	70
Central Baths gym building works	50	-	-	-	-	-	50
Total WV Active - Leisure Centres capital programme	656	11	-	-	-	-	667

Schedule of works - Corporate

Appendix D1

Schools Capital Maintenance	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Boiler upgrades/replacement pipework/heaters:							
Bantock Primary - re-pipe heating	157	-	-	-	-	-	157
Oxley Primary - re-pipe heating	13	-	-	-	-	-	13
Ashmore Park Primary - replacement calorifier	7	-	-	-	-	-	7
Dovecotes - replacement heating	100	-	-	-	-	-	100
Dovecotes - replacement hot and cold water	21	-	-	-	-	-	21
Graiseley Primary - replacement cold water main and pipework	72	-	-	-	-	-	72
Long Knowle Primary - replacement pipework	147	-	-	-	-	-	147
Spring Vale Primary - replacement heating system pipework	80	-	-	-	-	-	80
Spring Vale Primary - replacement domestic hot and cold water	52	-	-	-	-	-	52
Spring Vale Primary - upgrade gas main to boiler house	21	-	-	-	-	-	21
St Andrew's Church of England Primary - replacement boiler plant and control panel	49	-	-	-	-	-	49
Woodfield Junior - refurbishment of playground boiler house	36	-	-	-	-	-	36
Woodthorne Primary - replacement of boiler plant and controls to infant block	64	-	-	-	-	-	64
Braybrook Centre - boiler replacement	60	-	-	-	-	-	60
Provision for future programmes	162	-	-	-	-	-	162
	1,041	-	-	-	-	-	1,041
Development Plans:							
Provision for future programmes	40	-	-	-	-	-	40
Roof replacements and ceilings:							
Bilston Nursery - replacement tiles to roof	125	-	-	-	-	-	125
	50	-	-	-	-	-	50
Christ Church Church of England Junior - replacement roof covering	50	-	-	-	-	-	50
D'Eyncourt Primary - replacement roof covering	38	-	-	-	-	-	38
Merridale Primary - replacement ceiling to lobby	15	-	-	-	-	-	15
St Thomas Church of England - replacement roof covering	35	-	-	-	-	-	35
Stow Heath Primary - replacement roof to Nursery	28	-	-	-	-	-	28
Whitgreave Junior - replacement roof covering	24	-	-	-	-	-	24
Wodensfield Primary - replacement ceiling	33	-	-	-	-	-	33
Moreton Primary - repairing pitched roofs	17	-	-	-	-	-	17
Contribution to Children's transformation project The Avenues/ Barnhurst	100	-	-	-	-	-	100
Provision for future programmes	116	-	-	-	-	-	116
	581	-	-	-	-	-	581
Window upgrade:							
Claregate Primary - replacement classroom windows	44	-	-	-	-	-	44
Broadmeadow Nursery - replacement classroom windows	25	-	-	-	-	-	25
Hill Avenue Primary - replacement class room windows	30	-	-	-	-	-	30
Merridale Primary - replacement windows and roof lights	20	-	-	-	-	-	20
Woodthorne Primary - replacenment hall windows	36	-	-	-	-	-	36
Provision for future programmes	32	-	-	-	-	-	32
	187	-	-	-	-	-	187
Asbestos removal:							
Merridale Primary	5	-	-	-	-	-	5
Parkfield Primary	11	-	-	-	-	-	11
Moreton School	8	-	-	-	-	-	8
Villiers Primary	9	-	-	-	-	-	9
Woodthorne Primary	16	-	-	-	-	-	16
Warstones Primary	15	-	-	-	-	-	15
Wodensfield Primary	9	-	-	-	-	-	9
Claregate Primary	13	-	-	-	-	-	13
Colton Hills Primary	15	-	-	-	-	-	15
Penn Hall Primary	5	-	-	-	-	-	5
Graiseley Primary	16	-	-	-	-	-	16
Stow Heath Primary	20	-	-	-	-	-	20
Provision for future schemes	19	-	-	-	-	-	19
	161	-	-	-	-	-	161

Schedule of works - Corporate

Appendix D1

Schools Capital Maintenance (continued)	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2020/21 £000	Total £000
Structural/demolition/external works/security							
Goldthorn Park Primary – replacement floor screeds	90	-	-	-	-	-	90
Whitgreave Infants - rebuild retaining wall	2	-	-	-	-	-	2
Bantock - replacement fire escape (linked to new kitchen/dining room)	100	-	-	-	-	-	100
Castlecroft Primary - playground resurfacing	155	-	-	-	-	-	155
D'Eyncourt Primary - resurface car park	-	30	-	-	-	-	30
Kingston Centre - lift refurbishment	10	-	-	-	-	-	10
Woodfield Junior - drainage work	150	-	-	-	-	-	150
Provision for future programmes	3	-	-	-	-	-	3
	510	30	-	-	-	-	540
Rewiring and electrical upgrades (Planned Maintenance):							
Graiseley Primary - emergency lighting	24	-	-	-	-	-	24
Castlecroft Primary - electrical remedial works	8	-	-	-	-	-	8
Christ Church Junior - electrical remedial works	20	-	-	-	-	-	20
Claregate Primary - electrical remedial works	19	-	-	-	-	-	19
Dovecotes Primary - electrical remedial works	20	-	-	-	-	-	20
Goldthorn Park Primary - electrical remedial works	20	-	-	-	-	-	20
Graiseley Primary - electrical remedial works	22	-	-	-	-	-	22
Lanesffels Primary - electrical remedial works	16	-	-	-	-	-	16
Parkfield Primary - electrical remedial works	28	-	-	-	-	-	28
Spring Vale Primary - electrical remedial works	54	-	-	-	-	-	54
St Andrew's Primary - electrical remedial works	38	-	-	-	-	-	38
West Park Primary - electrical remedial works	30	-	-	-	-	-	30
Whitgreave Infants - electrical remedial works	20	-	-	-	-	-	20
Whitgreave Junior - electrical remedial works	11	-	-	-	-	-	11
Woodthorne Primary - electrical remedial works	29	-	-	-	-	-	29
Grove Primary - electrical remedial works	15	-	-	-	-	-	15
	374	-	-	-	-	-	374
Toilet/cloakroom upgrade:							
Orchard Centre	20	-	-	-	-	-	20
Contingency for emergency works							
Colton Hills - closed circuit TV	45	-	-	-	-	-	45
New Park - fire alarm	3	-	-	-	-	-	3
Wood End Primary - extra works	7	-	-	-	-	-	7
	55	-	-	-	-	-	55
Uncommitted Balance of Capital Maintenance (Provision for future programmes)	213	2,032	-	-	-	-	2,245
Total Schools Capital Maintenance capital programme	3,182	2,062	-	-	-	-	5,244

Schedule of works - Corporate

Appendix D1

Building Schools for the Future programme	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Sample:							
The Kings School	65	-	-	-	-	-	65
Phase 1:							
South Wolverhampton and Bilston Academy	27	-	-	-	-	-	27
Wednesfield High	14	-	-	-	-	-	14
	41						41
Phase 2:							
St Edmunds/Compton Park Site	59	-	-	-	-	-	59
Moreton Community School	155	-	-	-	-	-	155
Our Lady & St Chads	31	-	-	-	-	-	31
	245						245
Phase 3:							
North East Academy	25	-	-	-	-	-	25
Smestow	28	-	-	-	-	-	28
Westcroft	122	-	-	-	-	-	122
Deansfield Compensation	39	-	-	-	-	-	39
Heath Park Arts Block	150	-	-	-	-	-	150
Provision for future programmes	83	-	-	-	-	-	83
VAT Adjustments:							
St Edmund's	19	-	-	-	-	-	19
Our Lady and St Chad Catholic Academy	7	-	-	-	-	-	7
	473						473
Building Schools for the Future programme (continued)	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
BSF - ICTS Infrastructure Schemes:							
St Peter's Church of England School	75	-	-	-	-	-	75
Deansfield	334	-	-	-	-	-	334
Heath Park	229	-	-	-	-	-	229
Provision for future schemes	1,039	-	-	-	-	-	1,039
	1,677						1,677
Total BSF capital programme	2,501						2,501

Primary School Expansion Programme	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Phase 1 & 2							
Dunstall Hill Primary	3,350	50	-	-	-	-	3,400
Fallings Park Primary	250	-	-	-	-	-	250
Trinity Church of England Primary	1,300	85	-	-	-	-	1,385
	4,900	135					5,035
Phase 3							
Bilston Primary	1,100	50	-	-	-	-	1,150
Bushbury Hill	60	-	-	-	-	-	60
Eastfield Primary	80	20	-	-	-	-	100
Loxdale Primary	50	-	-	-	-	-	50
Manor Primary	2,100	100	-	-	-	-	2,200
St Martin's Primary	750	30	-	-	-	-	780
Stowlawn Primary	50	-	-	-	-	-	50
Westacre Infant	40	-	-	-	-	-	40
West Park Primary	70	-	-	-	-	-	70
St Mary's Roman Catholic Primary	1,900	100	-	-	-	-	2,000
Holy Trinity Roman Catholic Primary	470	22	-	-	-	-	492
Lanesfield Primary	300	22	-	-	-	-	322
St Bart's Primary	500	50	-	-	-	-	550
Villiers Primary	420	25	-	-	-	-	445
Future expansion programmes	1,228	4,227	-	-	-	-	5,455
	9,118	4,646					13,764
Contingency	1,427	146					1,573
Total Primary School Expansion capital programme	15,445	4,927					20,372

Schedule of works - People

Appendix D2

Sports Investment Strategy	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Barnhurst Land Pitches	50	694	-	-	-	-	744
Synthetic Pitch at Our Lady & St Chad's School	50	323	-	-	-	-	373
Aldersley Synthetic Pitch	12	-	-	-	-	-	12
Bilbrook Football Club	553	237	-	-	-	-	790
Peace Green sport facilities	-	180	-	-	-	-	180
Provision for future programmes	-	457	-	-	-	-	457
Bowling provision	102	-	-	-	-	-	102
Cricket provision	104	-	-	-	-	-	104
Total Sports Investment Strategy capital programme	871	1,891	-	-	-	-	2,762

Co-location Programme	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Children's Transformation - Avenues	50	-	-	-	-	-	50
Children's Transformation - Barnhurst	289	-	-	-	-	-	289
Children's Transformation - Bingley	59	-	-	-	-	-	59
Children's Transformation - Graiseley	34	-	-	-	-	-	34
Youth Centre Epic Café - retention payment	12	-	-	-	-	-	12
Children's Transformation - Whitmore Reans	240	-	-	-	-	-	240
Total Co-location capital programme	684	-	-	-	-	-	684

Children in Need - Aiming High for Disabled Children	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Mander Centre Changing Place toilet facilities	26	-	-	-	-	-	26
Civic Centre Changing Place toilet facilities	-	40	-	-	-	-	40
Brickkiln Changing Places toilet facilities	10	-	-	-	-	-	10
Bentley Bridge Changing Places toilet facilities	-	40	-	-	-	-	40
Provision for future programmes	-	26	-	-	-	-	26
Total Children in Need - Aiming High for Disabled Children capital programme	36	106	-	-	-	-	142

Community Hubs	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Ashmore Park	15	-	-	-	-	-	15
Wednesfield	8	123	-	-	-	-	131
Long Knowle	-	9	-	-	-	-	9
Low Hill	100	-	-	-	-	-	100
Provision for future programmes	-	225	-	-	-	-	225
Total Community Hubs capital programme	123	357	-	-	-	-	480

Early Education - Two Year Education Pilot	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Terrific Two's - External Grants	222	-	-	-	-	-	222
Terrific Two's - Gatis Street	40	-	-	-	-	-	40
Terrific Two's - Children's Village	150	-	-	-	-	-	150
Terrific Two's - Trinity School	33	-	-	-	-	-	33
Total Early Education - Two Year Education Pilot capital programme	445	-	-	-	-	-	445

Schedule of works - Place

Appendix D3

Corporate Asset Management Programme	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Planned Programme of Enhancements							
Beckminster - boiler replacement	17	-	-	-	-	-	17
Bert Williams Leisure Centre - supply and install new pressurisation unit plant	11	-	-	-	-	-	11
Bilston Community Centre - windows replacement	6	-	-	-	-	-	6
Bradley Lodge Resource Centre - rewiring and electrical upgrade	10	-	-	-	-	-	10
Central Baths - changing rooms refurbishment	60	-	-	-	-	-	60
Central Baths - lift replacment	60	-	-	-	-	-	60
Central Library - external redecoration	15	-	-	-	-	-	15
Dunstall Community Centre - rewiring and electrical upgrade	6	-	-	-	-	-	6
Grand Theatre - balustrade strengthening	4	12	-	-	-	-	16
Merry Hill House - new entrance door system	3	-	-	-	-	-	3
Park Village Media Centre - boiler and gates replacement	21	-	-	-	-	-	21
Peach Tree APG - roof replacement	14	-	-	-	-	-	14
Upper Pendeford Farm - new boiler installation	30	-	-	-	-	-	30
Wolverhampton Art Gallery - lighting works	67	-	-	-	-	-	67
Wolverhampton Art Gallery - replace humidifier unit	20	-	-	-	-	-	20
Wolverhampton Art Gallery - stone works	30	-	-	-	-	-	30
	374	12	-	-	-	-	386
Statutory compliance measures							
Avion Centre - resurfacing of car park	45	-	-	-	-	-	45
Bantock House - boiler replacement	6	-	-	-	-	-	6
Bantock House - external improvements	2	-	-	-	-	-	2
Bantock House - replace platform lift	12	-	-	-	-	-	12
Barnhurst Family Centre - installation of new heating plant	36	-	-	-	-	-	36
Central Baths - replace, rewire BMS & relocation of AHU plant controls and install defence wall to prevent floods from damaging plant	40	-	-	-	-	-	40
Fordhouse Rd Industrial Estates - electrical and refurbishment works	100	-	-	-	-	-	100
Landport Rd Industrial Estates - electrical and refurbishment works	24	-	-	-	-	-	24
Low Hill Offices - electrical rewiring and lighting	80	-	-	-	-	-	80
Loxdale St Industrial Estates - electrical and refurbishment works	20	-	-	-	-	-	20
New Enterprise Centre Industrial Estates - electrical and refurbishment works	15	-	-	-	-	-	15
Rooker Avenue Changing Rooms - demolition	-	64	-	-	-	-	64
Towers The Outdoor Education Centre - rewiring	21	-	-	-	-	-	21
Unit 21 New Enterprise Centre - rewiring	5	-	-	-	-	-	5
Unit 28/29 Fordhouse Road - rewiring	4	-	-	-	-	-	4
West Park Conservatory - replacement of window frames	65	-	-	-	-	-	65
Wolverhampton Art Gallery - automation of doors	10	-	-	-	-	-	10
	485	64	-	-	-	-	549
Minor Works Programme for Adult's Social Care Fund							
Duke Street Bungalows - rewiring	19	-	-	-	-	-	19
Minor Works Programme for Children's Social Care Fund							
Priory Green Offices - boiler replacements	100	-	-	-	-	-	100
Towers Outdoor Education Centre - window replacement	21	-	-	-	-	-	21
	121	-	-	-	-	-	121
Internal/external renovation/refurbishment/restoration							
Bantock House	19	-	8	-	-	-	27
Bilston Library	11	21	44	-	-	-	76
Bradmore Community Centre	5	-	-	-	-	-	5
Wolverhampton Art Gallery	42	39	81	-	-	-	162
	77	60	133	-	-	-	270

Schedule of works - Place

Appendix D3

Corporate Asset Management Programme (continued)	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Asbestos Removal Programme							
Bingley Centre	16	-	-	-	-	-	16
Parkfields Centre	6	-	-	-	-	-	6
Wednesfield Mortuary	1	-	-	-	-	-	1
Action 4 Independence	1	-	-	-	-	-	1
Blakenhall Community Resource Centre	8	-	-	-	-	-	8
Bradley Resources Centre	1	-	-	-	-	-	1
Central Library	1	-	-	-	-	-	1
Eastfields Community Centre	1	-	-	-	-	-	1
Graisleley Healthy Living Centre	2	-	-	-	-	-	2
Newhampton Arts Centre	13	-	-	-	-	-	13
Wolverhampton Art Gallery	5	-	-	-	-	-	5
	55						55
Re-wiring and upgrading of Electrical systems							
Dunstall Hill Community Centre	26	-	56	-	-	-	82
All Saints Community Centre	24	-	57	-	-	-	81
Graisleley Music School	50	-	-	-	-	-	50
Barnhurst Family Day Centre	15	-	-	-	-	-	15
Action For Independence	16	-	123	-	-	-	139
Adult Education (Foyer Building)	11	-	26	-	-	-	37
Alan Garner Centre	4	-	12	-	-	-	16
Unit 28/29 Fordhouse Road	9	-	8	-	-	-	17
Grand Theatre	11	-	-	-	-	-	11
Central Baths	109	35	110	-	-	-	254
Aldersley Leisure Village	173	-	20	-	-	-	193
Magistrates Courts Building	-	440	-	-	-	-	440
Ashmore Park Community Hub	7	-	-	-	-	-	7
Avenues Family Centre	40	-	-	-	-	-	40
Newhampton Arts Centre	16	-	11	-	-	-	27
Neville Garratt Centre	27	-	23	-	-	-	50
Long Knowle Community Hub	-	40	-	-	-	-	40
Low Hill Community Hub	-	15	-	-	-	-	15
Maltings Day Centre	20	-	-	-	-	-	20
Upper Pendeford Farm	15	-	-	-	-	-	15
Lower Bradley Community Centre	8	-	20	-	-	-	28
Finchfield Library	-	-	11	-	-	-	11
Bilston Library	10	39	49	-	-	-	98
24 The Broadway	-	-	6	-	-	-	6
Blakenhall Healthy Living Centre	9	-	-	-	-	-	9
Units 37/38 Fordhouse Road	8	-	11	-	-	-	19
Bilston Cemetery	3	-	12	-	-	-	15
Bilston Town Hall	-	39	-	-	-	-	39
Bushbury Crematorium	35	-	13	-	-	-	48
City 10	4	-	15	-	-	-	19
Northwood Park Office	-	-	3	-	-	-	3
Portobello Community Centre	20	-	18	-	-	-	38
Windsor Avenue Changing Rooms	16	-	6	-	-	-	22
Duke St Bungalows	-	-	8	-	-	-	8
Blakenhall Family Resources Centre	5	-	51	-	-	-	56
East Park Library	2	-	7	-	-	-	9
Adult Education College	7	14	2	-	-	-	23
Wolverhampton Art Gallery	55	66	55	-	-	-	176
Bradley Community Resource Centre	22	67	-	-	-	-	89
Bradley Day Centre	32	28	11	-	-	-	71
Beacon Hill Cemetery	3	6	3	-	-	-	12
Bantock House	22	50	-	-	-	-	72
Bond House	-	93	-	-	-	-	93
Bilston Community Centre	22	-	73	-	-	-	95
Bradmore Community Centre	46	-	66	-	-	-	112
	902	932	886				2,720

Schedule of works - Place

Appendix D3

Corporate Asset Management Programme (continued)	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Drainage replacement							
City 10 (18 Queens Square)	7	-	-	-	-	-	7
Roof/Insulation replacement							
Central Library (Main Building)	-	11	53	-	-	-	64
Bantock House	11	-	-	-	-	-	11
Central Library (Old Hall Street)	30	-	-	-	-	-	30
Bradmore Community Centre	6	-	-	-	-	-	6
Towers Outdoor Education Centre	33	-	-	-	-	-	33
	80	11	53				144
Step/ramp entrance improvements							
Penn Library	-	-	5	-	-	-	5
Bantock House	3	-	-	-	-	-	3
Dunstall Community Centre	6	-	-	-	-	-	6
Graiseley Learning Technology Centre	11	-	-	-	-	-	11
Bilston Library	9	-	-	-	-	-	9
East Park Library	8	-	-	-	-	-	8
Warstones Library	8	-	-	-	-	-	8
	45		5				50
Windows/doors replacement							
Bingley Enterprise	16	-	-	-	-	-	16
Bradmore Community Centre	11	-	-	-	-	-	11
Dunstall Community Centre	5	-	-	-	-	-	5
Graiseley Learning Technology Centre	11	-	-	-	-	-	11
	43						43
Structural maintenance of paths/car parks							
Bantock House	54	-	-	-	-	-	54
Bilston Market	35	-	-	-	-	-	35
Blakenhall Resource Centre	21	-	-	-	-	-	21
Claregate Playing Fields	30	-	-	-	-	-	30
Hall Green Cemetery	-	-	100	-	-	-	100
	140		100				240
Upgrade Pillars							
Phoenix Park	-	-	44	-	-	-	44
West Park	6	-	-	-	-	-	6
	6		44				50
Boiler/Heating replacements							
Molineux Hotel (Archives)	33	-	-	-	-	-	33
Provision for future programmes							
	-	632	379	1,100	1,100	-	3,211
Total Corporate Asset Management capital programme	2,387	1,711	1,600	1,100	1,100	-	7,898

Schedule of works - Place

Appendix D3

Urban Parks Refurbishment Programme	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
All Saints Park	9	-	-	-	-	-	9
Heath Town Park	-	72	-	-	-	-	72
West Park Play Area	60	-	-	-	-	-	60
Spring Road - (Taylor Road / Hilton PF)	-	56	-	-	-	-	56
Castlecroft Avenue	82	-	-	-	-	-	82
Ashmore Park	59	-	-	-	-	-	59
Fowlers Park	-	200	-	-	-	-	200
Total Urban Parks Refurbishment capital programme	210	328	-	-	-	-	538

Disposals Programme (Non-strategic)	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Outline Planning Consents	6	-	-	-	-	-	6
Pennfields School Demolition	3	-	-	-	-	-	3
Woden Resource Centre	80	70	-	-	-	-	150
Nelson Mandela House Demolition	68	62	-	-	-	-	130
Wednesfield High - Demolition	8	-	-	-	-	-	8
Colman Avenue	384	-	-	-	-	-	384
Merry Hill Demolition	75	65	-	-	-	-	140
Warstones Demolition	80	70	-	-	-	-	150
Wolverhampton Environment Centre (WEC)	-	380	-	-	-	-	380
Provision for future programmes	5	-	-	-	-	-	5
Total Disposals (non-strategic) capital programme	709	647	-	-	-	-	1,356

Accessing Growth Fund	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Bilston Urban Village Access	2,373	-	-	-	-	-	2,373
Wednesbury to Brierley Hill Metro Tranches 1 & 2	400	-	-	-	-	-	400
Springfield Campus to Interchange connectivity	600	-	-	-	-	-	600
Pinfold Bridge, Wednesfield Road	800	-	-	-	-	-	800
Stafford Road (A449) Corridor / i54 Sprint modelling & development	150	-	-	-	-	-	150
Willenhall Road (A454) Corridor / Canalside modelling and development	150	-	-	-	-	-	150
A4123 Birmingham New Road - development funding	30	120	-	-	-	-	150
Total Accessing Growth Fund capital programme	4,503	120	-	-	-	-	4,623

Managing Short Trips	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
City Centre Cycling and Public Realm improvements	491	-	-	-	-	-	491
Cycle Route i54 Link from Bushbury / Heath Town	550	-	-	-	-	-	550
Network 81 Route Enhancements - Lower Walsall Street to Dixon Street	167	-	-	-	-	-	167
Payment of grant - Bradley Arm Canal towpath improvements (CRT)	207	-	-	-	-	-	207
Total Managing Short Trips capital programme	1,415	-	-	-	-	-	1,415

Highway Structures (bridges, subways, retaining walls)	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Tettenhall Road Bridge - edge beam replacement	120	-	-	-	-	-	120
Hordern Road Bridge - trief kerbs and guard rail	90	-	-	-	-	-	90
Council Assets - Strengthening	100	63	-	-	-	-	163
Provision for future programmes	-	270	-	-	-	-	270
Total Structural Maintenance capital programme	310	333	-	-	-	-	643

Schedule of works - Place

Appendix D3

Southside Programme	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Acquisitions							
50-51 Snow Hill	4	-	-	-	-	-	4
1-5 Bell Street	18	-	-	-	-	-	
Demolitions							
42-50 Snow Hill	246	-	-	-	-	-	246
50/51 Snow Hill	360	-	-	-	-	-	360
1-5 Bell Street	-	350	-	-	-	-	350
Refurbishments							
1-2 Worcester Street	1	-	-	-	-	-	1
Burdett House	-	50	-	-	-	-	50
Ecology Survey 20/21 Cleveland Street	23	-	-	-	-	-	23
Market Relocation to Southside	100	2,400	-	-	-	-	2,500
Total Southside capital programme	752	2,800	-	-	-	-	3,534

Maintenance of classified roads	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Bath Road (Chapel Ash to Ring Road)	68	-	-	-	-	-	68
Bridgnorth Road (Finchfield Hill to Firsway)	172	-	-	-	-	-	172
Bushbury Lane - Roundabout, Elston Hall Lane	110	-	-	-	-	-	110
Bushbury Road / Church Street / Tudor Road	59	-	-	-	-	-	59
Penn Road (Ring Road to Lonsdale Road)	42	-	-	-	-	-	42
Ring Road St Andrews (Chapel Ash to Waterloo Road, northbound)	99	-	-	-	-	-	99
Ring Road St Peters (Waterloo Road to Stafford Street, eastbound)	110	-	-	-	-	-	110
Waddensbrook Lane (Broad Lane South to Wednesfield Way)	132	-	-	-	-	-	132
Warstones Road (Springhill Lane Junction)	52	-	-	-	-	-	52
Stafford Road (Bushbury Lane to Greenwood Road)	1,956	-	-	-	-	-	1,956
Wednesfield High Street	86	-	-	-	-	-	86
Potholes	110	-	-	-	-	-	110
A41 Oxford Street (borough boundary)	40	-	-	-	-	-	40
Provision for future programmes	-	2,695	1,871	1,871	1,000	1,000	8,437
Total Maintenance of classified roads capital programme	3,036	2,695	1,871	1,871	1,000	1,000	11,473

Maintenance of unclassified roads	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Carriageway Surfacing Treatment	660	660	660	660	660	660	3,960
Prestwood Road West	75	-	-	-	-	-	75
Brooklands Parade and roads off	677	-	-	-	-	-	677
Newhampton Road East / Park Avenue Junction	51	-	-	-	-	-	51
Little Brickiln Street	6	-	-	-	-	-	6
Dudley Street Phase 1 and Phase 2	297	-	-	-	-	-	297
Darlington Street	50	-	-	-	-	-	50
Lich Gates	-	-	-	-	-	-	-
Bushbury Lane (parts)	-	70	-	-	-	-	70
Woodstock Road / Hurstbourne Cres and roads off	-	140	-	-	-	-	140
Baker Avenue	10	-	-	-	-	-	10
Bilston Street	160	-	-	-	-	-	160
Footway works	-	683	-	-	-	-	683
Provision for future programmes	-	922	940	940	-	-	2,802
Total Maintenance of unclassified roads capital programme	1,986	2,475	1,600	1,600	660	660	8,981

Schedule of works - Place

Appendix D3

Non - Highway Structures	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Demolition of 60-60A Willenhall Road on a highway improvement line	-	75	-	-	-	-	75
Oxley Moor Road - bridge demolition	76	-	-	-	-	-	76
Footpath North of Fowlers Field - deck removal / replacement	50	-	-	-	-	-	50
32 Hordern Road - steel works, safety fencing and corrosion protection	76	-	-	-	-	-	76
94 Compton Road - Bridgnorth Road - steel works, safety fencing, masonry, corrosion protection	138	-	-	-	-	-	138
166 Alpine Way access bridge - corrosion protection	5	-	-	-	-	-	5
234 Hordern Road footbridge - safety fencing, ramp replacement	21	-	-	-	-	-	21
273 Lanesfield canal footbridge - concrete works and safety fencing	18	-	-	-	-	-	18
28 Aldersley Stadium access road - safety fencing	1	-	-	-	-	-	1
307 Castlecroft Culvert - Masonry and safety fencing	1	-	-	-	-	-	1
10 Underhill Lane and Cannock Road footbridge - concrete	1	-	-	-	-	-	1
305 Aldersley Stadium Access Road 4 - parapet / safety fencing	1	-	-	-	-	-	1
Total Non - Highway Structures capital programme	388	75	-	-	-	-	463

Energy Efficiency Measures	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Lighting upgrade							
Woodthorne School Hall	5	-	-	-	-	-	5
Warstones School Hall	3	-	-	-	-	-	3
Spring Vale School Hall	2	-	-	-	-	-	2
Provision for future programmes	-	278	144	142	-	-	564
Total Energy Efficiency Measures capital programme	10	278	144	142	-	-	574

Street Lighting	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Street Lighting replacement programme (Invest to Save)	-	1,659	2,260	1,007	-	-	4,926
Street Lighting (rolling programme)	-	100	-	-	-	-	100
Total Structural Maintenance capital programme	-	1,759	2,260	1,007	-	-	5,026

Highway Improvement Programme	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Vine Island / Wobaston Road	64	-	-	-	-	-	64
Integrated Transport - Advance Design	80	80	-	-	-	-	160
Alfred Squire Road / Neachells Lane traffic signals	133	-	-	-	-	-	133
Wobaston Road (inc 30mph)	30	-	-	-	-	-	30
Junction Upgrades – Birmingham New Road / Shaw Road	1,432	-	-	-	-	-	1,432
UTC - Wireless Communications	54	-	-	-	-	-	54
Highways Management	120	-	-	-	-	-	120
Roadworks information improvements	25	-	-	-	-	-	25
Traffic Signs replacement	30	-	-	-	-	-	30
New Cross area parking management	150	-	-	-	-	-	150
Ring road & City centre signage	80	-	-	-	-	-	80
Common Database software upgrade	21	-	-	-	-	-	21
Bus infrastructure improvements	30	-	-	-	-	-	30
District Parking	-	130	-	-	-	-	130
Ring Road / Snow Hill traffic signals upgrade	100	-	-	-	-	-	100
Provision for future programmes	48	423	-	-	-	-	471
Total Highway Improvement capital programme	2,397	633	-	-	-	-	3,030

Schedule of works - Place

Appendix D3

Safety Programme	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Local Safety Schemes - Penn Road / Manor Road (30mph)	40	-	-	-	-	-	40
Local Safety Schemes - TROs / Signs&Guardrails / Road Markings	46	50	-	-	-	-	96
Stafford Street pedestrian crossing	20	100	-	-	-	-	120
Provision for future programmes	40	-	-	-	-	-	40
Total Safety capital programme	146	150	-	-	-	-	296

Cycling - Cycle Route Improvements	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000	£000
Cycling - Cycle Route Improvements	30	30	-	-	-	-	60
Walking,Cycling and Safer Routes to School - Cycle Parking	10	10	-	-	-	-	20
Provision for future programmes	-	10	-	-	-	-	10
Total Cycling - Cycle Route Improvements capital programme	40	50	-	-	-	-	90

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Cabinet Meeting

22 February 2017

Report title	Treasury Management Strategy 2017/18	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Mark Taylor, Director of Finance	
Originating service	Strategic Finance	
Accountable employee(s)	Claire Nye Tel Email	Chief Accountant 01902 550478 Claire.Nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Council Confident, Capable Council Scrutiny Panel	7 February 2017 1 March 2017 15 March 2017

Recommendation(s) for action or decision:

1. That Cabinet recommends that Council approves:
 - (a) The authorised borrowing limit for 2017/18 as required under Section 3(1) of the Local Government Act 2003 be set at £1,024.1 million (PI 5, appendix C).
 - (b) The Treasury Management Strategy Statement 2017/18 as set out in appendix A to this report.
 - (c) The Annual Investment Strategy 2017/18 as set out in appendix B to this report.
 - (d) The Prudential and Treasury Management Indicators as set out in appendix C to this report.
 - (e) The Annual Minimum Revenue Provision (MRP) Statement setting out the method used to calculate MRP for 2017/18 onwards as set out in appendix D to this report.

- (f) The Treasury Management Policy Statement and Treasury Management Practices as set out in appendix F to this report.
 - (g) That authority continues to be delegated to the Director of Finance to amend the Treasury Management Policy and Practices and any corresponding changes required to the Treasury Management Strategy, the Prudential and Treasury Management Indicators, the Investment Strategy and the Annual MRP Statement to ensure they remain aligned. Any amendments will be reported to the Cabinet Member for Resources and Cabinet (Resources) Panel as appropriate.
2. That Cabinet recommends that Council notes:
- (a) That as a result of the changes to the MRP policy approved and implemented during 2014/15, the MRP charge for financial year 2017/18 will be zero increasing to £8.2 million in 2018/19 (paragraph 2.10).
 - (b) That Cabinet (Resources) Panel and Council will receive regular Treasury Management reports during 2017/18 on performance against the key targets and Prudential and Treasury Management Indicators in the Treasury Management Strategy and Investment Strategy as set out in paragraph 2.8 and appendices B and C to this report.

Recommendations for noting:

1. The Cabinet is asked to note:
- (a) The financial information included in this report is based on the 'Capital programme 2016/17 to 2020/21 quarter three review and 2017/18 to 2021/22 budget strategy' report also on the agenda for this meeting. The capital report is subject to a number of reports being separately approved by Cabinet (Resources) Panel on 28 February 2017. Therefore, if these approvals are not obtained, a revised version of this report will be presented to Council on 1 March 2017.

1.0 Purpose

- 1.1 This report sets out the Council's Treasury Management Strategy for 2017/18 for approval by full Council. The strategy incorporates six elements, which are detailed in separate documents, appended to this report. These documents are the Treasury Management Strategy, the Annual Investment Strategy, the Prudential and Treasury Management Indicators, Minimum Revenue Provision (MRP) Statement, the Disclosure for Certainty Rate and the Treasury Management Policy Statement and Treasury Management Practices.

2.0 Background

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

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

2.6 The treasury management role of the Director of Finance

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

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

2.7 Treasury Management Strategy (appendix A)

Attached at appendix A is the recommended Treasury Management Strategy for 2017/18. This has been prepared in accordance with the CIPFA Treasury Management Code, and fully reflects the requirements of the Code. It summarises in strategic terms

the approach the Council will take in performing its treasury management activities during 2017/18. It also highlights some of the key current risks and issues relating to treasury management that will be monitored over the course of the year.

2.8 Annual Investment Strategy (appendix B)

The recommended Annual Investment Strategy for 2017/18 is attached at appendix B. This builds on the Treasury Management Strategy by focussing in greater detail on investment activities. It sets out in considerable detail the conditions under which the Council will place investments. This represents the Council's approach to managing a number of risks inherently associated with investment. These are discussed in greater detail in the Strategy itself.

2.9 Prudential and Treasury Management Indicators (appendix C)

Attached at appendix C are the recommended prudential indicators for the Council for 2017/18. The Prudential Code requires authorities to set and observe a range of prudential and treasury management indicators, and to keep these under review. The indicators set out in the appendix are the minimum required by the Code and associated guidance.

2.10 MRP Statement (appendix D)

The recommended MRP statement for 2017/18 is attached at appendix D. The formula for calculating MRP is unchanged from the annuity basis used in 2016/17. The result is a zero charge for the period to 2017/18, increasing to £8.2 million in 2018/19. The Council's Section 151 Officer considers that this approach is prudent.

2.11 Certainty Rate (appendix E)

As part of the Budget 2012 announced by Government, a new 'certainty rate' was introduced from 1 November 2012. This rate enables eligible councils to access cheaper borrowing rates of 20 basis points below the standard rate across all loan types and maturities from the Public Works Loan Board. In exchange for the reduced rate, councils must complete an annual return to the Department for Communities and Local Government detailing their budgeted plans for capital expenditure and borrowing requirements. Appendix E details the information that will be required to enable the Council to submit a return for 2017/18.

2.12 Treasury Management Policy Statement and Practices (appendix F)

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

2.13 Allocation of net interest payable

As a result of the introduction of the Housing Revenue Account (HRA) self-financing regime in 2012/13, the Council was required to determine a method of splitting its interest costs between the HRA and the General Fund. In so doing, it was required to determine a method that in its view was fair and reasonable. The method of splitting interest is unchanged from that used in 2016/17 (the inferred net cash balance of each fund). However, because the HRA is making voluntary debt repayments this is resulting in a disproportionate favourable split to the HRA. The policy of how to split interest will therefore be reviewed and the outcome will be reported in the Treasury Management Mid Year Review report to Councillors.

3.0 Financial implications

3.1 These are detailed within the report.

[SH/02022017/O]

4.0 Legal implications

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

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

4.3 The area is heavily regulated. The Local Government and Housing Act 1989 regulates the operation of the Housing Revenue Account. The 'CIPFA Code of Practice for Treasury Management in the Public Services', contains Treasury Management indicators and advice on Treasury Management Strategy. Investment strategy is regulated by 'DCLG Guidance on Local Government Investments' issued initially in 2004 and re-issued in 2010. Part 2 of this Guidance is statutory guidance.

[TS/10022017/W]

5.0 Equalities implications

5.1 This report has no equalities implications.

6.0 Environmental implications

6.1 This report has no environmental implications.

7.0 Human resources implications

7.1 This report has no human resources implications.

8.0 Corporate landlord implications

8.1 This report has no corporate landlord implications.

9.0 Schedule of background papers

2017/18 Budget and Medium Term Financial Strategy 2017/18 to 2020/21, Report to Cabinet, 22 February 2017

Capital Programme 2016/17 to 2020/21 quarter three review and 2017/18 to 2021/22 Budget Strategy, Report to Cabinet, 22 February 2017

Treasury Management Strategy Statement 2017/18

1.0 Introduction

- 1.1 The Local Government Act 2003 (the Act) and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice, and to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 1.2 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act) (included as appendix B of this report), which sets out the Council's policies for managing its investments and in particular for giving priority to the security and liquidity of those investments.
- 1.3 The recommended strategy for 2017/18 in respect of the following aspects of the treasury management function is based upon the Director of Finance's views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Capita Asset Services.

The strategy covers:

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

1.4 Balanced budget requirement

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

1.5 Training

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

1.6 Treasury management consultants

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

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

2.0 Treasury limits for 2017/18 to 2019/20

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

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3.0 Current portfolio position

3.1 The Council's treasury portfolio estimated position at 31 March 2017 will be made up as follows:

	Forecast £000	Average Rate %
External Debt		
Fixed rate borrowing - PWLB / Local Authorities	617,897	3.5842
Fixed rate borrowing - Market	55,800	4.4700
Variable rate borrowing - Market	48,000	4.3704
Total Gross Borrowing	721,697	3.7167
Other Long Term Liabilities	97,983	-
Total External Debt	819,680	-
Total Investments *	5,000	0.4458

*It is the policy to use cash balances to fund capital expenditure to avoid the need for borrowing, therefore, the level of cash investments is forecast to be minimal.

