

Cabinet (Resources) Panel

Minutes - 27 June 2017

Attendance

Members of the Cabinet (Resources) Panel

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

Employees

Robert Baldwin	Lead Lawyer
Dereck Francis	Democratic Services Officer
Keith Ireland	Managing Director
Tim Johnson	Strategic Director - Place
Claire Nye	Director of Finance
Linda Sanders	Strategic Director - People

Part 1 – items open to the press and public

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|---|
| 1 | Apologies for absence
An apology for absence was submitted on behalf of Cllr Peter Bilson. |
| 2 | Declarations of interests
Tim Johnson, Strategic Director, Place and Claire Nye, Director of Finance both declared disclosable non pecuniary interests in agenda items 11, 12 and 13 in so far as they are Directors of City of Wolverhampton Housing Company Limited (trading as WV Living). |
| 3 | Minutes of the previous meeting - 23 May 2017
Resolved:
That the minutes of the previous meeting held on 23 May 2017 be approved as a correct record and signed by the Chair. |
| 4 | Matters arising
Cllr Andrew Johnson stated that the report requested on 'Update on Debt Refinancing for Highfields and Penn Building Schools for the Future Private Finance Initiative Schemes' (Minute No. 9 refers) would be submitted to the additional meeting of the Panel scheduled for 25 July 2017. |

5

Capital Budget Outturn 2016/17 including Q1 Monitoring 2017/18

Cllr Andrew Johnson presented the outturn report. He particularly highlighted the General Fund (GF) outturn position for 2016/17; the Housing Revenue Account (HRA) outturn position for 2016/17; the work of the Project Assurance Group to profile the current financial year expenditure to further enhance quarterly capital project forecasting and reporting; the Interchange - Phase 2; and measures put in place following the tragic fire at Grenfell Tower, London.

Cllr Johnson also informed the Panel that the capital report contained a request to increase the capital budget for the markets relocation scheme by £530,000 to a total of £3.03 million. This was based on cost estimates prior to commencing procurement. Following the procurement process it was now proposed that this be further increased to a total budget of £4.9 million. The tenders received have come back outside the agreed budget and employees were working with prospective contractors to value engineer the contract. This process would be completed over the coming weeks and the revised capital budget requirements for the scheme would be detailed in the report to Council on 19 July 2017. The capital budget required to instruct a contractor and commence the market relocation scheme would not be released until a further report is considered by Cabinet (Resources) Panel.

Resolved:

1. That Council be recommended to:
 - a. Approve the revised medium term General Fund capital programme of £327.7 million, an increase of £11.7 million from the previously approved programme, reflecting the latest projected expenditure for the medium term.
 - b. Approve the revised medium term Housing Revenue Account (HRA) capital programme of £261.7 million, a decrease of £1.9 million from the previously approved programme, reflecting the latest projected expenditure for the medium term.
 - c. Approve the net additional General Fund resources of £11.7 million identified for:
 - i. CCTV - Grant to Wolverhampton Homes, a new project, of £20,000
 - ii. Penn Kids, a new project of £325,000
 - iii. sixteen new projects totalling £11.8 million
 - iv. sixty six existing projects net reduction totalling £518,000
 - d. Award a grant of £20,000 to Wolverhampton Homes to procure and install CCTV equipment on the Glentworth Gardens estate.
 - e. Approve the receipt of grant of £325,000 awarded by Department of Education for Penn Kids to increase capacity in order to deliver 30 hours free childcare.
 - f. Approve to passport the full grant awarded to the Council of £325,000 to the third party provider Penn Kids.

