

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*

MEETING BUSINESS ITEMS

- 1 **Apologies for absence**
- 2 **Declarations of interest**
- 3 **Minutes of the previous meeting - 27 February 2018** (Pages 5 - 8)
[To approve the minutes of the previous meeting as a correct record]
- 4 **Matters arising**
[To consider any matters arising from the minutes]

DECISION ITEMS (RED - FOR DECISION BY THE COUNCIL)

- 5 **Pay Policy Statement 2018-2019** (Pages 9 - 24)
[To approve the Pay Policy Statement 2018-2019]

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

- 6 **Gender Pay Gap Report 2017** (Pages 25 - 34)
[To receive information on the City of Wolverhampton Council's gender pay gap]
- 7 **Revenue Budget Monitoring Quarter Three 2017-2018** (Pages 35 - 90)
[To approve matters relating to the 2017-2018 revenue budget as at the end of the third quarter]
- 8 **Quarter Three Treasury Management Activity Monitoring** (Pages 91 - 114)
[To note the update on treasury management activity in 2017-2018 to date]
- 9 **FutureSpace Update** (Pages 115 - 124)
[To note an update on the progress of the FutureSpace programme]
- 10 **Police and Crime Commissioner Grant Allocation 2018-2019** (Pages 125 - 132)
[To approve the delegation of the Police Grant Community Fund allocation to Safer Wolverhampton Partnership to aid delivery of agreed citywide crime and community safety objectives]
- 11 **Recommendations from the Scrutiny Fire Safety Scoping Group** (Pages 133 - 184)
[To approve the executive response to the final report and recommendations from the Scrutiny Fire Safety Scoping Group]

- 12 **Care and Support Provider Fee Review 2018-2019** (Pages 185 - 202)
[To approve increases in fees for care and support providers]
- 13 **External Funding Update** (Pages 203 - 214)
[To approve to the submission of externally funded bids and arrangements for entering into grant funding agreements for successful bids]
- 14 **Acquisition of Privately Owned Empty Property by Agreement or Compulsory Purchase: 15 Gordon Avenue, Lanesfield, Wolverhampton, WV4 6PX** (Pages 215 - 224)
[To approve the acquisition of the property by agreement or compulsory purchase]
- 15 **Schedule of Individual Executive Decision Notices** (Pages 225 - 228)
[To note the summary of open and exempt individual executive decisions approved by the cabinet member following consultation with the relevant employees]
- 16 **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

- 17 **Regional Adoption Agency Delegated Authority** (Pages 229 - 248)
[To approve the establishment of a Regional Adoption Agency and the proposed governance arrangements, financial model and funding arrangements, and implications for Council staff]
- Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- 18 **Looked After Children Housing Adaptation Application** (Pages 249 - 268)
[To approve the funding of housing adaptations for two looked after children with severe disabilities]
- Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- 19 **Procurement - Award of Contracts for Works, Goods and Services** (Pages 269 - 304)
[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)
- 20 **Schools Condition Allocation Capital Programme 2018/2019** (Pages 305 - 314)
[To approve the schools capital programme 2018-2019 for the school condition allocation]
- Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)

- 21 **Waste and Recycling Services** (Pages 315 - 316) Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)
- [To provide an update on the implementation of the service changes agreed by Cabinet on 22 February 2017]

Attendance

Members of the Cabinet (Resources) Panel

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

Employees

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

Part 1 – items open to the press and public

Item No. Title

- 1 Apologies for absence**
Apologies for absence were submitted on behalf of Councillors Steve Evans and Milkinderpal Jaspal.
- 2 Declarations of interests**
Councillor Sandra Samuels OBE declared a pecuniary interest in item 5 (Business Rates – Discretionary Rate Relief) in so far as she is a potential recipient of business rates relief.

Keith Ireland, Managing Director declared a non-pecuniary interest in item 9 (Procurement - Award of Contracts for Works, Goods and Services) relating to Aldersley High School in so far as he is a governor on Amethyst Academies Trust.
- 3 Minutes of the previous meeting - 16 January 2018**
Resolved:
That the minutes of the previous meeting held on 16 January 2018 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 Business Rates - Discretionary Relief

Having declared a pecuniary interest in this item, Councillor Sandra Samuels OBE left the meeting room whilst the report was considered.

Councillor Andrew Johnson presented the report on a proposal to extend the Council's local scheme for business rates discretionary relief in respect of revaluation support and charitable and voluntary organisations with effect from 1 April 2018. The extension of the scheme for revaluation support was in line with the Government's aim of assisting businesses hardest hit by the revaluation and was aligned with the principles of other schemes across the region. The extension of the scheme for charitable and voluntary organisations continued to support a range of organisations providing support to vulnerable groups allowing the Council to foster good relations and enhance equal opportunities.

Resolved:

1. That an extension to the local business rates discretionary relief policy be approved:
 - i. in respect of revaluation support for 2018-2019.
 - ii. in respect of charitable and voluntary organisations for 2018-2019.
2. That a corresponding increase in awards under the revaluation support scheme be approved should the Government change its position and allow any underspend in 2017-2018 to be carried forward into 2018-2019.
3. That it be noted that the revaluation support scheme would need to be reviewed and revised each year in line with the funding available.

6 Special Provision Capital Fund

Councillor Claire Darke presented the report on the capital fund from Central Government to help local authorities create new school places and improve existing facilities for children and young people with special educational needs and disabilities (SEND). The report also outlines principles intended to guide the future investment of the capital resource. Approval was requested to delegate authority to the Cabinet Member for Education, in consultation with the Director of Education, to make decisions relating to the future investment of the Fund. This would maximise the opportunity for investment in provision for children and young people with SEND and support the realisation of the aims identified within Wolverhampton's Joint Strategy for Children and Young People with SEND 2015-2020.

Resolved:

1. That the acceptance of a grant of £1,158,571 over three years from the Department of Education in relation to the Special Provision Capital Fund be endorsed.
2. That the development of the planned investment of the Special Provision Capital Fund, in line with the guiding principles set out in the report be endorsed.
3. That authority be delegated to the Cabinet Member for Education, in consultation with the Director of Education, for decisions relating to the future investment of the Special Provision Capital Fund.

7 Schedule of Individual Executive Decision Notices

Resolved:

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

8 Exclusion of press and public

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

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

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

Resolved:

1. That authority be delegated to the Cabinet Member for City Assets and Housing, in consultation with the Strategic Director for Place, to approve the award of a contract for the Demolition of Northicote School and Bushbury Community Centre when the evaluation process is complete.
2. That authority be delegated to the Cabinet Member for Education, in consultation with the Director of Education, to approve the award of a contract for Internal Alterations at Aldersley High School when the evaluation process is complete.
3. That authority be delegated to the Cabinet Member for Education, in consultation with the Director of Education, to approve the award of a contract for the Conversion of Swimming Pool Building at Aldersley High School 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 the Renovation of Rakegate Renton Road Play Area when the evaluation process is complete.
5. 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 the Provision of Themed and Outdoor Markets when the evaluation process is complete.
6. 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 Building Improvements at WV Active - Aldersley when the evaluation process is complete.

7. That authority be delegated to the Cabinet Member for Resources, in consultation with the Strategic Director for People, to approve the award of a contract for the Supply, Installation and Maintenance of Audio Visual Equipment when the evaluation process is complete.
8. That the Director of Governance be authorised to execute contracts in respect of the above as required.

10 **Transfer of Extra Care Service Contracts to Midland Heart**

Further to the decision at the previous meeting on 16 January 2018 (Minute No 23 refers), Councillor Sandra Samuels OBE presented the report that clarified the cost implications of novating three extra care service contracts from the Extracare Charitable Trust (Extracare) to Midland Heart. The proposal to novate the contracts would enable the tenants of Broadway Gardens, Bushfield Court and James Beattie House to continue to receive extra care services that meet their needs and to experience a seamless transfer to the new service provider.

Resolved:

That the rate paid for additional care hours and to fund waking nights staffing at Broadway Gardens, Bushfield Court and James Beattie House at be agreed an additional cost of £87,000, taking the revised annual contract value to around £980,000.

11 **Extension of the Extra Care Service Contract held with Methodist Homes Association**

Further to the decision at the previous meeting on 16 January 2018 (Minute No 23 refers), Councillor Sandra Samuels OBE presented the report that clarified the proposal to extend the extra care contract held by Methodist Homes Association to be co-terminus with the Council's other extra care contracts. It was also proposed to introduce a contractual requirement for Methodist Homes Association to provide re-ablement and/or enhanced care to prevent delayed transfers of care from hospital for the people who live at Bridge Court.

Resolved:

1. That the Council's contract with Methodist Homes Association for the provision of extra care housing be extended for five years until 31 March 2023.
2. That authority be delegated to the Cabinet Member for Adults, in consultation with the Director of Adults Services to approve to vary the contract with Methodist Homes Association to include a requirement for Methodist Homes Association to provide (subject to this being provided within the current contract value of £267,000 per annum), re-ablement and/or enhanced care to prevent delayed transfers of care from hospital for the people who live at Bridge Court.

12 **Waste and Recycling Services**

The item was withdrawn.

CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 March 2018
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Report title	Pay Policy Statement 2018-2019	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Milkinder Jaspal Governance	
Key decision	Yes	
In forward plan	Yes	
Wards affected	N/A	
Accountable director	Kevin O'Keefe, Governance	
Originating service	Human Resources	
Accountable employee(s)	Denise Pearce	Head of Human Resources
	Tel	01902 554515
	Email	denise.pearce@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	27 February 2018

Recommendations for decision:

That Cabinet (Resources) Panel recommends that Council:

1. Approves the Pay Policy Statement for 2018 – 2019.
2. Approves the publication of the Pay Policy Statement by 31 March 2018 in line with the requirements of the Localism Act 2011.

1.0 Purpose

- 1.1 To refer to Council for approval the new Pay Policy and the publication of the Pay Policy by 31 March 2018.
- 1.2 This report has been compiled to comply with the requirements of section 38 (1) of the Localism Act 2011.

2.0 Background

- 2.1 Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”.
- 2.2 Section 38 of The Localism Act 2011 requires that each council prepares an annual pay policy statement setting out the following:
 - a) The remuneration of its chief officers. In this context a ‘chief officer’ is defined as:
 - The head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;
 - Its Monitoring Officer designated under section 5(1) of the act;
 - A statutory chief officer mentioned in section 2(6) of that Act;
 - A non-statutory chief officer mentioned in section 2(6) of that Act;
 - A deputy chief officer mentioned in section 2(8) of that Act.
 - b) The remuneration of its lowest-paid employees, and
 - c) The relationship between:
 - The remuneration of its chief officers, and
 - The remuneration of its employees who are not chief officers.
- 2.3 It should be noted that provisions of the Act do not apply to the staff based in local authority schools.
- 2.4 Additionally the Act requires that the pay policy statement must set out the Council’s policies relating to:
 - a) The level and elements of remuneration for each chief officer covered by the Act
 - b) The remuneration of chief officers on recruitment
 - c) Increases and additions to remuneration for each chief officer
 - d) The use of performance related pay for chief officers
 - e) The use of bonuses for chief officers

- f) The publication of, and access to, information relating to remuneration of chief officers.
- 2.5 The Localism Act requires that a local authority publish the pay policy statement “in such manner as they see fit which must include publication on the authority’s website”. In addition, section 38 (4) requires authorities to set out in their pay policy statements their approach to the publication of and access to information relating to the remuneration of chief officers.
- 2.6 The requirements to publish a pay policy statement and details of senior pay have been underpinned by the mandatory requirements in the Local Government Transparency Code 2014. City of Wolverhampton Council will publish the relevant data sets under the transparency code on the Wolverhampton data share site as soon as this policy is agreed.
- 2.7 The Pay Policy Statement for 2018 - 2019 (appendix 1), reflects the senior management structure as it will be amended in April 2018, following approval at Cabinet on 21 February 2018. It sets out the principles of remuneration which will be followed in 2018 - 2019.
- 2.8 The senior pay scale (appendix 2) sets out the grades that will be applied to senior managers in 2018 - 2019. To date there is no recommendation regarding the pay award with effect from 1 April 2018. The senior pay data (appendix 3) covers senior posts in line within the definitions in the guidance. Decisions on individual increments will not at this point have been taken, as these are subject to performance management criteria and will not take effect, if approved, until after 1 April 2018.
- 2.9 Data on all senior salaries in 2018 - 2019 will be published on the Wolverhampton data share site at <http://data.wolverhampton.gov.uk/View/employees/senior-salaries-wcc> and on the City Council’s web site, prior to 31 March 2018 if Council gives approval.
- 2.10 Data required by the Local Government Transparency Code 2015, will also be available by 31 March 2018. This includes employees whose remuneration in the year 2017- 2018 was at least £50,000 in brackets of £5,000. This information is recorded by job title. For senior managers whose salaries are £150,000 or more a name must also be given. At City of Wolverhampton Council we do not have an employee who earns above £150,000

3.0 Financial Implications

- 3.1 As outlined in section 7 of the Pay Policy (Appendix 1) the costs of payments in recognition of election responsibilities are met from Central Government.
- 3.2 The financial implications of the pay policy have been fully reflected in the Council’s Medium Term Financial Strategy that was presented to Cabinet on the 21 February 2018 and approved by Council on 7 March 2018.
[GE/09032018/R]

4.0 Legal Implications

- 4.1 The preparation and approval of a senior pay policy statement is a requirement of section 38 of the Localism Act 2011. The Act prescribes information to be included in the statement, its manner of publication and the requirement for the Council to act in accordance with its approved Policy Statement.
[TC/09032018/P]

5.0 Environmental Implications

- 5.1 There are no environmental implications arising from this report.

6.0 Equalities Implications

- 6.1 This report sets out the policies used to manage senior pay across the Council and the current relationship between the highest and the lowest salary levels. The report highlights that the Council has a pay ratio which is within the Hutton report recommended range. All posts are subject to Job Evaluation, as agreed by the Trade Unions in the signing of our collective agreement.

7.0 Environmental implications

- 7.1 This report has no environmental implications.

8.0 Human resources implications

- 8.1 There are no direct human resources implications arising from this report. Appointments into the senior pay structure are made in line with the Council's Constitution and relevant policies and procedures.

9.0 Corporate Landlord implications

- 9.1 This report has no Corporate Landlord implications

10.0 Schedule of background papers

- 10.1 There are no background papers.

11.0 Appendices

- 11.1 Appendix 1 – Pay Policy Statement
11.2 Appendix 2 – Senior Management Pay Scales
11.3 Appendix 3 - Pay Policy Data

Pay Policy Statement 2018- 20197

General Principles

This Policy Statement has been compiled to comply with the requirements of section 38 (1) of the Localism Act 2011.

1. Appointment and increments

- 1.1 There have been recent amendments made to the constitution regarding appointments of Senior Managers. A Special Appointment Committee will be established to appoint the Head of Paid Service, Section 151 Officer, Monitoring Officer and Strategic Directors on a politically balanced basis and will usually comprise the Leader and Deputy Leader of the Council, any appropriate Cabinet Member, the Cabinet Member with lead responsibility for Human Resources and their opposition counterparts or their substitutes. The recommendation of the Special Appointments Committee must be confirmed by Full Council.
- 1.2. The Special Appointment Committee for any other Director or Service Director will be established on a politically balanced basis and will usually comprise the appropriate Cabinet Member, Opposition counterpart, Lead Councillor and Opposition Lead Councillor of the appropriate Scrutiny Panel or their substitutes.
- 1.3 All other Senior Manager roles are subject to appropriate HR recruitment policy and process.
- 1.4 Senior Management roles who meet the eligible criteria, received the appropriate increment, normally backdated to 1 April (see 4.2).

2. Annual Pay Award

- 2.1. All annual pay awards are set in line with nationally negotiated rates The last nationally agreed pay award was a two year deal for 1% each year, for both Chief Executives and Chief Officers. The pay award for 2018 – 2019 has not yet been agreed, but will be applied to salaries when we are advised. The Managing Director on Grade 16 receives the equivalent pay award percentage rate for a Chief Executive and other Senior Managers on grade 12 to Grade 15 receive the equivalent pay award percentage rate for Chief Officers. Employees Grade 11 and below receive the pay award agreed through collective bargaining with the National Employers and the relevant Trade Unions . This has not been agreed.

3. Market forces supplements

- 3.1. City of Wolverhampton Council has a policy to offer market forces supplements in instances where the substantive grade of the post is insufficient to attract or retain post holders in skill shortage areas. Market forces supplements are awarded for a defined

period and subject to regular review. Currently there are no senior managers receiving Market Force Supplements.

4. 'Earn Back,' bonus and performance related pay

- 4.1. Local authorities have been asked to consider Lord Hutton's recommendation (Final Report of the Independent Review into Fair Pay in the Public Sector, March 2011) that senior staff could have an element of their basic pay 'at risk' to be earned back each year through meeting pre-agreed objectives. City of Wolverhampton Council has not implemented this. It should be noted that had the City of Wolverhampton Council implemented Performance Related Pay, this would be in addition to any substantive salary.
- 4.2. None of the posts featured in this report are eligible for bonus or performance related pay. However, there is no automatic incremental progression within senior management grades. Movement within grade is dependent on performance and for those Senior Managers grade 12 and above, but below Strategic Director, they are considered by the Managing Director and agreed at Strategic Executive Board. Strategic Directors progression, is agreed by the Managing Director in consultation with the Leader of the Council and any incremental progression for the Managing Director is agreed by the Leader of the Council. Senior Managers who meet the performance criteria are expected to receive an increment in 2018 -2019.

5. Cessation of Employment

- 5.1. If made redundant, post holders covered by this policy will be compensated in the same way as other Council employees and within the confines of the Council's approved redundancy scheme. The extent of any payment will depend on the individual's age, length of service and whether the redundancy is voluntary or compulsory.
- 5.2. The Council retains provision to make additional payments, or payments for some reason other than redundancy, but any payments require the prior approval of Cabinet and are reported in the annual accounts of the Council.
- 5.3. Section 40, a supplement to the original Localism 2011 Act, stated that we should have regard for any guidance issued or approved by the Secretary of State. Guidance issued recommends that Full Council should be given the opportunity to vote on salary packages and severance payment of £100,000 and over. Appointments processes are detailed in 1.1 of the Pay Policy and have been agreed by Full Council following the constitution review. Any severance packages in excess of £100,000, (not inclusive of pension capital costs), will be agreed by Full Council. This may need to be amended if the Exit Capping regulations are introduced in this financial year.
- 5.4. Exit Capping and 'claw back' will have an impact on redundancy/early retirement processes and re-engagement. Decisions and a date for roll out still needs to be made by the Government. The impact this will have on City of Wolverhampton Council will be subject to a separate report, when the full facts are available.

6. Re-engagement of senior employees in receipt of a local government pension

- 6.1. City of Wolverhampton Council recognises that the re-employment of retired local government officers is likely to be perceived negatively and bring into question the use of retirement packages in the public sector. The Council's Voluntary Redundancy Scheme makes clear that employees, regardless of salary level, should not seek re-employment into council roles for 12 months after accepting early retirement/ voluntary redundancy. Appointment of ex-employees as either agency staff or consultants is also prohibited if the arrangement could have been foreseen at the time of retirement. The Council is, however, not averse to appointing senior staff who have retired from other public sector employers. This is because City of Wolverhampton Council has no control over the decision-making of other employers and could potentially benefit from the skills and experience of the individual concerned.

7. Payments made in recognition of election responsibilities

- 7.1. In accordance with the regulations, at times of General or Mayoral Elections the council appoints an Acting Returning Officer, by convention, the Head of Paid Service, whose fee for overseeing the election process, is paid by central government. The fee is set nationally. However, at times of a Local Election it forms part of the Head of Paid Services' contract of employment to be Returning Officer and no additional payment is made by Central Government for his role. Other Senior Managers may act as Returning Officer at times of a Local Election and will receive payment from Central Government. To date the Council does not know the figure for payments for 2018 - 2019. To date there are only Local Elections envisaged for 2018 - 2019.

8. Pension Contributions and other elements of remuneration

- 8.1. Employer pension contributions have been included in the pay data included in this policy; this is in line with the definitions of remuneration in the Local Government Transparency Code 2014. The employer contribution rate for LGPS in 2017 - 2018 was 28.42% and for NHS pensions was 14.38%. However, the employer contribution rate for 2018 - 2019 is not yet known.

9. Interim Senior Managers

- 9.1. There are currently no Interim workers held against Senior Managers posts.

