

Cabinet (Resources) Panel

16 January 2018

Time 5.00 pm **Public Meeting?** YES **Type of meeting** Executive
Venue Training Room - Ground Floor - Civic Centre, St Peter's Square, Wolverhampton
WV1 1SH

Membership

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

Labour

Cllr Peter Bilson
Cllr Claire Darke
Cllr Steve Evans
Cllr Val Gibson
Cllr Milkinderpal Jaspal
Cllr John Reynolds
Cllr Sandra Samuels OBE
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 Services team:

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

Agenda

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Apologies for absence**
- 2 **Declarations of interests**

MEETING BUSINESS ITEMS

- 3 **Minutes of the previous meeting - 14 November 2017** (Pages 7 - 14)
[To approve the minutes of the previous meeting as a correct record]
- 4 **Matters arising**
[To consider any matters arising from the minutes]

DECISION ITEMS (RED - FOR DECISION BY THE COUNCIL)

- 5 **Housing Revenue Account Business Plan (including 2018-2019 budget rents and service charges)** (Pages 15 - 46)
[To recommend to Council the Housing Revenue Account Business Plan including annual rent and service charges]

DECISION ITEMS (AMBER - DELEGATED TO THE CABINET (RESOURCES) PANEL)

- 6 **2018-2019 Budget and Medium Term Financial Strategy 2018-2019 - 2019-2020 - Provisional Local Government Finance Settlement Update** (Pages 47 - 54)
[To approve matters relating to the draft budget for 2018-2019 and beyond as the basis for consultation with stakeholders and to note an update on the provisional Local Government Finance settlement announcement]
- 7 **Scrutiny Board Comments - Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020** (Pages 55 - 60)
[To note the outcome of the scrutiny of the draft budget and Medium Term Financial Strategy 2018-2019 to 20120-2021]
- 8 **Budget 2018-2019 - Outcome of Consultation** (Pages 61 - 92)
[To consider the outcome of the consultations]
- 9 **Collection Fund Estimated Outturn 2017-2018** (Pages 93 - 102)
[To note the information about the Collection Fund for the period 2017-2018]

- 10 **Council Tax Base and Business Rates (NDR) Net Rate Yield 2018-2019** (Pages 103 - 110)
[To note the information on the Council Tax base and to approve the Council's NNDR1 form which will set the timings of cashflow and the predicted shares between central and local government for business rates for 2018-2019]
- 11 **West Midlands Combined Authority (WMCA) Borrowing Powers and Amendments to Key Route Network** (Pages 111 - 122)
[To ensure that the West Midlands Combined Authority is able to enter into the necessary agreements with government to amend existing statute, enabling WMCA to borrow for all of the functions attributable to it and also endorse the proposed changes to the Key Route Network]
- 12 **Review of Contributions to Non-residential Adult Social Care - Outcome of Consultation and Final Proposals** (Pages 123 - 164)
[To approve the final proposals to change contributions for non-residential adult social care in line with the Care Act 2014]
- 13 **Acquisition of Privately Owned Empty Properties by agreement or Compulsory Purchase: 55 Rooker Avenue, Ettingshall** (Pages 165 - 176)
[To approve the acquisition of the property by agreement or compulsory purchase]
- 14 **Acquisition of Privately Owned Land by Agreement or Compulsory Purchase: Site of former Public House at Willis Pearson Avenue/ Rowley View, Bilston** (Pages 177 - 184)
[To approve the acquisition of the property by agreement or compulsory purchase]
- 15 **Acquisition of Privately Owned Empty Properties by agreement or Compulsory Purchase: 10 Lloyd Street, Wolverhampton** (Pages 185 - 194)
[To approve the acquisition of the property by agreement or compulsory purchase]
- 16 **Achieving Our Broadband Vision** (Pages 195 - 202)
[To approve recommendations from the Digital Passport project and to bid for Local Full Fibre Network funding]
- 17 **Arts Council of England Funding Agreement** (Pages 203 - 208)
[To approve delegated authority to sign the funding agreement with the Arts Council for funding for the programme of contemporary art and craft 2018-2022]
- 18 **Schedule of Individual Executive Decision Notices** (Pages 209 - 216)
[To note the summary of open and exempt individual executive decisions approved by the appropriate Cabinet Member following consultation with the relevant employees]

- 19 **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

DECISION ITEM (RED - FOR DECISION BY THE COUNCIL)

- 20 **Civic Halls Improvement and Full Restoration**
(Pages 217 - 254)
- [To receive an update on the Civic Halls improvement project and to consider the case for a full building restoration scheme]
- Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)

DECISION ITEMS (AMBER - DELEGATED TO THE CABINET (RESOURCES) PANEL)

- 21 **Improving the City Housing Offer: Small Sites Newbuild Council Housing Phase 4** (Pages 255 - 268)
- [To approve a budget for the delivery of phase four of the small sites newbuild housing programme to provide an additional 33 homes across eight sites in the city]
- Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- 22 **Application of Right to Buy Receipts for Additional Social Housing** (Pages 269 - 274)
- [To establish a capital scheme for the acquisition of additional social housing units]
- Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- 23 **Procurement - Award of Contracts for Works, Goods and Services** (Pages 275 - 314)
- [To award contracts for works, goods, and services]
- Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- 24 **Council's Residential Children's Home - Future Service Delivery Model** (Pages 315 - 326)
- [To approve a delivery model for the Council's residential children's home]
- Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)

- 25 **East Park Gateway Regeneration Programme**
(Pages 327 - 346)
[To endorse the setting up of an East Park Gateway regeneration programme and governance arrangements]
- 26 **Waste and Recycling Services**
[To endorse the update on Waste and Recycling services] **[report to follow]**
- 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 (Resources) Panel

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

Employees

Dereck Francis	Democratic Services Officer
Keith Ireland	Managing Director
Claire Nye	Director of Finance
Kevin O'Keefe	Director of Governance
Tim Johnson	Deputy Managing Director/Strategic Director - Place
Meredith Teasdale	Director of Education

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Apologies for absence**
There were no apologies for absence.

- 2 **Declarations of interest**
Tim Johnson, Strategic Director for Place declared a non pecuniary interest in item 5 (WV Living – Land Matters) in so far as he is a Director on the WV Living Board.

- 3 **Minutes of the previous meeting - 3 October 2017**
Resolved:
 That the minutes of the previous meeting held on 3 October 2017 be approved as a correct record and signed by the Chair.

- 4 **Matters arising**
There were no matters arising from the minutes of the previous meeting.

- 5 **WV Living - Land Matters**
Councillor Peter Bilson presented the report relating to the sale of land and granting licences to WV Living and on a proposal to vary the details of development proposals.

The proposals would ensure that the actions of the Council and WV Living matched the recorded decisions and minutes; that the Council's interests are protected; and allow for the development of the site at Reedham Gardens to proceed.

Resolved:

1. That the former decision to dispose of the freehold interest in the site at Sweet Briar Road, Wolverhampton and the former site of Ettingshall Primary School, Hall Park Street, Wolverhampton at auction be rescinded.
2. That the former decision to dispose of the freehold interest in the site at Sweet Briar Road, Wolverhampton to WV Living be rescinded.
3. That authority be delegated to the Cabinet Member for City Assets and Housing in consultation with the Head of Corporate Landlord to agree the terms of the licence under which WV Living and its appointed contractor would occupy and develop the site at Sweet Briar Road.
4. That authority be delegated to the Cabinet Member for City Assets and Housing in consultation with either the Director of Finance or Head of Corporate Landlord to resolve any further issues arising from the disposal of the freehold interest or licences required to occupy and build out any of the sites at Ettingshall Primary School, Ettingshall, Sweet Briar Road Ettingshall or Prouds Lane, Bilston.
5. That a variation to the funding agreement with the Homes and Communities Agency (HCA) in respect of the site at the rear of Reedham Gardens, to allow the development by WV Living of housing to include shared ownership, affordable council rent and market sale homes instead of a scheme to include Starter Homes (for which Government regulations have not been forthcoming) be approved.
6. That the discussions with the HCA in respect of the site at the rear of Reedham Gardens be noted.

6 **Empty Residential Property Pilot Programme update**

Councillor Peter Bilson presented a report on the progress, outcomes and impact of an empty residential property pilot scheme since April 2017. The scheme was aimed at owners of long term empty properties to incentivise them to either sell their property or sign up to an established Private Sector Leasing Scheme managed by Wolverhampton Homes. For a relatively modest cost per property the incentive scheme had proven effective in encouraging owners. It was therefore proposed to continue with the scheme in 2018/2019.

Resolved:

1. That continued work in-conjunction with Revenues and Benefits to ensure records are correct and up to date regarding empty properties be approved.
2. That a revised budget of £10,000 to allow the continuation of the empty residential property incentive scheme in 2018/2019 be approved.

3. That the progress, outcomes, and the impact of the empty residential property pilot scheme be noted.

7 **Lease of Former Parkfields School to Khalsa Academies Trust**

Councillor Peter Bilson presented a report on a proposal to complete a lease to Khalsa Academies Trust for accommodation within the former Parkfields School until the end of August 2018.

The completion of the lease would enable continued use of the building reducing security and maintenance costs during the period before demolition and income to the Council would be achieved.

Councillor Bilson also reported on a typographical error in the annual rental figure referred to in paragraph 3.2 of the report, that should be corrected to '£109,681'.

Resolved:

1. That the completion of a lease from the City of Wolverhampton Council to Khalsa Academies Trust from 1 September 2017 to 31 August 2018 for the former Parkfields School, Wolverhampton Road be approved.
2. That the typographical error in the annual rental figure referred to in paragraph 3.2 of the report be corrected to '£109,681'.

8 **Schedule of Individual Executive Decision Notice**

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.

9 **Exclusion of press and public**

Resolved:

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

Part 2 - exempt items, closed to press and public

10 **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 the contract award associated with the Future Space project be awarded to Perfect Circle JV Limited of Halford House, Charles Street, Leicester, United Kingdom, LE1 1HA for a duration of not more than six months for a total contract value of £121,000.
2. That the contract award associated with the Civic Halls be awarded to Perfect Circle JV Limited of Halford House, Charles Street, Leicester, United

Kingdom, LE1 1HA for a duration of two years from 01 December 2017 for a total contract value of £285,000, subject to a decision from the Cabinet Member for City Assets and Housing and Cabinet Member for Finance in consultation with the Director of Finance on the Civic Hall refurbishment.

3. 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 concession contract for Supply, Installation and Maintenance of Electric Vehicle Charge Points Infrastructure when the evaluation process is complete.
4. 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 of Light Commercial Vehicles when the evaluation process is complete.
5. That authority be delegated to the Cabinet Member for Children and Young People, in consultation with the Strategic Director for People, to approve the award of a contract for Emotional Mental Health and Wellbeing Services when the evaluation process is complete.
6. 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 Leasehold Property Insurance when the evaluation process is complete.
7. That a contract be entered into to sell IT Support Services to LGPS Central Limited for a duration of five years from 01 December 2017 to 30 November 2022 for a total contract value of £400,000.
8. That the contract with Perfect Circle JV Limited of Halford House, Charles Street, Leicester, United Kingdom, LE1 1HA for i54 Western Extension Lead Consultant Phase 2 be varied with a variation value of £332,626.
9. That authority be delegated to the Cabinet Member for Adults, in consultation with the Strategic Director for People to approve the award of a contract for a Dementia Community Support Service when the evaluation process is complete.
10. That authority be delegate to the Cabinet Member for Adults, in consultation with the Strategic Director for People to novate the contract for Extracare Services at Broadway Gardens, Bushfield Court and James Beattie House from Extracare Charitable Trust to Midland Heart Limited when negotiations are complete.
11. That authority be delegated to the Cabinet Member for Public Health and Wellbeing, in consultation with the Strategic Director for People, to approve the award of a contract for Peace Green Open Space Scheme when the evaluation process is complete.

12. That authority be delegated to the Cabinet Member for Public Health and Wellbeing, in consultation with the Director of Public Health, to approve the award of a contract for delivery of a Perpetrators of Domestic Violence Programme when the evaluation process is complete.
13. That the Director of Governance be authorised to execute contracts in respect of the above as required.

11

Car Cruising Injunction Renewal

Councillor Milkinder Jaspal presented a report on a proposal for the Council to make application to the High Court to renew an injunction which had been granted to restrain the activity known as 'car cruising' through the Black Country Boroughs. The three year injunction was due to expire on 1 February 2018.

The Injunction had been extremely effective in tackling the problem of car cruising in the Council area and the Black Country Boroughs as a whole significantly improving road safety, the lives of residents and improved the prospects of businesses in former hotspot areas as a consequence.

Resolved:

1. That an application be made to the High Court inviting the Court to renew the Black Country Car Cruising Injunction (granted 01 December 2014, effective from 2 February 2015 and expires 1 February 2018) for a further three years until 23:59 hours on 31 January 2021 in the interests of the City of Wolverhampton Council area.
2. That authority be delegated to the Cabinet Member for Governance, in consultation with the Director of Governance to enter into an agreement on behalf of the City of Wolverhampton Council pursuant to sections 101 and 111 of the Local Government Act 1972 with the Borough Councils of Dudley, Sandwell and Walsall, for the Council to lead a project and conduct litigation with the aim of inviting the High Court to extend the injunction for a further three years from its expiry (i.e. until 23:59 hours on 31 January 2021); and for each of Dudley, Sandwell and Walsall to repay the Council one quarter of the Council's legal costs and disbursements in making such application to the Court.
3. That authority be delegated to the Cabinet Member for Governance, in consultation with the Director of Governance to authorise Legal Services to issue an application to Court inviting the Court to vary (extend) the injunction for a further three years from its expiry once the Director of Governance and the Cabinet Member for Governance are satisfied as to the quality and cogency of the evidence in support of the intended application.
4. That it be noted that an application to Court every three years inviting the Court to extend the injunction for a further three years or inviting the Court to grant the injunction in perpetuity is not feasible. Therefore, on a medium term/long-term basis, as car cruising is a national issue, the option of leading a project in cooperation with the West Midlands Combined Authority, West Midlands Police Force to lobby Parliament to address the nuisance of car cruising through legislation is to be explored.

12

Wolverhampton Interchange Programme

Councillor John Reynolds presented the report which sought approval to commit to the contract sum required to award the station contract once the Council had secured receipt of external project funding.

Resolved:

1. That financial expenditure associated with both awards of the station contract and limits/caps agreed in the Letter of Intent (LOI) with Galliford Try be authorised.
2. That expenditure in respect of preliminary works for the construction of the City of Wolverhampton Railway Station be authorised.
3. That authority be delegated to the Cabinet Member for City Economy and the Strategic Director (Place) to enter into a supplemental agreement and ancillary agreements with Ion Developments for the main station works and commit to the sums referred to in the building contract with Galliford Try and the Director of Governance be authorised to execute the legal agreements.
4. That authority be delegated to the Cabinet Member for City Economy and the Strategic Director (Place) to enter-into collateral warranties relating to the station.
5. That a 'contribution agreement' and such other funding agreements that may be required to allow the draw-down of allocated funding from the West Midlands Combined Authority (WMCA) to assist with the funding of the new Station building be agreed and signed.
6. That the Director of Governance be authorised to enter into the legal agreements referred to in the recommendations.
7. That to enable the Council to let the contract to Galliford Try ahead of the WMCA completing their final funding approvals a letter be sought from the Section 151 officer at the WMCA confirming they are content that the Council now enter into the contract with Galliford Try.

13

HRA Development Proposals: Former Bilston Tennis Club Site, Ettingshall Road, Dale House Site

Councillor Peter Bilson presented the report on proposals to develop sites for the provision of affordable council housing to help meet the housing needs of residents in the city.

Resolved:

1. That proposals for the redevelopment of the following sites for council affordable housing be approved:
 - Former Bilston Tennis Club site, Villiers Avenue, Bilston North Ward.
 - Ettingshall Road site, the vacant site on the corner of Sweetbriar Road and Ettingshall Road, Ettingshall Ward.

- Former Dale House site, Showell Circus, Bushbury South and Low Hill Ward, for Council Affordable Housing.
2. That Wolverhampton Homes manage the new council homes on Bilston Tennis Club and Ettingshall Road.
 3. That Bushbury Hill Estate Management Board manage the new properties to be built on the former Dale House Site, conditional upon the stock transfer to Wrekin Housing Trust not taking place. In the event that Bushbury Hill Estate Management Board Stock transfers to Wrekin Housing Trust, the new properties are recommended to be managed by Wolverhampton Homes.
 4. That the progression of a local lettings plans be approved, subject to local housing need in each of these localities for these development sites, in accordance with the process set out in the Council's Allocations Policy.
 5. That a budget of £4.8 million from the Housing Revenue Account (HRA) capital new build programme to re-develop the sites as proposed for Council affordable housing be approved.
 6. That any other agreements including deeds of covenants, collateral warranties, assignments and such other ancillary agreements, including any variations as may be deemed necessary to facilitate the above developments be delegated to the Cabinet Member for City Assets and Housing in consultation with the Strategic Director for City Housing or the Strategic Director for Place.
 7. That authority be delegated to the Cabinet Member for City Assets and Housing in consultation with the Strategic Director for City Housing or the Strategic Director for Place to accept the winning construction contractor and architectural design services bid for the development based on a quality/price evaluation when the tendering process is complete.

- 14 **Facilitating Regeneration in the Canalside Quarter - Transfer of Legal Charge**
Councillor John Reynolds presented the report on a proposal to transfer an existing legal charge on land at Gravelly Way, Four Ashes.

Resolved:

That the transfer of an existing legal charge on land at Gravelly Way, Four Ashes, Staffordshire owned by Carvers (Wolverhampton) Limited to an alternative Carvers' operational site in Littles Lane, City Centre be approved.

- 15 **Land and Property Transactions - Corporate Landlord**
Councillor Peter Bilson presented the report on proposals to declare assets surplus to Council requirements, and on the disposal strategy for each asset. The proposals would generate capital receipts and revenue efficiencies through the reduction in the annual running costs and maintenance spend. Sale of the surplus assets would also provide purchasers with the opportunity to bring the buildings back into beneficial use thereby improving the local community and environment.

Resolved:

1. That the following assets be declared surplus to requirements:
 - 1 School Cottage, Marsh Lane
 - 2 School Cottage, Marsh Lane
 - Former Windmill Community Centre, Windmill Lane
 - EKTA Centre, Penn Road
 - Former Woden Primary caretaker's house, 127 Springfield Road
 - The Wergs, Danescourt Road

2. That the disposal of the assets listed via the open market disposal methods of either auction or informal tender upon terms and conditions to be agreed be approved.

CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 16 January 2018
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Report title	Housing Revenue Account business plan (including 2018-2019 budget rents and service charges)	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Peter Bilson City Housing Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Lesley Roberts, City Housing Claire Nye, Finance	
Originating service	Housing Service	
Accountable employee(s)	Lesley Roberts Tel Email	Strategic Director, Housing 01902 55 lesley.roberts@wolverhampton.gov.uk
	Jo McCoy Tel Email	Finance Business Partner 01902 554415 jo.mccoy@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	19 December 2017

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to recommend that Council:

1. Implements 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 2 April 2018.
2. Adopts the business plan set out at Appendix A as the approved Housing Revenue Account (HRA) business plan including.
 - a) The revenue budget for 2018-2019 at Appendix A3.
 - b) The capital programme for 2018-2019 to 2022-2023 at Appendix A4 including provision for retrofitting of sprinklers in high-rise blocks and building of new council housing.
 - c) The increase in the management allowance for Wolverhampton Homes for the transfer of Homelessness and Housing Options services.
3. Agrees the rates for garage rents and service charges set out in appendices B1-B3 and formally notify tenants.
4. Agrees that the Council positions itself to take advantage of any flexibility in HRA borrowing by gearing up to develop more council housing on suitable sites.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. The consultation responses as outlined at Appendix C.
2. The potential impact of the further implementation of the Housing and Planning Act 2016 on the HRA business Plan.
3. The introduction of a 52 week rent year following consultation with tenants, to better align the payment of rents with the payment of Universal Credit.
4. Service charges to council tenants have been recalculated over 52 weeks but generally tenants will pay the same over 12 months, with the exception of the central heating charge for gas, which is due to increase by £0.50 per week as approved in the business plan for 2016-2017 until full recovery of costs are achieved

1.0 Purpose

- 1.1 This report presents an updated Housing Revenue Account (HRA) business plan for recommendation to full Council.
- 1.2 The report also provides, as an integral part of that business plan, a proposed HRA budget for 2018-2019, including proposed rents and service charges to take effect from 2 April 2018, and a proposed HRA capital programme for the period 2018-2019 to 2022-2023 for recommendation to full Council.

2.0 Background

- 2.1 Since the implementation of Housing Revenue Account self-financing in 2012, the Council has been required to set out its' Housing Revenue Account (HRA) business plan. The business plan is monitored quarterly and reviewed annually to ensure that assumptions remain robust and resources within the plan are sufficient to meet expenditure requirements. Appendix D provides more detail on HRA self-financing.
- 2.2 Prior to 2014, the increase in rents was based upon a formula of retail price index (RPI) plus 0.5% plus £2.00. In 2014, the government introduced a new formula for increases of consumer price index (CPI) plus 1%. In order to provide certainty for councils, the government stated that this rent policy would exist for ten years. The Council's HRA business plan was therefore predicated upon rents going up by more than inflation each year throughout the lifetime of the plan.
- 2.3 In the Chancellor's budget of July 2015, it was announced that all council dwelling rents would reduce by 1% each year from 1 April 2016 for the next four years to 2020. This announcement was subsequently included in the Welfare Reform and Work Act 2016. Previously, there was no statutory underpinning for local authority rent setting and the formulae in paragraph 2.2 were provided as guidance. The 1% reduction is mandatory.
- 2.4 As part of the rent setting process for 2016-2017, the Council approved a HRA Business Plan that accommodated the 1% reduction in dwelling rents each year for the next four years and amended the projections over the 30-year lifetime of the plan.
- 2.5 The government has recently confirmed that it will resume with the rent policy to increase rents by CPI plus 1% from 1 April 2020.

3.0 The HRA business plan 2018-2019

- 3.1 This year's review of the business plan has focussed on the need to accommodate additional demands of the capital programme as outlined in paragraph 4.0 below. Aside from that, inflation forecasts have been increased

in line with latest forecasts and right to buy assumptions have been adjusted. The majority of other assumptions adopted last year remain unchanged.

- 3.2 At the meeting of 19 July 2017 cabinet approved the transfer of Homelessness and Housing Options services to Wolverhampton Homes which took place on 4th December 2017. There is a requirement to increase the management allowance to Wolverhampton Homes by £548,000 in 2017-2018 and a further £1 million in 2018-2019 for delivery of these services.
- 3.3 Rent has been calculated on a 50-week basis for some years thus providing a two week rent 'holiday' each year. Universal credit payments are made on the basis of a normal 52-week basis. Over 400 tenants are already on Universal Credit and the main changeover to Universal Credit begins in Wolverhampton shortly. Consultation last year revealed that tenants would ideally like to retain the 50-week payment arrangements, however there was a recognition that mirroring Universal Credit would be necessary when there was full rollout of the new system, and that it should be deferred for a year. Accordingly, the 52-week rent year will be introduced from April 2018.

4.0 Capital Programme, fire safety and new build programme

- 4.1 Since the last annual review there have been some significant events. Firstly, the devastating fire at Grenfell Tower, which has resulted in considerable debate about the potential for sprinklers to save lives in the event of a fire in a high-rise block. As the Council's managing agents, Wolverhampton Homes is assessing the feasibility of retrofitting sprinklers, and is poised to act on any recommendations for sprinklers and other remedial measures, that emerge from the Grenfell public enquiry. The cost is estimated at £19.2 million over five years, and provision has been made for this in the business plan because the health and safety of tenants and leaseholders is paramount. The programme will be dovetailed with other high-rise infrastructure upgrades to maximize cost-effectiveness.
- 4.2 The Council wrote to the Secretary of State for Communities and Local Government in August 2017 to request financial assistance with sprinklers but, along with several other local authorities, was refused additional help. Whilst provision can be made for sprinklers and infrastructure upgrades within the business plan, spending will obviously be at the expense of other local and national priorities, particularly the building of new affordable homes. It is therefore intended to make further representations to central government for additional funding in line with the public enquiry recommendations.
- 4.3 In the short term, Members will be aware that a major refurbishment of Heath Town estate is underway. Despite it being generally advisable to await the public enquiry before embarking on a retrofit programme (as specific advice may be forthcoming on the location of sprinklers and their relationship with evacuation and other fire safety measures), retrofitting should be undertaken at

Heath Town at the same time as part of the current programme, and resources have been identified for this in the business plan.

- 4.4 Another key event has been the government's announcement of a "new generation of council and housing association homes"; this accords with the Council's desire to increase the supply of all homes by nearly 10,000 over the next 10 years, a significant proportion of which should be affordable. The council house building programme was extended last year to deliver around 450 new council homes, funded primarily from the HRA but supplemented where possible with support from the Homes and Communities Agency, developer contributions and capital receipts from the right to buy. The HRA new build programme includes a number of unsightly and disused garage and other infill sites, 25% of the WV Living programme and other specific sites. It is insufficient to meet the needs of applicants on the housing register and should be expanded if at all possible. Accordingly, additional provision of £15 million over the next five years has been included in the programme. It will be necessary to review regularly the affordability of the enlarged building programme in the light of recommendations from the Grenfell inquiry and other factors discussed in this report.
- 4.5 The Council, along with the West Midlands Combined Authority, Local Government Association, National Federation of ALMOs and other bodies, have made year on year representations to the government for a lifting of the HRA borrowing cap in favour of a prudential borrowing regime for new council housing. There was an announcement during the budget on 22 November 2017 that additional borrowing facility would be provided to authorities in areas of high housing need, but no further detail has been made available at this stage. With a growing track record of new build, clear evidence of local need with over 10,000 households on the housing register, the Council may be able to take advantage of any lifting of the cap. It is therefore proposed that the Council position itself for this by gearing up to develop more council housing on suitable sites, when these become available.
- 4.6 Whilst additional resources have been identified in the HRA for new home building, bringing the proposed total over five years to £94 million, there is unfortunately no guarantee that full spend can be achieved. Despite best endeavours, there are constraints and potential delays inherent in development work, not least the identification and use of suitable sites, procurement of professional services and necessary authorisations. There can also be unforeseen issues with land conditions or rights of way and delays associated with procurement, including challenges from unsuccessful contractors, insufficient bidders or developers changing their business plans. Grant applications and meeting grant conditions necessary to obtain financial assistance with remediation of land, whilst beneficial are also time consuming and can lead to delays. Staffing has been increased in the housing development team to meet Service Level Agreement requirements with WV Living and a further increase is under consideration to assist with bringing more

sites forward for development. Close monitoring will be undertaken and regular reports provided on progress.

- 4.7 All the above issues are reflected in the five year HRA capital programme in Appendix A4. The programme will be monitored quarterly and reviewed annually to ensure a balanced budget.

5.0 Housing and Planning Act 2016

- 5.1 The Housing and Planning Act 2016 will have a significant impact upon the HRA business plan. The government announced that it would not introduce the high value asset levy and the requirement to sell so called higher value housing until after April 2018. The levy is designed to pay for the right to buy of housing association homes. In February 2017, the Communities Secretary announced that a pilot scheme was underway after which the government would decide how exactly to take the issue forward. Although it is understood that the pilot has yet to conclude, it is thought that the government may begin consultations shortly on the regulations necessary to bring the levy into effect.
- 5.2 The Act also requires local authorities to introduce flexible tenancies. Flexible tenancies are fixed term tenancies lasting from two to ten years. The Council was given the power to utilise flexible tenancies in the Localism Act 2011 but its Tenancy Strategy approved by Cabinet on 12 January 2013 chose not to do so. It had been thought that all new tenancies starting after 1 April 2017 would be required to be for a fixed term but as yet DCLG has still not issued the Regulations.

6.0 Risk analysis

- 6.1 A risk matrix is attached at Appendix E. The risk register has been updated to reflect the economic and legislative setting in which it operates. A major risk is now that there will not be additional resources provided to retro fit sprinklers in high-rise blocks, thus significantly reducing the number of new council homes that can be built. There remains risk around the sale of higher cost homes. These issues will be kept under close review.

7.0 Financial implications

- 7.1 The four year 1% reduction to dwelling rents has been determined by central government and this was built into the business plan model during the 2016-2017 rent setting process. Increases to non-dwelling rents and service charges are set out in appendix B. Service charges have only increased where necessary to achieve full cost recovery.
- 7.2 The Business plan model has been reviewed, assumptions updated and additional spending on retrofitting sprinklers in high-rise flats has been included, together with the aim of maximising new build. The HRA is expected to have sufficient resources to fund £1.4 billion of capital works that will be required to

its properties over the next 30 years, as well as meeting its management and maintenance obligations in the same period. Inflation forecasts have been updated in line with the latest figures from the Office for Budget Responsibility. Due to the possible forthcoming period of economic uncertainty it will be necessary to closely monitor the data underpinning assumptions in the model and forecast the effect of any changes.

- 7.3 The 5-year capital programme is reviewed quarterly with the latest version to include the high rise sprinkler programme and increased resources for new build, as shown in Appendix A4.
- 7.4 As part of the self-financing arrangements introduced from April 2012 there is a cap placed on the level of debt that can be incurred in the HRA. The maximum amount for Wolverhampton is £356.8 million. Appendix A2 graphically presents the forecast debt curve based upon the capital expenditure, including new build, included within the business plan. This shows a commitment to maximise available borrowing. The maximum anticipated debt over the life of the business plan is forecast to be £352.5 million with debt levels reaching £348.9 million by 2021-2022. This now provides minimum headroom for realisation of some of the risks to the business plan as set out in Appendix E and requires close monitoring.
- 7.5 There remains uncertainty around the ongoing impact on the HRA of the Housing and Planning Act. In particular there could be a significant annual payment required to cover the potential sale income from high cost voids. There is no information currently available as to the basis of calculation of the one off payment or what sum might be required to be paid. This could have a significant impact on the business plan, dependant on the value of payment, and a further update will be provided once final information is available.
[JM/05012018/Z]

8.0 Legal implications

- 8.1 Statutory requirements as to the keeping of a Housing Revenue Account (HRA) are contained in the Local Government and Housing Act 1989 ('the 1989 Act'). The 1989 Act include a duty, under Section 76 of the 1989 Act, to budget to prevent a debit balance on the HRA and to implement and review the budget.
- 8.2 Under Section 24 of the Housing Act 1985, local housing authorities have the power to "*make such reasonable charges as they may determine for the tenancy or occupation of their houses*". Section 24 also requires local authorities, from time to time, to review rents and make such changes as circumstances may require. This provision conferring discretion as to rents and charges made to occupiers, is now subject to further restrictions arising from the provisions of the Welfare Reform and Work Act 2016.
- 8.3 Rent and other charges are excluded from the statutory definition of matters of housing management in respect of which local authorities are required to

consult their tenants pursuant to Section 105 of the Housing Act 1985 and Sections 137 and 143A of the Housing Act 1996 in relation to secure, introductory and demoted tenants respectively.

- 8.4 The Council has nevertheless undertaken to consult with tenants before seeking to change rent and other charges.
- 8.5 It is further provided by Section 103 of the Housing Act 1985 in relation to secure tenancies, (which also applies in respect of introductory tenancies) that its tenants are notified of variation of rent and other charges at least 28 days before the variation takes effect by service of a notice of variation.
[RB/05012018/Z]

9.0 Equalities implications

- 9.1 Notwithstanding the legal requirement to reduce rents for the third year running, there is a difficult balance to be struck in deciding the levels at which rents and services charges are set and the income required to maintain and to improve services and properties. This is based upon a thirty-year forecast which sets out indicative levels of future rental income and forecast changes to expenditure levels. The Council has always operated a very open and consultative approach to service and rent reviews. Events, newsletters and social media have been utilised to engage with tenants.
- 9.2 An Equality Analysis has been completed and there are no implications to consider further. Details of the consultation with residents and stakeholders are attached at appendix C.

10.0 Environmental implications

- 10.1 This report has no direct environmental implications. The Investment and improvement of the city housing stock will have a significant positive impact on the overall city environment.

11.0 Human resources implications

- 11.1 There are no direct human resources implications resulting from this report

12.0 Corporate landlord implications

- 12.1 There are no direct Corporate Landlord implications resulting from this report.

13.0 Schedule of background papers

- 13.1 Welfare Reform and Work Act 2016
Housing and Planning Act 2016
The Housing Revenue Account self-financing determinations 2012

14.0 Schedule of Appendices

A	Housing Revenue Account business plan
A1	30-year business plan
A2	Forecast debt curve
A3	Medium term business plan
A4	Capital programme
B	Recommendations concerning income
B1	Non-dwelling rents
B2	Service charges and heating charges
B3	Hostel rents and charges
C	Summary of consultation responses
D	Background to the Housing Revenue Account
E	Risk analysis

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30-year business plan 2018/19 to 2047/48

REVENUE ACCOUNT	Years	Years	Years	Years	Years	Years
	1 – 5	6-10	11 - 15	16 - 20	21 - 25	26 - 30
	£M	£000	£000	£000	£000	£000
Income						
Dwelling Rents	(463,682)	(529,463)	(596,939)	(647,406)	(700,018)	(765,219)
Other Rents	(4,121)	(4,683)	(5,269)	(5,927)	(6,670)	(7,831)
Service Charges	(32,419)	(34,729)	(36,837)	(39,214)	(41,899)	(45,265)
	(500,222)	(568,875)	(639,045)	(692,547)	(748,587)	(818,315)
Expenditure						
Management and Maintenance (net of retained surpluses)	250,834	276,247	303,947	334,149	369,611	407,795
Depreciation and provision for redemption of debt	175,547	205,250	249,487	272,641	292,482	324,348
Net Financing Costs	73,841	87,378	85,611	85,757	86,494	86,172
	500,222	568,875	639,045	692,547	748,587	818,315
Balance	-	-	-	-	-	-

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CAPITAL ACCOUNT	Years 1 – 5 £M	Years 6-10 £000	Years 11 - 15 £000	Years 16 - 20 £000	Years 21 - 25 £000	Years 26 - 30 £000
<u>Expenditure</u>						
Capital Expenditure	294,787	215,712	255,978	289,883	316,862	328,937
<u>Financing</u>						
Major Repairs Reserve	(109,689)	(108,168)	(106,571)	(104,893)	(103,054)	(102,401)
Grants, Contributions and Receipts	(29,591)	(15,827)	(14,930)	(14,930)	(14,930)	(14,930)
Borrowing	(155,507)	(91,717)	(134,477)	(170,060)	(198,878)	(211,606)
	(294,787)	(215,712)	(255,978)	(289,883)	(316,862)	(328,937)
Balance	-	-	-	-	-	-

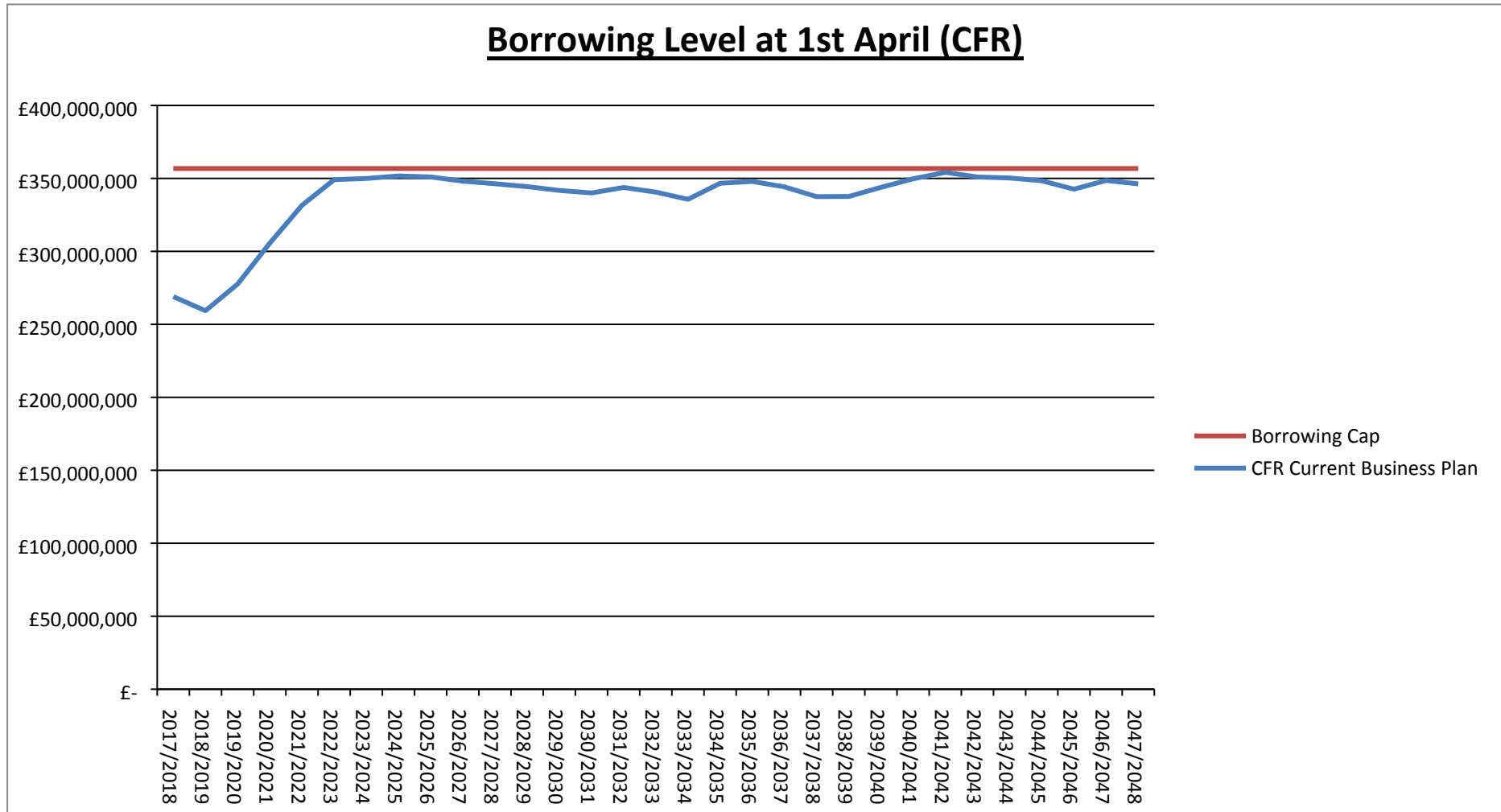
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CAPITAL FINANCING REQUIREMENT	Years 1 – 5 £M	Years 6-10 £000	Years 11 - 15 £000	Years 16 - 20 £000	Years 21 - 25 £000	Years 26 - 30 £000
Opening Capital Financing Requirement	261,054	350,702	345,338	336,899	339,211	348,662
Capital Expenditure Financed by Borrowing	155,507	91,717	134,477	170,060	198,878	211,606
Provision for Redemption of Debt	(65,859)	(97,081)	(142,916)	(167,748)	(189,427)	(221,947)
Net Movement in Capital Financing Requirement	350,702	345,338	336,899	339,211	348,662	338,321
Closing Capital Financing Requirement	350,702	345,338	336,899	339,211	348,662	338,321
Borrowing Cap	356,770	356,770	356,770	356,770	356,770	356,770
Borrowing Headroom	6,068	11,432	19,871	17,559	8,108	18,449

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Forecast capital expenditure and borrowing curve 2017-2018 to 2047-2048 after implementing recommendations of this report



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Medium term business plan

REVENUE ACCOUNT	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	Estimate £000	Budget £000	Forecast £000	Forecast £000	Forecast £000
Income					
Dwelling Rents	(90,984)	(89,690)	(90,679)	(91,698)	(94,486)
Other Rents	(877)	(797)	(797)	(819)	(842)
Service Charges	(5,524)	(5,965)	(6,601)	(6,546)	(6,617)
	(97,385)	(96,452)	(98,077)	(99,063)	(101,945)
Expenditure					
Wolverhampton Homes	38,279	39,286	39,286	40,072	40,874
Bushbury Hill EMB	1,261	1,261	1,261	1,286	1,312
New Park Village TMO	375	375	375	383	390
Springfield Horseshoe TMO	353	353	353	360	367
Dovecotes TMO	1,091	1,091	1,091	1,113	1,135
Housing Support	295	112	112	113	114
Pension contributions	2,384	2,455	2,517	2,572	2,624
SLA/Recharges	1,173	1,632	1,658	1,684	1,716
Depreciation	22,113	22,056	21,997	21,939	21,879
Net Financing Costs	10,602	10,394	13,935	15,341	16,765
Provision for Bad debts	2,250	2,250	2,250	2,500	2,500
	80,176	81,266	84,835	87,363	89,676
Surplus/deficit for the year	(17,209)	(15,186)	(13,241)	(11,700)	(12,270)
Provision for the redemption of debt	17,209	15,186	13,241	11,700	12,270
Balance	-	-	-	-	-

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CAPITAL ACCOUNT	2017-2018 Estimate £000	2018-2019 Budget £000	2019-2020 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000
<u>Expenditure</u>					
Capital Expenditure	39,201	64,390	69,390	67,650	51,910
	39,201	64,390	69,390	67,650	51,910
<u>Financing</u>					
Major Repairs Reserve	(22,259)	(22,056)	(21,997)	(21,939)	(21,879)
Grants, Contributions and Receipts	(7,648)	(8,747)	(6,062)	(5,525)	(4,928)
Borrowing	(9,294)	(33,587)	(41,331)	(40,186)	(25,103)
	(39,201)	(64,390)	(69,390)	(67,650)	(51,910)
Balance	-	-	-	-	-

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CAPITAL FINANCING REQUIREMENT	2017-2018 Estimate £000	2018-2019 Budget £000	2029-2020 Forecast £000	2020-2021 Forecast £000	2021-2022 Forecast £000
Opening Capital Financing Requirement	268,969	261,054	279,455	307,545	336,031
Capital Expenditure Financed by Borrowing	9,294	33,587	41,331	40,186	25,084
Provision for Redemption of Debt	(17,209)	(15,186)	(13,241)	(11,700)	(12,270)
Net Movement in Capital Financing Requirement	(7,915)	18,401	28,090	28,486	12,814
Closing Capital Financing Requirement	261,054	279,455	307,545	336,031	348,845
Borrowing Cap	356,770	356,770	356,770	356,770	356,770
Borrowing Headroom	95,716	77,315	49,225	20,739	7,925