4.0 Borrowing requirement

4.1 The Council's borrowing requirement is as follows:

	2016/17 Forecast £000	2017/18 Forecast £000	2018/19 Forecast £000	2019/20 Forecast £000
New borrowing	72,145	100,481	60,329	33,453
MRP and HRA voluntary debt repayment	(18,434)	(16,793)	(20,923)	(27,835)
Replacement borrowing	103,605	132,000	31,537	50,000
Total Borrowing Requirement	157,316	215,688	70,943	55,618

5.0 Prospects for interest rates

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

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Capita Bank Rate forecast for financial year ends (March)

- 2016/17 0.25%
- 2017/18 0.25%
- 2018/19 0.25%
- 2019/20 0.75%

- 5.2 The Monetary Policy Committee, (MPC), cut Bank Rate from 0.50% to 0.25% on 4th August in order to counteract what it forecast was going to be a sharp slowdown in growth in the second half of 2016. It also gave a strong steer that it was likely to cut Bank Rate again by the end of the year. However, economic data since August has indicated much stronger growth in the second half 2016 than that forecast; also, inflation forecasts have risen substantially as a result of a continuation of the sharp fall in the value of sterling since early August. Consequently, Bank Rate was not cut again in November or December and, on current trends, it now appears unlikely that there will be another cut, although that cannot be completely ruled out if there was a significant dip downwards in economic growth. During the two-year period 2017 – 2019, when the UK is negotiating the terms for withdrawal from the EU, it is likely that the MPC will do nothing to dampen growth prospects, (i.e. by raising Bank Rate), which will already be adversely impacted by the uncertainties of what form Brexit will eventually take. Accordingly, a first increase to 0.50% is not tentatively pencilled in until quarter 2 2019, after those negotiations have been concluded, (though the period for negotiations could be extended). However, if strong domestically generated inflation, (e.g. from wage increases within the UK), were to emerge, then the pace and timing of increases in Bank Rate could be brought forward.
- 5.3 Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.
- 5.4 The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected that at some point, there would be a start to a switch back from bonds to equities after a historic long term trend over about the last twenty five years of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial quantitative easing purchases of bonds, added further impetus to this downward trend in bond yields and rising prices of bonds. The opposite side of this coin has been a rise in equity values as investors searched for higher returns and took on riskier assets. The sharp rise in bond yields since the US Presidential election, has called into question whether, or when, this trend has, or may, reverse, especially when America is likely to lead the way in reversing monetary policy. Until 2015, monetary policy was focused on providing stimulus to economic growth but has since

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started to refocus on countering the threat of rising inflationary pressures as strong economic growth becomes more firmly established. The expected substantial rise in the Fed. rate over the next few years may make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US would be likely to exert some upward pressure on bond yields in other developed countries but the degree of that upward pressure is likely to be dampened by how strong, or weak, the prospects for economic growth and rising inflation are in each country, and on the degree of progress in the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

- 5.5 PWLB rates and gilt yields have been experiencing exceptional levels of volatility that have been highly correlated to geo-political, sovereign debt crisis and emerging market developments. It is likely that these exceptional levels of volatility could continue to occur for the foreseeable future.
- 5.6 The overall balance of risks to economic recovery in the UK is to the downside, particularly in view of the current uncertainty over the final terms of Brexit and the timetable for its implementation.
- 5.7 Apart from the above uncertainties, downside risks to current forecasts for UK gilt yields and PWLB rates currently include:
- Monetary policy action by the central banks of major economies reaching its limit of effectiveness and failing to stimulate significant sustainable growth, combat the threat of deflation and reduce high levels of debt in some countries, combined with a lack of adequate action from national governments to promote growth through structural reforms, fiscal policy and investment expenditure.
 - Major national polls:
 - Italian constitutional referendum 4.12.16 resulted in a 'No' vote which led to the resignation of Prime Minister Renzi. This means that Italy needs to appoint a new government.
 - Spain has a minority government with only 137 seats out of 350 after already having had two inconclusive general elections in 2015 and 2016. This is potentially highly unstable.
 - Dutch general election 15.3.17;
 - French presidential election April/May 2017;
 - French National Assembly election June 2017;
 - German Federal election August – October 2017.
 - A resurgence of the Eurozone sovereign debt crisis, with Greece being a particular problem, and stress arising from disagreement between EU countries on free movement of people and how to handle a huge influx of immigrants and terrorist threats
 - Weak capitalisation of some European banks, especially Italian.

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- Geopolitical risks in Europe, the Middle East and Asia, causing a significant increase in safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.

5.8 The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates, include:-

- UK inflation rising to significantly higher levels than in the wider EU and in the US, causing an increase in the inflation premium in gilt yields.
- A rise in US Treasury yields as a result of Fed. funds rate increases and rising inflation expectations in the USA, dragging UK gilt yields upwards.
- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- A downward revision to the UK's sovereign credit rating undermining investor confidence in holding sovereign debt (gilts).

5.9 Investment and borrowing rates:-

- Investment returns are likely to remain low during 2017/18 and beyond;
- Borrowing interest rates have been on a generally downward trend during most of 2016 up to mid-August; they fell sharply to historically phenomenally low levels after the referendum and then even further after the MPC meeting of 4th August when a new package of quantitative easing purchasing of gilts was announced. Gilt yields have since risen sharply due to a rise in concerns around a 'hard Brexit', the fall in the value of sterling, and an increase in inflation expectations. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times when authorities will not be able to avoid new borrowing to finance capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

6.0 Borrowing strategy

6.1 Borrowing rates

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

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
5yr PWLB rate	1.60%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
10yr PWLB rate	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
25yr PWLB rate	2.90%	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
50yr PWLB rate	2.70%	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%

More detailed forecasts are included in appendix B.

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

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

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

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

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

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

6.3 External versus internal borrowing

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

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

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

However, short term savings by avoiding new long term external borrowing in 2017/18 will also be weighed against the potential for incurring additional long term extra costs by delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be significantly higher.

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6.4 Policy on borrowing in advance of need

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

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

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

7.0 Debt rescheduling

7.1 The introduction by the PWLB in 2007 of a spread between the rates applied to new borrowing and repayment of debt, which was compounded in 20 October 2010 by a considerable further widening of the difference between new borrowing and repayment rates, has meant that PWLB to PWLB debt restructuring is now much less attractive than it was before both of these events. In particular, consideration would have to be given to the large premiums which would be incurred by prematurely repaying existing PWLB loans and it is very unlikely that these could be justified on value for money grounds in using replacement PWLB refinancing. However, some interest savings might still be achievable through using other market loans, as the source of replacement financing.

7.2 As short term borrowing rates will be considerably cheaper than longer term rates, there may be some potential or residual opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in

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the light of the size of the premiums incurred, their short term nature and the likely cost of refinancing those short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio.

- 7.3 Consideration will continue to be given to identifying any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings,
- helping to fulfil the strategy outlined in paragraph 6 above, and
- enhancing the balance of the portfolio (amending the maturity profile and/or the balance of volatility).

- 7.4 All rescheduling will be reported to the Cabinet (Resources) Panel, at the earliest meeting following its action.

8.0 Municipal Bond Agency

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

Annual Investment Strategy 2017/18

1.0 Annual Investment Strategy

1.1 Investment policy

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

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

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

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

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

1.2 Creditworthiness policy

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

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

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

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recommendations of bands and durations along with the more prudent parameters that the Council will apply:

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

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

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

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

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

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

1.3 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA from Fitch Ratings (or equivalent from

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other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria as at the date of this report is shown below. This list will be amended by employees should ratings change in accordance with this policy.

Approved countries for investments

AAA

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

AA+

- Finland
- Hong Kong

AA

- Abu Dhabi (UAE)
- France
- Qatar
- U.K.

1.4 Specified investments:

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

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

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1.5 Non-specified investments

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

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

1.6 Accounting treatment of investments

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

1.7 Investment strategy

All of the Council's funds are managed in-house. Based on its cashflow forecasts, the Council anticipates its fund balances in 2017/18 to range between £1.0 million and £50.0 million. The Council will hold investments for up to a maximum of 12 months, but has determined that a maximum of 50% of total investments with a cap of £35.0 million could be prudently committed to longer term investments of up to 5 years should the Director of Finance decide it is appropriate to.

Interest rate outlook: Bank Rate is forecast to stay flat at 0.25% until quarter two of 2019 and not to rise above 0.75% by quarter one 2020. Capita's Bank Rate forecasts for financial year ends (March) are:

- 2017/18 0.25%
- 2018/19 0.25%
- 2019/20 0.75%

The overall balance of risks to these forecasts is currently probably slightly skewed to the downside in view of the uncertainty over the final terms of Brexit. If growth expectations

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disappoint and inflationary pressures are minimal, the start of increases in Bank Rate could be pushed back. On the other hand, should the pace of growth quicken and /

or forecasts for increases in inflation rise, there could be an upside risk i.e. Bank Rate increases occur earlier and / or at a quicker pace.

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

For 2017/18 the Council will budget for an investment return of 0.10% on investments placed during the financial year.

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

1.8 End of year investment report

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

1.9 Combined Authority

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

1.10 Council Owned Companies

The Council will be prepared to lend or invest in companies which are wholly or partly owned by the Council. In doing this, consideration will be given to the benefits and risks to the Council.

2.0 Interest rate forecasts

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

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Capita Asset Services Interest Rate View													
	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank Rate View	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
3 Month LIBID	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.40%	0.50%	0.60%	0.70%	0.80%	0.90%
6 Month LIBID	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.50%	0.60%	0.70%	0.80%	0.90%	1.00%
12 Month LIBID	0.70%	0.70%	0.70%	0.70%	0.70%	0.80%	0.80%	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%
5yr PWLB Rate	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
10yr PWLB Rate	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
25yr PWLB Rate	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
50yr PWLB Rate	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%
Bank Rate													
Capita Asset Services	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
Capital Economics	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%
5yr PWLB Rate													
Capita Asset Services	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
Capital Economics	1.60%	1.70%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.70%	2.80%	2.90%	3.00%
10yr PWLB Rate													
Capita Asset Services	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
Capital Economics	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	3.10%	3.20%	3.30%	3.40%
25yr PWLB Rate													
Capita Asset Services	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
Capital Economics	2.95%	3.05%	3.05%	3.15%	3.25%	3.25%	3.35%	3.45%	3.55%	3.65%	3.75%	3.95%	4.05%
50yr PWLB Rate													
Capita Asset Services	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%
Capital Economics	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.60%	3.70%	3.80%	3.90%

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

Institution	Country (Sovereign Rating)	Limit £000	Term Limit
Australia & New Zealand Banking Group Ltd	Australia (AAA)	10,000	6 mths
Bank Netherlandse Gemeenten	Netherlands (AAA)	20,000	12 mths
Bank of Montreal	Canada (AAA)	10,000	6 mths
Bank of New York Mellon, The	USA (AAA)	20,000	12 mths
Bank of Nova Scotia	Canada (AAA)	10,000	6 mths
Canadian Imperial Bank of Commerce	Canada (AAA)	10,000	6 mths
Commonwealth Bank of Australia	Australia (AAA)	10,000	6 mths
Cooperatieve Rabobank U.A.	Netherlands (AAA)	10,000	6 mths
DBS Bank Ltd	Singapore (AAA)	10,000	6 mths
HSBC Bank plc	UK (AA)	10,000	6 mths
JP Morgan Chase Bank NA	USA (AAA)	10,000	6 mths
National Australia Bank Ltd	Australia (AAA)	10,000	6 mths
National Bank of Abu Dhabi	Abu Dhabi (U.A.E) (AA)	5,000	3 mths
Nordea Bank AB	Sweden (AAA)	10,000	6 mths
Oversea Chinese Banking Corporation Ltd	Singapore (AAA)	10,000	6 mths
Qatar National Bank	Qatar (AA)	5,000	3 mths
Royal Bank of Canada	Canada (AAA)	10,000	6 mths
Svenska Handelsbanken AB	Sweden (AAA)	10,000	6 mths
Toronto Dominion Bank	Canada (AAA)	10,000	6 mths
United Overseas Bank Ltd	Singapore (AAA)	10,000	6 mths
Wells Fargo Bank NA	USA (AAA)	20,000	12 mths
Westpac Banking Corporation	Australia (AAA)	10,000	6 mths
Nationalised Banks			
Royal Bank of Scotland Group plc			
National Westminster Bank plc	UK (AA)	10,000	3 mths
The Royal Bank of Scotland plc	UK (AA)	10,000	3 mths
Money Market Funds		Fund Rating	
Invesco STIC Account	Fitch AAmmf	20,000	Instant Access
Standard Life Investments Sterling Liquidity Fund	Fitch AAmmf	20,000	Instant Access
Federated Short-Term Sterling Prime Fund	Fitch AAmmf	20,000	Instant Access
Black Rock Sterling Liquidity Fund	Moody's Aaa-mf	20,000	Instant Access
Scottish Widows Sterling Liquidity Fund	Moody's Aaa-mf	20,000	Instant Access

Non-rated Institutions

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

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Debt and Treasury Management - Prudential and Treasury Management Indicators

Prudential Indicators (PI)

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

PI 1 - Estimates and actual ratio of financing costs to net revenue stream.

This represents the cost of financing capital expenditure as a % of net revenue for both the General Fund and HRA.

	As at 22 February 2017			
	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast
General Fund	6.0%	7.7%	12.6%	14.8%
HRA	33.2%	34.3%	34.9%	34.8%

PI 2 - Estimates of the incremental impact of capital investment decisions on the council tax and housing rents.

The Council could consider different options for its capital investment programme in relation to their different impact on the council tax and housing rents. Negatives reflect a reduction in total capital expenditure.

	As at 22 February 2017			
	2016/17 Forecast £	2017/18 Forecast £	2018/19 Forecast £	2019/20 Forecast £
Financial year impact				
Implications of the capital programme for year:				
For Band D council tax	88.90	208.46	249.50	257.29
For average weekly housing rents	0.99	2.44	5.04	7.31
Marginal impact to previous quarter				
Implications of the capital programme for year:				
For Band D council tax	(10.20)	(17.02)	(15.37)	(14.77)
For average weekly housing rents	(0.09)	(1.15)	0.47	2.09

PI 3 - Estimates and actual capital expenditure.

Full details of capital expenditure plans and funding can be found in the quarter three capital budget monitoring 2016/17 report.

	As at 22 February 2017			
	2016/17 Forecast £000	2017/18 Forecast £000	2018/19 Forecast £000	2019/20 Forecast £000
General Fund	113,768	116,888	49,281	11,544
HRA	43,052	47,977	59,158	53,197
	156,820	164,865	108,439	64,741

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Debt and Treasury Management - Prudential and Treasury Management Indicators

PI 4 - Estimates and actual capital financing requirement General Fund and HRA.

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose.

	As at 22 February 2017			
	2016/17 Forecast £000	2017/18 Forecast £000	2018/19 Forecast £000	2019/20 Forecast £000
General Fund	604,640	683,790	699,787	686,515
HRA	278,679	279,825	299,412	314,176
	883,319	963,615	999,199	1,000,691

PI 5 - Authorised limit for external debt.

These limits apply to the total external debt gross of investments and separately identify borrowing from other long term liabilities such as finance leases including Private Finance Initiatives (PFI).

	As at 22 February 2017			
	2016/17 Limit £000	2017/18 Limit £000	2018/19 Limit £000	2019/20 Limit £000
Borrowing	914,038	929,492	979,783	1,006,517
Other Long Term Liabilities	94,585	94,591	90,770	86,644
Total Authorised Limit	1,008,623	1,024,083	1,070,553	1,093,161
Actual and Forecast External Debt as at 22 February 2017	819,680	916,769	973,277	1,002,604
Variance (Under) / Over Authorised limit	(188,943)	(107,314)	(97,276)	(90,557)

PI 6 - Operational boundary for external debt.

This is based on the same estimates as the authorised limit but directly reflects the Director of Finance's estimate of the most likely, prudent but not worst case scenario, without the additional headroom included.

	As at 22 February 2017			
	2016/17 Limit £000	2017/18 Limit £000	2018/19 Limit £000	2019/20 Limit £000
Borrowing	893,284	904,372	964,701	998,154
Other Long Term Liabilities	94,585	94,591	90,770	86,644
Total Operational Boundary Limit	987,869	998,963	1,055,471	1,084,798
Actual and Forecast External Debt as at 22 February 2017	819,680	916,769	973,277	1,002,604
Variance (Under) / Over Operational Boundary Limit	(168,189)	(82,194)	(82,194)	(82,194)

APPENDIX C

Debt and Treasury Management - Prudential and Treasury Management Indicators

PI 7 - HRA limit on indebtedness.
This maximum debt limit has been set by Government as part of the self-financing regime and is compared to the HRA capital financing requirement.

	As at 22 February 2017			
	2016/17 Forecast £000	2017/18 Forecast £000	2018/19 Forecast £000	2019/20 Forecast £000
HRA Debt Limit	356,770	356,770	356,770	356,770
HRA Capital Financing Requirement	278,679	279,825	299,412	314,176
Headroom	78,091	76,945	57,358	42,594

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

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

	As at 22 February 2017			
	2016/17 Forecast £000	2017/18 Forecast £000	2018/19 Forecast £000	2019/20 Forecast £000
Forecast Capital Financing Requirement at end of Second Year	999,199	1,000,692	1,025,180	1,025,180
Gross Debt	819,680	916,769	973,277	1,002,604
Capital Financing Requirement Greater than Gross Debt	Yes	Yes	Yes	Yes

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

Debt and Treasury Management - Prudential and Treasury Management Indicators

Treasury Management Indicators (TMI)

TMI 1 - Upper limits on fixed interest and variable interest exposures.

These relate to the levels of net outstanding principal sums exposed to fixed and variable interest rates.

	As at 22 February 2017			
	2016/17 Forecast	2017/18 Limit	2018/19 Limit	2019/20 Limit
Upper limit for fixed rate	93%	100%	100%	100%
Upper limit for variable rate	7%	20%	20%	20%

TMI 2 - Upper and lower limits to the maturity structure of its borrowing.

These limits relate to the % of fixed rate debt maturing.

	As at 22 February 2017		
	Upper Limit	Lower Limit	March 2017 Forecast
Under 12 months	25%	0%	16.83%
12 months and within 24 months	25%	0%	0.89%
24 months and within 5 years	40%	0%	1.85%
5 years and within 10 years	50%	0%	6.17%
10 years and above	90%	50%	74.26%

TMI 3 - Upper limits to the total of principal sums invested longer than 364 days.

This details the maximum amount which can be invested for up to 5 years (as per paragraph 1.6 of the Annual Investment Strategy). It has been determined that a maximum of 50% of total investments with a cap of £35.0 million could be prudently committed to long term investments should the Director of Finance decide it is appropriate to.

	As at 22 February 2017			
	2016/17 Limit £000	2017/18 Limit £000	2018/19 Limit £000	2019/20 Limit £000
Upper limit for more than 364 days	35,000	35,000	35,000	35,000
Actual and Forecast Invested at 22 February 2017	-	-	-	-
Variance (Under) / Over Limit	(35,000)	(35,000)	(35,000)	(35,000)

Annual MRP Statement 2017/18

Minimum Revenue Provision – an introduction

1. What is Minimum Revenue Provision?

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

2. Statutory duty

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

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

3. Government guidance

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

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

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

4. Timing

This statement shall take effect from 1 April 2017 and shall take precedence over any statements previously approved.

5. Calculation

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

Method

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

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

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

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

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

Where

PPMT is the PPMT financial function in Microsoft Excel 2010

A is the specified interest rate

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

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

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

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

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

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

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

The Method shall be varied in the following circumstances:

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

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

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

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

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

Disclosure for Certainty Rate

Certainty Rate				
This table details the information that is required to enable the Council to submit a return for 2017/18.				
	As at 22 February 2017			
	2016/17 Forecast £000	2017/18 Forecast £000	2018/19 Forecast £000	2019/20 Forecast £000
Net Borrowing Requirement:				
Borrowing to finance approved capital expenditure	72,145	100,481	60,329	33,453
Total new borrowing	72,145	100,481	60,329	33,453
Existing maturity loans to be replaced during the year	103,605	132,000	31,537	50,000
Less:				
Minimum Revenue Provision for debt repayment	-	-	(8,182)	(14,457)
Voluntary debt repayment	(18,434)	(16,793)	(12,741)	(13,378)
	(18,434)	(16,793)	(20,923)	(27,835)
Loans replaced less debt repayment	85,171	115,207	10,614	22,165
Net Advance Requirement	157,316	215,688	70,943	55,618

Treasury Management Policy Statement and Treasury Management Practices February 2017

1.0 Introduction

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

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9. To further the understanding and confidence of, and to act as a reference work for, financial and other institutions whose businesses bring them into contact with the treasury management activities of public service organisations.
- 1.3 The approved activities cover borrowing arrangements for funding capital expenditure, debt repayment and rescheduling, managing cash flow and investment of surplus balances and monitoring the underlying risks associated with the Authority's activities.
- 1.4 Arrangements made for the control and operation of bank accounts operated by schools come within this definition but day-to-day management of funds is the responsibility of the Head Teachers and the Governors under arrangements for the local management of schools. Banking arrangements for schools with their own cheque accounts are closely monitored by the Director of Finance.
- 1.5 Management of the West Midlands Pension Fund is not included as part of Wolverhampton Council's treasury management activities but similar arrangements have been adopted by the Pension Fund Investments Division.
- 1.6 Subject to the above, the Council's cash is aggregated for the purposes of treasury management and is under the control of the Director of Finance in accordance with Section 151 of the Local Government Act 1972. The executive control and administration of financial policy is under the direction of the Cabinet (Resources) Panel.
- 1.7 All external investments of surplus internal balances are restricted to authorised investments in accordance with the Local Authorities (Capital Finance and Approved Investments) (Amendment) Regulations 1996. The Director of Finance is responsible for making any investments, subject to the guidelines agreed by the Council or subsequently amended by the Cabinet (Resources) Panel.

2.0 Adoption of the code

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

Key Principle 1

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

Key Principle 2

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

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

Key Principle 3

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

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

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

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

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

3.0 Treasury Management Policy Statement

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

(1) Treasury management activities are defined as:

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

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

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

4.0 Treasury Management Practices (TMPs) – Main principles

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

4.2 TMP 1 – Risk management

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

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

[1] Credit and counterparty risk management

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

[2] Liquidity risk management

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

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

[3] Interest rate risk management

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

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

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

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

[4] Exchange rate risk management

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

[5] Refinancing risk management

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

[6] Legal and regulatory risk management

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

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

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

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

[8] Market risk management

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

4.3 TMP 2 – Performance measurement

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

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

4.4 TMP 3 – Decision-making and analysis

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

4.5 TMP 4 – Approved instruments, methods and techniques

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

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

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

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

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

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

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

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

The delegations to the Director of Finance in respect of treasury management are set out in Schedule 5 to this document. The Director of Finance will fulfil all such responsibilities in accordance with the organisation's policy statement and TMPs and CIPFA's the Standard of Professional Practice on Treasury Management. Page 76

4.7 **TMP 6 – Reporting requirements and management information arrangements**

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

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As a minimum, Council will receive:

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

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

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

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

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

4.8 **TMP 7 – Budgeting, accounting and audit arrangements**

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

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

4.9 TMP 8 – Cash and cash flow management

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

4.10 TMP 9 – Money laundering

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

4.11 TMP 10 – Training and qualifications

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

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

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

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

4.12 TMP 11 – Use of external service providers

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

4.13 TMP 12 – Corporate governance

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

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

Schedule 1 : TMP 1 – Risk management

1.1 Creditworthiness policy

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

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

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

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

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

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

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

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

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

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

Country limits

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

Approved counterparties

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

Investment Strategy

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

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

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

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

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

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

The strategy also sets out:

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

Accounting treatment of investments

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

1.2 Liquidity

Cash Balances

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

Investment of surplus funds

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

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

Temporary loans (maximum of 364 days)

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

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Banking facilities and limits

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

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

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

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

Net Limit:	£500,000
Gross limit:	£9,000,000

Core main bank accounts:

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

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

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

Gross limit:	£1,000,000
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If an individual account does go overdrawn, the interest charged is base rate + 3%.

Bankers' Automated Clearing Services (BACS) - the following service credit limits are in place:

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

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Clearing House Automated Payments System (CHAPS) - CHAPS are able to be made when insufficient funds are held on the bank balance.

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

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

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

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

Policy in terms of borrowing in advance of need

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

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

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

1.3 Interest rate

Maximum proportions of variable rate debt/interest

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

Maximum proportions of fixed rate debt/interest

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

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

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

1.4 Exchange rate

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

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

Approved criteria for managing changes in exchange rate levels

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

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

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

1.5 Refinancing

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

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

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

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

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

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

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

1.6 Fraud, error and corruption, and contingency management

Details of systems and procedures to be followed including internet services

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

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

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

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

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

Emergency and contingency planning arrangements

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

Insurance cover details

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

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

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

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

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

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

Insurance cover for employees is as follows:

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

1.7 **Market value of investments**

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

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

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

Schedule 2 : TMP 2 – Performance measurement

2.1 Evaluation and review of treasury management decisions

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

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

Ongoing periodic reviews during the financial year

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

Reviews with the Council's treasury management consultants

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

Annual review after the end of the financial year

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

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

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

Comparative reviews

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

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

2.2 Benchmarks and calculation methodology

Debt management

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

Investment

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

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

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

Frequency and processes of tendering

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

Banking services

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

Money-broking services

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

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

Consultants'/advisers' services

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

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

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

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

Schedule 3 : TMP 3 – Decision-making and analysis

3.1 Funding, borrowing, lending and new instruments/techniques

Records to be kept

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

Processes to be pursued

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

Issues to be addressed

In respect of every decision made, the Council will:

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

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

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

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

In respect of investment decisions, the Council will:

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

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

4.1 Approved activities of the treasury management operation

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

4.2 Approved instruments for investments

In accordance with The Local Authorities (Capital Finance and Approved Investments) (Amendment) Regulations 1996, the instruments approved for investment and commonly used by local councils are:

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

4.3 Approved techniques

The following are approved techniques:

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

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

- Swaps
- Caps
- Collars
- Options

The Council will not use any of the above techniques.

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

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

On balance sheet

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

Other methods of financing

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

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

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

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

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

Council

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

Cabinet

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

Cabinet (Resources) Panel

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

5.2 Principles and practices concerning segregation of duties

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

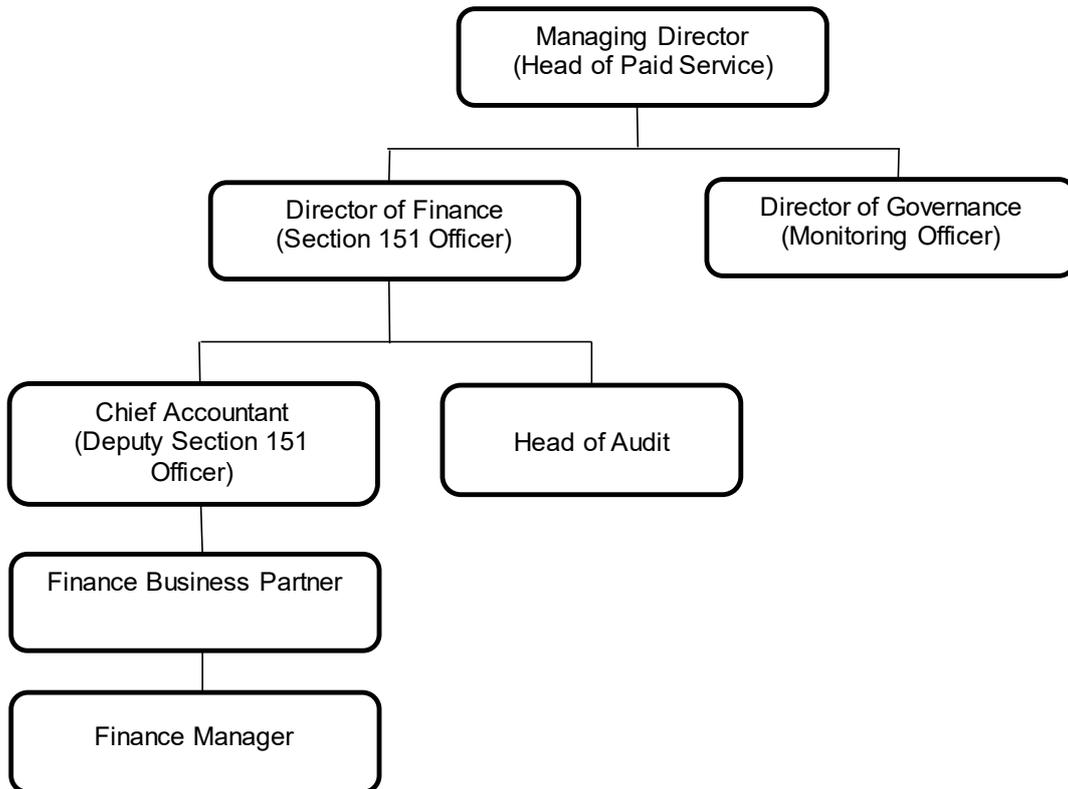
- (a) Policy formulation - approved by Council and monitored/amended by Cabinet (Resources) Panel.
- (b) Treasury advice - the Director of Finance is the responsible officer for advising Council and Cabinet (Resources) Panel. The recommendations made to Councillors will also reflect the advice provided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

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

5.3 Treasury management organisation chart

The treasury management organisation chart as at February 2017 is as follows:



5.4 Statement of duties/responsibilities of each treasury post

5.4.1 Director of Finance (Section 151 Officer)

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

5.4.2 Finance Manager

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

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

5.4.3 Managing Director (Head of the Paid Service)

The responsibilities of this post will be:

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

5.4.4 Director of Governance (Monitoring Officer)

The responsibilities of this post will be:

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

5.4.5 Internal Audit

The responsibilities of Internal Audit will be:

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

5.5 Absence cover arrangements

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

5.6 List of approved brokers

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

5.7 Policy on brokers' services

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

5.8 Policy on taping of conversations

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

5.9 Direct dealing practices

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

- The Council's bankers (National Westminster Bank plc, trading as RBS Commercial & Private Banking) - overnight deposits only
- Invesco Global Asset Management Limited (previously Aim Global Ltd and STIC) - Money Market Fund
- Black Rock Institutional Sterling Liquidity Fund – Money Market Fund
- Standard Life Investments Liquidity Fund (previously called Ignis Sterling Liquidity Fund) – Money Market Fund
- Federated Cash Management Funds (previously Prime Rate Sterling Liquidity Fund) - Money Market Fund
- Santander - Business Reserve Account

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- BOS – Corporate Instant Access Account
- Natwest - Call Account
- Allied Irish Bank (GB) – Fixed Term Account
- Bank of Ireland – Time Deposit Account
- Scottish Widows Institutional Sterling Liquidity Fund - Money Market Fund

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

5.10 Settlement transmission procedures

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

5.11 Documentation requirements

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

5.12 Arrangements concerning the management of third party funds

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

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

6.1 Annual Treasury Management Strategy Statement

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

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

The Treasury Management Strategy is concerned with the following elements:

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

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

6.2 Annual Investment Strategy

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

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

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

6.3 **Annual Minimum Revenue Provisions Statement**

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

6.4 **Policy on Prudential and Treasury Indicators**

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

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

6.5 **Mid-year review**

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

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

6.6 Annual report on treasury management activity

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

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

6.7 Management information reports

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

These reports will contain the following information:

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

6.8 Quarterly monitoring reports

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

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

7.1 Statutory/regulatory requirements

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

7.2 Accounting practices and standards

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

7.3 Sample budgets / accounts / prudential and treasury indicators

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

7.4 List of information requirements of external auditors

- Reconciliation of loans outstanding in the financial ledger to treasury management records
- Maturity analysis of loans outstanding
- Certificates for new long term loans taken out in the year
- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances
- Interest accrual calculation
- Principal and interest charges reports
- Analysis of any deferred charges
- Calculation of loans fund creditors and debtors
- Annual Treasury Report
- Treasury Management Strategy Statement and Prudential and Treasury Indicators
- Review of observance of limits set by Prudential and Treasury Indicators
- Calculation of the Minimum Revenue Provision Page 106

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

Schedule 8 : TMP 8 – Cash and cash flow management

8.1 Arrangements for preparing/submitting cash flow statements

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

The cash flow forecast will identify the following factors:

(a) Payments

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

(b) Income

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

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

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

8.2 Bank statement procedures

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

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8.3 **Payment scheduling and agreed terms of trade with creditors**

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

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

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

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

8.4 **Arrangements for monitoring debtor/creditor levels**

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

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

8.5 **Procedures for banking of funds**

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

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

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

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

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

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In accordance with the Accounts and Audit Regulations 2015, the amount of each cheque shall be recorded on either the bank paying in slip or an attached cheque listing detailing; the amount, the receipt number or reconciling information.

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

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

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

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

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

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

Schedule 9 : TMP 9 – Money laundering

The Council refreshed its anti-money laundering policy and procedure in March 2016, below is a copy of this policy approved by Audit Committee 14 March 2016.

9.1 Introduction

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

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

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

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

9.2 Legal requirements

The Money Laundering Regulations 2007

These regulations set out detailed requirements for organisations to establish procedures to prevent its services being utilised for the purposes of money laundering.

While public authorities are not legally obliged to apply the provisions of the regulations as they do not fall under the term 'regulated activity'. Certain public authorities must, if they know or suspect or have reasonable grounds for knowing or suspecting, that a person is or has engaged in money laundering or terrorist financing, as soon as reasonably practical inform the National Crime Agency. The Council is not one of the certain public authorities, but it will nonetheless inform the National Crime Agency in the same way.

Therefore, as a responsible public body the Council is employing policies and procedures which embrace the UK's anti-terrorist financing, and anti-money laundering requirements, with a particular focus on CIPFA's "Combatting Financial Crime – Further Guidance on Anti-money Laundering for Public Service Organisations".

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The Terrorism Act 2000

This applies to all individuals and businesses in the UK and therefore all employees and councillors within the Council have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for terrorism or its laundering where it relates to information that comes to them in the course of their business or employment. The primary offence states a person commits an offence if he enters into or becomes concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property by concealment, by removal from the jurisdiction, by transfer to nominees, or in any other way.

The Proceeds of Crime Act (POCA) 2002

This Act applies to all individuals and organisations and further defines the offences of money laundering and creates mechanisms for investigating and recovering the proceeds of crime as well as placing an obligation on the Council, employees and councillors to report suspected money laundering activities. The primary offences are:

- Section 327 - concealing, disguising, converting, transferring or removing criminal property from the UK;
- Section 328 - entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person;
- Section 329 - acquiring, using or possessing criminal property.

9.3 Which service areas may be affected by money laundering?

Examples of how the Council may be exposed to money laundering include accepting large cash amounts, the involvement of third parties, the request of a large refund and property investment or purchases.

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

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

9.4 Establishing the identity of a new business relationship

As a responsible Council, we should be aware of any suspicions arising out of funds received from a source from which we are unfamiliar. If the Council forms a new business relationship (including a significant one-off transaction) care should be taken to ensure

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that the client is identifiable by making basic checks on their credentials, along with confirmation of where funds are coming from. This should not be an onerous task, but, we should ensure that we are clear about whom we are conducting business with. This will be especially important if the parties concerned are not physically present for identification purposes and to situations where someone may be acting for absent third parties. This is known as due diligence and must be carried out before any such business is entered into with the customer. If there is uncertainty whether such due diligence is required then advice must be obtained from the Money Laundering Reporting Officer.

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

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

In certain circumstances enhanced customer due diligence may need to be carried out, for example, where:

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

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

9.5 Reporting suspected cases of Money Laundering

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

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

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

Peter Farrow - Head of Audit Services

Tel: (01902) 554460

e-mail: peter.farrow@wolverhampton.gov.uk

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

Mark Wilkes, Client Lead Auditor

Tel: (01902) 554462

e-mail: mark.wilkes@wolverhampton.gov.uk

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

Mark Taylor – Director of Finance (S151 Officer)

Tel: (01902) 556609

e-mail: mark.taylor@wolverhampton.gov.uk

Kevin O'Keefe – Director of Governance/Monitoring Officer

Tel: (01902) 554910

e-mail: kevin.o'keefe@wolverhampton.gov.uk

9.6 Investigating and Reporting Money Laundering

How will the Money Laundering Reporting Officer investigate a disclosure?

The Money Laundering Reporting Officer will:

- acknowledge receipt of the disclosure report;
- assess the information provided to make a judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering activities and;
- prepare a Suspicious Activity Report (SAR) to the National Crime Agency (NCA), where appropriate;
- The employee or councillor must follow any directions given by the Money Laundering Reporting Officer

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- The employee or councillor must cease all involvement in the transaction (not make any further enquiries into the matter themselves) unless or until consent is provided by the NCA.
- The employee or councillor must specify in the disclosure report if such consent is required to comply with any transaction deadlines.
- Any necessary investigation will be undertaken by the NCA. Employees and councillors will be required to co-operate with any subsequent money laundering investigation.
- At no time and under no circumstances should the employee or councillor voice any suspicions to the person(s) suspected of money laundering, even if the NCA has given consent to a particular transaction proceeding, without the specific consent of the Money Laundering Reporting Officer.
- Where the Money Laundering Reporting Officer concludes that there are no reasonable grounds to suspect money laundering then they shall mark the disclosure report accordingly and give their consent for any ongoing or imminent transaction(s) to proceed.
- All in-house disclosure reports and NCA Suspicious Activity Reports will be retained for a minimum of five years after the business relationship ends or an occasional transaction is completed.

9.7 Record Keeping

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

9.8 Review of the Money Laundering Policy

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

Schedule 10 : TMP 10 – Training and qualifications

10.1 Details of approved training courses, etc.

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

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

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

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

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

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

10.2 Standards of professional practice (SOPP)

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

Schedule 11 : TMP 11 – Use of external service providers

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

11.1.1 Core Banking Services

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

11.1.2 Merchant Acquiring Services (Card Acquiring Services)

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

11.1.3 Money-broking services

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

11.1.4 Cash/fund management services

No external suppliers are used to provide these services.

11.1.5 Consultants'/advisers' services

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

11.2 Procedures and frequency for tendering services

See Schedule 2 : TMP 2 Performance measurement.

Schedule 12 : TMP 12 – Corporate governance

12.1 List of documents to be made available for public inspection

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

The Council will make available to any interested party:

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

12.2 Procedures for consultation with stakeholders

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

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

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

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Cabinet Meeting

22 February 2017

Report title	2017/18 Budget and Medium Term Financial Strategy 2017/18 – 2019/20	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Keith Ireland, Managing Director	
Originating service	Strategic Finance	
Accountable employee(s)	Mark Taylor	Director of Finance
	Tel	01902 554410
	Email	mark.taylor@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Council	7 February 2017 1 March 2017

Recommendations for action or decision:

That Cabinet recommends that Council approves:

1. The net budget requirement for 2017/18 of £216.2 million for General Fund services (paragraph 13.4).
2. The Medium Term Financial Strategy 2017/18 to 2019/20 as detailed in Table 6 and the budget preparation parameters underpinning the MTFs as detailed in Appendix A.
3. The budget allocation for Adult Social Care outlined in the report in accordance with the Minimum Funding Level for Adult Social Care (section 11.0).

4. A Council Tax for Council services in 2017/18 of £1,481.12 for a Band D property, being an increase of 3.99% on 2016/17 levels, which incorporates the 2% increase in relation to Adult Social Care (paragraph 7.3).
5. That work starts on developing budget reductions for 2018/19 and progress be reported to Cabinet in July 2017 (paragraph 13.5).

That Cabinet is recommended to approve:

1. The changes to the 2017/18 draft budget for General Fund services, since the draft budget was last reported to Cabinet on 18 October 2016, as detailed in sections 3 to 12 and summarised in Appendix A.
2. That authority is delegated to the Cabinet Member for Resources in consultation with the Director of Finance to amend the budget, to reflect any changes arising out of the final settlement, for presentation to Council (paragraph 3.3).
3. The responses made after consideration of the outcome of the budget consultation (section 10.0)

Recommendations to note:

That Cabinet notes:

1. That the budget for 2017/18 is in balance without the use of general reserves (paragraph 13.3).
2. That, in the opinion of the Director of Finance (Section 151 Officer), the 2017/18 budget estimates are robust (paragraph 13.4).
3. That, the Council's arrangements with the West Midlands Pension Fund has been subject to a recent triennial review which will cover pension payments covering the period from 2017/18 to 2019/20. Discussions have been held with the Fund and its actuary over the course of the last year and final agreement has been reached on employer pension payments to the Fund for the next three years. The agreed payments have been built into this budget and the authority's medium term financial plans (paragraph 5.2).
4. That, in accordance with delegated authority as approved by Cabinet on 19 October 2016, the Cabinet Member for Resources in consultation with the Director of Finance will continue to consider further opportunities to accelerate contribution payments to the West Midlands Pension Fund to secure additional savings (paragraph 5.4).