10. Pay comparison between the highest and the lowest paid

- 10.1 When publishing his interim report on fair pay in the public sector, Lord Hutton said:

“There is a strong case for public sector organisations having to comply with, or explain why they do not comply with, a maximum pay multiple, such as 20:1. This would demonstrate fairness by reassuring public opinion, address a problem of collective action across remuneration committees, and benefit organisations’ productivity“

“The public sector walks a fine line. It must create value for citizens by attracting and retaining talented individuals – otherwise it will become a second class sector of the economy. But equally it has to be vigilant about ensuring value for money”

- 10.2. In setting the requirement that the policy statement includes a comparison between the highest and the lowest paid, the Act gives no definition of ‘lowest paid’ and specifies that authorities should set their own and explain why it has been chosen.
- 10.3. For the purposes of this policy statement, to comply with the Localism Act, the identification of the lowest paid role has been identified as a full-time job, performed all year round, with the exclusion of posts that include an on-going training requirement, such as an apprenticeship.
- 10.4. The lowest paid role that meets this criteria is that of a Cleaner, who is paid Grade 2, Local Pay Point 2 (annual full time equivalent salary £15,807), on the Wolverhampton local pay scale which was implemented as part of the Single Status collective agreement on 1 April 2013.
- 10.5. There are 34 employees paid at Grade 1, but they do not fit the criteria of having employees in post full time and all year round, they are casual, ad hoc roles.
- 10.6. Research recently undertaken by Unison and reported in the Municipal Journal, found that the average pay differentials between highest and lowest paid employees in local government is 10 times lower than the figures found across comparable private sector firms.
- 10.7. On average, council Chief Executives earn around 11 times more than their organisations lowest paid worker, comfortably below Lord Hutton’s public sector threshold of 20 : 1.
- 10.8. The average private sector ratio is 111 : 1.
- 10.9. City of Wolverhampton Councils pay ratio of 9.35: 1 is less than the average Local Authority, which has a pay ration of 11 : 1. It also falls below City of Wolverhampton Councils pledge to keep the pay ratio below 10 : 1

Lord Huttons recommended Pay Multiple	Average Private Sector Pay Multiple	Average Local Authority Pay Multiple	City of Wolverhampton Council’s Pay Multiple	Difference between highest and lowest paid	Highest and Lowest paid roles
20 : 1	111 : 1	11 : 1	9.35 : 1	£147,915	Managing Director
				£15,807	Cleaner

- 10.10 Research recently undertaken by Unison and reported in the Municipal Journal, found that the average pay differentials between highest and lowest paid employees in local government is 10 times lower than the figures found across comparable private sector firms.
- 10.11 The impact of the Local Government pay award, due on 1 April 2018, will no doubt have an impact on the pay ratio. It will more than likely see the pay ratio reduce as lower paid employees receive a higher percentage pay award than Senior Managers, as the move towards the increase in the National Living Wage progresses.
- 10.12 In addition to reporting the above as part of the Localism Act, there is a requirement under the Transparency Code 2015, to report the pay multiple, defined in this case, as the ratio between the highest taxable earnings for a given year (2017/2018) and the median figure for the whole authority's workforce. The median figure should be calculated using all employees on a fixed date each year. The date of 1st April 2017 has been used, as employees would have had any pay award and increment due, by this date. The highest salary is the Managing Director on Grade 16 £147,915 and the lowest pay is an apprentice on £7,800. The median earning figure used as the denominator is £24,174.00, giving a pay ratio of 1 : 6.1

11. Publication

- 11.1. The Pay Policy Statement 2018 - 2019 will be published on the City of Wolverhampton Council's website, alongside the data published under the Local Government Transparency code, at <http://www.wolverhampton.gov.uk/article/1889/Corporate>

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Appendix 2

SENIOR MANAGEMENT PAY SCALES 01.04.2017

(Pay award for 01.04.2018 not yet agreed)

DESCRIPTION	WCC (Hay) Grade	LPP	01 April 2016	01 April 2017	Pay Award
LEAD PROFESSIONAL	GR12	62	£65,675	£66,332	1%
	GR12	63	£68,057	£68,738	1%
	GR12	64	£70,438	£71,142	1%
	GR12	65	£72,821	£73,549	1%
	GR12	66	£75,205	£75,957	1%
SERVICE DIRECTOR	GR13	67	£80,871	£81,680	1%
	GR13	68	£84,366	£85,210	1%
	GR13	69	£87,863	£88,742	1%
	GR13A	69A	£89,330	£90,223	1%
	GR13	70	£92,230	£93,152	1%
	GR13	71	£97,354	£98,328	1%
DIRECTOR	GR14	72	£101,000	£102,010	1%
	GR14	73	£104,384	£105,428	1%
	GR14	74	£107,767	£108,845	1%
	GR14	75	£111,100	£112,211	1%
STRATEGIC DIRECTOR	GR15	76	£124,995	£126,245	1%
	GR15	77	£128,126	£129,407	1%
	GR15	78	£131,300	£132,613	1%
	GR15	79	£133,136	£134,467	1%
	GR15	80	£134,835	£136,183	1%
MANAGING DIRECTOR	GR16	81	£141,400	£142,814	1%
	GR16	82	£143,925	£145,364	1%
	GR16	83	£146,450	£147,915	1%
	GR16	84	£148,950	£150,440	1%
	GR16	85	£151,450	£152,965	1%

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Position	Directorate	Employment Status	Annual FTE Salary	Pay Ceiling	Employers Pension Contribution	Employers Rate %	Left Role
Managing Director	Corporate	Employee	147,915.00	151,450.00	35,031.26	28.42	
Strategic Director - Place	Place	Employee	136,183.00	136,183.00	29,027.43	28.42	
Strategic Director - People	People	Employee	126,245.00	136,183.00	27,838.58	28.42	
Director of Pensions	West Midland Pension Fund	Employee	112,211.00	112,211.00	29,013.76	28.42	
Director of Governance	Corporate	Employee	108,845.00	112,211.00	0.00	N/A	
Director of Children's Services	People	Employee	102,010.00	112,211.00	22,763.60	28.42	
Director of Adult's Services	People	Employee	102,010.00	112,211.00	23,662.06	28.42	
Director of Public Health	People	Employee	102,010.00	112,211.00	7,247.82	28.42	
Director of Education	Corporate	Employee	108,845.00	112,211.00	9,479.69	28.42	
Director of Finance	Corporate	Employee	90,223.00	98,328.00	19,678.48	28.42	
Service Director	Place	Employee	98,328.00	98,328.00	23,287.30	28.42	
Black Country Transport Director	Place	Employee	90,223.00	98,328.00	21,367.80	28.42	
Service Director - City Environment	Place	Employee	88,742.00	98,328.00	21,017.10	28.42	
Service Director - Commercial	Corporate	Employee	98,328.00	98,328.00	0.00	N/A	
Service Director Public Service Reform	Place	Employee	90,223.00	98,328.00	10,470.22	28.42	
Service Director - Pensions	West Midland Pension Fund	Employee	93,152.00	98,328.00	8,753.43	28.42	
Head of Service, People	People	Employee	66,332.00	75,597.00	15,047.26	28.42	
Head of Service	People	Employee	66,332.00	75,597.00	15,163.99	28.42	
Head of Corporate Communications	Corporate	Employee	73,549.00	75,597.00	17,418.80	28.42	
Head of Corporate Landlord	Place	Employee	75,957.00	75,597.00	17,989.10	28.42	
Head of Strategic Commissioning	People	Employee	71,142.00	75,597.00	11,678.79	28.42	
Assistant Director (Schools Standards)	Corporate	Employee	76,371.00	76,371.00	16,639.95	28.42	
Head of Legal Services	Corporate	Employee	61,672.00	63,531.00	14,605.70	28.42	
Head of Human Resources	Corporate	Employee	62,602.00	63,531.00	14,769.12	28.42	
Head of Governance	Corporate	Employee	55,185.00	57,033.00	0.00	N/A	
Head of Democratic Services	Corporate	Employee	57,033.00	57,033.00	13,507.30	28.42	
Finance Business Partner	Corporate	Employee	55,185.00	57,033.00	13,069.60	28.42	
Finance Business Partner	Corporate	Employee	55,185.00	57,033.00	13,069.60	28.42	
Finance Business Partner	Corporate	Employee	55,185.00	57,033.00	13,069.60	28.42	
Head of Financial Management (W-ton Homes)	Corporate	Employee	50,433.00	51,388.00	11,944.40	28.42	
Finance Business Partner	Corporate	Employee	55,185.00	57,033.00	12,947.99	28.42	
Service Manager School Places and Transport	Corporate	Employee	51,388.00	51,388.00	13,845.69	28.42	
Programme Manager/Head of Operations - Pensions	West Midlands Pension Fund	Employee	59,812.00	63,531.00	12,165.11	28.42	
Head of Client & funding Management - Pensions	West Midlands Pension Fund	Employee	62,602.00	63,531.00	14,826.00	28.42	
Head Of Governance - Pensions	West Midlands Pension Fund	Employee	57,033.00	57,033.00	13,507.30	28.42	
Head of City Transport	Place	Employee	66,332.00	75,597.00	1,216.23	28.42	
Head Of Revenues & Benefits	Corporate	Employee	63,531.00	63,531.00	15,046.30	28.42	
Head of Customer Services	Corporate	Employee	61,672.00	63,531.00	14,605.70	28.42	
Digital Transformation Director	Corporate	Employee	63,531.00	63,531.00	15,046.30	28.42	
Head Of Looked After Children	People	Employee	63,531.00	63,531.00	14,870.06	28.42	
Head of Service Specialist Support	People	Employee	61,672.00	63,531.00	14,605.70	28.42	
Head Of Youth Offending	People	Employee	63,531.00	63,531.00	15,046.30	28.42	
Principal Educational Psychologist	People	Employee	61,543.00	66,276.00	14,853.58	28.42	
Head of Service Children in Need and Child Protection	People	Employee	59,812.00	63,531.00	8,904.58	28.42	
Head of Service Mental Health Social Care and Emergency Duty Services	People	Employee	63,531.00	63,531.00	15,046.30	28.42	
Head of Adult Services - North	People	Employee	60,742.00	63,531.00	14,385.70	28.42	
Principal Social Worker	People	Employee	56,112.00	57,033.00	13,289.20	28.42	
Head of Adult Services - East	People	Employee	60,741.00	63,531.00	14,385.70	28.42	
Head of Service - West	People	Employee	63,531.00	63,531.00	14,469.11	28.42	
Head of Service for Healthier Place Service	People	Employee	57,033.00	57,033.00	11,938.40	28.42	
Head Of Community Safety	People	Employee	56,112.00	57,033.00	13,289.20	28.42	

Public Health Commissioning Manager	People	Employee	56,112.00	57,033.00	6,587.55	14.38	
Consultant In Public Health	People	Employee	81,618.00	81,618.00	7,575.43	14.38	
Consultant in Public Health	People	Employee	65,922.00	81,618.00	1,515.87	14.38	
Consultant In Public Health	People	vacant	Vacant	81,618.00	N/A	N/A	
Head of ICT	Corporate	Employee	59,812.00	63,531.00	1,416.57	28.42	

Position	Directorate	Employment Status	Annual FTE Salary	Pay Ceiling	Employers Pension Contribution	Employers Rate %	Left Role
Strategic Director - Pensions	West Midland Pension Fund	Employee	134,467.00	136,183.00	19,107.78	28.42	30/09/17
Interim Director of Education	Corporate	Interim	104,384.00	112,211.00	N/A	N/A	07/04/17
Interim Strategic Director - People	People	Employee	136,183.00	136,183.00	0.00	N/A	31/08/17
Head of Children in Need/Child Protection/MASH	People	Employee	75,597.00	75,597.00	8,994.55	28.42	31/08/17
Service Director	People	Employee	100,431.00	100,431.00	4,148.33	14.38	16/07/17
Assistant Director - Pensions	West Midland Pension Fund	Employee	98,328.00	98,328.00	13,972.38	28.42	30/09/17
Consultant In Public Health	People	Employee	81,618.00	81,618.00	6,917.27	14.38	30/11/17
Consultant in Public Health	People	Employee	81,618.00	81,618.00	8,278.29	14.38	19/11/17
Head of Finance - Pensions	West Midland Pension Fund	Employee	62,602.00	63,531.00	14,826.00	28.42	31/01/18
Employees who left positions but moved into another within the organisation	Directorate	Employment Status	Annual FTE Salary	Pay Ceiling	Employers Pension Contribution	Employers Rate %	Left Role
Service Director - Adults	People	Employee	98,328.00	98,328.00	See above Director of Adult's Services	See above	31/08/17
Service Director	People	Employee	90,223.00	98,328.00	See above Director of Children's Services	See above	31/08/17
Assistant Director - Actuarial & Pensions	West Midland Pension Fund	Employee	88,742.00	98,328.00	See above Director of Pensions	See above	30/09/17
Chief Accountant	Corporate	Employee	75,597.00	75,597.00	See above Director of Finance	See above	31/08/17
Interim Service Director - Commercial Services	Corporate	Interim	81,680.00	98,328.00	N/A - See above Service Director - Commercial	N/A	31/05/17
Director of Finance	Corporate	Employee	108,845.00	112,211.00	See above Strategic Director - People	See above	31/08/17

Employer pension contributions are for the period 01 April 2017 to 31 January 2018

Expected Remuneration of Senior Managers 1 April 2017 - 31 March 2018

Position	Directorate	Employment Status	Annual FTE Salary	Pay Ceiling
Managing Director *	Corporate	Employee	147,915.00	151,450.00
Strategic Director - Place *	Place	Employee	136,183.00	136,183.00
Strategic Director - People *	People	Employee	126,245.00	136,183.00
Director of Pensions *	West Midland Pension Fund	Employee	112,211.00	112,211.00
Director of Governance *	Corporate	Employee	108,845.00	112,211.00
Director of Children's Services *	People	Employee	102,010.00	112,211.00
Director of Adult's Services *	People	Employee	102,010.00	112,211.00
Director of Public Health *	People	Employee	102,010.00	112,211.00
Director of Education *	Corporate	Employee	108,845.00	112,211.00
Director of Finance *	Corporate	Employee	90,223.00	98,328.00
Service Director *	Place	Employee	98,328.00	98,328.00
Black Country Transport Director *	Place	Employee	90,223.00	98,328.00
Service Director - City Environment *	Place	Employee	88,742.00	98,328.00
Service Director - Commercial *	Corporate	Employee	98,328.00	98,328.00
Service Director Public Service Reform *	Place	Employee	90,223.00	98,328.00
Service Director - Pensions *	West Midland Pension Fund	Employee	93,152.00	98,328.00
Head of Service, People *	People	Employee	66,332.00	75,597.00
Head of Service *	People	Employee	66,332.00	75,597.00
Head of Corporate Communications *	Corporate	Employee	73,549.00	75,597.00
Head of Corporate Landlord *	Place	Employee	75,957.00	75,597.00
Head of Strategic Commissioning *	People	Employee	71,142.00	75,597.00
Assistant Director (Schools Standards) *	Corporate	Employee	76,371.00	76,371.00
Head of Legal Services	Corporate	Employee	62,602.00	63,531.00
Head of Human Resources	Corporate	Employee	63,531.00	63,531.00
Head of Governance	Corporate	Employee	56,112.00	57,033.00
Head of Democratic Services	Corporate	Employee	57,033.00	57,033.00
Finance Business Partner	Corporate	Employee	56,112.00	57,033.00
Finance Business Partner	Corporate	Employee	56,112.00	57,033.00
Finance Business Partner	Corporate	Employee	56,112.00	57,033.00
Head of Financial Management (W-ton Homes)	Corporate	Employee	51,388.00	51,388.00
Finance Business Partner	Corporate	Employee	56,112.00	57,033.00
Service Manager School Places and Transport	Corporate	Employee	51,388.00	51,388.00
Programme Manager/Head of Operations - Pensions	West Midlands Pension Fund	Employee	60,741.00	63,531.00
Head of Client & funding Management - Pensions	West Midlands Pension Fund	Employee	63,531.00	63,531.00
Head Of Governance - Pensions	West Midlands Pension Fund	Employee	57,033.00	57,033.00
Head of City Transport *	Place	Employee	66,332.00	75,597.00
Head Of Revenues & Benefits	Corporate	Employee	63,531.00	63,531.00
Head of Customer Services	Corporate	Employee	62,602.00	63,531.00
Digital Transformation Director	Corporate	Employee	63,531.00	63,531.00
Head Of Looked After Children	People	Employee	63,531.00	63,531.00
Head of Service Specialist Support	People	Employee	62,602.00	63,531.00
Head Of Youth Offending	People	Employee	63,531.00	63,531.00

Principal Educational Psychologist	People	Employee	62,602.00	66,276.00
Head of Service Children in Need and Child Protection	People	Employee	60,741.00	63,531.00
Head of Service Mental Health Social Care and Emergency Duty Services	People	Employee	63,531.00	63,531.00
Head of Adult Services - North	People	Employee	61,672.00	63,531.00
Principal Social Worker	People	Employee	57,033.00	57,033.00
Head of Adult Services - East	People	Employee	61,672.00	63,531.00
Head of Service - West	People	Employee	63,531.00	63,531.00
Head of Service for Healthier Place Service	People	Employee	57,033.00	57,033.00
Head Of Community Safety	People	Employee	57,033.00	57,033.00
Public Health Commissioning Manager	People	Employee	57,033.00	57,033.00
Consultant In Public Health	People	Employee	81,618.00	81,618.00
Consultant in Public Health	People	Employee	69,168.00	81,618.00
Consultant In Public Health	People	Vacant	Vacant	81,618.00
Head of ICT	Corporate	Employee	60,741.00	63,531.00

*Decisions on individual increments will not at this point have been taken as these are subject to performance management criteria
To date there is no recommendation as to what the pay award will be with effect from 1 April 2018
It is not yet known what the Employers Pension Contributions will be for 2018-2019

Cabinet (Resources) Panel

20 March 2018

Report title	Gender Pay Gap Report 2017	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Milkinder Jaspal Governance	
Corporate Plan priority	Confident Capable Council	
Key decision	No	
In forward plan	No	
Wards affected	None	
Accountable Director	Kevin O'Keefe, Governance	
Originating service	Human Resources	
Accountable employee	Denise Pearce	Head of Human Resources
	Tel	01902 554515
	Email	Denise.Pearce@wolverhampton.gov.uk
Report to be/has been considered by	Corporate Leadership Team	26 February 2018
	People Leadership Team	26 February 2018
	Place Leadership Team	26 February 2018
	Strategic Executive Board	27 February 2018

Recommendation for decision:

The Cabinet (Resources) Panel is recommended to:

1. Endorse the attached report on the City of Wolverhampton Council's Gender Pay Gap.

Recommendation for noting:

The Cabinet (Resources) Panel is asked to note:

2. That the Gender Pay Gap data will be published on the Gender Pay Gap reporting site on the GOV.UK website, together with the attached report (appendix 1), as required by legislation.

1.0 Purpose

- 1.1 The purpose of the report is share information prior to data being published on the government gender pay gap reporting site by 30 March 2018 as required by legislation.
- 1.2 To share the action plan which has been developed to help further reduce the gender pay gap in the organisation.

2.0 Background

- 2.1 It is a statutory requirement for all employers with 250 or more employees to publish various figures to demonstrate how large the gender pay gap is between their male and female employees by 30 March 2018 and thereon a yearly basis.
- 2.2 There are six calculations that organisations are required to report on.

- The **mean gender pay gap**
- The **median gender pay gap**
- The mean bonus gender pay gap*
- The median bonus gender pay gap*
- The proportion of males and females receiving a bonus payment*
- The **proportion of males and females in each quartile band**

*As there are no bonus schemes within City of Wolverhampton Council there will not be a requirement to publish three of the six calculations above.

City of Wolverhampton Council therefore, only has to report on the median and mean pay gap and the proportion of males and females in each quartile band.

- 2.3 For the purposes of the analysis the data consists of all City of Wolverhampton Council employees excluding schools.
- 2.4 The data snap shot date chosen by City of Wolverhampton Council is 31 March 2017.

3.0 Progress, options, discussion, etc.

- 3.1 Gender pay gap has been heavily discussed in many media outlets with some companies facing criticism on their gender pay gap.
- 3.2 For City of Wolverhampton Council the **mean** gender pay gap is **7.76%**
- 3.3 For City of Wolverhampton Council the **median** gender pay gap is **3.12%**.
- 3.4 For the City of Wolverhampton Council (CWC) the gender pay gap is considerably lower than the national average, the public sector average and the West Midlands average for gender pay gap. Whilst undertaking the analysis of data, it was evident that CWC's lower than average pay gap is partly attributable to the stringent job allocation process that all roles were subjected to at the time of the introduction of the single status agreement. It should be noted that CWC are unusual in that this process has continued to be applied.