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Capital Programme

	Forecast 2018-2019 £000	Forecast 2019-2020 £000	Forecast 2020-2021 £000	Forecast 2021-2022 £000	Forecast 2022-2023 £000	Total £000
<u>New Build Programme</u>						
Tap Works site	4,150	-	-	-	-	4,150
Care and Support Specialised Housing 1	20	-	-	-	-	20
Tower and Fort Works	2,330	-	-	-	-	2,330
Small Sites 3	3,000	-	-	-	-	3,000
Small Sites 4	-	4,000	-	-	-	4,000
Burton Crescent	2,590	2,590	-	-	-	5,180
Heath Town Phase 1	2,640	-	-	-	-	2,640
Heath Town Phase 3	-	7,440	2,520	-	-	9,960
WVL units - Danesmore	1,630	-	-	-	-	1,630
WVL units - Ettingshall and Sweetbriar Road	1,110	-	-	-	-	1,100
WVL units - Prouds Lane	940	-	-	-	-	940
WVL units - Wednesfield	3,510	3,510	3,510	-	-	10,530
WVL units - Former Residential Care Home sites	-	2,750	-	-	-	2,750
St Luke's School	-	2,860	-	-	-	2,860
Northicote	-	-	6,480	-	-	6,480
HRA Medium Sites	500	3,000	1,300	-	-	4,800
Reedham Gardens	1,000	-	-	-	-	1,000
Parkfields	-	-	2,080	-	-	2,080
New Build Programme	-	-	8,770	12,240	7,000	28,010
New Build Programme Total	23,410	26,150	24,660	12,240	7,000	93,460
<u>Estate Remodelling</u>						
Heath Town Total	2,100	-	-	-	-	2,100
<u>Adaptations for People with Disabilities</u>						
Disabled Adaptations Total	1,000	1,000	1,000	1,000	1,000	5,000
<u>Decent Homes Stock Condition</u>						
Refurbishment of Voids	2,380	2,380	2,400	2,400	2,400	11,960
External Improvement Programme	1,350	1,350	1,350	-	-	4,050
Boiler Replacement Programme	670	670	670	680	680	3,370
Internal Decency Works	1,850	2,120	2,670	3,000	3,000	12,640
Heath Town - Refurb of Retained Properties	9,580	11,080	11,260	11,000	-	42,920
New Park Village maisonettes	4,650	5,000	1,170	-	-	10,820
High Rise M&E	4,590	3,510	3,650	4,240	-	15,990

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	Forecast 2018-2019 £000	Forecast 2019-2020 £000	Forecast 2020-2021 £000	Forecast 2021-2022 £000	Forecast 2022-2023 £000	Total £000
Sustainable Estates Programme	1,270	1,590	2,140	2,600	-	7,600
Non Trad Surveys	350	100	110	-	-	560
High Rise Sprinkler Programme	500	3,510	3,990	3,560	7,640	19,200
High Rise External Works	-	-	1,640	1,640	-	3,280
Decent Homes Stock Condition Total	27,190	31,310	31,050	29,120	13,720	132,390
<u>Other Stock Condition Improvements</u>						
Structural Works	980	980	990	990	1,000	4,940
Lift and Disability Discrimination Act Improvements - High Rise	670	670	670	680	680	3,370
Fire Safety Improvements - High Rise	2,140	2,380	2,380	980	1,000	8,880
Roofing Refurbishment Programme	4,800	4,800	4,800	4,800	4,800	24,000
Door Entry Security Programme	370	370	370	370	370	1,850
Other Stock Condition Improvements Total	8,960	9,200	9,210	7,820	7,850	43,040
<u>Other Improvements to the Public Realm</u>						
Pathway Improvement and Safety Programme Total	200	200	200	200	200	1,000
<u>Service Enhancements and Miscellaneous</u>						
Right to Buy Sale Admin	30	30	30	30	30	150
Wolverhampton Homes Capitalised Salaries	1,200	1,200	1,200	1,200	1,200	6,000
City Council Capitalised Salaries	300	300	300	300	300	1,500
Contingency	-	-	-	-	6,000	6,000
Service Enhancements and Miscellaneous Total	1,530	1,530	1,530	1,530	7,530	13,650
GRAND TOTAL	64,390	69,390	67,650	51,910	37,300	290,640

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Non-dwelling rents

Garage rents

1. The table below sets out recommended garage rents to take effect from 2 April 2018. It is recommended that there is no increase in the basic rent (before VAT).
2. Under VAT rules, garages that are let along with a dwelling do not attract VAT, whereas those that are let separately do. Furthermore, exemption from VAT only extends as far as two garages per tenant/leaseholder. Therefore, there are three different levels of garage rents

	Rent per week 2017-18 (excl VAT)	% increase 2018-19	Rent per week 2018-19 (50 weeks excl VAT)	Rent per week 2018-19 (52 weeks excl VAT)	Rent per week 2018-19 (incl VAT)
Dwelling tenants and leaseholders (No VAT)	£4.59	No change	£4.59	£4.41	
Dwelling tenants and leaseholders – three or more garages (VAT)	£4.59	No change	£4.59	£4.41	£5.30
Privately let garages	£6.58	No change	£6.58	£6.33	£7.59

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Service charges

Service Charge	Services funded	Rationale for charge	Charge paid per week 2017-2018	Proposed change	Charge paid per week 2018-2019 (50 weeks)	Charge paid per week 2018-2019 (52 weeks)
Communal Facilities	Communal facilities in former sheltered schemes	Cost of service is fully covered by current charge	£3.00	No change	£3.00	£2.88
Concierge mandatory only	Essential caretaking duties	Cost of service is fully covered by current charge	£5.57	No change	£5.57	£5.36
Concierge mandatory plus remote CCTV and door entry	Essential caretaking duties and remote CCTV and door entry	Cost of service is fully recovered by current charge	£9.81	No change	£9.81	£9.43
Communal cleaning	Cleaning services in communal areas in certain properties	Cost of service is fully covered by current charge	£3.24	No change	£3.24	£3.12
Digital TV	Installation and maintenance of the wiring required to convey digital TV signals to certain high rise blocks	Cost of service is fully covered by current charge	£0.64	No change	£0.64	£0.62
Fencing	Replacement of boundary fencing delivered by Wolverhampton Homes. All funds raised by this charge are ring-fenced to replacement fencing	Sufficient income raised to fund fencing programme	£2.00	No change	£2.00	£1.92

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Service Charges – Heating

Service Charge	Services funded	Rationale for charge	Charge paid per week 2017-18	Proposed change	Charge paid per week 2018-19 (50 weeks)	Charge paid per week 2018-19 (52 weeks)
District Heating maintenance	Maintenance of boilers and district heating at Heath Town	Cost of service fully covered by current charge	£4.50	No change	£4.50	£4.33
District Heating maintenance	Maintenance of boilers and district heating at Hickman Estate	Cost of service fully covered by current charge	£4.50	No change	£4.50	£4.33
District Heating Usage (Heath Town)	Provision of heating and hot water at Heath Town Estate	Cost of full recovery of fuel costs based upon current metered usage	5.8p per kw/h	No change	5.8p per kw/h	N/A
District Heating Usage (Lincoln and Tremont)	Provision of heating and hot water at Lincoln House, Tremont House and Wednesfield Road, Heath Town	Cost of full recovery of fuel costs based upon current metered usage	4.9p per kw/h	No change	4.9p per kw/h	N/A
District Heating Usage (Hickman Estate)	Provision of heating and hot water at Wodensfield and William Bentley Courts	Cost of full recovery of fuel costs based upon current metered usage	8.4p per kw/h	No change	8.4p per kw/h	N/A
Central Heating – Gas	Servicing, maintenance and replacement of gas central heating systems	Current charge increasing until recovers 100% of costs. Raise by 50p per week each year until 2019-2020	£3.00	£0.50 per week increase	£3.50	£3.37
Central Heating - Electric	Servicing, maintenance and replacement of electric heating	Charge reducing to reflect actual costs of service	£1.00	No change	£1.00	£0.96

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Hostels and temporary accommodation rents and charges

1. Charges for temporary accommodation at Ellerton Walk, Lathe Court and Heath Town have been reviewed as part of transferring the management responsibility to Wolverhampton Homes.

Charge	2017-2018 £ per week	2018-2019 £ per week
Gross Rent (average)	£126.59	£161.42
Charges:		
- Management and support	£53.32	£51.78
- Furniture replacement (average)	-	£29.45

2. Charges for the White House hostel are unchanged.

Charge	2017/18 White House £pw	2018/19 White House £pw
Gross Rent	£206.97	£206.97
Charges:		
- Support/Care	£58.09	£58.09
- Heating, lighting, water	£18.97	£18.97

REPORT OF CONSULTATION ON RENTS AND SERVICE CHARGES FOR 2018-2019

As part of Council's commitment to involving tenants and other service users in the management of housing services, Wolverhampton Homes was asked to lead on undertaking formal consultation with tenants and leaseholders for 2018-2019. This year it was decided to undertake the consultation earlier than usual. Following discussion with TMO/EMB leaders, their tenants were invited to join WH's tenant Get Togethers. There was also a separate discussion with the Wolverhampton Federation of Tenants' and Residents' Association (WFTRA).

During the consultation, tenants and leaseholder chair were reminded that, when making decisions about future rent strategy, the Council needs to ensure that it accurately forecasts the cost of managing and maintaining its' council housing stock, including maintaining decent homes, deliver any necessary capital repairs or improvements, undertake major estate renewal schemes for Heath Town and Ellerton Walk, as well as achieving the maximum number of new Council homes. This year in particular, fire safety compliance and the need to bring forward fire safety measures on Heath Town and other estates, featured more prominently.

The consultation by way of presentation took account of:

- Demonstrable transparency on cost and value for money.
- Options and choice for tenants and leaseholders where appropriate
- Future affordability particularly with the onset of welfare reform
- Tenants' ability to pay their rent over a longer term
- Clarity on how tenant and leaseholder views are taken into account
- In addition, tenants were reminded that decisions would be made by the Council.

For leaseholders see note below in general comments:

Bilston 'Get Together' (South)

This consultation took place on 5 October 2017. The government rent freeze policy was explained and there was a discussion about garage rent levels. The potential impact of the current 50-week payment arrangements on those tenants transferring to Universal Credit was considered. The consultation was streamed on Facebook to approximately 1400 viewers, some of whom made general comments regarding fencing and off-street parking.

Outcomes

Whilst only three tenants at the meeting rented garages, they commented that a rise of 2.7% fell short of being inclusive to other service users (what does this mean); on balance, however,

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they were in favour of the increase. Tenants voted in favour of a move to a 52-week rent year: 37 were in favour, and one was against. The proposed central heating service charge increase of 50p per week received no objections.

Wednesfield ‘Get Together’ (North)

The consultation took place on 11 October 2017, with a similar format but the meeting was not streamed live on Facebook due it previously being more widely publicised across the city.

Outcomes

Again, only three tenants at the meeting rented garages. Whilst being in favour of a 2.7% rise, it was felt that this fell short of being representative to other garage service users. Tenants voted in favour of a move to a 52-week rent year by 13 votes to nil, with one abstention. The proposals for a central heating service charge increase of 50p per week received no objections.

WFTRA

The consultation took place on 17 October 2017 by way of presentation.

Outcomes

Only three tenants at the meeting rented garages but the Federation was not in favour of a rise. Tenants voted in favour of a move to a 52-week rent year by 21 votes to nil. Central heating service charge proposed increase of 50p per week received no objections.

General comments and feedback

The meetings were well attended and tenants generally felt pleased that there were no proposals to increase service charges other than the central heating charge. They recognised that there are going to be some challenges ahead and welcomed support that Wolverhampton Homes and the Council were providing. The proposal to move to a 52-week rent year was well-received.

The small number of people who rent garages felt that improvements were necessary, but the meeting was not representative enough to form an opinion. Wolverhampton Homes will consider this prior to next year’s rent consultation.

Following a discussion with the Chair of the Leaseholder Forum, it was decided that a formal presentation was not required, as they had already received several presentations on the capital programme. The Chair requested a retrospective presentation be presented to the December meeting.

There was broad support from all tenants and leaseholder chair consulted for new build and overwhelming support to bring forward future years spend to support fire safety compliance.

The Housing Revenue Account

1. Local authorities are required by the Local Government and Housing Act (1989) to maintain a ring-fenced revenue account containing expenditure and income relating to their housing landlord service. This is known as the Housing Revenue Account (HRA).
2. Statute governs what may be charged and credited to the HRA, the underlying principle being that housing rents and service charges should only pay for the housing landlord service. In particular, it prevents cross subsidy of those income streams and others that the council receives, for example council tax. The main items which are shown in the HRA are:
 - Income from rents and lettings from dwellings and non-dwellings
 - Costs associated with managing and maintaining the rental stock (but not improving it or the Decent Homes programme, which are capital budget items)
 - Costs and income associated with providing landlord services to tenants such as heating and concierge services
 - The net costs of providing Housing Support services including those to Homeless Families and Carelink as well as HRA feasibility work.
3. Authorities have a duty to prepare and make available to rent payers an annual budget for the HRA in advance of the year in question. The budget must identify how all planned expenditure is to be funded. This may include the use of retained surpluses from previous years, but the HRA must never go into an overall deficit.
4. In accordance with the council's financial procedure rules, the budget, rents and service charges must be approved by full council, which receives recommendations from the Cabinet.

Administration of the HRA at Wolverhampton:

5. The Strategic Director of Housing has responsibility for the overall HRA budget, and administration
 - The council's Housing function, which manages central costs and recharges with the General Fund in conjunction with strategic Finance, as well as undertaking housing development, housing strategy and services for rough sleepers and other specialist support.
 - Wolverhampton Homes and the Tenant Management Organisations who manage the rent collection, day to day maintenance and in the case of Wolverhampton Homes, the programme for maintaining properties at decent homes standard, and more recently, the homeless service.

HRA Subsidy and Self-financing

6. Until April 2012, one of the key factors in the budget preparation process was the Government's annual HRA subsidy determination. HRA subsidy was a housing

Appendix D

This report is PUBLIC –
[NOT PROTECTIVELY MARKED]

resource redistribution system administered by the Department for Communities and Local Government. Authorities either paid into or received money from a national pool, based on a formula that assessed their assumed need to spend and assumed income.

7. HRA subsidy was complex and difficult to predict, but had significant impacts on the funds available to an authority's HRA, which made it central to the budget process.
8. With effect from 1 April 2012, HRA subsidy was abolished. Instead of annual determinations, authorities paid or received a one-off settlement at the end of March 2012. This settlement was calculated as the net present value of forecast subsidy payments or receipts over the next 30 years. The final HRA subsidy payment was made in 2012/13.
9. As part of the self-financing process the government imposed a debt cap on the HRA, this being the higher of the Subsidy Capital Financing Requirement and the self-financing valuation. For Wolverhampton this means a debt cap of £356,770,000 which cannot be breached without approval from central government.

Service Charges

10. Service charges are intended to pay for the receipt of services over and above the provision of a standard dwelling, and not provided to all tenants. They should meet the full cost of providing the service in question, but never exceed it.

HRA Contingency Reserve

11. The contingency reserve is set aside for emergencies and other unforeseen expenditure, and is the minimum level below which the council does not allow its reserves to fall when preparing budgets and medium-term forecasts. On 25 February 2012, the council approved the setting of the contingency reserve at 5% of gross HRA turnover (rounded to the nearest million pounds).

Appendix E

This report is PUBLIC –
[NOT PROTECTIVELY MARKED]

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (PxI)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
1	Government Legislation	There are changes to Government policy that have in year service and budget impact.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	4	5	20	R	<ul style="list-style-type: none"> Monthly monitoring at service level and quarterly monitoring to Members. Close monitoring of developing national position and reporting to Members. 	Director of Finance	Quarterly
2	Income and Funding	Right to Buy sales are higher than forecast.	Less revenue will be received over the life of the plan than has been forecast.	3	4	12	A	<ul style="list-style-type: none"> Prudent estimates of the level of Right to Buy sales are used in forecasting. Review impact of new government policies Weekly monitoring of sales 	Director of Finance	Monthly
3	Income and Funding	Inflation rates are lower than budgeted for.	Rents cannot be raised as much as has been forecast.	2	5	10	A	<ul style="list-style-type: none"> Prudent estimates of inflation rates are used in forecasting. 	Director of Finance	Monthly
4	Income and Funding	General interest rates are higher than forecast.	If interest rates are higher than forecast there will be greater interest payments.	2	5	10	A	<ul style="list-style-type: none"> Prudent estimate of interest rates are used in forecasting. The latest forecasts from the OBR are used. 	Director of Finance	Monthly
5	Income and Funding	Higher than anticipated bad debts.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	3	3	9	A	<ul style="list-style-type: none"> Robust debt collection and recovery mechanisms in place. Monthly monitoring at service level and quarterly monitoring to Members. Monitor effect of Universal Credit. 	Strategic Director of Housing	Monthly

Appendix E

This report is PUBLIC –
[NOT PROTECTIVELY MARKED]

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
6	Financial and Budget Management	Ineffective budget management.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	4	8	A	<ul style="list-style-type: none"> Monthly monitoring at service level and quarterly monitoring to Councillors. 	Director of Finance	Monthly
7	Financial and Budget Management	The 30 year asset management plan is inaccurate.	Capital expenditure is not budgeted correctly.	2	4	8	A	<ul style="list-style-type: none"> Close interrogation of information generated from asset management systems. 	Service Director Housing	Monthly
7	Financial and Budget Management	Treasury Management Activity, including increases in the cost of borrowing (e.g. LOBO loans being called) and/or reductions in the return on investments.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	4	8	A	<ul style="list-style-type: none"> Robust Treasury Management Strategy. Established and experienced Treasury Management function. Proactive approach to the management of the council's cash flow, on a daily basis, including seeking opportunities to take advantage of borrowing opportunities when interest rates are favourable and seeking to maximise returns on investment whilst effectively managing the risk associated with those investments. External treasury management advisors who provide a proactive and timely service and advice. 	Director of Finance	Daily

Appendix E

This report is PUBLIC –
[NOT PROTECTIVELY MARKED]

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
9	Financial and Budget Management	Loss of ICT facilities, e.g. due to failure of systems and/or disaster recovery arrangements or key personnel	Lack of robust financial information on which to monitor budgets, leading to in-year budget deficit requiring savings to be identified or the use of Housing Revenue Account balances	2	4	8	A	<ul style="list-style-type: none"> ICT disaster recovery project and arrangements. 	Head of ICT	Monthly
	Financial and Budget Management	The HRA borrowing cap preventing the council from carrying out essential capital works.	Inability to borrow to fund capital projects results in delays or cancellations.	2	3	6	A	<ul style="list-style-type: none"> Close monitoring of capital spend requirements and borrowing limits. 	Director of Finance	Monthly
11	Income and Funding	Reduction to other income.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	3	6	A	<ul style="list-style-type: none"> As part of the 2018-2019 budget process income budgets were reviewed and revised accordingly. Monthly monitoring at service level and quarterly monitoring to Members. 	Director of Finance	Monthly
12	Income and Funding	Stock Transfer without corresponding debt write off	Attributable debt remains without stock which provides income to repay this debt.	1	3	3	G	<ul style="list-style-type: none"> The Council continues to monitor the progress of the transfer application 	Service Director Housing	Monthly

Appendix E

This report is PUBLIC –
[NOT PROTECTIVELY MARKED]

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
13	Third Parties	Third parties and suppliers / contractors cease to trade or withdraw from the market.	Short term expensive solutions may be necessary. Requirements to undertake tender exercise. Increased ongoing cost due to reduced competition. Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	4	4	HA	<ul style="list-style-type: none"> Departments using external service suppliers work closely with them and are kept abreast of their service and business situation. At worst this gives the council notice of emerging problems. Monthly monitoring at service level and quarterly monitoring to Members. Strategic Construction Partnership uses two different contractors. 	Budget Holders	Monthly
14	Income and Funding	Lower than anticipated levels of capital funding through receipts and grants.	Capital schemes are cancelled or delayed or have to be funded from revenue budgets and/or prudential borrowing resulting in an over spend against budget requiring either in year savings or use of housing revenue account balance.	2	2	4	A	<ul style="list-style-type: none"> The capital programme is actively and closely managed and when so doing expenditure and income streams are continuously monitored. Quarterly monitoring to Members. 	Director of Finance	Monthly

Appendix E

This report is PUBLIC –
[NOT PROTECTIVELY MARKED]

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (Pxl)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
15	Financial and Budget Management	Non pay inflation increase insufficient.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	2	2	G	<ul style="list-style-type: none"> Monthly monitoring at service level and quarterly monitoring to Members. 	Director of Finance	Monthly
16	Service Demands	Increased demand for services including the impact of social and demographic pressures on demand for services.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	2	2	G	<ul style="list-style-type: none"> As part of the 2018-2019 budget process budgets were reviewed and revised accordingly taking account of known and anticipated increases in demand. Monthly monitoring at service level and quarterly monitoring to Members. 	Budget Holders	Monthly
17	Financial and Budget Management	Pay award greater than budgeted.	Overspend against budget requiring either in year savings or use of Housing Revenue Account balance.	1	1	1	G	<ul style="list-style-type: none"> Monthly monitoring at service level and quarterly monitoring to Members. 	Director of Finance	Monthly

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Cabinet (Resources) Panel
16 January 2018

Report title	2018-2019 Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020 - Provisional Local Government Finance Settlement Update	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson, Resources	
Corporate Plan priority	Confident Capable Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	(All Wards);	
Accountable Director	Keith Ireland, Managing Director	
Originating service	Strategic Finance	
Accountable employee	Claire Nye	Director of Finance
	Tel	Tel: 01902 550478
	Email	Claire.nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	3 January 2018

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the extension of use of the capital receipts flexibilities to fund transformation work to 2019-2020.
2. Delegate authority to the Cabinet Member for Resources, in consultation with the Director for Finance to respond to the consultation on the Fair Funding Review.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. The outcome of the 2018-2019 provisional local government finance settlement.
2. The final budget report to Cabinet 21 February 2018 will reflect the outcome of the settlement, budget consultation, scrutiny work and detailed budget work for 2018-2019, including a review of all savings and the risks associated with their delivery.

1.0 Purpose

- 1.1 The purpose of this report is to provide Cabinet (Resources) Panel with an overview of the 2018-2019 provisional local government finance settlement, which the Government announced on 19 December 2017.

2.0 Background

- 2.1 In 2016-2017 the Government announced a four-year settlement offer. The City of Wolverhampton Council was among 97% of local authorities who took up the offer. The Provisional Settlement confirms years three to four of the four-year settlement and also provides an update on other funding streams and future proposed changes to the local government funding regime.

3.0 Council Tax Referendum Limit

- 3.1 The Government announced that there is a change to the referendum limit on council tax increases in 2018-2019 and 2019-2020 from 2% to 3%. The Medium Term Financial Strategy (MTFS) assumes an increase of 2% in both 2018-2019 and 2019-2020. There are no plans to utilise the additional limit, subject to confirmation of Full Council on 7 March 2018.

4.0 Fair funding review

- 4.1 The funding baselines for local authorities are based on an assessment of needs and resources. The current methodology was last updated in 2013-2014. Last year, the Government announced the intention to review the methodology and over the past year, the Department for Communities and Local Government (DCLG) has worked with local authorities and their representatives on the design of the review, including through a joint Local Government Association (LGA) and DCLG chaired technical working group.
- 4.2 As part of the provisional settlement, the Government have announced a consultation on the fair Funding Review to be implemented in 2020-2021. The consultation will last for 12 weeks to 12 March 2018 and focusses on the potential approaches identified to measure the relative needs of local authorities. It is proposed that authority is delegated to the Cabinet Member for Resources in consultation with the Director of Finance to agree a response to the consultation.

5.0 New Homes Bonus

- 5.1 In 2016-2017 the Government announced that New Homes Bonus payments would be reduced from six years to five in 2017-2018 (including prior years) and to four years from 2018-2019. This has been confirmed by the provisional settlement.

- 5.2 During 2017-2018, the Government have consulted on potential changes to the calculation of New Homes Bonus to link the allocation of grant to the number of successful planning appeals and to increase the baseline. The provisional settlement confirms that there are no proposals to change the scheme at this stage and that the 0.4% base line announced in 2017-2018 will remain.
- 5.3 The provisional figures, as detailed in the table below, will be reflected in the Final Budget Report to Cabinet on 21 February 2018. It should be noted that for 2019-2020 onwards, allocations are indicative and may be subject to any further changes to the scheme.

Table 1 – New Homes Bonus Provisional Allocation

	2018-2019	2019-2020	2020-2021
	£000	£000	£000
Year 5	876	-	
Year 6	754	754	-
Year 7	758	758	758
Year 8	303	303	303
Total	2,691	1,815	1,061

6.0 Business Rates Pilots and national scheme for business rates retention

- 6.1 The provisional settlement confirmed that existing 100% rate retention pilots will continue into 2019-2020. Further new pilots were announced in the provisional settlement and it is anticipated that the pilot programme will be further extended in 2019-2020.
- 6.2 It was announced that there is an aim to move to 75% business rate retention for all local authorities by 2020-2021. This will be achieved by incorporating existing grants including RSG and Public Health Grant. As with the pilot schemes, local authorities will be able to keep 75% share of the growth. The redistribution of business rates from 2020-2021 will reflect the outcome of the new needs assessment discussed above.
- 6.3 A separate report on this agenda considers the forecast net business rate yield for the Council.

7.0 Capital receipts flexibilities

- 7.1 In 2016-2017 the Government allowed councils to use new capital receipts from April 2016 to March 2019 to pay for transformation work that is designed to make revenue savings. The provisional settlement announced the continuation of this flexibility for a further three years.

7.2 It is recommended that the capital receipts flexibilities are utilised beyond 2018-2019 to enable further transformation of services to deliver efficiencies. The use of receipts for this purpose will need to be balanced with capital programme investment requirements.

8.0 Evaluation of alternative options

8.1 This report provides Cabinet (Resources) Panel with the outcome of the 2018-2019 provisional local government finance settlement, to consider the impact on the City of Wolverhampton Council and medium term planning.

9.0 Reasons for decisions

9.1 Cabinet (Resources) Panel are recommended to approve the extension of the use of capital receipts flexibilities to fund transformation work to 2019-2020. As a result of this, the Council will be able to capitalise revenue transformational costs up to the value of capital receipts available in 2019-2020.

9.2 Cabinet (Resources) Panel are therefore recommended to approve the delegation of authority to the Cabinet member for Resources, in consultation with the Director of Finance, to respond to the Fair Funding Review consultation. It is important that the Council takes opportunities to influence the shaping of local government funding where possible.

10.0 Financial implications

10.1 The financial implications are discussed within the body of the report and will be reflected fully in the Budget Report to Cabinet on 21 February 2018.
[CN/29122018/P]

11.0 Legal implications

11.1 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 savings proposals.

11.2 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.

11.3 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.

- 11.4 The relevant guidance concerning reserves is Local Authority Accounting Panel Bulletin 77, issued by the Chartered Institute of Public Finance and Accountancy (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).
- 11.5 In addition, Section 114 of the Local Government Finance Act 1988 requires the Chief Financial Officer to '...make a report ... if it appears to her 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.
- 11.6 The Chief Financial Officer of a relevant Authority shall make a report under this section if it appears to her 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.
- 11.7 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirement for 2018-2019.
[TS/02012018/Q]

12.0 Equalities implications

12.1 There are no equalities implications as a result of this report.

13.0 Environmental implications

13.1 There are no environmental implications as a result of this report.

14.0 Human resources implications

14.1 There are no human resources implications as a result of this report.

15.0 Corporate landlord implications

15.1 There are no corporate landlord implications as a result of this report.

16.0 Schedule of background papers

16.1 Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020, report to Cabinet, 18 October 2017.

Draft Budget and Medium Term Financial Strategy 2018-2019 - 2019-2020, report to Cabinet, 19 July 2017.

2017-2018 Budget and Medium Term Financial Strategy 2017-2018 – 2019-2020, report to Full Council, 1 March 2017.

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 16 January 2018
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Report title	Scrutiny Board Comments – Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Corporate Plan priority	Confident Capable Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable Director	Keith Ireland, Managing Director	
Originating service	Strategic Finance	
Accountable employee	Claire Nye	Director of Finance
	Tel	01902 550478
	Email	Claire.Nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	3 October 2017
	Children, Young People and Families Scrutiny Panel	1 November 2017
	Adults and Safer City Scrutiny Panel	7 November 2017
	Health Scrutiny Panel	16 November 2017
	Stronger City Economy Scrutiny Panel	21 November 2017
	Confident, Capable Council Scrutiny Panel	22 November 2017
	Vibrant and Sustainable City Scrutiny Panel	23 November 2017
	Scrutiny Board	5 December 2017

Recommendations for action:

The Cabinet (Resources) Panel is recommended to consider the comments from the Scrutiny Board in relation to the Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020.

1.0 Purpose

- 1.1 The purpose of this report is to provide Cabinet (Resources) Panel with Scrutiny Board's feedback on the Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020 following its meeting on 5 December 2017.

2.0 Background and Summary

- 2.1 In March 2017, Full Council approved that work started immediately to identify £14.8 million of budget reductions and income generation proposals to address the projected deficit in 2018-2019.
- 2.2 An update was presented to Cabinet on 19 July 2017. The Council had identified a total of £12.5 million budget reduction opportunities towards the strategy of identifying £14.8 million for 2018-2019. Of the £12.5 million budget reductions proposals identified for 2018-2019, £5 million are ongoing budget reductions whilst £7.5 million are one-off budget reductions. The projected budget deficit was reported as £2.3 million for 2018-19.
- 2.3 Over the summer period, detailed work continued to take place and a further update was provided to Cabinet on 18 October 2017. At this meeting, all £12.5 million of budget reduction opportunities presented to Cabinet in July 2017 were classified as Financial Transaction and Base Budget Revisions; proposals which could be implemented without reliance on the outcome of formal budget consultation.
- 2.4 Furthermore at this meeting, Cabinet approval was sought to reprofile the previously approved Waste and Recycling budget reduction targets totalling a cumulative £2.1 million to 2019-2020, to reflect the anticipated implementation date. As a result of this, the remaining budget deficit to be identified for 2018-2019 increased from £2.3 million to £4.4 million. However, Cabinet approval was also sought to implement a further three Financial Transaction proposals in 2018-2019 totalling £4.4 million, which it is projected will enable the Council to set a balanced budget for 2018-2019.
- 2.5 During November 2017, each Scrutiny Panel was asked to: scrutinise the Draft Budget 2018-2019, the approach to Budget Consultation and to provide any other relevant comments. Each Panel's comments were then reviewed by the Council's Scrutiny Board on 5 December 2017 for subsequent feedback to Cabinet (Resources) Panel. The purpose of this report is to consider that feedback.

3.0 Draft Budget 2018-2019

- 3.1 An extract from the minutes of the Scrutiny Board meeting on 5 December 2017, detailing the resolutions arising from its consideration of individual Scrutiny Panel comments on the Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020, is shown at Appendix A.
- 3.2 The reports to Scrutiny Board and individual Scrutiny Panels are listed at section 12.0 below.

4.0 Evaluation of alternative options:

- 4.1 This report provides Cabinet (Resources) Panel with comments from the 2018-2019 Budget Scrutiny process.
- 4.2 In the event that the budget strategy, as proposed in the report to Cabinet on 18 October 2017, were not to be implemented in that way following on from Scrutiny Board feedback, alternative options would be required in order to set a balanced budget.
- 5.0 Reasons for decision:**
- 5.1 Cabinet (Resources) Panel is recommended to consider the comments from Scrutiny Board in relation to the Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020 in order to make informed decisions on the final budget 2018-2019, which is due to be presented to Cabinet on 21 February 2018.
- 6.0 Financial implications**
- 6.1 The financial implications are discussed in the body of the report and in the detailed reports to Scrutiny Board and the individual Scrutiny Panels. Should the budget strategy, as proposed in the report to Cabinet on 18 October 2017, not be implemented in that way following on from Scrutiny Board feedback, alternative options would be required in order to set a balanced budget.
[MH/03012018/T]
- 7.0 Legal implications**
- 7.1 There are no direct legal implications arising from this report. Cabinet's consideration of the items presented in this report is consistent with the Financial Procedural Rules outlined in the Council's Constitution.
[TS/02012018/Y]
- 8.0 Equalities implications**
- 8.1 There are no direct equalities implications arising from this report.
- 9.0 Environmental implications**
- 9.1 There are no direct environmental implications arising from this report.
- 10.0 Human resources implications**
- 10.1 There are no direct human resources implications arising from this report.
- 11.0 Corporate landlord implications**
- 11.1 There are no direct corporate landlord implications arising from this report.
- 12.0 Schedule of background papers**

12.1 Draft Budget and Medium Term Financial Strategy 2018-2019 – 2019-2020, report to Cabinet, 18 October 2017

Draft Budget and Medium Term Financial Strategy 2018-2019 – 2019-2020, report to:

Children, Young People and Families Scrutiny Panel (link to report)	1 November 2017
Adults and Safer City Scrutiny Panel (link to report)	7 November 2017
Health Scrutiny Panel (link to report)	16 November 2017
Stronger City Economy Scrutiny Panel (link to report)	21 November 2017
Confident, Capable Council Scrutiny Panel (link to report)	22 November 2017
Vibrant and Sustainable City Scrutiny Panel (link to report)	23 November 2017
Scrutiny Board (link to report)	5 December 2017

Scrutiny Board

Draft Minutes - 5 December 2017

Attendance

Members of the Scrutiny Board

Cllr Stephen Simkins (Chair)
Cllr Ian Angus
Cllr Rupinderjit Kaur
Cllr Louise Miles
Cllr Peter O'Neill
Cllr Arun Photay
Cllr Jacqueline Sweetman
Cllr Lynne Moran
Cllr Zee Russell
Cllr Barry Findlay (Vice-Chair)

In Attendance

Cllr Andrew Johnson – Cabinet Member Resources

Employees

Earl Piggott-Smith	Scrutiny Officer
Robert Baldwin	Lead Lawyer
Claire Nye	Director of Finance
Martin Stevens	Scrutiny Officer
Jaswinder Kaur	Democratic Services Manager
Anna Zollino-Biscotti	Information Governance Manager
Alison Shannon	Finance Business Partner

Part 1 – items open to the press and public

Item No. Title

- 1 Apologies for absence**
Apologies for absence were received from Cllr Jasbir Jaspal.
- 2 Declarations of interest**
There were no declarations of interest.
- 3 Minutes of the previous meeting (10 October 2017)**
Resolved:
That the minutes of the meeting held on 10 October 2017 be approved as a correct record and signed by the Chair.

4 Matters arising

6. The Youth Council

The Scrutiny Officer advised the panel that further to presentation about Make your Mark at the last meeting the Youth Council are discussing the possibility of holding two mini reviews in February 2018 to investigate topics selected as a priority. The Scrutiny Board to be advised of further progress.

5 Draft Budget and Medium Term Financial Strategy 2018-2019 - 2019-2020 (report to follow)

Councillor Andrew Johnson, Cabinet Member Resources, introduced the report. The Cabinet Member advised the Board that there had been a quiet response to the main consultation events. The consultation ends on 31 December 2017. The public responses on the budget proposals submitted online survey will be analysed in early January and included in the report to Cabinet.

The Cabinet Member commented that there had a been a lively discussion with members of Youth Council when the budget proposals were presented to them as part of the consultation event. The Cabinet Member welcome the contribution and interest shown in the budget issues. The Cabinet Member thanked all the Chairs for their comments on the budget proposals that have been included in the report.

The panel queried the reasons for the overspend on the ring-fenced budget for Public Health. The Cabinet Member explained that the Council have used £1.7 million reserves from the Public Health budget to meet the expected shortfall. The Council can carry forward reserves from the Public Health budget to future years. The Cabinet Member explained that action was necessary to bring the public health budget into balance and support the new approach to future work detailed by the Director of Public Health.

The Scrutiny Officer advised the Board that the Director of Public Health had agreed to present a report to Health Scrutiny Panel detailing plans for the future of the service. The Board requested that a similar report be presented for discussion at a future meeting.

Resolved:

The comments of Board on the draft Budget and Medium Term Financial Strategy 2018-19 to be included in the feedback report to Cabinet.

CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 16 January 2018
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Report title	Budget 2018-2019 - Outcome of Consultation	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Corporate Plan priority	Confident Capable Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee	Michelle Howell	Finance Business Partner
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Report to be/has been considered by	Strategic Executive Board	3 January 2018

Recommendations for action:

The Cabinet (Resources) Panel is recommended to:

1. Consider the responses to the 2018-2019 Budget Consultation as detailed in this report and take these responses into account for the 2018-2019 Final Budget to be presented to Cabinet on 21 February 2018.

1.0 Purpose

- 1.1 The purpose of this report is to inform Cabinet (Resources) Panel of the consultation process undertaken to support the 2018-2019 budget setting process, allowing for Councillors' consideration of the responses to the consultation.
- 1.2 The completed set of responses to the consultation will be considered in the final budget that Cabinet recommends to Full Council on 7 March 2018.

2.0 Background

- 2.1 The Council continues to be faced with a challenging projected financial position over the medium term, and significant Budget Reduction and Income Generation proposals are required in order to maintain a robust financial position.
- 2.2 The 2017-2018 Budget and Medium Term Financial Strategy (MTFS) 2017-2018 to 2019-2020 was presented to Full Council for approval on 1 March 2017. After updating the MTFS for changes in assumptions and the outcome of the Local Government Finance Settlement, the Council was able to set a balanced budget for 2017-2018 without the use of general reserves; however, the Council was still faced with finding further estimated budget reductions totalling £20.5 million by 2019-2020.
- 2.3 It is important to note that the updated projected budget deficit assumes the achievement of prior year budget reduction and income generation proposals amounting to £33.8 million over the three-year period to 2019-2020. Over the last seven financial years the Council has identified budget reductions in excess of £200.0 million.
- 2.4 In March 2017, Full Council approved that work started immediately to identify £14.8 million of budget reductions and income generation proposals to address the projected deficit in 2018-2019. A further £5.7 million of budget reduction and income generation proposals needed to be identified, in order to address the projected budget deficit over the medium term to 2019-2020.
- 2.5 When identifying budget reduction and income generation proposals the Council's strategic approach to address the budget deficit continues to be to align resources to the Corporate Plan to achieve:
 - a Stronger Economy
 - a Stronger Community
 - a Stronger Organisation

Investment in the future is essential for both the Council and the City.

- 2.6 An update was presented to Cabinet on 19 July 2017. The Council had identified a total of £12.5 million budget reduction opportunities towards the strategy of identifying £14.8 million for 2018-2019. Of the £12.5 million budget reduction proposals identified for 2018-2019, £5 million are ongoing budget reductions whilst £7.5 million are one-off budget reductions. The projected budget deficit was reported as £2.3 million for 2018-2019.

- 2.7 The budget reduction opportunities were classified into proposals upon which the outcome of formal budget consultation is required – Budget Reduction and Income Generation proposals – and proposals which can be implemented without reliance on the outcome of formal budget consultation – Financial Transactions and Base Budget Revisions.
- 2.8 All £12.5 million of budget reduction opportunities for 2018-2019 have been classified as Financial Transactions and Base Budget Revisions and are summarised by Cabinet Portfolio in the table below:

Table 1 – Financial Transaction and Base Budget Revisions for 2018-2019 by Cabinet Portfolio

Cabinet Portfolio	No.	2018-2019 £000
Resources	10	(10,890)
Governance	3	(230)
City Assets and Housing	1	(1,000)
City Environment	1	(400)
Adults	-	-
Children and Young People	-	-
Public Health and Wellbeing	-	-
City Economy	-	-
Education	-	-
Total	15	(12,520)

- 2.9 Over the summer period, detailed work continued to take place and a further update was provided to Cabinet on 18 October 2017. At this meeting, Cabinet approval was sought to reprofile the previously approved Waste and Recycling budget reduction targets totalling a cumulative £2.1 million to 2019-2020, to reflect the anticipated implementation date. As a result of this, the remaining budget deficit to be identified for 2018-2019 increased from £2.3 million to £4.4 million. However, Cabinet approval was also sought to implement a further three financial transaction proposals in 2018-2019 totalling £4.4 million, which it is projected will enable the Council to set a balanced budget for 2018-2019.
- 2.10 As all the budget reduction opportunities were classified as Financial Transactions and Base Budget Reduction, which can be implemented without the reliance on the outcome of formal budget consultation, the budget consultation instead focused on the theme of working smarter together.
- 2.11 The themes that respondents have had the opportunity to comment on are:
- Services that are most important to them;

- Protecting services from further cuts;
 - Generating income to help make less cuts to service provision;
 - Current ways of contacting the Council;
 - Accessing services online; and
 - Raising Council Tax.
- 2.12 Within each theme, respondents were asked to provide responses to a number of concepts posed. These are shown in full in the charts at Appendix A.
- 2.13 The Council's budget consultation took place from 19 October 2017 to 31 December 2017 as part of the budget setting process for 2018-2019. All the consultation and analysis is conducted in-house and is a major factor in keeping the cost to a minimum.
- 2.14 During the consultation period, there have been stakeholder engagement meetings with local communities, the Business Community and Trade Unions.
- 2.15 Presentations have been carried out at each of these meetings by the Cabinet Member for Resources, Councillor Johnson and the Director of Finance. The Cabinet Member for City Economy, Councillor Reynolds, participated in the presentation at the Business Community meeting. The public and Council employee's views were also obtained through an online and booklet survey.
- 2.16 In addition to the wider budget consultation meetings, three additional meetings with representatives from the city's Equality and Diversity Forum, the city's Youth Council and Trade Union have been held. The meetings were attended by the Cabinet Member for Resources and the Director of Finance. Various questions were posed about council services.