5. That, in the opinion of the Director of Finance (Section 151 Officer), the proposed levels of reserves, provisions and balances is adequate in respect of the forthcoming financial year (paragraph 14.4).
6. That a further £20.5 million needs to be identified over the period 2018/19 to 2019/20 in order to address the projected budget deficit (paragraph 13.6).
7. That, due to external factors, budget assumptions remain subject to significant change, which could, therefore, result in alterations to the financial position facing the Council (paragraph 4.2).
8. That, having identified significant budget reductions over the last six financial years, the extent of the financial challenge over the medium term continues to represent the most significant challenge that the council has ever faced (paragraph 13.7).
9. That the overall level of risk associated with the 2017/18 budget and Medium Term Financial Strategy 2017/18 – 2019/20 is assessed as Amber (paragraph 16.1).
10. That Councillors must have due regard to the public sector equality duty (Section 149 of the Equality Act 2010) when making budget decisions (paragraph 19.3).

1.0 Purpose

- 1.1 This is the final report of the financial year on the 2017/18 Budget and the Medium Term Financial Strategy for the period to 2019/20. The report provides Cabinet with a budget for recommendation to Full Council.

2.0 Background and Summary

- 2.1 The 2016/17 Budget and Medium Term Financial Strategy (MTFS) 2016/17 - 2019/20 was presented to Full Council for approval on 2 March 2016. The Council was able to set a balanced budget for 2016/17 without the use of General Fund reserves. However, it was projected that the Council would be faced with finding further estimated budget reductions totalling £54.6 million by 2019/20.
- 2.2 It is important to note that the projected deficit already assumes the achievement of previously agreed budget reduction and income generation proposals amounting to £37.4 million over the four year period to 2019/20. Having identified budget reductions in excess of £175 million over the last six financial years, the extent of the financial challenge over the medium term continues to represent the most significant challenge that the Council has ever faced.
- 2.3 In March 2016, Full Council approved that work started immediately to identify opportunities to deliver the £22.2 million projected budget deficit in 2017/18, with an update on progress to be reported to Cabinet in July 2016.
- 2.4 At this point, it was also projected that a further £32.4 million of budget reduction and income generation opportunities needed to be identified, over and above the target for 2017/18, in order to address the projected budget deficit over the medium term to 2019/20.
- 2.5 An update on budget reduction and income generation targets that had been identified during the first three months of this financial year was presented to Cabinet on 20 July 2016. The identified targets totalled £21.9 million for 2017/18. This represented significant progress towards identifying the projected £22.2 million budget deficit for 2017/18. Work continued during the second quarter of 2016/17 to develop those budget reduction and income generation targets into detailed proposals, and to identify further possibilities to deliver the remaining target required to meet the budget deficit for 2017/18.
- 2.6 A report was presented to Cabinet on 19 October 2016, which detailed the outcome of work that had been in progress across all areas of the Council to identify budget reduction and income generation targets to deliver the strategy of identifying £22.2 million for 2017/18. The projected target of £22.2 million at March 2016 was revised to £23.5 million. This was due to a number of proposals being reprofiled or removed.

- 2.7 The new opportunities for 2017/18 were classified into:
- (i) Budget Reduction and Income Generation proposals upon which the outcome of formal budget consultation is required
 - (ii) Financial Transactions and Base Budget Revisions which can be implemented without reliance on the outcome of formal budget consultation
- 2.8 In total, the Council has identified £13.5 million Budget Reduction and Income Generation proposals, and £10.0 million Financial Transactions and Base Budget Revisions for 2017/18.

3.0 Local Government Finance Settlement

- 3.1 On 15 December 2016, the Government announced the provisional local government finance settlement for 2017/18. A report to Cabinet on 18 January outlined the headlines from the settlement and noted the confirmation of the West Midlands pilot for 100% retention of business rates. However, the provisional funding levels continued to reflect the existing business rates model and had not been updated to reflect the 100% retention of business rates. It is expected that the final settlement will reflect the new model, however at the time of writing the Final Local Government Settlement, referred to herein as the final settlement, had not been published.
- 3.2 Due to the lateness of the final settlement we have less certainty about the level of funding available for 2017/18. The basis on which the resources have been built in to the MTFS at this stage reflect provisional settlement levels but have been amended to take into account our forecast of the changes that will result from the 100% business rates retention. Section 9 of this report provides further detail on forecast grant funding.
- 3.3 It is proposed that authority is delegated to the Cabinet Member for Resources in consultation with the Director of Finance to amend the budget, to reflect any changes arising out of the final settlement, for presentation to Council. It is anticipated that any changes will be accommodated through the use of reserves.

4.0 Medium Term Financial Strategy – Key Assumptions

- 4.1 The major budget assumptions used in the preparation of the Medium Term Financial Strategy are set out in Appendix B. Specific assumptions are set out in more detail in the following sections.
- 4.2 It is particularly challenging to project key assumptions over the medium term period, however, they have been adjusted based upon the information available at present and professional judgement. It is important to note that, due to external factors, budget assumptions remain subject to significant change, which could, therefore, result in alterations to the financial position facing the Council.

5.0 Pay Related Pressures

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

Table 1 – Pay Related Pressures

	2017/18 £000	2018/19 £000	2019/20 £000
Pay Awards, Employers Pension and National Insurance	7,042	6,042	7,412
Annual Increments	1,500	1,000	1,000
	8,542	7,042	8,412

5.2 The Council's arrangements with the West Midlands Pension Fund has been subject to a recent triennial review which will cover pension payments covering the period from 2017/18 to 2019/20. Discussions have been held with the Fund and its actuary over the course of the last year and final agreement has been reached on employer pension payments to the Fund for the next three years. The agreed payments have been built into this budget and the authority's medium term financial plans.

5.3 On 19 October, Cabinet approved that authority be delegated to the Cabinet Member for Resources in consultation with the Director of Finance to explore the option of making further pension contributions to the West Midlands Pension Fund in 2017/18, in order to reduce the total costs and secure on-going budget reductions to support the budget challenge that the Council will face in future years.

5.4 It is intended that the Council will make an annual payment in April of each year for the full year's forecast contributions, resulting in a 2.4% reduction in costs. This is reflected in the budget forecasts in this report. In accordance with delegated authority, the Cabinet Member for Resources in consultation with the Director of Finance will continue to consider further opportunities to accelerate contribution payments to secure additional savings.

6.0 Budget Pressures and Developments

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

6.2 Table 2 – Budget Pressures and Developments

	2017/18	2018/19	2019/20
	£000	£000	£000
Inflationary Pressures	3,765	4,469	2,307
Demographic and Demand Pressures	3,705	3,170	5,000
Developments	1,569	(116)	(111)
	9,039	7,523	7,196

- 6.3 Inflationary pressures include utilities and the impact of the increases in the National Living Wage in relation to external contracts.
- 6.4 Demographic and Demand Pressures mainly relate to Adult and Children’s Social Care provision.
- 6.5 The budget has been increased to reflect development pressures in relation to the new Apprenticeship Levy. In 2016/17, the Secretary of State announced the introduction of a levy of 0.5% of the pay bill to contribute to the training of apprentices from 2017/18 onwards. It is now estimated that this will be approximately £800,000 for the Council. Work is being undertaken to establish the extent to which this cost can be mitigated by the securing of grant funding, back from the apprenticeship levy, for the training related cost of apprentices.
- 6.6 In addition to this, the budget has been increased to reflect the Council’s involvement in the Tackling Unemployment Programme; a joint initiative with the Department for Work and Pensions.

7.0 Council Tax

- 7.1 The Council Tax Base and NDR (Business Rates) Net Rate Yield 2017/18 report was presented to Cabinet on 18 January 2017. Cabinet approved that the Council Tax Base for 2017/18 is to be set at 61,397.45 Band D equivalents.
- 7.2 In the Autumn Spending Review 2015 the Government announced that it is to allow local authorities with adult social care responsibilities, the power to raise an additional 2% through Council Tax to fund adult social care. The 2% would be in addition to the Council Tax referendum limit and would need to be used for adult social care only. In the Provisional Settlement 2016 the Government announced that local authorities can now increase the precept to 3% each year for the next two years if they wish but cannot exceed 6% in total over the three year period. The assumption in the MTFs and budget consultation reflects an increase of 2% per annum for the next 3 years to 2019/20 and it is not proposed to change this approach.

- 7.3 Taking account of the above this report recommends an increase in Council Tax of 1.99%, the maximum permitted without triggering a referendum, in addition to the Government's Social Care Precept of 2%, totalling 3.99%.
- 7.4 Table 3 details the resulting impact on the level of the Council element of Council Tax for a Band D property in 2016/17. Details of the impact on all bands can be found in Appendix C.

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

Band D	£
2016/17 Council Element of Council Tax (including adult social care)	1,424.29
1.99% increase	28.34
2% Adult Social Care Precept	28.49
	1,481.12

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

8.0 Business Rates

- 8.1 The National Non-Domestic Rates Return 1 (NNDR1) was compiled and returned to the Department for Communities and Local Government (DCLG) by the deadline of 31 January 2017. In October 2016, Cabinet approved that the City of Wolverhampton Council, as one of the Constituent Members of the West Midlands Combined Authority, will participate in a business rates retention pilot from April 2017, on a no financial detriment basis. As a result of entering into this pilot, the Council will retain 99% of the business rates but no longer receive Revenue Support Grant and instead receive a Top Up Grant adjustment to account for the net effect of the changes. As a result of updated information available to the Council, the Cabinet Member for Resources in consultation with the Director of Finance approved, via an Individual Executive Decision Notice, the final business rates yield for 2017/18 at £71.2 million of which the council will be expected to retain £70.5 million.
- 8.2 There are a number of Business Rates policies that the Government have stipulated for which the Council is reimbursed through Section 31 of the Local Government Act 2003. These include a cap of 2% on the small business multiplier and the cost of temporary doubling of Small Business Rate Relief. Grant income totalling £4.8 million is projected for 2017/18 however; final confirmation from Government has not been received at the time of writing.

8.3 Collection Fund Deficit

- 8.4 On 18 January 2017 Cabinet received a report detailing the estimated outturn on the Collection Fund for 2016/17 which consisted of a projected cumulative surplus of £1.5 million on Council Tax and a projected cumulative deficit of £8.6 million on Business Rates.
- 8.5 Before April 2013 all business rate income collected by councils formed a single, national pot, which was then distributed by government to councils in the form of formula grant. From 2013 the Government gave local authorities the power to keep half of business rate income in their area by splitting business rate revenue into the 'local share' and the 'central share'. It is important to note, that the projected deficit on Business Rates has arisen primarily as a result of the backdating of Business Rates appeals prior to the 2013 localisation.
- 8.6 The Council will retain £2.9 million of the total estimated 2016/17 Collection Fund accumulated deficit as detailed in Table 4.

Table 4 – Retained Element of Collection Fund Deficit

Elements of Collection Fund	(Surplus) / Deficit £000	Retained %	Retained (Surplus) / Deficit £000
Council Tax	(1,509)	89.5%	(1,350)
Business Rates	8,644	49.0%	4,236
Total	7,135		2,886

- 8.7 During the 2014/15 outturn process, a Business Rates Equalisation reserve was established to support the Council in relation to the deficit on the Collection Fund, primarily arising as a result of Business Rates appeals. It is anticipated that reserves totalling £2.9 million will be utilised in 2017/18 to reduce the impact of the deficit on the General Fund Budget.

9.0 Grants

- 9.1 As reported to Cabinet on 18 January 2017, the number of years for which New Homes Bonus is paid will reduce from 6 years to 5 in 2017/18 (including prior years) and to 4 years from 2018/19. This has contributed to a reduction of grant in 2017/18 of £650,000. In addition a national baseline of 0.4% for housing growth will be introduced from 2017/18. Future years New Homes Bonus Grant will be withheld on housing growth below 0.4%. In order to be prudent the forecast level of New Homes Bonus grant in the MTF5 has been reduced to £1.5 million in 2018/19 and removed entirely in 2019/20. Work will continue to model projected housing growth and updates will be provided in future budget reports.

- 9.2 The Council is part of the West Midlands pilot for 100% retained business rates from April 2017 and as a result the Council will no longer receive Revenue Support Grant. However, indications show that the allocation of Top Up Grant will be increased from £39.4 million to £42.1 million in 2017/18 to reflect the new model. These changes are reflected in Table 6.
- 9.3 As reported to Cabinet on 18 January 2017 the Council has been allocated a one off grant for Adult Social Care totalling £1.4 million for 2017/18. As explained in section 11 this grant has been passported to Adult Social Care.
- 9.4 Section 31 Grant compensates the Council for an element of mandatory business rates reliefs and the cap on inflationary increases on the business rates multiplier. Section 31 grant is forecast at £4.8 million in 2017/18.
- 9.5 Updated Housing Benefit and Council Tax Admin Grant allocations have been received resulting in a reduction of £188,000 in 2017/18.

10.0 Budget reduction proposals

- 10.1 On 19 October 2016, Cabinet approved that Budget Reduction, Redesign and Income Generation proposals, totalling £13.5 million in 2017/18, should proceed to the formal consultation and scrutiny stages of the budget process and Financial Transactions and Base Budget Revisions totalling £10.0 million in 2017/18 be incorporated into the 2017/18 draft budget. Further details of individual proposals are available on the Council's website using the following link
<http://www.wolverhampton.gov.uk/financialstrategy>
- 10.2 During November and the start of December 2016, each Scrutiny Panel reviewed and scrutinised the relevant budget reduction proposals. All of these views and observations were then reported to Scrutiny Board on 13 December 2016 and Cabinet on 18 January 2017. This report provides the final response of Cabinet to the budget scrutiny.
- 10.3 The results of budget consultation were reported to Cabinet (Resources) Panel on 7 February 2017. This report now provides the final response of Cabinet to the budget consultation.
- 10.4 The consultation responses indicated that respondents were largely supportive of the proposals put forward. In particular, respondents supported the redesigning of services and generating income to help balance the books.
- 10.5 In relation to the redesign of the waste service, the consultation demonstrated support for the proposals. 86% respondents were not in favour of moving to three-weekly collection of domestic waste whereas 55% were in favour of moving to a fortnightly collection. As a result the Council is proposing to move to a fortnightly collection.

- 10.6 In relation to charges for the collection of green waste, the majority of respondents were not in favour of offering reduced charges to those people who qualify for Council concessions because of the benefits they receive. The Council believes that to not offer reduced charges would have detrimental equalities implications and therefore this will remain an element of the redesign of the service.
- 10.7 The consultation asked about proposed changes to charges for outlying car parks. The responses indicated a preference for a three hour maximum free waiting time with charges being imposed after this period. The Council will reflect this preference when reviewing the usage of outlying car parks.
- 10.8 Consultation with the community, Over 50s Forum and the Voluntary and Community Sector demonstrated a concern about reductions in budgets for Adult Social Care. The Council is introducing a concept of a minimum funding level for Adult Social Care to ensure that Adult Social Care Grant together with funds raised through the Adult Social Care Precept and the new Better Care Fund monies, have been fully passported to Adult Social Care. The Council has provided funding for Adult Social Care over and above the minimum level for 2017/18 and 2018/19 to transform the service. This is discussed further in section 11 and Table 5.
- 10.9 In the provisional local government finance settlement the Government gave local authorities the opportunity to increase the Adult Social Care Precept above the existing 2%, within an overall cap of 6% over three years. The Council has been able to provide the additional funding for Adult Social Care without taking this flexibility, in line the consultation response which indicated that residents would not be in favour of increases in Council Tax above 3.99%.
- 10.10 Support was also expressed for the Council working with other authorities to deliver services more efficiently. Examples of how the Council collaborates with other organisations include:
- Joint working with Sandwell Metropolitan Borough Council in respect to Internal Audit and Taxation advice.
 - Back office support services provision to Wolverhampton Homes through an Service Level Agreement with the Council.
 - The Council leads on service provision for other local authorities such as the Urban Traffic Control Service.
 - We are looking at opportunities to share emergency out of hours provision.
 - We are also looking at the creation of a regional adoption recruitment agency in conjunction with other Black Country authorities, Telford and Shropshire.

The Council will continue to explore further opportunities for collaborative working with partners.

11.0 Adult Social Care Funding

- 11.1 On 18 January Cabinet approved the adoption of a minimum funding level for Adult Social Care in order that the Council can demonstrate to Government, public and other stakeholders that this grant, combined with the funds raised through the Adult Social Care Precept and the new Better Care Fund monies, have been fully passported to Adult Social Care.
- 11.2 The minimum funding level will use the 2015/16 Adult Social Care budget as the baseline year and will be adjusted incrementally for the following elements:
- A reduction to reflect a proportion of corporate budget challenges arising from both reductions in Corporate Resources and increasing Corporate Budget pressures, for costs such as Treasury Management. The proportion will be fixed based on the baseline year of 2015/16.
 - An increase to reflect 100% of the Adult Social Care funding from Adult Social Care Precept, Better Care Fund and the Adult Social Care grant.
- 11.3 The minimum funding level will be tracked from April 2016 onwards, 2016/17 therefore becomes the first year of implementation, to align with the first year of the Adult Social Care precept.
- 11.4 The following table details the forecast minimum funding level for the period of the MTFS compared with the budget allocated to Adult Social Care and demonstrates that the required level of funding has been exceeded.

Table 5 – Minimum Funding Level for Adult Social Care

	2017/18 £000	2018/19 £000	2019/20 £000
Minimum Funding Level	61,980	64,600	68,100
MTFS Budget for Adult Social Care	63,390	66,070	68,100
Variance	1,410	1,470	-

12.0 Capital Receipts Flexibilities

- 12.1 The Capital Programme includes assumptions about the level of capital receipts to be generated in 2017/18. The MTFS for 2017/18 assumes the use of £1.5 million of capital receipts to pay for revenue set up costs of transformational projects that are designed to make revenue budget reductions.
- 12.2 Throughout the year, capital receipts generated will be reviewed and the opportunities to use capital receipts to fund transformational work will be maximised. The first call on any capital receipts available, above that which is already budgeted for, will be to fund the costs of redundancy.

13.0 Updated Budget and Medium Term Financial Strategy

- 13.1 Table 6 details projections for the period to 2019/20; incorporating extensive budget preparation work that has been on-going in recent months for the 2017/18 budget, in addition to those adjustments arising as a result of changes in assumptions, as detailed in this report.
- 13.2 In recognition of the work required to support complex transformation projects, it is proposed that a budget of £1.5 million for corporate transformational work, is built in to the budget for 2017/18. Table 6 reflects this adjustment.
- 13.3 The Council is now faced with finding further budget reductions estimated at £20.5 million over the next three years. The Council's proposed budget for 2017/18 does not require the use of any general reserves in order to balance the budget.
- 13.4 The net budget requirement for 2017/18 for General Fund Services is £216.2 million. In the opinion of the Director of Finance (Section 151 Officer) the 2017/18 budget estimates are robust.
- 13.5 However, work must start immediately to identify additional budget reductions to address the projected £14.8 million budget deficit for 2018/19. It is proposed that an update on progress will be reported to Cabinet in July 2017.
- 13.6 The July 2017 report will also include a high level strategy for tackling the estimated additional budget reductions totalling £5.7 million required in 2019/20, taking the total additional budget reductions to be identified to £20.5 million, in order to address the projected budget deficit over the medium term to 2019/20.
- 13.7 It is important to note that the updated projected budget deficit assumes the achievement of budget reduction proposals amounting to £33.8 million over the three year period from 2017/18 to 2019/20. Having identified budget reductions in excess of £200.0 million over the last seven financial years, the extent of the financial challenge over the medium term continues to represent the most significant that the Council has ever faced.
- 13.8 Appendix A analyses the changes that have taken place since 24 February 2016, whilst the Council's proposed budget for 2017/18 and the medium term forecast is shown at Table 6. Further supporting information is available at <http://www.wolverhampton.gov.uk/financialstrategy>
- 13.9 An updated version of the Financial Plan will be produced to explain the extent of the financial challenge that is still faced by the Council to stakeholders. This document aims to inform stakeholders, in addition to supporting the 2018/19 budget consultation process.

Table 6 - Medium Term Financial Strategy 2017/18 to 2019/20

	2017/18	2018/19	2019/20
	£000	£000	£000
Previous Years Net Budget Brought Forward	217,350	216,181	239,347
Increasing/ (Decreasing) Cost Pressures			
- Pay Related Pressures	8,542	7,042	8,412
- Treasury Management	3,743	13,152	6,034
- Budget Growth	9,039	7,523	7,196
- Budget Reduction, Income Generation and Financial Transactions Proposals	(23,393)	(4,702)	(5,682)
- Net Impact of change in specific grants	900	151	-
	(1,169)	23,166	15,960
Net Budget (Before Use of Resources)	216,181	239,347	255,307
Projected Corporate Resources			
Council Tax	(87,506)	(89,694)	(91,936)
Social Care Precept	(3,431)	(5,276)	(7,176)
Revenue Support Grant	-	-	-
Enterprise Zone Business Rates	(1,790)	(1,958)	(2,800)
Use of the Enterprise Zone Business Rates Reserve	(604)	-	-
Collection Fund (Surplus)/Deficit	2,886	-	-
Business Rates Equalisation Reserve	(2,886)	-	-
Top Up Grant	(42,106)	(42,948)	(43,807)
Localised Business Rates	(70,459)	(71,868)	(73,306)
New Homes Bonus	(3,504)	(1,500)	-
New Homes Bonus Adjustment Grant	-	-	-
Section 31 Grant - Business Rates support	(4,810)	(4,810)	(4,810)
Better Care Fund Grant	(1,173)	(6,454)	(11,000)
Adult Social Care Grant	(1,383)	-	-
Contribution to/from Reserve	585	-	-
Use of General Balances	-	-	-
	(216,181)	(224,508)	(234,835)
)))
Projected Annual Change in Budget Deficit/(Surplus)	-	14,839	5,633
Projected Cumulative Budget Deficit	-	14,839	20,472

14.0 General Fund Reserves

14.1 General Fund Balances

14.2 The Reserves Policy requires the Council to maintain the minimum level of £10 million. As detailed in paragraph 13.3 the Council is able to set a balanced budget for 2017/18 without the use of General Fund Reserves. In order to maintain the required level of reserves it is necessary to deliver the budget reductions target of £20.5 million of the period to 2019/20 as detailed in Table 6.

14.3 Specific Reserves

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

15.0 Redundancy Update

15.1 The Council continues to make progress with the voluntary redundancy (VR) exercise, having sought volunteers for redundancy/early retirement since late 2013. The medium term objective to achieve 2,000 redundancies has been achieved. Since 2013, 1,770 have left through voluntary redundancy and 324 through compulsory redundancy.

15.2 As part of the ongoing transformation of the Council, although many services are being, or will be, redesigned, it is not anticipated that as many employees will exit the organisation as in previous years. Changes to the make up of teams and alternative ways of working will require services to be restructured, but numbers will not reduce as significantly as they have done previously.

15.3 Whilst it is the Council's policy to avoid making compulsory redundancies wherever it can, it is unrealistic to assume that these can be avoided altogether. Wherever possible compulsory redundancy is mitigated by voluntary redundancy and redeployment. A new HR 1 will be issued by 1 April 2017. The numbers included in the HR1 will include posts held by colleagues who, as part of the business review and restructure, need to be included, as they will need to be put at risk of redundancy, however, many of these employees will apply and be offered jobs in the new structure.

16.0 Budget Risk Management

16.1 The following table provides a summary of the risks associated with the Medium Term Financial Strategy, using the corporate risk management methodology. The overall level of risk associated with the 2017/18 budget and Medium Term Financial Strategy 2017/18 – 2019/20 is assessed as Amber.

Table 7 – General Fund Budget Risks 2017/18 – 2019/20

Risk	Description	Level of Risk
Medium Term Forecasting	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, uptake of pension auto enrolment, Equal Pay and National Living Wage	Amber
Budget Management	Risks that might materialise as a result of the robustness of financial planning and management, in addition to the consideration made with regards to the loss of key personnel or loss of ICTS facilities	Green
Transformation Programme	Risks that might materialise as a result of not identifying budget reductions, not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce	Amber
Reduction in Income and Funding	Risks that might materialise as a result of the Final Local Government Finance Settlement. Risks that might materialise as a result of income being below budgeted levels, claw back, reduction to government grant or increased levels of bad debts. The risk of successful appeals against business rates.	Amber
Service Demands	Risks that might materialise as a result of demands for services outstretching the available resources.	Amber
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber

Government Policy	Risks that might materialise as a result of changes to Government policy including changes in VAT and personal taxation rules, the impact of exiting the European Union and, in particular, from the Care Bill.	Red
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17.0 Financial Implications

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

[CN/10022017/N]

18.0 Legal Implications

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

- (a) has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful,
- (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or
- (c) is about to enter an item of account the entry of which is unlawful.

- 18.6 The Chief Financial Officer of a relevant Authority shall make a report under this section if it appears to him that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- 18.7 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirement for 2017/18.

[TS/10022017/V]

19.0 Equalities implications

- 19.1 The council's annual budget and medium term financial strategy supports a range of services designed to meet key equalities objectives. A summary equalities analysis has been conducted on the overall budget proposals, including the overall impact of job losses. This is can be found on the Council's website via the following link:
<http://www.wolverhampton.gov.uk/financialstrategy>
- 19.2 Budget reduction proposals will only be implemented on completion of a full equalities analysis.
- 19.3 Councillors must have due regard to the public sector equality duty (Section 149 of the Equality Act 2010) when making budget decisions.

20.0 Human resources implications

- 20.1 In line with the Council's statutory duties as an employer under the Trade Union Labour Relations (Consolidation) Act 1992, an HR1 form has been issued to the Secretary of State for Business, Innovation and Skills identifying the intention to reduce the workforce by up to 1,000 jobs across the Council in the period up to 31 March 2017 through both voluntary redundancy and budget reduction targets which will result in compulsory redundancies. This was to comply with the Council's announcement in 2013, that there would be 2,000 job losses. To date there have been 1,770 employees leave City of Wolverhampton Council through voluntary redundancy and 324 under compulsory redundancy. Further redundancies will be required in order to achieve the proposed budget reductions. A further HR1 will be issued, identifying the intention to reduce the workforce by up to a further 500 jobs in the period up to 31 March 2018.
- 20.2 As part of the ongoing transformation of the Council, although many services are being, or will be, redesigned, it is not anticipated that as many employees will exit the

organisation as in previous years. Changes to the make up of teams and alternative ways of working will require services to be restructured, but numbers will not reduce as significantly as they have done previously.

- 20.3 The numbers included in the HR1 will include posts held by colleagues who, as part of the business review and restructure, need to be included, as they will need to be put at risk of redundancy. However, many of these employees will apply and be offered jobs in the new structure and therefore the number of employees leaving the authority is anticipated to be far fewer than the number declared on the HR1.
- 20.4 Reductions in employee numbers will be achieved in line with the Council's HR policies. Compulsory redundancies will be mitigated as far as is possible through seeking voluntary redundancies in the first instance, and through access to redeployment.
- 20.5 The Council will ensure that appropriate support is made available to employees who are at risk of and selected for redundancy, and will work with partner and external agencies to provide support. Budget reduction targets to move service delivery from direct Council management to private, community or third sector providers may have implications under the TUPE regulations.
- 20.6 There is on-going consultation with the trade unions on the impact of the Council's budgetary position and the targets being made to meet the challenges posed by it

21.0 Schedule of Background Papers

Budget 2017/18 – Outcome of Consultation, report to Cabinet (Resources) Panel, 7 February 2017.

Scrutiny Board Comments – Draft Budget and Medium Term Financial Strategy 2017/18 to 2019/20, report to Cabinet, 18 January 2017.

Provisional Local Government Finance Settlement Update, report to Cabinet, 18 January 2017.

Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20, report to Cabinet, 19 October 2016.

Council Efficiency Strategy and Four Year Settlement, report to Full Council, 20 July 2016.

Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20, report to Cabinet, 20 July 2016.

2016/17 Budget and Medium Term Financial Strategy 2016/17 – 2019/20, report to Full Council, 2 March 2016.

This report is PUBLIC
[NOT PROTECTIVELY MARKED]

**Medium Term Financial Strategy 2017/18:
Analysis of Changes since 24 February 2016**

	2017/18 £000
Projected Budget Challenge - 24 February 2016	22,192
<i>Budget Reduction and Income Generation Revisions approved in July 2016</i>	(21,880)
<i>Budget Reduction and Income Generation Revisions approved in October 2016</i>	1,372
<i>Additional Financial Transactions and Base Budget Revisions approved in October 2016</i>	(1,684)
Changes in Pay Related Pressures	(5,437)
Changes to Treasury	1,288
Changes to Inflationary Pressures	(400)
Changes to Demographic and Demand Pressures	2,535
Changes to Development Pressures	869
Changes to Budget Reduction and Income Generation Proposals	3,532
Changes to Specific Grants	188
Changes to Corporate Resources projections	
Corporate Resources - Better Care Fund Grant	(1,173)
Corporate Resources - Adjustment to Top Up Grant	(5,196)
Corporate Resources - Adjustment to Business Rates	(31,802)
Corporate Resources - Removal of Revenue Support Grant	38,392
Corporate Resources - Adjustment to Section 31 Grant	(2,793)
Corporate Resources - Council Tax increase in base	(825)
Corporate Resources - Adult Social Care Grant 2017/18	(1,383)
Corporate Resources - Education Services Grant	820
Corporate Resources - New Homes Bonus	800
Collection Fund Deficit 2016/17	2,886
Collection Fund Deficit - funded from reserves	(2,886)
Enterprise Zone - net adjustment including transfer from reserves	-
Contribution to Reserves	585
Total Changes since 24 February 2016	(22,192)
Add: Cumulative Budget Adjustments	-
Projected Budget Challenge - February 2017	-

APPENDIX A

Medium Term Financial Strategy 2017/18 to 2019/20:
Analysis of Changes since 24 February 2016

	2017/18 £000	2018/19 £000	2019/20 £000
Projected Budget Challenge - 24 February 2016	22,192	42,326	54,639
<i>Budget Reduction and Income Generation Revisions approved in July 2016</i>	(21,880)	-	-
<i>Budget Reduction and Income Generation Revisions approved in October 2016</i>	1,372	-	-
<i>Additional Financial Transactions and Base Budget Revisions approved in October 2016</i>	(1,684)	-	-
Changes since 19 October 2016			
2018/19 - 2019/20 impact of October decisions			
Budget Reduction and Income Generation Proposals approved in July 2016	-	5,500	(500)
Reprofile 'Children's Service Re-design' proposal to 2018/19	-	(375)	-
Reprofile 'Reconfiguration of Residual Waste Collection Service' proposal to 2018/19	-	(500)	-
2017	-	(300)	(300)
Budget Reduction and Income Generation Revisions	-	(2,322)	(1,207)
Changes in Pay Related Pressures	(5,437)	2,902	4,208
Changes to Treasury	1,288	(1,157)	5,870
Changes to Inflationary Pressures	(400)	400	(1,693)
Changes to Demographic and Demand Pressures	2,535	1,000	3,000
Changes to Development Pressures	869	(116)	(111)
Changes to Budget Reduction and Income Generation Proposals	3,532	1,110	(3,795)
Changes to Specific Grants	188	(97)	-
Changes to Corporate Resources projections			
Corporate Resources - Better Care Fund Grant	(1,173)	(5,281)	(4,546)
Corporate Resources - Adjustment to Top Up Grant	(5,196)	248	354
Corporate Resources - Adjustment to Business Rates	(31,802)	(542)	(555)
Corporate Resources - Removal of Revenue Support Grant	38,392	(8,094)	(8,174)
Corporate Resources - Adjustment to Section 31 Grant	(2,793)	-	-
Corporate Resources - Council Tax increase in base	(825)	79	67
Corporate Resources - Adult Social Care Grant 2017/18	(1,383)	1,383	-
Corporate Resources - Education Services Grant	820	-	-
Corporate Resources - New Homes Bonus	800	610	1,544
Collection Fund Deficit 2016/17	2,886	(2,886)	-
Collection Fund Deficit - funded from reserves	(2,886)	2,886	-
Enterprise Zone - net adjustment including transfer from reserves	-	842	(842)
Contribution to Reserves	585	(585)	-
Total Changes since 24 February 2016	(22,192)	(5,295)	(6,680)
Add: Cumulative Budget Adjustments	-	(22,192)	(27,487)
Projected Budget Challenge February 2017	-	14,839	20,472

Budget Preparation Parameters

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

	2017/18 Forecast Budget	2018/19 Forecast Budget	2019/20 Forecast Budget
Council Tax Annual Increase (Council element)	1.99%	1.99%	1.99%
Growth in Council Tax Base	0.5%	0.5%	0.5%
Adult Social Care Precept (Council element)	2.0%	2.0%	2.0%
Pay Awards *	1.0%	1.0%	2.0%
Price Inflation (excl. Gas, Electricity and NNDR)	0.0%	0.0%	0.0%
Price Inflation (Gas)	6.2%	5.8%	5.6%
Price Inflation (Electricity)	2.6%	2.5%	2.4%
Price Inflation (NNDR)	2.0%	2.0%	2.0%
Borrowing Interest Rate (PWLB 25 year rate)	3.0%	3.2%	3.4%
Return on Investments	0.5%	0.5%	0.5%
NNDR Income Annual Increase	2.0%	2.0%	2.0%
Growth in NNDR Tax Base	0.0%	0.0%	0.0%
Increase/(Decrease) in Top-Up Grant	2.0%	2.0%	2.0%

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

APPENDIX C

Council Element of Council Tax for 2017/18 per Band

Valuation Band (1 April 1991)	Values not exceeding £40,000	Values exceeding £40,000 but not exceeding £52,000	Values exceeding £52,000 but not exceeding £68,000	Values exceeding £68,000 but not exceeding £88,000	Values exceeding £88,000 but not exceeding £120,000	Values exceeding £120,000 but not exceeding £160,000	Values exceeding £160,000 but not exceeding £320,000	Values exceeding £320,000
	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
Council Tax 2016/17 (Council element including 2016/17 ASC precept)	949.53	1,107.79	1,266.04	1,424.29	1,740.80	2,057.31	2,373.82	2,848.59
1.99% increase in Council Tax	18.89	22.04	25.19	28.34	34.64	40.94	47.23	56.68
2% Adult Social Care Precept	18.99	22.15	25.32	28.49	34.82	41.15	47.48	56.97
Council Tax 2017/18 (Council element)	987.41	1,151.98	1,316.55	1,481.12	1,810.26	2,139.40	2,468.53	2,962.24

Analysis of Adjustments to Previously Approved Budget Reduction Proposals

Description of change	2017/18 £000	2018/19 £000	2019/20 £000
Budget Reduction and Income Generation Revisions approved in October 2016			
Remove 'Restructuring of the Library Service' proposal	500	-	-
Reprofile 'Children's Service Re-design' proposal to 2018/19	375	(375)	-
Reprofile 'Reconfiguration of Residual Waste Collection Service' proposal to 2018/19	500	(500)	-
Removal of 'Re-provision of Stress Counselling Service' proposal	20	-	-
Re-profile of 'Review of Waste and Recycling' proposal to reflect potential implementation date of June 2017	600	(300)	(300)
Budget Reduction and Income Generation Revisions post October 2016			
Reprofile 'Older People Assessment and Care Management - Promoting Independence' to 2019/20	1,100	-	(1,100)
Reprofile Older People Savings to 2019/20	1,500	-	(1,500)
Reprofile 'Disability and Mental Health - Promoting Independence'to 2019/20	1,400	-	(1,400)
Reprofile 'Civic Halls Improvement Plan' to 2019/20	150	85	(235)
Reprofile 'Facilities Management' to 2018/19	400	(400)	-
Reprofile WV Active budget reduction proposals	150	550	400
Reprofile Customer Services Transformation budget reduction proposals	500	(500)	-
Adjustment to Organisational Development Insight and Performance budget reduction proposal	100	-	-
Future target for Efficiency Savings removed to be prudent and avoid double-counting	-	1,075	-

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Cabinet Meeting

22 February 2017

Report title	Wolverhampton Homes Annual Delivery Plan 2017-18	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Peter Bilson Housing and City Assets	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Lesley Roberts, Housing	
Originating service	Housing	
Accountable employee(s)	Kenny Aitchison	Service Manager Housing Strategy and Development 01902 554841 Tel Email kenny.aitchison@wolverhampton.gov.uk
Report to be/has been considered by	Improving the City Housing Offer Board Place Leadership Team Strategic Executive Board Delivery Plan Quarterly Monitoring Group	25 January 2017 06 February 2017 07 February 2017 08 February 2016

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Accept the Wolverhampton Homes Annual Delivery Plan 2017-18 and recommend its approval by Full Council

1.0 Purpose

- 1.1 The purpose of this report is to seek Cabinet acceptance of the Wolverhampton Homes Annual Delivery Plan 2017-18 and to recommend approval of the plan by Full Council.

2.0 Background

- 2.1 Under the terms of the management agreement between the Council and its ALMO, Wolverhampton Homes is required to produce an annual Delivery Plan. The plan developed in consultation with the Council sets out:
- How Wolverhampton Homes will manage and maintain council owned properties for the financial year 2017-18
 - The revenue, capital and staffing resources available to deliver the above services
 - Wolverhampton Homes' contribution to meeting the wider strategic objectives of the Council and City Strategy and the Corporate Plan.
- 2.2 The management agreement also requires the final version of the annual Delivery Plan to be considered and endorsed by the Delivery Plan Monitoring Group. The Cabinet Member for Housing and City Assets chairs the group and its membership is drawn from Board members from Wolverhampton Homes and senior officers from WH and the Council, together with representatives of the Wolverhampton Federation of Tenants Associations.
- 2.3 The Delivery Plan Monitoring Group receives quarterly reports from Wolverhampton Homes on the progress against the annual Delivery Plan, enabling the group to monitor the outcomes against the activities detailed in the Action Plan (Appendix 2 of Delivery Plan) and the Key Performance Targets detailed (Appendix 3 of the Delivery Plan).
- 2.4 Wolverhampton Homes progress towards achieving performance indicator targets (Appendix 3 of the Delivery Plan) are monitored monthly or quarterly, as appropriate, at joint performance monitoring meetings between Council employees and officers from Wolverhampton Homes.

3.0 Annual Delivery plan 2017-18.

- 3.1 The contents of the Annual Delivery Plan 2017-18 have been negotiated between Wolverhampton Homes and Council employees over the past three months led by the Housing Strategy Team.
- 3.2 At the meeting of the Delivery Plan Monitoring Group on 8 February 2017 the group will endorse the Delivery Plan recommending it to the Council and the Board of Wolverhampton Homes for acceptance. Both organisations must approve the Delivery Plan before the end of March 2017 to allow implementation on 1 April 2017.

- 3.3 The Delivery Plan sets out how Wolverhampton Homes proposes to deliver services and support the strategic objectives of the Council.
- The Financial Plan section details the allowances and other income within which expenditure on the delivery of the Plan must be achieved and contained.
 - The Human Resource section sets out the on-going need for Wolverhampton Homes to continue to realign resources to address Welfare Reform challenges, in particular the potential roll out of Universal Credit and the specific need to focus on income recovery as a result.
- 3.4 Appendix 1 of the Delivery Plan shows the Performance Review Arrangements which are reviewed annually as part of the Delivery Plan negotiations.
- 3.5 The Priorities Action Plan Appendix 2 details how the aims and objectives of the delivery plan will be achieved.
- 3.6 The Delivery Plan contains the performance indicator targets agreed between the Council and Wolverhampton Homes for 2017-18 in Appendix 3.
- 3.7 The ongoing development of the City housing offer will also include consideration of how plans such as this can continue to contribute to improving housing across the City.

4.0 Financial implications

- 4.1 The financial implications of the Delivery Plan 2017-18 are set out on pages 14 to 17 of the plan. The Delivery Plan is consistent with the approved Housing Revenue Account (HRA) Business Plan.

[JM/02022017/B]

5.0 Legal implications

- 5.1 The Delivery Plan forms part of the contractual management agreement between the Council and Wolverhampton Homes.