- 3.5 In order to report on **the proportion of males and females in each quartile band**, it is key to understand that the quartiles are based on the calculated hourly pay rates (not actual hourly rates as per CWC pay scales) and then divided into four quarters.
- 3.6 The lower quartile, which includes the lowest paid employee, paid on the apprenticeship rate through to the hourly rate of £8.69 (which falls within Grade 3), is made up of four fifths, women and there is a pay gap of 0.72% (this is a fraction of a penny).
- 3.7 The lower middle quartile, includes hourly rates that falls within Grade 3 through to points in Grade 5. In this quartile 68% are women and almost 32 % are males, and there is a pay gap of -1.84% which means women are paid higher than men.
- 3.8 The upper middle quartile, includes the hourly rates that fall within Grade 5 through to points within Grade 6. Within this band of hourly rates the differences are narrow, as the requirement is to look at the lowest and highest hourly rate of pay and split this into four equal quartiles. 71% of employees in this quartile are females and there is a pay gap of 2.92% which equates to a difference in pennies rather than pounds, due to the minimal hourly rate differences in this quartile of employees.
- 3.9 The upper quartile, goes from grade 6 to grade 16 which is a substantial grade range, and there are 68% women and 32% men in this quartile, with a pay gap of 3.53%. We will undertake further analysis to understand the reasons for the differences. It should be highlighted however, that this data is for a specific date (31 March 2017) and the recent senior management restructure should reduce this gap.
- 3.10 At the point of the analysis there were only a few local authorities who had published their data. However, once the deadline has passed for publication, a further analysis will be undertaken as a comparative of the local authorities in the West Midlands.

4.0 Evaluation of alternative options

- 4.1 There are no alternative options to consider as government has defined the requirements of the report.

5.0 Reasons for decision(s):

- 5.1 If the Council fail to endorse the report we will be unable to meet the government deadline of publishing data which will result in a fine of £20,000.

6.0 Financial implications

- 6.1 There are no financial implications associated with the recommendations in the report. It is worth noting, however, that failure to publish the data by the 30 March deadline will result in a fine of £20,000.
[GE/09032018/F]

7.0 Legal implications

Legislation requires gender pay gap data to be published on a yearly basis. A narrative is not mandatory however it is key in providing analysis into the data and any varying differences. [TC/09032018/O]

8.0 Equalities implications

- 8.1 Although City of Wolverhampton Council's gender pay gap is low, there is a gender pay gap in the upper middle and upper quartiles (2.92% and 3.53% respectively).
- 8.2 In the lower quartile there is a minimal gender pay gap difference of 0.72% however in the lower middle quartile, there is a negative pay gap -1.84% indicating that females earn slightly more per hour on average. It is positive to see that the data reflects the flexible working ethos enabling women to return or even remain in work whilst they may have other commitments and pressures outside of work.
- 8.3 It is important to note that there is no evidence of inequality in our gender pay gap, however societal factors may play a part in the difference. Male and female employees receive equal pay for equal work as agreed in the collective agreement signed in 2013. CWC do not deviate from this.

9.0 Environmental implications

- 9.1 There are no environmental implications envisaged

10.0 Human resources implications

- 10.1 As the data identifies a gender pay gap, even though small, the Council will want to take action to reduce this gap. To ensure equity and that we remain an employer of choice.
- 10.2 Human Resources will be required to ensure job allocation panels continue to effectively and consistently grade job descriptions and that the recruitment processes continue to be fair and robust.

11.0 Corporate landlord implications

- 11.1 There are no Corporate landlord implications envisaged.

12.0 Schedule of background papers

- 12.1 There are no background papers to be provided.

13.0 Appendices

- 13.1 Appendix 1 – Gender Pay Gap Report 2017



Gender Pay Gap Report 2017
Appendix 1



**Stronger
Economy**



**Stronger
Communities**



**Stronger
Organisation**

Introduction

Why was gender pay gap reporting introduced?

Following the 2015 general election it was announced by the Government that they intended to fulfil a manifesto commitment and bring into force a provision of the Equality Act 2010 on gender pay reporting. Although this originally covered only the private and voluntary sectors it was further extended to the public sector.

In 2017 the government introduced this legislation that made it a statutory requirement for all employers with 250 or more employees to publish various figures to demonstrate how large the gender pay gap is between their male and female employees.

What gender pay gap reporting entails:

From March 2017 all voluntary, private and public sector employers with 250 or more employees are required to publish their data. All public sector employers are required under the Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 to provide data on the following 6 calculations:

- The mean gender pay gap
- The median gender pay gap
- The mean bonus gender pay gap*
- The median bonus gender pay gap*
- The proportion of males and females receiving a bonus payment*
- The proportion of males and females in each quartile band

**This is not applicable to City of Wolverhampton as there is no bonus scheme in place.*

For the purposes of the analysis the data consists of all City of Wolverhampton Council employees but excludes employees from maintained schools. The data is correct as of the snapshot date of 31 March 2017.

Gender pay gap versus Equal pay- What is the difference?

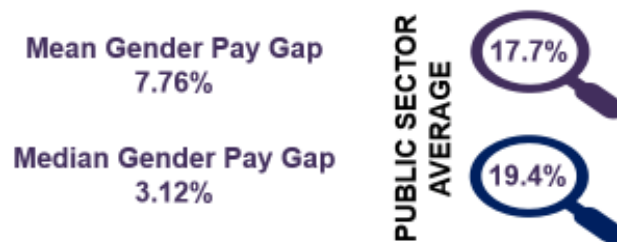
It is important to note that whilst both gender pay and equal pay deal with the disparity of pay women receive in the workplace the two are different;

- Equal pay means that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010. It is unlawful to pay employees unequally based on their gender.
- The gender pay gap is a measure of the difference between men's and women's average earnings across an organisation or the labour market. It is expressed as a percentage of men's earnings.



Gender Pay Gap Figures analysis

For the City of Wolverhampton Council the gender pay gap is as follows;



Mean gender pay gap

To clarify the analysis required, the mean gender pay gap is a comparison of the average pay for a female and the average pay for a male.

The City of Wolverhampton Council's mean pay gap shows us that men are paid 7.76% higher than women. This on average is 10 percent lower than the national averages.

The Office of National Statistics Annual Survey of hours and earnings, October 2017 highlights that the average public sector pay gap is 17.7% whilst the average pay gap for the West Midlands is 17.5%

We are also considerably lower than the economy average of 17.4%. (Office of National Statistics Annual Survey of hours and earnings, October 2017).

Median gender pay gap

To calculate the median gender pay gap, there needs to be a comparison of the 'middle' hourly rate for a female and male if all pay amounts were sorted from the lowest pay point to the highest.

The City of Wolverhampton Council's median pay gap is 3.12%. Similar to our mean gender pay data, this is considerably lower than the national averages by at least 15 percent.

Recent data from the Office of National Statistics Annual Survey of hours and earnings, October 2017, shows the average public sector pay gap data of 19.4% and the average pay gap for the West Midlands of 22.9%.

We are also significantly lower than the economy average of 18.4% (Office of National Statistics Annual Survey of hours and earnings, October 2017).



Bonus payments

As mentioned previously, the City of Wolverhampton Council does not have a bonus scheme nor performance related pay and therefore there is no data to report on the following;

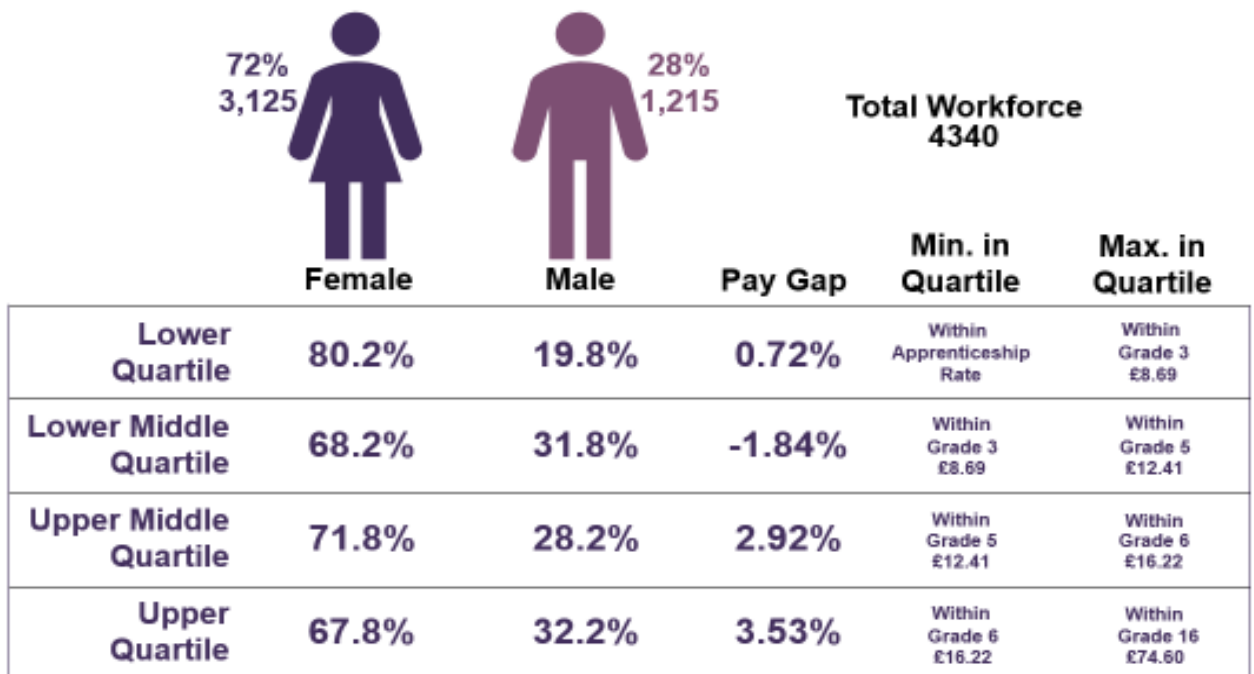
- The mean bonus gender pay gap
- The median bonus gender pay gap
- The proportion of males and females receiving a bonus payment

Quartile Pay Bands

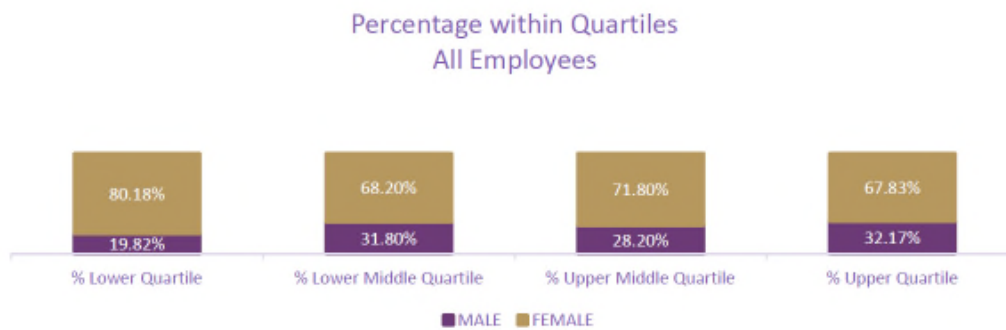
It is important to understand that where there is a negative figure in the data below this will indicate that women are paid more than men for that analysis. A positive figure indicates that men are paid more than women

City of Wolverhampton Council is required to report on the proportion of men and women in each quartile in the the pay structure. The quartiles are lower, lower middle, upper middle and upper quartile pay bands.

The quartile data below shows the workforce divided into four equal sized groups based on calculated hourly pay rates, whereby each quartile is made up of 25% of the workforce. The lowest paid 25% of employees are the lower quartile and the highest paid 25% are the upper quartile.



The table below shows the gender split in each of the quartiles and shows that women represent at least two thirds of employees in each quartile.



What City of Wolverhampton Council has done so far to tackle gender pay gap

The City of Wolverhampton Council implemented the national Single Status agreement in April 2013 in partnership with UNISON and in consultation with other recognised trade unions for Local Government Services' employees, GMB and UNITE. The Single Status Agreement aimed to eliminate inequalities in pay and grading structures which had existed historically in most local authorities in the UK.

As well as eliminating any gender-based pay gaps and introducing an 'equality-proofed' pay model, Single Status harmonised pay and terms and conditions between former manual, non-manual workers and administrative, technical and professional workers.

CWC continue to conduct job evaluations with panels comprised of managers and trade union representatives to ensure integrity and consistency of the pay model.

Recruitment

There has been a recent review of the Councils recruitment processes, so that customers receive a better first impression and efficient service. Design of advertisements and a consistent and clear layout to job descriptions and personal specifications have supported this.

All disabled candidates who meet the job description criteria will be granted an interview and the council has several equality forums that address how underrepresented groups and those with disabilities are reached.

Unconscious bias training is delivered to all recruiting managers. Only those employees who have completed this training and the online recruitment and selection eLearning module are eligible to participate in an interview panel. All interview panels are required to be gender diverse and as far as possible diverse in respect of other protected characteristics under the Equality Act 2010.



This supports the achieving status under the Equality Framework CWC is working hard to achieve.

Conclusion

The City of Wolverhampton Council has significantly more female employees than male employees.

Within the pay range of grade 5 and below, the pay gap is minimal. However, there is a pay gap from grade 6 upwards due to males earning on average a higher hourly rate of pay at the higher grades, this is however, significantly lower than the national average.

The gender pay gap data is historical, as it is a snapshot of the organisation on 31 March 2017. Since that date there has been a senior management restructure which is hoped will have a positive impact in reducing gender pay gap for when the report is due in 2018..

Further work needs to be undertaken to fully understand the disparity between men and women both in the lower grades and in the higher grades.

Comparatively, the City of Wolverhampton Council's performance around the gender pay gap is excellent and will continue to be monitored against other councils as more reports are published.

City of Wolverhampton Council Gender Pay Gap Action Plan

Action Required	Timescales
Continue ensuring all managers involved in our recruitment process attend Unconscious Bias Training prior to sitting on an interview panel	Ongoing
Continue to promote equality and diversity and equal opportunity in our recruitment process	Ongoing
Continue our good practice in ensuring thorough and robust job evaluation in pay and grading with panel decisions	Ongoing
Continue to develop our staff equalities groups and their involvement in reviewing our policies and procedures and initiatives.	Ongoing
Continue to monitor our quarterly and yearly Equality in Employment reports and action plans to ensure we monitor our data and analyse any issues that may arise	Ongoing
Review the impact of the SMART working project on employee behaviour in relation to working hours.	Ongoing



CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 March 2018
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Report title	Revenue Budget Monitoring 2017-2018	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Keith Ireland, Managing Director	
Originating service	Strategic Finance	
Accountable employee(s)	Claire Nye	Director of Finance
	Tel	01902 550478
	Email	claire.nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	6 March 2018

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. That as a result of proactive financial management across the Council, all services have completed recovery plans which have identified efficiencies and mitigating actions to recover the overspend that was forecast as at quarter two of 2017-2018. The overall projected outturn for the General Fund for 2017-2018 is now forecast to be an underspend in the region of £70,000.
2. That projected redundancy costs, including the cost of pension strain, totalling £3.0 million are included in the forecast outturn. The projected costs are subject to change dependent upon the actual redundancies approved by year end. It is anticipated that Capital Receipts flexibility announced by the Secretary of State, will offset the cost of redundancies.

3. That 522 council tax accounts totalling £201,553.80, as detailed in paragraph 8.4.1, have been approved by for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
4. That 22 Non-Domestic Rates (NDR) debts totalling £75,616.40, as detailed in paragraph 8.4.2, have been approved by for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
5. That 143 sundry debt accounts totalling £107,007.72, as detailed in paragraph 8.3, have been approved by for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
6. That 24 housing benefit overpayments totalling £16,336.13, as detailed in paragraph 8.7, have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
7. That a £18.5 million surplus on the Housing Revenue Account (HRA) is projected compared with a budgeted surplus of £16.8 million as shown at Table 10 and in detail at Appendix 9. The projected increased surplus of £1.7 million will be used to redeem debt in line with the HRA Business Plan.
8. That the Director of Finance has approved the write off 1,240 former HRA tenant rent accounts totalling £707,269.01, as detailed in paragraph 9.5.2 in accordance with the Council's Financial Procedure Rules.
9. That the Director of Finance has approved the write off 430 former tenant rechargeable repair accounts totalling £262,257.89, as detailed in paragraph 9.6.2 in accordance with the Council's Finance Procedure Rules.

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the use of £82,000 from the Regeneration Reserve to fund various development works and schemes as detailed at paragraph 5.2.2.
2. Approve the amendment of draw down amounts of the Regeneration Reserve that were approved in Quarter 1 and Quarter 2 as outlined in at Table 7.
3. Approve the use of £104,000 from the Transformation Reserve to cover various works and schemes as detailed at paragraph 5.2.3.
4. Approve the use of £169,000 from the Highways Management Reserve to cover various works and schemes as detailed at paragraph 5.2.4.

5. Approve the establishment of a new specific reserve for Adult Social Care from underspends in 2017-2018 to offset pressures in 2018-2019 as outlined at paragraph 5.2.5.
6. Approve the use of £332,000 from the Future Works Reserves to support Agresso System Development as detailed at paragraph 5.2.6.
7. Approve the write off of one Non-Domestic Rates (NDR) debts totalling £19,090.80 as detailed in Appendix 6.
8. Approve the write off of five sundry debts totalling £120,156.60 as detailed in Appendix 7.
9. Approve thirty-two virements totalling £8.2 million, for transfers within directorates, as detailed in Appendix 8.
10. Approve the write off of £36,111.10 relating to five tenant rechargeable repair accounts over £5,000 as outlined in Appendix 10.
11. Approve setting up of supplementary expenditure budgets within the 2017-2018 approved budgets as detailed in paragraph 4.2 for grant funded expenditure.

1.0 Purpose

- 1.1 The purpose of this report is to provide Cabinet (Resources) Panel with a projection of the likely revenue outturn position for the General Fund and Housing Revenue Accounts, compared with the Council's approved revenue budgets for 2017-2018.
- 1.2 This is the third report of this financial year detailing the likely outturn projection for 2017-2018. The previous report was presented to Cabinet on 29 November 2017.

2.0 Background

- 2.1 Overall, the General Fund projected outturn is currently forecast to underspend against the net budget, as analysed in Table 1.

Table 1 – 2017-2018 General Fund Revenue Budget Projected Outturn

	Net Controllable Budget 2017-2018 £000	Projected Outturn 2017-2018 £000	Projected Variation Over/(Under)	
			£000	%
People	117,373	118,336	964	0.82%
Corporate	63,155	61,396	(1,759)	-2.78%
Place	39,271	39,428	157	0.40%
Education	2,784	3,674	890	31.97%
Net Budget Requirement	222,582	222,834	252	0.11%
Government Grant (General)	(59,378)	(61,425)	(2,048)	3.45%
Enterprise Zone Business Rates	(1,790)	(1,480)	310	-17.32%
Council Tax	(90,937)	(90,937)	-	0.00%
Business Rates	(70,459)	(70,459)	-	0.00%
Collection Fund Deficit	2,886	2,886	-	0.00%
Business Rates Equalisation Reserves	(2,904)	(1,489)	1,416	-48.75%
Total Resources	(222,582)	(222,904)	(322)	0.14%
Net Budget (Surplus) / Deficit	(0)	(70)	(70)	-0.03%

- 2.2 An overspend of £1.0 million was projected at the time of reporting to Cabinet on 29 November 2017. As a result of proactive financial management across the Council, all services completed recovery plans which identified efficiencies and mitigating actions to recover part of the £2.1 million overspend that was forecast as at quarter one of 2017-2018. Work continued during the third quarter of 2017-2018 to review the in-year pressures within each service and to assess the impact on the Medium Term Financial Strategy (MTFS). The projected outturn has now reduced considerably to an underspend of £70,000.

- 2.3 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 achieve a robust financial position. The Budget 2018-2019 and Medium Term Financial Strategy 2018-2019 to 2019-2020 approved by Full Council on 7 March 2018, identified that the Council would be faced with finding further budget reductions totalling £19.5 million to 2019-2020. 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 £28.3 million over the two-year period to 2019-2020. The Council's budget for 2018-2019 does not require the use of any general reserves in order to balance the budget.
- 2.4 Work must start immediately to identify additional budget reductions to address the projected £19.5 million budget deficit for 2019-2020. Cabinet approved that the July 2018 report to Cabinet will include a high-level strategy for tackling this projected budget deficit.
- 2.5 An update on the General Fund budget risks is provided at section 6. Overall the risk for 2017-2018 is currently assessed as Amber as the Council has significant budget reductions to deliver and income to achieve.
- 2.6 It is important to note that projected redundancy costs, including the cost of pension strain, totalling £3.0 million are included in the forecast outturn. It is anticipated that Capital Receipts flexibility announced by the Secretary of State, will offset the cost of redundancies.
- 2.7 In accordance with the Council's financial procedures rules, all virements in excess of £50,000, or those that result in a transfer between Employees and Other Controllable Expenditure headings, require the approval at this meeting. There are thirty-two virements that require approval in this report as detailed in Appendix 8.
- 2.8 The most significant factors contributing towards the projected net overspend against the budget are reported on a service-by-service basis in section 3.
- 2.9 The forecast outturn position for the Housing Revenue Account is a surplus of £18.5 million, compared to a budgeted surplus of £16.8 million. The projected additional surplus of £1.7 million, which is mainly due to a forecast underspend on interest payable, will be used to redeem debt to comply with the Council's approved HRA Business Plan.