3.0 Key Findings

- 3.1 To gather views, the Council's budget consultation ran for a period of 10 weeks from 19 October 2017 and 31 December 2017 using a range of consultation mechanisms.
- 3.2 In the following paragraphs, a summary of the participants in the stakeholder and community group meetings, plus details of other groups and interested parties that have provided their views and opinions, are detailed.
- 3.3 The following stakeholder engagement meetings have been held:
- 4 Community meetings;
 - 1 Equality and Diversity Forum meeting;
 - 1 Trade Union meeting;
 - 1 Business Community meeting and
 - 1 Youth Council meeting
- 3.4 79 (137 – 2017-2018; 67 – 2016-2017) members of the public/representatives have attended the stakeholder meetings. The breakdown of attendees is as follows:
- 0 (3 – 2017-2018; 0 – 2016-2017) attendees at Bob Jones Centre, Blakenhall;

- 2 (10 – 2017-2018; 9 – 2016-2017) attendees at Bilston People’s Centre, Bilston;
- 5 (24 – 2017-2018; 2 – 2016-2017) attendees at Bantock Tractor Shed, Bradmore;
- 7 (9 – 2017-2018; 1 – 2016-2017) attendees at Low Hill Community Centre, Low Hill;
- 19 (14 – 2017-2018; 8 – 2016-2017) attendees at Business Breakfast, Art Gallery;
- 5 (16 – 2017-2018; 6 – 2016-2017) attendees at Trade Union meeting;
- 33 (22 – 2017-2018) attendees at Youth Council meeting and
- 8 (9 – 2017-2018) attendees at Equality and Diversity Forum meeting.

- 3.5 The Council have used a range of methods including face to face, online survey and written communications to gather responses during the consultation period. The consultation was publicised via several types of media; the Council website, email distribution, the Facebook page “Wolverhampton Today”, and Twitter.
- 3.6 In total 669 individuals (2,458 – 2017-2018; 1,030 – 2016-2017) took part in the budget consultation survey.
- 3.7 A more detailed analysis of the consultation findings can be found in Appendix A.
- 3.8 Appendix B shows a heatmap of the City of Wolverhampton with the location of the respondents who provided a postcode when completing the survey. The heatmap is based on 474 of the 569 respondents who provided postcodes. This equates to just over 83% of the total response rate. However, each dot represents a unique postcode rather than a person, so if more than one person at an address completed the survey that would not be represented. The heatmap should be used with caution as 17% (95 of the 569) of respondents are not recorded. However, it does demonstrate that responses have been received from across the City.

4.0 Conclusion

- 4.1 This report summarises the headline findings from the budget consultation exercise run by the City of Wolverhampton Council on its budget proposals for 2018-2019. It includes an analysis of qualitative presentations and meetings with key stakeholder and community groups designed to gather views and opinions on the Council’s budget. It also includes the outline findings from the survey. Stakeholder engagement meetings were held with Trade Unions, various local public communities and the Business Community.
- 4.2 The final budget will take into account the completed set of responses to the consultation to be reported to Cabinet on 21 February 2018 before recommending to Full Council on 7 March 2018 to approve.

5.0 Evaluation of alternative options:

- 5.1 This report provides Cabinet (Resources) Panel with comments from the 2018-2019 Budget Consultation.

5.2 In the event that the budget strategy, as proposed in the report to Cabinet on 18 October 2017, were not to be implemented in that way due to feedback from the consultation, alternative options would be required in order to set a balanced budget.

6.0 Reasons for decision

6.1 Cabinet (Resources) Panel is recommended to consider the responses to the 2018-2019 Budget Consultation in order to make informed decisions on the final budget 2018-2019 which is due to be presented to Cabinet on 21 February 2018.

7.0 Financial implications

7.1 The final outcome of budget consultation will be taken into account in the Cabinet's final budget recommendation to Full Council on 7 March 2018.

7.2 Should any changes be made to the 2018-2019 Draft Budget as a result of the findings of the budget consultation exercise, which results in an increased net budget requirement, new proposals of an equivalent value will have to be urgently identified to address the projected budget deficit.
[MH/08012018/K]

8.0 Legal implications

8.1 The legal duty for a council's finances falls within S151 of the Local Government Act 1972. Arrangements for the proper administration of their affairs are secured by the S151 Officer (the Director of Finance).

8.2 Section 138 of the Local Government and Public Involvement in Health Act 2007 placed a general duty on every local authority in England to take such steps as it considers appropriate to secure that representatives of local persons (or of local persons of a particular description) are involved in the exercise of any of its functions, among other things by being consulted about the exercise of the function. The 2010 Equality Act whilst not imposing a specific duty to consult, lays a requirement to have due regard to the equality impact when exercising its function. Failure to meet the requirements in the Public Sector Equality Duty may result in the Council being exposed to costly, time-consuming and reputation-damaging legal challenges.

8.3 A detailed report on consultation feedback from all phases of consultation is, therefore, presented to Cabinet.
[RB/08012018/L]

9.0 Equalities implications

9.1 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 in the legislation are:

- Age
- Disability
- Gender reassignment
- Marriage and Civil Partnership (this strand only applies to employment and not to service delivery)
- Pregnancy and Maternity
- Race
- Religion or Belief
- Sex
- Sexual Orientation

- 9.2 In relation to determining the overall revenue budget for the Council there is always a difficult balance to be struck in deciding the levels at which to invest, reduce expenditure and raise income set against the often competing needs of different groups within the Wolverhampton community.
- 9.3 In order to address these complex issues, the Council operates an open and consultative approach to budget and Council Tax determination. Year-on-year and medium term spending forecasts are provided to every household and business ratepayer within the City as part of the documentation which accompanies the Council Tax demand.
- 9.4 Budget consultation meetings have been held with the business community, the public, representatives from the Equality and Diversity Forum, the Youth Council and trade unions. The Council's budget consultation approach has also included an online survey in order to gain feedback on budget and service priorities.
- 9.5 In determining the budget and MTFs, considerable focus is placed on the development of budget reduction and income generation proposals. The budget reduction opportunities were classified into proposals upon which the outcome of formal budget consultation is required – Budget Reduction and Income Generation proposals – and proposals which can be implemented without reliance on the outcome of formal budget consultation – Financial Transactions and Base Budget Revisions. All Budget Reduction and Income Generation proposals will be subject to an equality analysis screening and where necessary a full equality analysis will be conducted.
- 9.6 The Council is facing a particularly challenging short and medium term financial environment in which savings must be generated and a tight control on spending maintained. This means that greater focus than ever is necessary to ensure that core equalities commitments is met.
- 9.7 In summary, the Council's annual budget and medium term financial strategy supports a range of services designed to meet key equalities objectives. The equalities work for the 2018-2019 budget setting process has been unique in that the entire range of proposals relate to financial transactions and base budget revisions. The initial equality analysis screening was not seen to have any impact on end-users.

9.8 Councillors should also be aware that under the Equality Act 2010, they must comply with the Public Sector Equality Duty (PSED) when making budget decisions. What this means in practice is that Councillors must consciously think about the three aims of the PSED 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 encouraging participation,
- Foster good relations between people from different groups.

9.9 The Act does not require the Council to treat everyone in the same way; sometimes different treatment is required, for example, be making reasonable adjustments to meet the needs of disabled people.

9.10 Consideration of equality issues must influence the decisions reached by public bodies including:

- How they act as employers,
- How they develop, evaluate and review policy,
- How they design, deliver and evaluate services,
- How they commission and procure from others.

9.11 The Brown Principles, established as a result of a legal case concerning Post Office closures in 2008, provide an important checklist that should be considered 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 cannot be delegated; it must be fulfilled by the organisation in question rather than through the use of an external body;
- The duty is a continuing one; and
- It is good practice to keep an adequate record showing that it has considered the identified needs.

10.0 Environmental implications

10.1 Environmental implications will be addressed on a case by case basis as part of individual proposals.

11.0 Human resources implications

11.1 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 employee numbers by up to 500 across the Council in the period up to 31 March 2018. These will be through both voluntary redundancy and budget reduction targets which could result in compulsory redundancies.

11.2 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.

11.3 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.

11.4 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.

11.5 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. If TUPE were to apply, appropriate consultation with relevant Trade Unions and affected employees, would take place.

11.6 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.

12.0 Corporate landlord implications

12.1 Corporate landlord implications will be addressed on a case by case basis as part of individual proposals.

13.0 Schedule of background papers

13.1 Draft Budget and Medium Term Financial Strategy 2018-2019 – 2019-2020, report to Cabinet, 18 October 2017

Draft Budget and Medium Term Financial Strategy 2018-2019 – 2019-2020, report to Cabinet, 19 July 2017

2017-2018 Budget and Medium Term Financial Strategy 2017-2018 – 2019-2020, report to Cabinet, 22 February 2017

1.0 Considerations around representativeness and reporting of the data

- 1.1 In line with best practice issued by Government (The Government's Consultation Principles July 2016), the consultation particularly focused on involving the range of stakeholders affected by the proposals, as well as enabling the general public to comment through the online survey, social media and public meetings. The findings from the stakeholder meetings and other qualitative correspondence, is by its very nature, indicative only and not necessarily representative of the wider population.
- 1.2 It is recognised that the public, community groups and key stakeholders may not always be aware of the budgetary and technical financial constraints that local authorities operate under. This document does not attempt to unpick this, but simply reports the views of the various consultees in their broadest perspective.
- 1.3 The qualitative findings are a source of information derived from concepts that are included in the budget proposals. These have been drawn from comments from the survey, emails received from members of the public and social media where available. It should be noted that individual views received are not necessarily representative; however, the inclusion of many of these comments forms an important part of the Council's Equality Assessment of the budget proposals – a process that is legally required.
- 1.4 Given the relatively small sample response to the budget consultation, this is not necessarily representative of the population of Wolverhampton as a whole. Other surveys are carried out by the Council during the year to ascertain customer satisfaction of services provided.

2.0 Key Findings

- 2.1 The main themes that respondents had the opportunity to comment on were:
 - Services that are most important;
 - Protecting services from further cuts;
 - Generating income to help make less cuts to service provision;
 - Current ways of contacting the Council;
 - Accessing services online; and
 - Raising Council Tax.

2.2 Services that are most important

The Council provides many services to the public. Respondents were asked that of the services they were personally aware of, which three are the most important to them and

to state if they think the services have improved, stayed the same or got worse in recent years. Their responses are recorded in the following charts:

Chart 1: Top three services most important to respondents (ranked)

Overall, there were a total of 1,962 responses for this question, commenting on 23 services. Of which 343 (17.5%) of respondents indicated that Waste and Recycling Services was the most important service, followed by 289 (14.7%) for Adults Services and 226 (11.5%) for Highways Maintenance and Transport Services.

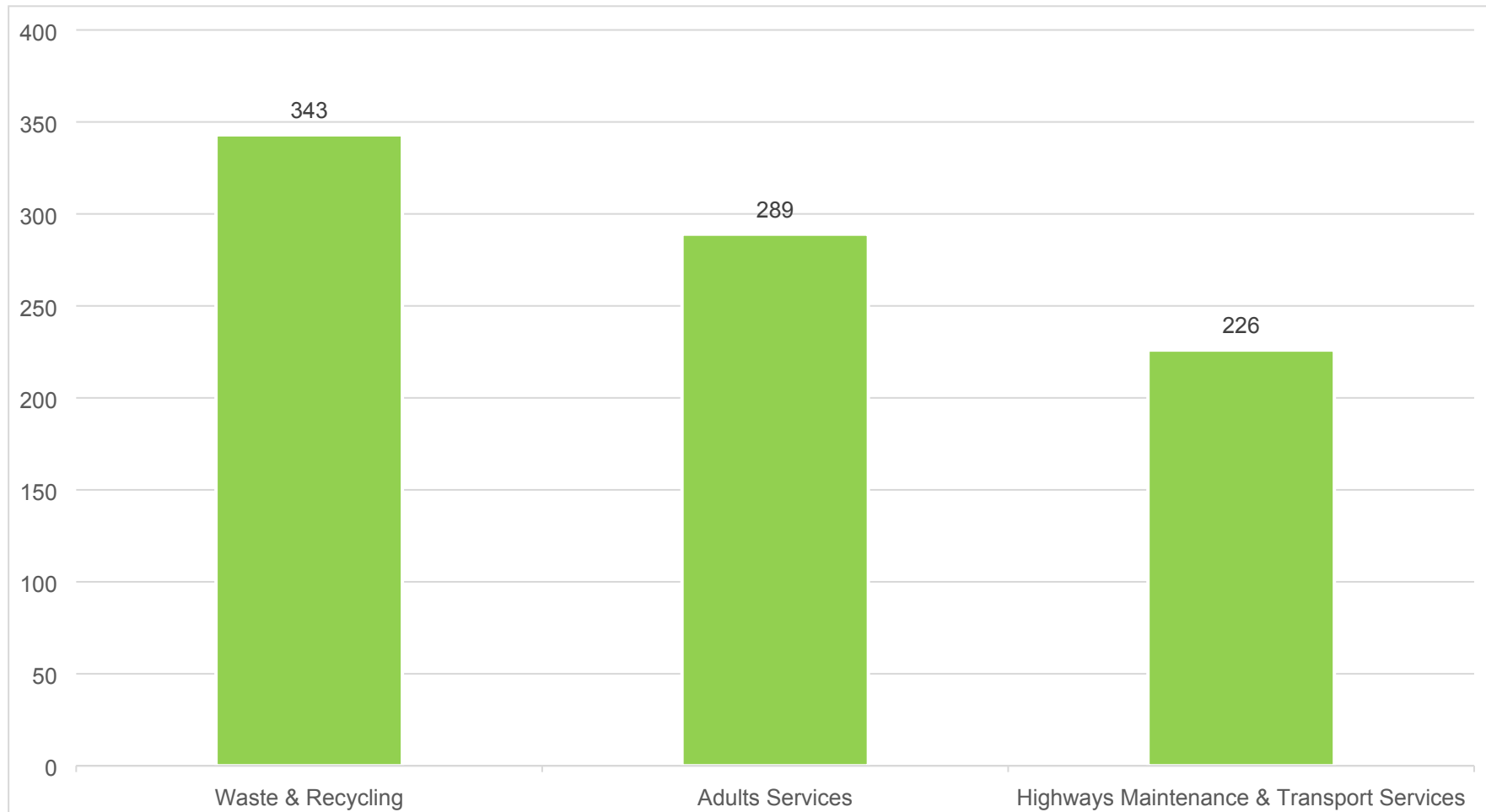
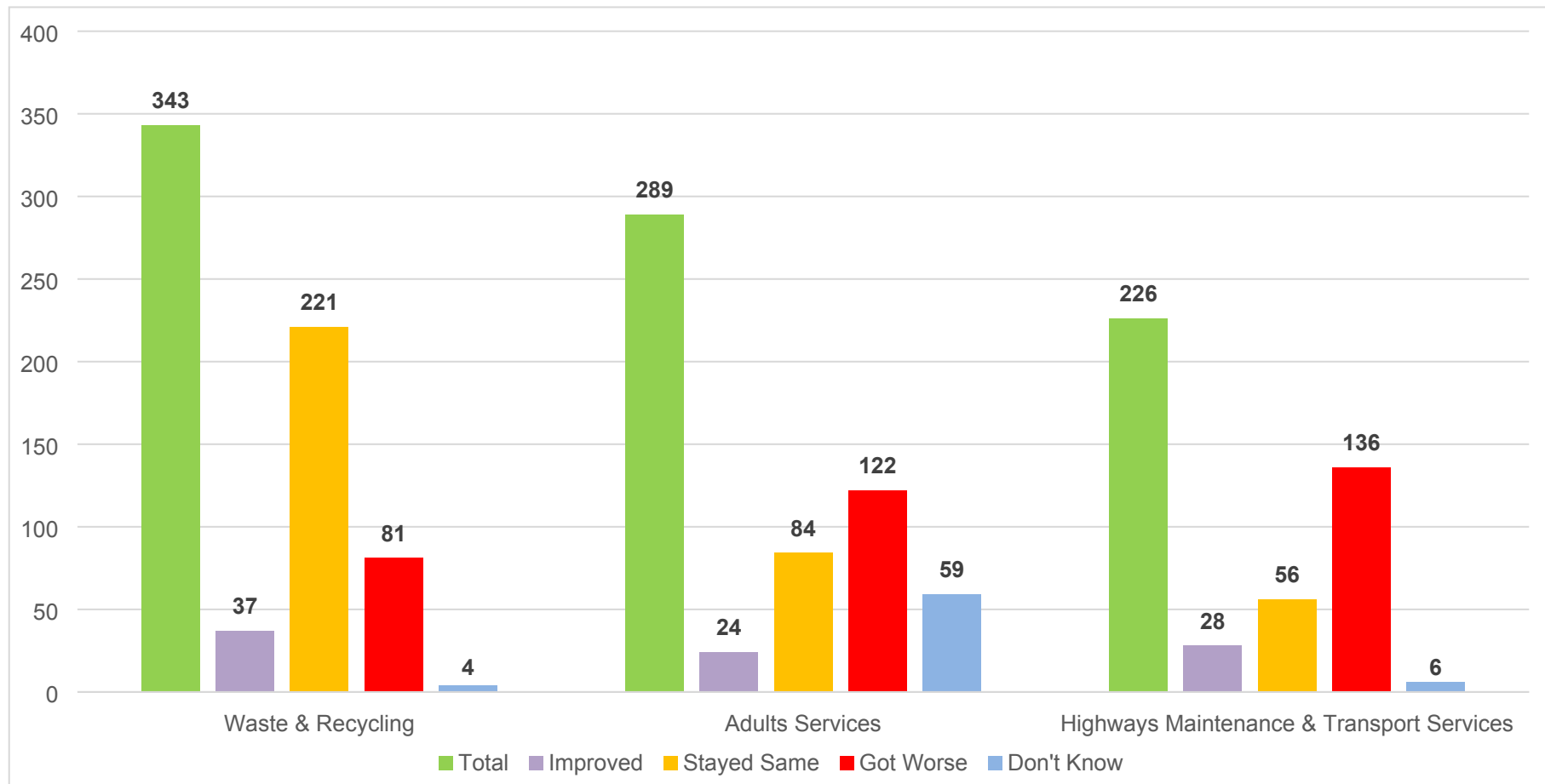


Chart 2: Analysis of the top three services most important to respondents (ranked)

Respondents were asked to state whether of the three Council services that were selected, if they thought the service had improved, stayed the same or got worse in recent years.



From Chart 1, 343 of respondents indicated that Waste and Recycling Services was the most important service. Chart 2 above shows that 37 (12.4%) stated that the services had improved, 221 (30.4%) stated that the services stayed the same, 81 (10.8%) stated that the services got worse and 4 (2.2%) stated they did not know.

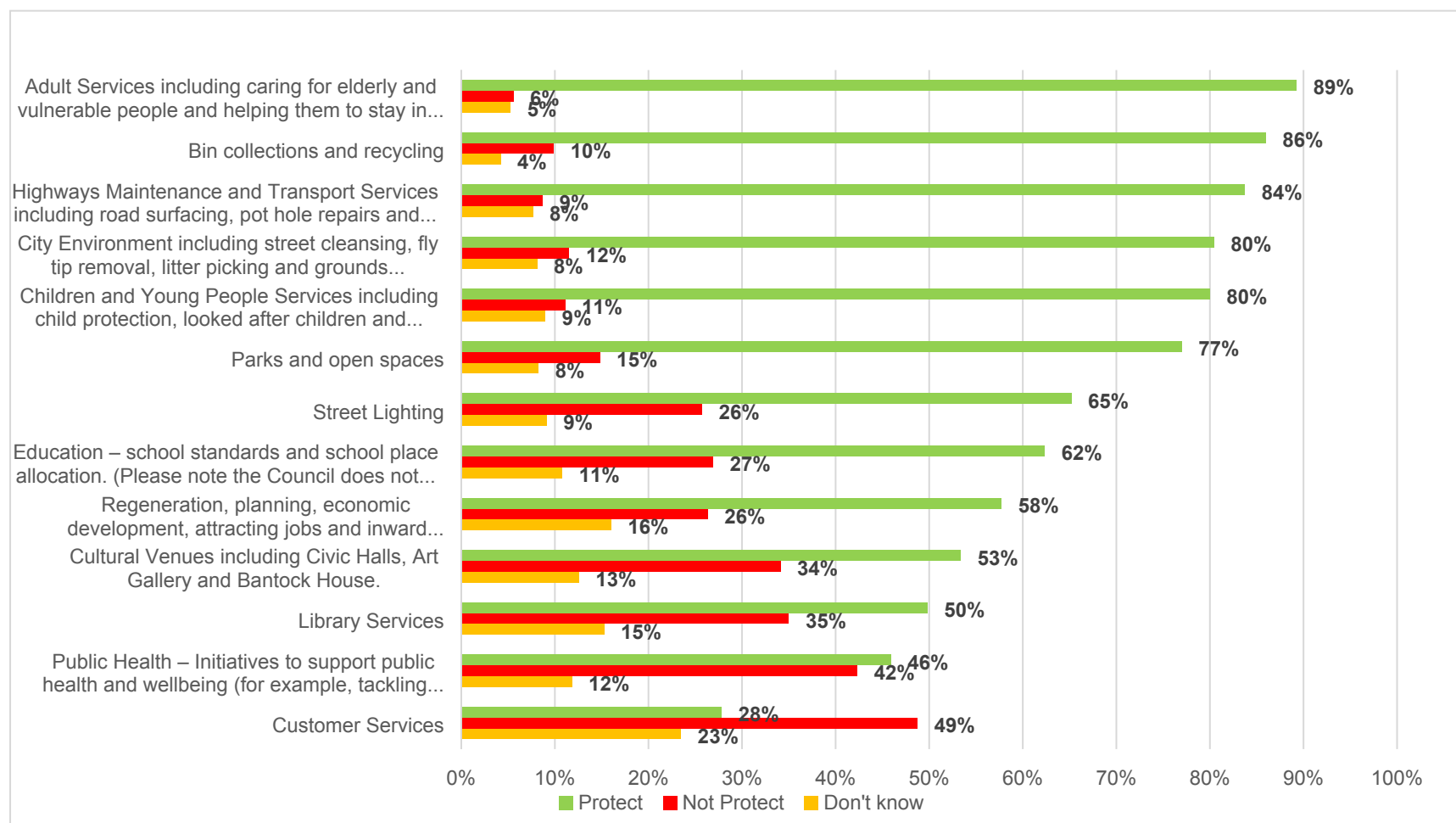
Other important services that did not fall in the top three include Children's Services and Education, which ranked as the fourth and fifth most important service to respondents respectively.

Of all responses, respondents felt that Regeneration in the city has improved the most, whilst Highways Maintenance and Transport services was deemed to be the area that had got worse.

2.3 Protecting services from further cuts

The Council has been faced with significantly reduced government funding since 2010-2011 and budget cuts have had to be made. Respondents were asked to review a list of services that the Council provides and to choose if they think the services should or should not be protected from further cuts. Their responses are recorded in the following chart:

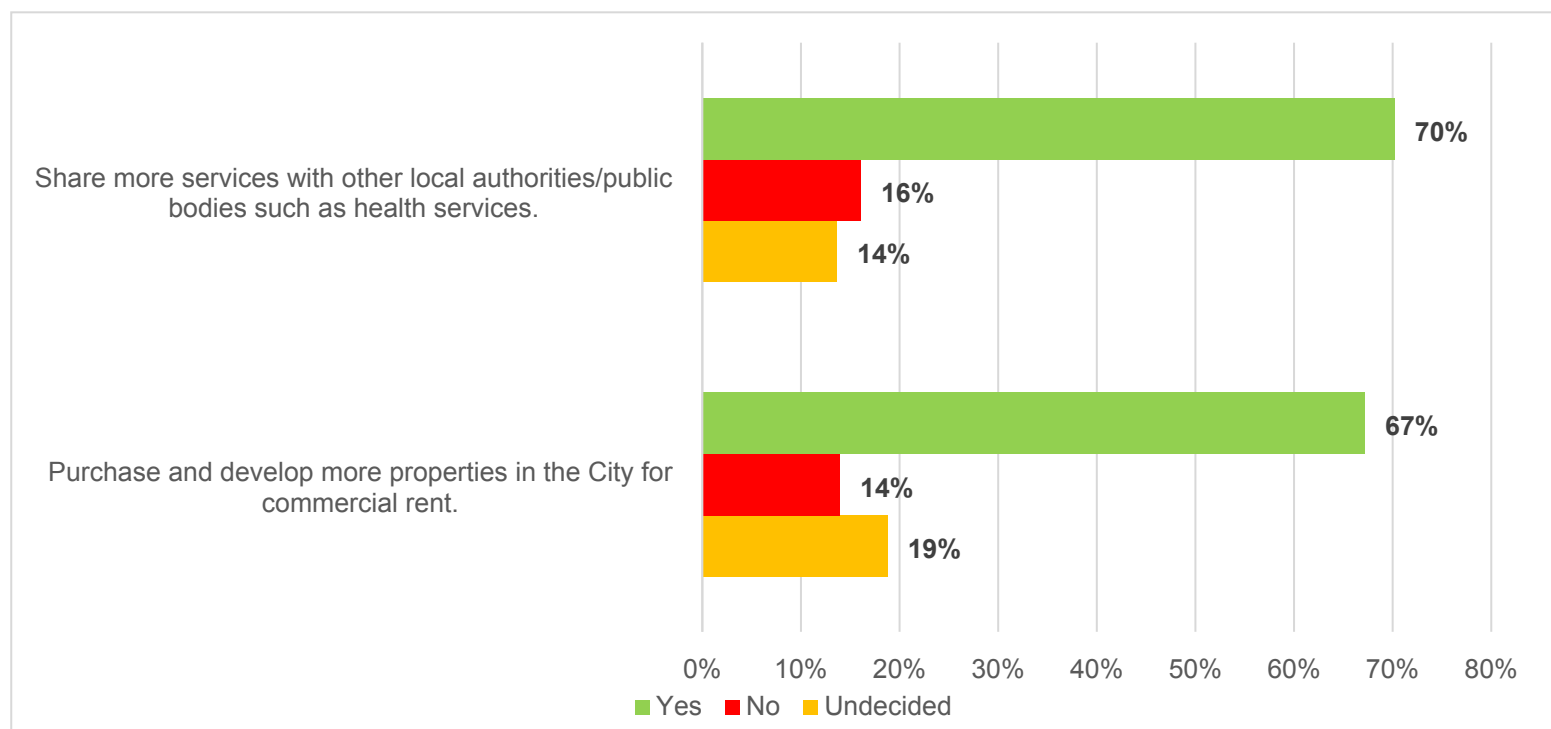
Chart 3: Which services should be protected from future cuts



2.4 Generating income to help make less cuts to service provision

If the Council is able to raise additional income, we will not need to make as many cuts to service provision. Respondents were asked to choose if they were in favour or not in favour of two income generation opportunities. Their responses are recorded in the following chart:

Chart 4: In order to generate more income would you like the Council to:



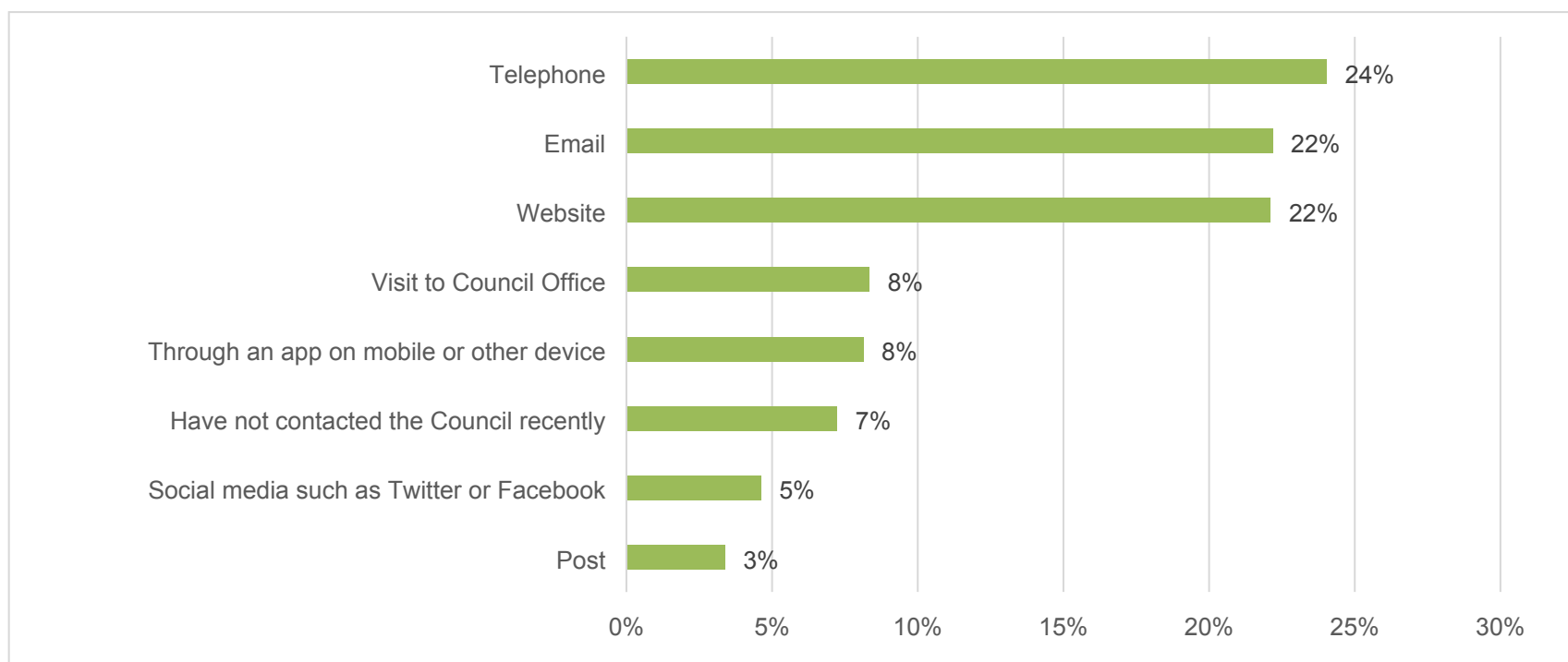
Overall, 467 (70%) of 665 respondents said they would like the Council to share more of its services.

2.5 Current ways of contacting the Council

The Council is embarking on a programme of making many of its services available online, over the internet, enabling 24/7 access. Report it, request it, apply for it and payment services will be available through the Council's website.

Respondents were asked how they currently contact the Council. Respondents were able to choose more than one way of contacting the Council. Their responses are recorded in the following chart:

Chart 5: How respondents currently contact the Council



Overall, there were a total of 1,452 responses for this question, of which 349 (24%) respondents contact the Council by telephone, 322 (22%) by email and 321 (22%) by website being the top three.

2.6 Accessing services online (1)

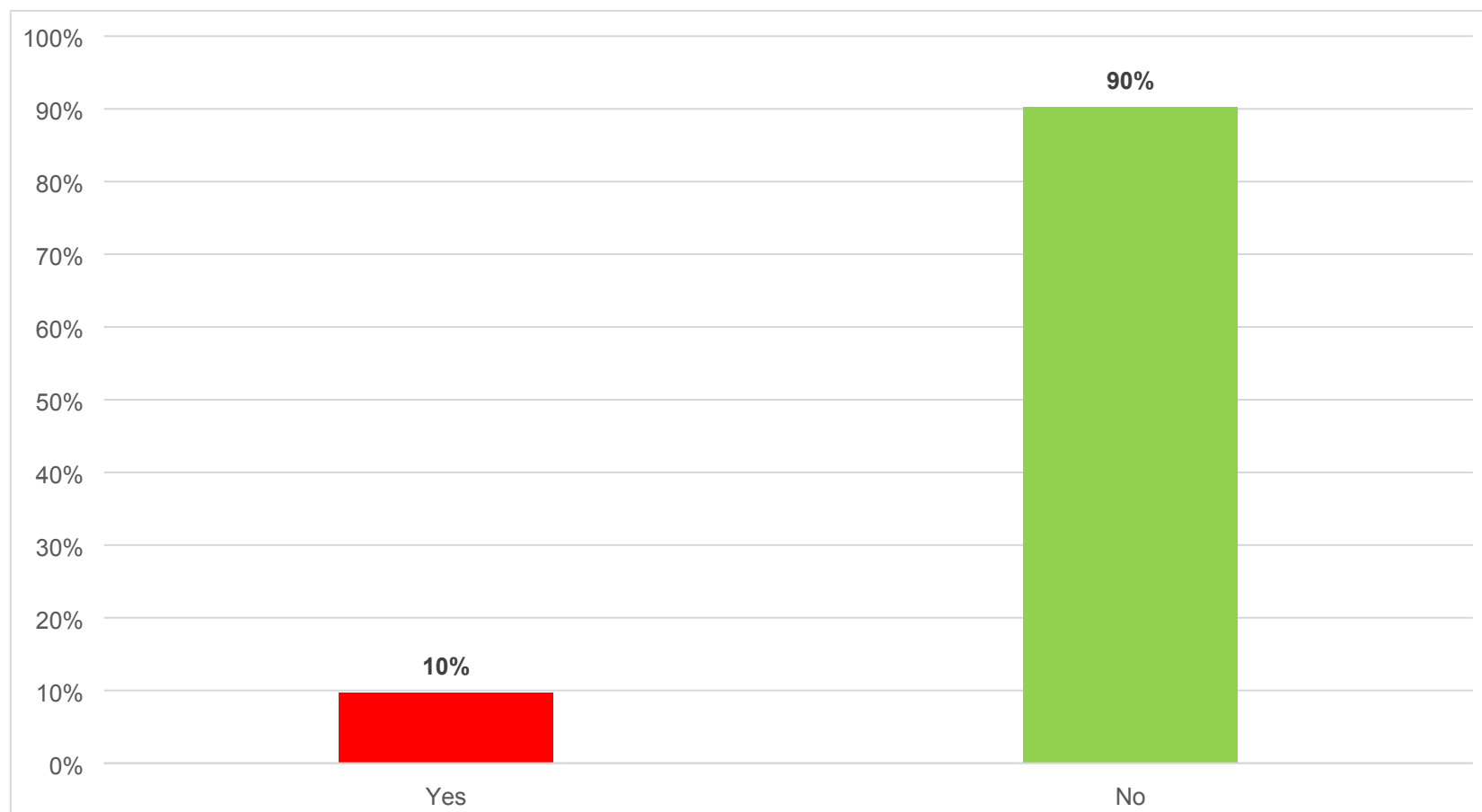
The Council already offers many services online and has plans to offer even more. Respondents were asked which council services would they like to be able to access online. Out of a total of 669 respondents, 351 people responded to this question, the responses are analysed further below:

- 241 specified services that are already accessible online
- 95 specified that as many services as possible should be accessible online
- 15 specified services that are not currently accessible online. The responses have been categorised below:
 - Online chat
 - Report traffic/parking issues online
 - Reserve library books online
 - Online registrar services
 - Online pest control bookings
 - Online local area update
 - Signposting to property maintenance services
 - Online check for public footpath locations
 - Progress of housing benefit applications

2.7 Accessing services online (2)

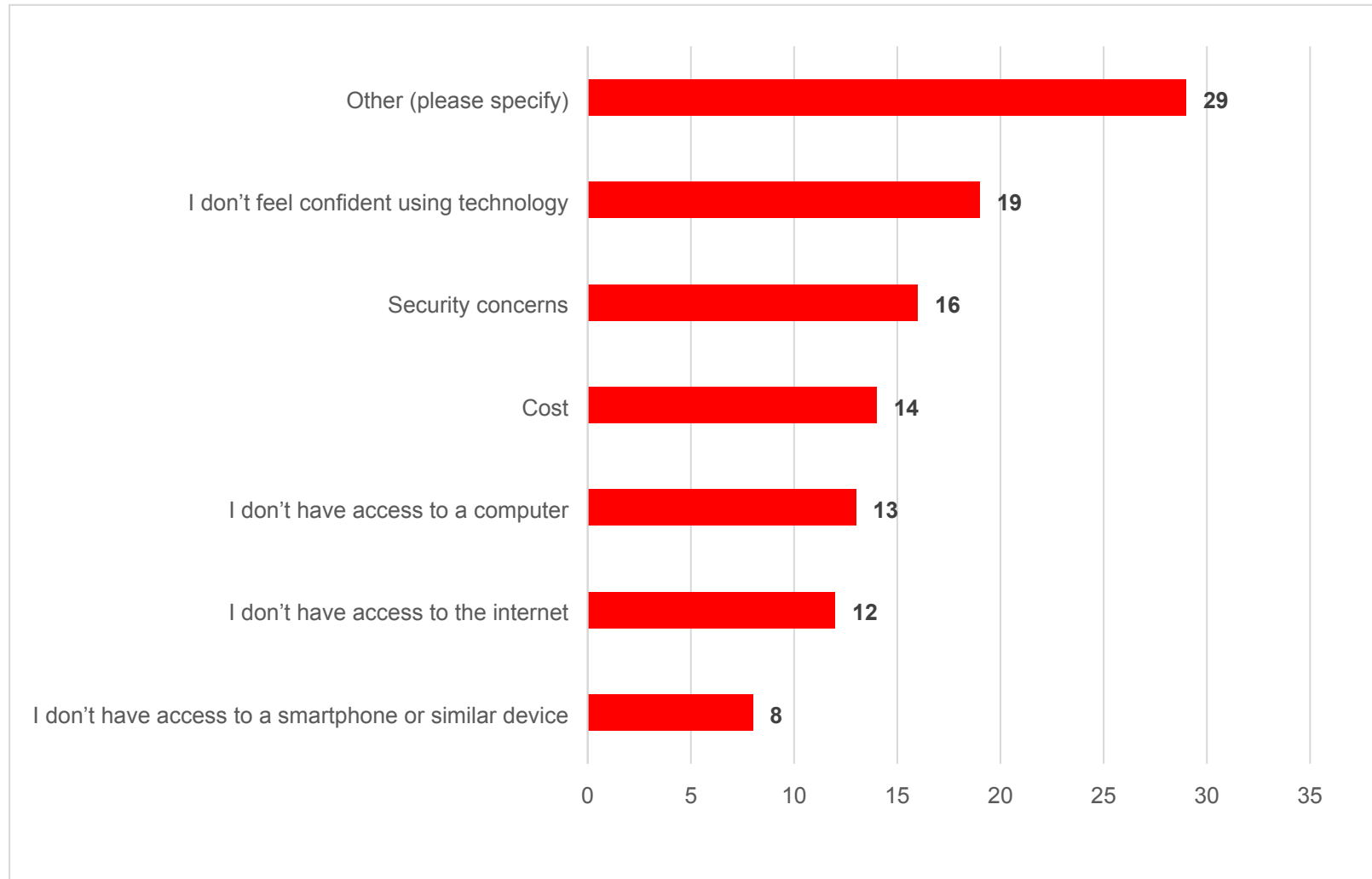
Respondents were asked whether there were any reasons that prevented them from using the internet to access online services. Out of a total 660 responses to this question, 592 (90%) said no, whilst 68 (10%) said yes. Their responses are recorded in the following chart:

Chart 6: Are there any reasons that prevented respondents from using the internet to access online services



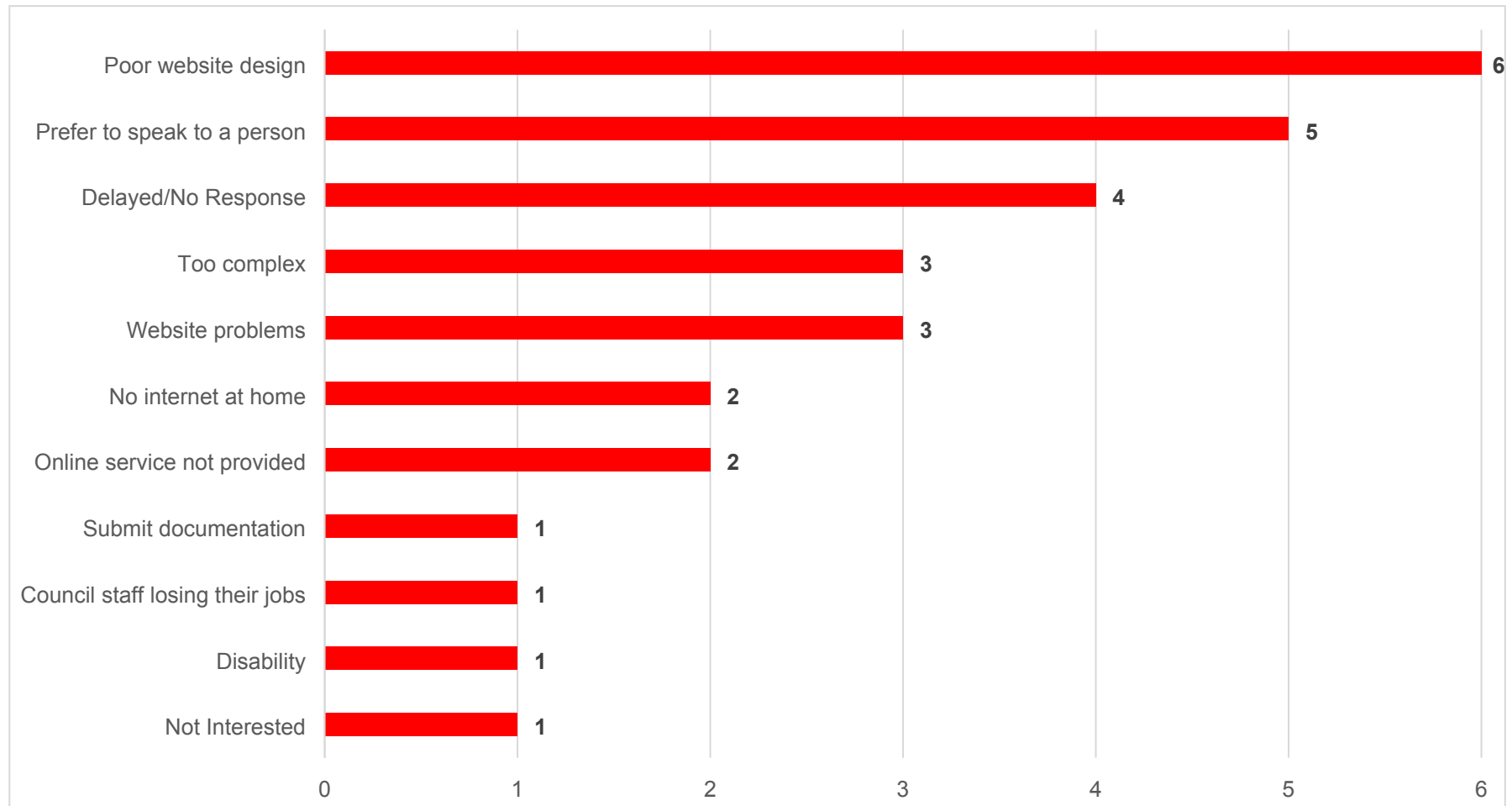
The following chart below analyses the reasons of the 68 (10%) respondents from chart 10 that prevented them from using the internet to access online services. Respondents were able to choose more than one reason.