[RB/02022017/B]

6.0 Equalities implications

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

Wolverhampton Homes has a set of Equalities Objectives as similarly required by the Specific Equality Duty also created by the Equality Act. The actions that flow from

these objectives set out to meet this duty are those contained within the Delivery Plan which further supports the Council's requirements in terms of its compliance with the Act and the duties created by the Act.

7.0 Environmental implications

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

8.0 Human resources implications

- 8.1 There are no direct human resources implications emanating from the Annual Delivery Plan for the Council. The monitoring of the plan will be carried out by Housing Services within current staffing resources. Section 4 of the annual Delivery Plan sets out in detail the human resources implications and the need for organisational change within Wolverhampton Homes in 2017-18.

9.0 Corporate landlord implications

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

10.0 Schedule of background papers

- 10.1 Wolverhampton Homes Annual Delivery Plan 2017-18
- Appendix 1 Wolverhampton Homes Annual Delivery Plan 2017-18– Performance Review Arrangements
 - Appendix 2 Wolverhampton Homes Annual Delivery Plan 2017-18– Priorities Action Plan
 - Appendix 3 Wolverhampton Homes Annual Delivery Plan 2017-18– Targets



Wolverhampton Homes

Delivery Plan 2017-18

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Sections:

Introduction

- 1. Wolverhampton Homes' management responsibilities and performance framework**
- 2. Supporting local priorities and priority actions for 2017-18**
- 3. Financial plan for 2017-18**
- 4. Human resources plan for 2017-18**

Appendices:

- 1: Summary of Performance Review Arrangements for City of Wolverhampton Council to monitor Wolverhampton Homes
- 2: Action plan for delivery of 2017-18 priorities
- 3: Performance targets for 2017-18

INTRODUCTION AND FOREWORD

Welcome to the Wolverhampton Homes 2017-18 Delivery Plan. Wolverhampton Homes' opportunities and aspirations to do more are set against the backdrop of the challenges faced by both the Council and Wolverhampton Homes, the housing sector in general and the wider community including the challenges from welfare reforms.

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

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

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

Sue Roberts MBE (Chair)
Wolverhampton Homes

Cllr. Peter Bilson
(Cabinet Member for
Housing and City
Assets)
Wolverhampton City
Council

1 Wolverhampton Homes' management responsibilities and performance framework

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

1.2 Overview of governance and operational arrangements

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

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

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

- A review panel carrying out tenant led scrutiny of Wolverhampton Homes' services
- Four local "Get Together's" held three times a year in each of the management areas and two city wide meetings held in winter
- A leaseholder forum meeting four times a year made up of leaseholders to discuss and scrutinise leaseholder issues like service charges and contributions to capital works
- The Wolverhampton Federation of Tenants' and Residents' Associations and individual Tenants and Residents Associations representing tenants at estate level
- Mystery shopping
- Focus groups and satisfaction surveys, and
- One off projects that address specific community needs

1.3 Performance framework

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

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

2 Supporting local priorities and priority actions for 2017-18

2.1.1 The Business Plan 2013-18 provides an overview for how Wolverhampton Homes will support the Council's key strategies and meet customer requirements. This forms the basis for Wolverhampton Home's Delivery Plan targets for 2017/18. This year's Delivery Plan has been written in the context of the establishment by the Council of a new subsidiary company – WV Living – to deliver new housing in the City, the Chancellor of the Exchequer's 2016 Autumn Statement and current plans for further welfare reform and the implementation of the Housing and Planning Act 2016.

2.1.2 In more detail the context for setting priorities for 2017/18 are:

- Supporting the Council's Corporate Plan and City and Housing Strategies overall
- Undertaking a role in supporting the Council in 'delivering new homes', which in 2017/18 for Wolverhampton Homes will centre on identifying in-fill sites to supplement the mainstream development of larger sites being carried out by the council.
- Working on arrangements to manage newly built market rented property to support the Council's newly established WV Living subsidiary
- The roll out of the "Click Start" programme, Digital First in general and the promotion of Wolverhampton Home's online self-service offering. This is in support of the Council's drive to increase the number of people with digital and financial skills
- Continuing to support the Council's corporate aim to help people develop the skills to get and keep work through our commercial activities, e.g. the further development of Wolverhampton Works
- Continuing to respond to Welfare Reform and the introduction of Universal Credit to support the Council's aim of safeguarding people in vulnerable situations

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

2.2 Looking ahead to 2017-18 – Key Themes

2.2.1 Some on-going actions from last year, particularly around managing the impact of Welfare Reform, will continue to impact on service delivery and will continue as part of Wolverhampton Home's Delivery Plan. We also want to acknowledge that although change is a major issue, what is also important for many customers is that we continue to deliver the core services well such as dealing with repairs and managing estates to a high standard. However, added to core business and on-going issues like welfare reform there are a number of new priority areas for 2017/18. These are considered in detail in section 3.

Managing and delivering change – an overview of our environment

2.2.2 In 2015/16 there was a major change in the way housing services were provided within the City. The Wolverhampton Homes Chief Executive now performs the role of Strategic Director for Housing within the Council. There is now one post responsible

for both Wolverhampton Homes and retained housing services provided by the City Council. At the end of 2015/16 there were further changes to the way services are managed. Changes to the Wolverhampton Homes senior management team at the end of 2015/16 saw the number of Directors reduce from four to three and appointment of two new assistant director roles. This has meant major changes in responsibilities at a senior level.

- 2.2.3 Now that these changes have bedded in the focus will be on how some specific services are delivered and how these arrangements can be improved. A key issue will be the further development of Wolverhampton Homes' commercial activities. In 2017/18 the organisation aims to roll out a private sector repairs service providing repairs to owner occupiers and private landlords across the City. There are also plans to set up an internal job agency through the Learning Employment and Achievement Programme (LEAP) to provide a variety of employment opportunities for Council tenants as a staging post to help them get into regular employment.
- 2.2.4 A process of restructuring services at the end of 2015/16 leading into 2016/17 has created a stable financial environment for the organisation. This means that looking ahead to 2017/18 services can be reviewed on a more tactical basis focusing on areas where there is an imperative for change or opportunities arise for small scale savings based on staff leaving or retiring. To make the most of resources it is important that as much resource as possible is made available for dealing with vulnerable tenants, income recovery and Digital First.
- 2.2.5 The area likely to experience greatest change in 2017/18 will be customer services. Firstly, before the end of the 2016/17 financial year Wolverhampton Homes will cease all collection of direct payments by tenants other than by automated kiosks and secondly the Low Hill and Merry Hill offices will have closed. These changes will see a movement of staff away from routine transaction based work to more value added services for tenants. In 2017/18, Wolverhampton Homes will approach the end of a ten year lease, and will also be deciding the future of Market Street, the customer service point in the city centre since 2007. A review will be conducted going into 2017 to determine the best customer service point in the city centre for tenants in terms of both convenience and value for money. All three one stop shops (Bilston, Wednesfield and the city centre office) will look different in 2017 because the removal of direct payment taking across the organisation will be linked to providing better facilities for customers to directly access self-service IT systems directly in one stop shops. There will also, potentially, be a need to accommodate other services such as homelessness advice within our front of house.
- 2.2.6 Shared back office services established from 1 April 2016 continue to bed in and will continue to be monitored. Wolverhampton Homes is now at a point where the internal structure of back office service management within the Council is changing to more fully integrate services to Wolverhampton Homes as a single service. In 2017/18 Wolverhampton Homes will need to work hard with colleagues to support this change and also to ensure that service standards are maintained going forward. In the main, shared services are going well with the only area where any significant service issues have been experienced in ICT. Although savings have not been made to date we

hope to start to see some savings in 2017/18 as structures within the Council start to evolve as the teams continue to integrate.

3. Service Development, New priorities for 2017/18 based on the key themes from the 2017/18 delivery plan

3.1 Introduction

- 3.1.1 In the past the Delivery Plan has focused purely on new services and initiatives. However, what is extremely important to the success of Wolverhampton Homes is making sure that enough attention is paid to 'business as usual'. Through a focus on its performance indicators, in 2017/18 Wolverhampton Homes aims to hit improved standards of performance in areas such as rent collection, void turnaround, repairs and customer response through Homes Direct. Concentrating on 'business as usual' will keep the focus on the customer as being at the heart of what Wolverhampton Homes does.
- 3.1.2 Alongside this renewed focus, the Council's Senior Executive Board is keen that Wolverhampton Homes continues to be ambitious and it develops ambitious plans for the future. Detailed below are the service development priorities for 2017/18 proposed within the delivery plan. These draw on the key themes in section 2 to support the Council in delivering its 2016-2019 Corporate Plan. In the appendices to this document the new service development priorities have been reflected in milestones and new performance measures to create some measurable objectives for the next financial year.
- 3.1.3 In summary, the priorities identified at this stage for 2017/18 for consultation are:
- initiatives to encourage tenant resilience through new forms of tenant support so that services are tailored to support the most vulnerable. For example, support tenants who will have to manage with changes to the welfare system - Wolverhampton Homes aims to support the Council's corporate objective of helping people to live longer, healthier lives by promoting independence for older people and people with disabilities. Further developing the use of the SPIN (supporting people in need) database will assist with delivering the Council's aim to safeguard people in vulnerable situations.
 - responding to legislative change – e.g. financial issues arising from the implementation of the Housing and Planning Act
 - investing and improving the housing stock, including Heath Town regeneration. Over the next few years this will form an important part of the Council's objective of improving the city housing offer.
 - Digital First – getting tenants online and increasing the use of our on line self-service; assisting and encouraging tenants to improve their IT skills and rolling out mobile working to our staff, increasing access to broadband – these measures support the Council in improving critical skills and employability within the City.
 - Wolverhampton Works and commercial –the expansion of Wolverhampton Works activities, for example through introducing private sector repairs will serve to improve critical skills and employability. Wolverhampton Homes will also continue to work with the Black Country impact project to improve employment prospects for the 18 – 25 age group and use LEAP to support older tenants.

- Wolverhampton Homes support to WV Living – making preparations for managing new affordable housing stock and a market rented portfolio. As the property management partner to the new wholly owned council subsidiary, Wolverhampton Homes will be responsible for managing new homes not built for sale, irrespective of tenure where appropriate.
- reshaping customer services / integration of potential new housing services into Wolverhampton Homes – Wolverhampton Homes is in discussions with the Council about the future of housing functions currently not managed by Wolverhampton Homes. This may at some future point result in some services such as temporary accommodation being managed by Wolverhampton Homes. This will involve those services having to be integrated into existing management structures and service provision.
- accommodation – review of office accommodation. Wolverhampton Homes currently rents its main office from the Council. As part of its own accommodation plans the Council may wish to take back the site. Leaving Hickman Avenue potentially offers an opportunity to save on rental costs and / or invest in building or acquiring premises. A new build project could potentially build on the Council's aim to encourage new investment in the city and aid with regeneration.

The above priorities are set out in further detail below:

3.2 Initiatives to encourage tenant resilience through new forms of tenant support, tailoring services and support for the most vulnerable and supporting tenants facing changes to the benefit system.

- 3.2.1 Both from the point of view of helping tenants and protecting rent income to the Council, it is essential that tenants on benefits are supported through changes to the welfare benefits system. Changes such as the reduction in the overall benefits cap; changes to housing support for the under 35s; and the roll out of universal credit have all been anticipated by the organisation and planning is well advanced.
- 3.2.2 Wolverhampton Homes will continue to prioritise identifying and working with the affected individuals to lessen the impact on them of welfare reform. The SPIN (Supporting people in need) data base will continue to identify tenants most affected by potential changes and target help. A successful lottery bid, "Click Start" will also be used as a platform for helping tenants back into work training and education.
- 3.2.3 Linked to the above, Wolverhampton Homes is committed to improving support and resilience for all tenants irrespective of circumstances. Wolverhampton Homes has developed initiatives through a corporate social responsibility fund such as the older / disabled persons befriending service and the 'Get Active' service. These have been developed to combat loneliness and make it easier for people to cope in their own homes or cope for longer.
- 3.2.4 Wolverhampton Home's will also continue to work closely with the Council in the newly established Multi Agency Safeguarding Hub (MASH) to assist with safeguarding vulnerable people.

3.3 Responding to Legislative change

- 3.3.1 2017/18 will see some major legislative changes affecting social housing. The rules relating to the compulsory sell off of higher value social housing stock could impact on the housing stock directly (and thereby people on the waiting list) or the housing revenue account via a government levy, or both. Once the rules are clear Wolverhampton Homes will work closely with the Council on managing the impact of the changes. A key activity between now and go live, which may be from 2017/18 will be the agreement of policies for addressing the implementation of these changes.
- 3.4.3 The Government's planned introduction of fixed term tenancies will be the kind of change that only happens once in a generation. Moving away from lifetime tenancies will be a major change for future social tenants. The Council and Wolverhampton Homes will have to look very closely at the discretion and constraints involved and ensure that it is implemented to the greatest benefits of future tenants, Wolverhampton Homes as the Council's managing agent, and the Council itself. New tenancy agreements and systems will need to be developed to manage the review of fixed term tenancies going forward.
- 3.5 Investing and improving the housing stock, including the Heath Town re-development**
- 3.5.1 The Council's capital programme expenditure plans for 2017 /18 is valued at around two thirds of the Wolverhampton Homes management fee in global terms and therefore has an important impact on the quality and quantity of social housing in the City. Wolverhampton Homes has an important role in delivering the capital programme, working closely with the Council.
- 3.5.2 Looking to the development of the Delivery Plan model for 2017/18 an increasing emphasis will be put on reporting on and monitoring the delivery of the capital programme. Key plans for 2017./18 include:
- The next steps in the regeneration of Heath Town which include refurbishing the deck access blocks (£10M in 2017/18) and the diversion of pipework to enable the demolition of the precinct. Overall, there are plans to spend nearly £40M over the next four years on Heath Town improvements.
 - Roof replacements of just over £4M in 2017/18 as part of a programme of £16M over the next four years.
 - £11M refurbishment of Ellerton Walk maisonette blocks over the next three years.
 - A long term programme spending £2.3M per year on refurbishing voids and £2M per year on renewing mechanical and electrical infrastructure is planned within the programme. There will also be an annual programme for external Improvements, e.g. guttering at £1.4M per year. Planned spending on disabled adaptations, structural repairs, fire safety and communal areas are all planned to run at around £1M per year respectively.
 - Design and construction of new housing to infill on former garage sites to the value of £1.9M is planned for 2017/18. Although small-scale this work will be complementary to the main thrust of the Council's new build plans and will support the Council's regeneration aims through making use of defunct garage sites.

- In addition to the above the Council plans to use general fund borrowing to develop Council owned sites to provide houses for sale, affordable and market rent.

3.5.3 Looking ahead, changes to local housing allowance are likely to make sharing the only affordable option for most people under 35. This is likely to produce a demand for shared accommodation that the social housing market is not currently geared to meet. New build is not on a sufficient scale to meet this demand from 2018 and so reconfiguring existing stock will be the only viable option to meet demand. Wolverhampton Homes will work to develop a model that can successfully reconfigure existing properties at a reasonable cost and have the flexibility to do so again at a future date should the benefit system be subject to further change.

3.5.4 Further detail on the programme are provided in an annexe.

3.6 Digital First

3.6.1 From a customer service perspective one of Wolverhampton Homes' key priorities for 2017/18 will be the further roll out of on-line and automated services to tenants and leaseholders. This will encourage tenants to "Get Online" to assist them with job search, social inclusion and coping with changes to welfare benefits in line with the Council's corporate objective of improving critical skills and employability.

3.6.2 Similarly, the click start programme, funded by the lottery will provide three posts for three years to help tenants back into work, education and training. Through assistance with IT skills.

3.6.3 In 2017/18 Wolverhampton Homes aims to roll out improved mobile working options to at least 200 staff. This will enable staff to access the Northgate system on the patch and update tenant data over the working day. Trades staff will also move over to using iPads and similar devices that will make their work easier. Wolverhampton Homes also plan to be able to collect satisfaction feedback from tenants using wireless technology in their own homes. In management terms, plans to move to a new scheduling system will better enable the organisation to book work across all activities and track progress.

3.6.4 Wolverhampton Homes will continue promotional activities such as "Hop on Line" to encourage tenants to use direct debit and online services. From April 2017 the organisation plans to introduce an "Online Pledge". This will be a pilot that work on the basis of giving a one-off pledge payment to tenants for agreeing to make full use of all digital services for a year. The pilot will be limited to the first 500 tenants to sign up and interest will be maintained by a periodic prize draw for people who continue to be maintaining the pledge.

3.6 Wolverhampton Works and the expansion of commercial work

3.6.1 In 2017/18 Wolverhampton Homes plans to work with its partners to expand Wolverhampton Works to provide more education and employment opportunities for its tenants and leaseholders. Wolverhampton Works has already been very

successful in helping young people into employment education and training and we want this to continue this in future years.

- 3.6.2 Key to the plans for 2017/18 will be putting the painting and decorating service on a more commercial footing and increasing turnover to generate more employment opportunities. Wolverhampton Homes also plan to bring in a private sector repairs service providing the existing range of repairs and maintenance work but to private sector landlords, social landlords and owner occupiers. Linked to this is a plan to bid for more non housing work with the Council.
- 3.6.3 Wolverhampton Homes will assess the viability of further expanding work opportunities through Wolverhampton Works through starting an internal job agency supporting tenants back into work by marketing their skills in the job market. Any development would have to be complementary to the Council's own "Yoo" employment agency.
- 3.6.4 Wolverhampton Homes commercial activity ties in with the wider agenda of improving tenant resilience and safeguarding as it targets supporting and finding employment for former looked after children through working with the Black Country Partnership.

3.7 Preparations for managing properties on behalf of WV Living

- 3.7.1 Linked to the set up of a new Council subsidiary (WV Living) Wolverhampton Homes is preparing to manage the Council's new stock of affordable and social rented property and shared ownership units. Wolverhampton Homes will also manage market rented properties on behalf of WV Living properties under a Service Level Agreement. Wolverhampton Homes will be involved in the full range of activities from feeding into the design of the properties, the marketing and then the letting of new homes and their management.
- 3.7.2 At this stage the intention is that the management of the market rented properties will be linked with the existing portfolio of market rented properties managed by Wolverhampton Homes through its private sector leasing activities.

3.8.1 Integration of potential new housing services into Wolverhampton Homes / a new vision for customer services

- 3.8.1 The Council is currently reviewing retained housing functions, like homelessness, with a view to potentially integrating some or all of these services into Wolverhampton Homes. This has implications for the internal management of services within the organisation as these new responsibilities would need to be accommodated within existing structures. This latter point means Wolverhampton Homes needs to review the one stop shops to assess how suitable they are to cope with a wider range of service demands. This is timely as the lease on one of the three one stops shops, Market Street, ends in 2017. In 2017/18 the organisation will have to decide whether or not a new lease is signed for Market Street, and if not, where the it will be re-locating its city centre office.

3.9 Accommodation

- 3.9.1 Wolverhampton Homes has had its main office located at Hickman Avenue for more than a decade. 2017/18 offers an exciting opportunity to look to move to more suitable office accommodation. The Council's long-term aim is to make alternative use of the Hickman Avenue site.
- 3.9.2 From a value for money perspective all options are being considered including new build. A new build project could potentially generate major savings on rent for the organisation at a time when interest returns on reserves are historically at their lowest. Any new build proposals would need to be approved by the Council under the terms of the management agreement. New build could also support the Council's wider regeneration objectives through providing further investment within the city.

3.10 Action Planning

Appendix 1 shows how Wolverhampton Homes will take forward the key priorities from the business plan during 2017-18.

4. Performance indicators and targets for 2017-18

- 4.1 Appendix 2 sets out the key performance indicators and targets relevant to the Delivery Plan 2017-18. These are not the entire suite of performance indicators used by Wolverhampton Homes as the basis for monitoring and improving services however they are the most relevant to the priorities set out above and in the action plan.

5. FINANCIAL PLAN FOR 2017-18

- 5.1 The financial environment for local authority social housing was changed significantly by the implementation nationally of the self-financing housing revenue account (HRA) business plans in 2012. This meant for the first time that councils were able to produce 30 year business plans for the HRA to cover both revenue and capital expenditure. The new self-financing model provided councils with greater flexibility within the HRA in terms of moving money between the two and planning ahead.
- 5.2 To focus more resources into new build, at the end of 2013 the Council revised the HRA business plan, resulting in a reduction in forecast Wolverhampton Homes management fees over five years. A management fee freeze was introduced which meant that in effect Wolverhampton Homes had to save 2% per year to cover the effects of inflation from its own resources. This has been the basis for financial planning within the organisation since 2013.
- 5.3 The Chancellor's 2015 budget was unexpected for social housing nationally in that it removed the Government's previous commitment to increase rents / housing benefit by the consumer price index plus 1% over a decade. Layered on top of this other changes such as further incentives to right to buy sales have also reduced forecast revenues for the housing revenue account. The financial impact of the budget for the Council's HRA is very significant. The re-worked HRA business plan taking account of the budget forecasts a reduction in income of £622M to the HRA over its 30 years timescale.

- 5.4 To accommodate the Government's cuts the Council's revised HRA model has had to extend the management fee freeze to 2018 and scale back inflation allowances thereafter.
- 5.5 Wolverhampton Homes has built its 2017/18 budget around the assumption of an extended cash freeze. Although organisation WH has built up reserves to cope with pressures on its management fee it needs to continue to make savings in 2017/18 and beyond to cope with the implications of the revised HRA forecasts. The organisation has already been making savings since 2011 to accommodate the existing management fee freeze and its extension will add to the challenge. Wolverhampton Homes is already at the point where the establishment of around 700 staff is at its lowest since the organisation started. Finding further savings without having a significant impact on the services Wolverhampton Homes deliver will be very difficult in the short term and increasingly challenging in later years.

Addressing potential future revenue funding challenges

- 5.6 The recent revaluation of the organisation pension investments by the West Midlands Pension Fund mean that employer contribution rates for Wolverhampton Homes will be on the increase. From April 2017 the contribution rate for Wolverhampton Homes as the employer will increase by 5.7%. This will take it from 13.5% to 19.2%. This is nearly a 50% increase in the contribution rate and will mean that contributions as employer to the fund will increase by £1M per year. Bearing in mind that the management fee is fixed for the foreseeable future the latest inflation figures for December showing a 1.6% increase are also of concern. This is the highest rate of the consumer price index in over two years and marks a significant increase on the 1.2% recorded in November 2016. The likelihood is that inflationary pressures will continue and will make managing within a cash frozen budget more challenging.

Universal Credit

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

Value for Money Issues

- 5.8 A primary cost driver for Wolverhampton Homes is the cost of staff. Since Wolverhampton Homes was established in 2005, considerable work has been undertaken to reduce staffing costs. In aggregate, there was a reduction of 81 posts over the three year period from 2007/08 to 2010/11. There was a further reduction of

22 posts at the start of 2015/16. Staffing levels have since been consolidated in line with the Human Resources plan. Looking forward Wolverhampton Homes will need to revise its staffing further over the next three years to meet its budget targets. Wherever possible this will be through natural wastage.

5.9 Wolverhampton Homes approach to Value For Money (VFM) has always been strongly focused on achieving savings by increasing efficiency. VFM reviews that are already on-going that will yield savings without impacting on the quality of the service delivered include:

- Implementing self-service options for tenants (e.g. cash payment machines, ordering repairs on line, etc.) will also reduce transactions costs.

5.10 The 2017/18 financial year will see the delivery of a new VFM Strategy and a back to basics approach to services. The lease on the Market Street office finishes in the second half of 2017 and Wolverhampton Homes will be reviewing the future of this site as well as the issue of building rationalisation in general.

Capital Expenditure

5.11 Capital Expenditure on the Council stock is funded directly from the HRA. Wolverhampton Homes assists the Council in the delivery of the Capital Programme.

5.12 Since the conclusion of the Decent Homes programme a significant amount of work has gone into reviewing the entire capital programme. Based upon up to date stock condition information adjustments to when Decent Homes investment will need to be replaced again have resulted in a further reduction in costs of £340 million over the 30 years of the business plan.

5.13 When this figure is adjusted for inflation over 30 years it reduces costs by an additional £80 million. It also results in less borrowing over 30 years and therefore less interest payable reducing projected costs by a further £120 million.

5.14 The overall impact of these measures equates to a reduction of £540 million over the lifetime of the business plan.

5.15 The HRA is expected to have sufficient resources to fund £1.6 billion of capital works that will be required to housing stock over the next 30 years, as well as meeting its management and maintenance obligations over the same period. In addition, the savings achieved on the review of the capital programme and other changes has released resources that will enable an additional 400 new homes to be built over the next 4 years.

5.16 Looking to the next five years there are planned stock condition works of £21.4M in 2017/18, with overall spending over the next five years forecast at £90M. Wolverhampton Homes will remain the Council's main delivery agent for this part of the capital programme.

- 5.17 A significant development within the Council's capital plans is the new build programme, forecast to deliver £51M of new council housing by the end of 2019/20. A summary of the capital programme for 2017/18 is provided within the Delivery Plan.

6 HUMAN RESOURCES PLAN FOR 2017/18

6.1 Context

- 6.11 The year ahead will continue to be demanding with the Council and Wolverhampton Homes facing significant challenges. This is set in the context of severely constrained public finances and significant housing and Welfare Reform. The Council have confirmed that the management fee freeze will continue to 2019/20. The management fee has been frozen since 2011/12.
- 6.12 There is clearly an element of unpredictability about the future however Wolverhampton Homes aims to retain as many jobs as possible in the medium term, and wishes to continue growing the Learning Employment and Achievement Programme (LEAP) training and employment programme as well as other employability schemes for tenants and residents. The Skills Development centre is operational, following a further successful bid to the Black Country Training Group (BCTG) Consortium and is accredited to provide training and also facilitates work experience. In addition, the Skills & Enterprise team were identified as a key delivery partner in the Council's element of the Black Country Impact Project (BCIP) and there are new targets to provide work and training opportunities to young people including support for those not in employment education or training including those leaving the Council's care.
- 6.13 In the meantime, Wolverhampton Homes faces unprecedented challenges from major changes to the benefits system which will entail many thousands of tenants becoming responsible for rent payment from benefits, and the completely new system of benefits; Universal Credit. This will represent significant continued challenges for rent collection. Without extremely careful management, and a lot of staff time input to income recovery and assisting tenants with money management, this could result in loss of income for Wolverhampton Homes and for the Council (and consequential loss of service to tenants).
- 6.14 It is necessary, therefore, both to reduce the cost of staff and to redeploy staff to help mitigate the effects of Welfare Reform. There will be a strong emphasis on managing the inevitable changes for customers and the organisation as a result of welfare reform.
- 6.15 It is also appropriate to consider the business case for realigning and changing some services, including shared/joint services to better meet the challenging economic circumstances with better ways of working.

6.2 Organisational Change and Efficiency

- 6.21 Wolverhampton Homes has a history of achieving significant efficiency savings. This, and the value for money strategy Wolverhampton Homes has continued to operate

has resulted in savings on back office costs being used to fund front line services for tenants. LEAP is an example of this where employment prospects for tenants have been enhanced and this will continue and expand throughout 2017/18 and 2017/19.

- 6.22 Further value for money service reviews may yield more efficiency; however, there will be a need for a further small reduction of staffing levels in 2017/18 and the two following years.
- 6.23 Continued organisational change will be necessary in 2017/18 to achieve savings and to facilitate the continued realignment needed to cope with the general challenges of welfare reform and the specific need to move resources to focus on income recovery, supporting vulnerable people, and Channel Shift/Digital First.

6.3 Organisational Structure and Proposed Changes

- 6.31 In 2015/16 there was a major change in the way housing services were provided within the City with the Wolverhampton Homes Chief Executive taking the role of Strategic Director for City Housing at the Council, becoming responsible for both Wolverhampton Homes and retained housing services provided by the Council. At the end of 2015/16 there were further changes to the way services were managed within Wolverhampton Homes and changes to the Wolverhampton Homes senior management team saw the number of Directors reduce from four to three.
- 6.32 The three directors cover the areas of Operations, Commercial and People. The structure allows greater opportunity to look for better integration between Housing and Property services as they are now brought together under one director with an Assistant Director for Property and an Assistant Director for Housing. This together with realigned responsibilities for a number of senior managers following the appointment of the two assistant directors has meant major changes in responsibilities at a senior level. This senior structure is now fully established and operational and will be subject to ongoing review along with all staff structures to ensure they are fit for purpose.
- 6.33 An important priority for early 2017/18 will be taking advantage of opportunities that arise for further efficiency improvements. A programme of service reviews will also be a priority in 2017/18 and will focus on how some specific services are delivered and how these arrangements can be improved. It is essential that as much resource as possible is made available for dealing with vulnerable tenants, income recovery and Digital First. In addition, a joint review by the Council and Wolverhampton Homes is expected to be concluded into the opportunities for greater collaboration between the services provided by the Council and Wolverhampton Homes in relation to homelessness and housing support and advice including temporary accommodation and lettings.
- 6.34 April 2016 saw the introduction of some shared/joint services with the Council. This saw new combined back office services covering the following areas: payment processing, desk top IT support, health and safety and procurement. It offered opportunities for both Wolverhampton Homes and the Council to learn from best practice and improve the quality of back office services overall. New service level

agreements and monitoring arrangements are now bedded in with the Council to cover what were formerly in-house services. This sharing of back office services is intended to reduce costs overall and move the focus within Wolverhampton Homes for some services from the direct management of teams to ensuring service standards are met within the new service level agreements. 2017/18 will see a review of shared arrangements.

6.4 Service and workforce planning

6.41 Workforce planning is about trying to predict the future demand for different types of staff and seeking to match this with supply. It involves analysing the current workforce, and then extending that analysis to identify the future skills and competencies needed to deliver new and improved services.

6.42 The workforce is built around customer and service needs and the skills required to deliver them. The gap between demand and supply and how this can be addressed forms the focus of the workforce plan. Workforce and service planning enables Wolverhampton Homes to identify how and where the workforce needs to change to meet the future needs of the organisation and provides a means of challenging and modernising the way Wolverhampton Homes delivers value for money services.

6.5 Workforce Profile

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

Tables 1 (a) & (b) show Wolverhampton Homes' workforce numbers and profile at December 2016.

Table 2 shows length of service of staff who left Wolverhampton Homes' employment during 2016/17 to 31 December 2016.

Table 3 shows staffing turnover rates for 2012/13, 2013/14, 2014/15, 2015/16 and 2016/17 to 31 December 2016.

Table 4 shows the number of new staff who joined Wolverhampton Homes during 2016/17 to 31 December 2016.

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

Table 1 (a): Workforce numbers and profile at 31 December 2016

Grade (or equivalent)	Men		Women		Total		Perm/Temp		Disability		BAME		LGBT	
	No	%	No	%	No	%	P	T	No	%	No	%	No	%
Craft	227	51	6	2	233	34	215	18	17	23	21	15	2	17
Scale 1-4	53	12	71	31	124	18	102	22	22	29	38	27	3	25
Scale 5 – SO2	119	26	117	51	236	35	227	9	23	31	77	54	6	50
POa – d	36	8	28	12	64	10	64	0	9	12	4	3	1	8

Poe – j	9	2	6	3	15	2	15	0	4	5	1	1	0	0
CO	4	1	2	1	6	1	6	0	0	0	0	0	0	0
Total	448		230		678		629	49	75		141		12	

Table 1 (b): Workforce age at 31 December 2016

	Number	%	BAME	Disability	LGBT
Under 25	37	5	6	3	3
25-34	96	14	29	5	3
35-44	136	20	41	10	1
45-54	238	35	43	29	3
55-64	165	25	22	28	2
65+	6	1	0	0	0
Total	678		141	75	12

Table 2 (a) : Leavers during 2015/16 (to 31.12.16)

	Men	Women	Total	Disability	BAME	LGBT
Number	30	26	56	6	13	0
Percentage of Total	54	46		10	23	0

Table 2 (b) : Leavers length of service

Length of Service			
Less than 1 Year	1 -5 years service	5 years + service	Total
11	8	37	56

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

Turnover Rate	2012/13	2013/14	2014/15	2015/16	2016/17 @ 31.12.16
		6.3%	6.7%	6.6%	13.1%

Table 4 : New Starters during 2015/16 (to 31.12.16)

	Men	Women	Total	Disability	BAME	LGBT
Number	30	21	51	4	14	2
Percentage of Total	59	41		8	27	4

Table 5: Equality and Diversity Targets and Performance

Reference	Indicator	14/15 Performance	15/16 Performance	15/16 Target	Performance @ 31.12.16
BVPI 11a	% of the top 5% of earners who are female	37.84%	37.5%	45%	37%
BVPI 11b	% of the top 5% earners who are from black minority ethnic group	5.40%	3.12%	14%	3.7%
BVPI 16	% of the organisations workforce who are disabled (meet the DDA definition of Disability)	9.90%	11.3%	12%	11%
BVPI 17	% of the organisations workforce who are from black ethnic minority group.	21.00%	20%	26%	21%
LPI	% of the workforce	M 66%	M 66% F 34%	Overall target	M = 66% F = 34%

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	who are male / female	F 34%		M 65% F 35%	
LPI	% of the workforce by age distribution	4.60%	3.68%	Under 25's 8%	5%

Capital Programme Annexe -

Capital Programme Budgets – Proposed Revision (October 2016)

This section sets out delegated projects delivered and managed by Wolverhampton Homes. The key projects, with projected spend for 2017/18, are as follows:

Heath Town Estate – refurbishment of the retained blocks (includes the bulk metering) £10M

Project to refurbish the deck-access blocks (over-cladding the building fabric, converting the roofs to mono-pitch, renewing electrical infrastructure, replacing the communal entrances along with associated environmental works) and to carry out the necessary remedial work to the tower blocks to complement the Heath Town Regeneration Project. This is Phase 1 of a larger capital investment project over the next four years.

Roof Replacement Programme (City-wide) £4.3M

Programme of roof replacement targeting the areas with roofs in the worst condition; including pitched and flat roofing. The pitched roofing work scope includes structural repairs to the roof structures, the renewal of roof coverings, fascia's & gutters etc. The flat roofing work scope will include replacing roof coverings; or where appropriate utilising a lightweight roofing system to convert to a pitched roof.

New Park Village: Refurbishment of the Ellerton Walk Maisonette Blocks £2.6M

This is part of a larger programme of works at Ellerton Walk, this project relates to the redevelopment of the deck-access blocks to address longstanding concerns, including structural repair works to concrete walkways, stairwells etc. and remodelling deck access routes, along with over-cladding and replacing communal entrances.

Refurbishment of voids - £2.4M

Works to void properties that require significant structural repair work or improvements to bring the property to the Decent Homes standard (if the previous tenant refused the Decent Homes work, or where there is newly arising non-decency).

Internal Improvements £1.6M

Programme to deliver internal works to properties where access was previously refused under the Decent Homes Programme (and circumstances have now changed), or where single or multiple elements that were decent have now become non-decent e.g. (kitchens, bathrooms, heating or electrics). This will include installation of adaptations if necessary as part of Decent Homes work and provision of suitable aftercare.

External Improvement Programme £1.4M

The Planned Improvement Programme (PIP), which includes the replacement of guttering, fascia's, soffits etc. rainwater and soil & vent pipes etc. and the completion of minor roofing / chimney repairs.

Structural Repair Works (ad-hoc, City-wide) £1M

Provision for the rectification of miscellaneous structural problems (such as settlement or lintel failure) as and when they arise (inc. of professional fees).

Merridale Court; External Repairs £1.6M

This project marks the completion of works spread across more than one year to Merridale Court Maisonette Blocks; Structural concrete repairs and the replacement of roofs, rainwater goods, asphalt covering to walkways and walkway balustrades.

Renewal of Mechanical and Electrical Infrastructure (city-wide) £2M

Replacement / upgrading of rising electrical mains / landlord supplies including switch-gear and renewal of communal lighting.

Fire Safety Improvements £0.9M

Essential work identified following the completion of periodic Fire Risk Assessments and includes the replacement of fire-stopping, fire doors, fire partitions and fixed / portable fire safety equipment within blocks of flats.

Low Hill – Residential Repairs £0.9M

The project is for remedial works to 265 Council properties in Low Hill where structural defects are apparent to the roofs and rear extensions. The work scope includes the demolition of rear extensions (to 192 dwellings), repair of roof structures, the replacement of roof covering and internal alterations to provide new bathroom facilities.

Disabled Adaptations £1M

Aids and adaptations to social housing (funded by City of Wolverhampton Council); provision for the installation of level access showers, kitchen adaptations, extensions, grab rails etc., where the need for aids/adaptations is identified through Occupational Therapy referral.

Heath Town Estate Regeneration Enabling - Diversion of District Heating Pipework £1.8M

The diversion of the district heating pipework and construction of new thermal stores to enable the demolition of the Heath Town precinct to commence (part of the Heath Town Regeneration Project).

Infill new build £1.9M

Working on behalf of the Council's Housing Development Team, design and construction of new housing to infill areas such as former garage sites and other orphan sites.

Performance Review Arrangements between City of Wolverhampton Council and Wolverhampton Homes

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Performance Review Arrangements between City of Wolverhampton Council and Wolverhampton Homes

1.0 Introduction

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

2.0 Wolverhampton Homes Annual Delivery Plan

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

3.0 Performance Review Arrangements

- 3.1 Day to day responsibility for Wolverhampton Homes' performance management and contribution to these performance review arrangements lies with the Principal Performance Manager, reporting to the Director of Commercial.
- 3.2 The Service Manager Housing Strategy and Development leads for the Council in matters relating to these performance review arrangements.
- 3.3 Representing the two organisations each of the leading post holders described above will report through the normal arrangements to senior officers and Wolverhampton Homes Board or City of Wolverhampton Council Cabinet (Performance Management) Panel, respectively.
- 3.4 The performance review arrangements include:
 - 3.4.1 jointly determining the standards required for the performance of the services within the Management Agreement

- 3.4.2 jointly determining any added value outcomes (relevant to the strategic objectives of the Council and the community which it serves) to be achieved as a result of delivering the services within the Management Agreement
- 3.4.3 the review processes for the key exchanges between City of Wolverhampton Council and Wolverhampton Homes, namely:
 - 3.4.4 monitoring of Wolverhampton Homes performance
 - 3.4.5 monitoring and review of service level agreements between City of Wolverhampton Council and Wolverhampton Homes
 - 3.4.6 financial monitoring and reporting
 - 3.4.7 negotiation of the annual Delivery Plan
- 3.5 Reflecting the close partnership relationship between the two organisations, there will be regular and effective formal and informal communication between strategic directors and managers of Wolverhampton Homes and City of Wolverhampton Council and where appropriate, City of Wolverhampton Council councillors and board members of Wolverhampton Homes.
- 3.6 The Service Manager Housing Strategy and Development is responsible for ensuring that where service delivery is the direct responsibility of the Council via service level agreements, these will be subject to review by exception report from the Director of Commercial at the monthly Performance and Operational Group Meetings (described later in this document) and where necessary reporting to Heads of Service and Executive Directors. This includes services delivered by and to the Council's tenant management organisations.

4.0 The Setting of Standards

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

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

5.0 Performance Review Meetings

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

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

- 5.2.6 an Annual Meeting/Event (if appropriate)
- 5.2.7 briefing/exchange of information meetings
- 5.2.8 Scrutiny and Performance Panels
- 5.2.9 an annual review and formal adoption of these arrangements as included in the annual Delivery Plan
- 5.2.10 provision for observer status attendance by relevant City of Wolverhampton Council employees/councillors at the board meetings of Wolverhampton Homes

6.0 Delivery Plan Meetings

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

6.1 Delivery Plan Monitoring Group

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

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

6.2 The Outline Calendar:

Wolverhampton Homes' Annual Delivery Plan Process	
DATE	ACTION
August	<ul style="list-style-type: none"> Wolverhampton Homes Business Plan preparatory review begins City of Wolverhampton Council will prepare the Delivery Plan process timetable of key dates to be agreed by Delivery plan Monitoring Group
September } October }	<ul style="list-style-type: none"> Wolverhampton Homes senior Management Team and Board Business/Delivery Plan development process begins
October } November }	<ul style="list-style-type: none"> first round Delivery Plan consultation with stakeholders consultation with City of Wolverhampton Council officers through the Delivery Plan Technical meetings
December	<ul style="list-style-type: none"> first draft of Delivery Plan produced for consultation with all stakeholders

January	<ul style="list-style-type: none"> Wolverhampton Homes approved performance targets for the new year forwarded to the Council for inclusion in the Council’s Corporate Business Plan final draft of the Delivery Plan submitted to Service manager Housing Strategy & Development in accordance with the agreed Delivery Plan process timetable
March	<ul style="list-style-type: none"> Final draft of Delivery Plan, agreed by the Delivery Plan Monitoring Group and Wolverhampton Homes Board, adopted by the Council’s Cabinet and Full Council.