3.0 General Fund Revenue Budget Monitoring: Service Analysis

3.1 People

3.1.1 A summary of the projected outturn against the People 2017-2018 revenue budget is provided in Table 2, whilst a detailed analysis is provided in Appendix 1.

Table 2 – 2017-2018 Revenue Budget Projected Outturn - People

	2017-2018 Controllable Budget £000	2017-2018 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Strategic Director including Strategic Commissioning	4,745	4,346	(399)	-8.41%
Adults Services	63,706	63,706	-	0.00%
Children & Young People	48,893	50,255	1,362	2.79%
Public Health & Wellbeing	29	29	-	0.00%
People Total	117,373	118,336	964	0.82%

3.1.2 Overall a net overspend of £963,000 (0.82%) is projected for the year. This is a decrease of £35,000 on the forecast overspend reported at the end of quarter two. The main factors contributing towards this forecast overspend are:

1. **Strategic Director including Strategic Commissioning** – There is a projected net underspend of £399,000 against these budgets mainly due to a forecast underspend within Strategic Commissioning totalling £428,000 as a result of this service generating efficiencies across contracts and staff vacancies.
2. **Adult Services** – A balanced budget is forecast which is achieved as a result of various factors including:
 - a. Forecast overspend with Learning Disability Provider totalling £445,000 due to a reduction of income from the Public Health Grant totalling £500,000. This level of support from Public Health, in 2017-2018 is no longer necessary following the additional funds that are now available to Adult Services as a result of the implementation of the adult social care minimum funding level in 2017-2018.
 - b. Forecast overspend within Learning Disabilities Care Purchasing totalling £2.2 million due to a combination of cost pressures across care

purchasing budgets due to increased demand for support and challenges associated with the transformation programme.

- c. Forecast overspend within Physical Disabilities Care Purchasing due to a combination of cost pressures across care purchasing budgets due to increased demand for support and challenges associated with the transformational programme (£127,000).
- d. Adults Safeguarding is forecasting an overspend of £255,000 due to pressures primarily associated with duties under the Mental Capacity Act which include doctors' fees and best interest assessments.

These forecast overspends are offset by projected underspends within the following services:

- e. The Carer Support service is projecting an underspend of £275,000 as a result of lower demand for care support packages.
- f. The Adults Assessment and Care Management service is projecting a one-off underspend of £440,000 due to staff vacancies within the service as well as receiving additional income.
- g. The Mental Health Assessment and Care Management service is also projecting a one-off underspend of £113,000 due to staff vacancies as well as receiving additional funding to cover posts.
- h. The Older People Provider Services is projecting an underspend of £113,000 mainly as a result of one-off savings on staffing vacancies.
- i. Overall Adult Services is forecasting a significant underspend which will be transferred into a reserve to fund commitments in 2018-2019. In January 2017 Cabinet approved the minimum funding level for Adult Social Care to ensure that the Adult Social Care council tax precept, additional social care support grant and the new improved better care fund grant was transferred in full to Adult Social Care. Due to the timing of the announcement of the additional monies not all schemes have had a full year effect and will continue to be delivered during 2018-2019. The reserve will enable these funds to support activities during 2018-2019 and also ensure they are spent in accordance with the grant conditions.

- 3. **Children & Young People** - There is a forecast overspend totalling £1.4 million for this service mainly due to forecast overspends within the following services:

- a. Looked After Children is forecasting an overspend totalling £2.3 million based on the latest financial modelling, which is partially offset by efficiencies across staffing budgets and does still reflect the successful delivery of ongoing savings amounting to £3.9 million during the year. Whilst Wolverhampton has seen a moderate increase in the number of Looked After Children during 2017-2018, we are continuing to buck the national trend, as many Councils continue to see Looked After Children numbers increase significantly. It is important to note that the Director of Children's Services is confident that robust procedures are in place to ensure that only those children that need to come into care are brought into care. It is also worth noting that this will be the first year that Children's Services has overspent in 2 years, over which period a total underspend against budgets in the region of £5.3 million was achieved.
- b. The Safeguarding service is forecasting an overspend totalling £148,000 as a result of forecast overspends on staffing budgets in the region of £158,000, due to additional independent Review Officers. These cost pressures are partially offset by efficiencies across general expenditure.

The forecast overspends are offset by projected underspends within the following services:

- c. The Early Intervention service due to delays in recruitment as well as a reduction in general expenditure (£426,000).
 - d. Specialist Support service (£314,000) as a result of one off underspends on staffing costs and general expenditure. This underspend is partially offset by a forecast overspend within Alternative Provision totalling £75,000.
 - e. Youth Offending service are projecting an underspend of £131,000 due to one off savings on staffing budgets as a result of delays in recruitment.
4. **Public Health and Wellbeing** is currently projecting a breakeven position. This breakeven position considers the application of £1.7 million from the Budget Contingency Reserve which was approved in quarter one.

3.2 Corporate

3.2.1 A summary of the projected outturn against the Corporate 2017-2018 revenue budget is provided in Table 3, whilst a detailed analysis is provided in Appendix 2.

Table 3 – 2017-2018 Revenue Budget Projected Outturn – Corporate

	2017-2018 Controllable Budget £000	2017-2018 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Managing Director including Corporate Business Support	1,810	1,517	(293)	-16.18%
Corporate Services	24,518	23,952	(566)	-2.31%
Governance	7,708	7,800	92	1.20%
Corporate Budgets	29,119	28,127	(992)	-3.41%
Corporate Total	63,155	61,396	(1,759)	-2.78%

3.2.2 Overall a net underspend of £1.8 million (-2.78%) is projected for the year. The directorate implemented recovery plans during quarter three in order to help mitigate the pressures identified across the Council at quarter one 2017-2018. The main factors contributing towards the projected underspend are:

1. **Managing Director** – There is a projected underspend totalling £293,000 due to unfilled staff vacancies.
2. **Corporate Services** – There is a projected underspend of £566,000 for this service directorate as a result of underspends within the following services:
 - a. Audit Services totalling £305,000 due to unfilled staff vacancies held across this service.
 - b. Central Corporate Budgets totalling £427,000 due to lower than anticipated enhanced pension costs and a reduction in bank charges following the switch from an external to in house payments hosting system.
 - c. ICTS totalling £113,000 which has arisen mainly due to posts dedicated to project work have not been backfilled where ICTS has undertaken a significant amount of project work in this financial year, funded by external customers or from the ICT Capital Programme.
 - d. Revenues and Benefits totalling £151,000 is due to ceasing all agency staff contracts from the start of quarter four and to reflect an adjustment in the predicted outturn on Housing Benefit subsidy.

The underspends are partly offset with overspends within the following services:

- e. Commercial Services totalling £253,000 which has arisen as a result of additional resources required to improve contract efficiency and commercialisation. It is anticipated that contract efficiencies will be obtained across the Council.
 - f. Leisure Services totalling £157,000 as £343,000 of a budget reduction target of £500,000 will be delivered in this financial year. Whilst savings have been delivered in this service, transformation work is still taking place. It is anticipated that £157,000 of remaining budget reduction will be achieved in the next financial year.
 - g. Digital Transformation Programme totalling £140,000 due to revenue costs associated with the Digital Transformation Programme. This overspend has been considered within the whole directorate and it is planned that this cost will be offset by efficiencies identified across other services within the Corporate directorate.
3. **Governance** – There is a net overspend of £92,000 projected against this service directorate mainly as a result of overspend totalling £228,000 within Legal Services due to external services incurred in support of one off legal matters. The overspends are partly offset by underspends within Human Resources totalling £151,000 due to vacancies held as the service is currently undergoing a minor restructure.
4. **Corporate Budgets** - Overall there is a projected underspend of approximately £1.0 million against this budget as a result of projected:
- a. Net underspend of £821,000 against the Treasury Management budget primarily due to a reduced borrowing need in year due to rephasing in the capital programme and changes in the interest rates.
 - b. Net underspend on the Apprenticeship Levy totalling £235,000, due to net cost being lower than the original estimate. This is being taken into account in the 2018-2019 budget setting process.
 - c. Projected redundancy costs, including the cost of pension strain, totalling £3.0 million are included in the forecast outturn. It is anticipated that Capital Receipts flexibility announced by the Secretary of State, will offset the cost of redundancies.
 - d. Planned net underspend on other corporate and transformational budget and contingencies totalling £1.3 million in order to help offset overspends within other directorates.

- e. Net overspend totalling £1.7 million arising as a result of budget reductions that are unlikely to be achieved in year, including savings within the Waste & Recycling Service. A virement has been proposed to move the savings to Corporate Budgets in 2018-2019.

5. **Corporate Resources** – As can be seen from Table 1, there is a net increase in Corporate Resources which has arisen as a result of additional Section 31 grant monies which are due to be received by the end of the financial year.

There are a number of Business Rates policies that the Government have stipulated for which the Council is reimbursed through Section 31 of the Local Government Act 2003. These include a cap of 2% on the small business multiplier and the cost of temporary doubling of Small Business Rate Relief. The Government have recently consulted upon 3 options for reimbursing local authorities for the changes arising as a result of the Revaluation 2017 in the Section 31 grant calculation. The Government's preferred option, option C, was included in the calculation of Section 31 grant on the 2018-2019 NNDR1 form and in February 2018 it was confirmed that the Government intend to proceed on the basis of this calculation resulting in a higher level of S31 grant compensation to local authorities in 2017-2018 and 2018-2019.

On 20 February 2018, Cabinet approved the transfer any additional Section 31 grant monies in 2017-2018 arising as a result of the Revaluation 2017 into a specific reserve to support any future potential business rates pressures. At the point of writing it is anticipated that £1.4 million will be transferred into the reserve following receipt of the additional monies in March 2018.

3.3 Place

3.3.1 A summary of the projected outturn against the Place 2017-2018 revenue budget is provided in Table 4, whilst a detailed analysis is provided in Appendix 3.

Table 4 – 2017-2018 Revenue Budget Projected Outturn – Place

	2017-2018 Controllable Budget £000	2017-2018 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Strategic Director	566	577	11	1.96%
City Economy	8,056	8,112	56	0.70%
Corporate Landlord	7,439	7,439	-	0.00%
Public Service Reform	86	74	(12)	-14.23%
Housing	1,686	1,605	(81)	-4.81%
City Environment	21,438	21,621	183	0.85%
Place Total	39,271	39,428	157	0.40%

3.3.2 Overall, a net overspend of £157,000 (0.40%) is projected for the year. The directorate implemented recovery plans during quarter three in order to reduce the pressures identified at quarter one for 2017-2018. The main factors contributing towards this overspend are:

1. **City Economy** – A £56,000 net overspend is forecast within this service directorate mainly due to a forecast overspend within Visitor Economy due to reduced income as a result of the Civic Halls closure for refurbishment (£289,000).

The overspend is partly offset by underspends from a number of services including an underspend within Skills totalling £194,000 which is due to the early achievement of 2018-2019 budget reductions including staff vacancies, additional income and as a result of efficiencies in service delivery.

2. **Corporate Landlord** – A balanced budget is forecast which is achieved as a result of various factors including:
 - a. A forecast overspend within Catering Services totalling £510,000 due to slippage in the delivery of budget reduction proposals and reduced income due to the loss of schools catering business.
 - b. A forecast overspend within the Capital Programme service totalling £130,000 due to the change in accounting treatment of capitalised salaries, which is being monitored.

- c. A forecast overspend within Maintenance programme totalling £100,000 due to in year pressures on repairs and maintenance to meet statutory requirements.
- d. An underspend is projected within Corporate Asset Management totalling £266,000 due efficiencies on utilities particularly relating to energy costs.
- e. An underspend is projected within Facilities Management totalling £185,000 due to the achievement of additional site management income.
- f. An underspend is projected within Estates and Valuations service totalling £289,000 due to increases against budget of commercial rental income.

3. **City Environment** – Overall there is a net projected overspend totalling £183,000 within this service directorate as a result of:

- a. A forecast overspend within Fleet Services totally £437,000 due to a slippage in the delivery of budget reduction proposals and increased repair costs due to the ageing fleet and includes £125,000 of budget reductions relevant to other service areas.

This overspend is offset by partly by underspends within the following service areas:

- b. Environmental Maintenance totalling £118,000 due to a reduction in anticipated expenditure on materials and salary costs due to vacancies.
- c. Transportation service totalling £118,000 which is attributed to a reduction in anticipated expenditure.

3.4 Education

3.4.1 A summary of the projected outturn against the Education 2017-2018 revenue budget is provided in Table 5, whilst a detailed analysis is provided in Appendix 4.

Table 5 – 2017-2018 Revenue Budget Projected Outturn - Education

	2017-2018 Controllable Budget £000	2017-2018 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Education	2,784	3,674	890	31.97%
Education Total	2,784	3,674	890	31.97%

3.4.2 Overall a net overspend of £890,000 (31.97%) is projected for the year. The main factors contributing to this overspend are:

- a. The School Planning and Resources service are forecasting an overspend totalling £846,000 due to overspends on Special Schools, Home to School Transport, and for the budget for High Needs Pupils due to demand pressures against existing budgets.
- b. There has been a reduction in forecast overspend in the Standards and Vulnerable Pupils service to £39,000 as Schools Forum have agreed a borrow forward of funding of £1.7 million from 2018-2019 which has reduced the current year pressure on this budget, the overspend is due to increased number of out of city placements.
- c. The Education service is also monitoring the risk to the Council associated with schools that are operating at a deficit. If a school converts to Academy status via directed conversion the Council is required to retain the deficit. At Quarter 2, It was anticipated that these costs will be in the region of £600,000 in this financial year. This has reduced to £390,000 with the delay in conversion of Coppice Performing Arts School.

4.0 Changes to Grant Funded Expenditure

- 4.1 It is not always possible to reflect all grant-funded expenditure in the budget approved by Full Council prior to the start of the financial year. This is due to late notification from grant awarding bodies of grant amounts, and proactive grant applications during the year.
- 4.2 Approval is sought from the Panel to establish supplementary expenditure budgets within the 2017-2018 approved budget as set out in the table below, and in accordance with the grant's terms and conditions. This will have no effect on the Council's net revenue budget as the expenditure is fully funded from grant.

Table 6 – Grant Approval Sought from this Panel

Grant Name	Description of the Activities this Grant will Fund	Awarding body	Expenditure 2017-2018 £000
Wolverhampton Literature Festival	Celebration of Literature - Authors attending workshops across the City	Arts Council England	13
Using Digital Technology to Improve Social Care	Development of regional and local system flow dashboards.	Improvement and Development Agency	50

5.0 Reserves and Balances

5.1.1 The General Fund Balance remains unchanged at £10.0 million.

5.1.2 In addition to the General Fund balance, the Council also holds a number of Specific Reserves. The total specific reserves balance at the end of 2016-2017 was £54.6 million which was a reduction of £7.3 million from the balance held at the end of 2015-2016.

5.2 Transfers to/from Specific Reserves

5.2.1 Approval is sought for a number of transfers to/from specific reserves, as set out in the following paragraphs. In the event that the use of capital receipts replaces previously approved specific reserve drawdowns as a result of the new capital receipts flexibilities announced by central government, an update will be provided to Cabinet and Council.

5.2.2 Regeneration Reserve

Approval is sought from this meeting for the use of £82,000 from the Regeneration Reserve to fund:

1. The creation of new visualisations of key Interchange developments, to promote investment opportunities with international investors in the property market. (£40,000)
2. Consultancy and feasibility work for priority schemes within the Connected Place Strategy and delivery plan (£14,000).
3. Initial feasibility work for potential hotel investment opportunity (£28,000).

In addition, approval is also sought for amendments to use previously approved during Quarter One and Quarter Two allocations as outlined below:

Table 7 – Allocations from Regeneration Reserve

Service	Details	Previous Approved £	Increase £	Decrease £	Revised £
City Development	Westside/Southside	35,000	26,000	-	61,000
City Development	Bilston Urban Village/Bilston Town Centre	153,400	-	(93,400)	60,000
City Development	Eastern Gateway	146,500	-	(40,500)	106,000
Street Lighting	Lighting Up the City	190,000	-	(120,000)	70,000
Corporate Asset Management	Health and Social Care Hub Feasibility	25,000	-	(4,000)	21,000
City Economy	Transforming Cultural Offer	16,729	-	(16,729)	-
City Development	City Learning Quarter	15,300	-	(15,300)	-

Service	Details	Previous Approved £	Increase £	Decrease £	Revised £
City Development	J2 Development (including EZ extension)	18,000	25,000	-	43,000
Transport	Stafford Road/Willenhall Road Transport Scheme	54,900	-	(54,900)	-
City Development	Canal side	60,000	-	(60,000)	-
City Development	City Learning Quarter	100,000	-	(25,000)	75,000
Planning	Strategic Planning	9,400	-	(9,400)	-
Transport	Springfield (Vine Island) Transport Improvement	6,000	-	(6,000)	-
Transport	Ring Road Environmental Improvements	14,000	-	(14,000)	-
Total		844,229	51,000	(459,229)	436,000

5.2.3 Transformation Reserve

As a result of the new capital receipts flexibilities announced by central government, the Council will look to use capital receipts where possible to support revenue transformation, with updates provided to Cabinet and Council in due course.

However, in the event that capital receipts are not available, approval is sought from this meeting for the use of £104,000 from the Transformation Reserve to fund an external study with the Passenger Transport Service.

5.2.4 Highways Management Reserve

Approval is sought for the use of £169,000 from the Highways Management Reserve to fund:

1. A shared feasibility study, alongside other Black Country Authorities, regarding the implementation of a street works permit scheme (£53,000).
2. A City Centre wide surveying of traffic and pedestrian movement over 3 separate periods in order to build a traffic model allowing a number of options to be drawn up to achieve the aims of the Westside Link Project (£81,000).
3. An extensive radar ground surveys at the Westside Link Project development stage to understand constraints that will inform the final detailed scheme design (£35,000)

5.2.5 Adult Social Care Reserve

Approval is sought for the establishment of a new specific Adult Social Care Reserve from underspends in 2017-2018 to offset any budget pressures in 2018-2019.

5.2.6 Future Works Reserve

Approval is sought for the use of £332,000 from the Future Works Reserve to support Agresso System Development.

6.0 General Fund Budget Monitoring – Risk Management

6.1 The overall level of risk associated with the budget 2017-2018 is assessed as Amber, it is important to note, however, that the Council has significant budget reductions to deliver and income to achieve. The main areas of risk are summarised in the table at Appendix 5.

7.0 Revenue Budget Monitoring – Schools’ Budgets

7.1 Maintained schools are required to submit budget plans detailing their expected income and planned spending levels at two points in the year 31 May and 31 October. Returns submitted on 31 October estimated that overall balances would reduce by £6.0 million to £2.1 million as shown in Table 8.

Table 8 – Projected Movement on Schools’ Balances 2017-2018

Sector	Balances as at 31 March 2017 £m	Use of Balances in 2017-2018 £m	Balances as at 31 March 2018 £m
Secondary	(1.2)	(0.3)	(1.5)
Primary	4.5	(2.1)	2.4
Junior	0.4	(0.1)	0.3
Infant	0.2	(0.1)	0.1
Nursery	0.8	(0.8)	-
Special	1.4	(0.8)	0.6
Pupil Referral Units	2.0	(1.8)	0.2
Total	8.1	(6.0)	2.1

7.2 Schools with Surplus Balances

7.2.1 At the end of 2016-2017 maintained schools had balances of £8.1 million. 33 schools were identified as having balances above recognised thresholds detailed in the local scheme (5% for secondary schools and 8% for primary, special and nursery schools). Schools reported their intended use of surplus balances and these are currently being reviewed and challenged, to determine the need for further action.

7.2.2 The Scheme for Financing Schools establishes an arbitration process to review the Authority’s decision and determine if, and to what level, any excess balances should be

recovered. To date, a total of £119,700 has been clawed back from schools holding excess surplus balances, with the next arbitration panel meetings taking place at the end of March 2018.

7.2.3 A bidding process was introduced to allow schools to present a case to access these clawed back funds. Following a review of all bids, £60,957 has been awarded in 2017-2018 to support school improvement plans. The remainder will be available for a renewed round of bids in 2018-2019.