Chart 7: If yes, it is because:



The following chart below analyses the breakdown of the 29 (42.6%) from chart 11 of the 68 respondents whose responses have been recorded under Other.

Chart 8: Breakdown of Other



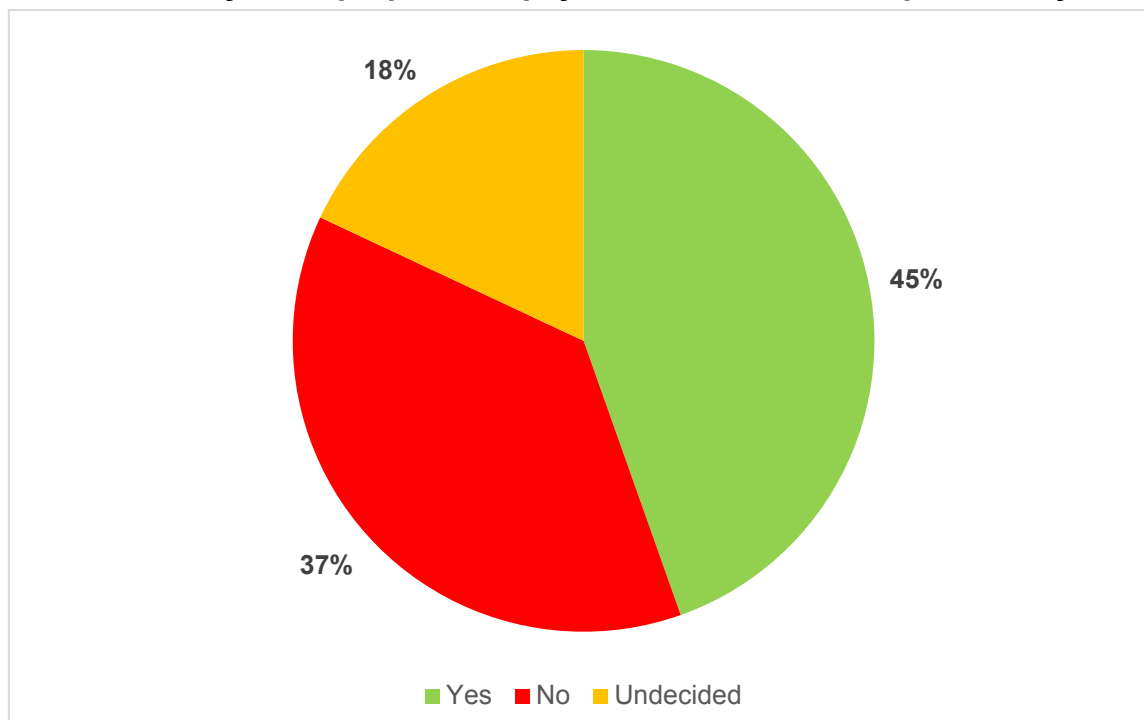
2.8 Raising Council Tax

The Council is proposing a 1.99% increase in Council Tax for 2018-2019 and, in line with Government policy, to levy an additional 2% charge specifically to help fund Adult Social Care.

The proposed total 3.99% increase would be an extra £39.40 per year (76 pence per week) for the majority of properties in Wolverhampton (Valuation Band A) or if a single person discount is applicable for the property the increase for 2018-2019 would be an extra £29.55 per year (57 pence per week).

Respondents were asked if they would be prepared to pay more Council Tax (than the currently proposed Council Tax increase of 3.99%) to protect key services from further cuts, noting that any increase in Council Tax over 1.99% would be subject by law to a local referendum. Their responses are recorded in the following chart:

Chart 9: Would you be prepared to pay more Council Tax to protect key services from further cuts?



292 of 655 respondents (45%) stated that they would be willing to pay more than the proposed 3.99% increase in Council Tax to protect key services from further cuts. 245 respondents (37%) stated that they would not be willing to pay more Council Tax.

3.0 Feedback from Business Consultation

Local business representatives/champions were invited to attend an event at the Art Gallery on 21 November 2017. At this event, City of Wolverhampton Council Councillors and Officers presented the Council's 2018-2019 budget plans and discussed a number of themes arising as a result.

3.1 Amongst the themes discussed were:

- Businesses recognised the regeneration and transformation that has taken place in Wolverhampton, and stated that greater promotion of the City was required in order to attract more businesses to the area.
- Further to this, businesses encouraged further development of partnerships and collaboration with schools, colleges and the University of Wolverhampton particularly in the manufacturing and engineering sector to support the development of skills.
- Businesses raised concerns about rough sleepers that were sleeping outside of the City Centre remit and whether they had been offered support.
- Questions were also raised about how the private sector, public sector and the community can work together to recognise innovation and opportunities within Wolverhampton.

4.0 Feedback from the four Public Meeting Consultations

Members of the public were invited to attend four public meetings held around the City of Wolverhampton in October and November 2017 to have their say in the consultation. At these meetings, City of Wolverhampton Council Councillors and Officers presented the Council's 2018-2019 budget plans and discussed a number of themes arising as a result.

4.1 Amongst the themes discussed were:

Regeneration

- Concerns were raised regarding the progress on the Westside, Interchange and Markets projects.
- Further to this, people raised questions about the development of the Canalside Quarter, as the entry into Wolverhampton by train did not give a good impression of the City.
- There were also concerns about whether investment was focused on the city centre and whether there will be investment in the districts of Wolverhampton.

Adult Services

- Questions were raised about the provision of adult social care and the consideration of individuals needs when care packages are made.
- Concerns were also posed about the level of funding available for adult social care, given the Council's challenging budget position.

Waste & Recycling

- Questions were raised about the progress of the Waste & Recycling transformation proposal which was discussed in last year's budget consultation process.

Highways and Transportation

- The Council was asked to consider the development of good cycle and pedestrian routes which would allow people to access the city without using vehicles. This was recommended to reduce air pollution and improve the impact on the city's children.

Community Engagement

- It was recognised that the Council is working with communities and consultation was welcomed.
- Street cleansing/litter picking by pedestrians in one area of Wolverhampton was recognised.

Housing

- Information was sought on the types of houses that would be available through WV Living and whether the Council should leave this to private sector development.

Signage

- Concerns were posed by residents about the cost of signage around the city centre and the train station.

5.0 Feedback from the Youth Council Meeting

Members of the Youth Council were invited to attend a meeting on 4 December 2017 to have their say in the consultation. At this meeting, City of Wolverhampton Council Councillors and Officers presented the Council's 2018-2019 budget plans and discussed a number of themes arising as a result.

5.1 Amongst the themes discussed were:

Regeneration

- Discussions were primarily focused around regeneration in the city. Questions were posed as to why the Council is investing in new assets and projects when budget savings need to be made. However, consideration was made to the benefits arising as a result of capital investment including attracting new businesses to the area, the creation of jobs and revenue income streams.
- Further details were sought about the Westside, Interchange and Markets projects.
- Questions were raised about the development of the Canalside Quarter.

Children's Services

- Reference was made to the reduction in the numbers of Looked After Children and if budget reductions have impacted on this.

Education

- Consideration was made to whether the Council could collaborate with schools to reach a bigger audience when consulting on the budget in future years.

6.0 Feedback from the Equality and Diversity Forum Meeting

Representatives from the City's Equality and Diversity Forum were invited to attend a meeting on 7 December 2017 to have their say in the consultation. At this meeting, City of Wolverhampton Council Councillors and Officers presented the Council's 2018-2019 budget plans and discussed a number of themes arising as a result.

6.1 Amongst the themes discussed were:

- Members of this group were concerned about community cohesion in a city where there is such a wide diverse culture.
- The group welcomed the idea of community groups working with the Council, and felt that in conjunction they could add value with the use of facilities such as the Bob Jones Community Hub.
- Concerns were raised about the provision of services for the deaf community at the Citizens Advice Bureau due to budget reductions there.

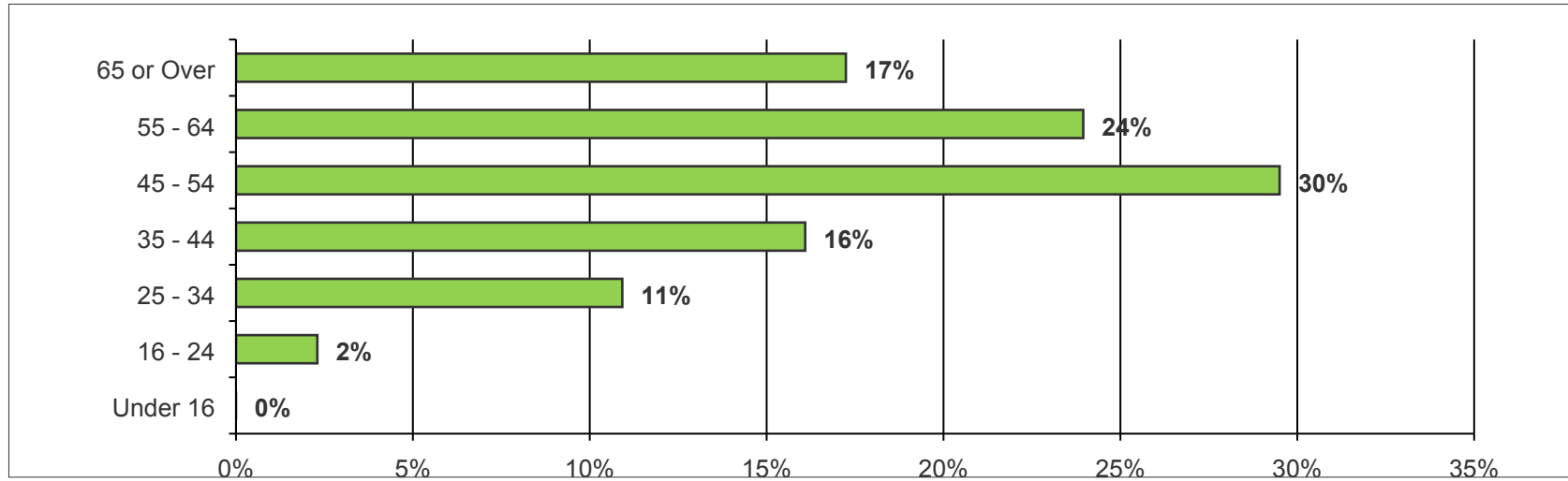
7.0 Feedback from the Trade Union Consultation

The City of Wolverhampton Council Councillors and Officers presented the Council's 2018-2019 budget plans to the Joint Consultative Panel on 15 December 2017 and discussed a number of themes.

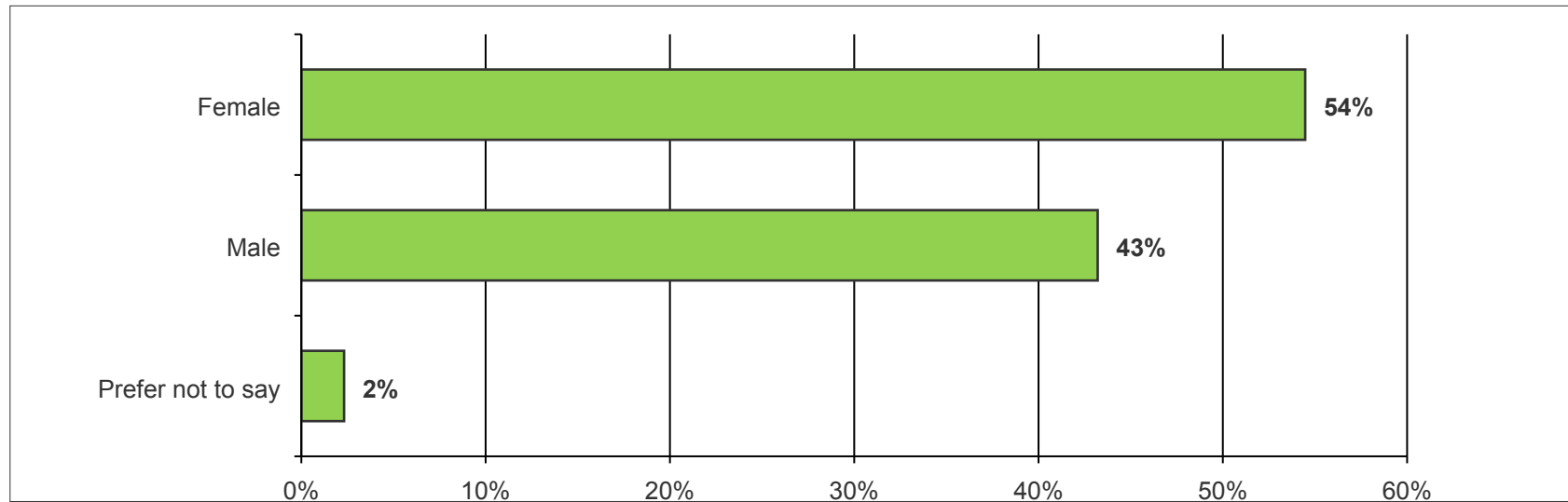
7.1 Amongst the themes discussed were:

- The main concern for this group was around the use of volunteers to support service provision.
- A general comment about greater communication with the Wolverhampton community was made. Representatives of this group felt greater communication regarding developments in the city would be useful.
- Questions were posed about whether there would be further staffing reductions in future years due to the Council's budget position.
- Furthermore, members of this group reiterated the importance of recruiting to roles and reducing the use of agency staff.
- Consideration was given to West Park Conservatory and potential use of the facility.

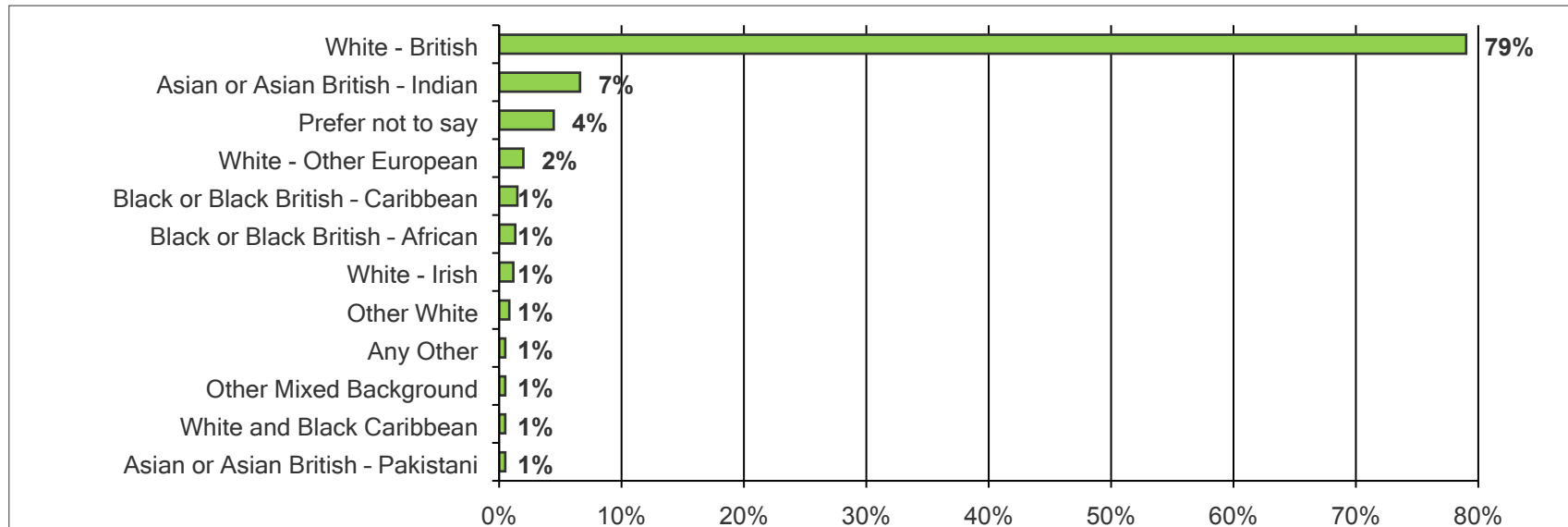
7.2 Respondents Age Group



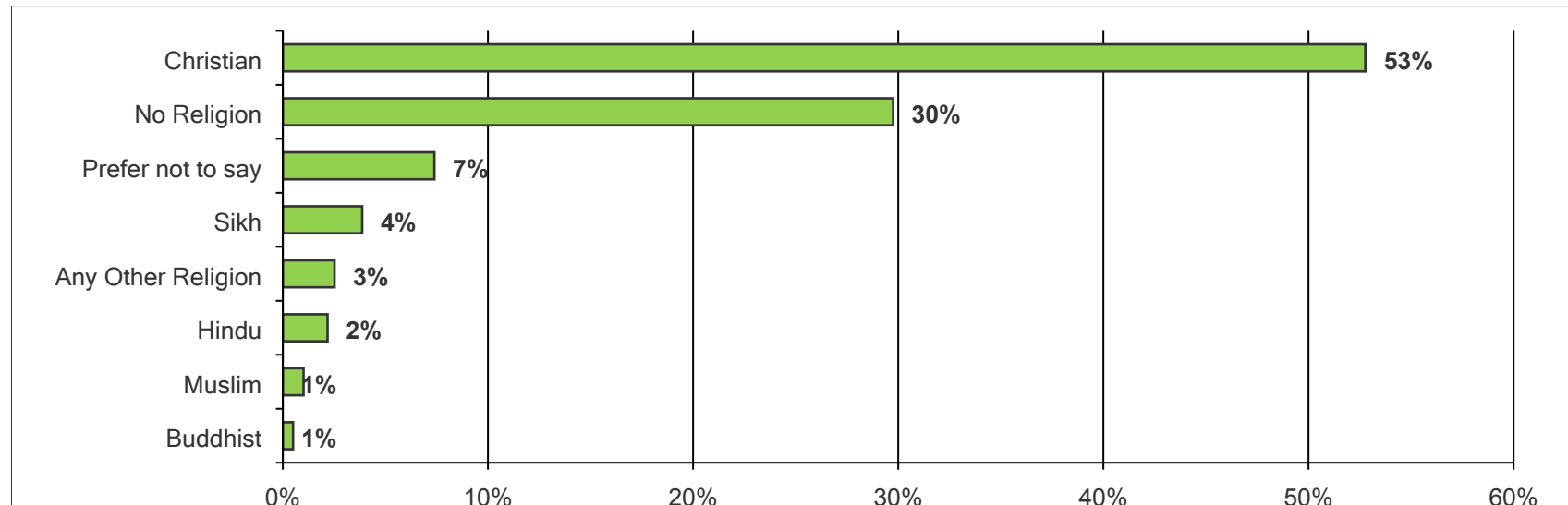
7.3 Respondents Gender



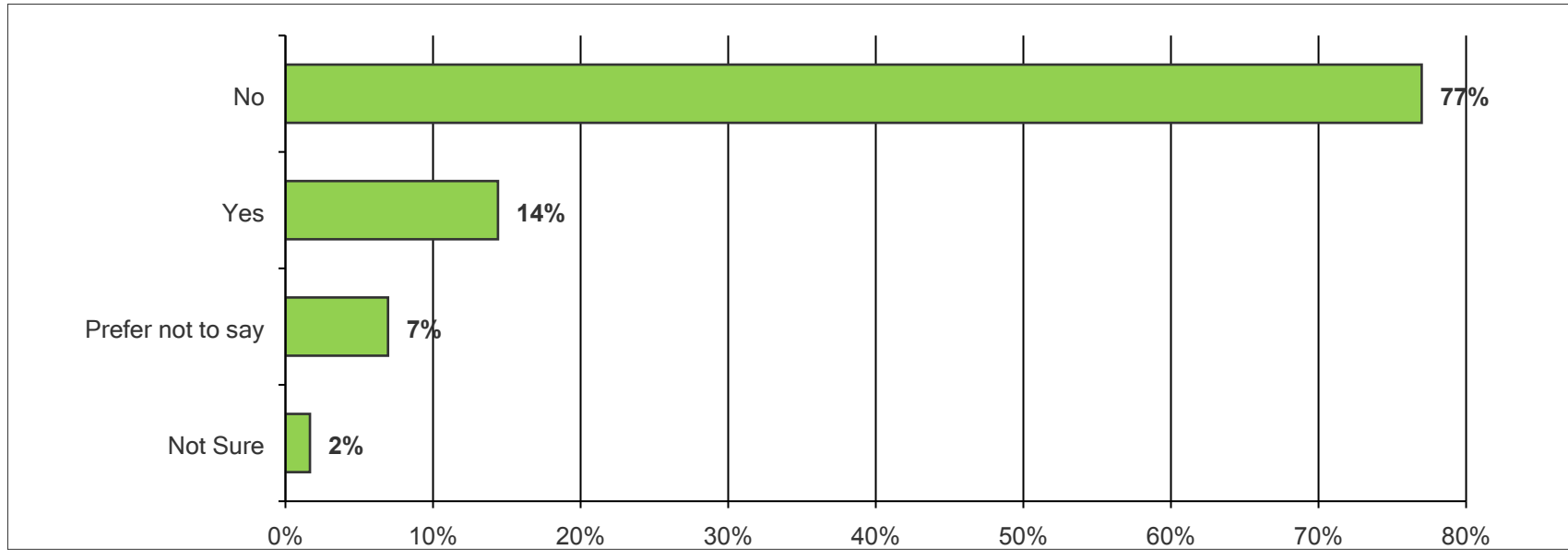
7.4 Respondents ethnic origin



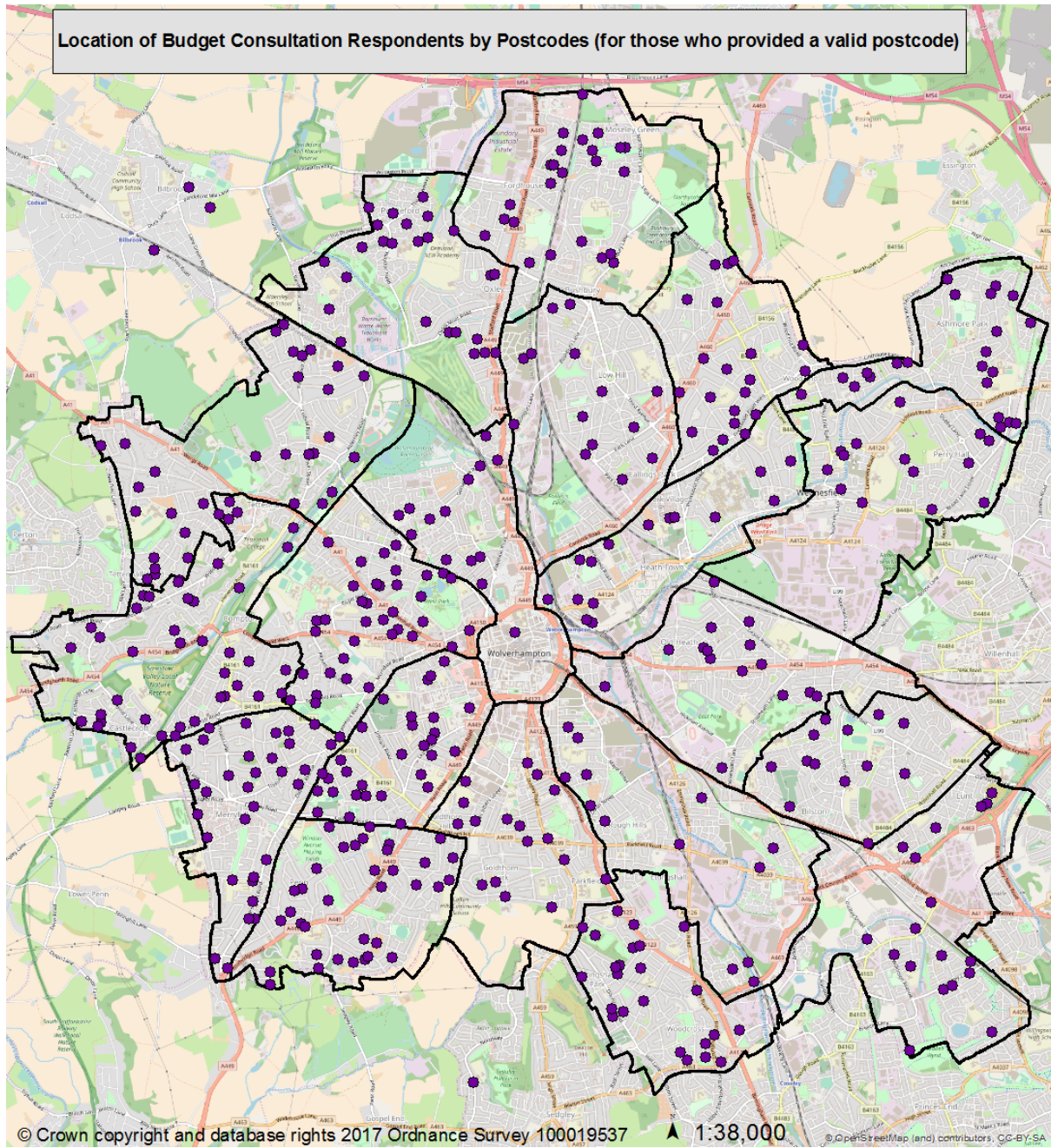
7.5 Respondents religion



7.6 Do you have a disability which affects your day to day activities, which has lasted, or you expect to last, at least a year?



Location of Budget Consultation Respondents by Postcode



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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 16 January 2018
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Report title	Collection Fund Estimated Outturn 2017-18	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Corporate Plan priority	Confident Capable Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee	Michelle Howell	Finance Business Partner
	Tel	01902 553197
	Email	michelle.howell@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	3 January 2018

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

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

The estimated outturn in 2017-2018 is a cumulative surplus of £882,000. Based on their proportion of the 2017-2018 council tax bill, as approved by Council in March 2017 the amounts are as follows:

- City of Wolverhampton Council £790,000
- West Midlands Police £62,000
- West Midlands Fire Service £30,000

2. Approve the 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.

The estimated outturn in 2017-2018 is a cumulative deficit of £1.7 million; this is as a result of a cumulative deficit totalling £5.3 million brought forward from 2016-2017 and an estimated surplus in 2017-2018 totalling £3.6 million. As prescribed by legislation the amounts are as follows:

- City of Wolverhampton Council £936,000 surplus
 - Central Government £2.7 million deficit
 - West Midlands Fire Service £17,000 deficit
3. Delegate authority 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 2018.

1.0 Purpose

- 1.1 To inform 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 2017-2018.

2.0 Background

- 2.1 Council Tax billing authorities are required to maintain a Collection Fund in accordance with Sections 89 and 90 of the Local Government Finance Act 1988. The operation of the Collection Fund is prescribed in detail by a series of specifications, regulations and directions made under various sections of the Local Government Finance Acts 1988 and 1992. Broadly, the Collection Fund's income comes from receipts of Council Tax and Business Rates, also referred to as Non-Domestic Rates (NDR), collected from taxpayers and any amounts transferred in (e.g. in respect of previous years' deficits). Expenses met from the Fund consist of adjustments to individuals' and companies' tax liabilities (refunds etc.), the billing authority's own budget demand, write offs, precepts and previous years' surpluses transferable out.
- 2.2 Each billing authority must make an estimate of the surplus or deficit for the Council Tax and Business Rates transactions of the Collection Fund for the current financial year. Such estimated surpluses or deficits do not remain in the Collection Fund but are shared between the billing authority, precepting authorities and central government in the year following the financial year to which they relate. Precepting authorities should be notified of their share of any surplus or deficit within seven working days of the estimate being made.
- 2.3 The surplus or deficit is then transferred in instalments in the financial year following the year for which the surplus or deficit has been estimated. In the case of billing authorities, the amounts are transferable in accordance with the schedule of instalments adopted for the payment of precepts and demands. Transfers to or from precepting authorities must take place in no more than ten equal instalments in the following year. The first and final instalments are to be paid by 31 May and 31 March respectively with an equal number of working days between instalments.
- 2.4 All Collection Fund surpluses or deficits for Council Tax transactions are to be ignored for the purpose of calculating the billing or precepting authority's budget requirement. They are, however, to be taken into account in calculating a billing authority's basic Council Tax or a joint authority's precept.
- 2.5 It is important to note however that the estimated Collection Fund outturn for the current financial year has to be forecast by January of that year and is based upon information available at a point in time. Therefore, any changes to the assumptions that occur in the remaining months of the financial year, will have an impact on actual Council Tax and Business Rates collected and consequentially the final outturn on the Collection Fund. Any resulting change to the surplus or deficit, will be recovered in future years.

3.0 Council Tax Estimated Outturn 2017-2018

3.1 The estimate on the Collection Fund for 2017-2018 in relation to Council Tax is set out below, and includes assumptions about collection rates. It is forecast that there will be an accumulated surplus of £882,000 at 31 March 2018. This will be apportioned between precepting authorities during 2018-2019.

Table 1 – Forecast Council Tax Outturn 2017-2018

	£000	£000
Actual accumulated surplus at 1 April 2017		(759)
Apportionment of 2016-2017 estimated surplus calculated January 2017 (payments made during 2017-2018)		
City of Wolverhampton Council	1,349	
West Midlands Police	106	
West Midlands Fire Service	53	1,508
Net deficit 2016-2017		749
Estimated income 2017-2018		
Income from Council Tax	(106,011)	
Total estimated income		(106,011)
Estimated expenditure 2017-2018		
Demands on Collection Fund		
City of Wolverhampton Council	90,937	
West Midlands Police	7,156	
West Midlands Fire Service	3,508	
Provision for non-collection of council tax	2,779	
Total estimated expenditure		104,380
Net estimated surplus 2017-2018		(1,630)
Estimated accumulated surplus at 31 March 2018		(882)

3.2 The overall position in terms of the allocation of the surplus between the Council and the precepting bodies is summarised in the Table 2. The split is based on the 2017-2018 council tax bill that was approved by Full Council in the formal council tax resolutions on 1 March 2017.

Table 2 – Recommended split of forecast Council Tax surplus for 2017-2018, to be distributed in 2017-2018

Council Tax	City of Wolverhampton Council £000	West Midlands Police £000	West Midlands Fire Service £000	Total £000
Actual accumulated surplus at 1 April 2017	(680)	(53)	(26)	(759)
Less: Apportionment of 2016-2017 estimated surplus calculated January 2017 (payments made during 2017-2018)	1,349	106	53	1,508
Additional accumulated deficit at 1 April 2017 (to be apportioned during 2018-2019)	669	53	27	749
Apportionment of 2017-2018 estimated surplus calculated January 2018 (to be apportioned during 2018-2019)	(1,459)	(115)	(57)	(1,631)
Total Forecast Surplus (to be apportioned during 2018-2019)	(790)	(62)	(30)	(882)

- 3.3 The sums due to the two precepting authorities will be paid in equal instalments alongside the precepts payable for 2018-2019 as set out in paragraph 2.3.

4.0 Business Rates (Non-Domestic Rates) Estimated Outturn 2017-2018

4.1 The estimate on the Collection Fund for 2017-2018 in relation to Business Rates, also referred to as Non-Domestic Rates (NDR), is set out below. It is forecast that there will be an accumulated deficit of £1.7 million at 31 March 2018. This will be apportioned between precepting authorities during 2018-2019.

Table 3 - Forecast Business Rates Outturn 2017-2018

	£000	£000
Actual accumulated deficit at 1 April 2017		13,964
Apportionment of 2016-2017 estimated deficit calculated as at January 2017 (payments made during 2017-2018)		
City of Wolverhampton Council	(4,236)	
Central Government	(4,322)	
West Midlands Fire Service	(86)	(8,644)
Net deficit 2016-2017		5,320
Estimated income 2017-2018		
Income from Business Rates (NDR)	(73,935)	
Transitional Payment	1,177	
Total estimated income		(72,758)
Estimated expenditure 2017-2018		
Demands on Collection Fund		
City of Wolverhampton Council	70,459	
Central Government	-	
West Midlands Fire Service	712	
Provision for non-collection of NDR (incl. appeals)	(2,329)	
Cost of Collection Allowance	337	
Total estimated expenditure		69,179
Net estimated surplus 2017-2018		(3,579)
Estimated accumulated deficit at 31 March 2018		1,741

- 4.2 The overall position in terms of the allocation of the deficit between the Council, central government and the precepting body is summarised in Table 4 below. The split is prescribed by legislation.

Table 4 – Recommended split of forecast Business Rates deficit for 2017-2018, to be distributed in 2018-2019

Business Rates	City of Wolverhampton Council £000	Central Government £000	West Midlands Fire Service £000	Total £000
Actual accumulated deficit at 1 April 2017	6,843	6,982	139	13,964
Less: Apportionment of 2016-2017 estimated deficit calculated January 2017 (payments made during 2017-2018)	(4,236)	(4,322)	(86)	(8,644)
Additional accumulated deficit at 1 April 2017 (to be apportioned during 2018-2019)	2,607	2,660	53	5,320
Apportionment of 2017-2018 estimated deficit calculated January 2018 (to be apportioned during 2018-2019)	(3,543)	-	(36)	(3,579)
Total Forecast Deficit (to be apportioned during 2018-2019) *	(936)	2,660	17	1,741

*The Government will continue to fund 50% of the deficit relating to Business Rates prior to the implementation of 100% business rates retention.

- 4.3 The sums due to from central government and the precepting body will be paid in equal instalments alongside the precepts payable for 2018-2019 as set out in paragraph 2.3.
- 4.4 It is important to note, that it continues to be very difficult to arrive at an accurate forecast of business rates appeals made against the 2017 ratings list, due to the lack of information available from the Valuation Office and the impact of the new 'Check, Challenge, Appeal' process.

5.0 Evaluation of alternative options:

- 5.1 The estimated outturn on the Collection Fund for 2017-2018 has been prepared in accordance with specifications, regulations and directions made under various sections of the Local Government Finance Acts 1988 and 1992.

6.0 Reasons for decisions:

- 6.1 Cabinet (Resources) Panel is recommended to approve the payments to/from central government and the precepting bodies based on the estimated outturn of the Collection Fund for 2017-2018. This will inform the budget setting process for 2018-2019, for the Council and precepting bodies.
- 6.2 Approval is also sought to delegate authority 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 2018. This will ensure that the most up to date information is used to inform 2018-2019 budgets.

7.0 Financial implications

- 7.1 The total Collection Fund accumulated deficit in 2017-2018 is estimated to be £859,000, of which the Council will be expected to retain a surplus of £1.7 million. This is the net sum of the forecast surplus relating to Council Tax (£790,000, Table 2) and forecast surplus relating to Business Rates (£936,000, Table 4).
- 7.2 The Council's Medium Term Financial Strategy will be updated to reflect the forecast outturn on the Collection Fund.
- 7.3 It is important to note however that the estimated Collection Fund outturn for the current financial year has to be forecast by January of that year and is based upon information available at a point in time. Therefore, any changes to the assumptions that occur in the remaining months of the financial year, will have an impact on actual Council Tax and Business Rates collected and consequentially the final outturn on the Collection Fund. Any resulting change to the surplus or deficit, will be recovered in future years.
[MH/03012018/F]

8.0 Legal implications

- 8.1 Relevant legislation is contained in the body of the report.
[TS/02012018/W]

9.0 Equalities implications

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

10.0 Environmental implications

10.1 There are no relevant environmental implications arising from this report.

11.0 Human resources implications

11.1 There are no relevant human resources implications arising from this report.

12.0 Corporate landlord implications

12.1 There are no relevant corporate landlord implications arising from this report.

13.0 Schedule of background papers

13.1 Council Tax Formal Resolutions, report to Full Council, 1 March 2017.

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 16 January 2018
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Report title	Council Tax Base and Business Rates (NDR) Net Rate Yield 2018-2019	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Corporate Plan priority	Confident Capable Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee	Michelle Howell	Finance Business Partner
	Tel	01902 553197
	Email	Michelle.Howell@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	3 January 2018

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Set the Collection Fund Council Tax Base for 2018-2019 at 62,816.47 Band D equivalents.
2. Set the Collection Fund Business Rates, also referred to as Non-Domestic (NDR), Net Rate Yield for 2017-2018 at £74.2 million.
3. Approve the Council's contribution of £228,000 in 2017-2018 to the West Midlands Combined Authority; which represents the real terms growth in the central share of business rates owed to the West Midlands Combined Authority.
4. Delegate authority 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.

1.0 Purpose

- 1.1 To set the estimates for the Wolverhampton Collection Fund for 2018-2019, which the Council manages on behalf of local precepting bodies and central government.

2.0 Background

- 2.1 The Local Government Finance Act 2012 made a number of significant changes to the operation of local government finance. The two most important in relation to this report were:
- a. The abolition of Council Tax Benefit (in the Welfare Reform Act 2011) and its replacement by the requirement to establish a local Council Tax discount scheme in the Local Government Finance Act 2012.
 - b. The localisation of the Business Rates, also referred to as Non-Domestic Rates (NDR), such that a proportion of the change from a baseline set at the beginning of the year will be borne by the administering local authority. This means that local authorities can both benefit from, and are exposed to, variation in local business rates.
- 2.2 The Council must set a Council Tax Base before the end of January which will be used to set the Council Tax Requirement for the following financial year. It represents the total number of Band D equivalent council tax payers from whom the Council will collect council tax in the year ahead. The total tax collected is shared in agreed proportions with the West Midlands Police and Crime Commissioner and the West Midlands Fire Service.
- 2.3 The Council must also set a Business Rates baseline net rate yield which is used to estimate the amount that the authority will keep as its local share of business rates, and pay over to the West Midlands Fire Service and central government. It represents the total estimated liability for business rates, net of discounts and reliefs, in the Council's area for the year ahead.
- 2.4 The setting of the Council Tax Base and the Business Rates baseline net rate yield both impact directly on the Council's General Fund budget and Medium Term Financial Strategy.
- 2.5 The Council Tax Base for 2018-2019 must be determined by 31 January 2018 and notified to the precepting bodies on or before that date, so that they can use the information in setting their precepts for 2018-2019. This will determine cashflows between the Collection Fund and precepting bodies during 2018-2019.
- 2.6 The Business Rates baseline net rate yield must be determined by 31 January 2018 and notified to the Department for Communities and Local Government (DCLG) on their NNDR1 form. This will determine cashflows between the Collection Fund and central government and the Collection Fund and the West Midlands Fire Service during 2018-2019.

- 2.7 In October 2016, Cabinet approved that the Council, as one of the Constituent Members of the West Midlands Combined Authority, participates 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 business rates, no longer receive Revenue Support Grant and receive a Top Up Grant adjustment to account for the net effect of the changes. The Council will continue to be part of the business rates retention pilot in 2018-2019.
- 2.8 The NNDR1 form was issued by the Department for Communities and Local Government on 20 December 2017. Work has been ongoing to forecast the business rates net yield for 2018-2019, however approval is sought to delegate authority to the Cabinet Member for Resources in consultation with the Director of Finance to resolve any changes without further recourse to Cabinet approval prior to the deadline for submission of 31 January 2018.

3.0 Council Tax Base Estimate

- 3.1 The method used to calculate the Council Tax Base for 2017-2018 is set out in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 which came into force on 30 November 2012.
- 3.2 The calculation starts with the base figures from December 2017 and then adjusts these for known and projected growth.
- 3.3 The total Tax Base, expressed in terms of the number of Band D equivalents, has then been multiplied by a net collection rate of 97.09%.

Table 1 – Council Tax Base 2018-2019

	Number of Band D equivalents
December 2017 baseline	76,647.34
Council Tax Reduction Scheme	(12,375.14)
New build and growth to March 2018	426.48
Total taxbase before collectability adjustment	64,698.67
Final taxbase including collectability adjustment	62,816.47

4.0 Business Rates Yield Estimates

- 4.1 The method used to calculate the Business Rates net rate yield for 2018-2019 is set out in the NNDR1 form issued by central government and associated guidance.

- 4.2 It specifies that an authority starts with the base figures from the September 2017 Valuation Office Agency (VOA) list, then adjusts them for known and projected growth in the base, reliefs and losses from appeals which are currently in hand.

Table 2 – Business Rates Net Rate Yield Estimate 2018-2019

	£000
Baseline	93,328
Transitional Arrangements (net income for CWC)	370
Transitional Arrangements (payable to CLG)	(370)
Mandatory reliefs	(12,774)
Unoccupied property	(1,700)
Discretionary reliefs	(572)
Losses on collection	(1,566)
Appeals	(2,027)
Disregarded Amounts in respect of Designated Areas	(156)
Cost of collection	(336)
Net rate yield	74,197

- 4.3 As stated in paragraph 2.7 above, Cabinet approved that the City of Wolverhampton Council, as one of the Constituent Members of the West Midlands Combined Authority, is participating in a 100% 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 business rates, no longer receive Revenue Support Grant and receive a Top Up Grant adjustment to account for the net effect of the changes.
- 4.4 It is important to note that, regeneration within the City of Wolverhampton, in line with objectives in the Council's Corporate Plan, has had a short term negative effect on business rates income generation, however it is anticipated that this regeneration will have a significant positive impact on business rates yield in the longer term.
- 4.5 The NNDR1 form was issued by the Department for Communities and Local Government on 20 December 2017. Work has been ongoing to forecast the business rates net yield for 2018-2019, however approval is sought to delegate authority to the Cabinet Member for Resources in consultation with and the Director of Finance to resolve any changes without further recourse to Cabinet (Resources) Panel approval prior to the deadline for submission of 31 January 2018.
- 4.6 One part of the West Midlands Devolution Deal included the West Midlands Combined Authority (WMCA) receiving the real terms growth in the central share of business rates, which came into effect from 1 April 2016 onwards. This was the share that was previously held by central government. For 2016-2017, the Department for Communities and Local Government devised a formula, set out in legislation, to calculate real terms growth between 2015-2016 to 2016-2017. The growth arising in the central share in 2016-2017, as a result of applying this formula to each area in the West Midlands in the WMCA, is then passported via local authorities to the WMCA. The application of the

formula to the Wolverhampton area did not identify growth in business rates between 2015-2016 to 2016-2017, therefore no payment will be passported.