6.3 Delivery Plan Monitoring Group Meetings:

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

6.4 Delivery Plan Technical Meetings

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

- 6.4.1 These meetings will be held as necessary after the first draft has been distributed until the final adoption of the Delivery Plan by Wolverhampton Homes Board and the Council’s Cabinet
- 6.4.2 These meetings at officer level are integral to the development of the annual sections of the Delivery Plan, and to the wider performance review process throughout out the year
- 6.4.3 Responsibility for the development and production of the annual Delivery Plan rests with Wolverhampton Homes. The process of Delivery Plan Technical Meetings will facilitate full and proper participation with appropriate representatives of City of Wolverhampton Council and opportunities for timely consultation with the Tenant Representative Body and other key stakeholders

- 6.4.4 Wolverhampton Homes' Director of Commercial will be responsible for making available, at the appropriate times, the initial draft of the annual Delivery Plan setting out the proposed performance indicator targets and the annual sections. The final draft of the annual Delivery Plan will be forwarded to the Council's Service Manager Housing Strategy and Development in a timely manner for presentation to the Group
- 6.4.5 City of Wolverhampton Council's Service Manager Housing Strategy and Development will be responsible for ensuring that any feedback and/or recommendations arising from the quarterly monitoring of the annual Delivery Plan are considered during the development of the new annual Delivery Plan. The Service Manager Housing Strategy and Development is also responsible for ensuring that the final draft of the new annual Delivery Plan is presented to the meeting in a timely manner
- 6.4.6 Any information to be exchanged will normally be managed by the Housing Strategy and Development Support Officer for City of Wolverhampton Council and the Director of Commercial for Wolverhampton Homes
- 6.4.7 Any disputes arising out of any sections of the Delivery Plan, including performance indicator targets, will be determined under the terms of Clause 31 of the Management Agreement

7.0 The Annual Meeting

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

CWC	all elected Councillors
CWC	Corporate Directorate
CWC	appropriate senior employees
WH	all Board Members
WH	Senior Management Team
WH	appropriate senior officers
Tenant Representatives	tenant representative body
Tenant Representatives	appropriate area representatives

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

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

9.0 Performance and Operations Group (POG) Meetings

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

CWC	Housing Strategy and Development Support Officer
WH	Principal Performance Officer

10.0 Asset Management Group (AMG)

- 10.1 The AMG will be serviced by Wolverhampton Homes and supported by City of Wolverhampton Council's Housing Strategy and Development Team.
- 10.2 AMG will provide strategic direction to the management of assets assigned by the Council to housing use.
- 10.3 The group will develop a housing management strategy with periodic review and revision.

- 10.4 The group will monitor capital programmes against budget, performance targets, project progress and related regulatory requirements.
- 10.5 Meetings will be held at approximately six week intervals.
- 10.6 The table below indicates the membership of the group. These may be supported by others as necessary.

CWC & WH	Strategic Director Housing & Chief Executive, respectively
CWC	Head of Housing
CWC	Service Manager Housing Strategy and Development
CWC	Head of Financial Management (or representative)
WH	Director of Operations
WH	Assistant Director - Property
WH	Head of Commercial Services

11.0 Management Agreement Meetings

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

12.0 City of Wolverhampton Council Boards/Panels

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

13.0 Wolverhampton Homes' Board

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

**2017-18 DELIVERY PLAN
 ACTION PLAN TO DELIVER 2017-18 PRIORITIES**

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
1. Safeguarding and Vulnerability					
Girls aloud project.	WH working with Square Pegs – working with female tenants exposed to gang culture.	Start 2017/18	Targets to be set shortly to cover diversionary activities / delivery of access to employment and training.	Jin Takkar / ASB Team	
Various safeguarding and vulnerability projects commenced in 2016/17 are reported below as ongoing projects.	See the final page of the action plan.				

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
2. Managing and delivering change					
Undertaking jointly with the Council reviews of housing services retained by the council and implementing any decisions.	Carry out reviews jointly with the Council of housing services retained by the council and implementing any decisions.	End of June 2017	Anticipated this will be completed by the end of the first quarter of 2017/18 although the date(s) for taking report(s) to CWC / WH have yet to be determined.	CWC / Lesley Roberts (WH)	Work to assess the viability of changes to the service delivery model is underway.
Helping tenants into work, education and training					
3.1 The further roll out of on-line and automated services and encouraging tenants to “Get Online”.	In detail, this will involve the roll out of the “Click Start” programme, Digital First in general and the promotion of Wolverhampton Home’s online self-service offering. This is in support of the council’s drive to increase the number of people with digital and financial skills	2017 /18	The targets for this area are all about increasing our percentage of tenants using on line self-service and making use of more efficient payment methods for rents and charges. Quarterly targets for take up of use of self service, use of direct debits for payments, and reductions in calls to Homes Direct etc. are detailed within our performance indicator suite. Click Start will deliver	Eamonn McGirr	

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
			competencies such as understanding use of the internet and emails, job search and moving into education or training. The target scheme through put is 55 participants in 2017/18.		
3. Service Development Priorities for 2017/18					
Undertaking a role in supporting the Council in 'delivering new homes'	in 2017/18 for Wolverhampton Homes will centre on identifying in-fill sites to supplement the mainstream development of larger sites being carried out by the council.	2017/18	Currently, the target for the year as a whole is to build a minimum of 21 properties – although this may increase as the year progresses.	Shaun Aldis	
3.3 To assist the Council with the	In 2017/18 WV Living will be				

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
delivery of HRA new build through scheme design and project management and support the Council in the establishment of a local housing company.	moving into the build phase of the project. Work will be ongoing in the year to prepare for managing a portfolio of market rented properties. Work has already been undertaken on the development of a service level agreement with WV Living and 2017/18 will see work to finalise internal arrangements for marketing, letting and property management within the company.	2017/18	Targets to be set shortly	Lesley Roberts	
4.1 Delivery of the Housing Capital Asset Management Plan / capital spending targets	<ul style="list-style-type: none"> • Project Overview • Progress on AMP • Meeting capital programme priorities of WCC 	2017/18	Quarterly targets for spending within the capital programme are as follows: <ul style="list-style-type: none"> • Qtr. 1 £6,296,819 • Qtr. 2 £6,649,185 • Qtr. 3 £7,861,973 • Qtr. 4 £8,608,696 	Simon Bamfield and Kevin Manning	
Employability	Management of	2017/	Decisions on the	Oliver	

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
	social enterprise Continuing to support the council's corporate aim to help people develop the skills to get and keep work through our commercial activities, e.g. the further development of Wolverhampton Works <ul style="list-style-type: none"> • Specific CRS projects 	18	continuation of existing social enterprise activities and / or the establishment of new activities will be made during 2017/18. Through Black Country Partnership we will be targeting employment, education and training. Our aim is 80 engagements per quarter with 58% of these entering a customised support package and 30% into positive outcome. LEAP will continue to target tenants of 30+ and our overall target is 10 into work per quarter.	Herrmann	
Tenancy sustainment combating impact of welfare reform	Local Housing Allowance for 2019: all new customers informed of the changes, however with the expansion of LHA to UC	2017/18	Benefit Cap: implemented winter 2016/17. Initiatives via Money Smart to support customers to adapt to the changes, will continue into 2017/18. Working with CWCs	Anne Herrmann	

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
	<p>claimants from 2019, new messages are being rolled out. As yet the scope is unavailable, and as the regulations are released, more specific work will be designed, through the ~"Preparing for changes in social housing" group.</p>		<p>Benefit Cap Group, to support customers via various means including accessing Welfare Rights benefit cap worker, information sharing.</p> <p>Universal Credit: continue to support new, working age claimants who make claims to UC. Review and aim to renew contract for 2017/18 with CWC.</p> <p>Prepare for the expansion of UC in Wolverhampton to new couples and families claims, in December 2017, Links to Digital First initiative, in that expansion will require claims to be made and managed on line. WH will continue to prepare customers and staff for the change.</p>		
Accommodation	<p>Market Street lease ends in July 2017/18. WH have to decide the future of Market Street</p>	<p>July 2017</p>	<p>The target is to ensure a lease renewal / smooth transition by the renewal date. Any reconfiguring to allow for changes on</p>	<p>Darren Baggs</p>	

Action	Detail	By When	Quarterly Targets	Responsible Officer	Progress Update
	taking into account any accommodation needs from reconfiguring services.		retained housing services across all the one stop shops will need to be done in line with the timetable for transition should this go ahead.		
Ongoing priorities continuing from 2016/17					
Implement and make use of the new vulnerabilities database.	WH has developed a vulnerabilities database to enable analysis highlighting potentially the most vulnerable tenants. This will be used as a tool to focus the use of resources and preventative work.		Through use of the Supporting People in Need database we have already contacted over 1,000 potentially vulnerable tenants. In 2017/18 we will be contacting more tenants and taking action on the findings from the first 1,000 contacts in terms of providing appropriate support.	Darren Baggs	
1.4 Befriending service	The befriending service provide regular telephone calls on a weekly basis to tenants who have limited social interaction.	2017/18	80 users registered currently. 20 further disable / housebound tenants have expressed an interest planned to become service users. Potentially we will expand by an additional 10 users to the end of March 2018.	Ruth Fletcher	

Performance targets for 2017-18

Code	Performance Indicator	Performance 2016-17 Quarter 3	Target 2016-17	Likely to meet end of year target	Target 2017-18	Good Performance
Anti-Social Behavior						
AB1	% satisfied with the way their anti-social behaviour complaint was dealt with	98.19	97	On Target	97	↑
AB2	% satisfied with the outcome of their anti-social behaviour complaint	97.42	96	On Target	96	↑
Business Planning						
BP1	Average number of working days lost through sickness	6.42	6.5	On Target	6.5 days	↓
Digital First						
DF4	% of transactions by Internet and automated phone call	51	50	On Target	55%	↑
DF6	The number of repairs reported via self-service as a percentage of all reported repairs.	10.05	35	Off Target	35%	↑
DF7	% availability of self-service systems	94	98	Off Target	95%	↑
Customer Care						
CC1a	Homes Direct - Average call answer wait time (in seconds)	167	120	Off Target	120	↓
CC1b	Homes Direct - % of calls abandoned	18.5	20	On Target	20	↓
CC12	% of complaints resolved at Stage 1	91.07	90	On Target	90%	↑

Code	Performance Indicator	Performance 2016-17 Quarter 3	Target 2016-17	Likely to meet end of year target	Target 2017-18	Good Performance
Engagement						
EN4	Number of tenants who are actively involved at TE activities such as Get Togethers, training or local TE projects	72	80	On Target	80	↑
Home Ownership						
HO3a	% of Service Charges inc Ground Rent collected from Leaseholders	96	97	On Target	97	↑
Leap						
LP1	Number of people supported into work	46	45	On Target	TBC	↑
Rents Management						
RM1a	% of rent collected	97.67	97.5	On Target	97.5	↑
RM3	% of tenants evicted as a result of rent arrears (WH only)	0.36	0.48	On Target	0.48	↓

Code	Performance Indicator	Performance 2016-17 Quarter 3	Target 2016-17	Likely to meet end of year target	Target 2017-18	Good Performance
RM6	% of tenants paying by Direct Debit	24.15	25.5	Off Target	26	↑
RM10a	% of monies charged this financial year to active rechargeable repairs accounts that have been recovered	9.21	10	Off Target	9.5	↑
Repairs						
RP1	% or responsive repairs during period for which as appointment was made/kept	95.9	95	On Target	95%	↑
RP12	% total response repairs completed within target	97.47	99	On Target	98%	↑
Star	Satisfaction with response repairs	88.21	86	On Target	90%	↑
Voids & Allocations						
VA1a	Average time to relet standard voids	19	30	On Target	21	↓
VA3	% rent lost through empty property	0.81	0.94	On Target	0.9	↓
Health & Safety						
HS17	% of valid Landlord Gas Safety Records for tenanted properties	99.98	99.60	On Target	99.80	↑

Cabinet Meeting

22 February 2017

Report title	Review of Waste and Recycling Service	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Steve Evans City Environment	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Ross Cook; City Environment	
Originating service	Public Protection	
Accountable employee(s)	Andy Jervis	Head of Public Protection
	Tel	01902 551261
	Email	Andy.jervis@wolverhampton.gov.uk
Report to be/has been considered by	Place Leadership Team 06/02/2017 Strategic Executive Board 07/02/2017	

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Approve the progression to implementation of the proposed service changes as summarised in section 3.4.
2. Agree to receiving a further report setting out the proposed Waste and Recycling Strategy and proposed revised Service Specification at an appropriate time.
3. Delegate authority to the Cabinet Member for City Environment, in consultation with the Strategic Director; Place, to approve the issuing of a Notice of Variation under the Waste Disposal Contract requiring the changes to the service detailed in this report.

1.0 Purpose

- 1.1 The report summarises the work that has been undertaken to review the current waste and recycling service, including a public consultation exercise and the development of a draft Waste and Recycling Strategy in conjunction with consultants Amec Foster Wheeler and service delivery partner Amey.
- 1.2 Secondly, in section 3.4, the report seeks approval in principle for proposed revisions to the existing waste and recycling service to achieve the savings target within the Medium Term Financial Strategy (MTFS), to be implemented through the contract variation process during the first half of 2017/18. The report seeks authority for the Cabinet Member for City Environment, in consultation with the Strategic Director; Place, to approve the issue of a Notice of Variation.
- 1.3 Finally, the report seeks approval to progress with the implementation of the proposed service changes, whilst also seeking approval to submit a further report at a future date setting out in more detail, the final proposed Waste and Recycling Strategy and revised Service Specifications and Standards after they have been finalised.

2.0 Background

- 2.1 The Council's waste management and recycling service is highly complex with many inter-relationships between multiple waste streams, legislative requirements and partner organisations including Environmental Services, Fleet Management and Corporate Landlord as well as being highly visible to residents, the commercial sector and visitors to the city. The service is delivered by Amey (formally Enterprise Managed Services), under the terms of a 14 year public-private partnership agreement commenced in 2007.
- 2.2 The Council has reviewed payments made under the current contract and is investigating whether all sums have been at an appropriate level.
- 2.3 In addition, there are significant financial target savings linked to the delivery of the service that need to be achieved within a defined time period. The MTFS includes a previously agreed £1.2 million target saving for the waste and recycling service and further savings of £1.2 million were subject to consultation, giving a total of £2.4 million (£1.8 million for 2017/18 and £300,000 for each of 2018/19 and 2019/20). In addition to this there is an assumed saving of £500,000 relating to the delivery of a new Household Waste Recycling Centre (HWRC), in 2019/20, to replace the two existing sites at Shaw Road and Anchor Lane as part of depot rationalisation.
- 2.4 In order to move forward in respect to the delivery of the required savings it has been necessary to negotiate on a formal basis with Amey, in relation to both the proposed service variation and the previous payments. The service variation piece of work is being led by City Environment and is an ongoing work stream within the service. The full and effective implementation of the proposed service changes will involve a joint approach with the contractor Amey, to the development of a robust implementation action plan. As soon as the strategic direction can be agreed (through this report), work on this plan can also pick up pace.

- 2.5 Additionally, in order to make progress in respect to the possible replacement of the two HWRCs with a single 'Super Site' it is necessary to undertake a series of preliminary feasibility studies and options appraisals. Currently the preferred site location is in the 'Hickman Avenue area' and work is underway to determine the feasibility of co-locating a number of waste and highway functions including a HWRC, office accommodation, vehicle workshops, vehicle storage, materials storage, waste transfer station in the same place. This piece of work is being led by Corporate Landlord as part of the East Park Gateway programme. Amey will also need to feed into this work stream.
- 2.6 On 23 March 2016 Cabinet approved an indicative timeline for the development of a revised 'Waste Strategy' in conjunction with consultants Amec Foster Wheeler, service delivery partner, Amey and subject to public consultation.
- 2.7 The main purposes of this report are therefore to summarise the work that has been undertaken to review the current waste and recycling service, propose revisions to the existing waste and recycling service to be implemented through the contract variation process, and to seek approval to progress with the proposed service changes to achieve the savings target within the Medium Term Financial Strategy (MTFS). The report also requests approval to submit a further report setting out the final proposed Waste and Recycling Strategy and revised service specification following final consideration of all related issues including anything relevant arising from the ongoing service change negotiations.

3.0 Progress Update

- 3.1 Amec Foster Wheeler (AFW) commenced work on the production of the waste strategy on 1 March 2016. The methodology utilised stakeholder workshops that focused on the production of a bespoke options appraisal process on which to base a recommended strategy, service standard and specification together with the generation of a Strategic Environmental Assessment which was subject to a separate statutory consultation process in October 2016.
- 3.2 The workshop element of the AFW led work included input from the Cabinet Member for City Environment and representatives from the Council and its partners around priorities, proposed service alternatives and matters relating to the contractual and practical aspects of implementing the finalised strategy and service alterations.
- 3.3 The public consultation was led by Strategic Finance as part of the Council's overall budget consultation process. In addition to the consultation events forming the budget consultation exercise, further consultation meetings were arranged with representatives of the city's Equalities Forum and the Youth Council. A report summarising the outputs and findings of the consultations was considered by Cabinet (Resources) Panel on 7 February 2017 and a further report is to be considered at this meeting prior to the final budget ratification at full Council meeting on 1 March 2017.

- 3.4 The comments made during the consultation process have been extremely valuable in the formulation of the final proposed service changes. These are based primarily on the AFW led strategy development work and further informed through our ongoing engagement with key stakeholders and principally with Amey. The proposed service changes are outlined in the table below.

Service Change	Implications / detail
Introduction of fortnightly residual waste collections to replace the current weekly service.	The cost of treating dry recyclates is £41.00 per tonne lower than that for residual waste. The Council would be able to realise a saving by encouraging households to recycle more of their waste. In addition, there would be a reduction in the number of vehicles required to deliver the service.
An 'opt-in' for any household wishing to have a larger brown residual bin (240L) and households of seven or more (360L bin) would be available.	Although larger bins will be made available on request, the Council's approach will be to encourage and support residents to try to manage with as small a bin as possible. It is anticipated that this in turn may also enable the Council to ultimately achieve the 50% recycling target.
Cessation of the food waste collection service.	A survey has identified that the participation rate for this service is 15% - 20%, which equates to a maximum of 21,000 households across the city. The participation rate has remained static for the last three years. The additional cost of providing this service is approximately £450,000 per year and does not represent value for money. Alternative means of disposing of food waste could be offered through subsidising home composting bins.

Service Change	Implications / detail
Introduction of a subscription service for an extended (42 week) garden waste service. A charge of £35 p.a will apply. Concessions will be available to those on Council Tax / Housing benefits for the first bin.	The collection of garden waste is not a statutory requirement and over 40% of English councils have either introduced or are considering the introduction of a charged for garden waste service. Currently in Wolverhampton, the service is regularly used by a third of households but paid for by all.
Targeted support in specific communities to assist with the transition and ensure a sustainable improvement in both recycling rates and quality as well as some of the incidental street scene issues that have blighted these areas in previous years.	Currently there are a number of households across the city that do not comply with the requirements of the waste collection service determined by the Council. There are three specific collection rounds that consistently have high numbers of recycling bins (in excess of 60% for the total number of bins left uncollected) that are un-emptied because non-recyclable waste is being put into the bins. It is envisaged that a range of options could be developed to assist householders living in these areas more easily achieve good levels of recycling performance.
Enhanced bulky item and asbestos collection service.	The digital transformation team have developed proposals to improve the customer experience including easy selection of preferred collection date and digital payment options.
Rationalisation of the HWRC's (development of a new 'supersite' and subsequent closure of the two existing sites)	The consolidation of HWRCs from two to one would both enhance the customer experience and reduce existing operating costs. The co-location of related recycling functions would also assist both the Council and the contractor generate a number of efficiencies.
Enhanced re-use and recycling options at the new HWRC (e.g. re-use shops)	In addition to a better layout and useability that would reduce the current traffic congestion, there would be an opportunity to extend opening hours / days to suit citizens who currently find it hard to access these facilities during the day; and also to introduce a 're-use shop'.
Option for a charged trade waste service at the new HWRC	A new facility could also accept trade waste from local businesses which would provide an additional income stream for the service. It is envisaged that such a facility will also reduce waste disposal costs for trade users who only have small amounts of waste and who currently have to use more expensive disposal options.

3.6

As stated in sections 1.3 and 2.7 above, a further report detailing the proposed City of Wolverhampton Waste and Recycling Strategy, Service Standards and Specifications will be submitted for approval by Cabinet at a future meeting

4.0 Financial implications

4.1 There are significant budget reductions and income generation targets linked to the transformation of the waste service totalling £2.9 million to be achieved by 2019/20. The Medium Term Financial Strategy approved in March 2016 assumed a budget reduction and income generation target of £1.2 million for the reconfiguration of the residual waste collection and £500,000 for depot rationalisation (a reduction in the number of sites and Household Waste and Recycling Centres). A further budget reduction and income generation target for 2017/18 of £1.2 million was presented to Cabinet in October 2016 seeking approval to proceed to the formal consultation and scrutiny stages of the budget setting process.

4.2 The 12 week budget consultation period ended on 14 January 2017 and consultation responses were presented to Cabinet (Resources) Panel on 7 February 2017 with approval to the final budget being sought at this Cabinet meeting through a separate report and Council on 1 March.

4.3 The profile of the budget reduction and income generation targets linked to the transformation of the waste service currently assumed are shown in the table below.

MTFS Targets	2017/18	2018/19	2019/20	Total
	£000	£000	£000	£000
Service transformation	1800	300	300	2400
Depot rationalisation	-	500	-	500
	1800	800	300	2900

4.4 Financial modelling on the proposed service outlined in this report indicates that full year savings in the region of £2.4 million could be achieved and are further summarised in the table below. Further to this, it is important to note, that all figures are subject to verification from Amey.

	Current service cost	Proposed service cost
	£000	£000
Service cost (subject to Amey verification)	11,508	9,400
Garden Waste income from those;		
Receiving maximum council tax support (free)	-	-
Receiving partial council tax support (50% reduction)	-	(15)
Not receiving council tax support (£35)	-	(315)
	-	(330)
Revenue impact of capital investment	-	51
Net service cost	11,508	9,121
Potential on-going savings	-	(2,387)
One-off capital investment	-	476
One-off revenue investment	-	1,200
Payback period		6 months

- 4.5 Garden waste income shown in the table above models the proposed annual charge of £35 on a takeup of 15% (12,000 households) and includes an element of income collected at a concessionary rate. For their first bin, those on full benefits will qualify for a free subscribed service and those on partial benefits will qualify for a 50% reduction (£17.50) to the subscribed service charge.
- 4.6 Cabinet (Resources) Panel, on the 13 September 2016, approved one off revenue costs in the region of £1.5 million to be funded initially through the Efficiency Reserve with an analysis to be undertaken to determine whether it is appropriate to seek permission from Full Council, at a later date, to use the Government announced capital receipt flexibility instead. These costs reflect additional staffing requirements associated with the implementation of the waste strategy, including the extended Household Waste Recycling Centre opening hours.
- 4.7 The approved capital programme includes a budget of £500,000 for the acquisition of new bins. This level of capital investment assumes that 20,000 new 240L brown bins will be provided, on an 'opt in' basis, and 2,000 new 360L brown bins will be provided to those households with seven or more occupants.
- 4.8 If a greater number of households 'opt' for a larger 240L brown residual bin then additional capital investment will be required. Each 240L bin costs in the region of £20, therefore each additional 5,000 bins required will require additional investment in the region of £100,000 with borrowing costs in the region of £12,000 per annum reducing ongoing savings. Approval to such additional investment will be the subject of future reports to Councillors.

- 4.9 If all households were to 'opt in' this would require significant capital investment totalling in the region of £1.7 million with associated borrowing costs of £180,000 per annum, which will reduce ongoing savings and ability to achieve the £2.4 million budget reductions and income generation targets linked to the transformation of the waste service.
- 4.10 Redundancy costs may be incurred by Amey as a result of service reconfiguration and some of these may be passed onto the Council under contractual obligations. These will be additional to the costs shown in the table above. Estimates for the level of these costs are not currently available and will be subject of future reports to Councillors. Any on-going additional costs required to manage the new waste service will need to be met from the remaining budget of the waste service. Discussions are ongoing with Amey in respect to this issue.
- 4.11 The Council's capital programme does not currently include the replacement cost of the 19 waste vehicles for the residual waste collection service. Early indications suggest a total replacement cost in the region of £45,000 per vehicle per annum over a seven year period. Work is underway to understand the full impact of this on the service if the current configuration of 19 vehicles remains and any resulting budget pressures. The outcome of which will be subject of future reports to Councillors.
[TT/09022017/W]

5.0 Legal implications

- 5.1 In order to achieve the variations to the service through the current contract, the Council must serve a formal notice of variation setting out the variations required in sufficient detail. An estimate must then be provided within 30 business days. It is likely that a significant change to the service would need to be formalised by a Deed of Variation.
[TS/01022017/W]

6.0 Equalities implications

- 6.1 A full equality analysis and consultation on the options related to the waste and recycling services has identified that the elderly and people with a disability may be affected in moving the bins due to mobility constraints. To mitigate this, the Council will continue to provide assistance to such residents via its Assisted Domestic Waste Collection Policy.
- 6.2 For residents where English is their second language, and for those who have difficulty reading or understanding written information, this will be mitigated by putting a sticker with pictograms on bins, showing what can and can't go in each bin. In addition to this Amey's Community Engagement Team provides outreach visits to community groups and households supported by CWC's Communications Team. Messages will be available to all using a range of media appropriate to the target audience.
- 6.3 Regarding a new super household waste recycling centre site the accessibility of the site for disabled people who can't drive and who therefore cannot use the facility needs to be taken in to consideration.

7.0 Environmental implications

- 7.1 The Strategic Environmental Assessment led by Amec Foster Wheeler described the most relevant potential effects of the waste strategy and provided recommendations where appropriate regarding mitigation. These have been incorporated into the proposed Waste Strategy and service delivery model.
- 7.2 In particular, it is possible the service changes may have a temporary adverse impact on recycling rates. This is anticipated and measures are being developed to minimise this adverse impact in the short term and facilitate improvements to both the quality and rate of recycling in the medium and longer terms.

8.0 Human resources implications

- 8.1 There will be a number of voluntary and / or compulsory redundancies and other vacancy / redeployment issues as a result of the proposed changes. Some of the individuals affected may be Amey Employees who were TUPE transferred across to the company. Discussions and consultations with Amey will be required to agree criteria.
- 8.2 In these cases, the council is required to meet the redundancy costs.

9.0 Corporate landlord implications

- 9.1 There are no immediate direct corporate landlord implications arising from this report. Once the preferred options for the new service, including the proposed new HWRC have been confirmed, it will be possible to review the capacity and operations of the existing waste management facilities used by the service. These issues will form part of the considerations of the East Park Gateway Programme.

10.0 Schedule of background papers

- 10.1 Cabinet Report: Waste and Recycling Strategy. 23 March 2016
- 10.2 Vibrant and Sustainable City Scrutiny Panel Report: Waste and Recycling Consultation Strategy Consultation, 1 December 2016
- 10.3 Cabinet (Resources) Panel Report: Budget 2017/18 – Outcome of Consultation, 7 February 2017

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Cabinet Meeting

22 February 2017

Report title	Draft Libraries Transformation Strategy 2017 – 2027: Consultation	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor John Reynolds City Economy	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Keren Jones, City Economy	
Originating service	Libraries	
Accountable employee(s)	Charlotte Johns	Head of Strategic Programmes
	Tel	01902 554240
	Email	charlotte.johns@wolverhampton.gov.uk
Report to be/has been considered by		

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Consult for 12 weeks on the draft libraries strategy and key appendices, including a draft equalities analysis.

1.0 Purpose

- 1.1 The purpose of this report is to consider the draft libraries strategy and supporting appendices, including the draft equalities analysis, and agree it will be subject to public consultation for 12 weeks, from 27 February to 21 May 2017.

2.0 Background

- 2.1 In May 2016 the Library Service undertook a Peer Challenge. This provided invaluable feedback on our libraries and our plans and approach to developing them in the future. The key areas of feedback included:

- Recognition that there is a need for change;
- Advised the council to review the role and function of a library service looking forward;
- Identified the need to increase the capacity for transformation;
- Identified key opportunities for the service such as commercialisation and digital agendas;
- Emphasised the importance of how libraries can support the wider priorities and outcomes for the city.

- 2.2 As a result, a libraries transformation programme was established, with a view to developing a strategy for our libraries which responds to this feedback.

- 2.3 Previously there was a £500,000 savings target for libraries in the Medium Term Financial Strategy for 2017/18. This was removed by Cabinet in October 2016. Any savings will be service led, and based on feedback received in the engagement and formal consultation exercises.

- 2.4 A specific recommendation from the Peer Review was to work with The Consultation Institute, to provide advice, guidance and approval to any engagement and consultation approach. This recommendation has been completed, and The Consultation Institute have supported and quality assured the approach to libraries transformation.

- 2.5 As part of developing the draft strategy a period of engagement with local people to better understand what they want from libraries in the City of Wolverhampton, and put the 'case for change' to them.

- 2.6 The case for change is that:

1. Demand for the library service is in decline and we need to promote use while demonstrating value for money.
2. We need to explore new ways of working as our resources are stretched and we struggle to maintain a quality service.
3. We need to meet the future needs of citizens in order to create a vibrant and modern library service for the city, including maximising opportunities in relation to digital technologies.

2.7 Over 500 people participated in the engagement phase with the public through externally facilitated workshops, an online survey, email and social media. The key themes from the engagement exercise were:

- Individuals were very supportive of the library services and believed that it continued to be relevant for a wide variety of reasons. They expressed a view that libraries were especially relevant for those on low incomes and for those who did not have internet access at home. Besides offering educational value, libraries were seen to serve an important role as a social hub.
- Adopting a multi-use facility approach. The largest proportion of respondents believed that library services could be optimised and utilised more effectively through co-location and multi-use spaces.
- Although a large proportion of respondents reported having never used another library other than a Wolverhampton library (46.4%), the majority seemed to agree that library services could improve if integrated into other organisations, in particular community, health and social organisations (40.1%).
- When asked what would make people use a library more, the most cited theme was more convenient opening hours (19.6%), wider number of services (14.3%) and better computing facilities. (8.3%)
- Most participants reported that libraries of the future need a building because they are the hub of the community and motivate people to get out of their houses, relax, and enhance social interaction. (37.2%)
- The most frequent response regarding reasons for the decline in demand for libraries concerned the competition that digital technologies present (32%). That is, people indicated that they are more likely to find information that is available in libraries through the internet, which was considered more convenient and accessible for individuals without the need to visit a library.

3.0 Consultation

3.1 As part of the libraries transformation programme, a draft vision and strategy have been developed. These align to meeting local priorities, the recently published national framework for libraries 'Libraries Deliver' and the Society for Chief Librarian's 'Universal Offers'. As part of the consultation, we are seeking people's views on the strategy.

3.2 Our draft vision statement is:

Modern, vibrant and sustainable libraries for the City of Wolverhampton

In order to explain what we mean by modern, vibrant and sustainable we will work to a number of strategic aims.

3.3 Proposed Strategic Aims

3.3.1 The law requires the Council to provide a 'comprehensive and efficient' library service for local people, although it does not define what is meant by 'comprehensive and efficient', leaving it open to local interpretation.

3.3.2 We have identified the following strategic aims for Wolverhampton Libraries which we believe are focussed on delivering modern, comprehensive and efficient library services to achieve improved outcomes for the City of Wolverhampton:

- Supporting reading and literacy
- Promoting learning & improving skills
- Increasing the use of digital services
- Promoting and enabling health & wellbeing
- Widening access to quality information
- Broadening access to culture

3.4 Service Transformation

3.4.1 The City of Wolverhampton Council are committed to library services, and are proposing to maintain the number of libraries in the city, and enhance service provision.

3.4.2 Included in the strategy are things we want to improve in all 16 branch libraries – such as improving the book stock, digital offer and physical appearance within libraries. There are also some specific opportunities in each library site, and the consultation document seeks the views of local people on these. This includes any suggestions from local people and community groups about how libraries can work them and other services to respond to feedback and extend opening hours and improve provision.

3.4.3 As part of the consultation, we are also seeking people's views on fees and charges and the types of events and activities they wish to see in their local libraries.

3.4.4 The Home Library Service is also included in the consultation document. Whilst we will maintain the Home Library Service, we wish to gain more customer feedback in order to look at ways to improve provision.

3.4.5 The Education Library Service is also included in the consultation document. This is a service providing teaching materials to schools – and is not about school libraries. Take up of the service has declined over the last three years as schools move to academies, school budgets are put under increasing pressure and technological advancements support teaching the curriculum in new and different ways. We want to understand customer views on the future of the service.

4.0 Financial implications

4.1 The 2016/17 net controllable budget for the Library Service is £1.3 million. There are currently no savings target included within the Medium Term Financial Strategy for the service. The outcome of the consultation and any revisions to service provision will be reported to a future meeting and will include the full financial implications of any proposed changes. [MF/09022017/M]

5.0 Legal implications

- 5.1 Library authorities are required to provide a “comprehensive and efficient” library service for everyone who wants to use it in its area (Public Libraries and Museums Act 1964). Section 7 (2) of the above also requires an authority to have regard to the “desirability” of keeping adequate stocks of books by various means. The Council is also subject to a general duty of best value to "make arrangements to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness". Best Value Statutory guidance issued by the Department for Communities and Local Government, revised in 2015, makes clear that this duty applies and includes economic, environmental and social value when reviewing service provision. The relevance of the best value duty is that it formed a substantive ground of challenge in a High Court challenge and, whilst the challenge was lost, set a high benchmark for other local authorities where decisions simply reflect the need to make cuts without reinvesting in widening access to the remaining library service.
- 5.2 Section 149 of the Equality Act 2010 establishes what is known as the Public Sector Equality Duty (PSED) and requires an authority to have due regard to the need to eliminate discrimination, advance equal opportunities and foster good relations between the people who share a protected characteristic and those that do not. An authority must be mindful of these requirements in the run up to and at the point of decision. To meet these Section 149 requirements an authority often completes an equality analysis although completing one or more of these does not itself mean that the need to have “due regard” has been met. [RB/10022017/B]

6.0 Equalities implications

- 6.1 Equalities implications have been considered in line with the Equality Act 2010 and the Public Sector Equality Duty as set out above. This has included work on equality analyses on all alternatives for the library service. A draft equality analysis is included as an appendix to this report, and Cabinet are specifically asked to consider it as part of their decision making. The equalities analysis is also part of the consultation, and will be updated in response to feedback received.

7.0 Environmental implications

- 7.1 There are no known environmental implications at this time. A travel survey conducted in October/November 2016 showed that walking is the most popular mode of transport for visiting a library. The environmental implications of the options are that should people travel further to visit a library the carbon footprint of their journey has increased.

8.0 Human resources implications

- 8.1 Human resources implications will be addressed after the agreement of a libraries strategy in July 2017, as employee resources will need to be aligned to ensure effective delivery of the strategy.

9.0 Corporate landlord implications

9.1 There are significant implications for Corporate Landlord in terms of potential relocation and investment in certain libraries.

10.0 Schedule of background papers

10.1 None.

Transforming Libraries

Public consultation on a libraries strategy

27 February – 21 May 2017



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Introduction



Thank you for taking the time to learn about our options for the future of libraries in the City of Wolverhampton.

Libraries are a statutory service under the Public Libraries and Museums Act 1964, which means local councils in England have a duty to provide a ‘comprehensive and efficient’ library service for local people. Libraries provide a unique ‘cradle to grave’ service to the public, and are highly valued by communities – even those who do not use them.

Like most places across the country, the way people use our libraries is changing. Visitor numbers are falling and there are fewer active borrowers and book loans, mirroring a national decline. At the same time, there has been a growth in the use of technology and people are also increasingly using our libraries to develop their skills, access support services and attend events and activities.

Over the last few months, we have been considering and developing ideas to improve the provision of libraries in Wolverhampton based on feedback from local people, a review of intelligence and information in relation to the performance of libraries and a review of the national policy framework for libraries, including the recent ‘ambition’ for libraries from the national task force.

As a result of this work, we have developed a draft vision, strategic aims and an approach to delivering our libraries that will form part of a City of Wolverhampton Libraries Strategy for 2017-2027.

The purpose of the strategy is to improve library services for people who live, work, study and visit Wolverhampton and set out how we will deliver local and national priorities, in the context of changing demands and customer needs. Against the backdrop of a wider public sector financial challenge, we also need to ensure that our libraries provide a network of support that is sustainable and provides value for money to taxpayers.

The information in this formal public consultation document has been provided so that you can understand our vision and for libraries in Wolverhampton.

In the City of Wolverhampton we value our libraries which is why our draft strategy proposes to maintain the current number of libraries and enhance service provision.

We want to hear what you think of our draft strategy. You can have your say in a number of ways, including completing a survey online at www.wolverhampton.gov.uk/mylibraryservice or by attending one of the public events which will be taking place over the next few weeks. You can also request a hard copy of the survey by calling us on **01902 552025** or emailing mylibraryservice@wolverhampton.gov.uk.

Your views will help shape our libraries strategy which will be put forward for discussion by Cabinet in the summer of 2017.

No decisions will be made about the future of library services in our city until we have listened to you.

Councillor John Reynolds

Cabinet Member, City Economy
City of Wolverhampton Council

What are we consulting on?



The City of Wolverhampton Council is committed to library services, and so are not proposing to reduce the number of libraries.

We are specifically seeking your views about:

- Our vision for libraries in the City of Wolverhampton 2017 – 2027.
- Opening hours – what times and days each library should be open.
- The physical location of Bilston library.
- The provision of the Education Library Service through consultation with key stakeholders of the service.
- The Home Library Service – we are proposing this will continue, but would like to gain more customer feedback from users of this service to inform future planning.
- Fees and charges for services provided by or within libraries.

Timescales for Consultation:

The consultation will take place over 12 weeks from 27 February to 21 May 2017. All the feedback we receive will be collated and analysed. A report for consideration will be produced and publicly available as part of the decision making process.

Why are we consulting on a new strategy for libraries?

In May 2016 the Library Service undertook a Peer Challenge. This provided feedback on the service and our plans and approach to developing it in the future.

We need to respond to key challenges which we have summarised in our 'case for change' which is:

1. Demand for the library service is in decline and we need to promote use while demonstrating value for money.
2. We need to explore new ways of working as our resources are stretched and we struggle to maintain a quality service.
3. We need to meet the future needs of citizens in order to create a vibrant and modern library service for Wolverhampton, including maximising opportunities in relation to digital technologies.

What local people have told us about libraries in the City of Wolverhampton

In October 2016, the Council undertook an engagement exercise with communities, discussing the case for change and seeking feedback and views on what a modern, vibrant and sustainable library service should look like.

Over 500 people participated in the engagement phase through externally facilitated workshops, an online survey, email and social media.

The key themes from the engagement exercise were:

- Besides offering educational value, libraries were seen to serve an important role as a social hub.
- Adopting a multi-use facility approach. The largest proportion of respondents believed that library services could be optimised and utilised more effectively through co-location and multi-use spaces.
- The majority of respondents felt that library services could improve if integrated into other organisations, in particular community, health and social organisations.
- When asked what would make people use a library more, the most cited theme was more convenient opening hours, a wider number of services and better computing facilities.
- Most participants reported that libraries of the future need a building because they are the hub of the community and motivate people to get out of their houses, relax, and enhance social interaction.