2. That the General Fund virements totalling £37.9 million detailed at appendix C be approved for;
 - i. existing projects totalling £33.0 million;
 - ii. new projects totalling £4.9 million.
3. That the HRA virements totalling £1.7 million for existing projects be approved.
4. That the updated schedules of works for the capital projects under the following directorates be approved.
 - i. Corporate: ICTS, WV Active – Leisure Centres and in relation to Education; Building Schools for the Future (BSF), Schools Capital Maintenance and Existing Primary School Expansion Programme.
 - 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
 - iii. Place: Corporate Asset Management, Urban Parks Refurbishment, Disposals Programme, Accessing Growth Fund, Managing Short Trips, Street Lighting, Highway Structures (bridges, subways, retaining walls), Southside, Maintenance of unclassified roads, Non-Highway Structures, Highway Improvement Programme, Safety Programme, Maintenance of classified roads, Cycling – Cycle Route Improvements, Local Growth Fund (LGF) Feasibility and Energy Efficiency Measures.
5. That authority be delegated to the Cabinet Member for Resources in consultation with the Director of Finance to approve the allocation of the provision of the ‘Corporate Contingency’ to individual capital projects in order that corporate priorities may be addressed in a more agile and timely manner.
6. That authority be delegated 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.
7. That authority be delegated to the Cabinet Member for Housing and City Assets in consultation with the Director of Governance to approve the allocation of the provision of the ‘Demolition of Former Schools’ to individual capital projects in order that they may be progressed in a timely manner.
8. That authority be delegated to the Cabinet Member for Resources in consultation with the Director of Finance to approve the allocation of the provision of the ‘Strategic Land Acquisitions’ to individual capital projects to ensure that the priority acquisitions can be progressed in a timely manner.
9. That authority be delegated to the Cabinet Member for Resources in consultations with the Director of Finance to approve the allocation of the provision of the ‘Smart and Accessible City’ to individual capital projects in order that they may be progressed in a timely manner.

10. That authority be delegated to the Cabinet Member for Resources in consultation with the Director of Finance to approve the allocation of the provision of the 'Lighting Up the City' to individual capital projects in order that they may be progressed in a timely manner.
11. That authority be delegated to the Cabinet Member for City Assets and Housing in consultation with the Strategic Director for Place to approve urgent programmes of work to respond to health and safety issues and reprofile existing projects accordingly. Following on from the tragic fire at Grenfell Tower, whilst we are confident that the tower blocks within Wolverhampton are of the correct standard, it is recognised that there may be instances in the future where the Council is required to respond quickly to emerging health and safety issues.
12. That the General Fund outturn position for 2016/17 which stands at 72.1% of the approved capital budget be noted.
13. That the HRA outturn position for 2016/17 which stands at 78.1% of the approved capital budget be noted
14. That it be noted that there is one new project requiring internal resources included in the report which is subject to a separate detailed project report to this Cabinet (Resources) Panel meeting. The inclusion of this projects is for budget approval purposes and is on the assumption that the approval to progress with the project is given at this meeting. As the progression is dependent on that decision, if the project is not approved, the capital programme will be reduced accordingly. The names of the projects are:
 - Demolition of Former Schools
15. That it be noted that whilst the capital budget requirements of the markets relocation scheme would be included the report to Full Council on 19 July 2017, the capital budget required to instruct a contractor and commence the market relocation scheme would not be released until a further paper is considered by Cabinet (Resources) Panel.

6 **City of Wolverhampton Council Armed Forces Corporate Covenant**
Cllr John Reynolds highlight some of the significant successes since the Council signed the Armed Forces Community Covenant in 2012. Amongst the accomplishments were the work around employment for veterans; support to young people wishing to join the armed forces who might not meet the initial criteria, to help them get up to speed. Cllr Reynolds placed on record his thanks to the cadets, reservists and council employees who took part at the events in the run up to and during Armed Forces Day.

Moving forward Cllr John Reynolds now sought approval for the City of Wolverhampton Council to sign a Corporate Covenant, a written and publicised voluntary pledge from public bodies, businesses and charitable organisations who wish to demonstrate their concrete support for the armed forces community.

Resolved:

That the proposal for the City of Wolverhampton Council to sign a Corporate Covenant during Business Week in September 2017 be approved.

7 Schedule of Individual Executive Decision Notices

Resolved:

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

8 Exclusion of press and public

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the remaining items of business as they involve the likely disclosure of exempt information falling within paragraph 3 of Schedule 12A of the Act.

Part 2 - exempt items, closed to press and public

9 Procurement - Award of Contracts for Works, Goods and Services

The Panel considered a report on proposals for the award of contracts for works, goods and services.