- 4.7 There is some complexity in identifying the true business rates growth between years due to business rates appeals and the 2017 revaluation, however a one-off approach to allocate the growth in the central share for 2017-2018 has been discussed by Finance Directors. It is therefore proposed that Cabinet (Resources) Panel approve the City of Wolverhampton Council's contribution of £228,000 to the WMCA. The assumed growth of £3 million attributable to the WMCA, in line with the Investment Plan assumptions, has been apportioned for each authority pro rata to the aggregate Rateable Value at the start of the year.

5.0 Evaluation of alternative options:

- 5.1 The council tax base and the net business rates yield have been prepared in accordance with relevant legislation.

6.0 Reasons for decisions:

- 6.1 Cabinet (Resources) Panel are recommended to approve the Council Tax Base and Net Business Rates Yield for 2018-2019. This will inform the budget setting process for 2018-2019, for the Council and precepting bodies.
- 6.2 Approval is also sought to delegate authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve any final changes to the final Business Rates net rate yield as required as a result of changes to the NNDR1 form and the council tax base reflecting any further information received ahead of the statutory deadline of 31 January 2018.

7.0 Financial implications

- 7.1 The recommended Tax Base, based on 2017-2018 levels, would provide the Council with council tax income, including adult social care precept, of £96.8 million.
- 7.2 Of the £74.2 million net rate yielded by business rates forecast to be collected in 2018-2019 the Council will retain £73.5 million under the 99% business rate retention scheme pilot. When compared to the approved Medium Term Financial Strategy, the forecast business rates income for 2018-2019 is approximately £1.6 million greater than previously anticipated.
- 7.3 The NNDR1 form was issued by the Department for Communities and Local Government on 20 December 2017. Work has been ongoing to forecast the business rates net yield for 2018-2019, however approval is sought to delegate authority to the Cabinet Member for Resources in consultation with the Director of Finance to resolve any changes without further recourse to Cabinet approval prior to the deadline for submission of 31 January 2018; this figure is therefore preliminary and subject to change.

7.4 The Council's contribution of £228,000 in 2017-2018 to the West Midlands Combined Authority to represent the real terms growth in the central share of business rates owed to the West Midlands Combined Authority, will be funded from within existing Corporate Budgets in 2017-2018.
[MH/03012018/O]

8.0 Legal implications

8.1 Relevant legislation is contained in the body of the report.
[TS/02012018/E]

9.0 Equalities implications

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

10.0 Environmental implications

10.1 There are no direct environmental implications arising from this report.

11.0 Human resources implications

11.1 There are no direct human resources implications arising from this report.

12.0 Corporate landlord implications

12.1 There are no direct corporate landlord implications arising from this report.

13.0 Schedule of background papers

13.1 Council Tax Formal Resolutions, report to Full Council, 1 March 2017.

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CITY OF WOLVERHAMPTON COUNCIL	Meeting of the City Council 16 January 2018
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Report title	West Midlands Combined Authority (WMCA) Borrowing Powers and Amendments to Key Route Network	
Decision designation	AMBER	
Cabinet Member with lead responsibility	Councillor Roger Lawrence, Leader of the Council	
Corporate priority	Confident Capable Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All (All Wards)	
Accountable director	Keith Ireland, Managing Director	
Originating service	Governance	
Accountable employee	Keith Ireland	Managing Director
	Tel	
	Email	keith.ireland@wolverhampton.gov.uk
Report to be/has been considered by	West Midlands Combined Authority Board	12 January 2018

Recommendations for action:

The Cabinet (Resources) Panel is recommended to:

1. Delegate authority to the WMCA to approve the amendment to statutory regulations which amend the WMCA borrowing powers as set out in this report, subject to:
 - a. The additional borrowing powers sought being fully aligned to the WMCA's statutory functions as detailed within the West Midlands Combined Authority (Functions and Amendment) Order 2017.
 - b. Equivalent authority / approval allowing the WMCA to enter into the delegation, being received by the other Constituent Local Authorities.

2. Approve the WMCA borrowing cap suggested by HM Treasury as outlined within this report.
3. Delegate authority to the Leader of the Council, in consultation with the Managing Director to approve the amendment to the Key Route Network as detailed within this report.

1.0 Purpose

- 1.1 To ensure that the West Midlands Combined Authority is able to enter into the necessary agreements with Government to amend existing statute, enabling WMCA to borrow for all of the functions attributable to it and also endorse the proposed changes to the Key Route Network. Subject to the approval of the West Midlands Constituent Councils, WMCA Board will consider a report at its meeting on 12 January 2018.

2.0 Background

- 2.1 West Midlands Combined Authority (WMCA) was established in June 2016 following a Parliamentary Order which effectively dissolved the West Midlands Passenger Transport Executive (WMPTE) and the West Midlands Integrated Transport Authority (WMITA), both of which were replaced by the newly established West Midlands Combined Authority.
- 2.2 Upon establishing the WMCA, specific powers were granted to this new organisation, which include but are not limited to Housing, Economic Regeneration, Public Sector Reform and Air Quality.
- 2.3 The two statutory bodies which preceded the Combined Authority (WMPTE and WMITA) existed to promote and deliver public transport. As such, those entities held the necessary powers to undertake borrowing for transport related purposes (i.e. to fund the Metro expansion).
- 2.4 When WMCA was established (and subsequently acquired the broader range of powers / functions), the borrowing powers were not extended to align with the newly acquired functions.
- 2.5 In short, whilst currently WMCA has powers across a broad range of areas, it only has the legal ability to borrow in relation to transport related expenditure.
- 2.6 Specifically, this issue manifests itself in a number of ways predominantly relating to the investment programme. These being:
- WMCA are currently relying on Birmingham City Council to undertake the commercial borrowing for the Collective Investment Fund.
 - WMCA will need to rely on City of Wolverhampton Council undertaking the borrowing for the Land Remediation Fund in advance of WMCA's powers being amended.

3.0 Amendments to WMCA Borrowing Powers

- 3.1 The Cities and Devolution Act 2016 amends previous legislation so that in addition to borrowing for transport functions, a Combined Authority may borrow in relation to "any other functions of the authority that are specified for the purpose of [section 23(5)] in regulations made by the Secretary of State". Such functions include Mayoral and non-Mayoral functions. Such regulations may only provide borrowing powers for a particular function of the Mayoral WMCA if all the Constituent Councils consent.

3.2 In light of the above, WMCA have been in dialogue with HM Treasury (HMT) and Department for Communities and Local Government (DCLG) with a view to commencing the process to obtain the necessary powers and consents WMCA needs to undertake all of its functions; the process for which is broadly as follows:

HMT, DCLG and WMCA agree an annual overall external debt ceiling for WMCA

3.3 The purpose of the debt cap is to ensure HMT are safeguarded from any fiscal shocks relating to the management of the UK financial deficit.

3.4 WMCA have responded to HMT's request to design an annual cap for WMCA External Debt. The cap calculated by WMCA as presented to HMT was sufficient to:

- Cover the necessary borrowing to fund the investment programme based on recent Local Authority estimates.
- Cover any requirement WMCA may have to manage its 'legacy' debt position including any refinancing of debt which may be required over the period.
- Allow for £10 million p.a. headroom to cover any acceleration of Investment Programme advancement.

3.5 The value of the borrowing cap proposal submitted to HMT is included as Appendix 1. HMT subsequently accepted the calculations provided by WMCA and provided written confirmation of the provisional deal together with some broad terms.

3.6 This written agreement aligns the cap to the five-year gateway review which underpins the £36.5 million gainshare grant and contains provisions regarding monitoring and review in the event of unforeseen, material events.

3.7 The borrowing cap is subject to approval of the WMCA Section 151 Officer who will be required to give consent to the debt agreement coming into effect.

3.8 It should be noted that regardless of the borrowing ceiling / cap agreed with HMT, all borrowing ultimately undertaken by WMCA within this limit will be done with due regard to affordability, the WMCA Treasury Management Strategy and the CIPFA Code.

WMCA, HMT and DCLG agree the Borrowing Powers which would be applicable to WMCA

3.9 WMCA, HMT, DCLG and other representatives from the region have been in dialogue regarding the borrowing powers which should be applicable to WMCA. Agreement has been reached whereby WMCA will be able to borrow for all of its functions.

3.10 In essence, following approval of the regulation as proposed, the borrowing powers attributable to WMCA will exactly mirror the legal functions of the organisation as outlined within the West Midlands Combined Authority (Functions and Amendment) Order 2017. This is considered to be a sensible and logical approach and is consistent with borrowing powers given to other Local Authorities.

- 3.11 It is important to note that despite the broadening of WMCA borrowing powers, the revised powers will remain within the overall remit of WMCA based on its currently approved functions.

WMCA obtain consent to the delegation from the seven Constituent Local Authorities allowing WMCA to enter into the agreement with Government

- 3.12 Constituent Authorities approved the Mayoral Governance Review in May 2016 and this review made the following observations in relation to WMCA's ability to borrow:
- The Mayoral WMCA is prevented from borrowing for the purposes of its economic development and regeneration functions and as a result one of the Constituent Councils would in effect need to borrow on Mayoral WMCA's behalf.
 - The 2016 Act amends previous legislation so that in addition to borrowing for transport functions, a Combined Authority may borrow in relation to "any other functions of the authority that are specified for the purpose of [section 23(5)] in regulations made by the Secretary of State". Such functions include Mayoral and non-Mayoral functions.
 - Such regulations may only provide borrowing powers for a particular function of the Mayoral WMCA if all the Constituent Councils consent. It is proposed that the regulations should provide for the Mayoral WMCA to have borrowing powers in respect of all of its functions.
- 3.13 The requirement for the approach to obtain a delegation is to ensure that the regulations can be laid before Parliament in early 2018 thereby.
- 3.14 As detailed in the recommendations to this report, the delegation is expected to be strictly limited to the extension of WMCA Borrowing powers only within the boundaries of the existing functions of WMCA. Should the wording of the actual regulation differ from this principle, the necessary approvals will be requested through the WMCA Board and the seven Constituent Local Authorities.

4.0 Key Route Network (KRN) Amendments

- 4.1 For the purposes of efficiency in terms of the Parliamentary process, the amendment to the regulations as detailed above is also intended to cover some necessary amendments to the WMCA Key Route Network.
- 4.2 Following the adoption of the WMCA 2017 Order, discussions continued with Local Authorities about whether additional roads should be added into Key Route Network. During the initial development phase of this work in 2015 there was some uncertainty about powers and responsibility which has subsequently been clarified, hence the suggested amendments to the KRN.

4.3 In addition, WMCA and the relevant Constituent Authorities have jointly developed a network map outlining the agreed Key Route Network. The Key Route Network schedule attached as Appendix 2 highlights the additions required (being sought through the regulation) which will align the schedule with the map.

4.4 To clarify, the suggested amendments to the KRN:

- Have been jointly developed and agreed between WMCA and the relevant Constituent Local Authority Highway Managers.
- Are required simply to address inconsistencies between the KRN as informally recognised by WMCA / Local Authorities and the strict definitions as contained within the WMCA Orders to date.

4.5 It is recommended that the delegation being sought should only be executed if the KRN adjustments in the final regulation are consistent with those included within Appendix 2.

5.0 Evaluation of alternative options

5.1 The alternative option could be to refuse to consent to the proposals to amend statute to enable the WMCA to extend its borrowing powers or amend the KRN. This option is not recommended as it will impact on the WMCA ability to undertake and develop some of the key priorities for the region.

6.0 Reasons for decision

6.1 In accepting the recommendations made in this report, the WMCA will be able to enter into the necessary agreements with Government to amend existing statute, enabling the WMCA to borrow for all of the functions attributable to it and make the proposed changes to the Key Route Network.

6.2 Delegations are proposed to be given to the Councils Leader and the Managing Director so that the City Council retains oversight of the final amended orders produced from the Government.

7.0 Financial implications

7.1 The financial implications relating to the amendments to WMCA Borrowing Powers are set out in the background details of the report. The West Midlands Combined Authority (Functions and Amendment) Order 2017 requires the constituent councils to meet any reasonably incurred costs of the Combined Authority, to the extent these costs are not to be met by other resources.

[CN/05122017/K]

8.0 Legal implications

8.1 The approval of the proposals in this report will ensure that WMCA is able to enter into the necessary agreements with Government to amend the existing statutory requirements, enabling WMCA to borrow for all of the functions attributable to it and also endorse the proposed changes to the Key Route Network. Specific legal implications are dealt with in the background details of this report.

[TC/05122017/C]

9.0 Equalities implications

9.1 There are no direct equalities implications related to this report.

10.0 Environmental implications

10.1 There are no direct equalities implications related to this report.

11.0 Human resources implications

11.1 This report has no direct human resources implications related to this report. The wider activities of WMCA present significant opportunities for the transformation of public services.

12.0 Corporate Landlord implications

12.1 There are no direct corporate landlord implications related to this report.

13.0 Schedule of background papers

13.1 None

14.0 Appendices

14.1 Appendix 1 – WMCA borrowing cap provisionally agreed with HMT

14.2 Appendix 2 – KRN (including amendments as highlighted)

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APPENDIX 1: WMCA Borrowing Cap Provisionally Agreed With HMT

Planned external debt

Body	Function(s)	Project Description	External debt at 31 March					
			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
WMCA	Transport	Existing WMCA External Debt (Including Deductions for Planned Loan Maturities with PWLB, Legacy WM County Council Maturities and reductions in principal on annuity loans)	£172,078,145	£166,218,464	£160,289,728	£136,283,774	£130,199,122	£124,025,763
WMCA Planned Prudential Borrowing from Table Below	See Below		£0	£0	£78,975,784	£350,296,825	£532,666,835	£743,309,568
Total planned external debt			£172,078,145	£166,218,464	£239,265,512	£486,580,599	£662,865,957	£867,335,331

Planned prudential borrowing

Project	Function(s)	Project Description	Financing Description	Prudential borrowing between 1 April and 31 March					
				2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Devo Deal Investment Programme : UKC Interchange	Transport / Economic Regeneration / Highways	UK Central Interchange Package involves delivery of improvements and interchange capability at the HS2 Interchange station hub.			£2,172,240	£18,207,390	£16,113,290	£12,303,330	
Devo Deal Investment Programme : UKC Infrastructure	Transport / Economic Regeneration / Highways	UK Central Infrastructure Package involves delivery local network improvements, public realm and town centre enhancements, green infrastructure and digital connectivity. These measures will support connectivity and access to the HS2 Interchange Station and support economic growth in the UK Central growth zones and corridors.			£3,544,890	£10,686,250	£25,866,540	£56,719,160	
Devo Deal Investment Programme : Metro Birmingham Eastside Extension	Transport	Extension of the Metro route to the HS2 site to include track and vehicles.				£20,226,779			
Devo Deal Investment Programme : Bilston Road	Transport	Metro track works in Wolverhampton			£15,699,000				
Devo Deal Investment Programme : Coventry UKC City Centre First	Transport / Highways	Coventry Station Masterplan development plus Ring Road junction improvements.				£10,673,000	£32,396,000	£6,469,000	
Devo Deal Investment Programme : Coventry UKC South	Economic Development & Regeneration / Highways	A46 Link road, Binley & Walsgrave junction improvements, Coventry South park & ride station development.			£250,000	£4,762,000	£14,619,000	£16,115,000	
Devo Deal Investment Programme : Coventry UKC VLR	Transport	Development of a very light rapid transit public transport facility to support HS2 connectivity.			£0	£2,524,000	£1,524,000	£1,044,000	
Devo Deal Investment Programme : HS2CP Centenary Square	Transport	The extension of the Metro Network from New Street Station to Centenary Square and onwards to Edgbaston, including the costs of stat diversions, track and additional vehicles.			£5,088,000	£14,798,000	£12,435,000		
Devo Deal Investment Programme : HS2CP Metro Edgbaston Extension	Transport							£11,794,460	
Devo Deal Investment Programme : HS2CP Rail Schemes	Transport	Rail infrastructure improvement schemes including contributions to new stations.			£768,000	£2,279,000	£11,080,000	£16,820,000	
Devo Deal Investment Programme : HS2CP Wolverhampton Metro	Transport	Delivery of a Metro Extension in Wolverhampton with additional works to encompass Wolverhampton Rail Station and Car Park.			£5,277,792	£2,578,000	£4,544,208		
Devo Deal Investment Programme : HSCP Sprint Programme	Transport	The delivery of a Bus Rapid Transit network to include highway measured and vehicle procurement (with private sector investment assisting with the vehicle acquisition costs).			£965,025	£9,977,931	£18,107,234	£36,437,400	
Devo Deal Investment Programme : HS2 - Brierley Hill Metro Extension	Transport	The extension of the Metro Network to Wednesbury and Brierley Hill			£1,980,000	£13,680,000	£12,598,000		
Devo Deal Investment Programme : Programme Governance	Transport and Economic Regeneration	Costs of programme management in relation to the delivery of the HS2 elements of the Investment Programme.			£505,556	£382,691	£386,517	£390,383	
Devo Deal Investment Programme : Coventry City Centre Regeneration	Economic Development & Regeneration	Coventry City Centre South regeneration. A retail led development scheme to include a new department store, retail units, food and beverage units, a cinema, bowling alley, residential space, a hotel, car park and high quality public realm.			£7,585,281	£85,241,000	£8,252,000	£26,696,000	
Devo Deal Investment Programme : Coventry UK Central	Economic Development & Regeneration/ Highways	A45 to A444 Keresley Link and M6 Junction 3 Improvements.			£140,000	£1,230,000	£1,375,000	£1,116,000	
Devo Deal Investment Programme : Land Remediation Fund	Economic Development & Regeneration/ Housing	Pump priming strategic development opportunities to unlock sites, remediate the industrial legacy and bring forward investable propositions			£5,000,000	£25,000,000	£25,000,000	£25,000,000	
Devo Deal Investment Programme : Business Innovation	Economic Development	Development and application of intelligent/smart systems technology and approaches to increase business competitiveness/productivity and to contribute to the reform of public services. Focus will be applications in the Mobility, Health and Energy sectors, reflecting local and regional strengths and priorities as identified in the recent Midlands Engine Science and Innovation Audit.				£1,075,000	£3,300,000	£11,375,000	
Other planned PWLB Debt Repayments	N/A	N/A	N/A					(£20,226,779) (£26,637,000)	
Collective Investment Fund	Economic Development & Regeneration / Housing	Commercial Property Fund accelerates the development of commercial property projects within the West Midlands area. It is a revolving Fund that aims to underpin the region's long term growth and stability.			£15,000,000	£15,000,000	£15,000,000	£15,000,000	
								(£15,000,000) (£15,000,000)	
WMCA	Transport	Allowance for re-financing loan maturities	N/A		£5,000,000	£23,000,000	£5,000,000	£5,000,000	
WMCA Borrowing Headroom (Agreed verbally with HMT)	N/A	N/A	N/A		£10,000,000	£10,000,000	£10,000,000	£10,000,000	
Total planned prudential borrowing				£0	£0	£78,975,784	£271,321,041	£182,370,010	£210,642,733

APPENDIX 2 : Key Route Network (Including Amendments as Highlighted)

Proposed Changes to Schedule 1 of the West Midlands Combined Authority (Functions and Amendment) Order 2017

(1) Schedule 1 (meaning of "combined authority roads") to the West Midlands Combined Authority (Functions and Amendment) Order 2017() is amended as follows.

(2) In paragraph 5, for the opening words substitute-

5. A45 from the Stivichall Interchange roundabout with the A444/A46 in Coventry to the A446/A452 Junction with Stonebridge Island; and from a point immediately east of its junction with the M42 motorway Junction 6 excluding the circulatory carriageway to the Bordesley Circus roundabout with the A4540 Watery Lane Middleway/Bordesley Middleway/B4128 Coventry Road, including its junctions with-

(3) For paragraph 14 substitute-

14. A453 from its junction with the A34 Walsall Road (see paragraph 1(i).) to its junction with the B4138 Kingstanding Road.

(4) For paragraph 17 substitute—

17. A457 from its junction with the A459 Dudley Street/High Holborn to the Spring Hill roundabout with the A4540 Icknield Street/Ladywood Middleway/B4135 Summer Hill Road, including its junctions with—

(a) Turf Street; (b) Setton Drive; (c) High Arcal Drive; (d) Tipton Road; (e) Marlborough Road; (f) Brooke Street; (g) Parkes Lane; (h) A457 Sedgley Road/Parkes Hall Road/Park Road; (i) Claycroft Terrace; (j) Woodsetton Close; (k) Bramford Drive; (l) A457 Sedgley Road/George Street/Vicarage Road West; (m) Fox Street; (n) Dawlish Road; (o) A457 Sedgley Road/A4123 Birmingham New Road; (p) A4037 Hurst Lane/Dudley Road; (q) B4517 Owen Street/High Street roundabout; (r) A461 Dudley Port; (s) A4033 Dudley Road West; (t) Roway Lane/Brades Road roundabout; (u) A4034 Oldbury Ringway/Freeth Street roundabout; (v) Rounds Green Road/Sainsbury's roundabout; (w) A4034 Churchbridge/Halesowen Street roundabout; (x) Rood End roundabout; (y) A4031 Spon Lane South/Mallin Street roundabout; (z) A4252 Telford Way/Fenton Street roundabout; (aa) A4030 High Street; (bb) B4136 Soho Street; (cc) B4135 Cranford Street/B4136 Windmill Lane roundabout; (dd) A4092 Cape Hill/Barrett Street roundabout; (ee) B4129 Rotton Park Road; (ff) A4040 City Road; (gg) A4040 Winson Green Road/B4126 Icknield Port Road; (hh) B4135 Heath Street; and (ii) Western entry to the Spring Hill roundabout with the A4540 Icknield Street/Ladywood Middleway/B4135 Summer Hill Road.

(5) In paragraph 21—

(a) for the opening words substitute—

"21. A461 from the northwestern Walsall Borough boundary just south of Barracks Lane/Cartersfield Lane to the junction of the A461 Stourbridge Road/A4036 Highgate Road, including its junctions with—"

(b) after sub-paragraph (q) add—

(r) A461 Duncan Edwards Way;
(s) Scotts Green roundabout with A4101 Stourbridge Road/A4101 Kingswinford Road/ Scotts Green Close; and
(t) A461 Stourbridge Road."

(6) After paragraph 24 insert—

"24A. A4030 from its junction with the A456 Hagley Road West to its junction with the A457 Tollhouse Way, including its junctions with—

(a) Poplar Road; (b) Anderson Road; (c) Sherwood Road; (d) St. Mary's Road; (e) Rutland Road; (f) Sandon Road/B4182 Three Shires Oak Road; (g) Ethel Street; (h) Merrival Road; (i) Belmont Road; (j) Rawlings Road; (k) Dunsford Road; (l) Reginald Road; (m) Richmond Road; (n) Beakes Road; (o) Linden Road; (p) Talbot Road; (q) Bearwood Road; (r) Marlborough Road; (s) Dawson Street; (t) Vince Street; (u) Pearman Road; (v) Wellington Road; (w) Capethorn Road; (x) Church Road; (y) Grange Road; (z) Millpool Way; (aa) Pens Close; (bb) Norma Rose Close; (cc) Watery Lane; (dd) Firs Lane; (ee) Victoria Avenue; (ff) Brailsford Drive; (gg) Coopers Lane/Crocketts Lane; (hh) Piddock Road; (ii) Regent Street; and (jj) Roslyn Close."

(7) After paragraph 33 insert—

"33A. A4092 from its junction with the B4125 to its junction with the A457 Grove Lane/Cape Hill/Barrett Street roundabout, including its junctions with—

(a) B4136 Windmill Lane; (b) Salisbury Road; (c) Rosebery Road; (d) Durban Road; (e) Montague Road; (f) Crown Street; and (g) Ragland Road."

APPENDIX 2 Continued: Key Route Network (Including Amendments as Highlighted)

Proposed Changes to Schedule 1 of the West Midlands Combined Authority (Functions and Amendment) Order 2017

(8) For paragraph 36 substitute—

"36. A4101 from the Dudley boundary (see paragraph 12(p).) to the Scotts Green Island roundabout with the A461 Duncan Edwards Way/Stourbridge Road/Scotts Green Close, including its junctions with—

(a) A449 Kidderminster Road; (b) B4178 Swindon Road/Cot Lane; (c) A491 Moss Grove/Market Street (see paragraph 24(b).); (d) B4179 Commonsidge; (e) Pensnett Road roundabout; and (f) Scotts Green Island roundabout with the A461 Duncan Edwards Way/Stourbridge Road/Scotts Green Close."

(9) After paragraph 41 insert—

"41A. A4167 from its junction with the A34 Stratford Road, to its junction with the A4540 Haden Circus, including its junction with—

(a) Stoney Lane; (b) Queen Street; (c) Mole Street; (d) Ladypool Road; (e) Kyrwicks Lane; (f) Woodfield Road; and (g) Moseley Road."

(10) After paragraph 54 insert—

"54A. B4125 from its junction with the A4030 to its junction with the A4092 Waterloo Road/Cape Hill, including its junctions with—

(a) Edgbaston Road; (b) Corbett Street; and (c) Claremont Road."

(11) After paragraph 55 insert

B4138 from its junction with the A453 College Road to its junction with the A454 Walsall Road, including its junctions with —

(a) Elmbridge Road; (b) Crossway Lane (c) Tysoe Road (d) Greenholm Road (e) Goodway Road/Melverley Grove junction; (f) Blenheim Way; (g) Westward Close; (h) Hawthorn Road/Dyas Road junction; (i) Hotspur Road; (j) Cranbourne Road; (k) Heather Croft; (l) Old Oscott Hill; (m) Harringay Road; (n) Dunedin Road; (o) B4149 Kings Road/Kettlehouse Road/Rough Road roundabout; (p) Cooksey Lane/Norbury Road junction; (q) Beacon Road; (r) Endhill Road; (s) George Frederick Road; (t) Bakers Lane junction; (u) Sutton Oak Road junction; (v) Sutton Oak Road/A452 Chester Road North junction (w) A452/A4101 roundabout; (x) Oakmount Road; (y) Ryknild Drive; (z) Millcroft Road; (aa) Thornhill Park; (bb) Manor Road; (cc) Foley Road East; (dd) Horsley Road; (ee) Burnett Road; (ff) B4151 Streetly Lane/hardwick Road/Roman Road roundabout; (gg) St. Margaret's (hh) Highbury Road; (ii) Wayside Drive; (jj) Endwood Drive; (kk) Woodstock Drive; (ll) Park Drive;

(12) After paragraph 56 insert—

"56A. B4145 from its junction with the A41 Warwick Road roundabout to its junction with the A45 Poets Corner roundabout, including its junctions with—

(a) Fraser Road; (b) Barrows Road; (c) Gough Road; (d) Ansell Road; (e) Hangleton Drive; (f) Benton Road; (g) Walford Road; (h) Sydenham Road; (i) Armoury Road; and (j) Anderton Road.

56B. B4146 from its junction with the A4040 Stockfield Road to its junction with the A41 Warwick Road, including its junctions with—

(a) Mansfield Road; (b) Wynford Road; (c) Augusta Road; (d) Francis Road; (e) Langworth Avenue; (f) Florence Road; (g) Beeches Avenue; (h) Cottesbrook Road; (i) Douglas Road/Elmdon Road; (j) Malvern Road; (k) Alexander Road; (l) The Avenue; (m) Sherbourne Drive; and (n) Oxford Road/Station Road/Sherbourne Road.

56C. B4148 Kingsbury Road from its junction with the A452 Chester Road roundabout to its junction with the A5127, including its junctions with—

(a) Padstow Road; (b) Eaton Wood/Egerton Road; (c) Pype Hayes Road/Sorrel Grove; (d) Paget Road/Burcote Road; (e) Holly Lane roundabout; (f) Bracken Road; (g) Tolworth Hall Road; (h) Birches Green Road; (i) Whitminster Avenue; (j) Firtree Road; (k) Spring Lane; (l) Ardenleigh Way; (m) Eagle Gardens; (n) Bromford Lane; (o) Arton Croft; (p) Ullink Green; (q) Wood End Lane; (r) Kingsbury Road; (s) Lyndhurst Road; (t) Kingsmere Close; (u) Marshfield Gardens; and (v) Wheelwright Road."

(13) After paragraph 59 add—

"60. B4179 from its junction with the A4101 to its junction with A461 Ventura Way/Level Street, including its junctions with—

(a) Bradley Street; (b) Victoria Street; (c) Broad Street/Tiled House Lane (d) Birbeck Place; (e) Queen Street; (f) Blewitt Street; (g) Bromley Lane; (h) Bryce Road; (i) Wallows Road; (j) Kerry Close; (k) Pensnett Road; (l) Hickman Road; (m) Pensnett Road; (n) B4180 High Street; (o) B4180 John Street; (p) Bent Street/Adelaide Street; (q) Victoria Street; (r) A461 Dudley Road/High Street; and (s) A461 Ventura Way."

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 16 January 2018
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Report title	Review of contributions to non-residential adult social care - outcome of public consultation and final proposals	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Sandra Samuels OBE Adults	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	David Watts, Adult Social Care	
Originating service	Community Financial Support, Adult Social Care	
Accountable employee(s)	Helen Winfield	Head of Service – Community Financial Support
	Tel	01902 553353
	Email	helen.winfield@wolverhampton.gov.uk
Report to be/has been considered by	Adult Social Care Management Team	1 December 2017
	People Leadership Team	4 December 2017
	Strategic Executive Board	19 December 2017
	Scrutiny Board	9 January 2018

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to approve:

1. Approve the final proposals, following consultation, for a new approach to non-residential contributions scheme based on individual financial assessments that are fair and equitable and Care Act compliant and:
 - Allow for a £12.00 disregard on disability benefits for disability-related expenditure (**paragraph 5.3**);
 - Allow for an additional 30% of the enhanced disability premium (currently £4.77) for working-age customers to help mitigate against the lower Minimum Income

Guarantee set by Government for working-age people than for pensioners
(paragraph 5.2 and 5.3);

- Cap any non-residential weekly contribution at no more than the weekly personal budget rate for a residential care home, currently £394.94 **(paragraph 5.4);**
 - Maintain a £150 charge for the administration costs for self-funders who request that the Council arrange for their care and support and add £75 per year thereafter to cover on-going costs **(paragraph 5.7);**
 - Maintain exemptions from contributions for terminally ill customers and carers **(paragraph 5.6);**
2. Approve transitional protection for current service users by limiting any significant increases **(paragraph 6.8)**
 3. Approve implementation of the new contributions scheme from April 2018.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

4. The report on the outcome of the public consultation on the review of contributions to non-residential adult social care **(see Appendix 1)**

1.0 Purpose

- 1.1 This report gives details on the outcome of the public consultation, approved by Cabinet on 19 July 2017, on the review of contributions to non-residential adult social care which took place from 4 September 2017 to 26 November 2017. The consultation was later than the original dates proposed (24 July to 15 October) in order to avoid the summer holiday period and therefore maximise participation.
- 1.2 This report also sets out revised proposals, following consultation, for a scheme based on individual financial assessment to replace the current banded contributions scheme for those in receipt of non-residential council support under the provisions of the Care Act 2014.

2.0 Background

- 2.1 The City of Wolverhampton (CWC) Council's current non-residential banded contributions scheme is long-standing (since July 1999) and has been reviewed annually with public consultation as part of the review process when there has been an above-inflationary increase in the proposed contribution rates. The current rates were approved by Cabinet Resources Panel in 2015. There was no review in 2016 as relevant working-age social security benefits were frozen.
- 2.2 Prior to the implementation of the Care Act 2014 from April 2015, Section 17 of the Health and Social Services and Social Security Adjudications (HASSASSA) Act 1983 gave councils a discretionary power to charge adult recipients of non-residential services and statutory guidance to Councils was provided by 'Fairer Charging' and 'Fairer Contributions' guidance. The CWC banded contribution scheme, with the option to request a full financial assessment, was fully compliant with these provisions.
- 2.3 Section 14 of the Care Act 2014 and the Care and Support statutory guidance is the current provision giving councils the power to charge individuals for the care and support they receive.
- 2.4 A recent independent review of Wolverhampton's charging scheme concluded that the operation of a banded contributions scheme as opposed to full financial assessment of individuals' resources according to their ability to pay a contribution towards their non-residential care and support, may be open to legal challenge.
- 2.5 It is also recognised that under the current banded contributions scheme, individuals with a higher income who are not in receipt of a means-tested benefit may be contributing significantly less of their overall income than an individual with less income in receipt of a means-tested benefit.
- 2.6 Since the implementation of the Care Act 2014, all other local authorities have charging schemes based on individual assessments of income and capital (see **Appendix 3A**).

3.0 Introduction

- 3.1 Under the Care Act 2014, the amount that an individual pays towards their non-residential care and support must be assessed by an individual financial assessment of both their capital and income. The rules governing the financial assessment are detailed in the Care and Support statutory guidance. They are not reproduced in full here however they will be explained in more detail in the Council's final policy.
- 3.2 It is proposed that a new and fairer contributions policy is introduced which takes into account the comments received during the public consultation. The consultation outcome report is attached at **Appendix 1**.
- 3.3 The proposed new contributions policy would be subject to annual review (as has been the practice with the current contributions policy) following the annual review of social security benefit rates by the Departments for Work and Pensions and the Care and Support (Charging and Assessment of Resources) Regulations by the Department of Health.

4.0 Key Care Act considerations

- 4.1 If an individual has capital above the upper threshold (currently £23,250) set by government, they are required to pay for all of their non-residential care. If their capital is below the upper threshold, means-tested support is available, depending on what they can afford to pay.
- 4.2 When the means-test is applied, their income will be assessed. Any capital that they have above the lower threshold (currently £14,250) set by government will be treated as if it gives rise to an income of £1 a week for every £250 of capital. Capital below the lower threshold will be disregarded.
- 4.3 The means test works on the principle that non-residential contributions must not reduce that person's income to below a certain amount. This amount is known as the Minimum Income Guarantee (MIG), and is reviewed yearly in April. Income above the MIG is described as a person's 'disposable income' and is considered to be available to make a contribution towards the cost of their care and support.
- 4.4 The statutory scheme for the financial assessment of means lays down detailed rules for what capital and income can be taken into account and what capital and income must be disregarded. For example:
- a. Individuals provided with care and support under the Care Act are usually in receipt of Department for Work and Pensions (DWP) disability benefits (Attendance Allowance/Disability Living Allowance care component/Personal Independence Payment daily living component). The local authority can take this income into account in the financial assessment however, it must ensure that individuals have enough money to cover the costs of meeting their disability-related expenditure (DRE).

- b. The mobility component of Disability Living Allowance (DLA) or Personal Independence Payment (PIP), in accordance with guidance, must be disregarded in the financial assessment as must earnings.
 - c. The guidance recognises that where individuals are in receipt of disability benefits they may also have additional expenditure related to their disability, such as additional heating requirements or laundry, which are not met by the local authority and therefore should be allowed for in the financial assessment. Local authorities have a discretion to disregard further capital or income thus reducing an individual's contribution but they are not permitted to charge more than is allowed by the statutory scheme.
- 4.5 The Care and Support statutory guidance suggests various alternative ideas for how local authorities might do this. For example, local authorities can set a maximum percentage of disposable income (over and above the guaranteed minimum income), which may be taken into account in the financial assessment. Having considered these alternatives, it was felt that establishing a maximum percentage of disposable income would favour those individuals with more income and additional protection of income for housing costs was a fairer proposal.

5.0 Proposals put to consultation and revised proposals

- 5.1 As part of the consultation, comments were invited on the proposal to apply a 20% disregard of disability benefits to allow for disability-related expenditure without any requirement for evidence of such expenditure but with the option of requesting an enhanced financial assessment and providing evidence if disability-related expenditure (DRE) was more. There was a general consensus that intrusive questions and needing to provide evidence of expenditure should be avoided. From the Council's perspective, enhanced financial assessments are significantly more resource intensive and therefore proposals seek to minimize the need for such assessments by making sufficient allowance for DRE.
- 5.2 A number of people stated that the MIG amounts were clearly more generous for people of pension age and that the proposals should seek to address this inequity as working age service users had similar financial commitments and requirements in connection with their needs. In particular, it was noted that those people who were considered to be substantially disabled and have "limited capability for work-related activity" by the DWP were entitled to the enhanced disability premium in their benefits in recognition of their needs and that there should be a similar provision made in the contributions scheme.
- 5.3 It is therefore proposed that instead of a 20% disregard of disability benefits for DRE which would involve different amounts being applied dependent on the level of disability benefits received, a standard disregard of £12.00 per week is allowed for all service users in receipt of a disability benefit plus a 30% disregard of the enhanced disability premium (EDP) where it is included in a person's individual MIG. Currently, the EDP is £15.90 and therefore the disregard would be £4.77 per week (see **Appendix 2**). Those service users with more significant DRE would still be able to request an enhanced

financial assessment which would look at all evidenced DRE to consider higher disregards where applicable. However, with standard disregards at this level it is anticipated that such assessments would be kept to a minimum.

- 5.4 The guidance states that local authorities should consider whether it is appropriate to set a maximum charge such as a maximum percentage of care home charges in the local area which could help ensure that people are encouraged to remain in their own homes, promoting individual wellbeing and independence. It is proposed that for individuals with capital below the capital threshold, the maximum contribution should be set at the fee level for a residential care home. This means that the contribution would be capped at £394.94 per week which is Wolverhampton's current fee level for residential care.
- 5.5 The Care Act creates a series of exemptions from charging for certain individuals or the provision of certain services. This includes the following:
- Individuals with Creutzfeldt-Jacob Disease (CJD)
 - Intermediate (including re-ablement) care of up to six weeks
 - Aids and minor adaptations of less than £1,000
 - Aftercare under s.117 of the Mental Health Act 1983
 - Services that they are required to provide under other Acts.
- 5.6 The current contributions policy also exempts individuals who are terminally ill and carers from charges. The Guidance suggests that council's recognise that it unlikely to be efficient to charge carers for meeting their eligible needs as this could potentially lead to carers refusing support. It is considered that charging could lead to carer breakdown and therefore cost the Council more in meeting eligible need for the individual. Therefore, it is proposed to maintain exemption from contributions for carers in addition to exemption for terminally ill service users.
- 5.7 Where a person's resources are above the financial limit (and they would therefore be a self-funder paying the full cost of care and support themselves) there is a right, under the Care Act, for them to request local authority support in making arrangements to meet their needs. The Guidance states that it may be appropriate for local authorities to charge a flat rate fee for arranging care (commissioning and managing the contract not undertaking the assessments or care and support plan) but this must be set at a level which does not exceed the costs the local authority actually incurs. Under the current contributions policy a one-off fee of £150 is charged in these circumstances. However, this amount does not take into account the cost to the Council of maintaining and reviewing support over subsequent years. Therefore, it is proposed that in the new scheme an initial charge of £150 is made with a yearly charge of £75 thereafter, for as long as the authority continues to arrange the care.
- 6.0 Key considerations for a revised contributions policy**
- 6.1 The most important consideration when introducing this policy is that the Council's charging and financial assessment must become compliant with the current statutory scheme.

- 6.2 We also believe that the new system will be a fairer approach, since it will be based on an assessment of individuals' circumstances and their ability to contribute to the care and support provided by the Council.
- 6.3 Further, it is now easier and more practical to conduct individual financial assessments than it used to be. Following consultation by the Department for Work and Pensions (DWP), there was a programme to develop local authority access to the DWP Customer Information System (CIS) to allow verification of individuals' benefits information for financial assessment purposes. The Council's Financial Assessments Service has recently secured access to the system and has implemented the software provided.
- 4.2 This increased availability of DWP information provides an opportunity to undertake a more detailed financial assessment for those individuals in receipt of DWP means-tested benefits (currently in Bands A to E) without it impacting considerably on the resource required to undertake the assessment.
- 4.3 For those cases where individuals who are not in receipt of a means-tested benefit as they receive higher income than (currently in Bands F to H) individual financial assessments will determine a contribution that is appropriate for their individual income. Whilst an assessment in these cases will be more resource intensive there are far fewer in number and would be managed within existing resources.
- 4.4 The financial assessment guidance for non-residential care and support states that disability-related expenditure (DRE) should be taken into account when a full financial assessment is undertaken which includes disability benefits. A review of other local authority's contributions policies and information provided by the independent review has highlighted that many authorities set standard levels of disability-related expenditure applied to each assessment with the option of a more detailed/enhanced assessment of disability-related expenditure if requested; an approach which would be built into our implementation process.
- 4.5 Clearly, this proposal is a significant change of approach but it will bring the Council into line with the approach of other local authorities and will be based on an assessment of individuals' circumstances and their ability to contribute to the care and support provided by the Council.
- 4.6 Comments submitted during the consultation made clear that where contributions are significantly more as a result of any changes implemented, there should be protection considered. It is proposed that transitional protection which limits any increase to between £1 and £6.00 per year (depending on an individual's current banded contribution rate) is applied for a period of two years (or until the new contribution rate is reached) for current service users:
- Band A – Not applicable as no charge
 - Band B/C - £1.00
 - Band D/E & Supported Living on Means-tested Benefits - £4.00
 - Band F - £4.00
 - Band G/H - & Supported Living not on Means-tested Benefits- £6.00

7.0 Proposals - summary and impact

7.1

Contributions to non-residential Adult Social Care and Support		
Current Banded Contributions (capital below £23,250)	Proposed Individual Assessment (capital below £23,250)	Summary of Changes
A (MTB Only) £0.00	<ul style="list-style-type: none"> • £12.00 disregard on DBs for DRE • Additional 30% of the EDP (currently £4.77) • Cap on contribution at no more than the weekly personal budget rate for a residential care home, currently £394.94 	<ul style="list-style-type: none"> • Individual assessment instead of banded contribution • Standard disregard on DBs • Additional disregard for working-age people entitled to the EDP • Cap on amount of contribution
B (MTB plus middle/standard DB) £8.08		
C (MTB plus higher/enhanced DB) £8.08		
D (MTB plus middle/standard DB and SDP) £65.61		
E (MTB plus higher/enhanced DB and SDP) £65.61		
VSH/SL Low (middle/standard DB and SDP) £77.03		
VSH/SL High (higher/enhanced DB and SDP) £90.63		
Full Financial Assessment upon request to establish actual DRE	Enhanced Financial Assessment upon request to establish actual DRE	No change
Exemption for terminal illness	Exemption for terminal illness	No change
Exemption for Carers Services	Exemption for Carers Services	No change
Administrative charge of £150 for self-funders who request that the Council arrange for their care and support	Maintain a £150 charge for the administration costs for self-funders who request that the Council arrange for their care and support and add £75 per year thereafter to cover on-going costs	Additional £75 per year for on-going administration costs for self-funders who request that the Council arrange for their care and support
	Transitional protection limiting any increase to between £1 and £6.00 per year (depending on an individual's current banded contribution rate) for two years (or until the new contribution rate is reached) for current service users	

DRE = Disability-related Expenditure; **MTB** = Means-tested Benefits; **DB** = Disability Benefits (Attendance Allowance/Disability Living Allowance care component/Personal Independence Payment daily living component); **SDP** = Severe Disability Premium); **EDP** = Enhanced Disability Premium.