The full report on the findings from the engagement exercise can be found at www.wolverhampton.gov.uk/mylibraryservice

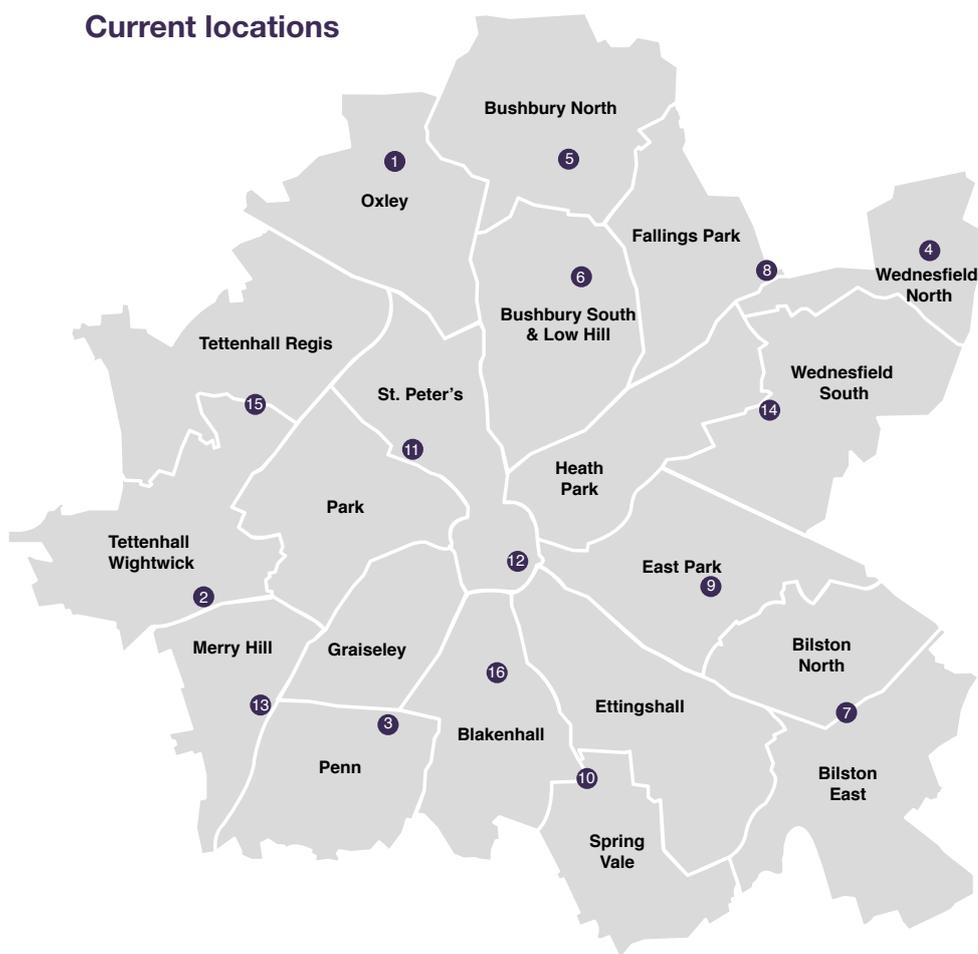


What are libraries like now?

The City of Wolverhampton Council currently provides the following:

- 16 public libraries including the Grade 2* listed Central Library. Some libraries are stand alone, some are part of established Community Hubs, others are self-service only or volunteer run.
- The Home Library service, delivering materials, in a variety of formats, to people of all ages who are unable to get to their local library and don't have anyone to go on their behalf.
- The Education Library Service, providing learning materials to schools.
- On-line Libraries, through which customers can download a wide range of free resources including eBooks, eMagazines, eAudio Books and eResources onto their eReader, desktop, laptop or mobile device.

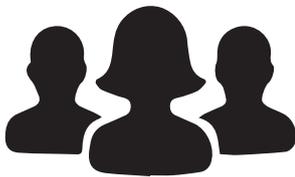
Current locations



Key:

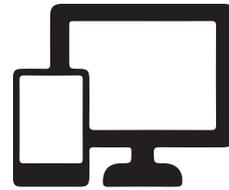
1. Pendeford and Pendeford Community Hub
2. Finchfield Library
3. Penn Library
4. Ashmore Park Library and The Hub at Ashmore Park
5. Collingswood Library
6. Low Hill Library and Low Hill Community Hub
7. Bilston Library
8. Long Knowle Library and Long Knowle Community Hub
9. East Park Library
10. Spring Vale Library
11. Whitmore Reans Library
12. Central Library
13. Warstones Library
14. Wednesfield Library and Wednesfield Community Hub
15. Tettenhall Library
16. Blakenhall Library and The Bob Jones Community Hub

Key facts and figures about our libraries (2015-16)



676,801

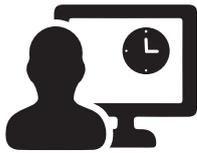
total visits



47,379

visits to the website

Resulting in...



120,610

hours of PC use

138,596



individual borrowers
with loans



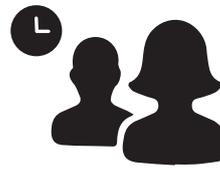
561,250

items borrowed

Staffed by...



The full time
equivalent of
33.9 staff
(37 hrs per week)



46 volunteers
1803.5
volunteer hours

Costing

£1,789,860

2016/17 budget

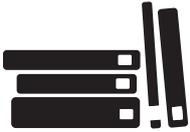


Performance by library location 2015–16

Library	Number of hours open	Items Borrowed 2015-16	Visits 2015-16	Members as at 31 March 2016
Ashmore Park	24	23393	37875	3678
Bilston	35	31503	38525	7084
Blakenhall	56	1284	2225	1398
Central	47	174258	348026	40602
Collingwood	15	2959	875	768
East Park	15	12558	10100	2518
Finchfield	30	52797	21625	2892
Long Knowle	15	10960	6600	2091
Low Hill	15	13336	8350	3971
Pendeford	24	25829	21850	4183
Penn	24	31784	21925	3484
Spring Vale	15	11464	15475	2493
Tettenhall	30	69281	28700	4510
Warstones	35	43122	37725	4889
Wednesfield	35	47477	58800	9810
Whitmore Reans	15	9245	18125	5068

Services and facilities libraries deliver in Wolverhampton

Library loans



Books including inter-library loans and reservation facilities

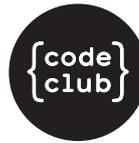


Other lending e.g. audiobooks, e-books

Clubs, events and activities



Local community displays, e.g. photography clubs



Code clubs



Author events, theatre and other art and cultural activities

Advice and support



Blue badge scheme support



Support for job seekers



Health and well-being support e.g. Memory Matters

A community space



A life long learning space



A safe space



Office and room hire



Quiet space to read and study

Resources and information



Reference materials and information



Free public computer facilities



Newspapers and magazines



Free public wifi in all 16 libraries

Financial costs and performance

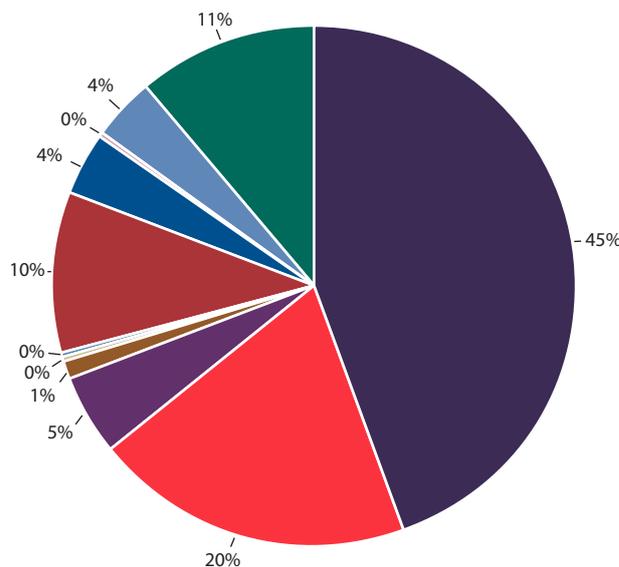
(based on the 2015-16 CIPFA return)

Expenditure

Expenditure Area	2015-16 CIPFA return	% of expenditure
Employees	£1,035,928	45.44
Premises	£445,319	19.53
Books and pamphlets	£106,233	4.66
Newspapers, periodicals and magazines	£17,505	0.77
Sound recordings (e.g. talking books)	£ 5,430	0.24
Electronic subscriptions	£9,972	0.44
Computing costs	£230,101	10.09
Other supplies and services	£81,098	3.56
Transport	£10,600	0.46
Third party payments (for the Home Library Service)	£86,209	3.78
Support services	£251,316	11.02
Total	£2,279,711	100

KEY:

- Employees
- Premises
- Books and pamphlets
- Newspapers, periodicals and magazines
- Sound recordings, e.g. talking books
- Electronic subscriptions
- Computing costs
- Other supplies and services
- Transport
- Third party payments for the Home Library Service
- Support services

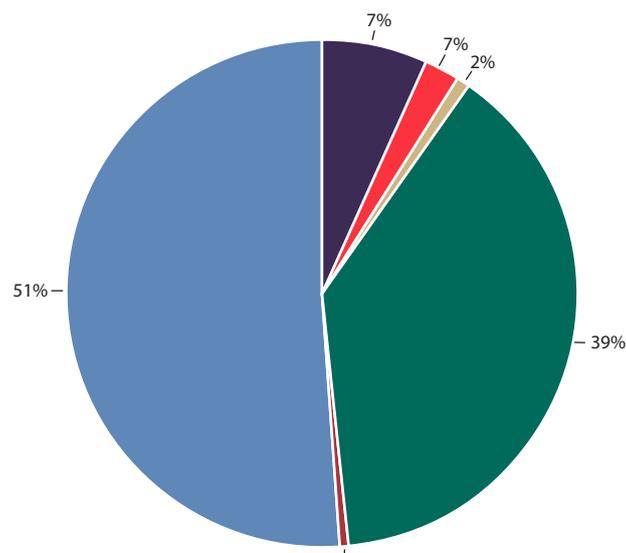


Income

Income Area	2015-16 CIPFA return	% of income
Overdue charges	£19,319	6.59
Lettings	£7,313	2.49
Hire of audio/visual materials	£3,829	1.31
Grants	£113,124	38.56
Provision of library services to other local authorities	£630	0.21
Miscellaneous (including photocopying)	£149,136	50.84
Total	£293,351	100

KEY:

- Overdue charges
- Lettings
- Hire of audio/visual materials
- Grants
- Provision of library services to other authorities
- Miscellaneous (e.g. photocopying)



2015–16 financial summary

Total Expenditure	£2,279,711
Total Income	£293,351
Net Expenditure	£1,986,360

A summary of the performance, finance, demographic and building asset information by library is included in our 'needs assessment' which you can access [here](#).

Our vision for libraries in the City of Wolverhampton

We are seeking people's views on our vision for libraries in Wolverhampton. This has been developed based on national best practice and the feedback we have received from local people during October 2016.

Our vision is:

Modern, vibrant and sustainable libraries for the City of Wolverhampton

What should a modern, vibrant and sustainable library service provide?

We are proposing six strategic aims for our libraries that form our core offer to all people who live, work and study in Wolverhampton. These aims incorporate the 'National Universal Offer' framework recommended by the Society of Chief Librarians and are:

- **Supporting reading and literacy**
- **Promoting learning and improving skills**
- **Increasing the use of digital services**
- **Promoting and enabling health & wellbeing**
- **Widening access to quality information**
- **Broadening access to culture**

To deliver this, over the course of the strategy **we will:**

- Improve the quality of physical library spaces to ensure they are vibrant, welcoming and safe and meet the needs of local communities.
- Ensure there is a good quality book (including large print, audio book and e-book) stock that is well rotated across the network. Stop investing in 'old technology' such as CDs/DVDs.
- Support people to access new and emerging digital technology.
- Wherever possible, increase opening hours, accessibility and convenience for library users through working with other services and the community to increase co-location, use of self service facilities and use of volunteers.
- Hold and promote a variety of events and activities in libraries to support the delivery of our six strategic aims.
- Ensure there are professional well trained staff that can support individuals and communities to improve their life chances.
- Increase the number, use and roles of volunteers in the library service to increase skills and employability for local people.
- Increase income generation and commercialisation in the service (such as room hire) to improve sustainability of the service.

Outcomes for local people

Libraries in Wolverhampton play a significant role in supporting the delivery of the Council's Corporate Plan, and also the wider Vision 2030 for the city. We will measure the success of this strategy through the delivery of outcomes for local people.

The outcomes for local people which will be delivered through the City of Wolverhampton's Library Strategy 2017–2027 are:

- Improved skills, learning and life chances for local people
- Improved health and wellbeing for local people
- Local people's lives are enriched with improved access to culture, literature and quality information
- Increased civic and community participation through:
 - Visiting and engaging in activities in libraries
 - Volunteering



Opportunities for our libraries

Local people told us that libraries play an important role in communities

The City of Wolverhampton are committed to library services, and so are not proposing to reduce the number of libraries.

We are committed to transforming our libraries, responding to feedback from local people and enhancing service provision to meet modern demand.



Service wide transformation

Our proposal is to improve every library through...



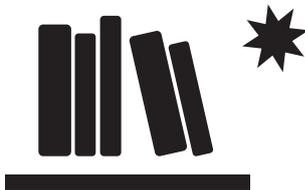
professional well trained staff



increasing volunteering opportunities



working with the local community to extend opening hours



high quality book offer



access to latest technology



increasing events and activities



improving physical library spaces



increasing income generation



co-locating/providing other services

New library management system

The City of Wolverhampton is procuring a new Library Management System with the three other Black Country library authorities - Sandwell, Dudley and Walsall.

This is so we can work more efficiently, make improvements to the service we provide, and directly respond to feedback from customers.

For example, the new system will enable library users to access library services across the Black Country with just one library card, improving the amount of choice and increasing accessibility to a wider range of materials.

The new system will also enable improvements in customer service such as email and text alerts.

The new system will be implemented from Summer 2017.

Central Library and the City Learning Quarter

In addition to meeting the service wide vision in each one of our libraries, there are some specific opportunities for our libraries:



The Grade 2* listed Central Library is one of the city's most treasured buildings, designed in an arts and crafts style in 1896 by Henry T Hare and built in 1902.

There are some specific physical improvements we want to make to Central Library.

Local people have provided feedback to us that they value Central Library in its current location, but want to see an improvement to the poor appearance inside the building, including more comfortable seating, space for events and activities and better access to technology.

In addition to these improvements, there is a unique opportunity in the area in which the Central Library is located, near to the Ofsted rated 'Outstanding' Adult Education Service and City of Wolverhampton College to look at how we develop a 'City Learning Quarter'. This would involve working closer together to improve the offer to local people around learning.

A feasibility study into the City Learning Quarter has commenced, and includes how we could make further improvements to the Central Library building to improve the wider offer, including café facilities.

Branch libraries

Bilston

Bilston library is currently located at Mount Pleasant with the Craft Gallery. It is not easily accessible from public transport, and is not near any other services – something we know from engagement that people value from libraries.

Bilston library is currently open 35 hours per week – regardless of its location, we are proposing that it will remain open for a minimum of 35 hours per week. As part of the consultation we are also keen to hear what times you think certain libraries should be open.

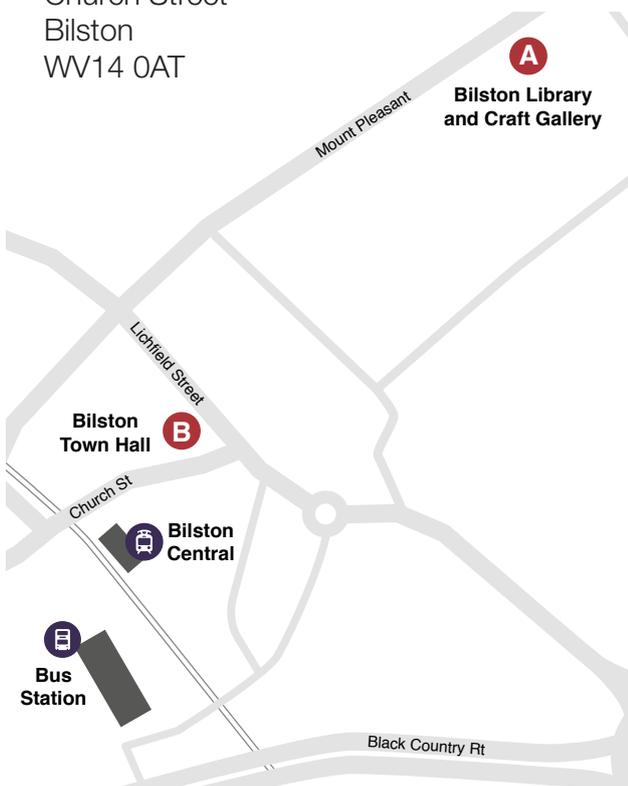
Built in 1872, Bilston Town Hall is a Grade II listed building which was originally home to a ‘free library and reading room’.

As part of the consultation, we want to know your views on the location of Bilston Library and Craft Gallery:

- **Move to Bilston Town Hall**

One possibility would be to relocate the library and a museum to Bilston Town Hall. This would mean the library and museum is better located for public transport, such as the bus station and Metro.

The address is:
Church Street
Bilston
WV14 0AT



- **Remain where it is**

One possibility would be to leave the library and craft gallery where it is. This would mean that there are limited opportunities to improve accessibility as it is not located near public transport, other services and facilities.

The address is:
Mount Pleasant
Bilston
WV14 7LU

- **Move to another location**

You may have an idea for another location for the library and craft gallery – if so, we’d like to hear them so we can consider them as part of our plans.



Ashmore Park

Ashmore Park library is co-located within the Ashmore Park Community Hub and is open for 24 hours a week.

In addition to the proposed service wide transformation, we would like to explore opportunities to extend the amount of time the library is open to the public by providing more 'self-serve' only periods when there are no staff and the Community Hub is open.

Library staff would still be available for 24 hours a week. The 'self-serve' only periods would mean that there were no library staff on site, but customers could access the library, take out and return items using the self-service machine, and book and use PC's.



Long Knowle

Long Knowle library is co-located within the Long Knowle Community Hub and is open for 15 hours a week.

In addition to the proposed service wide transformation, we would like to explore opportunities to extend the amount of time the library is open to the public by providing more 'self-serve' only periods when there are no staff and the Community Hub is open.

Library staff would still be available for 15 hours a week. The 'self-serve' only periods would mean that there were no library staff on site, but customers could access the library, take out and return items using the self-service machine, and book and use PC's.



Low Hill

Low Hill library is next to the Low Hill Community Hub and is open for 15 hours a week.

In addition to the proposed service wide transformation, we would like to explore opportunities to move the library to a different part of the Low Hill Community Hub site to extend the amount of time the library is open to the public by providing more ‘self-serve’ only periods when there are no staff and the Community Hub is open.

Library staff would still be available for 15 hours a week. The ‘self-serve’ only periods would mean that there were no library staff on site, but customers could access the library, take out and return items using the self-service machine, and book and use PC’s.



East Park

East Park library is a stand-alone library and is open for 15 hours a week.

In addition to the proposed service wide transformation we would like to explore opportunities with the community to extend opening hours.

We welcome any expressions of interest from local people and groups to support the running of the library or co-locate it to improve the offer. This might include making better community and commercial use of the whole building. If there are no proposals the library will remain open for 15 hours a week.



Finchfield

Finchfield library is a stand-alone library and is open for 30 hours a week.

In addition to the proposed service wide transformation we would like to explore opportunities with the community to extend opening hours.

We welcome any expressions of interest from local people and groups to support the running of the library or co-locate it to improve the offer. This might include making better community and commercial use of the whole building. If there are no proposals, the library will remain open for 30 hours a week.



Pendeford

Pendeford library is a stand-alone library and is open for 24 hours a week.

In addition to the proposed service wide transformation we would like to explore opportunities with the community to extend opening hours.

We welcome any expressions of interest from local people and groups to support the running of the library or co-locate it to improve the offer. This might include the development of a Community Association to manage the meeting rooms and community spaces at the back of the library. It also might include making better community and commercial use of the whole building. If there are no proposals, the library will remain open for 24 hours a week.



Penn

Penn library is a stand-alone library and is open for 24 hours a week.

In addition to the proposed service wide transformation we would like to explore opportunities with the community to extend opening hours.

We welcome any expressions of interest from local people and groups to support the running of the library or co-locate it to improve the offer. This might include making better community and commercial use of the whole building. If there are no proposals, the library will remain open for 24 hours a week.



Spring Vale

Spring Vale library is a stand-alone library and is open for 15 hours a week.

In addition to the proposed service wide transformation we would like to explore opportunities with the community to extend opening hours.

We welcome any expressions of interest from local people and groups to support the running of the library or co-locate it to improve the offer. This might include making better community and commercial use of the whole building. If there are no proposals, the library will remain open for 15 hours a week.



Tettenhall

Tettenhall library is a stand-alone library and is open for 30 hours a week.

In addition to the proposed service wide transformation we would like to explore opportunities with the community to extend opening hours.

We welcome any expressions of interest from local people and groups to support the running of the library or co-locate it to improve the offer. If there are no proposals, the library will remain open for 30 hours a week.



Warstones – Health & Social Care Hub

Warstones library is a stand-alone library open for 35 hours a week.

In addition to the proposed service wide transformation at Warstones there is an opportunity to include a brand new library in the same location, within a potential new Community Health Hub. A feasibility study is underway to determine other services (Council, Health and others) that could form part of this hub to create a mixed use community facility for the South West locality. This is currently in feasibility stage, with build costs being established. Should this go ahead, it is likely to take place by 2019.



Wednesfield

Wednesfield library is an iconic and award winning building, built in 2010 and is a library and community hub facility. It is open for 35 hours a week.

In addition to the proposed service wide transformation, we would like to explore opportunities with the community to extend opening hours.

This might include making better community and commercial use of the building. If there are no proposals the library will remain open for 35 hours a week.



Whitmore Reans

Whitmore Reans library is a stand-alone library and is open for 15 hours a week.

In addition to the proposed service wide transformation we would like to explore opportunities with the community to extend opening hours.

We welcome any expressions of interest from local people and groups to support the running of the library or co-locate it to improve the offer. This might include making better community and commercial use of the whole building. If there are no proposals the library will remain open for 15 hours a week.

Bob Jones Community Hub, Blakenhall and Collingwood Libraries

These libraries are currently community led/self service only, and no changes are proposed in addition to the proposed service wide transformation.

Other areas we would like your views

Opening hours

As part of the consultation, we would like to know your views on when libraries should be open – what days and at what time of the day.

Library fees and charges

As part of the consultation, we would like to know your views on fees that the library currently charges, and what it could potentially charge for such as:

- PC hire
- Printing and photocopying
- Refreshments
- Room hire
- Retail

Education Library Service

The Education Library Service is an optional service provided to schools that they can choose to buy from the City of Wolverhampton Library Service. It involves the provision of learning materials to schools (and is not about libraries within schools). The Education Library Service is located at the Parkfields Centre.

Take up of the service has declined over the last three years, as schools move to Academies, school budgets are put under increasing pressure and technological advancements support teaching the curriculum in new and different ways.

As part of the consultation, we are keen to hear from users of the service about their views on the Education Library Service – primarily teachers, governing bodies and children, young people and families as beneficiaries of education services in Wolverhampton.

Home Library Service

The Home Library service delivers materials, in a variety of formats, to people of all ages who are unable to get to their local library and don't have anyone to go on their behalf. We are proposing that this service continues.

However, as part of consultation we are keen to understand the views of customers of this service to understand how we can improve provision going forward.

Any other ideas?

We are committed to consider any other suggestions for improving libraries in Wolverhampton. This may include alternative delivery models for any of our libraries.

We will give genuine consideration to any alternatives put forward by people.

Over the course of the strategy, there may be other opportunities that present themselves to improve the offer from our libraries. This might involve moving a library or co-locating it with other services to enable longer opening hours or an improved service. If these opportunities do present themselves, we would consult with local people at that time.

Equalities analysis

An initial equalities analysis has been conducted, and is available here: www.wolverhampton.gov.uk/mylibraryservice. As part of the consultation we want to know if you feel you are adversely affected by the proposals, and why. You may also wish to give suggestions for individual libraries or for the service as a whole.

How you can give your views

Complete our online survey

Completing our survey online saves time, postage and the environment. Please help us by staying online if you can.

www.wolverhampton.gov.uk/mylibraryservice

Complete a hard copy of the survey

You can ring **01902 552025** or email mylibraryservice@wolverhampton.gov.uk to request a hard copy of the survey.

For deaf and speech impaired callers, please call **18001 01902 552025**. This is the Next Generation Text Service. More information on this service is available here:

www.ngts.org.uk/business.php.

Hard copies of surveys can be returned to any library or posted to:

Central Library
Snow Hill
Wolverhampton
WV1 3AX

Attend our public events

The following public events have been planned:

- **Wednesday 22 March, 6pm**
Bilston Library, Mount Pleasant
WV14 7LU
- **Thursday 23 March, 6pm**
Bantock House, Finchfield Road
WV3 9LQ
- **Saturday 25 March, 10am**
Wednesfield Library, Well Lane
WV11 1XT

You can book on to these sessions here:

www.wolverhampton.gov.uk/mylibraryservice or by calling **01902 552025** or asking at your local library. Don't worry, you don't need to print off any ticket – just register, let us know of any special requirements you might have and turn up on the day.

Next steps

We are asking for your views for 12 weeks from **27 February to 21 May 2017**.

What happens to responses?

All feedback will be collated and analysed. A report for consideration will be produced and publicly available as part of the decision making process.

Your views will help shape our libraries strategy and the options for their transformation, which are scheduled to be discussed by Cabinet on **19 July 2017**. No decision will be made before this date.

We anticipate that any changes that were agreed would come into effect from **August 2017**.

Data Protection Statement

We take the protection of any personal information you give us as part of the consultation seriously. Please see the supporting 'data protection statement' for further information on this or contact data. protect@wolverhampton.gov.uk.

Supporting documents

You can access supporting documents on our website here: www.wolverhampton.gov.uk/mylibraryservice

Need more information?

Visit our website

www.wolverhampton.gov.uk/mylibraryservice

Telephone

01902 552025

Email

mylibraryservice@wolverhampton.gov.uk

Next Generation Text Service for deaf and speech impaired callers

More information on this service is available here

18001 01902 552025
www.ngts.org.uk/business.php

For more information on our work visit:

wolverhampton.gov.uk 01902 551155

 WolverhamptonToday  @WolvesCouncil  WolverhamptonToday

City of Wolverhampton Council, Civic Centre, St. Peter's Square,
Wolverhampton WV1 1SH.

You can get this information in large print, Braille, audio or in another
language by calling 01902 551155 or order online here.

City of Wolverhampton Equality Analysis Template

Directorate: Place Service Area: Libraries	Lead Officer: Charlotte Johns, Head of Strategic Programmes Date completed: 19 January 2017
Service / Function / Policy / Procedure to be assessed: Libraries Transformation Strategy	
Is this: New / Proposed <input checked="" type="checkbox"/> <input type="checkbox"/> Existing/Review <input type="checkbox"/> Changing <input type="checkbox"/> <small>(Please tick appropriate box)</small>	Review date:

Part A – Initial Equality Analysis to determine if a full Equality Analysis is required.

What are the aims and objectives/purpose of this service, function, policy or procedure?

To develop a vision and strategy to enable the transformation of libraries in the City of Wolverhampton, meeting our ‘case for change’ that:

1. Demand for the library service is in decline and we need to promote use while demonstrating value for money.
2. We need to explore new ways of working as our resources are stretched and we struggle to maintain a quality service.
3. We need to meet the future needs of citizens in order to create a vibrant and modern library service for Wolverhampton, including maximising opportunities in relation to digital technologies.

Please indicate its relevance to any of the equality duties (below) by selecting Yes or No?

	Yes	No
Eliminating unlawful discrimination, victimisation and harassment	Yes	
Advancing equality of opportunity	Yes	
Fostering good community relations	Yes	

If not relevant to any of the three equality duties and this is agreed by your Head of Service, the Equality Analysis is now complete - please send a copy to the Equality & Diversity Team. If any of the three equality duties are relevant, a Full Equality Analysis will need to be undertaken (PART B below).

PART B: Full Equality Analysis.

Step 1 – Identifying outcomes and delivery mechanisms (in relation to what you are assessing)

<p>What outcomes are sought and for whom?</p>	<p>The draft strategy seeks to deliver against the following outcomes:</p> <p>The proposed outcomes for local people in the City of Wolverhampton’s draft Library Strategy 2017–2027 are:</p> <ul style="list-style-type: none"> • Improved skills, learning and life chances for local people • Improved health and wellbeing for local people • Local people’s lives are enriched with improved access to culture, literature and quality information • Increased civic and community participation through: <ul style="list-style-type: none"> – Visiting and engaging in activities in libraries – Volunteering
<p>Are there any associated policies,</p>	<p>Libraries contribute to the delivery of Vision 2030 and the council’s Corporate Plan. There are specific links to health and wellbeing, learning and skills, employability and enterprise and creative and cultural economy areas.</p>

functions, services or procedures?	<p>The proposed strategic aims are:</p> <ul style="list-style-type: none"> - Supporting reading and literacy - Promoting learning and improving skills - Increasing the use of digital services - Promoting and enabling health & wellbeing - Widening access to quality information - Broadening access to culture <p>The draft Libraries Strategy also proposes a commitment to delivering the Society for Chief Librarian's six steps promise for blind and partially sighted library users, and the Children and Young People's promise.</p>
If partners (including external partners) are involved in delivering the service, who are they?	<p>The Home Library Service is currently delivered by Dudley Metropolitan Borough Council.</p> <p>Some libraries are co-located as part of Community Hubs. One library is co-located in a Care Home and staffed by volunteers.</p>

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Step 2 – What does the information you have collected, or that you have available, tell you?

What evidence/data already exists about the service and its users? (in terms of its impact on the 'equality strands', i.e. race, disability, gender, gender identity, age, religion or belief, sexual orientation, maternity/pregnancy, marriage/civil partnership and other socially excluded communities or groups) and **what does the data tell you?** e.g. are there any significant gaps?

The current Library Management System holds limited data on the protected characteristics – mainly age and gender. We are going to address this by procuring a new Library Management System that will collect information on all protected characteristics, so this can be used to monitor any issues in relation to equalities and inform future planning in the service.

Due to the lack of equalities information, a period of engagement with local communities took place in October 2016. This exercise discussed the case for change and sought feedback and views on what a modern, vibrant and sustainable library service should look like. This included users and non-users of the library service.

Over 500 people participated in the engagement phase through externally facilitated workshops, an online survey, email and social media. Equalities monitoring information was captured from participants, and during the engagement phase where we knew there was underrepresentation, we undertook further work to ensure views from these groups were captured. This included extra workshops with the LGBT network and Ethnic Minority Council. Equalities data, before the extra work was undertaken, can be seen in the Engagement Analysis Report produced by the University of Wolverhampton.

The evidence base for libraries includes a 'needs assessment' which includes data on young and old people within the demographics of each library based on 2011 census data.

Has there been any consultation with, or input from, customers / service users or other stakeholders? If so, with whom, how were they consulted and what did they say? If you haven't consulted yet and are intending to do so, please list which specific groups or communities you are going to consult with and when.

The engagement exercise in October 2016 has been the main form of input into the development of the draft vision and strategy to date.

Over 500 people participated in the engagement phase through externally facilitated workshops, an online survey, email and social media. Extra workshops were undertaken to ensure that any underrepresentation was managed and that engagement took place across all protected characteristics.

The key themes from the engagement exercise were:

- Besides offering educational value, libraries were seen to serve an important role as a social hub.
- Adopting a multi-use facility approach. The largest proportion of respondents believed that library services could be optimised and utilised more effectively through co-location and multi-use spaces.
- The majority of respondents felt that library services could improve if integrated into other organisations, in particular community, health and social organisations.
- When asked what would make people use a library more, the most cited theme was more convenient opening hours, a wider number of services and better computing facilities.
- Most participants reported that libraries of the future need a building because they are the hub of the community and motivate people to get out of their houses, relax, and enhance social interaction.

These key themes were consistently brought up across all protected characteristics (including the extra workshops that were undertaken with

underrepresented groups).

A formal consultation period is also planned for the draft strategy and this equalities analysis, for a period of 12 weeks from 27 February to 21 May. This will also include an online survey, paper based survey, face to face meetings and targeted communications to a number of key stakeholders across all the protect characteristics to ensure a representative response. Equalities monitoring will happen throughout the consultation window to ensure that any under representation is addressed.

Are there any complaints, compliments, satisfaction surveys or customer feedback that could help inform this assessment? If yes, what do these tell you?

Customer feedback has been established as part of engagement exercise – please see above.

Step 3 – Identifying the negative impact.

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a. **Is there any negative impact on individuals or groups in the community?**

Barriers:

What are the potential or known barriers/impacts for the different 'equality strands' set out below? Consider:

- **Where** you provide your service, e.g. the facilities/premises;
- **Who** provides it, e.g. are staff trained and representative of the local population/users?
- **How** it is provided, e.g. do people come to you or do you go to them? Do any rules or requirements prevent certain people accessing the service?
- **When** it is provided, e.g. opening hours?
- **What** is provided, e.g. does the service meet everyone's needs? How do you know?

* Some barriers are justified, e.g. for health or safety reasons, or might actually be designed to promote equality, e.g. single sex swimming/exercise sessions, or cannot be removed without excessive cost. If you believe any of the barriers identified to be justified then please indicate which they are and why.

Solutions:

What can be done to minimise or remove these barriers to make sure everyone has equal access to the service or to reduce adverse impact?
Consider:

- Other arrangements that can be made to ensure people’s diverse needs are met;
- How your actions might help to promote good relations between communities;
- How you might prevent any unintentional future discrimination.