7.3 Schools in a deficit balance position.

7.3.1 As part of its overview of schools in deficit, a Schools under Notice of Concern Board (SuNC) chaired by the Director of Education reviews monthly financial information from schools in deficit to evaluate the financial position of the schools. The chair of Schools Forum is also a member of the board. The position currently on schools with anticipated deficits in 2017-2018 is as follows:

Table 9 – Schools with anticipated deficits in 2017-2018

Name	Balance at the end of 2016-2017 £	Anticipated balance at end of 2017-2018 £	Status
Woodfield Junior	112,730	165,203	The School had an approved licensed deficit and a plan to recover the deficit by March 2017. Following their conversion to Academy status in September 2017, their final balance has now been agreed.
Coppice	227,736	326,578	The School has an approved licensed deficit and a plan to recover the deficit within a 3-year time frame. An academy conversion was proposed for January 2018. This has been postponed until further notice.
St Matthias	873,043	538,009	A deficit recovery plan and application are under discussion with the school.
Woodthorne	210,021	79,273	Discussions have been held with the school to submit a revised Licensed Deficit application. School have now applied for Academy status under the conversion route. Should it be approved, any remaining deficit would transfer to the Academy Trust.
Castlecroft Primary	(10,123)	34,774	This school will require a licensed deficit application if outturn remains as planned.

Name	Balance at the end of 2016-2017 £	Anticipated balance at end of 2017-2018 £	Status
Claregate Primary	46,271	38,079	The application for a licensed deficit has not been received.
Wodensfield Primary	(1,178)	13,005	This school will require a licensed deficit application if outturn remains as planned.
Westacre Infant	(115,061)	31,185	This school will require a licensed deficit application if outturn remains as planned.
Woodfield Infant	104,006	225,703	This school converted to Academy September 2017, and final balance has been agreed.
The King's Church of England	43,102	187,622	A licensed deficit application has been received and approved.

7.4 Deficits Following Sponsored Academy Conversion

7.4.1 The schools surplus or deficit balance on conversion to academy status usually transfers at the same time. However, where the conversion is directed by Department for Education (DfE) through a sponsorship arrangement any deficit remains with the local authority. Such costs must be met from the Authority's General Fund, and at Quarter Two, it was anticipated that these costs will be in the region of £600,000 in this financial year. This has reduced to £390,000 with the delay in conversion of Coppice Performing Arts School.

The Local Government Association (LGA) has stated that this policy is unfair on local authorities. However, Department for Education (DfE) have said that academies are a vital part of the plan for transforming education and that the accumulated deficits for sponsored academies must be met by local authorities.

8.0 Debt Write Offs

- 8.1 Debts are only written off as a last resort, when all feasible recovery action has been exhausted. If the situation surrounding an individual case changes in the future, steps would be taken to pursue the debt, despite the debt having been written off.
- 8.2 **Sundry Debtors** - Income is due to the Council for a wide range of services provided to individuals and businesses. To reflect the fact that, despite the Council's best efforts, not all of this income will actually be collected, the Council makes provision for bad and doubtful debts, which it charges directly to the General Fund.

The write off debts relating to Housing Revenue Account are reported in detail in sections 9.5, and 9.6. Write on debts relating to Housing Revenue Account are reported in detail in section 9.8.

- 8.3 Overall, 148 debt write offs totalling £227,164.32 have been incurred. All but five valued at £120,156.60 in total, which require the approval of this Panel (see Appendix 7), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedures Rules.
- 8.4 **The Collection Fund** - The City of Wolverhampton Council acts as billing and collecting authority for council tax and non-domestic rates income. The Council administers a separate Collection Fund account for this purpose. The Collection Fund accounts for the receipt of council tax and business rates (non-domestic rates) income and payments to precepting authorities such as the Fire Authority and the Police. Within this account, provisions are made for bad and doubtful debts and any write offs are charged to the council tax or business rates provision as appropriate.
- 8.4.1 **Council Tax** – Overall, 522 debt write offs totalling £201,553.80 have been incurred. All have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
- 8.4.2 **Non-Domestic Rates (NDR)** – Overall, 23 debt write off totalling £94,707.20 have been incurred. All but one valued at £19,090.80 in total, which require the approval of this Panel (see Appendix 6), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedures Rules.
- 8.5 **Housing Benefits** - Housing benefit overpayments occur when rent rebate or rent allowance awards exceed a recalculated entitlement. Whilst the Council aims to limit the incidence of overpayments they may occur for a number of reasons including as a result of fraud or error. In general, overpaid benefit is written off in line with Government guidance where recovery would cause hardship, where the debtor has died or cannot be traced.
- 8.6 The Council receives Government subsidy in respect of overpaid housing benefit at rates of between 40% and 100% according to the circumstances in which the overpayment arose. The unsubsidised element of any overpayment is charged to the General Fund.
- 8.7 Overall, 24 overpayments totalling £16,336.13 have been incurred. All have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedures Rules.
- 9.0 Housing Revenue Budget Monitoring**
- 9.1 The table below shows the latest forecast revenue outturn against budget for the Housing Revenue account (HRA). The forecast outturn position for the year is a surplus of £18.5 million, compared to a budgeted surplus of £16.8 million. The projected additional surplus of £1.7 million will be used to redeem debt to comply with the Council's approved HRA Business Plan.

Table 10 – Housing Revenue Account Projected Outturn 2017-2018

	Budget	Projected Outturn	Projected Variation
	£000	£000	£000
Total income	(97,840)	(97,276)	564
Total expenditure	70,074	68,524	(1,550)
Net cost of HRA services	(27,766)	(28,752)	(986)
Interest payments etc.	10,939	10,274	(665)
(Surplus)/deficit before transfers to/from reserves and provision for redemption of debt	(16,827)	(18,478)	(1,651)
<i>Allocation of (surplus)/deficit</i>			
Provision for redemption of debt	16,827	18,478	1,651
Balance for the year	-	-	-

- 9.2 Rental income from dwellings and service charges is forecast to be lower than budgeted by £564,000, due to higher than anticipated right to buy sales. This is partly offset by underspends on Supervision and Management (£300,000).
- 9.3 The increase in provision for bad debt is forecast to underspend by £1.3 million. This is because the delays to the implementation of Universal Credit have meant that the prudent budget provision of £2.25 million was higher than required.
- 9.4 Financing costs are forecast to underspend by £700,000, due to reprofiling of capital schemes resulting in a reduced interest charge.
- 9.5 **Write off former tenant rent accounts**
- 9.5.1 Wolverhampton Homes is responsible for collection of annual rent roll of £97.0 million. Wolverhampton Homes have an obligation to pursue all rent owed to the Council from both current and former tenants. Debts from former tenants are written off when there is little prospect of the debt being collected. Wolverhampton Homes Board Resources Committee recommended the formal write off of debts totalling £707,269.01 on 26 January 2018.
- 9.5.2 The Director of Finance has approved the write off 1,240 former tenant rent accounts for 2017-2018 that are considered uncovered amounting to £707,269.01 at an average of £570.38 per account.
- 9.6 **Write off former tenant rechargeable repair accounts**
- 9.6.1 Wolverhampton Homes is responsible for collection of recharge repairs where neglect or damage can be proven. On 26 January 2018 Wolverhampton Homes Board Resource Committee recommended the formal write off of 435 rechargeable repair accounts totalling £298,368.99.

9.6.2 The Director of Finance has approved the write off of 430 former tenant rechargeable repair accounts totalling £262,257.89 covering the period of 2017-2018 at an average of £609.90 per account.

9.6.3 Approval is sought from the Cabinet (Resources) Panel for write off £36,111.10 relating to five former tenant rechargeable repair accounts over £5,000 which are considered unrecoverable (see Appendix 10).

9.7 This debt and the debt referred to paragraphs 9.5 and 9.6 above are provided for in the HRA bad debt provision.

9.8 Write on of former tenant rent account and rechargeable repair accounts

9.8.1 In addition to the write offs referred to in 9.5 and 9.6 a number of debts which were previously written off which are now considered collectable. This amounts to £16,042.39 for 37 debts for former tenant rent accounts and £8,145.45 for 10 debts for former tenant rechargeable repair accounts.

10.0 Evaluation of alternative options

10.1 The write-offs, virements and use of reserve requests requiring the approval of Cabinet (Resources) Panel are all considered to be prudent in the opinion of the Director of Finance and the Cabinet Member for Resources.

11.0 Reason for decision(s)

11.1 In accordance with the Council's financial procedures rules, all virements in excess of £50,000, or those that result in a transfer between Employees and Other Controllable Expenditure headings, require the approval of Cabinet (Resources) Panel. Contribution to and from reserves also requires the approval from Cabinet (Resources) Panel. The write-offs, virements and use of reserve requests detailed in this report which seek the approval of Cabinet are all considered to be prudent in the opinion of the Director of Finance and the Cabinet Member for Resources.

12.0 Financial Implications

12.1 The financial implications are discussed in the body of the report.
[MH/09032018/F]

13.0 Legal Implications

13.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs. It is a legal requirement under s25 of the Local Government Act 2003 to set a balanced budget and monitor the financial position throughout the year.
[TS/09032018/W]

14.0 Equality Implications

- 14.1 This report provides details of the projected outturn for 2017-2018. The necessary equalities analyses were carried out as part of the preparations for setting the 2017-2018 budgets, and will similarly form part of the requisite pre-work for 2018-2019.

15.0 Environmental Implications

- 15.1 A range of services focused upon the Council's environmental policies is supported through revenue budgets reviewed in this report. Changes in levels of funding will be considered as such changes are proposed.

16.0 Background Papers

2018-2019 Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020, report to Cabinet, 20 February 2018.

Budget 2018-2019 and Medium Term Financial Strategy 2018-2019 to 2019-2020, report to Full Council, 7 March 2018

Reserves, Provisions and Balances 2016-2017, report to Cabinet, 19 July 2017.

Revenue Budget Monitoring 2017-2018, report to Cabinet (Resources) Panel, 27 July 2017.

Revenue Budget Monitoring 2017-2018, report to Cabinet, 29 November 2017

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Revenue Budget Monitoring – People

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Strategic Director People						
Strategic Director People	266	295	29	16	16	
Strategic Commissioning	4,479	4,051	(428)	(400)	(300)	An underspend is forecast as a result of generating efficiencies across contracts and vacancies held across service.
Total Strategic Director People	4,745	4,346	(399)	(384)	(284)	

Revenue Budget Monitoring – People

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Adult Services						
Better Care Fund	-	-	-	-	-	
Business Support	154	154	-	-	-	
Carer Support	1,062	787	(275)	(274)	(434)	The Carer Support Service is projecting an underspend on support packages.
Emergency Duty Team	412	497	85	65	46	
Welfare Rights & Financial Assessment	1,602	1,534	(68)	(72)	(36)	
Community Support	901	890	(11)	(10)	(6)	
Learning Disability Provider	4,753	5,198	445	(210)	(123)	The service has £500,000 budgeted income from Public Health. This level of support from Public Health, in 2017-2018 is no longer necessary following the additional funds that are now available to Adult Services as a result of adult social care minimum funding level in 2017-2018.
Older People Provider Services	4,040	3,927	(113)	(106)	(28)	An underspend is projected mainly as a result of staffing vacancies
Independent Living Service	2,438	2,401	(37)	111	(12)	
Quality Assurance and Policies	359	334	(25)	(16)	(17)	
Adults Assessment and Care Management	1,287	847	(440)	(505)	(398)	A one-off underspend is projected due to staff vacancies within this service as well as receiving additional income.
Mental Health Assessment & Care Management	3,989	3,876	(113)	(32)	(6)	A one-off underspend is projected due to staff vacancies within this service as well as receiving additional income to fund posts.
Older People Care Purchasing	17,895	17,873	(22)	78	366	
Learning Disabilities Care Purchasing	16,413	18,648	2,235	1,816	904	An overspend is forecast due to a combination of pressures across care purchasing budgets due to increased demand for support and challenges associated with the transformation programme.

Revenue Budget Monitoring – People

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Physical Disabilities Care Purchasing	4,396	4,523	127	181	538	An overspend is forecast due to a combination of pressures across care purchasing budgets due to increased demand for support and challenges associated with the transformation programme.
Safeguarding-Adults	533	788	255	-	-	An overspend is forecast against staffing totalling £104,000. Cost pressures on Deprivation of Liberty Safeguards (DoLS) are primarily associated with our duties under the Mental Capacity Act and include doctors' fees and best interest assessments. This service was included within Children's Safeguarding service in quarter two.
Service Director Adults and additional ASC monies	3,472	1,429	(2,043)	(1,026)	47	Overall Adult Services is forecasting a significant underspend which will be transferred into a reserve to fund commitments in 2018-2019. In January 2017 Cabinet approved the minimum funding level for Adult Social Care to ensure that the Adult Social Care council tax precept, additional social care support grant and the new improved better care fund grant was transferred in full to Adult Social Care. Due to the timing of the announcement of the additional monies not all schemes have had a full year effect and will continue to be delivered during 2018-2019. The reserve will enable these funds to support activities during 2018-2019 and also ensure they are spent in accordance with the grant conditions.
Total Adult Services	63,706	63,706	-	-	841	

Revenue Budget Monitoring – People

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Children & Young People						
Service Director Children & Young People	938	854	(84)	(89)	(52)	
Child Protection	9,232	9,143	(89)	349	181	There is an underspend in this service due to efficiency across general expenditure and the drawdown of a grant. This is partially offset by increased budget pressures due to increased Section 17 and No Recourse to Public Funds.
Early Intervention	4,317	3,891	(426)	(318)	(105)	An underspend is projected mainly as a result of one-off savings on staffing costs due to delays in recruitment along with a reduction in general expenditure.
Early Years	524	581	57	50	-	
Inclusion Support	578	528	(50)	(86)	(24)	
Looked After Children	27,630	29,881	2,251	1,502	852	Projected overspend against Looked After Children placement budget based on latest financial modelling, partially offset by efficiencies across staffing budgets and does still reflect the successful delivery of ongoing savings amounting to £3.9 million during the year. Whilst Wolverhampton has seen moderate increase in the number of LAC during 2017-2018, we are continuing to buck the trend nationally as many Councils continue to see significant rises in their LAC numbers. It is important to note that the Director of Children's Services is confident that robust procedures in place to ensure that only those children that need to come into care are brought into care. It is also worth noting that this will be the first year that Children's Services has overspent in 2 years, over which period a total underspend against the budgets in the region of £5.3 million was achieved.

Revenue Budget Monitoring – People

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Specialist Support	2,794	2,480	(314)	(247)	(118)	An underspend is projected as a result of one-off savings on staffing costs totalling £206,000, along with general expenditure of £180,000. This underspend is partially offset by a forecast overspend within Alternative Provision totalling £75,000.
Youth Offending	1,244	1,113	(131)	(160)	(77)	An underspend is forecast due to one off savings on staffing budgets due to delays in recruitment
Safeguarding	1,636	1,784	148	381	229	An overspend is forecast due to cost pressures on staffing budgets totalling £158,000. These cost pressures are partially offset by efficiencies across general expenditure. Adult Safeguarding was also included in this service line in quarter two.
Total Children & Young People	48,893	50,255	1,362	1,382	886	

Revenue Budget Monitoring – People

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Public Health						
Service Director Public Health & Wellbeing	-		-	-	-	
Business Continuity & Emergency Planning	6	6	-	-	-	
Commissioning	-	-	-	-	-	
Community Safety	23	23	-	-	-	
Contracts	-	-	-	-	376	The breakeven position takes into account the application of £1.7 million from the Budget Contingency Reserve, which was approved at quarter one.
Health Protection & NHS Facing	-	-	-	-	-	
Healthier Places Service	-	-	-	-	-	
Intelligence & Evidence	-	-	-	-	-	
Management and Administration	-	-	-	-	-	
Sports Development	-	-	-	-	-	
Transformation - Public Health	-	-	-	-	-	
Total Public Health & Well Being	29	29	-	-	376	
Total People Directorate	117,373	118,336	964	998	1,819	

Revenue Budget Monitoring – Corporate

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Managing Director						
Managing Director	209	209	-	-	-	
Corporate Business Support	1,601	1,308	(293)	(336)	(248)	The underspend is forecast due to unfilled staff vacancies held across the service.
Total Managing Director	1,810	1,517	(293)	(336)	(248)	

Revenue Budget Monitoring – Corporate

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Corporate Services						
Finance Director	140	140	-	-	-	
Audit Services	2,009	1,704	(305)	(238)	(55)	The underspend is forecast due to unfilled staff vacancies held across the service.
Central Corporate Budgets	4,566	4,139	(427)	(349)	(223)	The underspend is forecast due to lower than anticipated enhanced pension costs and a reduction in bank charges following the switch from an external to in house payment hosting system.
Commercial Services	651	904	253	220	222	The forecast overspend within this service has arisen as a result of additional resources required to improve contract efficiency and commercialisation. It is anticipated that contract efficiencies will be obtained across the Council.
Corporate Communications	1,862	1,777	(85)	(16)	1	
Customer Services	3,035	3,033	(2)	1	-	
ICTS	4,909	4,796	(113)	50	-	ICTS has undertaken a significant amount of project work in this financial year, funded by external customers or from the ICT Capital Programme. The underspend has arisen because those posts dedicated to this project work have not been backfilled.
Digital Transformation Programme	-	140	140	100	-	An overspend is forecast due to revenue costs associated with the Digital Transformation Programme
Leisure Services	1,165	1,322	157	-	-	£343,000 of £500,000 savings have been delivered by WV Active, further transformation work is taking place and it is anticipated the remaining will be achieved in the next financial year.
Revenues & Benefits	2,231	2,080	(151)	(4)	-	The underspend is forecast due to ceasing all agency staff contracts from the start of Q4 and to reflect an adjustment in the predicted outturn on Housing Benefit subsidy.
Service Improvement	87	87	-	-	-	
Strategic Finance	2,321	2,287	(34)	(88)	-	
The Hub	1,543	1,543	-	-	-	
Total Corporate Services	24,518	23,952	(566)	(323)	(54)	

Revenue Budget Monitoring – Corporate

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Governance						
Democratic Services	2,612	2,515	(97)	(125)	(131)	
Director of Governance	201	204	3	2	-	
Governance Services	615	711	96	67	(12)	
Human Resources	3,138	2,987	(151)	(138)	-	The underspend is due to vacancies held as the service is currently going through a minor restructure.
Legal Services	2,129	2,357	228	177	-	The overspend is forecast due to external fees incurred in support of one off legal matters.
Licensing	(280)	(280)	-	-	-	
Markets	(707)	(694)	13	(25)	65	
Total Governance	7,708	7,800	92	(42)	(77)	

Revenue Budget Monitoring – Corporate

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Corporate Budgets						
Treasury Management Budgets	16,337	15,516	(821)	(1,109)	(810)	The underspend is primarily due to a reduced borrowing need in year due to rephasing in the capital programme and changes in the interest rates
Central Provision for Auto-enrolment and Pay Award Costs	2,765	5,500	2,735	-	-	As approved in July 2017, a payment of £5.5 million was made in 2017-2018 towards the 2018-2019 past service pension deficit requirement. This has been funded in part from the Pension Deficit Reserve.
Contribution from the Pension Deficit Reserve to part fund the advance past service deficit payment to West Midlands Pension Fund	-	(3,037)	(3,037)	-	-	
West Midlands Transport Levy	10,912	10,912	-	-	-	
Environment Agency Levy	71	71	-	-	-	
Provision for Bad Debts	-	-	-	-	-	
Birmingham Airport - Rent	(69)	(69)	-	-	-	
Gross Redundancy Costs	-	3,000	3,000	2,900	2,900	Projected redundancy payment due in 2017-2018 arising as a result of the voluntary redundancy programme.
Capital Receipts Flexibility - Redundancy Costs	-	(3,000)	(3,000)	(2,900)	(2,900)	In December 2015, the Secretary of State announced that from 1 April 2016 capital receipts may be used for revenue transformational projects. It is currently anticipated that capital receipts totalling £3.0 million will be used to offset reorganisation costs.
Apprenticeship Levy	800	565	(235)	(260)	-	Net underspend on the Apprenticeship Levy due to net cost being lower than the original estimate.
Other Corporate / Transformation Budgets and Contingencies	2,875	1,540	(1,334)	(1,525)	(1,912)	The underspend against this budget will help to offset overspends within other directorates.
Cross-cutting savings proposals	(1,315)	(1,315)	-	-	-	