- 7.2 To introduce a policy which is Care Act compliant, consistent with approaches used in other local authorities and adheres to the Personalisation Agenda by focusing on the individual and their individual income when undertaking a financial assessment.
- 7.3 To implement a new scheme for non-residential contributions to adult social care from April 2018 which would be based on an assessment of each individual's income and capital and would reflect their disposable income (less a protected amount for housing costs) with standard allowances/income disregards for disability-related expenditure (DRE) applied and with the option of actual DRE being considered upon request in an enhanced financial assessment (see paragraph 5.3).
- 7.4 To cap individuals' contribution to non-residential care and support, where their capital is below the threshold, at the average Personal Budget rate for a residential care home (see paragraph 5.4).
- 7.5 To charge individuals with resources above the financial limit where they request support from the Council in arranging care and support for meeting their needs at the rate of an initial charge of £150 with a yearly charge of £75 thereafter (see paragraph 5.7).
- 7.6 To maintain the current exemption from contributions for carers receiving support and for service users who are terminally ill in addition to the statutory exemptions from charging (see paragraphs 5.5 and 5.6).
- 7.7 To utilize the DWP system to identify benefits in payment to the individual to ensure a structured and improved implementation process (see paragraph 6.3).
- 7.8 To allow for transitional protection for current service users by applying a limit on any significant increase in contribution for two years (see paragraph 6.8).
- 7.9 As the proposal is to introduce a financial assessment of each individual's resources, the amount of the actual contribution will depend on the outcome of the individual financial assessment. For those individuals where we know the level of income because means-tested benefits are in payment – about 70% of the total number in receipt of non-residential care and support – an estimate of the likely effect can be provided (subject to varying amounts allowed for housing costs and any enhanced financial assessment of additional disability-related expenditure). See **Appendix 3**.
- 7.10 Some individuals not in receipt of means-tested benefits may be significantly affected by the proposals but their contribution to the cost of the care and support received would still be determined by an individual financial assessment based on their individual income and ability to pay.
- 7.11 If the new policy is implemented in April 2018, a review of the financial impact on individuals and the Council can be undertaken when individual assessments have been completed in February/March 2018. Some case study examples are provided at **Appendix 4** to illustrate the potential impact of the proposals.

8.0 Financial implications

- 8.1 In 2016-2017 the current banded policy generated in the region of £4.1 million in contributions towards the cost of non-residential care and support.
- 8.2 It is not possible to quantify the total level of income that will be received as a result of this policy change as actual contributions will depend on individuals circumstances. However, it is not expected that the new policy will have an adverse effect on the Council. Over the medium term once the transitional protection period has ended it is anticipated that income received towards the cost of non-residential care and support will increase.
[AS/02012018/K]

9.0 Legal implications

- 9.1 The proposals are fully compliant with the Care Act 2014 and the Care and Support statutory guidance (as updated 17 August 2017).
[TC/03012018/F]

10.0 Equalities implications

- 10.1 An Equality Analysis has been undertaken which shows an adverse impact of these proposals on disabled people. This is to be expected as disabled people with eligible needs are the customer base for non-residential care and support under the Care Act 2014. However, the proposed contributions scheme is an equitable system in line with Care Act 2014 requirements and will achieve fairness across all age groups based on an assessment of individuals' circumstances and their ability to contribute to the care and support provided by the Council. The means employed to achieve the aims of the proposed policy are proportionate, necessary and appropriate.

11.0 Environmental implications

- 11.1 There are no environmental implications.

12.0 Human resources implications

- 12.1 There are no direct Human Resources implications.

13.0 Corporate landlord implications

- 13.1 There are no Corporate Landlord implications.

14.0 Schedule of background papers

- 14.1 Report to Cabinet 19 July 2017 - Approval to Consult on Review of Non-residential Contributions to Adult Social Care.

15.0 Appendices

15.1 Appendix 1 – Consultation Outcome

15.2 Appendix 1A – Consultation Flyer

15.3 Appendix 1B – Consultation Form

15.4 Appendix 2 – Protected Income Standard

15.4 Appendix 3 – Current Charge Band to Individuals

15.5 Appendix 3A – Amended Local Authority Comparators

15.6 Appendix 4 – Case examples

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**Report on the Outcome of Public
Consultation on:**

**Proposals to review and change the Adult
Social Care non-residential contributions
scheme – including very sheltered housing
and supported living**

4 September 2017 – 26 November 2017

Purpose of Report

Proposals to review and change the non-residential Adult Social Care Services contribution scheme

The City of Wolverhampton Council are proposing to change the scheme for contributions to non-residential Adult Social Care, including Direct Payments and care and support provided in very sheltered housing and supported living accommodation.

Methodology

A twelve-week consultation commenced on 4 September 2017 and finished on 26 November 2017

Information on the proposals to review and change the current banded non-residential contributions scheme to an individual assessment scheme was sent to service users (**see Appendix 1A**), carers and stakeholders along with a letter inviting them to attend one of the public consultation meetings.

- Four public meetings were held
- One stakeholder meeting was held
- One specific service user group meeting was held
- The consultation was published on the City of Wolverhampton Council's current consultation pages inviting comment via a comments form
- A press notice was released giving information on the consultation and dates of meetings
- A customer services telephone number was provided to support people wishing to make comments
- A comments form was included on the website and sent to service users (**see Appendix 1B**)
- A total of 46 people attended the public/stakeholder events
- A total of 14 Comments Forms were received (see pages 4-6)

Consultation Report

Consultation meetings

Date	Venue	Type of meeting	Number in attendance
Tuesday 10 th October 10.00 am - 12.00 noon	Ashmore Park Hub Griffiths Drive Ashmore Park	Public Consultation	9
Friday 13 th October 10.00 am – 12.00 noon	Bilston Town Hall Church Street Bilston	Public Consultation	4
Wednesday 18 th October 12.00noon – 2.00pm	Gathering Space Art Gallery	Stakeholder Consultation	4
Thursday 19 th October 2.00 pm – 4.00 pm	Action 4 Independence Albert Road	Public Consultation	11
Wednesday 25 th October 5.30 pm – 7.30pm	Bob Jones Community Centre Bromley Street Blakenhall	Public Consultation	6
Wednesday 22 nd November 11.00am – 12.00noon	Ernest Bold Resource Centre Bilston	Service specific – Learning Disabilities	12

Summary of comments from consultation meetings

Attendees received a powerpoint presentation on the proposed changes to the current banded non-residential contribution scheme given by Helen Winfield, Head of Community Financial Support and Matt Fisher, Principal Financial Assessments Officer. There were also Benefits and Assessments staff at the meetings to answer any individual personal questions 1:1.

The key elements of the proposed individual assessment scheme were presented including the proposals for a standard disability-related expenditure disregard and examples how the new scheme may affect service users with typical types of income.

There were queries raised about whether the proposals were part of a savings target for the Council and it was explained that the purpose of the review and proposed changes was to fully comply with the Care Act 2014; to provide a fairer scheme based on individual resources and also to address the changes to the benefit system which would introduce Universal Credit Full Service in Wolverhampton which would impact upon the level of individual's income. It was further explained that if the proposals were implemented, some

Appendix 1


individual's contribution would be less and some would be more. It was stated that where contributions were significantly more as a result of any changes implemented, there should be protection considered.

There was some opposition to the proposals to change from the current banded scheme. Some of the participants were of the belief that it was a decision that has already been made and were concerned with the financial burden they felt was being placed on the most vulnerable in society.


Some attendees felt that factors such as food and fuel poverty were not being considered, particularly for people who suffer from long-term disability. They felt a lot of people who are affected are experiencing hardship and their quality of life should be considered. It was especially noted that working age people are unfairly treated by the minimum income guarantee and that the Council have not addressed that in the discretion they have within the care and support statutory guidance to allow more generous disregards within the financial assessment. It was felt by a number of people that the Council should consider this further before final proposals were submitted.

There were also concerns raised about the reduction of care and support hours from recent re-assessments and the fact that the contribution remained the same.

Comments forms/correspondence received

1	<p>Summary submitted:</p> <p>It is recognised that changes need to be made to the current charging scheme for non-resident Adult Social Care in order to comply with the Care Act 2014. However, whilst the proposals made by Wolverhampton City Council appear to comply with the letter of the law, it is our view that they do not comply with the spirit of the statutory guidance published by the Government in support of the Care Act 2014.</p> <p>In the attached pages we have given detailed reasons for this view and have provided our proposals for improvements that should be made that will:</p> <ul style="list-style-type: none">• Not increase costs to Wolverhampton compared with the current scheme.• Provide transitional relief for those service users who will see significant increases in their charges• Better protect the income of the service users• Be fairer to disabled service users of working age especially those in the ESA support group who are unable to supplement their income through work. <p>Complete comments form submitted:</p> <p> Comments Form re WCC Non-residentia</p>
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Appendix 1

2	I received this letter on 30/9/17 concerning [Mr H service user] about his contribution to his adult social care. At the moment [Mr H] is adult social care which living at [care home]. The manager is [BS]. He has lived at this address from 4/9/15. I pay his money to [BS] every month which is 572.12 which is rent, food, electric. I also give money for [Mr H] for clothes or whatever he needs which is 250 a month. The I have to pay your bill which is contribution to his adult social care which is 453.15 one month or 362.52 another month. Could you please look into the money we pay out if Mr H's bill could be reduced. Thank you.
3	If a family member has to move in with their mom or dad to help with their care, the income should not be affected to the point it gets taken away from the disabled person. Where the funding contribution goes up or down needs to be carefully look at before decisions are been made.
4	<p>Complete comments form submitted:</p>  <p>Non-resiConsultati onComments.pdf</p>
5	I disagree with the proposed new scheme. I do not think that it is fair that people who have savings have to use them to pay for their care. Many of these people have worked all their lives and saved their earnings. People who have never worked get the same care and do not have to contribute towards costs.
6	The proposal to change the way the contributions are calculated to make a fairer system so those that can contribute towards their care and support do so is a good idea. The explanation of the new proposed scheme and the examples of how the proposed policy work are quite difficult to understand.
7	I attend Broadway Gardens Social Club every Thursday. I am very happy there. What I pay now is a fair price. I am happy with current arrangements.
8	My husband is no longer a Social Service User. He is a Nursing Care User.
9	My comments relate to disability related expenses. The 20% disregard may not cover these expenses. In addition DRE is only considered for monthly fees/costs. In the current climate with families being encouraged to find their own solutions & not request help from the council, incidental expenses should be considered. In my mother case I spent £400 on purchasing [care equipment] to monitor her. This year £300 on [care equipment] to prompt/remind her & will have ongoing disability related expenses as she deteriorates.
10	I have a carer in once a day to help me get dressed, give me my medication and do me a bit of breakfast. I do attend the blind institute but I only live down the road and pay £8.00 each day I attend the Blind Institute. Can you lower the cost for me and others like me. Thankyou.
11	I think its disgusting the way my son and his peers are being treated. His day centres have been closed and he has had to move to different places. We are getting older and have our own health issues and we are concerned about the future. He already has to pay towards his care and any activities and does not have a lot left.
12	Thank you for the presentation. We had a great help from Stacey Bell [Benefits and Assessments member of staff] with our PIPS so I am sure if we need this help again she is still there.

Appendix 1

13	Its absolutely disgusting yet again that this silly council is targeting the vulnerable. How about [if] the council sacked the overpaid councillors who do nothing and have no knowledge of the real world and how hard it is to be vulnerable and have to live with a lifelong disability. It's the easy solution for Wolverhampton council overpaid councillors to attack the disabled, as you know these people cannot defend themselves. DISGUSTING. TAKE A PAY DECREASE AND SEE HOW MUCH MONEY WILL BE SAVED, INSTEAD OF ATTACKING INNOCENT VULNERABLE PEOPLE.
14	He is awarded with: 83.10 Daily Living Need 58.00 Help with Mobility Need. Severe Learning Disabilities.

All queries raised in the comments forms relating to current payments have been addressed by Benefits and Assessments Officers.

The final proposals seek to address the issues raised consistently about disregarding enough money to allow for disability-related expenditure and avoid intrusive enhanced financial assessments and about protection against significant increases in contributions.

Review of contributions to the cost of non-residential Adult Social Care.....

Consultation (closing date Sunday 26 November 2017)

Background

- The City of Wolverhampton Council currently operates a Banded Contributions scheme for non-residential Adult Social Care. This has been reviewed annually with a number of public consultations having been held where there have been substantial changes proposed.
- The Council have taken the decision as part of this year's review to consult on a proposal to introduce a new non-residential contributions policy. The Cabinet Report gives full details on these proposals: <http://bit.ly/2wnjVi6>
- There have been changes in the rules for charging for Adult Social Care which came about when the Care Act 2014 was implemented and in following years. A banded contributions scheme is no longer considered to be fully compliant with Care Act requirements of individual financial assessments based on the full assessment of each individual's income and capital.

The Proposal

- It is not proposed to change the capital limit above which an individual is expected to pay the full cost of their care and support. This is the minimum amount set by Government, currently £23,250.
- For individuals with less than the capital limit, it is proposed to introduce a policy where service user's contributions to non-residential adult social care and support would be determined based on a calculation of income received above the Minimum Income Guarantee (MIG) amount set by Government (see page 4) less any disregarded income (such as the mobility component of Disability Living Allowance (DLA) or Personal Independence Payment (PIP)) and additional amounts for housing costs.
- It is also proposed to disregard a standard amount of 20% of service user's disability benefits (see page 3) for disability-related expenditure (DRE) with an option of actual DRE being considered upon request.
- This is considered to be a fairer way of calculating contributions as it means that those who can afford to contribute towards their care and support do so within their means and those with more income would be required to contribute more towards their care and support. Other local authorities operate similar schemes.

What will change?

The current assessment process:

Are you receiving a means tested benefit?  Do you get a disability benefit?



Band	Assessment	Contribution
A	Means-tested benefit* but no disability benefit**	No contribution
B/C	Means-tested benefit with a disability benefit	£8.08
D/E	Means-tested benefit with a disability benefit and an extra allowance because of a severe disability	£65.61
F	No means-tested benefit and no disability benefit	£55.40
G/H	No means-tested benefit and getting a disability benefit	£75.84
Supported Living*** Lower Rate	Getting a lower rate disability benefit	£77.03
Supported Living*** Higher Rate	Getting a Higher rate disability benefit	£90.63

* The means-tested benefits are Pension Credit (Guarantee Credit) but not Pension Credit (Savings Credit), Income Support, Income-related Employment & Support Allowance (ESA) (but not Contributory ESA), Income-based Jobseeker's Allowance (but not contribution-based JSA) and/or Housing Benefit and/or Council Tax Reduction

** A Disability Benefit is Attendance Allowance or an equivalent rate of the Disability Living Allowance care component or Personal Independence Payment daily living component





*** Including Very Sheltered Housing

The proposed new scheme:

- The proposals are to introduce a scheme which ensures that a person contributes towards their care and support according to an individual financial assessment of their income and capital. **Some case examples are given at page 5.**
- For individuals with less than the capital limit (currently £23,250), the financial assessment will determine the amount of income above the levels set by Government (see page 4). This amount is considered to be "disposable income" and in most cases a person will have "disposable income" because of the disability benefits they receive which would be expected to be used to pay for their care and support.
- For those individuals with capital of £23,250 or more who want the Council to arrange care and support to meet their eligible needs on their behalf, it is proposed to introduce a yearly charge of £75 after the current initial charge of £150 in the first year.

- Under the current contributions policy, carers are not required to contribute to the cost of support with their caring role. Whilst this exemption will remain for carers with less than the capital limit (currently £23,250), it is proposed that carers with £23,250 or more would pay the full cost of their support.
- **Contributions under the proposed scheme would be calculated as follows:**

Total weekly income (not including any disregarded income)

-  **Minus protected income set by the Minimum Income Guarantee**
-  **Minus housing costs**
-  **Minus 20% of any disability benefit received**
-  **Contribution to care and support**

- An **enhanced financial assessment** would be able to be undertaken where a person has evidence of significant expenses because of their disability which cannot be met by the 20% disregard of disability benefit. This would involve looking at each item of expenditure and enabling protection of sufficient income to allow for this where this is reasonable.

If you would like to have your say on the proposals, You can complete the [comments form \[77kb\]](#) by **Sunday 26 November 2017 or if you prefer, attend one of the public meetings listed below to hear about the proposed changes and make your views known:**

Tuesday 10th October	10.00 am - 12.00 noon	Ashmore Park Hub Griffiths Drive Ashmore Park
Friday 13th October	10.00 am – 12.00 noon	Bilston Town Hall Church Street Bilston
Thursday 19th October	2.00 pm – 4.00 pm	Action 4 Independence Albert Road Wolverhampton
Wednesday 25th October	5.30 pm – 7.30pm	Bob Jones Community Centre Bromley Street Blakenhall

Protected Income (Minimum Income Guarantee set by Government)

Single Person State Pension Age	Weekly Amount
Basic Rate	£189.00
with a carer's premium	£232.25
Single Person aged 18 to 24	Weekly Amount
Basic Rate	£72.40
with a disability premium or Disability Living Allowance care component (low or middle rate) or Personal Independence Payment daily living component (standard rate)	£112.75
with Disability Living Allowance care component (higher rate) or Personal Independence Payment daily living component (enhanced rate)	£132.45
with a carer's premium	£115.65
with a disability premium or Disability Living Allowance care component (low or middle rate) or Personal Independence Payment daily living component (standard rate) and a carer's premium	£156.00
with Disability Living Allowance care component (higher rate) or Personal Independence Payment daily living component (enhanced rate) and a carer's premium	£175.70
Single Person aged 25 up to State Pension Age	Weekly Amount
Basic Rate	£91.40
with a disability premium or Disability Living Allowance care component (low or middle rate) or Personal Independence Payment daily living component (standard rate)	£131.75
with an enhanced disability premium or Disability Living Allowance care component (higher rate) or Personal Independence Payment daily living component (enhanced rate)	£151.45
with a carer's premium	£134.65
with a disability premium or Disability Living Allowance care component (low or middle rate) or Personal Independence Payment daily living component (standard rate) and a carer's premium	£175.00
with an enhanced disability premium or Disability Living Allowance care component (higher rate) or Personal Independence Payment daily living component (enhanced rate) and a carer's premium	£194.70

Note: There are also Minimum Income Guarantee set amounts for couples

Case examples of how the proposed policy would work:

Olive (Aged 59):

Olive suffered a stroke which has left her with difficulty mobilising and short-term memory problems. She is a home owner living with her adult son in the community. Olive receives 5 hours of personal care during the day each week at £14.12 per hour and she has Telecare at £9.00 per week – **a total cost of £79.60 per week for her care and support package.**

Olive has **savings of £15,000** and an **income of £276.65 per week** (£109.65 Contributory Employment and Support Allowance plus £83.90 Occupational pension plus £83.10 enhanced rate Personal Independence Payment for daily living). She receives a Council Tax Reduction but is required to pay £17.02 per week towards her Council Tax which will be allowed for in the financial assessment

Olive would be **expected to contribute £67.11 per week (£1.50 more than her current contribution)** towards the cost of her care, leaving £209.54 per week for her to live on.

Note: As Olive has £750 savings above the lower threshold, a further £3.00 per week is added to her income in the financial assessment. If Olive had £23,250 or more in savings/capital then she would be expected to pay the full £79.60 per week cost of her care. Although Olive owns her own home the value of his property is not taken into account when assessing her savings/capital because this is where she is living.

Kishan (Aged 25):

Kishan has a learning disability. When his mother passed away he moved to live in a Wolverhampton homes flat in the community. He receives 7 hours of personal care per week at £14.12 per hour and 3 hours of outreach support at £13.00 per hour by way of an Individual Service Fund. **His total care and support package costs £123.00 per week.**

Kishan has an **income of £263.60 per week** (£180.50 Employment & Support Allowance including the work-related activity component, an enhanced disability premium and an amount for severe disability as he lives on his own, plus £83.10, enhanced rate Personal Independence Payment for daily living although only £55.65 would be taken into account as he does not receive any night-time support). He also receives Housing Benefit and a Council Tax Reduction but he has to pay £4.67 per week towards his Council Tax which will be allowed for in the financial assessment.

Kishan would be **expected to contribute £68.90 per week (£3.29 more than his current contribution)** to his care and support, leaving £167.25 per week for him to live on.

Albert (Aged 71):

Albert suffers with dementia and is physically frail. He lives in on his own in a privately rented house in the community. Albert receives 10.5 hours of personal care during the day each week at £14.12 per hour and he has Telecare at £9.00 per week – **a total cost of £157.26 per week for his care and support package.**

Albert has **savings of £10,000** and an **income of £304.90 per week** (£221.80 State Retirement Pension/Pension Credit including an amount for severe disability as he lives on his own, plus £83.10 higher rate Attendance Allowance). He also receives Housing Benefit and a Council Tax Reduction.

Albert would be **expected to contribute £71.83 per week (£6.22 more than his current contribution)** towards his care, leaving £233.07 per week for him to live on.

Note: Albert's savings are disregarded as they are below the £14,250 lower threshold.

If you wish to contact us regarding this consultation, please email City of Wolverhampton Council Community Financial Support on:

SS.DomCare@wolverhampton.gov.uk

Or send your comments to:

Financial Assessments, Adult Social Care, Civic Centre, St Peter's Square, Wolverhampton, WV1 1RT.

Or, if you would like help to make your comments please contact Customer Services on: 01902 551155

Have Your Say on the review of contributions to the cost of non-residential Adult Social Care.....

Comments Form

**Personal
Details:**

Name:

Address:

Postcode:

Telephone:

Email:

Status (e.g. service user, carer):

Please note: You do not need to give us your personal details if you do not wish to

My comments are:

(Please continue on a separate sheet if necessary)

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Protected Income: Minimum Income Guarantee set by Government (the minimum amount for a person to be left with after paying the contribution) plus standard Disability-related Expenditure (DRE) disregard

KEY:

DB	Disability Benefit = Attendance Allowance/Disability Living Allowance care component/Personal Independence Payment daily living component
EDP	Enhanced Disability Premium or equivalent amount of Universal Credit
LRAA	Lower rate Attendance Allowance
HRAA	Higher rate Attendance Allowance
LRDLA	Lower rate Disability Living Allowance care component
MRDLA	Middle rate Disability Living Allowance care component
HRDLA	Higher rate Disability Living Allowance care component
SPIP	Standard Personal Independence Payment daily living component
EPIP	Enhanced Personal Independence Payment daily living component

Single Person aged 18 to 24	MIG Weekly Amount	Standard DRE Disregard (£12.00 of any DB + 30% of any EDP)	Net Protected Income*
Basic Rate	£72.40	£0.00	£72.40
Entitled to a disability premium (or would be if in receipt of Income Support)	£112.75	LRDLA: £12.00	£124.75
		MRDLA/SPIP: £12.00	£124.75
Entitled to an enhanced disability premium (or would be if in receipt of Income Support)	£132.45	MRDLA/SPIP + EDP: £16.77	£149.22
		HRDLA/EPIP + EDP: with night-time services: £16.77	£149.22
		HRDLA/EPIP + EDP: with no night-time services: £44.22	£176.67
Entitled to a carer's premium (or would be if in receipt of Income Support)	£115.65	£0.00	£115.65
Entitled to a disability premium and a carer's premium (or would be if in receipt of Income Support)	£156.00	LRDLA: £12.00	£168.00
		MRDLA/SPIP: £12.00	£168.00
Entitled to an enhanced disability premium and a carer's premium (or would be if in receipt of Income Support)	£175.70	LRDLA + EDP: £12.00	£187.70
		MRDLA/SPIP + EDP: £16.77	£192.47
		HRDLA/EPIP + EDP with night-time services: £16.77	£192.47
		HRDLA/EPIP + EDP with no night-time services: £44.22	£219.92

Single Person aged 25 up to Pension Age	MIG Weekly Amount	Standard DRE Disregard (£12.00 of any DB + 30% of any EDP)	Net Protected Income*
Basic Rate	£91.40	£0.00	£91.40
Entitled to a disability premium (or would be if in receipt of Income Support)	£131.75	LRDLA: £12.00	£143.75
		MRDLA/SPIP: £12.00	£143.75
Entitled to an enhanced disability premium (or would be if in receipt of Income Support)	£151.45	LRDLA + EDP: £12.00	£163.45
		MRDLA/SPIP + EDP: £16.77	£168.22
		HRDLA/EPIP + EDP: with night-time services: £16.77	£168.22
		HRDLA/EPIP + EDP: with no night-time services: £44.22	£196.67
Entitled to a carer's premium (or would be if in receipt of Income Support)	£134.65	£0.00	£134.65
Entitled to a disability premium and a carer's premium (or would be if in receipt of Income Support)	£175.00	LRDLA: £12.00	£187.00
		MRDLA/SPIP: £12.00	£187.00
Entitled to an enhanced disability premium and a carer's premium (or would be if in receipt of Income Support)	£194.70	LRDLA + EDP: £12.00	£206.70
		MRDLA/SPIP + EDP: £16.77	£211.47
		HRDLA/EPIP + EDP with night-time services: £16.77	£211.47
		HRDLA/EPIP + EDP with no night-time services: £44.22	£238.92
Single Person Pension Age	MIG Weekly Amount	Standard DRE Disregard (£12.00 of any DB)	Net Protected Income*
Basic Rate	£189.00	LRAA: £12.00	£201.00
		HRAA with night-time services: £12.00	£201.00
		HRAA with no night-time services: £39.45	£228.45
Entitled to a carer's premium	£232.25	LRAA: £12.00	£244.25
		HRAA with night-time services: £12.00	£244.25
		HRAA with no night-time services: £39.45	£271.70

Note 1: There are also Minimum Income Guarantee set amounts for couples

Note 2: Where HRAA/HRDLAcare/EPIPdaily living is in payment and **no** night time services are provided the difference between LRAA/MRDLAcare/SPIPdaily living and HRAA/HRDLAcare/EPIPdaily living (£27.45) is disregarded in addition to the standard £12.00 of AA/DLAcare/PIPdaily living

* Before Housing Costs added and any further DRE evidenced if an enhanced financial assessment is requested

Banded Contributions to Assumed Individual Assessment (29/11/2017)

Band - Means-tested Benefit	Current Banded Contribution	Aged 18-SPA	SPA	Number of Customers	Actual Contribution	Current weekly Total	Aged 25-State Pension Age (SPA)				State Pension Age (SPA) and above				Assumed Total weekly Contribution	Difference
							Assumed Income - IR-ESA	MIG	DRE Disregard + £4.00 HC	Assumed weekly Contribution (after MIG, any DRE Disregard & any HC)	Assumed Income - Pension Credit	MIG	DRE Disregard	Assumed weekly Contribution (after MIG & any DRE Disregard)		
Band A - Means Tested Benefits Only	£0.00	35	35	70	£0.00	£0.00	£125.55	£131.75	£4.77 + £4	£0.00	£159.35	£189.00	£0.00	£0.00	£0.00	
Band B - MTB + LR AA or MR DLA	£8.08	122	73	195	£8.08	£1,575.60	£181.20	£151.45	£12 + £4.77 + £4	£8.98	£215.00	£189.00	£12.00	£14.00	£2,117.56	£541.96
Band C - MTB + HR AA or HR DLA*	£8.08	221	183	404	£8.08	£3,264.32	£208.65	£151.45	£39.45 + £4.77 + £4	£8.98	£242.45	£189.00	£39.45	£14.00	£4,347.68	£1,083.36
Band D - MTB + LR AA or MR DLA + SDAA or SDP	£65.61	65	156	2	£20.93	£41.86									£41.86	
				1	£21.18	£21.18									£21.18	
				1	£24.15	£24.15									£24.15	
				1	£24.71	£24.71									£24.71	
				2	£28.24	£56.48									£56.48	
				2	£31.77	£63.54									£63.54	
				1	£37.13	£37.13									£37.13	
				3	£41.86	£125.58									£125.58	
				2	£45.66	£91.32									£91.32	
				1	£46.00	£46.00									£46.00	
				4	£48.02	£192.08									£192.08	
				14	£49.42	£691.88									£691.88	
				1	£56.48	£56.48									£56.48	
				2	£58.50	£117.00									£117.00	
				184	£65.61	£12,072.24	£243.65	£151.45	£12 + £4.77 + £4	£71.43	£277.45	£189.00	£12.00	£76.45	£13,795.72	£1,723.48
Band E - MTB + HR AA or HR DLA + SDAA or SDP*	£65.61	61	228	1	£14.12	£14.12									£14.12	
				1	£20.93	£20.93									£20.93	
				1	£23.00	£23.00									£23.00	
				5	£24.15	£120.75									£120.75	
				1	£24.71	£24.71									£24.71	
				1	£25.00	£25.00									£25.00	
				1	£35.30	£35.30									£35.30	
				1	£46.00	£46.00									£46.00	
				23	£49.42	£1,136.66									£1,136.66	
				1	£56.48	£56.48									£56.48	
				2	£62.79	£125.58									£125.58	
				1	£65.00	£65.00									£65.00	
				250	£65.61	£16,402.50	£271.10	£151.45	£39.45 + £4.77 + £4	£71.43	£304.90	£189.00	£39.45	£76.45	£18,846.44	£2,443.94
Band No Means Tested Benefit															Assumed weekly Total Contribution	Difference
Band F - NO Means Test Ben + NO Att Allow	£55.40	1	17	1	£41.86	£41.86									£41.86	
				5	£49.42	£247.10									£247.10	
				12	£55.40	£664.80									£664.80	
Band G - LR AA or MR DLA Only	£75.84	1	50	1	£14.12	£14.12									£14.12	
				3	£20.93	£62.79									£62.79	
				1	£23.00	£23.00									£23.00	
				2	£24.15	£48.30									£48.30	
				1	£37.13	£37.13									£37.13	
				2	£41.86	£83.72									£83.72	
				1	£45.66	£45.66									£45.66	
				2	£48.30	£96.60									£96.60	
				2	£49.42	£98.84									£98.84	
				1	£59.76	£59.76									£59.76	
				1	£70.00	£70.00									£70.00	
				4	£74.13	£296.52									£296.52	
				30	£75.84	£2,275.20									£2,275.20	
Band H - HR AA or HR DLA Only*	£75.84	1	121	2	£20.93	£41.86									£41.86	
				2	£22.83	£45.66									£45.66	
				1	£23.00	£23.00									£23.00	
				1	£24.71	£24.71									£24.71	
				1	£28.24	£28.24									£28.24	
				4	£35.30	£141.20									£141.20	
				2	£37.13	£74.26									£74.26	
				2	£41.86	£83.72									£83.72	
				1	£42.36	£42.36									£42.36	
				1	£45.66	£45.66									£45.66	
				1	£48.02	£48.02									£48.02	
				8	£49.42	£395.36									£395.36	
				1	£63.04	£63.04									£63.04	
				3	£74.13	£222.39									£222.39	
				3	£74.26	£222.78									£222.78	
				89	£75.84	£6,749.76									£6,749.76	
Band - Full Cost - Capital Threshold of £23,250		Aged 18-SPA	Aged SPA+	Number of Customers	Actual Contribution	Current weekly Total									Assumed weekly Total Contribution	Difference

Band J - Any Income More Than Capital Level Full Cost		6	74	6	£20.93	£125.58										£125.58	
				1	£35.00	£35.00										£35.00	
				3	£37.13	£111.39										£111.39	
				3	£41.86	£125.58										£125.58	
				1	£45.66	£45.66										£45.66	
				1	£46.00	£46.00										£46.00	
				1	£48.30	£48.30										£48.30	
				8	£49.42	£395.36										£395.36	
				1	£58.06	£58.06										£58.06	
				1	£63.54	£63.54										£63.54	
				1	£70.35	£70.35										£70.35	
				1	£70.60	£70.60										£70.60	
				2	£74.13	£148.26										£148.26	
				4	£74.26	£297.04										£297.04	
				1	£82.32	£82.32										£82.32	
				10	£98.84	£988.40										£988.40	
				1	£111.39	£111.39										£111.39	
				1	£120.05	£120.05										£120.05	
				4	£123.55	£494.20										£494.20	
				1	£130.00	£130.00										£130.00	
				1	£135.97	£135.97										£135.97	
				1	£140.70	£140.70										£140.70	
				1	£141.20	£141.20										£141.20	
				1	£144.06	£144.06										£144.06	
				6	£148.26	£889.56										£889.56	
				1	£150.92	£150.92										£150.92	
				1	£151.04	£151.04										£151.04	
				1	£151.79	£151.79										£151.79	
				1	£158.85	£158.85										£158.85	
				1	£161.26	£161.26										£161.26	
				1	£172.41	£172.41										£172.41	
				1	£172.97	£172.97										£172.97	
				1	£197.43	£197.43										£197.43	
				4	£197.68	£790.72										£790.72	
				2	£222.39	£444.78										£444.78	
				1	£249.76	£249.76										£249.76	
				1	£271.81	£271.81										£271.81	
				1	£330.00	£330.00										£330.00	
No FAF - Full Charge		1	6	1	£37.13	£37.13										£37.13	
				1	£48.30	£48.30										£48.30	
				1	£49.42	£49.42										£49.42	
				2	£98.84	£197.68										£197.68	
				1	£148.26	£148.26										£148.26	
				1	£197.68	£197.68										£197.68	
				1	£343.00	£343.00										£343.00	
Band - Nil Contribution		Aged 18-SPA	SPA	Number of Customers	Actual Contribution	Current weekly Total										Assumed weekly Total Contribution	Difference
Exemption - Terminal Illness	£0.00	5	49	54	£0.00	£0.00										£0.00	
Exemption CHC	£0.00	26	11	37	£0.00	£0.00										£0.00	
Exemption CRAG Superseding	£0.00	2	4	6	£0.00	£0.00										£0.00	
Exemption S117	£0.00	23	12	35	£0.00	£0.00										£0.00	
Safeguarding - Nil	£0.00	1	0	1	£0.00	£0.00										£0.00	
No FAF - Assessment Pending	£0.00	12	23	35	£0.00	£0.00										£0.00	
							Aged 25-State Pension Age (SPA)				State Pension Age (SPA) and above						
Band - Full Assessment		Aged 18-SPA	SPA	Number of Customers	Actual Contribution	Current weekly Total	Assumed Income - ESA	Aged 25-SPA MIG	DRE Disregard + £4.00 HC	Assumed weekly Contribution (after MIG, any DRE Disregard & any HC)	Assumed Income - PC	SPA+ MIG	DRE Disregard	Assumed weekly Contribution (after MIG, any DRE Disregard & any HC)	Assumed weekly Total Contribution	Difference	
FAF2 Child Benefit - Young Adult (A)	£0.00	8	0	8	£0.00	£0.00										£0.00	
FAF2 Earnings and DLA Care Only (A)	£0.00	7	1	8	£0.00	£0.00										£0.00	
FAF2 Earnings Only (A)	£0.00	2	0	2	£0.00	£0.00										£0.00	
FAF2 CESA and DLA Care Only (B/C)	£8.08	18	0	18	£8.08	£145.44	£165.30	£151.45	£12 + £4.77	£0.00						£0.00	£-145.44
FAF2 - Fairer Charging - Contributing		4	14	1	£2.22	£2.22										£2.22	
				1	£4.98	£4.98										£4.98	
				1	£17.03	£17.03										£17.03	
				1	£18.76	£18.76										£18.76	
				1	£23.02	£23.02										£23.02	
				1	£23.07	£23.07										£23.07	
				1	£32.00	£32.00										£32.00	
				1	£33.06	£33.06										£33.06	
				1	£37.19	£37.19										£37.19	
				1	£40.52	£40.52										£40.52	
				1	£51.37	£51.37										£51.37	
				1	£51.98	£51.98										£51.98	
				1	£54.66	£54.66										£54.66	
				1	£57.91	£57.91										£57.91	
				1	£59.55	£59.55										£59.55	

				1	£66.09	£66.09									£66.09	
				1	£71.11	£71.11									£71.11	
				1	£72.72	£72.72									£72.72	
							Aged 25-State Pension Age (SPA)				State Pension Age (SPA) and above					
Band - Supported Living & VSH	Current Banded Contribution	Aged 18-SPA	SPA	Number of Customers	Actual Contribution	Current weekly Total	Assumed Income - ESA	Aged 25-SPA MIG	DRE Disregard + £4.00 HC	Assumed weekly Contribution (after MIG, any DRE Disregard & any HC)	Assumed Income - PC	SPA+ MIG	DRE Disregard	Assumed weekly Contribution (after MIG, any DRE Disregard & any HC)	Assumed weekly Total Contribution	Difference
Shared Lives - Higher Rate	£90.63	8	0	8	£90.63	£725.04	£271.10	£151.45	£12 + £4.77 + £4	£98.88					£791.04	£66.00
Shared Lives - Middle Rate	£77.03	5	2	7	£77.03	£539.21	£243.65	£151.45	£12 + £4.77 + £4	£71.43	£277.45	£189.00	£12.00	£76.45	£510.08	£-29.13
Sup Liv - FAF2 Fairer Charging - Contributing		10	0	1	£27.55	£27.55									£27.55	
				1	£37.41	£37.41									£37.41	
				2	£41.15	£82.30									£82.30	
				5	£41.55	£207.75									£207.75	
				1	£41.65	£41.65									£41.65	
Sup Liv - Higher Rate	£90.63	56	4	60	£90.63	£5,437.80	£271.10	£151.45	£12 + £4.77 + £4	£98.88	£304.90	£189.00	£12.00	£103.90	£5,952.88	£515.08
Sup Liv - Middle Rate	£77.03	29	5	34	£77.03	£2,619.02	£243.65	£151.45	£12 + £4.77 + £4	£71.43	£277.45	£189.00	£12.00	£76.45	£2,453.72	£-165.30
Sup Liv - 50% DLA Higher Rate (no SDP)	£41.15	4	0	4	£41.15	£164.60	£208.65	£151.45	£12 + £4.77 + £4	£36.43					£145.72	£-18.88
Sup Liv - Exemption CHC	£0.00	2	0	2	£0.00	£0.00									£0.00	
Sup Liv - Exemption S117	£0.00	8	0	8	£0.00	£0.00									£0.00	
Sup Liv - FAF2 Fairer Charging - Nil	£0.00	14	0	14	£0.00	£0.00									£0.00	
VSH - Exemption S117	£0.00	9	3	12	£0.00	£0.00									£0.00	
VSH - Exemption Terminal Illness	£0.00	0	2	2	£0.00	£0.00									£0.00	
VSH - FAF2 Fairer Charging - Nil	£0.00	3	8	11	£0.00	£0.00									£0.00	
VSH - FAF2 Fairer Charging - Contributing		3	12	1	£20.22	£20.22									£20.22	
				1	£27.55	£27.55									£27.55	
				5	£41.15	£205.75									£205.75	
				1	£41.52	£41.52									£41.52	
				1	£42.00	£42.00									£42.00	
				1	£44.11	£44.11									£44.11	
				1	£52.15	£52.15									£52.15	
				1	£55.43	£55.43									£55.43	
				1	£57.87	£57.87									£57.87	
				1	£61.03	£61.03									£61.03	
				1	£70.98	£70.98									£70.98	
VSH - AA Higher Rate	£90.63	9	96	105	£90.63	£9,516.15	£271.10	£151.45	£12 + £4.77 + £4	£98.88	£304.90	£189.00	£12.00	£103.90	£10,864.32	£1,348.17
VSH - AA Lower Rate	£77.03	7	61	68	£77.03	£5,238.04	£243.65	£151.45	£12 + £4.77 + £4	£71.43	£277.45	£189.00	£12.00	£76.45	£5,163.46	£-74.58
VSH - Band A - Mans Tested Benefits Only	£0.00	3	0	3	£0.00	£0.00	£125.55	£131.75	£4.77 + £4	£0.00	£159.35	£189.00		£0.00	£0.00	
VSH - Band B - MTB + MR DLA	£8.08	1	0	1	£8.08	£8.08	£181.20	£151.45	£12 + £4.77 + £4	£8.98					£8.98	£0.90
VSH - Band C - MTB + HR AA or HR DLA	£18.08	0	1	1	£18.08	£18.08					£242.45	£189.00	£12.00	£41.45	£41.45	£23.37
VSH - Band D - MTB + MR DLA + SDP	£65.61	11	0	11	£37.24	£409.64	£243.65	£151.45	£12 + £4.77 + £4	£71.43					£409.64	
VSH - Band E - MTB + HR DLA + SDP	£75.61	15	0	15	£37.24	£558.60	£271.10	£151.45	£12 + £4.77 + £4	£98.88					£558.60	
Band - Supported Living & VSH Full Cost		Aged 18-SPA	SPA	Number of Customers	Actual Contribution	Current weekly Total									Assumed weekly Total Contribution	Difference
VSH - Band J - Any Income More Than Capital Level	£166.71	0	3	3	£166.71	£500.13									£500.13	
VSH - No FAF - Full Charge	£166.71	0	2	2	£166.71	£333.42									£333.42	
VSH - Self Funded	£166.71	0	32	32	£166.71	£5,334.72									£5,334.72	
VSH - Self Funded Bridge Court	£183.06	0	5	5	£183.06	£915.30									£915.30	
		819	1293	2112		£92,714.56									£100,027.49	£7,312.93
					52 weeks	£4.822M									52 weeks	£5.201M

* Assumes that no night-time services are provided and therefore an additional £27.45 DRE is included
Assumes Housing Costs of £4.00 for working age service users Council Tax contribution
Assumes ESA includes the support component
Assumes Supported Living & VSH service users on ESA or PC with SDP
Assumes service user is not a carer
Assumes Band F G & H service users would pay the same contribution as income unknown
Assumes Full Assessment (FAF2) outcome contributions remain the same
Amount likely to change when detailed income details known
Default to actual cost of care
DLA = Disability Living Allowance/Personal Independence Payment (PIP)

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**Report on the Outcome of Public
Consultation on:**

**Proposals to review and change the Adult
Social Care non-residential contributions
scheme – including very sheltered housing
and supported living**

4 September 2017 – 26 November 2017

Purpose of Report

Proposals to review and change the non-residential Adult Social Care Services contribution scheme

The City of Wolverhampton Council are proposing to change the scheme for contributions to non-residential Adult Social Care, including Direct Payments and care and support provided in very sheltered housing and supported living accommodation.