Equality Themes	Positive Impacts	Negative Impacts identified	Solutions (ways in which you could mitigate the negative impact)
<p>Age (including children, young people and older people) Page 254</p>	<p>The proposed libraries strategy includes maintaining library provision in all of the 16 locations. This provides assurance to communities that there are a number of libraries they can access ‘as is’.</p> <p>The consultation includes asking how communities or other services could work with the library service to extend opening hours and improve access and convenience across all age groups. This directly links to feedback received in engagement.</p> <p>If it is possible to provide other public services alongside libraries this would mean that more services, staff and members of the community would be nearby to provide help to people if needed.</p>	<p>Should working with the community or other services during the life of this strategy mean that a library moves location, there is a risk that some people may have to travel slightly further to their local library. There could be an impact on young people, or older people. Children for example would be less likely to travel further unsupervised. Cost to travel could also be prohibitive for certain groups. We know from a travel survey conducted in our libraries in October/November 2016 that the most popular mode of travel to libraries is walking, followed by car. If libraries move then there is a risk that people may have to walk further which would be prohibitive. However it is unlikely that any move of a library during the strategy period would be a significant distance, and the aim of moving a library would be to improve accessibility not reduce it (e.g. proposals for Bilston).</p>	<p>Events and activities should be scheduled across the whole week to enable access by as many age groups as possible.</p> <p>Opening hours – we will be consulting on when people want libraries to be open in each location, and analyse this by equality strand. Working with community and other services to see how we can extend opening hours will also help to extend library access hours for all.</p> <p>Ensure that libraries are located in places where there are good public transport links and car parking facilities nearby.</p> <p>Ensure Home Library Service referalls for those people who are unable to travel further and meet the</p>

	<p>Furthermore, increased partnership working improves the offer for all people, and community led models could help increase social value.</p> <p>The strategy also proposes to increase digital literacy – this could have a positive impact on older age groups who tend to be less digitally literate.</p> <p>The proposal to stop investing in old technology and invest in quality book stock including audio and large print could have a positive impact on older people who have sight issues.</p> <p>Improving the quality of physical library spaces could have a positive impact on all ages, to ensure buildings are welcoming and feel safe.</p> <p>Increasing the amount of events and activities could have a positive impact on the lives of all age groups.</p> <p>Increasing the amount of volunteering opportunities may have a positive impact on older age groups e.g. retired, who are more likely to be able to take up opportunities, in addition to those who are out of work or wishing to retrain.</p> <p>The draft Libraries Strategy also proposes a commitment to delivering</p>	<p>There is risk that as opening hours are not being extended, some age groups are not able to access the library when they would like or is convenient.</p> <p>There is a risk that if events and activities are held during the day that some age groups are more likely to be excluded from attending – such as working age, school age.</p> <p>Fees and charges – consultation will take place on how much people are prepared to pay, if anything for certain library services. Books will remain free – but PC hire for example may have a charge. This could have a negative impact on certain age groups that tend to use PCs more (anecdotally, younger age groups). Analysis of consultation findings will be done by equality strand to understand the impact before any decisions are made on fees and charges.</p>	<p>criteria for the Home Library Service.</p> <p>Ensure how library users can access additional support is clearly promoted in self service only periods – such as a free phone accessible telephone which enables contact to professional library staff.</p>
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	<p>the Society for Chief Librarian's Children and Young People's promise, which would demonstrate best practice library provision for this age group.</p>		
<p>Disability (including carers)</p>	<p>The proposed libraries strategy includes maintaining library provision in all of the 16 locations. This provides assurance to communities that there are a number of libraries they can access 'as is'.</p> <p>The consultation includes asking how communities or other services could work with the library service to extend opening hours and improve access and convenience across all age groups. This directly links to feedback received in engagement.</p> <p>If it is possible to provide other public services alongside libraries this would mean that more services, staff and members of the community would be nearby to provide help to people if needed.</p> <p>Furthermore, increased partnership working improves the offer for all people, and community led models could help increase social value.</p> <p>The strategy also proposes to increase digital literacy – this could have a positive impact on disabled groups</p>	<p>Should working with the community or other services during the life of this strategy mean that a library moves location, there is a risk that some people may have to travel slightly further to their local library. There could be an impact on disabled people who are unable to travel further. Cost to travel could also be prohibitive for certain groups. We know from a travel survey conducted in our libraries in October/November 2016 that the most popular mode of travel to libraries is walking, followed by car. If libraries move then there is a risk that people may have to travel further which would be prohibitive. However it is unlikely that any move of a library during the strategy period would be a significant distance, and the aim of moving a library would be to improve accessibility not reduce it (e.g. proposals for Bilston).</p> <p>There is risk that as opening hours are not being extended, people with a disability are not able to access the library when they would like or is convenient.</p> <p>There is a risk that if events and activities are held in locations that are difficult to access or have limited facilities such as</p>	<p>Opening hours – we will be consulting on when people want libraries to be open in each location, and analyse this by equality strand. Working with community and other services to see how we can extend opening hours will also help to extend library access hours for all.</p> <p>Ensure that libraries are located in places where there are good public transport links and car parking facilities, including disabled car parking, nearby.</p> <p>Ensure Home Library Service referalls for those people who are unable to travel further and meet the criteria for the Home Library Service.</p> <p>Ensure how library users can access additional support is clearly promoted in self service only periods – such as a free phone accessible telephone which enables contact to professional library staff.</p>

	<p>who may be more likely to need to access support from public services which are increasingly using 'digital by design' approaches.</p> <p>The proposal to stop investing in old technology and invest in quality book stock including audio and large print could have a positive impact on disabled people.</p> <p>Improving the quality of physical library spaces could have a positive impact on disabled people, to ensure buildings are welcoming and feel safe and are fully accessible.</p> <p>Increasing the amount of events and activities could have a positive impact on the lives of disabled people.</p> <p>Increasing the amount of volunteering opportunities may have a positive impact on disabled groups.</p> <p>The draft Libraries Strategy also proposes a commitment to delivering the Society for Chief Librarian's six steps promise for blind and partially sighted library users, which demonstrates best library practice for this disability group.</p>	<p>no hearing loop, that disabled people are disadvantaged.</p> <p>Fees and charges – consultation will take place on how much people are prepared to pay, if anything for certain library services. Books will remain free – but PC hire for example may have a charge. This could have a negative impact on certain disabled groups that rely on using library PCs to access services. Analysis of consultation findings will be done by equality strand to understand the impact before any decisions are made on fees and charges.</p>	
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<p>Gender (men and women)</p>	<p>The proposed libraries strategy includes maintaining library provision in all of the 16 locations. This provides assurance to communities that there are a number of libraries they can access 'as is'.</p> <p>The consultation includes asking how communities or other services could work with the library service to extend opening hours and improve access and convenience across all age groups. This directly links to feedback received in engagement.</p> <p>If it is possible to provide other public services alongside libraries this would mean that more services, staff and members of the community would be nearby to provide help to people if needed.</p> <p>Furthermore, increased partnership working improves the offer for all people, and community led models could help increase social value.</p> <p>The proposal to stop investing in old technology and invest in quality book stock including audio and large print could have a positive impact on all genders.</p> <p>Improving the quality of physical library spaces could have a particular positive</p>	<p>Should working with the community or other services during the life of this strategy mean that a library moves location, there is a risk that some people may have to travel slightly further to their local library. There could be an impact on women who are more likely to bring children to the library, and are unable to travel further. Cost to travel could also be prohibitive for certain groups. We know from a travel survey conducted in our libraries in October/November 2016 that the most popular mode of travel to libraries is walking, followed by car. If libraries move then there is a risk that people may have to travel further which would be prohibitive. However it is unlikely that any move of a library during the strategy period would be a significant distance, and the aim of moving a library would be to improve accessibility not reduce it (e.g. proposals for Bilston).</p>	
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	<p>impact on women, so that all library buildings are welcoming and feel safe.</p> <p>Increasing the amount of events and activities could have a positive impact on both genders. Events for younger children are particularly well attended by women, and so increasing these could have a positive effect on women.</p> <p>Increasing the amount of volunteering opportunities may have a positive impact on all people.</p>		
<p>Race (including Gypsies & Travellers and Asylum Seekers)</p> <p>Page 259</p>	<p>The proposed libraries strategy includes maintaining library provision in all of the 16 locations. This provides assurance to communities that there are a number of libraries they can access 'as is'.</p> <p>The consultation includes asking how communities or other services could work with the library service to extend opening hours and improve access and convenience across all age groups. This directly links to feedback received in engagement.</p> <p>If it is possible to provide other public services alongside libraries this would mean that more services, staff and members of the community would be nearby to provide help to people if needed.</p>	<p>Should working with the community or other services during the life of this strategy mean that a library moves location, there is a risk that some people may have to travel slightly further to their local library. There could be an impact on some communities, who feel unable to travel to a different locale. We know from a travel survey conducted in our libraries in October/November 2016 that the most popular mode of travel to libraries is walking, followed by car. If libraries move then there is a risk that people may have to walk further which would be prohibitive. However it is unlikely that any move of a library during the strategy period would be a significant distance, and the aim of moving a library would be to improve accessibility not reduce it (e.g. proposals for Bilston).</p>	<p>Opening hours – we will be consulting on when people want libraries to be open in each location, and analyse this by equality strand. Working with community and other services to see how we can extend opening hours will also help to extend library access hours for all.</p> <p>Ensure that libraries are located in places where there are good public transport links and car parking facilities nearby.</p> <p>Ensure Home Library Service referrals for those people who are unable to travel further and meet the criteria for the Home Library Service.</p>

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 260</p>	<p>Furthermore, increased partnership working improves the offer for all people, and community led models could help increase social value.</p> <p>The proposal to stop investing in old technology and invest in quality book stock could have a positive impact on race, as the stock carried by libraries will be more diverse, including different languages, to reflect different communities in the city.</p> <p>Improving the quality of physical library spaces could have a positive impact on all races, to ensure buildings are welcoming and feel safe.</p> <p>Increasing the amount of events and activities could have a positive impact on the lives of all people, and have the potential to promote community cohesion. Fostering good relations could be evidenced by support for Black History Month in libraries.</p>		
<p>Religion or belief (including people of no religion or belief)</p>	<p>The proposed libraries strategy includes maintaining library provision in all of the 16 locations. This provides assurance to communities that there are a number of libraries they can access 'as is'.</p> <p>The consultation includes asking how</p>	<p>Depending on location, there may be an issue with some people feeling comfortable with accessing services, for example, should a library be co-located within a religious building. There is no such proposal for Wolverhampton libraries.</p>	<p>Opening hours – we will be consulting on when people want libraries to be open in each location, and analyse this by equality strand. Working with community and other services to see how we can extend opening hours will also help to extend library access hours for all.</p>

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 261</p>	<p>communities or other services could work with the library service to extend opening hours and improve access and convenience across all age groups. This directly links to feedback received in engagement.</p> <p>If it is possible to provide other public services alongside libraries this would mean that more services, staff and members of the community would be nearby to provide help to people if needed.</p> <p>Furthermore, increased partnership working improves the offer for all people, and community led models could help increase social value.</p> <p>Improving the quality of physical library spaces could have a positive impact on all, to ensure buildings are welcoming and feel safe.</p>		
<p>Gender Re-assignment (those that are going through transition: male to female or female to male)</p>	<p>The proposed libraries strategy includes maintaining library provision in all of the 16 locations. This provides assurance to communities that there are a number of libraries they can access 'as is'.</p> <p>The consultation includes asking how communities or other services could work with the library service to extend opening hours and improve access and convenience across all age</p>	<p>Should working with the community or other services during the life of this strategy mean that a library moves location, there is a risk that some people may have to travel slightly further to their local library. There could be an impact on some communities, who feel unable to travel to a different locale. We know from a travel survey conducted in our libraries in October/November 2016 that the most popular mode of travel to libraries is walking, followed by car. If libraries move</p>	<p>Opening hours – we will be consulting on when people want libraries to be open in each location, and analyse this by equality strand. Working with community and other services to see how we can extend opening hours will also help to extend library access hours for all.</p> <p>Ensure Home Library Service referalls for those people who are unable to travel further and meet the</p>

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 26</p>	<p>groups. This directly links to feedback received in engagement.</p> <p>If it is possible to provide other public services alongside libraries this would mean that more services, staff and members of the community would be nearby to provide help to people if needed.</p> <p>Furthermore, increased partnership working improves the offer for all people, and community led models could help increase social value.</p> <p>Improving the quality of physical library spaces could have a positive impact on all, to ensure buildings are welcoming and feel safe.</p>	<p>then there is a risk that people may have to walk further which would be prohibitive. However it is unlikely that any move of a library during the strategy period would be a significant distance, and the aim of moving a library would be to improve accessibility not reduce it (e.g. proposals for Bilston).</p>	<p>criteria for the Home Library Service.</p>
<p>Pregnancy and Maternity</p>	<p>The proposed libraries strategy includes maintaining library provision in all of the 16 locations. This provides assurance to communities that there are a number of libraries they can access 'as is'.</p> <p>The consultation includes asking how communities or other services could work with the library service to extend opening hours and improve access and convenience across all age groups. This directly links to feedback received in engagement.</p>	<p>Should working with the community or other services during the life of this strategy mean that a library moves location, there is a risk that some people may have to travel slightly further to their local library. There could be an impact on some communities, who feel unable to travel to a different locale. We know from a travel survey conducted in our libraries in October/November 2016 that the most popular mode of travel to libraries is walking, followed by car. If libraries move then there is a risk that people may have to walk further which would be prohibitive. However it is unlikely that any move of a</p>	<p>Opening hours – we will be consulting on when people want libraries to be open in each location, and analyse this by equality strand. Working with community and other services to see how we can extend opening hours will also help to extend library access hours for all.</p> <p>Ensure Home Library Service referalls for those people who are unable to travel further and meet the criteria for the Home Library Service.</p>

	<p>If it is possible to provide other public services alongside libraries this would mean that more services, staff and members of the community would be nearby to provide help to people if needed.</p> <p>Furthermore, increased partnership working improves the offer for all people, and community led models could help increase social value.</p> <p>Improving the quality of physical library spaces could have a positive impact on all, to ensure buildings are welcoming and feel safe.</p>	<p>library during the strategy period would be a significant distance, and the aim of moving a library would be to improve accessibility not reduce it (e.g. proposals for Bilston).</p>	
<p>Sexual Orientation (including gay, lesbian, bisexual and heterosexual)</p>	<p>The proposed libraries strategy includes maintaining library provision in all of the 16 locations. This provides assurance to communities that there are a number of libraries they can access 'as is'.</p> <p>The consultation includes asking how communities or other services could work with the library service to extend opening hours and improve access and convenience across all age groups. This directly links to feedback received in engagement.</p> <p>If it is possible to provide other public services alongside libraries this would mean that more services, staff and</p>	<p>Should working with the community or other services during the life of this strategy mean that a library moves location, there is a risk that some people may have to travel slightly further to their local library. There could be an impact on some communities, who feel unable to travel to a different locale. We know from a travel survey conducted in our libraries in October/November 2016 that the most popular mode of travel to libraries is walking, followed by car. If libraries move then there is a risk that people may have to walk further which would be prohibitive. However it is unlikely that any move of a library during the strategy period would be a significant distance, and the aim of moving a library would be to improve</p>	<p>Opening hours – we will be consulting on when people want libraries to be open in each location, and analyse this by equality strand. Working with community and other services to see how we can extend opening hours will also help to extend library access hours for all.</p> <p>Ensure Home Library Service referalls for those people who are unable to travel further and meet the criteria for the Home Library Service.</p>

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 26</p>	<p>members of the community would be nearby to provide help to people if needed.</p> <p>Furthermore, increased partnership working improves the offer for all people, and community led models could help increase social value.</p> <p>Improving the quality of physical library spaces could have a positive impact on all, to ensure buildings are welcoming and feel safe.</p> <p>Increasing the amount of events and activities could have a positive impact on LGBT communities where there are activities supporting things such as LGBT History month (February) and Pride.</p>	<p>accessibility not reduce it (e.g. proposals for Bilston).</p>	
<p>Marriage and Civil Partnership</p>	<p>The proposed libraries strategy includes maintaining library provision in all of the 16 locations. This provides assurance to communities that there are a number of libraries they can access 'as is'.</p> <p>The consultation includes asking how communities or other services could work with the library service to extend opening hours and improve access and convenience across all age groups. This directly links to feedback received in engagement.</p>	<p>Should working with the community or other services during the life of this strategy mean that a library moves location, there is a risk that some people may have to travel slightly further to their local library. There could be an impact on some communities, who feel unable to travel to a different locale. We know from a travel survey conducted in our libraries in October/November 2016 that the most popular mode of travel to libraries is walking, followed by car. If libraries move then there is a risk that people may have to walk further which would be prohibitive. However it is unlikely that any move of a</p>	<p>Opening hours – we will be consulting on when people want libraries to be open in each location, and analyse this by equality strand. Working with community and other services to see how we can extend opening hours will also help to extend library access hours for all.</p> <p>Ensure Home Library Service referalls for those people who are unable to travel further and meet the criteria for the Home Library Service.</p>

	<p>If it is possible to provide other public services alongside libraries this would mean that more services, staff and members of the community would be nearby to provide help to people if needed.</p> <p>Furthermore, increased partnership working improves the offer for all people, and community led models could help increase social value.</p> <p>Improving the quality of physical library spaces could have a positive impact on all, to ensure buildings are welcoming and feel safe.</p>	<p>library during the strategy period would be a significant distance, and the aim of moving a library would be to improve accessibility not reduce it (e.g. proposals for Bilston).</p>	
<p>Human Rights Page 265</p>	<p>Increased partnership working improves the offer for all people, and community led models could help increase social value.</p>	<p>Should working with the community or other services during the life of this strategy mean that a library moves location, there is a risk that some people may have to travel slightly further to their local library. There could be an impact on some communities, who feel unable to travel to a different locale. We know from a travel survey conducted in our libraries in October/November 2016 that the most popular mode of travel to libraries is walking, followed by car. If libraries move then there is a risk that people may have to walk further which would be prohibitive. However it is unlikely that any move of a library during the strategy period would be a significant distance, and the aim of moving a library would be to improve</p>	<p>Opening hours – we will be consulting on when people want libraries to be open in each location, and analyse this by equality strand. Working with community and other services to see how we can extend opening hours will also help to extend library access hours for all.</p> <p>Ensure Home Library Service referalls for those people who are unable to travel further and meet the criteria for the Home Library Service.</p>

		accessibility not reduce it (e.g. proposals for Bilston).	
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Step 4 – Changes or mitigating actions proposed or adopted

Having undertaken the assessment are there any changes necessary to the existing service, policy, function or procedure? What changes or mitigating actions are proposed?

This is a draft equalities analysis on a draft strategy, which is subject to consultation and will continue to be updated in response to feedback.

However it is important to note that:

- The strategy is built on the proposal that all 16 libraries in the city are maintained. Whilst some are stand alone and only open for a limited amount of time, the strategy proposes how we can work in new ways to extend provision. This is in addition to current staffed library provision where it is in place.
- Improving the offer in all remaining libraries – the libraries transformation strategy has been developed so that the service that all people receive is a better one, with a wider and better offer for all protected characteristics.

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Step 5 – Monitoring

How are you going to monitor the existing service, function, policy or procedure ?

Formal consultation on the draft libraries strategy will be taking place February – May 2017, and then ongoing monitoring will take place through data on the Library Management System.

Part C - Action Plan

Barrier/s or improvement/s identified	Action Required	Lead Officer	Timescale
Consultation – representation across all protected characteristics	Ensure that consultation is promoted via groups which represent all protected characteristics and ongoing monitoring takes place, with remedial action to target certain groups which may be underrepresented as consultation takes place. From engagement, we know LGBT, BME and Disability groups were underrepresented and so these should be a particular focus.	Charlotte Johns	February – May 2017
Page 267 Consultation analysis	Ensure that analysis of consultation findings includes a breakdown by protected characteristic.	Charlotte Johns	February – May 2017
Update equalities analysis	Update equalities analysis with information gained as part of consultation	Charlotte Johns	February – July 2017
Update Library Offer	Amend library offer as a result of additional equality data and analysis	Charlotte Johns	February – July 2017
Following any decisions	Monitor take up of service via relevant protected characteristics to check actual equality outcomes are similar to those expected.	Charlotte Johns	Autumn 2017
Update equalities analysis	Update equalities analysis with equality	Charlotte Johns	Autumn/Winter 2017

	monitoring information gained after any re-configuration of service.		
Update Library Offer	Amend Library offer as a result of additional equality data and analysis	Charlotte Johns	Winter 2017/Spring 2018

Equality Analysis approved by:

Head of Service:	Date:
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Please send an electronic copy of the Equality Analysis to the Equality & Diversity Team:

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Notes and methodology

- Travel survey - A paper based travel survey was handed out by library staff at all 16 library locations, including self-serve/volunteer run libraries from Monday 31 October until Sunday 6 November 2016. Caution should be taken due to a small sample size, but the survey provides some intelligence in relation to equalities and transport data.
- Travel times were calculated using Google Maps on 14 December 2016.

Appendix 1 - Equality Analysis by Library

As part of the consultation, further work will be done gathering all available equality data by library site, including travel data wherever possible.

City of Wolverhampton Libraries – Needs Assessment

Library	Hours per week	Items Borrowed 2015 - 16	Items Borrowed P/W	Items Borrowed P/H open	Visits 2015 - 16	Visits p/w	Visits p/h	Active Members as at 31 March 2016	% usage of PC's	Total Borrowers with Loans 2015-16	Cost 2015-16	Cost per item borrowed	Cost per visit	IMD Decile (2015) Average for England is 5. 1 is most deprived 10 is least deprived	IMD (2015) component 4. Educational attainment Decile.	Proportion aged 0-17 in each catchment area (2011 Census)	Proportion aged over 60 in each catchment Area (2011 Census)	Building condition
Ashmore Park	24	23393	449.87	18.74	37875	728.37	30.35	3678	40.7	1151	£32,397	£1.38	£0.86	3	2	18.8	30.2	B
Bilston	35	31503	605.83	17.31	38525	740.87	21.17	7084	70.9	2098	£62,936	£2.00	£1.63	1	1	25	20.1	C
Blakenhall	56	1284	24.69	0.44	2225	42.79	0.76	1398	19.4	226	£600	£0.47	£0.27	2	3	21.7	20.3	B
Central	47	174258	3351.12	71.30	348026	6692.81	142.40	40602	62.8	15018	£517,796	£2.97	£1.49	1	1	22.7	10.6	C
Collingwood	15	2959	56.90	3.79	875	16.83	1.12	768	20.8	205	£3,064	£1.04	£3.50	2	3	20.3	25.4	B
East Park	15	12558	241.50	16.10	10100	194.23	12.95	2518	15.3	885	£36,408	£2.90	£3.60	1	1	23.3	21.9	B
Finchfield	30	52797	1015.33	33.84	21625	415.87	13.86	2892	30.8	2043	£41,740	£0.79	£1.93	6	7	16.8	33.9	B
Long Knowle	15	10960	210.77	14.05	6600	126.92	8.46	2091	34.8	596	£23,569	£2.15	£3.57	2	2	25	20.3	B
Low Hill	15	13336	256.46	17.10	8350	160.58	10.71	3971	27.5	790	£30,272	£2.27	£3.63	1	1	29.9	14.9	C
Pendeford	24	25829	496.71	20.70	21850	420.19	17.51	4183	33	1524	£34,222	£1.32	£1.57	2	3	25.1	17.6	B
Penn	24	31784	611.23	25.47	21925	421.63	17.57	3484	26.7	1698	£41,593	£1.31	£1.90	7	8	20.4	26.2	B
Spring Vale	15	11464	220.46	14.70	15475	297.60	19.84	2493	43.9	732	£30,815	£2.69	£1.99	2	2	22.6	24.4	B
Tettenhall	30	69281	1332.33	44.41	28700	551.92	18.40	4510	32.3	2470	£54,745	£0.79	£1.91	6	7	16.8	33.9	C
Warstones	35	43122	829.27	23.69	37725	725.48	20.73	4889	34.9	2399	£55,609	£1.29	£1.47	4	5	21.8	25.3	B
Wednesfield	35	47477	913.02	26.09	58800	1130.77	32.31	9810	44.1	3169	£75,777	£1.60	£1.29	2	2	21.4	24	A
Whitmore Reans	15	9245	177.79	11.85	18125	348.56	23.24	5068	46.3	1083	£32,392	£3.50	£1.79	1	1	22.7	10.6	C

Source data:

- 2015-16 performance data is taken from the City of Wolverhampton Library CIPFAstats updated return for 2015-16.
- 'Items borrowed per hour open' and 'visits per hour open' have been calculated by taking total figure for 2015-16, dividing that by 50 weeks (as per CIPFA methodology) and then by the number of hours open per week.
- Cost data is taken from actual costs recorded in the Council's financial management system Agresso, and include costs for staff (excluding agency and management costs), building costs and income.
- Demographic data is taken from the Indices of Multiple Deprivation (IMD 2015) and 2011 Census data. Both data sets are the latest available.
- Asset data is taken from the Council's assessments on building condition. Condition scores are from A to D, with A being best.

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Cabinet Meeting

22 February 2017

Report title	Public Space Protection Order (Review of Designated Public Place Order)	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Paul Sweet Public Health and Wellbeing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Linda Sanders	
Originating service	Community Safety, Public Health and Well Being	
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	Strategic Executive Board – 20 December 2016 Adults and Safer City Scrutiny Panel – 31 January 2017 Licensing Committee – 8 February 2017	

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Consider the review findings on use of the existing city-wide Designated Public Place Order (DPPO).
2. Approve recommendations for a city-wide Public Space Protection Order, subject to the mandatory six week legal challenge period allowed, which includes proposals to extend prohibitions on public drinking within Park and St Peter's wards, (to include the City Centre).

1.0 Purpose

- 1.1 To present findings from a review of the existing city-wide Designated Public Place Order (DPPO), in force since April 2013.
- 1.2 To seek approval for a Public Space Protection Order (PSPO) to replace the DPPO following a change in tools and powers introduced in the Anti-social Behaviour, Police and Crime Act 2014.

2.0 Background

- 2.1 At its meeting on 5 March 2013, Cabinet authorisation was granted for the introduction of a city-wide DPPO from 8 April 2013; this gives Police the power to require any person drinking in a public place to stop drinking and to surrender alcohol if they are causing or are likely to cause anti-social behaviour. Failure to comply with such a request can lead to arrest and/or prosecution. This city-wide DPPO revoked a number of existing DPPOs in place covering town centre locations and parks where public drinking was linked to Anti-social Behaviour (ASB).
- 2.2 The Anti-Social Behaviour, Police and Crime Act 2014 came into force in October 2014 and introduced streamlined tools and powers to address ASB. Cabinet were briefed on local implementation of the legislation on 12 November 2014 and a multi-agency ASB Steering Group was established to oversee the changes. Wolverhampton has been instrumental in trialling these revised approaches and has shared practice across the West Midlands.
- 2.3 On 22 July 2015, Cabinet approved a trial of the first two PSPOs for the city; one in Low Hill to address long standing traveller encampment incursions and a second in Park Village to address entrenched ASB. The PSPOs came into force in September 2015, and a review of their use has shown that whilst both locations have required focussed deployment of staff resource and significant coordination of enforcement activity between partner agencies, there has been a marked reduction in the associated ASB linked to these locations. It was agreed that no further PSPOs would be issued across the city until the review of these two PSPOs was concluded and any associated difficulties regarding implementation addressed.
- 2.4 The legislation made provision for existing DPPOs to automatically become PSPOs within three years of the legislation coming into force. However, given the length of time that the DPPO has been in place, it is appropriate that a review of its use is undertaken to inform the decision about the need for continuation of these powers. The existing DPPO therefore remains in force until October 2017 or until such time as it is revoked by a replacement PSPO.
- 2.5 The proposals directly support the following Corporate Plan objectives:
 - Keeping the City Clean – by reducing the prevalence of alcohol-associated litter within designated locations.

- Supporting Businesses, Encouraging Enterprise and Investment – improving city image by targeting hotspot locations where public drinkers congregate.
- Keeping the City Safe – creative use of new legal powers to tackle ASB.

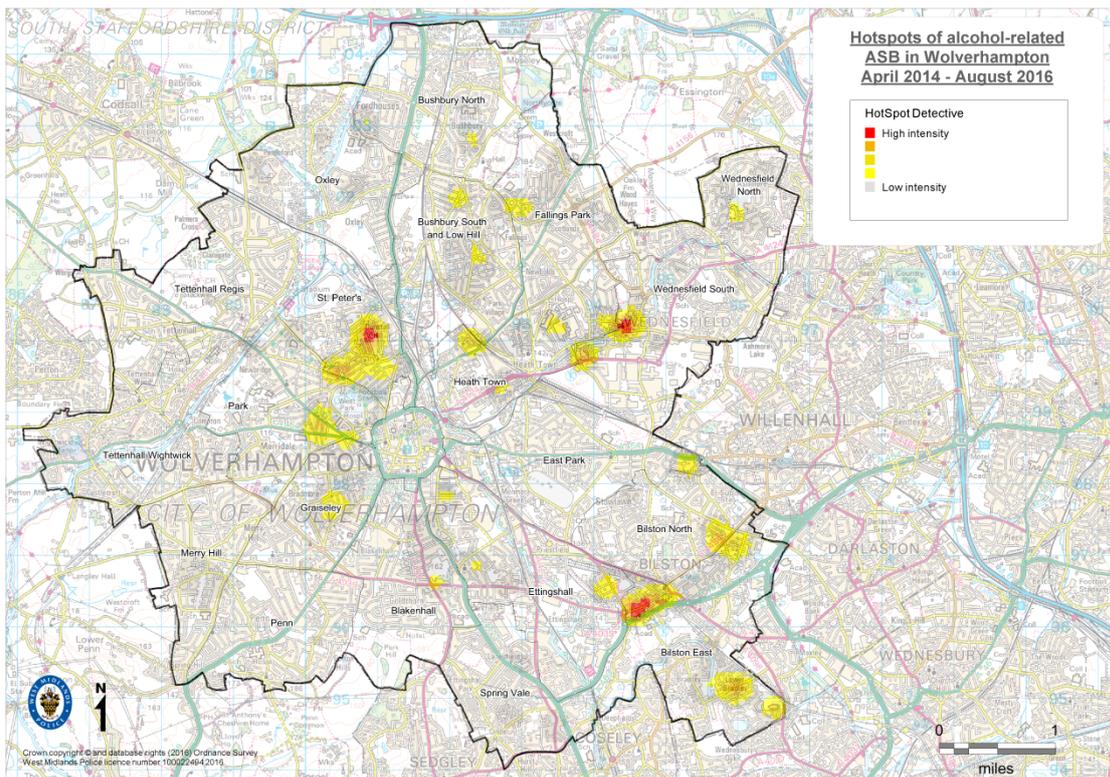
3.0 Review of Existing DPPO Arrangements

- 3.1 The current DPPO is not a public drinking ban, so does not, on its own prevent people from drinking alcohol in public. It provides a Police Officer with the discretion to determine whether ASB was being caused or was likely to be caused as a result of a person’s public consumption of alcohol.
- 3.2 A change in Police recording arrangements to capture use of the DPPO was not in place until 2014, so data relating to its use has only been available from that period. The data captured to inform the review therefore covers the period April 2014 – August 2016.
- 3.3 During this period, a total of 695 incidents were reviewed. Of these, 390 related to the use of DPPO powers to seize alcohol. The remaining 305 involved reports to Police of known street drinkers or occasions where alcohol was disposed of prior to seizure.
- 3.4 From the 390 occasions where DPPO powers were used, seizures were conducted from 637 individuals; whilst the majority were from individuals some involved groups of between two and ten people.
- 3.5 The table below details the locations of DPPO use across the city by Police which is broken down by Neighbourhood Police Team. It must be stressed that the disparity of use across the city can be largely attributed to Police patrolling strategies in the locations (St Peter’s and Park) where public drinking has been highlighted as a local priority.

Neighbourhood	Count	% of total
Wolverhampton City Centre	248	64%
Park	90	23%
St. Peter's	31	8%
Wednesfield South	5	1%
Bilston East	3	<1%
Graiseley	3	<1%
Heath Town	3	<1%
Tettenhall Regis	2	<1%
Blakenhall	1	<1%
Bushbury South and Low Hill	1	<1%
East Park	1	<1%
Ettingshall	1	<1%
Oxley	1	<1%

- 3.6 The review also considered ongoing reports of alcohol-related ASB and where these are occurring across the city. The map below details the geographic spread of these reports between April 2014 – August 2016. The City Centre (453 reports), and the locations

which include Bilston Town Centre (316 reports) and Wednesfield Town Centre (178 reports) feature as the main hotspots for alcohol-related ASB; with these areas linked directly to the night time economy. However, outside of these locations, every neighbourhood Police Team across the city received reports of alcohol-related ASB ranging from 188 incidents in St Peter's to 34 in Penn and provides evidence of the need for continuation of existing police powers to confiscate alcohol where alcohol-related ASB is occurring.



4.0 Multi-Agency Responses to tackling alcohol-related ASB

4.1 A PSPO to restrict the nuisance caused by alcohol-related ASB will not on its own achieve the desired impact of curbing this nuisance behaviour. It will, however, be used in conjunction with a wide range of multi-agency initiatives, which together, are used to reduce the risk of this source of ASB occurring, provide the necessary powers for relevant agencies to act when it does occur and take a stronger enforcement line against perpetrators. A summary of supporting initiatives are detailed below:

4.2 Wolverhampton ASB team has led a partnership response to address reports of alcohol-related ASB which has included initial engagement/advice given to perpetrators including:

- Signposting to support agencies
- Advice/liaison with housing providers where perpetrators live
- Advice to off-licences selling alcohol
- Targeted outreach with Recovery Near You, the city's drug and alcohol provider

- Enforcement action against perpetrators including warning letters, and civil action such as civil injunctions and tenancy enforcement
- 4.3 The most recent high profile case relating to public drinking was in August 2013 when nine people received anti-social behaviour orders banning them from the City Centre. Since then, whilst the ASB team has continued to deal with complaints relating to public drinking, the informal measures detailed above have been utilised with some success meaning formal enforcement action has not been necessary.
- 4.4 Similarly, the Council's Licensing team has led on work to restrict the sale of alcohol in areas deemed to be particularly vulnerable to alcohol-related ASB. The introduction of a Cumulative Impact Policy initially within the City Centre, and extended in 2015 to include Bilston High Street, Wednesfield High Street, the Avion Centre, Whitmore Reans and Dudley Road (including Phoenix Park) creates a presumption that a licence for the sale of alcohol within these designated locations will be refused unless, at the very least, additional steps/controls are put in place. Further ongoing work is undertaken to review licenced premises where potential breaches are reported and work with businesses to encourage and promote responsible practice.
- 4.5 As a responsible authority under the Licensing Act, the Licensing Authority is consulted on applications for premises licences and regularly make comments on this to attached enhanced conditions to licences including "no single can sales of alcohol of 6.5%". A responsible authorities forum has been developed where all parties collectively meet to address alcohol-related issues and lead on joint operations.
- 4.6 The Police have also reviewed their patrolling strategies for the City Centre particularly with regard to the Night Time Economy where they adopt an early intervention approach during the earlier part of the evening, by patrolling and engaging with partners and members of the public to prevent alcohol-relating ASB occurring. The shift cross-over later in the evening provides additional policing resources to conduct high-visibility patrols to reassure the public and respond to any escalation of ASB or disorder.
- 4.7 Multi-agency delivery across the various enforcement agencies is coordinated through multi-agency forums and underpinned by a commitment to joint and shared enforcement.

5.0 Proposals for a city-wide PSPO

- 5.1 The volume and geographic spread of alcohol-related ASB reports over the period would suggest there is a need to retain the existing powers by Police to request the surrender of alcohol where ASB is occurring or is likely to occur as a result of alcohol consumption on a city-wide basis.

5.1.1 Recommended Proposal:

- i) A continuation of existing DPPO powers on a city-wide basis authorising Police to require a person to stop drinking and surrender alcohol where ASB is occurring or is likely to occur.

5.2 The level of DPPO use within St Peter's, Park and City Centre neighbourhoods, however, is a reflection of the ongoing nuisance caused by public drinking within these locations. This is supported by ongoing reports through PACT and Tasking meetings that public drinking remains a priority for these areas.

5.3 In addition to the city-wide discretionary Police powers, a public drinking ban in St Peter's and Park wards (to include the City Centre) is therefore proposed to enable swifter action to be taken by Police on the confiscation of alcohol where public drinking is occurring and for fixed penalty notices to be issued by Police or officers authorised by the Council where a breach of the PSPO has occurred.

5.3.1 Recommended Proposal:

- ii) Inclusion of a public drinking ban in St Peter's and Park Wards, which includes the City Centre (as designated on Appendix A). A number of exclusions would apply to the introduction of this prohibition which are detailed in section 6 of this report.

5.4 West Midlands Police are lending full support to the inclusion of the City Centre within prohibitions for a public drinking ban as this would aid ongoing positive working relations between Police and the business sector, supporting a range of joint initiatives such as Pubwatch, Facewatch and existing partnership working with the Business Improvement District. Police have highlighted that the current DPPO powers are insufficient to effectively respond to pockets of public drinkers congregating in hotspot city centre locations which can have a negative impact on trade and city image.

5.5 Police are confident, however, that the discretionary confiscation powers currently in place, if continued, would be sufficient to respond to alcohol-related ASB covering the night time economy within Wednesfield and Bilston town centres; the use of which will be actively promoted within those Neighbourhood Policing Teams.

5.6 Monitoring of compliance would fall to a range of officers such as Police, designated Council staff and Wolverhampton Homes ASB team. Enforcement responsibilities would be undertaken by West Midlands Police officers (authorisation to request a person to stop drinking and confiscation of alcohol) and authorised Council Officers or other persons designated by the Council for issuing of fixed penalty notices where a breach has occurred.

6.0 Exclusions

6.1 The proposed prohibitions would include a waivering option to allow for public drinking at organised events within these locations, such as City Centre and West Park when applications are made for temporary event notices through the Council's Licensing Team. With the exception of this requirement to apply for a waiver, there would be an outright

public drinking ban within these designated locations with no discretion applied regarding its enforcement. The designated geographic boundaries relating to the PSPO is detailed on **Appendix A** attached.

- 6.2 There are limitations within the legislation of using a PSPO to restrict the consumption of alcohol where a premises or its curtilage (a beer garden or pavement seating area) is licensed for the supply of alcohol or where licensing or Highways legislation already exists to control alcohol-related ASB; the proposals within the PSPO would therefore not be used to impede legitimate business functions or to undermine existing safeguards in place to monitor and regulate licensed premises.

7.0 Consultation

- 7.1 The process for seeking authorisation of a PSPO requires consultation to be undertaken with Police and with communities impacted by the order. Consultation with West Midlands Police has taken place at a multi-agency ASB meeting held on 8 November 2016; Police are in support of the introduction of a PSPO to retain the existing city-wide discretion of officers to seek surrender of alcohol and for a public drinking ban to be applied to St Peter's and Park wards, in line with the proposals detailed in section 5 of this report.
- 7.2 A six week public consultation on the proposals supported by the City Council's communications Team has been undertaken between 6 January and 17 February 2017. Consultation has comprised direct communications to councillors, which includes briefings with ward councillors for St Peter's and Park wards, the business sector including the City Centre BID, Wolves Football Club, designated service leads within the City Council and external partners such as Police and Wolverhampton Homes.
- 7.3 Opportunities to feed in to the consultation have been widely advertised through council communications, websites, via partner organisations, community networks and social media. The consultation included discussion at the St Peter's and Park PACT meeting held on 3 January 2017 and a community 'drop-in' provision. A report has been taken to Adults and Safer City Scrutiny Panel meeting held on 31 January and Licensing Committee on 8 February 2017 where comments on the proposals were received.
- 7.4 From the 199 responses received up to 13 February 2017, there was widespread support for continuation of the existing city-wide Police powers to confiscate alcohol where it was a feature of ASB; whilst there was also support and an understanding of the rationale for proposals to introduce an outright public drinking ban in St Peter's, Park and City Centre, some reservations expressed, especially at Scrutiny Panel around the restrictions of law abiding individuals to enjoy the park for responsible drinking and potential displacement of nuisance drinkers. A summary of feedback to date is attached at **Appendix B**.

8.0 Suggested PSPO Revisions in Response to Consultation Feedback

- 8.1 A number of concerns queried the capacity of Police to follow through with enforcement of an public drinking ban in St Peters and Park wards, including the City Centre. As this forms an essential element of the proposals, an attached statement of support has been provided by Wolverhampton Neighbourhood Policing Unit to provide this assurance. Attached as **Appendix C**.
- 8.2 Other feedback received, highlighted concerns about potential displacement, and the unfair restrictions that will be placed on responsible drinkers or families who may want to make use the West Park (e.g. picknickers). Although it was acknowledged that the intimidation of anti-social drinkers currently using the park may well prevent such use from families or responsible drinkers, a revision to the original proposals is suggested to include a review of the outright public drinking ban within the designated locations to assess impact, identify any issues with displacement and to vary the terms of the order if needed.
- 8.2.1 Recommended Proposal:**
- iii) That the outright public drinking ban covering St Peter's, Park and City Centre is reviewed after 12 months to assess impact and that any required variations to the PSPO are made in response.

9.0 Implementation

- 9.1 Subject to Cabinet authorisation of the PSPO, the proposals must be publicised and will be subject to a six week period during which an appeal against the proposals can be made to the High Court before coming into force. This will include communications through partner and community networks, social media, the Council and SWP websites and an advertisement in the local press.
- 9.2 Subject to Cabinet approval and assuming no appeal against the proposals is lodged with the High Court within the six week timeframe, the PSPO would come into force on 6 April 2017.
- 9.3 The conditions of the PSPO would be in place for a period of three years; revisions to the drinking ban prohibitions relating to St Peter's and Park wards, including the City Centre can be incorporated following a 12 month review capturing the impact of the restriction. Further revisions to the PSPO are not proposed within the three year period, however, the impact of the order will be closely monitored to allow for any operational variations across partners to be built in as required. The PSPO will be subject to review before its expiry in April 2020.

10.0 Summary of Recommendations

- 10.1 In light of review findings of existing DPPO use, reported incidents of alcohol-related ASB across the city, and consultation responses, Cabinet is requested to approve:

- i) A three year city-wide PSPO, revoking the existing DPPO, authorising Police to require a person to stop drinking and surrender alcohol where ASB is occurring or is likely to occur.
- ii) Inclusion of an outright public drinking ban for St Peter's and Park wards, which includes the City Centre (as designated on **Appendix A** attached) within the PSPO, subject to the application of exclusions detailed in section 6.0 of this report.
- iii) A review of the public drinking ban covering St Peter's, Park and City Centre after 12 months, to assess impact and allow any required variations to the PSPO to be made in response.
- iv) A full review of the PSPO to be undertaken prior to its expiry in April 2020.

11.0 Financial implications

- 11.1 The cost of the statutory notice, consultation and signage will be met from existing budgets within the Community Safety Team.
- 11.2 Breach of PSPO prohibitions can result in fixed penalty notices being issued by authorised Council Officers or other persons designated by the Council. A penalty charge of £80 will be applicable in these circumstances, though it is not expected that the PSPO will generate any notable income as the main focus is to deter ASB or follow through with enforcement against perpetrators of ASB. [GS/14122016/W]

12.0 Legal implications

- 12.1 The Anti-social Behaviour, Crime and Policing Act 2014 ("the Act") came into effect on 20 October 2014.
- 12.2 Section 59 of The Act gives local authorities the power to make PSPOs which are intended to deal with ASB and nuisance in a particular area that is detrimental to the local community's quality of life by imposing conditions on the use of that area.
- 12.3 The Act places limitations on how a PSPO can be used to restrict the consumption of alcohol in a public space where the test has been met. A PSPO cannot be used to restrict the consumption of alcohol where the premises or its curtilage (a beer garden or pavement seating area) is licensed for the supply of alcohol. There are also limitations where either Part 5 of the Licensing Act 2003 or section 115E of the Highways Act 1980 applies, as these already provide safeguards against ASB.
- 12.4 Before making a PSPO, councils must consult with the local police (section 72(3) and 72(4) of the Act). Formal consultation was held with West Midlands Police on this matter on 8 November 2016 where support for these proposals were recorded.
- 12.5 The Act also stipulates that councils must consult with the local community on any proposed PSPO. Consultation opportunities have been widely publicised across the city within communities, councillors, business sector and partner agencies.
- 12.6 Anyone who lives in or regularly works or visits the area can appeal a PSPO in the High Court within six weeks of issue. The PSPO will be publicised locally. Signage will not be

erected until after the six week period or, if an appeal is lodged, after any High Court ruling.

- 12.7 Section 61 of the Act makes provision to review a PSPO which is in force and to vary the terms of the order which can be based upon the review findings. Furthermore, the maximum duration of a PSPO is three years, so proposals to undertake a full review prior to its expiry in April 2020 would be appropriate. The recommendations in section 10.1 (iii) and (iv) can therefore be accommodated within the legal framework.
[AS/14122016/O]

13.0 Equalities implications

- 13.1 An equalities screening has been carried out. There is no evidence to suggest that the proposal may be directly or indirectly discriminatory. Data relating to use of the existing DPPO and the proposed PSPO is reliant on Police recording systems which will not capture data concerning the individuals concerned unless a crime has been committed; anecdotal reports regarding the use of the existing DPPO indicate no identified disproportionality regarding its use.
- 13.2 The proposed public drinking ban covering St Peter's, Park Wards and the City Centre would be applied universally to avoid the potential for discriminatory practice.
- 13.3 The proposals have been subject to a six week public consultation where over 199 responses have been received as of 13.02.2017. The responses received indicate majority support for the proposals and a variation of the order has been made in response to the small number of concerns received regarding the public drinking ban proposals within the designated areas.