Revenue Budget Monitoring – Corporate

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Savings proposals held corporately including Waste & Recycling		1,700	1,700	1,900	1,700	An overspend is forecast due to budget pressures relating to the delayed transformation of the Waste & Recycling service as a result of ongoing contractual dispute with Amey which the Council has not been able to resolve by negotiation and therefore legal proceedings have been issued by the Council in the High Court.
Corporate Adjustments	293	293	-	-	-	
Contribution from the Budget Contingency Reserve re special dividend from Birmingham Airport	(3,550)	(3,550)	-	-	-	
Total Corporate Budgets	29,119	28,127	(992)	(994)	(1,022)	
Total Corporate Directorate	63,155	61,396	(1,759)	(1,696)	(1,402)	

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Revenue Budget Monitoring – Place

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Strategic Director Place						
Strategic Director Place	566	577	11	-	-	
Total Strategic Director Place	566	577	11	-	-	

Revenue Budget Monitoring – Place

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
City Economy						
Adult Education	(145)	(145)	-	-	-	
City Development	635	593	(42)	(61)	-	
Enterprise	898	903	5	(18)	-	
Strategic Organisation Development	1,874	1,846	(28)	(37)	(23)	
Planning	922	871	(51)	(51)	(15)	
Service Director City Economy	135	211	76	66	-	
Skills	2,466	2,272	(194)	(103)	(13)	There is a projected underspend in this area due to the early achievement of 2018-2019 savings including staff vacancies, a review of budget efficiencies and additional income generated.
Visitor Economy	1,272	1,561	289	242	214	An overspend is forecast as it reflects reduced income as a result of Civic Halls closure for refurbishment.
Total City Economy	8,056	8,112	56	40	163	

Revenue Budget Monitoring – Place

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Corporate Landlord						
Capital Programme	(44)	86	130	104	103	There is a forecast overspend in this service due to the change in accounting treatment of capitalised salaries, which is being monitored.
Catering	(1,522)	(1,012)	510	522	590	An overspend is forecast due to slippage in the delivery of budget reduction proposals and reduced income due to the loss of schools' catering business.
Cleaning	1,099	1,110	11	-	-	
Corporate Asset Management	7,988	7,722	(266)	(250)	(257)	An underspend is forecast due to efficiencies in utilities spend, in particular relating to energy costs.
Corporate Landlord Support	496	486	(10)	-	-	
Estates and Valuations	(3,063)	(3,352)	(289)	(200)	(500)	The underspend shown reflects the increase against budget of commercial rental income.
Facilities Management	729	544	(185)	66	-	The underspend shown reflects the achievement of site management income.
Head of Corporate Landlord	107	107	-	19	-	
Maintenance Programme	1,648	1,748	100	-	-	A forecast overspend is a result of in year pressures on repair and maintenance to meet statutory requirements.
Total Corporate Landlord	7,439	7,439	-	260	(65)	

Revenue Budget Monitoring – Place

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Public Service Reform						
Public Service Reform	86	74	(12)	-	-	
Total Public Service Reform	86	74	(12)	-	-	

Revenue Budget Monitoring – Place

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
City Housing						
Housing	1,686	1,605	(81)	(42)	(29)	The underspend stated is due to a number of staff vacancies
Total City Housing	1,686	1,605	(81)	(42)	(29)	

Revenue Budget Monitoring – Place

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
City Environment						
Service Director City Environment	132	176	44	78	-	
Bereavement Services	(2,587)	(2,616)	(29)	(46)	49	
Environmental Maintenance	6,570	6,452	(118)	(32)	-	An underspend is projected due to the management of expenditure anticipated on materials and reduced salary costs as a result of vacancies.
Fleet Services	(660)	(223)	437	360	433	An overspend is forecast due to the slippage in the delivery of budget reduction proposals and increased repair costs due to the aging fleet. This includes £125,000 of budget reductions relevant to other service areas.
Highways Maintenance	2,011	2,000	(11)	(100)	-	
Landscape	26	26	-	-	-	
Operation & Maintenance of Existing Network	1,019	982	(37)	(36)	-	
Parking Services	(3,451)	(3,405)	46	-	81	
Public Protection	2,098	2,022	(76)	(188)	-	
Street Lighting	2,717	2,686	(31)	(33)	-	
Transportation	992	874	(118)	(152)	-	An underspend is projected due to the reduced expenditure anticipated.
Waste and Recycling Service	12,542	12,631	89	6	42	
Black Country Transport	27	16	(11)	-	-	
City Environment	-	-	-	-	(500)	
Total City Environment	21,438	21,621	183	(145)	104	
Total Place Directorate	39,271	39,428	157	113	173	

Revenue Budget Monitoring – Education

Service/Budget	2017-2018 Controllable Budget £000	2017-2018 Controllable Forecast £000	2017-2018 Forecast Variance £000 Q3	2017-2018 Forecast Variance £000 Q2	2017-2018 Forecast Variance £000 Q1	Reason for Variance Q3
Director of Education						
Director of Education	240	245	5	58	-	Costs are being managed effectively to reduce the over spend in relation to additional consultant costs for SEN and school improvement reviews.
School Planning & Resources	1,614	2,460	846	609	586	There continues to be an overspend on Special Schools, Home to School Transport, and the budget for High Needs due to demand pressures against existing budgets.
Schools	-	-	-	-	-	
Standards and Vulnerable Pupils	930	969	39	1,587	1,587	Schools Forum have agreed a borrow forward of funding of £1.7 million from 2018-2019 which has reduced the current year pressure on this budget, the overspend is due to increased number of out of city placements.
Total Director of Education	2,784	3,674	890	2,254	2,173	

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General Fund Budget Risks 2017-2018

Medium Term Forecasting	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, uptake of pension auto enrolment, Equal Pay.	Amber
Budget Management	Risks that might materialise as a result of loss of key personnel or loss of ICTS facilities	Green
Transformation Programme	Risks that might materialise as a result of not identifying budget reductions, not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce.	Amber
Income and Funding	Risks that might materialise as a result of income being below budgeted levels, claw back, reduction to government grant or increased levels of bad debts. The risk of successful appeals against business rates.	Amber
Service Demands	Risks that might materialise as a result of demands for services outstretching the available resources.	Amber
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise as a result of changes to Government policy including changes in VAT and taxation rules and, in particular, from the Care Bill. Furthermore, risks that may materialise as a result of Government policy relating to directed academy conversions; deficit balances must be funded by the local authority on directed academy conversion.	Red

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APPENDIX 6**NDR Write offs to be approved by Cabinet**

Account Number	Reason for write-off	Total £
5057505	Recovery Prohibited by statute	19,090.80
	Total	19,090.80

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APPENDIX 7**Sundry Write offs to be approved by Cabinet**

Account Number	Reason for write-off	Total £
16009002	Deceased	33,001.11
16009256	Deceased	8,746.63
16009163	Recovery Prohibited by Statute	44,290.63
16011086	Recovery Prohibited by Statute	26,322.96
16003345	Uneconomical to Pursue	7,795.27
	Total	120,156.60

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General Fund Budget Virements

Directorate	From		To		Reason for Virement
	Service	Directorate	Service	£000	
Corporate	Corporate Services	Corporate	Democratic Services	86	Transfer of budget for IT system development.
Corporate	Audit Services, The Hub, Democratic Services and Governance Services	Corporate	Audit Services, The Hub, Democratic Services and Governance Services	181	Increase in employee budgets matched by income from recharges to Wolverhampton Homes (staff transfers from Wolverhampton Homes).
Corporate	Commercial Services	Corporate	Commercial Services	38	Increase in employee budget matched by income from a recharge to Yoo Recruit.
Corporate	ICTS	Corporate	ICTS	16	Increase in employee budget matched by income from a recharge to Local Government Pension Scheme (LGPS) Central.
Corporate	Human Resources	Corporate	Human Resources	20	Increase in running costs budgets matched by income from a recharge to Wolverhampton University.
Corporate	Strategic Finance	Corporate	Strategic Finance	16	Increase in employee budget matched by grant income.
Adults	Older People Care Purchasing	Adults	Older People Care Purchasing	106	Transfer budget for old block contract which is now spot commissioned
Adults	Service Director Adults	Corporate Services	Customer Services	(92)	Redistribution of Customer Services Transformation Programme Savings Target.
Adults	Service Director Adults	Adults	Service Director Adults	92	Customer Services Transformation Programme Savings Target (Account Code Adjustment).
Adults	Community Support	Adults	Community Support	219	Removal of expenditure and income budgets now dealt with under HRA.
Adults	Assessment & Care Management	Adults	Assessment & Care Management	71	Transfer of budget for post from East locality team to Hospital Team
Adults	Assessment & Care Management	Adults	Business Support	114	Transfer budgets for computer hardware and licences
Adults	Assessment & Care Management	Adults	Business Support	55	Transfer of budget re Senior Performance and Information Analyst post
Adults	Carer Support	Adults	Learning Disabilities Care Purchasing	200	Transfer projected savings against budget to offset pressures on Learning Disabilities Care Purchasing
Adults	Service Director Adults	Adults	Assessment & Care Management	84	Transfer of funds to West Locality RE: Grade 11 post due to restructure.
Adults	Independent Living Service	Adults	Independent Living Service	55	Correct account code for spend on Jontek upgrade
Adults	Independent Living Service	Adults	Independent Living Service	83	Correct account code for spend on Responder Service contract
Adults	Mental Health Assessment & Care Management	Adults	Assessment & Care Management	69	Transfer of 2 FTE GR05 Support workers from SLC into MH service.
Adults	Learning Disability Provider	Adults	Learning Disabilities Care Purchasing	199	Transfer projected savings against budget to offset pressures on LD care purchasing
Adults	Service Director Adults	Adults	Learning Disabilities Care Purchasing	84	Correction of virement re transfer of budget to West Team
Children & Young People	Service Director Children's	Corporate Services	Customer Services	69	Redistribution of Customer Services Transformation Programme Savings Target.

General Fund Budget Virements

From		To		£000	Reason for Virement
Directorate	Service	Directorate	Service		
Children & Young People	Headstart	Children & Young People	Headstart	482	Headstart Commissioning Grant Re Allocation 2017-2018
Children & Young People	Headstart	Children & Young People	Headstart	554	Headstart LTT Grant Re Allocation 2017-2018
Children & Young People	Headstart	Children & Young People	Headstart	198	Headstart YPE Grant Re Allocation 2017-2018
Children & Young People	Headstart	Children & Young People	Headstart	711	Headstart Hubs Grant re allocation 2017-2018
Children & Young People	Headstart	Children & Young People	Headstart	1,945	Headstart Re allocate grant to new cost centres
Children & Young People	Headstart	Children & Young People	Headstart	1,354	Headstart Core Team Budget Re-allocation
Children & Young People	Early Years	Children & Young People	Early Years	172	Early Years Weighted Deprivation 3 and 4 Year Olds revised grant allocation 2017-2018
Children & Young People	Early Years	Children & Young People	Early Years	285	Early Years Pupil Premium revised grant allocation 2017-2018
Children & Young People	Early Years	Children & Young People	Early Years	69	Early Years Disability Access Fund (DAF) revised grant allocation 2017-2018
Children & Young People	Early Years	Children & Young People	Early Years	563	Early Years Entitlement Funding for Disadvantaged 2 Year Olds revised grant allocation 2017-2018
Children & Young People	Safeguarding	Children & Young People	Safeguarding	82	Transfer Children's and Adults Safeguarding Board to new Partnership Board cost centre
Total				8,180	

Housing Revenue Account Budget Monitoring

	2017-2018 Budget	2017-2018 Forecast Outturn	2017-2018 Forecast Variance
	£000	£000	£000
Income			
Gross rents – dwellings	(91,261)	(90,869)	392
Gross rents – non dwellings	(923)	(899)	24
Charges to tenants for services and facilities	(5,656)	(5,508)	148
Total income	(97,840)	(97,276)	564
Expenditure			
Repairs and maintenance	26,104	26,066	(38)
Supervision and management	19,172	18,885	(287)
Rents, rates and taxes	435	478	43
Increase in provision for bad debts	2,250	982	(1,268)
Depreciation of fixed assets	22,113	22,113	-
Total expenditure	70,074	68,524	(1,550)
Net cost of HRA services	(27,767)	(28,752)	(986)
Interest payable	11,095	10,431	(665)
Interest and investment income	(37)	(37)	-
Adjustment for premiums and discounts	(120)	(120)	-
(Surplus)/deficit before transfers to/from reserves and provision for redemption of debt	(16,827)	(18,478)	(1,651)
Allocation of (surplus)/deficit			
Provision for redemption of debt	16,827	18,478	(1,651)
Balance for the year	-	-	-

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APPENDIX 10**Rechargeable Repair Accounts over £5,000 for Write Off**

Account Ref	Reason for Write off	Write off Amount £
1088456D	No supporting evidence	5,112.53
1104889A	Deceased	5,892.01
1102811D	No Forwarding Address	7,495.00
1108114J	Residential Care	7,708.87
1105248A	Residential Care	9,902.69
	Total	36,111.10

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 March 2018
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Report title	Quarter Three Treasury Management Activity Monitoring	
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	Directorate Leadership Team	19 February 2018
	Strategic Executive Board	27 February 2018
	Confident, Capable Council	18 April 2018
	Scrutiny Panel	

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. The contents of this report and in particular that the Council is continuing to operate within the Prudential and Treasury Management Indicators approved by Council, and also within the requirements set out in the Council's approved Treasury Management Policy Statement for 2017-2018.
2. Savings of £821,000 for the General Fund and £677,000 for the Housing Revenue Account are forecast from treasury management activities in 2017-2018.

1.0 Purpose

- 1.1 This report provides a monitoring and progress report on treasury management activity for the third quarter of 2017-2018, in line with the Prudential Indicators approved by Council in March 2017.

2.0 Background

- 2.1 The treasury management activities of the Council are underpinned by The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. For further information on the requirements of the Code please refer to the Treasury Management Strategy 2017-2018 report which can be accessed online on the Council's website by following the link:

<https://wolverhamptonintranet.moderngov.co.uk/ieListDocuments.aspx?CId=130&MId=5994&Ver=4>

- 2.2 Treasury management is defined as:

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

- 2.3 The system of controls on local authority capital investment is based largely on self-regulation by local authorities themselves. At its heart is CIPFA's Prudential Code for Capital Finance.
- 2.4 In December 2017 CIPFA updated and released new versions of both the Code of Practice on Treasury Management and Prudential Code. In addition, in February 2018 the Ministry of Housing, Communities & Local Government issued its new Statutory Guidance on Local Government Investments and Minimum Revenue Provision. These revisions are effective from 1 April 2018 and therefore this report is based on the previous guidance applicable to the 2017-2018 financial year.
- 2.5 Cabinet / Cabinet (Resources) Panel receives quarterly reports throughout the year to monitor performance against the strategy and Prudential Indicators that have previously been approved by Council.
- 2.6 The Council continues to use Link Asset Services as its treasury management advisors throughout 2017-2018. Link provides market data and intelligence on which the Council can make decisions regarding all aspects of treasury management activities and in particular, managing the risks associated with investing surplus cash. This service contract expired 31 December 2017 and following a re-tendering exercise, Link have been awarded the contract for a further three years with a possibility of two further extensions of twelve months each.

3.0 2017-2018 forecast

3.1 The forecast outturn for treasury management activities in 2017-2018 compared to budget is shown in Table 1.

Table 1 – Treasury management budget and forecast outturn 2017-2018

	Approved Budget £000	Forecast Outturn £000	Variance at Quarter three £000	Variance at Quarter two £000
General Fund	16,337	15,516	(821)	(1,108)
Housing Revenue Account	10,975	10,298	(677)	(643)
Total	27,312	25,814	(1,498)	(1,751)

Savings of £821,000 for the General Fund and £677,000 for the Housing Revenue Account (HRA) are projected for the year 2017-2018. The main reasons are due to a reduced borrowing need in year because of re-phasing in the capital programme and changes in interest rates. The Council's strategy is to continue to use cash balances to finance capital expenditure rather than external borrowing. Borrowings are actively managed to achieve efficiencies wherever possible.

3.3 Appendix 1 to this report shows a comparison of the latest estimates of Prudential and Treasury Management Indicators over the medium term period with the equivalent figures which were approved by Council in March 2017.

4.0 Borrowing forecast for 2017-2018

4.1 The Council's need to borrow and the rates available continue to be monitored in order to achieve optimum results. The Council's medium term forecast is regularly updated to reflect actual borrowing that takes place along with any revisions to future anticipated borrowing.

4.2 Table 2 shows the average rate of interest payable in 2016-2017 and forecast for 2017-2018.

Table 2 – Average interest rate payable in 2016-2017 and 2017-2018

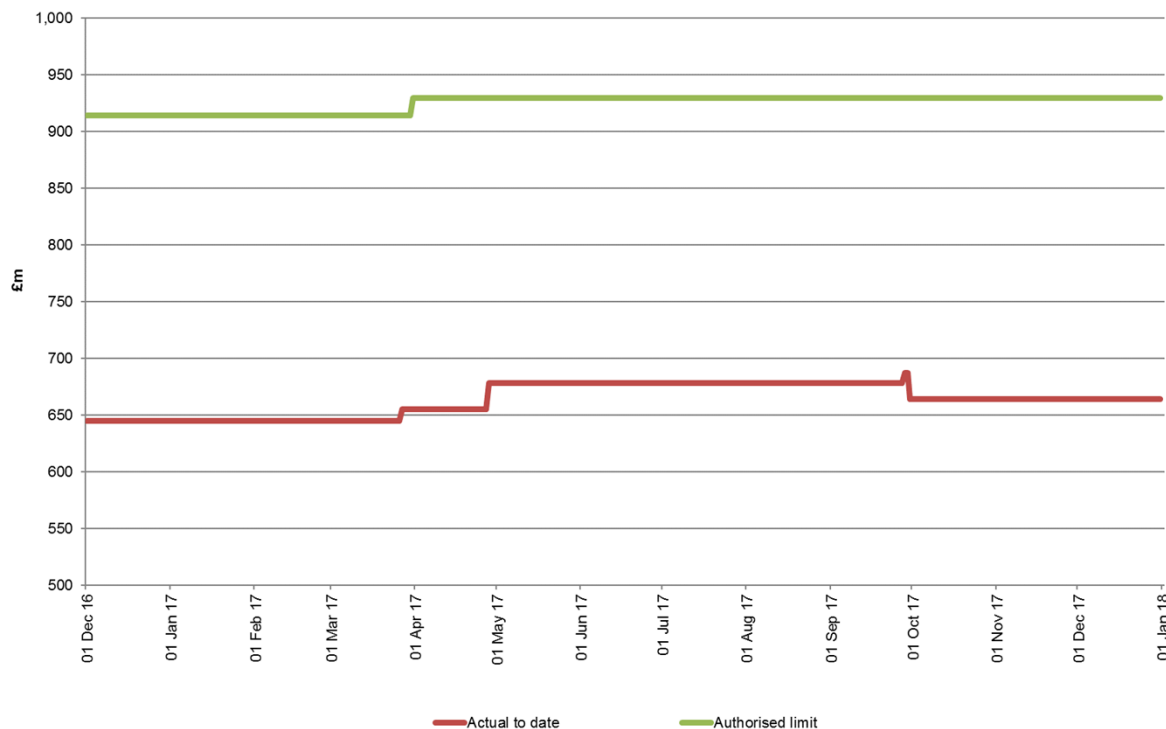
	2016-2017 Actual	2017-2018 Forecast
Average Interest Rate Payable	3.68%	3.75%

4.3 Each year it is necessary to raise new loans to finance capital expenditure and to replace existing maturing borrowing. The Council's policy is to prioritise the use of capital receipts to finance capital expenditure. Balances which are set aside to meet credit liabilities (i.e. to repay borrowing) are used to reduce the external borrowing requirement. Decisions to take borrowing will be made by the Director of Finance when it is judged that rates are likely to be at their lowest levels, and probably about to rise according to market indications, and only when an inflow of funds is required to meet imminent cash flow commitments. This will keep overall surplus cash balances to a minimum, in line with the

current strategy. Appendix 2 to this report shows the maturity profile of external borrowing.

- 4.4 As always, the Council needs to be mindful that the opportunity to secure short term savings by postponing longer term borrowing requirements takes into account the risk of long term rates increasing in the future. Appendix 3 to this report includes the Link Asset Services commentary for quarter three 2017-2018 and forecasts that interest rates across all periods will increase up to March 2021. The Director of Finance will continue to keep actual and forecast rates under close review.
- 4.5 The Council's borrowing profile continues to operate within the overall limits previously approved by Council, as shown in Chart 1.

Chart 1: Comparison of borrowing within approved borrowing limits over the previous 12 months



- 4.6 The level of borrowing at 31 December 2017 is £664.1 million. Appendix 4 to this report shows a summary of this position along with a detailed breakdown of new loans and repayments made throughout the year. £56.1 million of existing borrowing is due to be repaid in quarter four.
- 4.7 In March 2017, Council approved a net borrowing requirement for 2017-2018 of £215.7 million. The forecast net borrowing requirement for 2017-2018 is £157.4 million, as shown in Appendix 5 to this report. This appendix also shows the details for the disclosure for certainty rate, which enables the Council to access discounted borrowing at 0.20% below normal Public Works Loan Board (PWLB) rates.