Methodology

A twelve-week consultation commenced on 4 September 2017 and finished on 26 November 2017

Information on the proposals to review and change the current banded non-residential contributions scheme to an individual assessment scheme was sent to service users (**see Appendix 1A**), carers and stakeholders along with a letter inviting them to attend one of the public consultation meetings.

- Four public meetings were held
- One stakeholder meeting was held
- One specific service user group meeting was held
- The consultation was published on the City of Wolverhampton Council's current consultation pages inviting comment via a comments form
- A press notice was released giving information on the consultation and dates of meetings
- A customer services telephone number was provided to support people wishing to make comments
- A comments form was included on the website and sent to service users (**see Appendix 1B**)
- A total of 46 people attended the public/stakeholder events
- A total of 14 Comments Forms were received (see pages 4-6)

Consultation Report

Consultation meetings

Date	Venue	Type of meeting	Number in attendance
Tuesday 10 th October 10.00 am - 12.00 noon	Ashmore Park Hub Griffiths Drive Ashmore Park	Public Consultation	9
Friday 13 th October 10.00 am – 12.00 noon	Bilston Town Hall Church Street Bilston	Public Consultation	4
Wednesday 18 th October 12.00noon – 2.00pm	Gathering Space Art Gallery	Stakeholder Consultation	4
Thursday 19 th October 2.00 pm – 4.00 pm	Action 4 Independence Albert Road	Public Consultation	11
Wednesday 25 th October 5.30 pm – 7.30pm	Bob Jones Community Centre Bromley Street Blakenhall	Public Consultation	6
Wednesday 22 nd November 11.00am – 12.00noon	Ernest Bold Resource Centre Bilston	Service specific – Learning Disabilities	12

Summary of comments from consultation meetings

Attendees received a powerpoint presentation on the proposed changes to the current banded non-residential contribution scheme given by Helen Winfield, Head of Community Financial Support and Matt Fisher, Principal Financial Assessments Officer. There were also Benefits and Assessments staff at the meetings to answer any individual personal questions 1:1.

The key elements of the proposed individual assessment scheme were presented including the proposals for a standard disability-related expenditure disregard and examples how the new scheme may affect service users with typical types of income.

There were queries raised about whether the proposals were part of a savings target for the Council and it was explained that the purpose of the review and proposed changes was to fully comply with the Care Act 2014; to provide a fairer scheme based on individual resources and also to address the changes to the benefit system which would introduce Universal Credit Full Service in Wolverhampton which would impact upon the level of individual's income. It was further explained that if the proposals were implemented, some

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individual's contribution would be less and some would be more. It was stated that where contributions were significantly more as a result of any changes implemented, there should be protection considered.

There was some opposition to the proposals to change from the current banded scheme. Some of the participants were of the belief that it was a decision that has already been made and were concerned with the financial burden they felt was being placed on the most vulnerable in society.


Some attendees felt that factors such as food and fuel poverty were not being considered, particularly for people who suffer from long-term disability. They felt a lot of people who are affected are experiencing hardship and their quality of life should be considered. It was especially noted that working age people are unfairly treated by the minimum income guarantee and that the Council have not addressed that in the discretion they have within the care and support statutory guidance to allow more generous disregards within the financial assessment. It was felt by a number of people that the Council should consider this further before final proposals were submitted.

There were also concerns raised about the reduction of care and support hours from recent re-assessments and the fact that the contribution remained the same.

Comments forms/correspondence received

1	<p>Summary submitted:</p> <p>It is recognised that changes need to be made to the current charging scheme for non-resident Adult Social Care in order to comply with the Care Act 2014. However, whilst the proposals made by Wolverhampton City Council appear to comply with the letter of the law, it is our view that they do not comply with the spirit of the statutory guidance published by the Government in support of the Care Act 2014.</p> <p>In the attached pages we have given detailed reasons for this view and have provided our proposals for improvements that should be made that will:</p> <ul style="list-style-type: none">• Not increase costs to Wolverhampton compared with the current scheme.• Provide transitional relief for those service users who will see significant increases in their charges• Better protect the income of the service users• Be fairer to disabled service users of working age especially those in the ESA support group who are unable to supplement their income through work. <p>Complete comments form submitted:</p> <p> Comments Form re WCC Non-residentia</p>
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Appendix 1

2	I received this letter on 30/9/17 concerning [Mr H service user] about his contribution to his adult social care. At the moment [Mr H] is adult social care which living at [care home]. The manager is [BS]. He has lived at this address from 4/9/15. I pay his money to [BS] every month which is 572.12 which is rent, food, electric. I also give money for [Mr H] for clothes or whatever he needs which is 250 a month. The I have to pay your bill which is contribution to his adult social care which is 453.15 one month or 362.52 another month. Could you please look into the money we pay out if Mr H's bill could be reduced. Thank you.
3	If a family member has to move in with their mom or dad to help with their care, the income should not be affected to the point it gets taken away from the disabled person. Where the funding contribution goes up or down needs to be carefully look at before decisions are been made.
4	<p>Complete comments form submitted:</p>  <p>Non-resiConsultati onComments.pdf</p>
5	I disagree with the proposed new scheme. I do not think that it is fair that people who have savings have to use them to pay for their care. Many of these people have worked all their lives and saved their earnings. People who have never worked get the same care and do not have to contribute towards costs.
6	The proposal to change the way the contributions are calculated to make a fairer system so those that can contribute towards their care and support do so is a good idea. The explanation of the new proposed scheme and the examples of how the proposed policy work are quite difficult to understand.
7	I attend Broadway Gardens Social Club every Thursday. I am very happy there. What I pay now is a fair price. I am happy with current arrangements.
8	My husband is no longer a Social Service User. He is a Nursing Care User.
9	My comments relate to disability related expenses. The 20% disregard may not cover these expenses. In addition DRE is only considered for monthly fees/costs. In the current climate with families being encouraged to find their own solutions & not request help from the council, incidental expenses should be considered. In my mother case I spent £400 on purchasing [care equipment] to monitor her. This year £300 on [care equipment] to prompt/remind her & will have ongoing disability related expenses as she deteriorates.
10	I have a carer in once a day to help me get dressed, give me my medication and do me a bit of breakfast. I do attend the blind institute but I only live down the road and pay £8.00 each day I attend the Blind Institute. Can you lower the cost for me and others like me. Thankyou.
11	I think its disgusting the way my son and his peers are being treated. His day centres have been closed and he has had to move to different places. We are getting older and have our own health issues and we are concerned about the future. He already has to pay towards his care and any activities and does not have a lot left.
12	Thank you for the presentation. We had a great help from Stacey Bell [Benefits and Assessments member of staff] with our PIPS so I am sure if we need this help again she is still there.

Appendix 1

13	Its absolutely disgusting yet again that this silly council is targeting the vulnerable. How about [if] the council sacked the overpaid councillors who do nothing and have no knowledge of the real world and how hard it is to be vulnerable and have to live with a lifelong disability. It's the easy solution for Wolverhampton council overpaid councillors to attack the disabled, as you know these people cannot defend themselves. DISGUSTING. TAKE A PAY DECREASE AND SEE HOW MUCH MONEY WILL BE SAVED, INSTEAD OF ATTACKING INNOCENT VULNERABLE PEOPLE.
14	He is awarded with: 83.10 Daily Living Need 58.00 Help with Mobility Need. Severe Learning Disabilities.

All queries raised in the comments forms relating to current payments have been addressed by Benefits and Assessments Officers.

The final proposals seek to address the issues raised consistently about disregarding enough money to allow for disability-related expenditure and avoid intrusive enhanced financial assessments and about protection against significant increases in contributions.

Case examples of how the proposed policy would work

Julie (Aged 35)

Julie has advanced multiple sclerosis. She lives in supported living accommodation in the community. **Her total care and support package costs £260.00 per week.**

Julie has an **income of £220.25 per week** - £164.60 Income-related Employment and Support Allowance with the work-related activity component (abolished for new claims from April 2017) and an amount for severe disability as she lives on her own, plus £55.65, standard rate Personal Independence Payment for daily living. She also receives Housing Benefit and a Council Tax Reduction but she has to pay £4.67 per week towards her Band A Council Tax which will be allowed for in the financial assessment.

Julie would be **expected to contribute £71.83 per week (£6.22 more than her current contribution)** to her care and support, leaving £148.42 per week for her to live on.

Income	MIG	Disregards
£164.60 Income-related ESA £55.65 Standard PIP £220.25 Total	£131.75	£4.67 Council Tax £12.00 PIP £16.67 Total
Contribution calculation: £220.25 - £131.75 - £16.67 = £71.83		
Current contribution: £65.61		

Dilbag (Aged 40)

Dilbag has cerebral palsy which significantly affects his mobility, communication and ability to care for himself. He lives in supported living accommodation in the community. **His total care and support package costs £190.00 per week.**

Dilbag has an **income of £243.65 per week** - £188.00 Income-related Employment and Support Allowance including the support component, an enhanced disability premium and an amount for severe disability as he lives on his own, plus £55.65, standard rate Personal Independence Payment for daily living. He also receives Housing Benefit and a Council Tax Reduction but he has to pay £4.67 per week towards his Band A Council Tax which will be allowed for in the financial assessment.

Dilbag would be **expected to contribute £70.76 per week (£6.27 less than his current contribution)** to his care and support, leaving £172.89 per week for him to live on.

Income	MIG	Disregards
£188.00 Income-related ESA £55.65 Standard PIP £243.65 Total	£151.45	£4.67 Council Tax £16.77 £12 PIP + 30% EDP £21.44 Total
Contribution calculation: £243.65 - £151.45 - £21.44 = £70.76		
Current contribution: £77.03		

Albert (Aged 71)

Albert suffers with dementia and is physically frail. He lives in on his own in a privately rented house in the community. Albert receives 10.5 hours of personal care during the day each week at £14.12 per hour and he has Telecare at £9.00 per week – **a total cost of £157.26 per week for his care and support package.**

Albert has **savings of £10,000** and an **income of £304.90 per week** - £221.80 State Retirement Pension/Pension Credit including an amount for severe disability as he lives on his own, plus £83.10 higher rate Attendance Allowance. He also receives Housing Benefit and Council Tax Reduction.

Albert would be **expected to contribute £76.45 per week (£10.84 more than his current contribution)** towards his care, leaving £228.45 per week for him to live on.

Note: Albert's savings are disregarded as they are below the £14,250 lower threshold.

Income	MIG	Disregards
£221.80 State Pension and Pension Credit £83.10 Higher rate Attendance Allowance £304.90 Total	£189.00	£12.00 AA £27.45 Night-time deduction £39.45 Total
Contribution calculation: £304.90 - £189.00 - £39.45 = £76.45		
Current contribution: £65.61		

Kiranjit (Aged 45)

Kiranjit has a learning disability. When his mother passed away he moved to live in a Wolverhampton homes flat in the community. He receives 7 hours of personal care per week at £14.12 per hour and 3 hours of outreach support at £13.00 per hour by way of an Individual Service Fund. **His total care and support package costs £123.00 per week.**

Kiranjit has an **income of £271.10 per week** - £188.00 Income-related Employment & Support Allowance including the support component, an enhanced disability premium and an amount for severe disability as he lives on his own, plus £83.10, enhanced rate Personal Independence Payment for daily living although only £55.65 would be taken into account as he does not receive any night-time support. He also receives Housing Benefit and a Council Tax Reduction but he has to pay £2.55 per week towards his Band A Council Tax which will be allowed for in the financial assessment.

Kiranjit would be **expected to contribute £72.88 per week (£7.27 more than his current contribution)** to his care and support, leaving £198.22 per week for him to live on.

Income	MIG	Disregards
£188.00 Income-related ESA £83.10 Enhanced PIP £271.10 Total	£151.45	£2.55 Council Tax £16.77 £12 PIP + 30% EDP £27.45 Night-time deduction £46.77 Total
Contribution calculation: £271.10 - £151.45 - £46.77 = £72.88		
Current contribution: £65.61		

Janet (Aged 59)

Janet suffered a stroke which has left her with difficulty mobilising, difficulty with personal care and short-term memory problems. She is a home owner living with her adult son in the community. Janet receives 8.5 hours of personal care during the day each week at £14.12 per hour and she has Telecare at £9.00 per week – **a total cost of £129.02 per week for her care and support package.**

Janet **has savings of £15,000** and an **income of £301.75 per week** – £127.00 occupational pension plus £88.65 Contributory Employment and Support Allowance including the support component (reduced by £21 due to an occupational pension over £85), plus £83.10 enhanced rate Personal Independence Payment for daily living (although only £55.65 would be taken into account as she does not receive any night-time support). She is not entitled to Council Tax Reduction so she and her son are required to pay £21.72 per week (£10.86 each) towards the Band B Council Tax which will be allowed for in the financial assessment.

Janet would be **expected to contribute £95.22 per week (£19.38 more than her current contribution)** towards the cost of her care, leaving £206.53 per week for her to live on.

Note: As Janet has £750 savings above the lower threshold, a further £3.00 per week is added to her income in the financial assessment. If Janet had £23,250 or more in savings/capital then she would be expected to pay the full £129.02 per week cost of her care. Although Janet owns her own home the value of his property is not taken into account when assessing her savings/capital because this is where she is living.

Income	MIG	Disregards
£88.65 Contributory ESA £127.00 Occupational pension £83.10 Enhanced PIP £3.00 Tariff Income £301.75 Total	£151.45	£10.86 Council Tax £16.77 £12 PIP + 30% EDP £27.45 Night-time deduction £55.08 Total
Contribution calculation: £301.75 - £151.45 - £55.08 = £95.22		
Current contribution: £75.84		

Jacob (Aged 28)

Jacob has an acquired brain injury. He lives with his mother and father in the community. Jacob receives 5 hours of personal care during the day each week at £14.12 per hour and 6 hours of outreach support at £13.00 per hour. **His total care and support package costs £148.60 per week.**

Jacob has an **income of £208.65 per week** - £125.55 Income-related Employment & Support Allowance including the support component and an enhanced disability premium, plus £83.10, enhanced rate Personal Independence Payment for daily living although only £55.65 would be taken into account as he does not receive any night-time support. He has no housing-related costs.

Jacob would be **expected to contribute £12.98 per week (£4.90 more than his current contribution)** to his care and support, leaving £175.97 per week for him to live on.

Income	MIG	Disregards
£125.55 Income-related ESA £83.10 Enhanced PIP £208.65 Total	£151.45	£16.77 £12 PIP + 30% EDP £27.45 Night-time deduction £44.22 Total
Contribution calculation: £208.65 - £131.75 - £44.22 = £12.98		
Current contribution: £8.08		

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Cabinet (Resources) Panel
16 January 2018

Report title	Acquisition of Privately Owned Empty Properties by agreement or Compulsory Purchase: 55 Rooker Avenue, Ettingshall, Wolverhampton. WV2 2DT	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson City Assets and Housing	
Corporate Plan priority	Place - Stronger Economy	
Key decision	No	
In forward plan	No	
Wards affected	Ettingshall;	
Accountable Director	Lesley Roberts (Strategic Director: City Housing)	
Originating service	Private Sector Housing	
Accountable employee	Lynda Eyton Tel Email	Housing Improvement Officer Tel: 01902 555706 lynda.eyton@wolverhampton.gov.uk
Report to be/has been considered by	N/A	

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Authorise the Strategic Director for City Housing to negotiate terms for the acquisition of the property 55 Rooker Avenue, Ettingshall, Wolverhampton and, in default of that acquisition, give authority for a compulsory purchase order (CPO) to be made under Part II Section 17 Housing Act 1985 in respect of the property.
2. Approve expenditure for the potential acquisition of the property, with subsequent capital receipts being recycled within the Empty Property Strategy programme.
3. In the event that the property is improved and re-occupied to the satisfaction of the Strategic Director for City Housing, authorise withdrawal of the property from the CPO.

4. Following any acquisition, authorise the Strategic Director for City Housing to dispose of the property on the open market on condition that the property is refurbished and re-occupied within six or 12 months (as appropriate to the scale of the works).
5. Authorise the Director of Governance to:
 - a) Take all reasonable steps as soon as it is reasonably practical to secure the making, confirmation and implementation of the CPO including the publication and service of all Notices and the presentation of the Council's case at any Public Inquiry.
 - b) Approve agreements with the owners of the property setting out the terms for the withdrawal of objections to the CPO, and/or making arrangements for re-housing or relocation of any occupiers.
 - c) Approve the making of a General Vesting Declaration (the property is brought into Council ownership via this process).
 - d) Approve the disposal of the whole and/ or parts of the property by auction, tender or private treaty.

1.0 Purpose

- 1.1 The purpose of this report is to request the Panel to authorise the acquisition of 55 Rooker Avenue, Ettingshall, Wolverhampton. WV2 2DT by negotiation or by the making of a Compulsory Purchase Order under Section 17 of Part II of the Housing Act 1985 (CPO). Should it be possible to reach agreement on a mutually acceptable undertaking, agree to the withdrawal of the property from the CPO.
- 1.2 This decision is in support of the Council's Empty Properties Strategy which aims to bring long term empty properties back into use.
- 1.3 The reoccupation of empty properties brings in additional income to the Council via the New Homes Bonus paid to Local Authorities as a result of increased housing supply.

2.0 Background

- 2.1 The property, highlighted on the attached plan, is a flat above a shop in a row of shops with an entrance and gardens to the rear of the property. It has been empty since February 2014.
- 2.2 As attempts to resolve the situation informally with the parties known to have an interest in the property have not resolved the situation or brought about a voluntary solution; it is now considered necessary to continue with formal action under the Empty Property Strategy.
- 2.3 A Notice under section 215 of the Town and Country Planning Act 1990 was served on 55 Rooker Avenue in order to remove the detrimental effect the condition of the property/land is having on the amenity of the area. Some work was carried out at the property; however, the Notice has not complied with.
- 2.4 The principle of establishing a revolving fund to drive forward the Private Sector Empty Property Strategy was approved by Cabinet on 11 January 2006. The revolving fund provides for properties that are consistent with the strategy to be acquired under compulsory purchase powers, marketed for sale and brought back into residential occupation. The arrangements proposed for the property identified are consistent with that strategy. Should the Compulsory Purchase Order be confirmed in favour of the council, the council would seek to dispose of the property by auction. The property would be sold with the condition that the property is brought back to a required standard of repair within a specified time limit.

3.0 Options/Evaluation of Options

- 3.1 There are three options that the Council could consider:
 - a) Do nothing - the property is likely to remain empty, attract anti-social behaviour and continue to be a drain on the public purse.

- b) Empty Dwelling Management Order (EDMO) – An EDMO is considered to be a less draconian option than compulsory purchase. However the cost of refurbishment of this property would place a strain on the council's finances and it would be unlikely that the cost of initial refurbishment and subsequent management and maintenance would be recovered through rental income over seven years.
- c) Compulsory Purchase Order (CPO) – The prospect of a CPO often prompts the owner to act leading to the property being refurbished and re-occupied. However, if it is necessary to acquire the property, the proposals for the onward disposal and refurbishment set out at 5.0 of this report ensure that the property is brought back into use at a minimum cost to the Public Purse.

3.2 The option to progress a CPO is considered the most appropriate course of action in this case.

4.0 Reasons for the Decision

4.1 The reasons for the decision are:

- a) To ensure that the property provides much needed housing by prompting the owner either to act voluntarily or via enforcement through a CPO.
- b) To ensure that the property does not continue to be visually detrimental to the area and does not continue to attract anti-social behaviour and fly tipping.
- c) To ensure that the property has a positive financial impact on the public purse through additional New Homes Bonus funding and removing the on-going expenditure arising from the anti-social behaviour.
- d) The proposal to pursue a CPO is the most cost effective in terms of financial and physical resources for the Council.

5.0 Proposals

5.1 Where it is necessary to make a Compulsory Purchase Order and this is subsequently confirmed in favour of the Council, the Council would seek to dispose of the property by tender, auction or private treaty. The property would be sold with the condition that the property is brought back to a required standard of repair within a specified time limit. This will also apply to any negotiated acquisitions.

6.0 Financial implications

6.1 In the event of an acquisition the costs can be met from the approved 2017-2018 £463,000 capital budget for the Empty Property Strategy. The subsequent sale of the property would result in a capital receipt, ring-fenced to finance future purchases through the Empty Property Strategy. Any non-capital costs incurred between purchase and sale, for example security measures, must be met from current private sector housing budgets.

6.2 The owner of the property has been served with a Section 215 Notice of the Town and Country Planning Act 1990 to tidy the land/ buildings. This has not been complied with

and it will therefore not be necessary to pay the additional statutory 7.5% compensation payment.

- 6.3 Bringing empty properties back into use attracts New Homes Bonus to the Council and could result in additional council tax revenue.

[JM/11122017/H]

7.0 Legal implications

- 7.1 Section 17 of the Housing Act 1985 empowers local housing authorities to compulsorily acquire land houses or other properties for the provision of housing accommodation. However, the acquisition must achieve a qualitative or quantitative housing gain. In order to make a Compulsory Purchase Order under this power and achieve successful confirmation, the Council will need to show compliance with the requirements of the relevant statutory provision and circular 06/2004 Compulsory Purchase and the Criche Down Rules. Where there are objections to a Compulsory Purchase Order the matter may go forward to a public inquiry and specialist Counsel may need to be engaged to present the Council's case.

- 7.2 Article 1 of Protocol 1 of the Human Rights Act 1988 guarantees peaceful enjoyment of possessions and would be engaged by the making of a CPO. However, the contents of this report and the actions recommended are considered to be proportional and compatible with the Human Rights Act 1988, particularly bearing in mind the above checks and balances on the Local Authority's power.

[RB/18122017/A]

8.0 Equalities implications

- 8.1 Equalities implications have been considered throughout the process and in assessing the outcome. An Equality Analysis has been completed and this does not indicate any adverse implications. Bringing an empty property back into use will improve the visual amenity of the area and can make the area more welcoming to some groups covered by the Equality Act 2010, in doing so this will promote participation in public life.

9.0 Environmental implications

- 9.1 Long term empty properties can have a detrimental impact on neighbourhood sustainability and cause environmental blight. Bringing the property back into residential use will improve the appearance of the neighbourhood, enhance property conditions and contribute to the regeneration of the City, meeting the Council's strategic objectives.

10.0 Human Resources implications

- 10.1 There are no human resources implications arising from this report.

11.0 Corporate landlord implications

11.1 Where applicable, corporate landlord will be required to produce valuations and arrange for the appropriate disposal of the property by auction or private treaty.

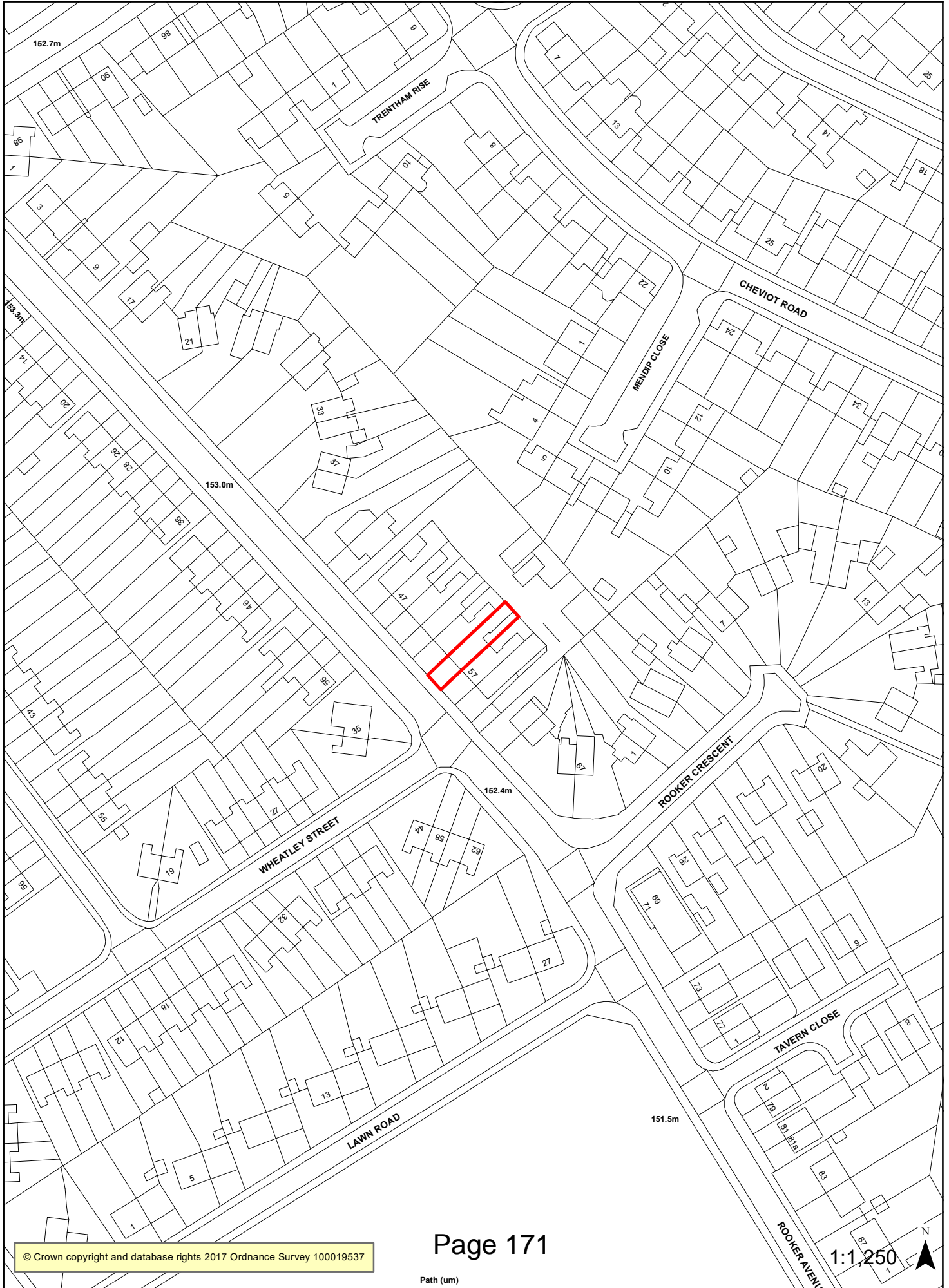
12.0 Schedule of background papers

- An Action Plan to Deliver the Empty Property Strategy 11/01/06;
- Private Sector Empty Property Strategy 2010-2015;
- Wolverhampton Housing Needs Survey 2007;

13.0 Appendices

13.1 Appendix 1 – Site plan

13.2 Appendix 2 - Photographs



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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 16 January 2018
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Report title	Acquisition of Privately Owned Land by Agreement or Compulsory Purchase: Site of former Public House at Willis Pearson Avenue/ Rowley View, Bilston	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson City Assets and Housing	
Corporate Plan priority	Place - Stronger Economy	
Key decision	Yes	
In forward plan	Yes	
Wards affected	Bilston East;	
Accountable Director	Lesley Roberts (Strategic Director: City Housing)	
Originating service	Housing	
Accountable employee	Richard Long	Housing Improvement Officer
	Tel	01902 555705
	Email	richard.long@wolverhampton.gov.uk
Report to be/has been considered by	Place Leadership Team	27 November 2017
	Strategic Executive Board	5 December 2017

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Authorise the Strategic Director for City Housing or the Strategic Director for Place to negotiate terms for the acquisition of the site of former public house Willis Pearson Avenue/ Rowley View, Bilston. WV14 8DA, and, in default of that acquisition, give authority for a compulsory purchase order (CPO) to be made under Section 17 of Part 2 of the Housing Act 1985 and/ or Section 226 Part 9 of the Town and Country Planning Act 1990.
2. Approve expenditure for the potential acquisition of the site, and its subsequent development for Council housing, from within the existing Housing Revenue Account Capital Programme.

3. Authorise withdrawal of the land from the CPO if development of the site is progressed by the current owner to the satisfaction of the Strategic Director for City Housing.
4. Authorise the Director of Governance to take the following action should it not be possible to agree terms for the acquisition of the site by negotiation:
 - a) Take all reasonable steps as soon as it is reasonably practical to secure the making, confirmation and implementation of the CPO including the publication and service of all Notices and the presentation of the Council's case at any Public Inquiry.
 - b) Approve agreements with the owners of the land setting out the terms for the withdrawal of objections to the CPO, and/or making arrangements for re-housing or relocation of any occupiers.
 - c) Approve the making of a General Vesting Declaration (the land is brought into Council ownership via this process).
5. Delegate authority to the Cabinet Member for City Assets and Housing, in consultation with the Strategic Director for City Housing or the Strategic Director for Place, following any acquisition, to approve detailed proposals for development of the site by the City of Wolverhampton Council for council housing.

1.0 Purpose

- 1.1 The purpose of this report is to seek authorisation to progress the acquisition of a derelict site in the Bilston East Ward of the City by either negotiation or via compulsory purchase. This report further proposes that the site is retained by the Council for the development of new council housing.

2.0 Background

- 2.1 The site identified on the attached plan has been the subject of persistent anti-social behaviour and fly tipping following the closure and subsequent demolition of the “Patchbox” public house.
- 2.2 The site has a current planning permission for ten flats which has not been implemented.
- 2.3 Discussions with the site owners over a number of years have not established meaningful proposals for the site or a timescale for implementation.
- 2.4 The ongoing failure to maintain the site has led to enforcement action by the Council resulting in the recent prosecution of the owners under the Anti-Social Behaviour Crime and Policing Act 2014.
- 2.5 It is now considered appropriate to progress the acquisition of the site in order to ensure that development occurs and a long-term solution to the ongoing blight caused by the site is implemented.

3.0 Options/ evaluation of options

- 3.1 There are two main options for the site:
- a) Do Nothing – Based upon the owner’s actions to date, the land is likely to remain undeveloped, continue to attract anti-social behaviour/ fly tipping and continue to be a drain on the public purse.
 - b) Negotiated acquisition/ compulsory purchase order (CPO) – The prospect of a CPO often prompts the owner to act. However, if it is necessary to acquire the site, proposals for development are set out at paragraph 5 below.
- 3.2 The purchase of the site by the Council using Housing Revenue Account (HRA) capital funds would allow the Council to pursue the residential development of the site, providing new homes for local residents, and finally resolving the future of this site for a beneficial outcome.

4.0 Reasons for the decision

- 4.1 The reasons for the decision are:

- a) To ensure that the land is developed for much needed housing by either the current owner or through the acquisition and development of the site by the Council.
- b) To ensure that the land does not continue to be visually detrimental to the area and does not continue to attract anti-social behaviour/ fly tipping.
- c) To ensure that the site has a positive financial impact on the public purse through additional New Homes Bonus funding and removing the on-going use of resources arising from the anti-social behaviour/ fly tipping.

5.0 Proposals

- 5.1 Should it be necessary for the Council to acquire the site by negotiation or compulsory purchase, the Council would seek to develop the site as residential accommodation. This would be subject to further approvals, delegated to the Cabinet Member for City Assets and Housing.
- 5.2 The principle of residential development on the site is in place as there is an existing planning permission for apartments on the site.

6.0 Financial implications

- 6.1 In the event of an acquisition the costs can be met from the approved HRA capital programme budget for new build development of £76.5 million. Right to Buy one-for-one receipts can also be applied to the purchase and development of homes here.
- 6.2 In the event of either a voluntary acquisition or compulsory purchase it will be necessary to pay an additional statutory 7.5% compensation payment (in addition to the market value) as required by circular 06/2004 Compulsory Purchase and the Crichel Down Rules.
- 6.3 Bringing empty properties back into use attracts New Homes Bonus to the City Council and could result in additional council tax revenue.
[JM/24112017/C]

7.0 Legal implications

- 7.1 Section 17 of the Housing Act 1985 empowers local housing authorities to compulsorily acquire land, houses or other properties for the provision of housing accommodation. However, the acquisition must achieve a qualitative or quantitative housing gain. In order to make a CPO under this power and achieve successful confirmation, the Council will need to show compliance with the requirements of the relevant statutory provision and circular 06/2004 Compulsory Purchase and the Crichel Down Rules. Where there are objections to a CPO the matter may go forward to a public inquiry and specialist Counsel may need to be engaged to present the Council's case.
- 7.2 Article 1 of Protocol 1 of the Human Rights Act 1988 guarantees peaceful enjoyment of possessions and would be engaged by the making of a CPO. However, the contents of this report and the actions recommended are considered to be proportional and

compatible with the Human Rights Act 1988, particularly bearing in mind the above checks and balances on the Local Authority's power.

[RB/21112017/k]

8.0 Equalities implications

8.2 Equalities implications have been considered throughout the process and in assessing the outcome. An Equality Analysis has been completed and this does not indicate any adverse implications. Bringing a derelict site back into use will improve the visual amenity of the area and can make the area more welcoming to some groups covered by the Equality Act 2010, in doing so this will promote participation in public life.

9.0 Environmental implications

9.1 Derelict land can have a detrimental impact on neighbourhood sustainability and cause environmental blight. Developing the site for residential use will improve the appearance of the neighbourhood, provide housing, and contribute to the regeneration of the City, meeting the Council's strategic objectives.

10.0 Human resources implications

10.1 There are no human resources implications.

11.0 Corporate Landlord implications

11.1 Where applicable, corporate landlord will be required to produce valuations, negotiate terms for acquisition and advise on any compensation matters arising.

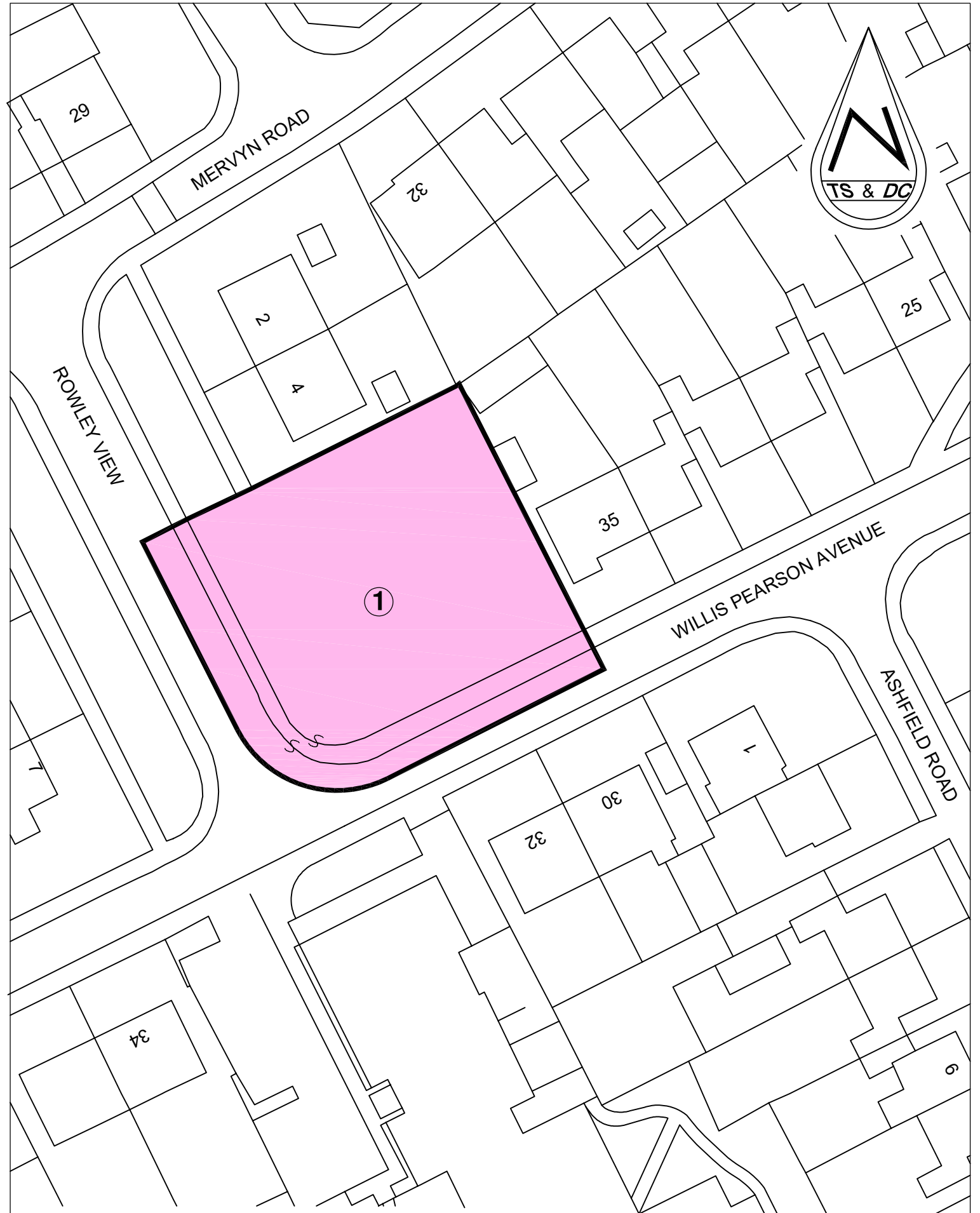
12.0 Schedule of background papers

12.1 There are no background papers relating to this matter.

13.0 Appendices

13.1 Appendix 1: CPO Site Map

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① AREA COLOURED PINK = 1200.2m² OR THEREABOUTS

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THE MAP REFERRED TO IN
 THE WOLVERHAMPTON CITY COUNCIL
 (Site of Former Public House Willis Pearson Avenue / Rowley View)
 COMPULSORY PURCHASE ORDER 2018

City of Wolverhampton Council
 Strategic Director – Place
 Civic Centre, St. Peter's Square, Wolverhampton
 Tel. (01902) 556556

date	November 2017
scales	1:500
drawn by	AJP
dwg. no.	Willis Pearson Avenue.dwg

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Cabinet (Resources) Panel

16 January 2018

Report title	Acquisition of Privately Owned Empty Properties by agreement or Compulsory Purchase: 10 Lloyd Street, Wolverhampton	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson Cabinet Member for City Assets and Housing	
Corporate Plan priority	Place - Stronger Economy	
Key decision	No	
In forward plan	No	
Wards affected	Park;	
Accountable Director	Lesley Roberts (Strategic Director: City Housing)	
Originating service	Private Sector Housing	
Accountable employee	Lynda Eyton Tel Email	Housing Improvement Officer Tel: 01902 555706 lynda.eyton@wolverhampton.gov.uk
Report to be/has been considered by	Not Applicable	

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Authorise the Strategic Director for City Housing to negotiate terms for the acquisition of the property 10 Lloyd Street, Wolverhampton, and, in default of that acquisition, give authority for a compulsory purchase order (CPO) to be made under Part II Section 17 Housing Act 1985 in respect of the property.
2. Approve expenditure for the potential acquisition of the property, with subsequent capital receipts being recycled within the Empty Property Strategy programme.
3. In the event that the property is improved and re-occupied to the satisfaction of the Strategic Director for City Housing, authorise withdrawal of the property from the CPO.

4. Following any acquisition, authorise the Strategic Director for City Housing to dispose of the property on the open market on condition that the property is refurbished and re-occupied within six or 12 months (as appropriate to the scale of the works).
5. Authorise the Director of Governance to:
 - a) Take all reasonable steps as soon as it is reasonably practical to secure the making, confirmation and implementation of the CPO including the publication and service of all Notices and the presentation of the Council's case at any Public Inquiry.
 - b) Approve agreements with the owners of the property setting out the terms for the withdrawal of objections to the CPO, and/or making arrangements for re-housing or relocation of any occupiers.
 - c) Approve the making of a General Vesting Declaration (the property is brought into Council ownership via this process).
 - d) Approve the disposal of the whole and/ or parts of the property by auction, tender or private treaty.

1.0 Purpose

- 1.1 The purpose of this report is to request Cabinet (Resources) Panel to authorise the acquisition of 10 Lloyd Street, Wolverhampton. WV6 0RL by negotiation or by the making of a Compulsory Purchase Order under Section 17 of Part II of the Housing Act 1985 (CPO). Should it be possible to reach agreement on a mutually acceptable undertaking, agree to the withdrawal of the property from the CPO.
- 1.2 This decision is in support of the Council's Empty Properties Strategy which aims to bring long term empty properties back into use.
- 1.3 The reoccupation of empty properties brings in additional income to the Council via the New Homes Bonus paid to Local Authorities as a result of increased housing supply.