Resolved:

1. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Strategic Director for Place, to approve the award of a contract for the Supply, Delivery and Installation of Office Furniture when the evaluation process is complete.
2. That authority be delegated to the Cabinet Member for City Environment, in consultation with the Strategic Director for Place, to approve the award of a contract for Supply and Fit of Vehicle Tyres and Tubes when the evaluation process is complete.
3. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve the award of a contract for a Procurement Platform when the evaluation process is complete.
4. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Strategic Director for Place, to approve the award of a contract for Heath Town Demolitions Phase 2 when the evaluation process is completed.
5. Delegated authority to the Cabinet Member for Adults, in consultation with the Strategic Director for People, to approve the award of contracts for Independent Sector Home Care Reablement when the evaluation process is complete.
6. That the Director of Governance be authorised to execute contracts in respect of the above as required.

7. That the award of the contracts for Direct Payments Support Service and Payroll be deferred to the meeting on 25 July 2017.

10

Appropriation of Sites from the General Fund to the Housing Revenue Account (HRA) and Approvals Required to Facilitate the Burton Crescent Development and Former Bilston Tennis Club Development

Cllr Andrew Johnson presented the report on proposals to facilitate the previously approved development of the site at Burton Crescent for housing, by putting into place some further detailed requirements.

Resolved:

1. That the following sites shown on the map attached at Appendix 1 and 2 to the report be declared surplus to General Fund requirements:
 - Site F at Burton Crescent, Heath Town Ward
 - Former Bilston Tennis Club, Villiers Avenue, Bilston North Ward
2. That the appropriation of the afore mentioned sites from the General Fund into the Housing Revenue Account (HRA) in order that they can be developed for new council housing, to include specialist supported housing be approved
3. That the Council enter into negotiations with the current owner occupiers of site referred to at E for the potential acquisition of their property in order to facilitate and to extend the scope of the development sites at Burton Crescent.
4. That the Council enter into negotiations with the Diocese of Lichfield to remove restrictive covenants listed under the land registry title of site E.
5. That the development of Sites E and F shown on the map attached at Appendix 2 for council housing upon successful negotiations with the owner of Site E be approved.
6. That the transfer of £40,000 from HRA capital funds to the General Fund to mitigate for the loss of the former tennis courts, which would be used to improve the tennis courts at East Park be approved.
7. That the redevelopment of the former Bilston Tennis Club following appropriation from the General Fund into the HRA for affordable council housing development be approved.
8. That authority be delegated to the Cabinet Member for City Assets and Housing in consultation with the Strategic Director for Housing to approve any other agreements including deed of covenants, collateral warranties, assignments and such other ancillary agreements, including variations as may be deemed necessary to facilitate the above developments.
9. That it be noted that the development of council housing on these sites would be procured using a small to medium scale development contractor.

11

Disposal of the Former St Luke's School, Goldthorn Hill

Cllr Andrew Johnson presented the report on a proposal to declare the site of the former St Luke's School surplus to the Council's requirements and to dispose of the site for housing development. Approval was also requested to an exchange of land at the sites of the former and new St Luke's School the between the Council and the Diocese of Lichfield.

Resolved:

1. That the former St Luke's School site as shown edged red on the attached plan (Appendix A), be declared surplus to requirements, subject to the land coloured white on the Appendix A being transferred to the Council from the Diocese of Lichfield.
2. That the land coloured white on the plan be transferred to the Council from the Diocese of Lichfield, and that the freehold area shown edged red on the plan be subsequently disposed of, potentially to WV Living, at a market value to be determined by the District Valuer subject to a Section 111 and S106 Agreement.
3. That authority be delegated to the Cabinet Member for City Assets and Housing in consultation with the Director of Governance to approve the Heads of Terms and ancillary agreements associated with the disposal of the asset.
4. That the land as shown coloured orange on the new St Luke's School on plan Appendix B be declared surplus to requirements.
5. That authority be delegated to the Cabinet Member for City Assets and Housing in consultation with the Director of Governance to approve the Heads of Terms and ancillary agreements associated with the exchange of land between the Diocese of Lichfield and the Council including the transfer of the land shown coloured orange, and the Council shall provide reasonable assistance to the Diocese in respect of any claim for possessory title of the land shown coloured green on Appendix B.
6. That it be noted that the Council would undertake surveys and feasibilities of the site for development.
7. That it be noted that the disposal would be subject to the approval of the WV Living Board and would require approval of the Council to the revised Business Case that will include this site
8. That it be noted that the Council would as part of the arrangement between the Council and the Diocese of Lichfield exchange the land shown coloured white on Appendix A to the Council; and that the Diocese of Lichfield exchange the land coloured orange, green, and edged red on Appendix B.