5.0 Investment forecast for 2017-2018

- 5.1 The approach during the year is to continue to use cash balances to finance capital expenditure so as to keep cash balances low.
- 5.2 Table 3 shows the total amount of surplus funds invested as at 30 September 2017 and 31 December 2017.

Table 3 – Total amounts invested 2017-2018

	30 September 2017 £000	31 December 2017 £000
Business Reserve Accounts	94	16
Money Market Funds	33,575	16,800
	33,669	16,816
Average cash balance for the year to date	26,879	25,599

- 5.3 Money Market Funds and Business Reserve Accounts are the main investments used as these have high credit ratings and instant access. This is based on the Council's low appetite for risk.
- 5.4 The Council's cash flow balance for the third quarter of the current financial year has moved between a low of £11.0 million and a maximum of £35.8 million. The average cash balance for the quarter being £22.9 million.
- 5.5 Table 4 shows the budgeted average rate of interest receivable in 2017-2018 and the forecast for the year.

Table 4 – Average interest rate receivable in 2017-2018

	2017-2018 Budget	2017-2018 Forecast
Average Interest Rate Receivable	0.10%	0.24%

- 5.6 Due to the continuing low interest rates on offer, a prudent percentage was used for budgeting purposes, as can be seen a slightly higher rate is forecast based on rates achieved so far during the year.
- 5.7 The Council will avoid locking into longer term deals while investment rates are at historically low levels. Investment rates are expected to continue to be below long term borrowing rates, in which case, the Council can minimise its overall net treasury costs in the short term by continuing to avoid new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external borrowing (this is referred to as internal borrowing).
- 5.8 The Council manages its investments in-house and invests only in the institutions listed in the Council's approved lending list, which is reviewed each time a counterparty is

subject to a credit rating amendment. The Council's strategy allows for investments for a range of periods from overnight to five years, depending on the Council's cash flows, its interest rate view and the interest rates on offer. However, in order to maintain sufficient liquidity whilst total investment levels are relatively low, most investments have been placed for shorter durations.

- 5.9 The approved Treasury Management Code of Practice sets out the criteria to be used for creating and managing approved counterparty lists and limits. As a result of any changes to credit criteria, the Director of Finance is authorised to make changes to the list of approved counterparties. In the event that any of these counterparties fall below the Council's minimum lending criteria, activity in that account will temporarily cease and any balance withdrawn immediately. Appendix 6 to this report shows the Council's current specified investments lending list.
- 5.10 In quarter three 2017-2018 the Director of Finance has not been required to use his discretion to temporarily exceed any upper limits with approved counter-parties.

6.0 Evaluation of alternative options

- 6.1 As this is a monitoring report of treasury management activities undertaken in line with the approved Treasury Management Strategy 2017-2018, there are no alternative options available.

7.0 Reasons for decision

- 7.1 This report provides an update on treasury management activities undertaken in line with the approved Treasury Management Strategy 2017-2018.

8.0 Financial implications

- 8.1 The financial implications are discussed in the body of this report.
[SH/13022018/P]

9.0 Legal implications

- 9.1 The Council's Treasury Management activity must be carried out in accordance with the requirements of the Local Government Act 2003. In addition, the Local Government and Housing Act 1989 sets out requirements for local authorities in respect of capital controls, borrowing and credit arrangements. The Council is also required to comply with the Local Authority (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.
- 9.2 Treasury Management relates to the management of the Council's cash flow, borrowing and cash investments. This involves seeking the best rates of interest for borrowing, earning interest on investments, whilst managing risk in making financial decisions and adopting proper accounting practice.

9.3 The area is heavily regulated. The Local Government and Housing Act 1989 regulates the operation of the Housing Revenue Account. The 'CIPFA Code of Practice for Treasury Management in the Public Services', contains Treasury Management indicators and advice on Treasury Management Strategy. Investment strategy is regulated by 'DCLG Guidance on Local Government Investments' issued initially in 2004 and re-issued in 2010 and 2018. Part 2 of this Guidance is statutory guidance.
[TS/13022018/T]

10.0 Equalities implications

10.1 This report has no equality implications.

11.0 Environmental implications

11.1 This report has no environmental implications.

12.0 Human resources implications

12.1 This report has no human resources implications.

13.0 Corporate Landlord implications

13.1 This report has no corporate landlord implications.

14.0 Schedule of background papers

14.1 Treasury Management Strategy 2017-2018, Report to Cabinet, 22 February 2017

14.2 Treasury Management – Annual Report 2016-2017 and Activity Monitoring Quarter One 2017-2018, Report to Cabinet, 19 July 2017

14.3 Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020, Report to Cabinet, 18 October 2017

14.4 Treasury Management Activity Monitoring – Mid Year Review 2017-2018, Report to Cabinet, 29 November 2017

15.0 Appendices

15.1 Appendix 1: Prudential and Treasury Management Indicators

15.2 Appendix 2: Maturity profile

15.3 Appendix 3: Link commentary quarter three 2017-2018

15.4 Appendix 4: Borrowing type, borrowing and repayments

15.5 Appendix 5: Certainty rate disclosure

15.6 Appendix 6: Lending list

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Debt and Treasury Management - Prudential and Treasury Management Indicators

Prudential Indicators (PI)

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

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

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

	Approved by Council 1 March 2017			As at 31 December 2017		
	2017-2018 Forecast	2018-2019 Forecast	2019-2020 Forecast	2017-2018 Forecast	2018-2019 Forecast	2019-2020 Forecast
General Fund	7.7%	12.6%	14.8%	7.0%	11.5%	15.6%
HRA	34.3%	34.9%	34.8%	33.2%	34.0%	33.6%

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

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

	Approved by Council 1 March 2017			As at 31 December 2017		
	2017-2018 Forecast £	2018-2019 Forecast £	2019-2020 Forecast £	2017-2018 Forecast £	2018-2019 Forecast £	2019-2020 Forecast £
Financial year impact						
Implications of the capital programme for year:						
For Band D council tax	208.46	249.50	257.29	82.48	220.65	284.40
For average weekly housing rents	2.44	5.04	7.31	0.74	3.41	6.74
Marginal impact to previous quarter						
Implications of the capital programme for year:						
For Band D council tax	(17.02)	(15.37)	(14.77)	(47.56)	(46.62)	2.84
For average weekly housing rents	(1.15)	0.47	2.09	(0.06)	0.33	0.78

PI 3 - Estimates and actual capital expenditure.

Full details of capital expenditure plans and funding can be found in the quarter three capital budget monitoring 2017-2018 report.

	Approved by Council 1 March 2017			As at 31 December 2017		
	2017-2018 Forecast £000	2018-2019 Forecast £000	2019-2020 Forecast £000	2017-2018 Forecast £000	2018-2019 Forecast £000	2019-2020 Forecast £000
General Fund	116,888	49,281	11,544	92,770	147,670	85,025
HRA	47,977	59,158	53,197	39,201	64,390	69,390
	164,865	108,439	64,741	131,971	212,060	154,415

Debt and Treasury Management - Prudential and Treasury Management Indicators

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

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

	Approved by Council 1 March 2017			As at 31 December 2017		
	2017-2018	2018-2019	2019-2020	2017-2018	2018-2019	2019-2020
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
General Fund	683,790	699,787	686,515	647,011	736,387	765,583
HRA	279,825	299,412	314,176	260,979	279,027	307,117
	963,615	999,199	1,000,691	907,990	1,015,414	1,072,700

PI 5 - Authorised limit for external debt.

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

	Approved by Council 1 March 2017		
	2017-2018	2018-2019	2019-2020
	Limit £000	Limit £000	Limit £000
Borrowing	929,492	979,783	1,006,517
Other Long Term Liabilities	94,591	90,770	86,644
Total Authorised Limit	1,024,083	1,070,553	1,093,161
Actual and Forecast External Debt as at 31 December 2017	815,094	945,480	1,023,937
Variance (Under) / Over Authorised limit	(208,989)	(125,073)	(69,224)

PI 6 - Operational boundary for external debt.

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

	Approved by Council 1 March 2017		
	2017-2018	2018-2019	2019-2020
	Limit £000	Limit £000	Limit £000
Borrowing	904,372	964,701	998,154
Other Long Term Liabilities	94,591	90,770	86,644
Total Operational Boundary Limit	998,963	1,055,471	1,084,798
Actual and Forecast External Debt as at 31 December 2017	815,094	945,480	1,023,937
Variance (Under) / Over Operational Boundary Limit	(183,869)	(109,991)	(60,861)

Debt and Treasury Management - Prudential and Treasury Management Indicators

PI 7 - HRA limit on indebtedness.

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

	Approved by Council 1 March 2017			As at 31 December 2017		
	2017-2018	2018-2019	2019-2020	2017-2018	2018-2019	2019-2020
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
HRA Debt Limit	356,770	356,770	356,770	356,770	356,770	356,770
HRA Capital Financing Requirement	279,825	299,412	314,176	260,979	279,027	307,117
Headroom	76,945	57,358	42,594	95,791	77,743	49,653

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

PI 8a - Gross debt and the capital financing requirement.

"In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years". This replaced PI 8 net debt and the capital financing requirement from 2013-2014 onwards.

	Approved by Council 1 March 2017			As at 31 December 2017		
	2017-2018	2018-2019	2019-2020	2017-2018	2018-2019	2019-2020
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
Forecast Capital Financing Requirement at end of Second Year	1,000,692	1,025,180	1,025,180	1,072,701	1,114,868	1,114,868
Gross Debt	916,769	973,277	1,002,604	815,094	945,480	1,023,937
Capital Financing Requirement Greater than Gross Debt	Yes	Yes	Yes	Yes	Yes	Yes

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

Debt and Treasury Management - Prudential and Treasury Management Indicators

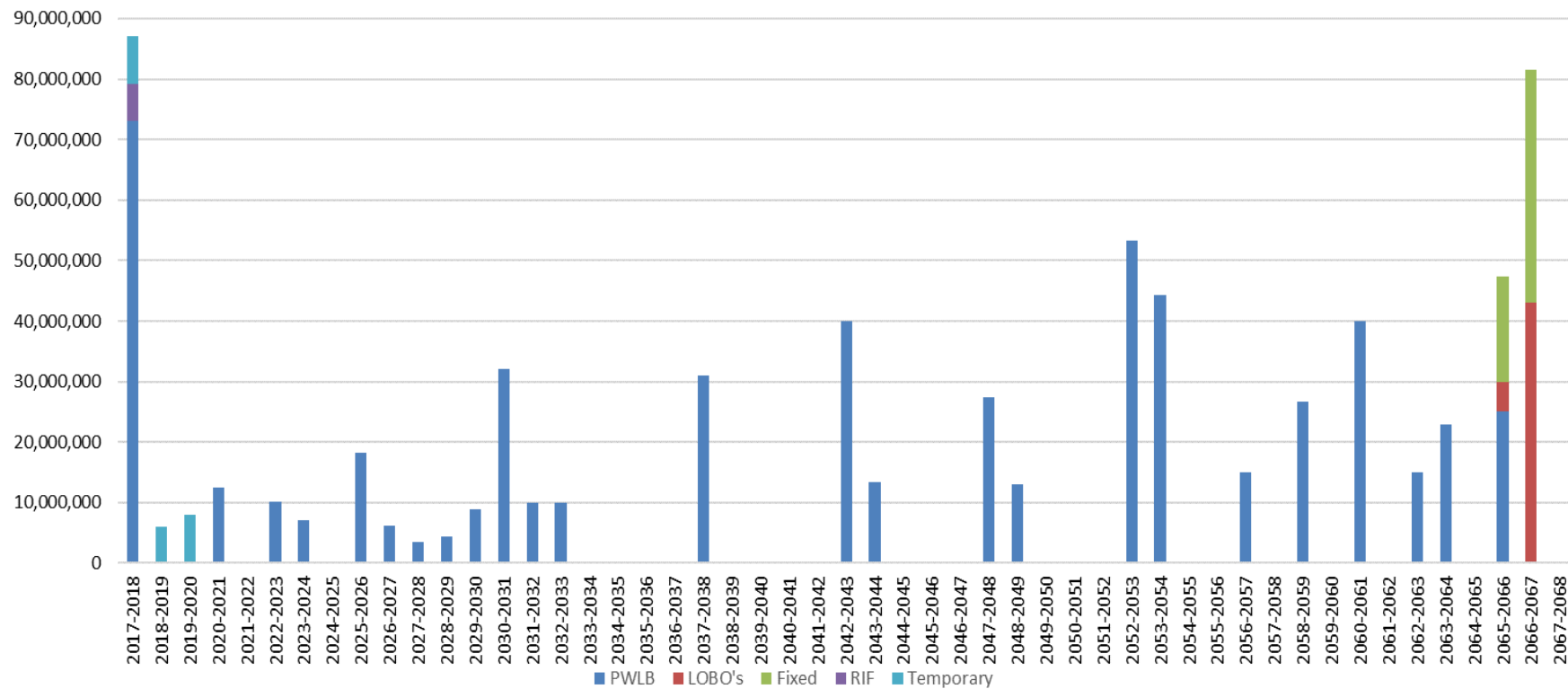
Treasury Management Indicators (TMI)

TMI 1 - Upper limits on fixed interest and variable interest exposures.						
These relate to the levels of net outstanding principal sums exposed to fixed and variable interest rates.						
	Approved by Council 1 March 2017			As at 31 December 2017		
	2017-2018 Limit	2018-2019 Limit	2019-2020 Limit	2017-2018 Forecast	2018-2019 Forecast	2019-2020 Forecast
Upper limit for fixed rate	100%	100%	100%	93%	94%	95%
Upper limit for variable rate	20%	20%	20%	7%	6%	5%

TMI 2 - Upper and lower limits to the maturity structure of its borrowing.			
These limits relate to the % of fixed rate debt maturing.			
	Approved by Council 1 March 2017		As at 31 December 2017
	Upper Limit	Lower Limit	2017-2018 Forecast Borrowing
Under 12 months	25%	0%	7.65%
12 months and within 24 months	25%	0%	2.59%
24 months and within 5 years	40%	0%	3.29%
5 years and within 10 years	50%	0%	5.27%
10 years and above	90%	50%	81.19%

TMI 3 - Upper limits to the total of principal sums invested longer than 364 days.			
This details the maximum amount which can be invested for up to 5 years (as per paragraph 1.6 of the Annual Investment Strategy).			
	Approved by Council 1 March 2017		
	2017-2018 Limit £000	2018-2019 Limit £000	2019-2020 Limit £000
Upper limit for more than 364 days	35,000	35,000	35,000
Actual and Forecast Invested at 31 December 2017	-	-	-
Variance (Under) / Over Limit	(35,000)	(35,000)	(35,000)

Borrowing Maturity at 31 December 2017



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Economic Background

UK

After the UK economy surprised on the upside with strong growth in 2016, growth in 2017 was disappointingly weak in the first half of the year; quarter 1 came in at only +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y), which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 75% of GDP, has seen weak growth as consumers cut back on their expenditure.

However, growth picked up in quarter 3 to 0.4% and in quarter 4 there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, this sector only accounts for around 11% of GDP so expansion in this sector will have a much more muted effect on the average total GDP growth figure for the UK economy as a whole. Growth in quarter 4 is expected to be around 0.4% again which would see annual growth in 2017 coming in at around 1.7 – 1.8%, almost as strong as the recently upwardly revised figure for 2016 of 1.8%, (which meant that the UK was equal to Germany as having the strongest GDP growth figure for the G7 countries in 2016).

The Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in its words warning that Bank Rate will need to rise. Recent Bank of England Inflation Reports have flagged up that they expected CPI inflation to peak at just over 3% in late 2017, before falling back to near to its target rate of 2% in two years' time. Inflation actually came in at 3.1% in November. The reason why the MPC became so aggressive with its wording in September and November around increasing Bank Rate was due to an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of increasing globalisation. This effectively means that the UK labour faces competition from overseas labour e.g. in outsourcing work to third world countries, and this therefore depresses the negotiating power of UK labour. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so would be inflationary over the next few years.

It was therefore no surprise that the MPC increased Bank Rate by 0.25% to 0.5% in November. However, their forward guidance of two more increases of 0.25% by 2020 was viewed as being more dovish than markets had expected. However, some forecasters are flagging up that they expect growth to improve significantly in 2018, as the fall in inflation will bring to an end the negative impact on consumer spending power while a strong export performance will compensate for weaker services sector growth. If this scenario were to materialise, then the MPC would have added reason to embark on more than one increase in Bank Rate during 2018. While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two years will pan out.

EU

Economic growth in the EU, (the UK's biggest trading partner), had been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and now looks to have gathered ongoing substantial strength and momentum thanks to this stimulus. GDP growth was 0.6% in quarter 1 (2.1% y/y), 0.7% in quarter 2 (2.4% y/y) and 0.6% in quarter 3 (2.6% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in November inflation was only 1.2%. It is therefore unlikely to start on an upswing in rates until possibly towards the end of 2019.

USA

Growth in the American economy has been volatile in 2015 and 2016. 2017 followed that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1% and quarter 3 coming in at 3.2%, the first time since 2014 that two successive quarters have been over 3%. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.1% in November, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on an upswing in rates with four increases since December 2016 to lift the central rate to 1.25 – 1.50%. There could then be another four more increases in 2018. In October, the Fed became the first major western central bank to make a start on unwinding quantitative easing by phasing in a start to a gradual reduction of reinvesting maturing debt.

Chinese

Economic growth in China has been weakening over successive years, despite repeated rounds of central bank stimulus and medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

Japan

GDP growth has been gradually improving during 2017 to reach an annual figure of 2.1% in quarter 3. However, it is still struggling to get inflation anywhere near to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

Interest rate forecasts

The Council's treasury advisor, Link Asset Services, has provided the following forecast:

Link Asset Services Interest Rate View													
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
5yr PWLB rate	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB rate	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB rate	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

Link Asset Services undertook its last review of interest rate forecasts on 7 November after the quarterly Bank of England Inflation Report and MPC meeting. As expected, the MPC policy raised Bank Rate by 0.25% to 0.50%. The MPC also gave forward guidance that they expected to raise Bank Rate by 0.25% only twice more in the next two years to reach 1.0% by 2020. This

was very much in line with previous guidance that Bank Rate would only go up very gradually and to a limited extent.

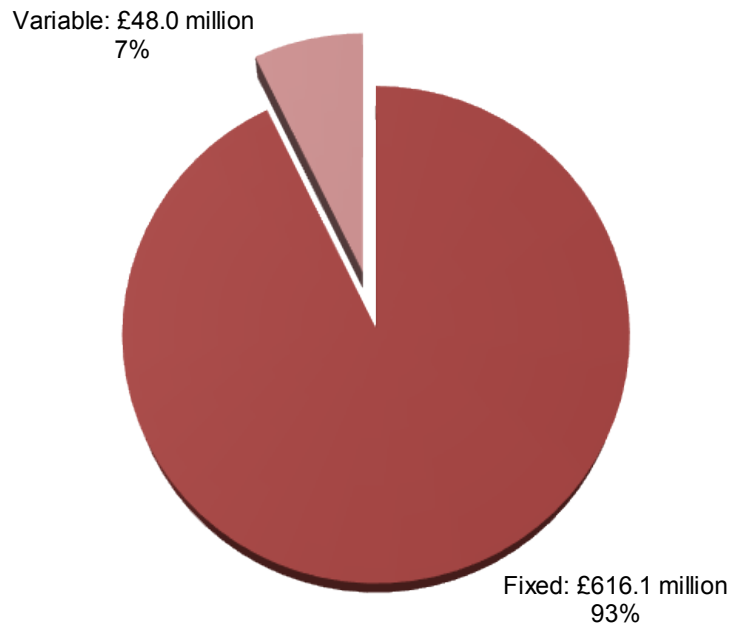
The overall balance of risks to economic recovery in the UK is probably currently to the downside due to the uncertainties around Brexit; however, given those uncertainties, there is a wide diversity of possible outcomes for the strength of economic growth and inflation, and the corresponding speed with which Bank Rate could go up.