14.0 Environmental implications

- 14.1 The proposals would have a positive environmental impact by reducing the litter associated with public drinking within St Peter's and Park wards.

15.0 Human resources implications

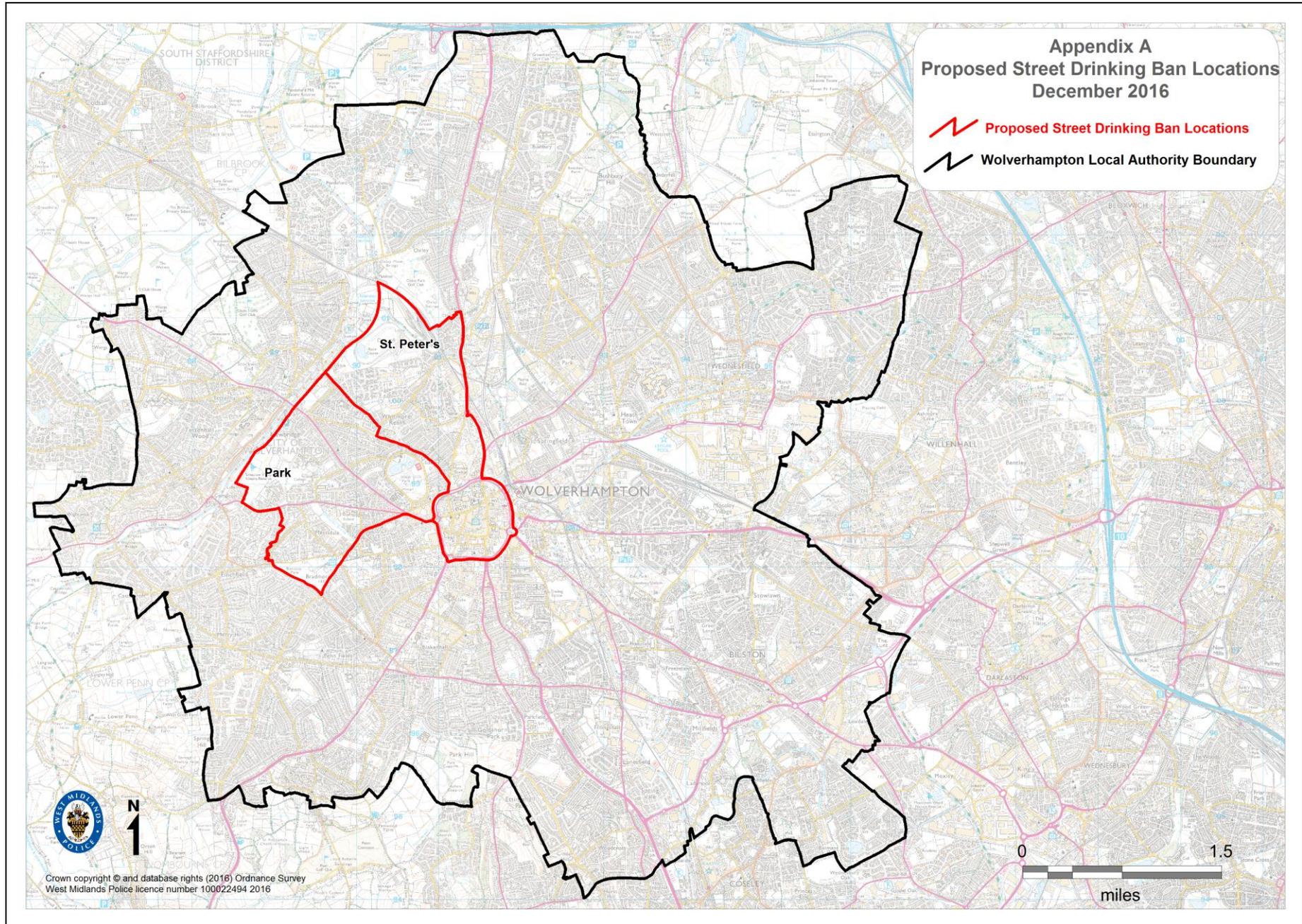
- 15.1 There are no human resource implications associated with this proposal.

16.0 Corporate landlord implications

- 16.1 There are no corporate landlord implications associated with this proposal.

17.0 Schedule of background papers

- 17.1 Adults and Safer City Scrutiny Panel 31 January 2017.
- 17.2 Licensing Committee 8 February 2017



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WOLVERHAMPTON PUBLIC SPACE PROTECTION ORDER – ALCOHOL-RELATED ASB

Citywide Consultation

Initial findings

Consultation Dissemination

Aiming to be as inclusive as possible the consultation was disseminated to:

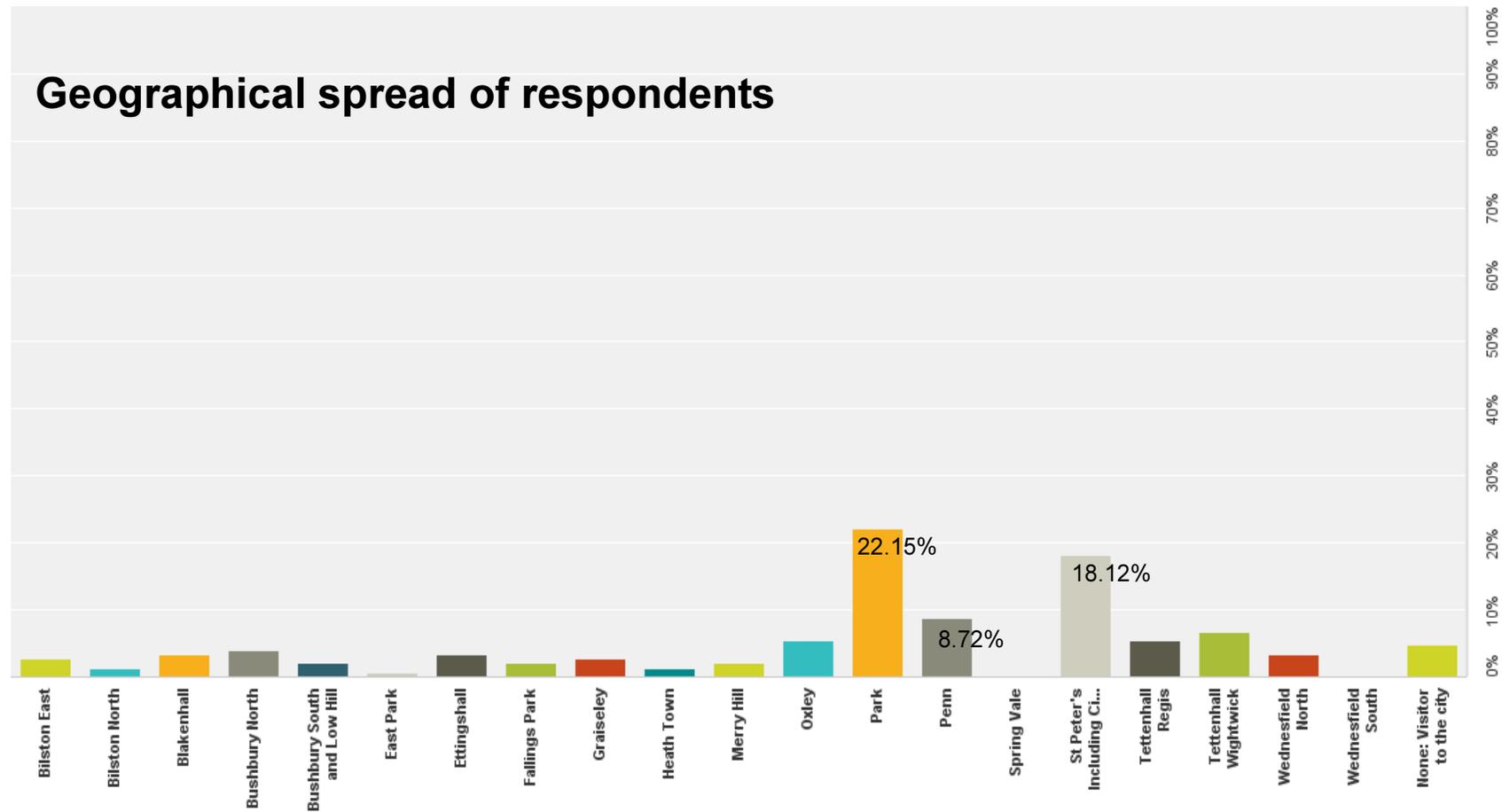
- All local Councillors
- Key individuals network (KIN)
- All third sector partners
- Wolverhampton Voluntary Sector Council
- Wolverhampton Business sector group
- Community Cohesion Forum
- West Midlands Police
- SWP Board and Delivery Group
- PACT meetings
- Resident representatives
- Express and Star Article
- Social Media Outlets inc: Wolverhampton Today, City People, SWP Website and Facebook, WMP twitter

Early Findings

Number of respondents as of 13th February: **199**

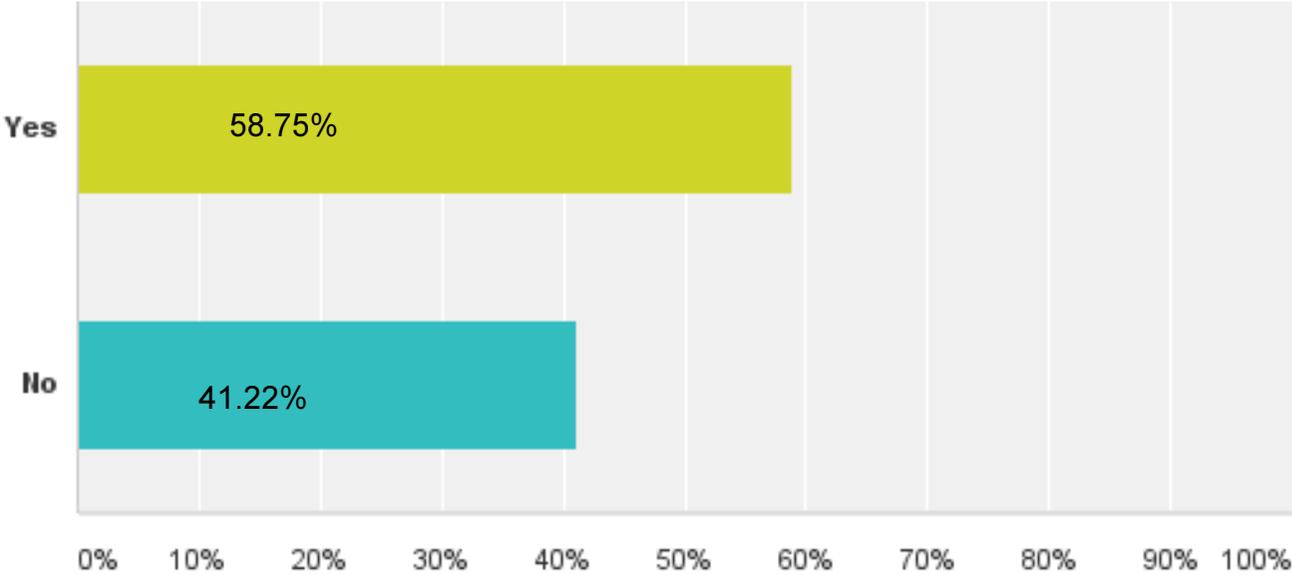
Survey closes on Friday 17th February 2017

Geographical spread of respondents



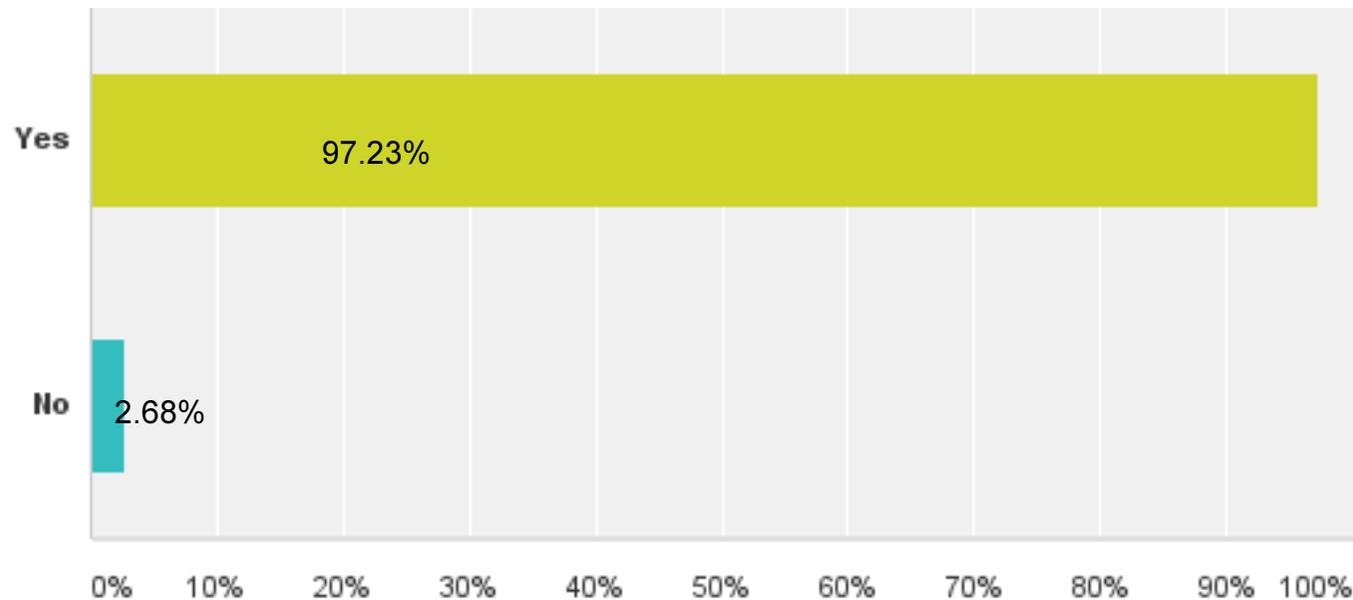
Respondents were asked:

Does this locality suffer from disorder, nuisance and/or annoyance associated with street drinking?



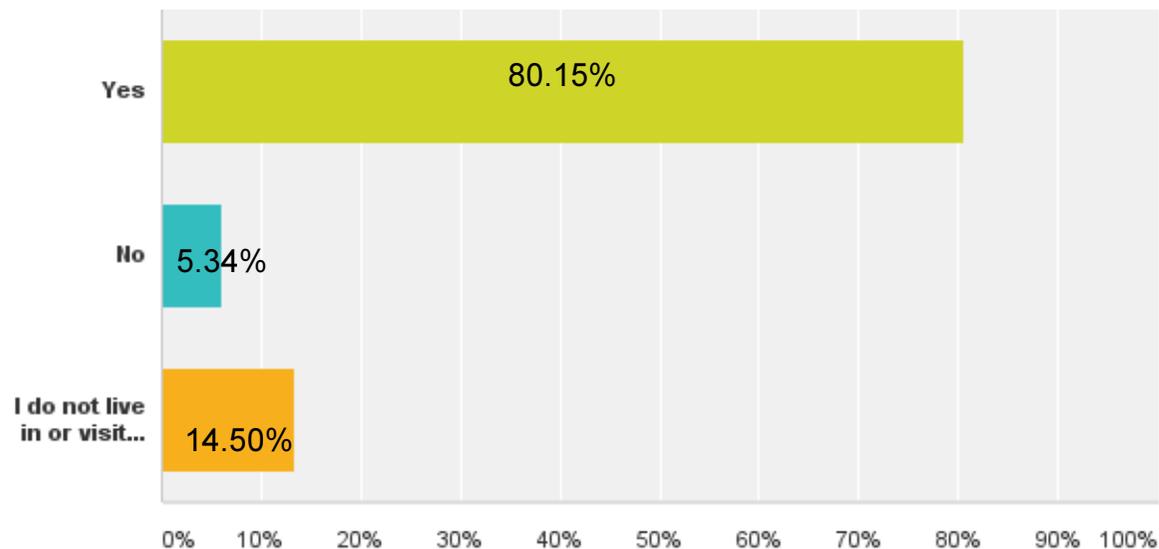
Respondents were asked:

The PSPO would provide a continuation of existing city-wide discretionary powers held by the Police to request the surrender of alcohol where anti-social behaviour is occurring or is likely to occur as a result of alcohol consumption.
Would you be in support of Police retaining this discretionary power?



Respondents were asked:

There is an opportunity for the PSPO to include an outright street drinking ban in St Peter's and Park wards. The selection of these locations has been informed by data on the existing use of Designated Public Place Order (DPPO) powers and reports of alcohol related anti-social behaviour in these locations. This would not affect the activity of legitimate licenced premises or organised events within these areas. If you live, work or visit these areas of the city would you support the introduction of a street drinking ban within these locations?



Summary of comments from Scrutiny Panel :

Scrutiny Panel - held on 31 January 2017

- Overall, views from Scrutiny Panel members was mixed. General support for continuing the Police powers to confiscate alcohol where ASB was encountered on a city-wide basis, but some concerns voiced about the proposals to introduce an outright street drinking ban in Whitmore Reans, Park and City Centre.
- Queried whether the Police would be able to effectively enforce an outright street drinking ban in these locations – Police response times are an issue at present.
- One councillor felt strongly that this was absolutely what was needed – it supports the views of local residents and is backed up in consultation responses to date, so outright street drinking ban would be fully supported.
- Encroaches on civil liberties of park users who may want to enjoy a drink with family (picnickers), so outright street drinking ban would not be supported. Wider views voiced that families can't make full use of parks anyway at present due to intimidation from nuisance drinkers.
- Need to ensure the wider support offer is made to enable access to treatment services.
- Root cause of these problems in St Peter's and Park is the concentration of HMOs and client base with support needs.
- Suggested the café in West Park is consulted.
- Concerns raised about possible displacement from areas where an outright street drinking ban was in place – wouldn't support because of this.
- Suggestion made to apply the outright street drinking ban on public streets only.
- Should a review of the Cumulative Impact Policy be undertaken to assess impact and geography?

Summary of comments from Licencing Committee :

Licencing Committee held on 8 February 2017

Comments received were largely in support of the proposals, however, the following feedback was received:

- Assurances needed from Police to confirm they will have capacity to follow through with enforcement.
- Potential displacement needs to be monitored and responded to
- Police representation as part of these discussions would have been helpful
- Is enough being done to use the existing Police powers in areas outside of Park and St Peter's wards?
- Wider social issues (housing allocations, HMOs etc) need to be addressed
- The PSPO needs to be included as part of the review of CIZ and wider work of Licensing Committee to ensure there is a joined up policy.

Summary of comments from Public Survey:

To date 54 respondents have left additional comments:

- Overwhelming support for an outright ban in St Peters and Park Wards. People commented that it would make them feel safer
- A third of respondents would like to see an outright ban across the whole of Wolverhampton, with several people identifying areas they believe suffer from anti social drinking.
- A quarter of respondents wanted assurance that there would be enough officers available to enforce the ban if it were to go ahead
- Under 10 people have expressed concerns about the proposals:
 - Deeming it unnecessary for an outright ban as it will restrict 'anyone' from drinking even those doing so in a responsible manner (i.e. at a picnic in the park)
 - Concerns that it may push drinkers into parks / canal areas where they are hidden and cannot be located
 - Request for evidence of issues which has informed the proposal for an outright ban in St Peters and Park Wards.

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Public Space Protection Order Application

This report is to highlight West Midlands continued commitment to addressing issues of anti-social behaviour across the city of Wolverhampton.

West Midlands Police have formed part of the consultation process for the recommended city wide Public Space Protection Order. Having recently restructured our Neighbourhood Policing model, and realigned Neighbourhood officer's priorities, tackling ASB remains a priority and key focus of our early intervention and prevention work.

West Midlands Police, in conjunction with partners, use a range of tools to address ASB. The current DPPO and proposed PSPO are just one of these tools and enable officers to take swift and decisive action against alcohol related ASB. Our use of the current powers is shown in point 3.5 and we remain satisfied that we have appropriately used the current powers, that would be enhanced in a PSPO was obtained.

If the PSPO is granted Neighbourhood officers will continue to determine their patrols based on demand, community feedback, PACT and tasking meetings. However, based on previous evaluation St Peter's, Park and City Centre Neighbourhoods are likely to be a continued high priority for police activity.

The PSPO if fully supported by WMP and Wolverhampton NPU commit to utilising the powers available in the PSPO in addressing ASB.

Chief Inspector Beth Bridges

Wolverhampton NPU

Bilston Street

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Cabinet Meeting

22 February 2017

Report title	Determined Schemes for Co-ordinated School Admissions and Determined Admission Arrangements for Community and Voluntary Controlled Schools - 2018/2019	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Claire Darke Education	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Julien Kramer, Education	
Originating service	School Planning and Resources	
Accountable employee(s)	Bill Hague	Head of Service – School Planning and Resources
	Tel	01902 556943
	Email	bill.hague@wolverhampton.gov.uk
Report to be/has been considered by	ELT	09.01.17
	SEB	17.01.17

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Approve the Co-ordinated Admission Schemes for secondary and primary school admissions at the normal year of entry for 2018/19 (Appendix A) and that the Secretary of State be notified by 28 February 2017.
2. Approve the proposed admission arrangements for community and voluntary controlled schools for 2018/19 (Appendix A).

1.0 Purpose

- 1.1 To approve the schemes for co-ordinated school admission arrangements for secondary and primary schools and the admission arrangements for community and voluntary controlled schools for 2018/19.

2.0 Background

- 2.1 In accordance with legislation and the School Admissions Code, each LA is required to draw up a scheme (or schemes) for co-ordinating admission arrangements for all mainstream, maintained schools (community, voluntary controlled, voluntary aided, foundation and academies) within their area.
- 2.2 In addition, each Admission Authority is required to determine admission arrangements every year. The Local Authority's responsibility in this regard is for the Community and Voluntary Controlled Schools in Wolverhampton. For academies the academy trust(s) are the admitting authority not the LA, however some academies follow LA admission arrangements.

3.0 Progress, options, discussion, etc.

- 3.1 There are no proposals for changes to the admission arrangements.
- 3.4 The LAs within the West Midlands and beyond operate an inter-LA scheme for primary and secondary admissions. There are no proposals to change the schemes in this regard.
- 3.5 For 2018/2019 the Local Authority will maintain waiting lists for primary schools including year two to three transfers and secondary schools until 31 December 2018.
- 3.6 During the Autumn term 2016, Governors were asked to consider their recommendations in respect of their school's Planned Admission Number (PAN). There are no proposed changes to PAN for 2018/19 at this point.
- 3.7 Work is ongoing with regards to ensuring a sufficient level of school places is available in future years.

4.0 Financial implications

- 4.1 The Schools Admissions services is funded largely through the Dedicated Schools Grant as an approved centrally managed service. There are no specific financial implications arising from this report.

[MF/11012017/R]

5.0 Legal implications

- 5.1 School admission arrangements are heavily regulated by the School Standards and Framework Act 1998 as amended by the Education and Skills Act 2008. Regulations also apply and the Local Authority is required to comply with the School Admissions Code in relation to admission arrangements.
- 5.2 The Schemes for co-ordinated admissions and the Admission arrangements for Wolverhampton community schools, voluntary controlled schools, free schools and academies comply with the current relevant legislation.
- 5.3 The Authority must notify the Secretary of State that a co-ordinated scheme for admissions in 2018 has been adopted by the 28 February 2017.

[Legal Update: TS/11012016/B]

6.0 Equalities implications

- 6.1 Initial screening was carried out (equality analysis – stage one – initial analysis) and no significant impacts have been highlighted.

7.0 Environmental implications

- 7.1 The report has no environmental implications.

8.0 Human resources implications

- 8.1 There are no human resource implications from this report.

9.0 Corporate landlord implications

- 9.1 There are no corporate landlord implications from this report.

10.0 Schedule of background papers

- 10.1 School Admissions Code 2014 and School Admissions Regulations 2012.

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CITY OF
WOLVERHAMPTON
COUNCIL

**Admission Arrangements for the City of Wolverhampton
Council 2018/19**

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Overview of the Application Process

The scheme is an “Inter-Local Authority” scheme whereby Birmingham, Dudley, Sandwell, Shropshire, Staffordshire, Telford and Wrekin, Walsall and Wolverhampton Local Authorities have agreed to co-ordinate applications for their schools to ensure that each child receives the best possible single offer of a place at a secondary school, based upon parents’ preferences.

In brief terms:

- Parents whose child has a Statement of Special Educational Needs or an Education and Health Care Plan follow separate admission procedures through the Statutory Assessment or Annual Review process.
- Parents will only have to fill in one application form, on which they will state their school preferences and reasons for those preferences. Applications are made online;
- Five preferences are invited;
- Initially, all preferences are treated as equal, and sent out as equal to other admission authorities as appropriate (i.e. voluntary aided and academy schools in Wolverhampton, and other participating Local Authorities as detailed above).
- After over-subscription criteria have been applied (where appropriate), if more than one school place can potentially be offered, the single offer is for the available school the parent ranked highest on the preference form.

Primary Admissions 2018 – Including Admission into Reception Year and Transfer from Infant to Junior Education.

If your child was born between 1/09/2013 and 31/08/2014 you must apply for a place in Reception Year before the 15 January 2018.

Applications should be made online, hard copies of the form will only be made available on request. Parents are invited to name and give reasons for applying for up to 5 preferred schools, ranked in order of preference, by 23:59 **15th January 2018**. Parents should name all schools (to a Maximum of 5), for which they wish their child to be considered for a place, including any Voluntary-Aided schools, Academies or Free schools and/or any school outside the Wolverhampton area.

By **13th February 2018**, the admissions and appeals team will send other Local Authorities and own Admitting Authority Schools details of applicants for their schools. These details will not reveal the order of preference. All Own Admitting Authority schools will apply their over-subscription criteria, and return their complete ranked list of applicants to the admissions and appeals team who will then compare the potential offer lists. If more than one school place can potentially be offered, a place will be allocated at the available school that the parent ranked highest on their application.

On **16th April 2018** parents who made their applications online will be able to view their allocation via the online admissions facility. The admissions and appeals team will also write to every applicant resident in Wolverhampton telling them of their allocated school place. Parents will be required to respond to any offers made within 10 school days.

Transfer from Infant to Junior Education

There are five Infant Schools in Wolverhampton which cater for children up to the age of seven. At this point there is an expectation that pupils will transfer to the corresponding Junior School.

Parents of children attending a Wolverhampton Infant School will receive a letter from the Local Authority in the Autumn Term 2017 informing them that their child will automatically transfer to the corresponding Junior School.

If the parent wishes for this to happen they will need to take no action. If, however they wish to apply for a place in a Primary School they should make an application via the online application system.

Primary School Application Timeline	
By 6 November 2017	Online application is made live
15/01/2018	Closing date for application forms to be submitted
11/02/2018	The final date for late applications
13/02/2018	Wolverhampton City Council sends/receives unranked preferences to/from other authorities
24/02/2018	Schools submit final lists of applicants in ranked order
16/03/2018	Wolverhampton provisionally allocates places
30/03/2018	Final data exchange with co-ordinating authorities
16/04/2018	Allocation day

Secondary School Applications

Children born between 1/9/2006 and 31/8/2007 will commence secondary education in September 2018. Parents must apply for a secondary school place before 31 October 2017.

The online application is made live in **September 2017**. Applications should be made online, hard copies of the form will only be made available on request. Parents are invited to name and give reasons for applying for up to 5 preferred schools, ranked in order of preference, by 23:59 **31st October 2017**. Parents should name all schools (to a Maximum of 5), for which they wish their child to be considered for a place, including any Voluntary-Aided schools, Academies or Free schools and/or any school outside the Wolverhampton area, with the exception of any independent schools.

By **17th November 2017**, the admissions and appeals team will send other Local Authorities and Own Admission Authority Schools details of applicants for their schools. These details will not reveal the order of preference. All admission authorities will apply their over-subscription admission criteria including any selection tests and return their complete ranked list of applicants to the admissions and appeals team who will then compare the potential offer lists. If more than one school place can potentially be offered, they will allocate a place at the available school that the parent ranked highest on their application.

On **1st March 2018** parents who made their applications online will be able to view their allocation via the online admissions facility. The admissions and appeals team will also write to every applicant resident in Wolverhampton telling them of their allocated school place. Parents will be required to respond to any offers made within 10 school days.

Secondary School Application Timeline	
By 05/09/2017	Online application is made live
31/10/2017	Closing date for application forms to be submitted
17/11/2017	Wolverhampton City Council sends/receives unranked preferences to/from other authorities
30/11/2017	The final date for late applications
13/01/2018	Schools submit final lists of applicants in ranked order
23/01/2018	Wolverhampton provisionally allocates places
13/02/2018	Final data exchange with co-ordinating authorities
01/03/2018	Allocation day

Admissions Criteria for Community and Voluntary Controlled Schools

1. Looked After Children and Previously Looked After Children

Priority will be given to a child who is in the care of a local authority or provided with accommodation by that authority or a child who has been adopted (or is subject to a residence order or special guardianship order) immediately following being in the care of a Local Authority.

Supporting Evidence

If the child is in the care of a local authority or provided with accommodation by that authority this must be indicated on the common application form and evidence (e.g. evidence of child in care from the placement authority) to support this claim must be submitted with the preference form.

If the child has previously been in the care of a local authority or provided with accommodation by them and has subsequently been adopted, or is subject to a child arrangements order or special guardianship order this must be indicated on the common application form and evidence (e.g. adoption certificate/copy of court order) to support this claim must be submitted with the common application form.

2. Children who are attending the corresponding Infant School (Infant to Junior transfers only)

3. Medical/Social

Whether there are specific medical or social circumstances that can be met only by the child's attendance at the preferred school.

Supporting Evidence

If parents believe there are specific reasons, medical or social, for claiming priority for their child to attend a particular school these special factors must be indicated on the form and evidence (e.g. a letter from a registered health professional such as a doctor or a social worker) to support this claim must be submitted with the common application form. The information submitted must state clearly the effects of the condition/illness and why the preferred school is the **only** school that can meet their child's needs. This is necessary

because parents would be asking the Authority to assess their child as having a stronger case than many other children, even some who live closer to the school in question than they do. The information provided will be used to prioritise the request for a particular school. Please note that only in exceptional cases are places prioritised in respect of a child's/parent's medical/social grounds.

4. Siblings

Whether siblings attend the school (or the associated Infant/Junior School) and will be attending the school in September 2018. See the definition of a sibling on page 10.

5. Religious Reasons for voluntary controlled schools (PRIMARY ONLY)

To a child and family who has religious reasons for attending the preferred voluntary controlled school and for whom it can be demonstrated by the faith leader that s/he has current strong religious connections. This reason will **only** be taken into consideration if the preferred school is the nearest Church of England (voluntary controlled or voluntary aided) school to the child's home address (measured by a straight line from the home address to the school).

Supporting Evidence

A Supporting Evidence form will be provided for parents and your faith leader to complete, to enable them to demonstrate your child and family's current strong religious connections.

6. Distance

How close the child lives to the school requested with those living closest to the school getting the highest priority. The measurement between home and school will be determined by the straight line measurement from the home address to the preferred school carried out by the LA's software.

If there are a limited number of spaces available and we cannot distinguish between applicants using the above criteria, children who live in the same block of flats will be offered the available spaces randomly selected by drawing lots.

Additional Arrangements and Information

Changes of Address (occurring during the allocation process)

In these circumstances - or if a query arises in respect of your child's place of residence - you will be required to supply evidence of your new address. This would need to be validated by documentary evidence such as a solicitor's letter confirming the completion of a house purchase or rent book confirming tenancy.

Financial Implications

There is no charge or cost related to the admission of a child to a Wolverhampton school.

Fraudulent or Misleading Applications

The Local Authority will follow up any reports they receive that allege that a fraudulent or misleading application has been made.

Parents can alert the Local Authority of any potential fraudulent applications by contacting the Admissions and Appeals team. Contact details are published in the composite prospectuses.

Late Applications

Applications received after the closing date will be treated as late.

Applications received after the closing date and before the final date for late submissions with approved written evidence will only be incorporated into the initial allocation process if the late submission is for a valid reason or parents can demonstrate a material change of circumstances (see below).

When submitting late applications parents must give reasons in writing and supporting documentary evidence for the late submission. The appropriate admission authority will give consideration to the reasons, following which the application will be:

Either 1) incorporated into the initial allocation and assessed against the over-subscription criteria for the school(s) concerned
Or 2) considered only after all other applications.

Applications without written reasons for the late application or received after the final date for late submissions will only be considered after all other applications and the notification may be sent shortly after the national offer day.

Material Changes of Circumstance

In claiming material changes of circumstances the applicant, at the time of application, must supply documentary evidence to confirm the changes. An example of material changes of circumstances is a house move that necessitates a change of preferences. This would need to be validated by documentary evidence such as a solicitor's letter confirming the completion of a house purchase or rent book confirming tenancy. An impending change of circumstances should not delay the submission of the preference form.

If applicants' circumstances change during the course of making the application that relate to any of the published criteria it is the applicant's responsibility to provide evidence to the Admissions and Appeals Team as this may affect the outcome of the application.

Sixth Form Admission Arrangements for Academy and Community Schools

Applications for admission to Sixth form will be dealt with by the school in accordance with the school's published admission arrangements.

Each school which admits pupils into Year 12 is required to publish in the school prospectus the minimum requirements for entry into sixth form.

Pupils already in school will not be required to apply formally for places in Year 12 but should have reached the minimum entry qualifications for admission into the sixth form.

Minimum entry requirements are the same for internal and external applications.

External applicants must not be refused the opportunity to make an application, or advised that they can only be placed on a waiting list rather than make a formal application

Pupils will be considered for entry into Year 12 based on their academic attainment and/or individual subject grade criteria and the availability and suitability of courses at the school. Entry to Year 12 is not dependent upon attendance, behaviour records, and perceptions of attitude or motivation.

Schools must not interview children or their families for entry to Year 12 although meetings can be held to provide advice on options and entry requirements for particular courses.

Any applicant refused a place in year 12 is entitled to appeal to an independent appeal panel whether the child is already attending the school or is an external candidate.

Special Educational Needs

The admission of children with a Statement of Special Educational Needs (SEN) or an Education and Health Care Plan (EHCP) will be agreed between the Local Authority's SEN Statutory Assessment and Review Team, parents and school in accordance with parental preference, as far as possible, and the child's individual needs. Children with Statements of SEN or a EHCP are given overall priority to the named school. This will reduce the number of places at the school, which are available for allocation in accordance with the above criteria.

Deferred Entry

In this authority children commence full time education in September prior to their fifth birthday. Parents can choose to defer entry until later in the school year but not beyond the point at which they reach compulsory school age and not beyond the beginning of the final term of the school year for which it was made.

Where the parents wish, children may attend part-time until later in the school year but not beyond the point at which they reach compulsory school age.

Summer Born Children

Parents of a summer born child may choose not to send that child to school until the September following their fifth birthday and may request that they are admitted out of their normal age group – to reception rather than year. Any parent wishing to make such a request must put the request in writing to the Admissions and Appeals section.

Requests will be considered on an individual basis and decisions will be reached by taking account of the parent's views; information about the child's academic, social and emotional development; where relevant, their medical history and the views of a medical professional; whether they have previously been educated out of their normal age group; and whether they may naturally have fallen into a lower age group if it were not for being born prematurely. The view of the head teacher of the school concerned will also be sought as part of the decision making process.

Supplementary Information Forms

In order to assess the application for Voluntary Aided schools and Academies parents are required to provide additional information to that collected on the preference form and should complete a "supplementary information form". For Wolverhampton schools these forms will be made available on the Wolverhampton City Council website and they should be returned to the relevant school or schools by the specified date. In the case of Voluntary Controlled schools the supplementary information form must be returned to the Local Authority. Please note if the school is over-subscribed the additional information gathered will be used to determine the allocation of school places.

Parents who are applying for schools outside of Wolverhampton are advised to contact the appropriate LA to determine whether any Supplementary Information Forms are required, their submission date and to whom they must be submitted.

Parents should be aware that where a Supplementary Information Form is completed it will not be regarded as a valid application unless the LA has also received a completed application showing an expressed preference for the school concerned.

Similarly, if applicants are required to sit school tests they will be required to complete an “entrance examination registration” form.

Tie Breakers for Over-Subscribed Schools

If there are an insufficient number of places to accommodate all the children of a particular criterion, the next criterion will be used to assess the applications concerned in order to prioritise applications.

Unsuccessful Applications and Appeals

If the applicant is a Wolverhampton resident and the admissions and appeals team is unable to allocate a place at any of the preferred schools then a place will be allocated at the nearest Wolverhampton maintained school that has a place available except where parents have indicated on the application form that they do not wish their child to attend a faith school. Allocations to Own Admitting Authority schools in this case would be made following consultation with the governing body concerned.

For Wolverhampton residents, where preferences cannot be met, the Admissions and Appeals Team will notify parents accordingly, setting out the reasons and advising of the right of appeal, how to lodge an appeal and to whom.

For other applicants for Wolverhampton schools the home LA will notify parents of the reasons why parental preference cannot be met and to whom any appeal should be lodged.

Parents are only entitled to one appeal per year group, per school, per academic year unless there is a material change of circumstances.

Waiting Lists

If the applicant has not been allocated their first preference, the application will automatically be placed on a waiting list for the preferred Wolverhampton school or schools that were ranked higher than the allocated school.

Unless material changes of circumstances have been demonstrated a child’s name will only be included on those lists for schools that were ranked higher on the application than the school allocated to the child and, therefore, if a child is allocated a place at the first preference school the child’s name will not be added to the waiting list for any of the other preferred schools.

The waiting lists will be ranked in admission criteria order. As soon as places become vacant the LA on behalf of the admitting authorities will re-allocate those places from the waiting list, even if this is before appeals have been heard.

The Authority will maintain the waiting lists until 31 December 2018.

Requests for inclusion on waiting lists for non-Wolverhampton schools must be made in writing to the relevant local authority for the school concerned for assessment in accordance with their scheme.

Definitions

Sibling

For admission purposes, a sibling is a child who resides permanently at the same address as the child for whom a place is being requested, and is one of the following:-

- brother/sister
- half brother/sister (i.e. share one common parent)
- or stepbrother/sister (i.e. related by a parent's marriage)
- any other child for whom it can be demonstrated that s/he is residing permanently at the same address (e.g. under the terms of a residence order).

The sibling connection only applies where the child concerned has a sibling attending the school at the time of the application as well as at the time of admission, (i.e. for normal year of entry applications siblings are expected to be attending the same school in September 2018). A sibling connection will not be accepted if the original place was obtained by using fraudulent or false information.

Looked After Children

If the child is in the care of a local authority as defined by Section 22 of the Children Act 1989.

If the child has previously been in the care of a local authority and has immediately been adopted, or is subject to child arrangements order or special guardianship order.

Home Address

Parents are asked to provide their child's home address, i.e. the usual place of residence on weekdays and nights. Please note that childminder's addresses will not be accepted. This applies to both formal childminders and relatives and friends acting in a childminding capacity.

The home address of a pupil is considered to be the permanent residence of a child in a residential property when the place is offered. Documentary evidence relating to house moves taking place between National Offer Days of 1 March 2018 and 16 April 2018 and the start of the academic year in September 2018 will be considered. The address must be the child's only or main residence and is either:

- Owned by the child's parent(s), carer(s) or guardian(s)
- Leased to or rented by the child's parent(s), carer(s) or guardian(s) under lease or written rental agreement.

Documentary evidence of ownership or rental agreement may be required together with proof of actual permanent residence at the property concerned.

Where parents have shared responsibility for the child and the child lives with both parents for part of the week then the main residence will be determined as the address where the child lives for the majority of the school week. If the child equally shares living with both parents, the parents must inform the Local Authority which address should be used for admission purposes and which parent will make the application. Parents will be requested to supply documentary evidence to support the address used for the application.

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