12

Disposal of Northicote School, Bushbury

Cllr Andrew Johnson presented the report on a proposal to declare the Northicote site surplus to the Council's requirements and to dispose of the site for housing development. As part of the disposal strategy approval was also sought to the demolition of the school and associated buildings on the site.

Resolved:

1. That the former Northcote School site, along with the caretakers house and adjoining community buildings as shown edged red on the plan at Appendix A to the report, be declared surplus to requirements.
2. That the disposal of the freehold of the area edged red on the plan at Appendix A, potentially to WV Living, at a market value to be determined by the District Valuer, for the development of housing, subject to a Section 111 and Section 106 Agreement be approved.
3. That authority be delegated to the Cabinet Member for City Assets and Housing in consultation with the Director of Governance to approve the Heads of Terms and any ancillary agreements associated with the disposal of the asset.
4. That it be noted that the Council, as part of the arrangements, would progress with the demolition of the site prior to the Council completing the surveys and feasibilities, subject to the budget being approved.
5. That it be noted that the tender acceptance process for the demolition would be considered in the procurement report to Cabinet (Resources) Panel.
6. That it be noted that the disposal is subject to WV Living Board approval and would require approval of the Council to the revised Business Case that would include this site.

13

Disposal of the Former Wednesfield High School, Lakefield Road

Cllr Andrew Johnson presented the report on a proposal to declare the former Wednesfield High School site surplus to the Council's requirements and to dispose of the site for housing development by WV Living. Approval was also sought to a grant agreement to allow shared ownership homes to be funded through the Homes and Communities Agency's (HCA's) grant programme.

Resolved:

1. That the former Wednesfield High School site as shown edged red on Appendix A to the report be declared surplus to requirements.
2. That the disposal of the freehold of the area as shown edged red on Appendix A, to WV Living, at a market value to be determined by the District Valuer, for the development of housing, subject to a Section 111 and Section 106 Agreement be approved.
3. That authority be delegated to the Cabinet Member for City Assets and Housing in consultation with the Director of Governance to approve the Heads of Terms and ancillary agreements associated with the disposal of the asset.

4. That the signing of a grant agreement with the Homes and Communities Agency (HCA) for grant funding from the 2016-2021 Shared Ownership and Affordable Homes Programme awarded for the development of shared ownership units across residential development schemes in the city, be approved.
5. That authority be delegated to the Cabinet Member for City Assets and Housing in consultation with the Strategic Director of Housing to agree the details of their delivery.
6. That it be noted that the Council would undertake surveys and feasibilities for the site.
7. That it be noted that the disposal would be subject to the approval of the WV Living Board.
8. That it be noted that the Council had been awarded HCA grant funding of £300,000 under the 2016-2021 Shared Ownership and Affordable Homes Programme for the delivery of ten shared ownership homes.

14

Gatis Street Adventure Playground - Community Asset Transfer

Cllr Andrew Johnson presented the report on a proposal to declare Gatis Street Adventure Playground surplus to the Council's requirements and to lease it to the Directors of Acts of Random Caring Community Interest Company (ARCCIC) on a 25 year lease on the basis of a Community Asset Transfer (the transfer of public land to a community organisation for less than market value to achieve a local social, economic or environmental benefit). ARCCIC were keen to improve the centre's facilities and maximise its potential for bringing educational and environmental activities into the area whilst creating a thriving and sustainable social enterprise.

Resolved:

1. That Gatis Street Adventure Playground, Gatis Street, Whitmore Reans, Wolverhampton be declared surplus to requirements.
2. That a community asset transfer lease be granted to Acts of Random Caring Community Interest Company - Gatis Gardeners for a term of 25 years in accordance with the terms set out in the report.