2.0 Background

- 2.1 The property, highlighted on the attached plan, is a two bedrooomed terraced property that has been empty since approximately 2011. The previous occupant of the property moved out and it is believed has not visited the property since 2014.
- 2.2 All attempts to make contact with the owner have failed.
- 2.3 As attempts to resolve the situation informally with the parties known to have an interest in the property have not resolved the situation or brought about a voluntary solution; it is now considered necessary to continue with formal action under the Empty Property Strategy.
- 2.4 The Council obtained a court warrant to enter the property to investigate reports of a leak that was having a detrimental impact on the neighbouring property. The warrant was executed 9 November 2016 and it was apparent the property had not been entered since 2014.
- 2.5 A Notice under section 215 of the Town and Country Planning Act 1990 was served on 10 Lloyd Street in order to remove the detrimental effect the condition of the property/ land is having on the amenity of the area. The Notice has not been complied with.
- 2.6 The principle of establishing a revolving fund to drive forward the Private Sector Empty Property Strategy was approved by Cabinet on 11 January 2006. The revolving fund provides for properties that are consistent with the strategy to be acquired under compulsory purchase powers, marketed for sale and brought back into residential occupation. The arrangements proposed for the property identified are consistent with that strategy. Should the Compulsory Purchase Order be confirmed in favour of the Council, the Council would seek to dispose of the property by auction. The property would be sold with the condition that the property is brought back to a required standard of repair within a specified time limit.

3.0 Options / Evaluation of Options

3.1 There are three options that the Council could consider:

- a) Do nothing – the property is likely to remain empty, continue to have a detrimental effect on the amenity of the area and continue to be a drain on the public purse.
- b) Empty Dwelling Management Order (EDMO) – An EDMO is considered to be a less draconian option than a compulsory purchase. However, the cost of refurbishment of this property would place a strain on the Council's finances and it would be unlikely that the cost of initial refurbishment and subsequent management and maintenance would be recovered through rental income over seven years.
- c) Compulsory Purchase Order (CPO) – The prospect of a CPO often prompts the owner to act leading to the property being refurbished and re-occupied. However, if it is necessary to acquire the property, the proposals for the onward disposal and refurbishment set out at 5.0 of this report ensure that the property is brought back into use at a minimum cost to the Public Purse.

3.2 The option to progress a CPO is considered the most appropriate course of action in this case.

4.0 Reasons for the Decision

4.1 The reasons for the decision are:

- a) To ensure that the property provides much needed housing by prompting the owner either act voluntarily or via enforcement through a CPO.
- b) To ensure that the property does not continue to be visually detrimental to the area.
- c) To ensure that the property has a positive financial impact on the public purse through additional New Homes Bonus funding.
- d) The proposal to pursue a CPO is the most cost effective in terms of financial and physical resources for the Council.

5.1 Proposals

5.1 Where it is necessary to make a Compulsory Purchase Order and this is subsequently confirmed in favour of the Council, the Council would seek to dispose of the property by tender, auction, or private treaty. The property would be sold with the condition that the property is brought back to a required standard of repair within a specified time limit. This will also apply to any negotiated acquisitions.

6.0 Financial Implications

6.1 In the event of an acquisition the costs can be met from the approved capital budget for 2017-2018 of £463,000 capital budget for the Empty Property Strategy. The subsequent sale of the property would result in a capital receipt, ring-fenced to finance future purchases through the Empty Property Strategy. Any non-capital costs incurred between

purchase and sale, for example security measures, must be met from current private sector housing budgets.

- 6.2 The owner of the property has been served with a Section 215 Notice of the Town and Country Planning Act 1990 to tidy the land/ buildings. This has not been complied with and it will therefore not be necessary to pay the additional statutory 7.5% compensation payment.
- 6.3 Bringing empty properties back into use attracts New Homes Bonus to the City Council and could result in additional council tax revenue.
[JM/12122017/O]

7.0 Legal implications

- 7.1 Section 17 of the Housing Act 1985 empowers local housing authorities to compulsorily acquire land houses or other properties for the provision of housing accommodation. However, the acquisition must achieve a qualitative or quantitative housing gain. In order to make a Compulsory Purchase Order under this power and achieve successful confirmation, the Council will need to show compliance with the requirements of the relevant statutory provision and circular 06/2004 Compulsory Purchase and the Crichel Down Rules. Where there are objections to a Compulsory Purchase Order the matter may go forward to a public inquiry and specialist Counsel may need to be engaged to present the Council's case.
- 7.2 Article 1 of Protocol 1 of the Human Rights Act 1988 guarantees peaceful enjoyment of possessions and would be engaged by the making of a CPO. However, the contents of this report and the actions recommended are considered to be proportional and compatible with the Human Rights Act 1988, particularly bearing in mind the above checks and balances on the Local Authority's power.
[RB15/122017/B]

8.0 Equalities implications

- 8.1 Equalities implications have been considered throughout the process and in assessing the outcome. An Equality Analysis has been completed and this does not indicate any adverse implications. Bringing an empty property back into use will improve the visual amenity of the area and can make the area more welcoming to some groups covered by the Equality Act 2010, in doing so this will promote participation in public life.

9.0 Environmental implications

- 9.1 Long term empty properties can have a detrimental impact on neighbourhood sustainability and cause environmental blight. Bringing the property back into residential use will improve the appearance of the neighbourhood, enhance property conditions and contribute to the regeneration of the City, meeting the Council's strategic objectives.

10.0 Human Resources implications

10.1 There are no human resources implications arising from this report.

11.0 Corporate landlord implications

11.1 Where applicable, Corporate Landlord Estates Team will be required to produce valuations and arrange for the appropriate disposal of the property by auction or private treaty.

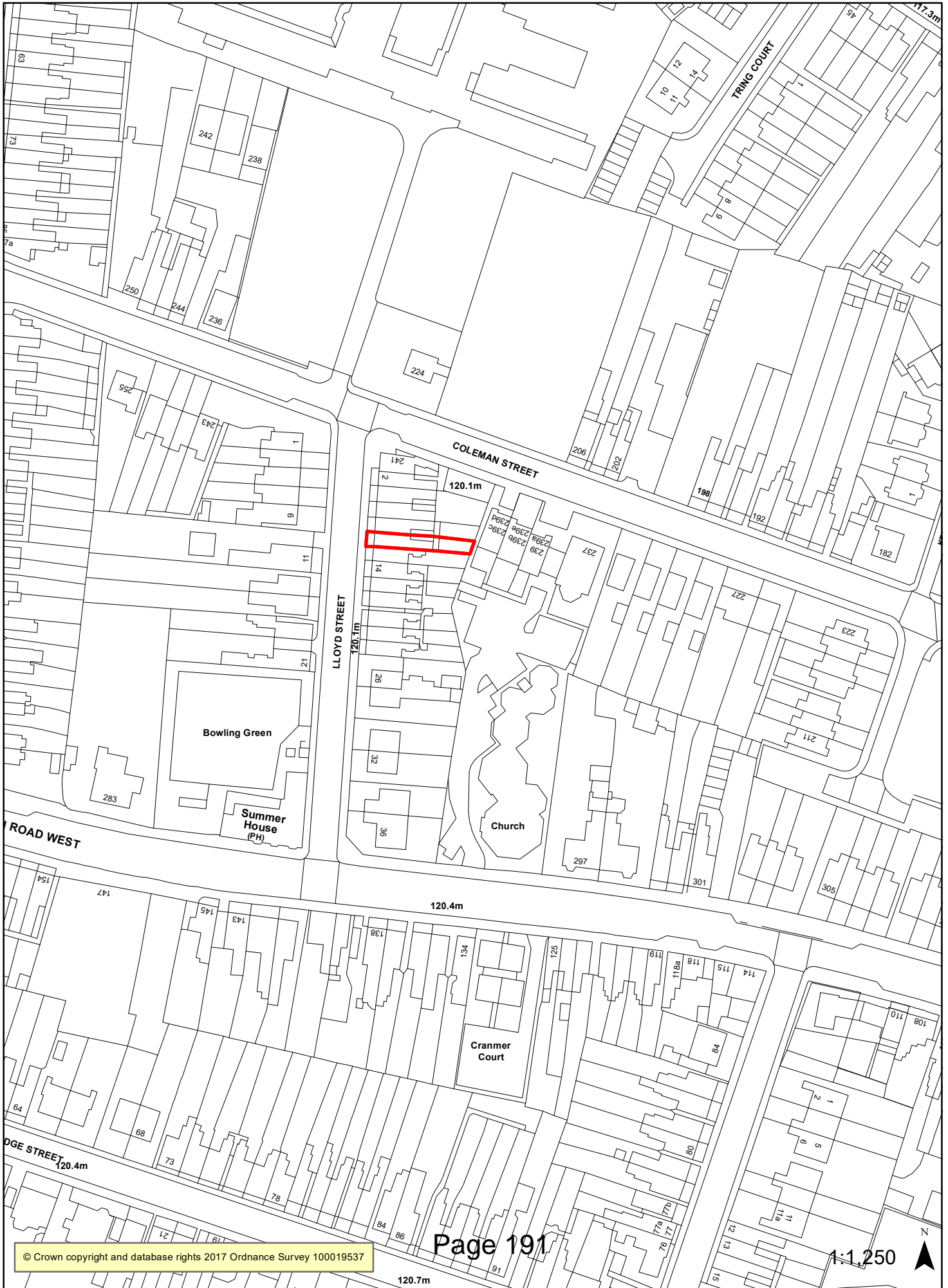
12.0 Schedule of background papers

- An Action Plan to Deliver the Empty Property Strategy 11/01/06;
- Private Sector Empty Property Strategy 2010-2015;
- Wolverhampton Housing Needs Survey 2007;

13.0 Appendices

13.1 Appendix 1 – Site plan

13.2 Appendix 2 - Photographs



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External Photographs 10 Lloyd Street





CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 16 January 2018
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Report title	Achieving our Broadband Vision	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor John Reynolds City Economy	
Corporate Plan priority	Place - Stronger Economy	
Key decision	Yes	
In forward plan	Yes	
Wards affected	(All Wards);	
Accountable Director	Tim Johnson, Strategic Director, Place	
Originating service	City Economy	
Accountable employee	Heather Clark	Service Development Manager
	Tel	01902 555614
	Email	heather.clark2@wolverhampton.gov.uk
Report to be/has been considered by	Place Leadership Team/Corporate Leadership Team	27 November 2017
	Place Leadership Team	11 December 2017
	Strategic Executive Board	3 January 2018

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the submission of a bid to the Local Full Fibre Network to improve connectivity in the city centre subject to the final signoff by the Cabinet Member for City Economy and Section 151 Officer.
2. Agree that the Council act as a grant recipient for the Local Full Fibre Network bid, if successful.
3. Delegate authority to Cabinet Members for City Economy and Resources, in consultation with the Strategic Director, Place and the Director of Finance to enter into a funding agreement and to approve the procurement exercise if the bid is successful.
4. Approve engagement with UK Government's Barrier Removal Taskforce in relation to adopting a local approach to highways, planning, wayleaves that optimises the local environment to improve digital infrastructure.
5. Authorise employees to explore the use of a concession agreement to enable public WiFi.

1.0 Purpose

- 1.1 To seek approval to submit a bid to the Local Full Fibre Network fund to improve connectivity in the City of Wolverhampton.

2.0 Background

Broadband

- 2.1 For every £1 invested in broadband, the UK economy benefits from £20. Ultra-fast broadband provides businesses with the opportunity to innovate, restructure businesses processes and improve productivity, improves the quality of life for residents and makes an area more attractive for investment. High speed connectivity is particularly important in key growth sectors such as the professional, business, knowledge and digital economic sectors. As a result, ultrafast connectivity is a key priority for the city's Economic Growth Board.
- 2.2 Across the whole city, Wolverhampton has relatively good superfast broadband coverage. Gaps in superfast broadband coverage outside the city centre have been addressed through the Broadband Delivery UK (BDUK) funded Local Broadband Plan which is funding the rollout of fibre broadband infrastructure across the Black Country. The Black Country has ambitions to achieve 100% superfast broadband coverage by 2020.
- 2.3 However there are some significant gaps in coverage in Wolverhampton city centre. It has not been possible to improve this coverage using the BDUK Local Broadband Plan and so work has been undertaken to recommend options to resolve the lack of broadband provision in the city centre.
- 2.4 In 2017, the Council and Black Country LEP commissioned Analysis Mason to undertake a broadband review for Wolverhampton city centre to identify the reasons for the lack of investment in infrastructure and recommend options to resolve the problems. This work included discussions with the key fibre operators within Wolverhampton where it was reported that at present the city centre is not considered commercially viable to invest in. In response, the Council has developed a broadband action plan. Submitting a bid to the Local Full Fibre Network is part of this work to address the gap in superfast broadband coverage.

Wifi Connectivity

- 2.5 In 2014, the Council explored offering a concession to the market to secure commercial rights to use Council owned street furniture to deploy small cell technology enhancing mobile coverage for business and residents within the City of Wolverhampton. In addition to enabling the rollout of the next generation of mobile services, concession agreements on back of infrastructure could enable free WiFi. However following soft market testing at that point, the model was no longer considered commercially viable.

2.6 However recently the Council has been contacted by two companies who would now be interested in providing this model on the back of a pure concession agreement. It is therefore proposed to issue an invitation to tender to use street furniture for next generation mobile and public WiFi, to further improve connectivity in the city.

3.0 Local Full Fibre Network

3.1 The Local Full Fibre Network Programme is a government initiative aimed at stimulating commercial investment in full fibre networks across the UK. This includes a government capital grant programme of up to £200 million, which aims to bring fibre closer to the premise using a range of mechanisms driven by the public sector. Bids are to be submitted to the Department of Digital, Culture, Media and Sport (DCMS) by 26 January 2018. Their preference is for cross-border initiatives that support different approaches to stimulating investment in full fibre networks including projects combining approaches and those that involve a broad range of public sector partners.

3.2 The Black Country Consortium on behalf of the Black Country Local Enterprise Partnership submitted an expression of interest for Local Full Fibre Network funding on 24 August 2017. The first call for projects has been issued now requires the submission of a detailed business case by 26 January 2018. Funding is available for capital costs only.

3.3 The bidding round is likely to be very competitive with only an estimated 15 bids that will be approved from the 133 Expressions of Interest that were submitted. Bids will be evaluated against the following criteria:

Criteria	Commentary
20% - Strategic context	This includes setting out the digital plan, scope of works and collaboration approach. It is proposed that Wolverhampton will work collaboratively across the Black Country. The Black Country has ambitions to achieve 100% superfast broadband coverage by 2020.
30% - Economic case	A study to demonstrate the economic impact of 'full fibre' investment on our existing Gigabit cities is underway. It is anticipated that ultrafast broadband for the city centre will lead to significant improvements in productivity and job creation.
12.5% - Commercial case	Final costings need to be agreed however the Council may also wish to include other infrastructure such as CCTV.
12.5% - Financial case	This will include exploring the opportunity to capitalise current spend on infrastructure over the next 20 years to contribute to the 'full fibre' infrastructure DCMS are offering to subsidise.
25% - Management	DCMS will expect that the investment in 'full fibre' infrastructure has been supported strategically. This includes support from across the council and that any funding allocated will be utilised and deployed by 2021. Letters of support have been received from the Economic Growth Board, College and Chamber of

	Commerce and are being requested from key partners such as the University, Wolverhampton Council for Voluntary Services and West Midlands Mayor.
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4.0 Evaluation of options

4.1 An analysis of the options for bringing fibre closer to premises has been undertaken in developing the bid. This includes:

Option	Commentary
Public Sector Anchor tenancy – Council agree to taking certain level of capacity and in response, provider will create fibre network.	This would enable the creation of a fibre network for Wolverhampton city centre. The Council would procure flexible gigabit connectivity services to its estate, which can include ownership or long-term right of use to dark fibre. A key expectation of is that those suppliers then make additional capacity available to other network operators and service providers to invest in and sell more full fibre networks in the area.
Gigabit Voucher scheme – voucher scheme for local businesses to upgrade their connectivity.	This would enable businesses to fibre up to the premise and would include targeting multiple businesses within buildings as they could pool their vouchers and upgrade the whole building.
Full Fibre Upgrades for public sector sites – e.g. tactical upgrades for public sector sites whose footprint is extended to surround premises	This could be explored as part of a pilot approach round the proposed City Learning Quarter in Wolverhampton city centre, supporting rolling out to surrounding areas
Reuse of Public sector infrastructure assets such as CCTV, Urban Traffic System (UTC) or Local Authority fibre assets to run a fibre network to premises.	Preliminary work required around infrastructure and gaps: <ul style="list-style-type: none"> • UTC is the only system that has capacity • CCTV needs upgrade – approx. cost £400k • Council and University own some dark fibre in the city centre. Others rented primarily from Virgin • Opportunity through public realm work to install infrastructure as part of Connected Places strategy

5.0 Reasons for decisions, Risks and Issues

- 5.1 There are strong economic benefits to improving the connectivity of the city centre – including improved productivity and making the city a more attractive place to invest in. It is therefore recommended that Cabinet (Resources) Panel supports the submission of a bid to the Local Full Fibre Network. Following consideration of the various options, the preferred option for the bid is a combination of:
- public sector anchor tenancy to enable an improved the fibre network across Wolverhampton, with particular benefits to the city centre
 - gigabit vouchers to enable local businesses to link to the fibre network (across the Black Country).
- 5.2 Public sector anchor tenancy was considered in 2014, however was discounted at the time due to the cost and period of commitment required. However this model is now recommended for the bid to government as it is the only option that allows full coverage of the city centre, a key economic priority. Gigabit vouchers would also allow businesses to connect to the fibre infrastructure when in place (and would be available across the Black Country).
- 5.3 Full fibre updates to public sector sites may be considered if the timescale for the City Learning Quarter allows. The reuse of public sector infrastructure assets was discounted due to the limited coverage in terms of fibre and ducting within the city centre, although we have ambitions to increase the capacity to enable smart technology.
- 5.4 Should the bid be successful this would require the Council to commit to a 20-year contract to supply dark fibre to Council and other public sector buildings. It is anticipated that this would result in immediate costs savings around annual line rentals for connectivity. It would also have the benefit of improving connectivity in the city centre, as the length of the contract de-risks the investment by the procured company to provide a fibre network to surrounding premises, for businesses and residents. Based on 211 public sector premises, the potential coverage across the city is shown below. Yellow dots are premises, and pink dots exchanges or ‘ends’:



- 5.5 Technology changes very swiftly and contracts would need to be written to ensure that the network does not preclude the Council from investing in future technologies or capitalising on other smart city opportunities. The length of contract would also need to be reviewed with appropriate break clauses, in order to future proof the
- 5.6 Grant recipient risks would be minimised through the appointment of a dedicated Programme Manager, costed into the bid and experienced in managing large capital projects, including risk management. Effective governance would be in place – the governance of the bidding process will sit within City Economy and if the bid is successful, the ongoing approach will be led by ICT.
- 5.7 Should the bid be successful but the full cost of installation not be covered, we could reduce the number of public sector premises connected. This would mean that the savings from the annual rental will be less.
- 5.8 Should the bid not be successful we would need to continue to explore alternative options for enabling ultrafast broadband coverage of the city centre.

6.0 Financial implications

- 6.1 The bid will seek funding of around £5.3 million for the installation of a full fibre network covering 211 sites across Wolverhampton, inclusive of programme management costs. Funding is only available for capital costs. It is anticipated at this stage that the ongoing revenue cost of annual line rentals will reduce significantly under the preferred delivery model. Should the bid prove successful further work will be undertaken to detail the scheme budget and assess the reduction in line rental costs before any recommendation to approve a procurement exercise.
[GE/21122107/U]

7.0 Legal implications

- 7.1 Using state resources to intervene in the market can amount to unlawful State Aid which is prohibited by the EU treaty. It is understood that in general terms Central Government has obtained the necessary EU approval to the state funding of broadband services where the commercial market will not provide them.
- 7.2 If Local Full Fibre Network funding was secured, the Council would need to procure a fibre network provider through open competition. This approach is also understood not to require state aid approval. It will however be necessary to further investigate and confirm that all processes and documentation meet EU requirements and ensure there are no state aid implications, at the relevant time.
- 7.3 The Local Full Fibre Network bid is in keeping with other key initiatives such as the ERDF funding for the 'Digital Passport' project which aims at supporting small and medium sized businesses to improve their digital knowledge. The University of Wolverhampton, as accountable body for the Digital Passport project, have entered into a Partner Agreement with the Council setting out our roles and responsibilities. [RB/11122017/W]

8.0 Equalities implications

- 8.1 Smart technology enabled through ultrafast broadband can have positive equalities implications, for example residents with health problems can stay at home longer due to smart technology. An equalities analysis will be undertaken as part of the development of the Smart City Strategy.

9.0 Environmental implications

- 9.1 Faster broadband enables agile working such as homeworking and so has positive longer term environmental implications. Although initially, installation of the fibre would involve digging up the roads and so would have short term negative environmental implications.

10.0 Human resources implications

- 10.1 The cost of project management is included in the Local Full Fibre Network bid.

11.0 Corporate landlord implications

- 11.1 The option would require the Council to commit to getting their broadband from the procured provider for a period of 20 years in order to de-risk the investment for the provider to fibre up the city.
- 11.2 A condition of the bid is that the Council engage with the UK Government's Barrier Removal Taskforce to reduce barriers to commercial investment such as our approach to highways, planning, wayleaves and commitment to optimising the local environment to improve digital infrastructure.
- 11.2 Whether the bid is successful or not, it is important to remove barriers to investment to improve digital infrastructure in the city. This will help with other initiatives such as a recent proposal from Wolverhampton Homes, who require wayleaves in order to enable a commercial provider to install superfast broadband in social housing areas (see Appendix 1).

12.0 Schedule of background papers

None

Appendix 1: Wolverhampton Homes Tenant Broadband Proposal

The tenant Broadband proposal is for the building of a new fibre broadband network connecting all Wolverhampton Homes social housing properties. The network would use the latest Fibre to the Property (FTTP) technology. The funding for the new network, estimated at £10 million, will be raised by the supplier through private investment. Once installed tenants will be offered cost-effective broadband service comparable to the likes of Virgin and BT and it would enable the supplier to offer high speed broadband services (up to 1 Gigabit) to, not only tenants, but to owner occupiers within the estates.

The proposal depends on providing permission to installing the network (granting of wayleaves) needed to attract the private investment to fund the fibre network. If the proposal is agreed, a detailed implementation plan will be developed and commercial discussions started to discuss details of broadband services that will be offered.

Wolverhampton Homes have stated to the supplier their wish to provide for tenants that currently do not need or cannot afford high speed broadband. Taking in to account that the proposition from Future-Fibre needs to be commercial viable to succeed and that in the UK telecoms services including broadband is regulated by Ofcom. The suggestion is that a basic cheap broadband service be offered and that the service tracks the offerings from the other mainstream suppliers to guarantee a cost-effective service for our tenants. The full potential of follow-on services will be discussed with the supplier once the proposal is agreed.

The implementation of a full-fibre network supplying domestic homes would complement our Smart City agenda by ensuring that some of the most deprived areas of the city have access to affordable fast broadband.

Cabinet (Resources) Panel

16 January 2018

Report title	Arts Council Funding Agreement 2018-2022	
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	Visitor Economy	
Accountable employee(s)	Marguerite Nugent Tel Email	Manager, Arts and Culture 01902 551998 Marguerite.nugent@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board Place Leadership Team	12 December 2017 27 November 2017

Recommendations for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Delegate authority to the Cabinet Member for City Economy and the Cabinet Member for Resources, in consultation with the Strategic Director for Place and Director of Finance to approve the final business plan for the contemporary visual arts and craft programme for submission to the Arts Council and to sign the funding agreement with Arts Council of England National Portfolio 2018-2022.
2. Approve supplementary revenue budgets to reflect the grants once approved.

1.0 Purpose

- 1.1 The Arts and Culture team, within the Visitor Economy Service has been successful in securing £671,020 for the period 2018-2022 to support a programme of contemporary visual arts and crafts. This includes a funding uplift on the previous funding period 2015-2018 of £160,000 for audience development with the Libraries Service.
- 1.2 The final business plan must be agreed and the funding agreement signed on behalf of City of Wolverhampton Council by the 27 February 2018.

2.0 Background

- 2.1 In 2016 the Council was invited to apply to the Arts Council's next investment round, which will cover the period April 2018-March 2022. For the period of 2015-2018 the Council received an Arts Council England grant of £128,000 annually. City of Wolverhampton Council matches this funding with a contribution of £90,000 each year for the programme of contemporary art and craft. This is further enhanced by income from catalogues, ticket sales (exhibitions and events), Craftplay fees and charges, sponsorship and other grants. As an indication in 2016/2017 the total expenditure budget for the programme was £248,000 meaning that the Council's contribution represented 36% of the overall budget.
- 2.2 In addition to our continuing programme the Council was successful in achieving an uplift in funding for audience development work between the Arts and Culture team and the Libraries service. The Libraries Service have agreed to contribute an additional £20,000 annually from their revenue budgets as matched funding for this additional strand of work.
- 2.3 The Cabinet Member for City Economy and the Leader of the Council were briefed on the application in December 2016 and January 2017 respectively. A request was made for the Council to agree to continue to support the programme at the same level of investment up until March 2022. This was agreed and a letter of support was included as part of our funding application to the Arts Council.

3.0 Progress, options, discussion, etc.

- 3.1 Employees have been working with Arts Council staff to develop a detailed business plan. The final draft business plan was submitted on the 15 December 2017. As part of this process officers were required to set out detailed activity, budget and cashflow for 2018-2019 and indicative plans for the remainder of the funding period. In addition officers were required to demonstrate how the organisation will respond to the Creative Case for Diversity and audience development.
- 3.2 The final business plans and funding agreement must be submitted by the 27 February 2018. As part of the funding agreement we are expected to deliver against the Arts Council England strategic priorities. These align with many of City of Wolverhampton's

corporate objectives, particularly those concerned with developing a Stronger Economy and Stronger Communities.

- 3.3 We will contribute to ACE Goal 1 (Excellence is thriving and celebrated in the arts, museums and libraries) by developing a high quality, ambitious programme of activity involving creative practitioners. In addition we will demonstrate how we will use ACE investment to contribute to the creative case for diversity by embedding diversity within our work with audiences, our workforce development and use of creative practitioners. We will ensure that diversity is an essential part of the programme, both in terms of audiences and practitioners.
- 3.4 We will deliver on Goal 2 (Everyone has the opportunity to experience and be inspired by the arts, museums and libraries) by developing an audience strategy which targets specific audience segments, including families and young people. This includes people who we know to be least engaged with the arts. We will challenge preconceptions of what a gallery should be by broadening our offer to include activity not traditionally associated with museums without compromising on quality and excellence. We will create a more community focused approach to the Art Gallery by creating opportunities for community groups to use the building.
- 3.5 We will respond to Goal 5 - Every Child and Young Person has the opportunity to experience the richness of the arts, museums and libraries by developing a learning programme which complements the artistic programme and enables people of all ages to develop new skills.
- 3.6 We will evaluate and collect data in relation to our performance against these outcomes which will align with City of Wolverhampton's own performance monitoring. We will demonstrate how we will lead and manage our proposed programme of work. We will increase the resilience of our organisation through improvement schemes such as the Gallery Improvement Scheme and further rationalisation of our service.
- 3.7 We will evidence regular self- evaluation through our business planning processes. We will further develop our sustainability and explore different income streams to prove that the organisation is financially viable. We will deliver a programme of improvements to the Art Gallery, including new café, fully accessible entrance and re-furnished first floor gallery. The Arts Council are also supporting this project through a Small Capital Grant of £432,000

4.0 Evaluation of alternative options

- 4.1 If we do not have a signed funding agreement in place then we will not be awarded the Arts Council funding and therefore will be unable to deliver the outcomes outlined above. Arts Council funding is reliant on investment from City of Wolverhampton in the programme.

5.0 Reasons for decision(s):

5.1 A signed funding agreement is required as a condition of the grant funding from the Arts Council.

6.0 Financial implications

6.1 The final draft business plan was submitted on the 15 December 2017. This set out an agreed Art Council revenue grant requirement totalling £671,020 over the period 2018/19 to 2021/22 with £167,755 available per annum. The business plan also set out 47% match contributions from CWC. This would include annual contributions from both Visitor Economy and Libraries (part of Strategic Organisational Development) existing staff budgets. This is further enhanced by income from catalogues, ticket sales (exhibitions and events), sponsorship and other grants as indicated below:

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
Arts Council Funding	168	168	168	167	671
CWC Match Contributions: Libraries (Existing Budgets)	19	20	21	22	82
Visitor Economy (Existing Budgets)	88	88	88	88	352
Other Visitor Economy Income & Grants	72	31	31	31	165
Sub Total – Match	179	139	140	141	599
Total	347	307	308	308	1270

6.2 Approval is sought to approve supplementary revenue budgets in accordance with the signed funding agreement. The Arts Council have already provided a conditional offer of £671,020 grant so it is unlikely that there will be significant budget changes to that set out above.

[ES/21122017/Y]

7.0 Legal implications

7.1 The council has the power to enter into grant agreements. Legal Services will review and advise on the terms of the Funding agreement.
(07/122017/Q)

8.0 Equalities implications

8.1 The programme includes a high level of activity aimed at Black and Minority Ethnic (BAME) audiences. It is a requirement of the funding agreement to demonstrate how the programme responds to the creative case for diversity.

9.0 Environmental implications

9.1 As part of the funding agreement we are required to contribute data to the Arts Council's monitoring systems for environmental data.

10.0 Human resources implications

10.1 Some employee posts are either partly or fully funded through the Arts Council funding.

10.2 All relevant Human Resources policies and procedures will be followed for post that Council policies and procedures for posts which may terminate following the ending of funding, including access to the redeployment register to give employees who meet the criteria an opportunity to apply for vacancies in advance of internal/external recruitment.

10.3 If there is a requirement to recruit to existing posts or to new posts, there will be adherence to the Councils job evaluation process and the Human Resources recruitment policy and procedure.

11.0 Corporate landlord implications

11.1 There are no Corporate Landlord Implications.

12.0 Schedule of background papers

12.1 There are no background papers

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 16 January 2018
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Report title	Schedule of Individual Executive Decision Notices	
Decision designation	AMBER	
Cabinet member with lead responsibility	All	
Key decision	No	
In forward plan	No	
Wards affected	All	
Accountable director	Kevin O'Keefe, Governance	
Originating service	Democratic Support	
Accountable employee(s)	Dereck Francis Tel Email	Democratic Services Officer 01902 555835 dereck.francis@wolverhampton.gov.uk
Report to be/has been considered by	N/A	

Recommendation for noting:

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

Schedule of Individual Executive Decision Notices

Part 1 – Open Items

1. Corporate

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Claire Darke	Director of Education	12 December 2017	Bill Hague 01902 55100
Title and summary of decision			
Outcome of Informal Consultation on the proposed merger of Whitgreave Infant School with Whitgreave Junior School			
<ol style="list-style-type: none"> 1. Considered all the outcomes of Informal Consultation on the proposed merger of Whitgreave Infant School with Whitgreave Junior School. 2. Approved progression to Formal Consultation (Representation) with regard to the proposed merger of Whitgreave Infant School with Whitgreave Junior School. 			
Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Claire Darke	Director of Education	12 December 2017	Emma Balchin 01902 555269
Title and summary of decision			
Instruments of Government - Windsor Nursery School and Warstones Primary School.			
Approved the proposed Instruments of Government for Windsor Nursery School and Warstones Primary School.			

2. People

None

3. Place

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Steve Evans	Service Director, City Economy	8 September 2017	Nick Broomhall 01902 555723
Title and summary of decision			
Middle Cross Experimental Bus Lane Suspension Order			
<ol style="list-style-type: none"> 1. Approved the recommended action to make the Wolverhampton City Council (Middle Cross) (Experimental Bus Lane Suspension) Order 2017 into a permanent Order as shown on plan T4/3706 appended to the report. 2. Authorised the Director of Governance to implement the relevant traffic regulation order. 			

Decision maker	In consultation with	Date Approved	Contact Officer												
Councillor Steve Evans	Service Director, City Environment	3 October 2017	Nick Broomhall 01902 555723												
Title and summary of decision															
Transportation Network – Temple Street, Cleveland Street. Snow Hill, Traffic Regulation Orders															
<ol style="list-style-type: none"> 1. Approved the recommended action to implement waiting and loading restrictions on parts of Temple Street, Cleveland Street and Snow Hill as shown on plan T4/3808 appended to the report. 2. Authorised the Director of Governance to implement the relevant traffic regulation orders. 															
Decision maker	In consultation with	Date Approved	Contact Officer												
Councillor Steve Evans	Service Director, City Environment	17 November 2017	Keith Rogers 01902 552855												
Title and summary of decision															
Proposed Extinguishment of Public Footpath FP029, Hawksford Crescent to Showell Road, Section 116, Highways Act 1980															
<ol style="list-style-type: none"> 1. Authorised the Director of Governance to prepare an Extinguishment Order for Public Footpath FP029, Hawksford Crescent to Showell Road, Bushbury South and Low Hill, under Section 116 of the Highways Act 1980. 2. Agreed that upon confirmation of the Extinguishment Order a Legal Event Modification Order is made to show the effect of the extinguishment on the Wolverhampton Public Rights of Way Definitive Map. 3. Agreed to place a requirement on the developer of the former Tap Works site to re-route the high voltage cable away from the existing alleyway to facilitate the footpath closure. 															
Decision maker	In consultation with	Date Approved	Contact Officer												
Councillor Steve Evans and Councillor Andrew Johnson	Strategic Director for Place and Director of Finance	12 December 2017	Lisa Taylor 01902 552742												
Title and summary of decision															
Amendments to Fees and Charges															
<ol style="list-style-type: none"> 1. Approved charging £95.00 each for the Entwined Hearts Urn and Touching Hearts Urn which form part of the range of urns offered by the Bereavement Service 2. Amended the Tempest Street car park tariffs for parking up to 3 hours from £2.00 to £2.50. This will enable the charges to be in line with other short stay car parks in the city centre. 3. Approved the below car park tariffs for Bell Street in line with other short stay car parks in the city centre: <table style="margin-left: 20px;"> <tr> <td>Up to 1 hr</td> <td>£0.70</td> </tr> <tr> <td>Up to 2 hrs</td> <td>£1.20</td> </tr> <tr> <td>Up to 3 hrs</td> <td>£2.50</td> </tr> <tr> <td>Up to 4 hrs</td> <td>£4.00</td> </tr> <tr> <td>Over 4 hrs</td> <td>£4.50</td> </tr> <tr> <td>Evening (entry after 5.30pm)</td> <td>£1.00</td> </tr> </table> 				Up to 1 hr	£0.70	Up to 2 hrs	£1.20	Up to 3 hrs	£2.50	Up to 4 hrs	£4.00	Over 4 hrs	£4.50	Evening (entry after 5.30pm)	£1.00
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Up to 3 hrs	£2.50														
Up to 4 hrs	£4.00														
Over 4 hrs	£4.50														
Evening (entry after 5.30pm)	£1.00														

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Steve Evans	Service Director, City Environment	15 December 2017	Keith Rogers 01902 552855
Title and summary of decision			
Proposal to divert a section of Public Footpath FP493, Burton Crescent to Field Street, Heath Town			
<ol style="list-style-type: none"> 1. Approved the recommendation to divert a section of Public Footpath FP493 - Burton Crescent to Field Street, Heath Town. 2. Authorised the Director of Governance, in respect of Public Footpath FP493, to serve notice and make and advertise a Public Path Diversion Order in accordance with Section 257 of the Town and Country Planning Act 1990 and to confirm the Order subject to there being no objections. 3. Authorised the Director of Governance to make a Legal Event Modification Order to amend the Wolverhampton Rights of Way Definitive Map, if required. 			

Part 2 – Exempt Items

1. Corporate

None

2. People

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Sandra Samuels	Strategic Director, People	21 November 2017	Sarah Smith 01902 555318
Title and summary of decision			
Award – PP17007 – Community Reablement Service			
Awarded the contract for Community Reablement Service to Select Lifestyles LTD of, First Floor Select House, Popes Lane, Oldbury, B69 4PA, for a duration of six months, from 27 November 2017 to 25 May 2018 plus up to a six-months extension for a total contract value of £1,150,000.			

3. Place

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor John Reynolds	Strategic Director, Place	17 October 2017	Paul Lakin 01902 557978
Title and summary of decision			
Letters of Intent – Wolverhampton Interchange Station build project			
Authorised expenditure of £81,000 and £130,000 in respect of preliminary works for the construction of the City of Wolverhampton Railway station for the period October and November 2017 respectively.			

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor John Reynolds	Service Director, City Economy	6 November 2017	Robert Harrington 01902 323274
Title and summary of decision			
Black Country Transformational GOLD Payments of Grants to Small and Medium Sized Enterprise			
Approved the following payments of grants to SME's from the Black Country Transformational Growth Opportunities Local Delivery (GOLD) project:			
Local Authority/SME		Grant Award £	
Dudley SMEs			
M G Welding Ltd		6,900	
Total Dudley		6,900	
Sandwell SMEs			
Allied International Trading Ltd		11,850	
Jerseytex Ltd		9,000	
Apex Machining Services		7,725	
Total Sandwell		28,575	
Walsall SMEs			
H H Plastics Ltd		10,532	
Holbourne Industrial Plastics Ltd		17,913	
Alca Fasteners Ltd		27,431	
Huxton Resourcing Ltd		1,628	
Pro-Guard/MSG Security Ltd		2,650	
Total Walsall		60,154	
Wolverhampton SMEs			
Oosha Ltd		9,000	
Rhodes & Kimberley Ltd		25,170	
Metal Spraying UK Ltd		10,574	
Mako Precision Engineering (Holdings) Ltd		17,325	
Total Wolverhampton		62,069	
Grant Total		157,698	

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor John Reynolds	Service Director, City Economy	21 November 2017	Robert Harrington 01902 323274

Title and summary of decision

Black Country Transformational GOLD Payments of Grants to Small and Medium Sized Enterprise

Approved the following payments of grants to SME's from the Black Country Transformational Growth Opportunities Local Delivery (GOLD) project:

Dudley SME's	£
The Work Surface Centre t/a Zolid	3,450
Total Dudley	3,450

Walsall SME's	£
The Flashings Factory Ltd	15,000
Commercial Truck	35,955
Albion Saddlemakers	16,374
Swift	3,790
Total Walsall	71,119

Wolverhampton SMEs	£
Data port media t/as Deeo	11,743
Allens crankshafts	8,325
Total Wolverhampton	20,068

GRAND TOTAL	94,637
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Decision maker	In consultation with	Date Approved	Contact Officer
Councillor John Reynolds	Service Director, City Economy	18 December 2017	Robert Harrington 01902 323274

Title and summary of decision

Black Country Transformational GOLD Payments of Grants to Small and Medium Sized Enterprise

Approved the following payments of grants to SME's from the Black Country Transformational Growth Opportunities Local Delivery (GOLD) project:

Dudley SME's	£
Lawrence Cleaning	5,593
Total Dudley	5,593

Sandwell SMEs	
AME Die Casting	12,800
Total Sandwell	12,800
Walsall SMEs	£
Adams Enclosures	50,000
Norman Bookkeeping and Payroll	4,800
Total Walsall	54,800
Wolverhampton SME's	£
Direct Point Logistics	1,946
Parker Precision	6,175
Marston Brassware	9,718
Freeflow Pipesystems	34,899
Steelway Fensure	9,937
Total Wolverhampton	62,675
Grand Total	135,868

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor John Reynolds Councillor Peter Bilson and Councillor Andrew Johnson	Strategic Director for Place and Director of Finance	12 December 2017	Tim Johnson 01902 553518

Title and summary of decision

Civic Halls Improvement Programme

1. Approved spend up to £700,000 from the approved budget for the Civic Halls scheme on additional works.
2. Approved that the additional works be carried out by the present Contractor (Shaylor Group) under their original contract as a variation to enable the works to be carried out and mitigate potential delays to the project.

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Peter Bilson	Director of Governance	17 October 2017	Robert Ball 01902 556905

Title and summary of decision

Disposal of Danesmore Site

1. Approved the transfer of the former Danesmore school site, Coppice Close Ashmore Park to WV Living on the Heads of Terms agreed.
2. Approved the grant of a licence to WV Living of land adjoining and adjacent to the Danesmore Site for the purposes of a construction compound, access and contractor's parking on terms appropriate to the proposed use to include Garage site Perks Road.

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Peter Bilson	Strategic Director, City Housing	7 November 2017	Jane Trethewey 01902 555583
Title and summary of decision			
PP17127 – Procurement of a Traditional Construction Housing Contractor for Five Formers Council Garage Sites			
Awarded the contract for Traditional Construction Housing Services on five former garage sites to J.Harper & Sons (Leominster) Limited, Southern Avenue, Leominster, Herefordshire, HR6 OQF for a duration of 18 months from 6th November 2017 for a Design and Build total contract value of £2,909,782.00.			
Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Peter Bilson	Head of Corporate Landlord	24 October 2017 14 November 2017 12 December 2017 19 December 2017	Julia Nock 01902 550316
Title and summary of decision			
Approved the completion of the transactions listed below and the terms in respect of the following:			
Disposals:			
a. Freehold interest in land adjoining 79 Hylstone Crescent, Wednesfield			
b. Freehold interest in 5 Central Avenue, Bilston			
Leases, Easements, Notices, Surrenders and other Deeds			
a. Deed of Easement at Merridale Road, Graiseley to Western Power Distribution			
b. Transfer of land to CWC at Merridale Road, Graiseley			
c. Deed of Easement for Land at Highbrook Close Western Power Distribution			
d. Granting of consent to sub-let part, grant of a Deed of Variation and settling of rent review at 1 Cullwick Street, Wolverhampton			
e. Rent review for the lease of the former Sainsbury's Supermarket, St Georges			
f. Compulsory Purchase Order compensation for the acquisition of 319 Dudley Road, Wolverhampton.			
g. Proposed substation site, Tapworks off Showell Road, Wolverhampton			
Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Steve Evans	Strategic Director Place,	27 December 2017	Simon Pons 01902 555752
Title and summary of decision			
Maintenance, Installation and Supply of Traffic Signals – Contract Award			
Awarded the contract for Maintenance, Installation and Supply of Traffic Signals to Dynniq UK Ltd of Basingstoke for a duration of five years from 6 January 2017 to 5 January 2022 for a total contract value of £7,000,000.			

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