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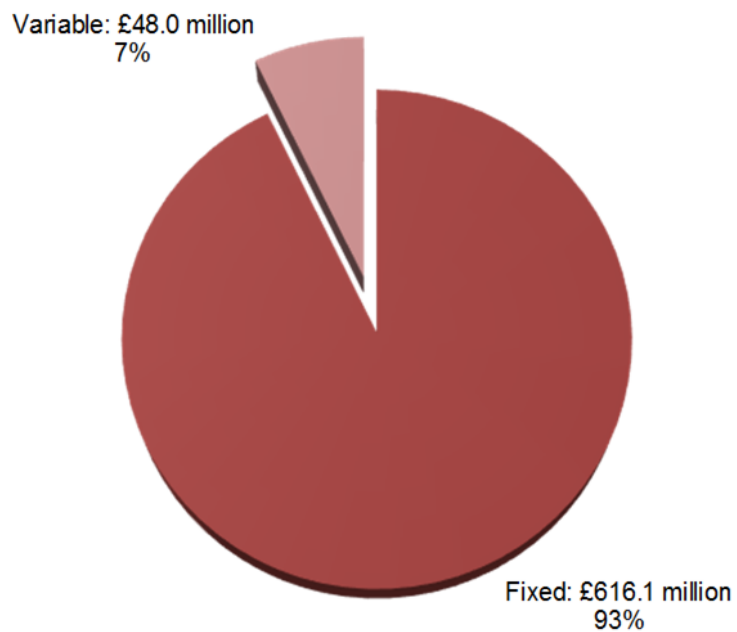
Borrowing: Graphical Summary

Borrowing by Type

As at 30 September 2017



As at 31 December 2017



Borrowing and Repayments in 2017-2018

	Start Date	Maturity Date	Amount £000	Length	Interest Rate	Full Year Interest £
2017-2018 Borrowing						
PWLB Fixed Maturity:				years		
506026	28/04/2017	28/04/2032	10,000	15	2.34%	234,000
506027	28/04/2017	28/04/2048	13,000	31	2.55%	331,500
506426	28/09/2017	28/09/2043	9,000	26	2.78%	250,200
Sub total for PWLB			32,000		2.56%	815,700
Temporary Loans:						
				days		
London Borough of Wandsworth	28/09/2017	30/09/2019	8,000	732	0.80%	64,000
Sub total for temporary loans			8,000		0.80%	64,000
Grand total borrowing			40,000			879,700
2017-2018 Repayments						
PWLB Fixed Maturity:				years		
503341	30/09/2014	30/09/2017	23,000	3	2.05%	471,500
Sub total for PWLB			23,000		2.05%	471,500
Temporary Loans:						
				days		
London Borough of Barking & Dagenham	28/09/2015	28/09/2017	8,000	731	0.94%	75,200
Sub total for temporary loans			8,000		0.94%	75,200
Grand total repayments			31,000			546,700
Net movement			9,000			333,000

Disclosure for Certainty Rate

Certainty Rate						
This table details the information that is required to enable the Council to submit a return for 2017-2018.						
	Approved by Council 1 March 2017			As at 31 December 2017		
	2017-2018	2018-2019	2019-2020	2017-2018	2018-2019	2019-2020
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000
Net Borrowing Requirement:						
Borrowing to finance planned capital expenditure	100,481	60,329	33,453	65,481	134,207	89,303
Existing maturity loans to be replaced during the year	132,000	31,537	50,000	109,114	40,000	72,000
Less:						
Minimum Revenue Provision for debt repayment	-	(8,182)	(14,457)	(20)	(7,775)	(14,650)
Voluntary debt repayment	(16,793)	(12,741)	(13,378)	(17,209)	(15,186)	(13,241)
	(16,793)	(20,923)	(27,835)	(17,229)	(22,961)	(27,891)
Loans Replaced Less Debt Repayment	115,207	10,614	22,165	91,885	17,039	44,109
Net Advance Requirement	215,688	70,943	55,618	157,366	151,246	133,412

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City of Wolverhampton Council
2017-2018 Specified Investments Lending List as at 31 December 2017

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

Non-rated Institutions

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

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 March 2018
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Report title	FutureSpace 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	Tim Johnson, Strategic Director - Place	
Originating service	FutureSpace	
Accountable employee	Mark Bassett Tel Email	FutureSpace Programme Director 01902 558293 mark.bassett@wolverhampton.gov.uk
Report to be/has been considered by	Place Leadership Team Strategic Executive Board	5 March 2018 6 March 2018

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. That the progress of the FutureSpace programme has been in line with the agreed mandate and intended outcomes.
2. That the activity remaining is on target to achieve the outcomes and benefits as set out in the original business case.
3. That the programme has been delivered using robust project and programme management consistent with the agreed corporate methodology.

1.0 Purpose

- 1.1 To update on the FutureSpace programme; summarising progress to date and setting out the remaining activities to fulfil the agreed Business Case.

2.0 Background

- 2.1 Cabinet (Resources) Panel and Council approved the FutureSpace programme in 30 June and 15 July 2015 respectively. The programme scope included the following critical factors in successfully delivering the Medium Term Financial Strategy objectives:
- Closing buildings we no longer need.
 - Making essential repairs to those we do.
 - Protecting our sources of income.
 - Running our property estate efficiently.
- 2.2 Ensuring continued use of our key corporate building – the Civic Centre – by addressing Health and Safety issues was a priority. If the Council did not act urgently building elements including the electrical, ventilation and fire alarm systems could have failed such that moving staff out of the building would be the only option resulting in an inability for Council services to be run from the building.
- 2.3 A forced relocation (even on a temporary basis) would negatively impact on services to residents and the city economy as the current occupiers and visitors to the building would no longer be city centre based. This would also have meant needing to rent space elsewhere at a cost to the Council, since there were no other suitable buildings owned by the Council available for use.
- 2.4 An intent to achieve efficiency through space saving sits at the core of the mandate. The programme addressed the significant financial risks outlined above; delivers net savings to the Council of over £500,000 per annum and in addition the following benefits:
- Managing risks related to business continuity of key Council services.
 - Protecting income to the Council from car parking charges and rental income.
 - Generating capital receipts by selling buildings we no longer need.
 - Enabling regeneration of the city.
 - Saving money from using less buildings.
- 2.5 An opportunity to transform the workplace was also taken to ensure that teams are enabled to work effectively and efficiently with more modern technology and improved productivity.
- 2.6 The work required to achieve the above objectives has been managed efficiently and co-ordinated to save money; manage risk and deliver the following outcomes at the earliest opportunity:
- 30% reduction in office space (Gross Internal Area).

- 15,000m² less office space in use (Gross Internal Area) – equivalent to over two football pitches.
- 16 fewer buildings (20 down to four).
- Around 2000 employees working from four buildings instead of 20.
- Reducing repairs liabilities by £2.4 million by coming out of surplus buildings.
- Generating additional rental income of £300,000 per year.
- Protecting existing car park income of £640,000 per annum.
- Total gross revenue savings of £1.0 million per annum.

2.7 FutureSpace is part of the overarching Confident Capable Council (C3) transformational programme structure, and alongside the other 'Future' programmes have progressed the corporate objective of being a Confident, Capable Council.

3.0 Progress, options, discussion, etc.

3.1 The FutureSpace Programme is on target to achieve the objectives set out in the original business case.

3.2 Since works commenced in May 2016 two of three phases have been completed with the last phase nearing completion in March/ April 2018. The overall programme has been largely maintained even with the following occurring:

- Necessary revisions to scope for the works to 3rd and 4th Floors.
- Identifying (and removing) multiple instances of unforeseen asbestos during works.
- A significant flood from the construction site through partially completed areas.

3.3 The repair works to the Mezzanine are now the subject of discussions between loss adjusters appointed on behalf of respective parties including the Council and the contractor. The option to instruct these through the current contract is being actively explored as this presents an approach which would be more efficient whilst the contractor's infrastructure is on site.

3.4 The phase completion dates are as below:

Car Park	August 2016 (Actual)
Phase 1	March 2017 (Actual)
Phase 2	September 2017 (Actual)
Phase 3	April 2018 (Projected)

3.5 In addition to the necessary repairs to heating and cooling; data and electrical infrastructure the following benefits have also been realised through the FutureSpace programme:

A. Clearer signage and wayfinding

- Building zoned on each floor
- Different colours per floor
- Physical signs and digital information

B. Improved access to the building

- Informed by consultation with representative groups
- Changing places facility on Ground Floor
- Split level reception counters
- Additional automatic sliding doors in main concourse
- Additional hearing loops
- Tonal contrast throughout the design
- Additional accessible toilets in office areas
- Better and more appropriate lighting

C. Civic Centre customer/ visitor experience

- New Customer Service Centre supporting new service delivery model
- New Café which includes more healthy options/ wider product range

D. Fire safety

- A single fire alarm system
- Additional fire compartmentation
- New staircase lobbies and refuges
- New fire protected lift lobbies
- Updated Fire Risk Assessments

E. Asbestos removal/ management

- All asbestos in the construction areas has been removed
- Asbestos Management Plan updated
- It is normal to find asbestos in buildings of this age.
- Asbestos specialists have confirmed there is no risk, nor has there ever been a risk to public health

3.6 The FutureSpace programme has been used to demonstrate the ways in which a significant council project can also deliver on City Charter objectives:

A. Develop and grow a skilled workforce

- A combination of Apprentices, Trainees and Graduates have reached the agreed target number.
- Speller Metcalfe attended the North East Wolverhampton Academy in January 2018 and delivered a Network Year 8 pupils and Guess My Job event with Year 7 pupils.
- Work experience is arranged for a University Technical College student starting 12 March 2018

- Practice interviews with 50 pupils will take place.
- Work experience for two unemployed residents completed in December 2017
 - one has progressed into full time position in construction
 - one has progressed into the Women into Construction programme.

B. Encourage healthy lifestyles

- Contractor teams have engaged consistently in the “Healthy Fruit Fridays”
- Contractor employees have engaged and took part in a running club, and signed up to sporting events and cycle to work
- Speller Metcalfe employees are increasingly using WV Active facilities

C. Support businesses to develop and grow

- The percentage of labour working on the project from within 15 miles of the City Centre is 62%
- The percentage of contractors and suppliers based within 15 miles of the City Centre is 40%

D. Skills and Training

- Four people have completed Site Supervisor safety training courses
- Seven people have carried out Site Managers safety training courses
- At least 12-15 people have completed first aid at work training
- Many other courses have been completed over the course of the project including
 - Asbestos Awareness
 - Working at Height
 - Manual Handling
 - PASMA Training (for those working at height on tower scaffolds)
 - Scaffold inspection
 - Temporary works
 - Construction Skills Certification Scheme (CSCS) training

Asset rationalisation and disposals of surplus assets

- 3.7 The disposals programme has continued to progress in order to generate revenue savings and capital receipts from the in-scope assets which contribute to the business case.
- 3.8 Of the 20 buildings within the scope of the programme, only four have outstanding actions to be completed owing to the timing of availability of space in the Civic Centre; and engagement with occupying services to ensure service requirements are fully understood and factored into future accommodation needs.
- 3.9 The rationalisation of assets remains on target to deliver the financial business case. The full list is included within Appendix 1 of this report.

- 3.10 Retained assets would be subject to an on-going review of the life-cycle maintenance requirements (under the leadership of Corporate Landlord) to ensure the value and condition of the corporate estate is maintained.

Programme delivery

- 3.11 The FutureSpace programme has been delivered using robust project and programme management wholly consistent with the agreed corporate methodology. The programme has been reviewed by Internal Audit and referenced by the Projects and Programmes team to others as an example of how the governance and reporting should take place using the corporate systems including Verto.

4.0 Evaluation of alternative options

- 4.1 The long-term occupation of the Civic Centre could not be guaranteed due to the failing M&E systems of a 37-year-old building. The substantial risk of failure of building systems was too high to do nothing. An options appraisal was undertaken and the “Do Minimum” option was progressed.
- 4.2 Capital investment identified for the main Civic Centre building, had a clear and direct dependency with other project works. These dependencies were managed successfully within the overall programme governance structure:
- The Civic Centre Car Park structural and M&E repairs
 - The Urban Traffic Control (UTC) relocation from Heantun House

5.0 Reasons for decisions:

- 5.1 The presentation of this report is to provide assurance that the approved FutureSpace programme has to date, and will continue to deliver its mandate.

6.0 Financial implications

- 6.1 The capital investment in the Civic Centre has enabled the building to remain operational and support the transfer of staff from other buildings either owned or rented by the Council. This has generated revenue savings and allowed surplus buildings to be either disposed of or rented out, generating a capital receipt or additional income. The original business case estimated that over the period to 2021 capital receipts of £8.2 million would be achieved through disposal of assets and there would be estimated revenue savings of approximately £1.0 million per annum.
- 6.2 As part of this update report on the Future Space programme a review of both the budget and delivery against the original financial business case has taken place. The scheme is currently in delivery phase however over the medium term it is evident that the savings will be delivered, subject to the remaining assets being released for sale or being made available for commercial rent.

- 6.3 The current budget position is that the project is on target to deliver the programme of works in line with approved budgets; however, work is still ongoing and therefore at this stage outturn on the project cannot be confirmed.
- 6.4 During the period of the project there have been changes to the scope of works and discovery of asbestos, which have been managed and delivered within the programme. At this stage the implications of the flood to the Mezzanine area, which was partially completed, is not fully understood, however it is considered that all costs associated with these works would be recoverable under insurance policies.
[HM/09032018/N]

7.0 Legal implications

- 7.1 There are no immediate legal implications arising from this report. The refurbishment and construction work has complied with building regulations and all other legislative requirements.
[RB/05032018/G]

8.0 Equalities implications

- 8.1 Equality screening assessments were undertaken as part of the business case development in conjunction with the Equality Team. The equality screening assessment has continued throughout the programme with the support of the Equalities Team. Consultation with representative groups has also taken place to inform the design and future operation of the Civic Centre.

9.0 Environmental implications

- 9.1 Through the design development work the environmental implications were assessed to understand the impact on the building's performance and energy consumption. The capital investment in the refurbishment of the Civic Centre will result in improved environmental efficiency. Through a reduction in the Council's office estate a reduced carbon footprint will be achieved.
- 9.2 New energy efficient lighting has been installed in all scoped areas. New external wall insulation has been installed in scope areas. Product choice has been influenced and informed by environmental factors. The waste and recycling arrangements put in place by the contractor has responsibly disposed of waste from the site.

10.0 Human resources implications

- 10.1 There are no direct human resource implications with this report.

11.0 Corporate landlord implications

- 11.1 Colleagues from the Corporate Landlord function remain actively involved in the programme. The business case for the Future Space programme was developed in consultation upon with Corporate Landlord colleagues.

- 11.2 An outcome of the capital investment and asset rationalisation will be the reduction in backlog maintenance of corporate assets and an improvement in the quality of the work environment for employees and accommodation and facilities for visitors and customers.
- 11.3 The ongoing asset rationalisation activity will be led by Corporate Landlord and integrated into the wider work on asset strategy and disposals.

12.0 Schedule of background papers

- 12.1 FutureSpace - Cabinet (Resources) Panel Meeting 30 June 2015
- 12.2 FutureSpace - Meeting of the City Council 15 July 2015

13.0 Appendices

- 13.1 Appendix 1 – In-scope Asset List and Current Status

Appendix 1

In-scope Asset List and Current Status

In scope Assets	
Asset	Current Position (March 2018)
Disposals	
Compton Grange	Completed sale
Jennie Lee Centre	Completed sale
Heantun House	Conditional sale
10 King Street	Lease to be ended (with the Council vacating)
Offices 1st Floor Sainsburys (St George's)	Lease terminated
Bramerton	Completed sale
Beckminster	Operational
Beldray	Operational
St Judes	Completed sale
Initial Assessment Team	Completed sale
Oxley Moor House	Vacant awaiting sale
22 Queen Street	Lease terminated
Mander House	Lease terminated
Parkfields Centre	Operational
The Maltings	Operational
Corner House	Completed sale
Retained	-
Bond House	Operational
Red Lion Street (Magistrates)	Operational
Ryefields (1st floor)	Operational
Civic Centre	Operational

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 March 2018
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Report title	Police and Crime Commissioner Grant Allocation 2018-2019	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Paul Sweet Public Health and Wellbeing	
Corporate Plan priority	People - Stronger Communities	
Key decision	Yes	
In forward plan	Yes	
Wards affected	(All Wards);	
Accountable Director	John Denley, Director of Public Health	
Originating service	Community Safety	
Accountable employee	Karen Samuels	Head of Community Safety
	Tel	01902 551348
	Email	karen.samuels@wolverhampton.gov.uk
Report to be/has been considered by	People Leadership Team	12 February 2018
	Strategic Executive Board	6 March 2018

Recommendation for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the delegation of the Police Grant Community Fund 2018-2019 allocation from the Police and Crime Commissioner (PCC) to Safer Wolverhampton Partnership (SWP) for the purposes of delivering against the city's Community Safety and Harm Reduction Strategy 2017-2020.

1.0 Purpose

- 1.1 To seek approval to delegate the Police Grant Community Fund allocation 2018-2019 from the Police and Crime Commissioner (PCC) to Safer Wolverhampton Partnership (SWP) in line with grant conditions, to aid delivery of agreed city-wide crime and community safety objectives. Allocation of the grant for 2018-2019 has been based on PCC approval of a fully costed programme of delivery, the details of which are outlined in this report.

2.0 Background

- 2.1 The PCC makes an annual allocation of grant to the seven Community Safety Partnerships (CSPs) within the West Midlands metropolitan area to support delivery of their strategic plans. Wolverhampton's Community Safety and Harm Reduction Strategy 2017-2020 is delivering against the following strategic priorities:

Strategic Priority	Outcomes
Reducing Reoffending	<ul style="list-style-type: none"> ➤ Reduced adult and youth re-offending ➤ Improved use of tools and powers to effectively manage offenders ➤ Development of a risk-based, stepped model for high volume offenders ➤ Improved use of pathways to change offender attitudes and behaviours ➤ Earlier identification of young people in need of support
Violence Prevention	<ul style="list-style-type: none"> ➤ Improved understanding of risk to prevent offending and harm ➤ Improved use of tools and powers ➤ Increased confidence in reporting ➤ Reduced prevalence of violent crime ➤ More effective management of threat and risk
Reducing Victimisation	<ul style="list-style-type: none"> ➤ Increased reporting of under-reported crime ➤ Reduced victimisation by adopting a whole family approach ➤ Improved prevention interventions ➤ Earlier identification of individuals at risk ➤ Strengthened community response

- 2.2 There is an expectation that the costed programme for 2018-2019 should also be aligned to PCC priorities detailed in the West Midlands Strategic Police and Crime Plan. The key features of the draft plan as they currently stand are summarised below:

- **Protecting from harm**
Working with partners to reduce harm through intervening and protecting
- **Supporting victims of crime** - Supporting victims so they can cope and recover from the impact of crime

- **Building trust and confidence in our police** - How West Midlands Police will ensure that the public has faith in the work it does on their behalf
- **Strengthening communities and growing the economy** - Supporting communities through local policing, encouraging people to become more active citizens and the key role that policing has to play in the economy
- **Building a modern police service** - How West Midlands Police will respond to the financial challenges we face and the plans in place to make sure we have a modern and effective workforce
- **Standing up for young people** - Giving young people the opportunities they need to contribute to society
- **Tackling national and international threats** - Working with partners to deliver the Strategic Policing Requirement, including an increased response to the threat of cyber crime

2.3 There is sufficient alignment within the costed programme to fit within the PCC's strategic plan.

3.0 Funding Availability

3.1 All seven West Midlands Local authority areas have experienced recurrent reductions in funding from the PCC's office since 2016-2017; consequently, delivery in Wolverhampton has focussed primarily on shaping mainstream service delivery and aligning with other available funding streams.

3.2 The PCC is now well underway with development of a West Midlands CSP, initially proposed in November 2016, which would oversee all future commissioning decisions regarding the use of the grant currently devolved to local areas. The aim of the proposals was identification of efficiencies and improved practice by taking a force-wide view across in tackling a number of strategic priorities within the West Midlands Police Force area.

3.3 Recognising the need to continue with some essential service delivery including meeting the statutory functions of local CSPs, and the lead in timescales for strengthening the PCC's central commissioning function, CSPs have identified all essential ongoing delivery from 2018 for continuation. These have been consideration by the PCC and the following allocations have been made to support delivery in 2018-2019:

Local Authority	PCC Allocated Grant 2017-2018 £000	PCC Allocated Grant 2018-2019 £000
Birmingham	1,844	1,066
Coventry	380	147
Dudley	268	245
Sandwell	368	195
Solihull	191	167
Walsall	272	250
Wolverhampton	340	229
Total	3,663	2,299

- 3.4 In addition, further key functions will continue to be funded by the PCC's office, but funded centrally. For Wolverhampton, this includes the following continued provision for prevention work within Youth Offending (£66,000) and the costs of undertaking domestic homicide reviews (£10,000). The overall resource allocation for Wolverhampton for 2018-2019 therefore totals £305,000, which is a reduction of £34,000 against the allocation received for 2017-2018.
- 3.5 In addition, the PCC has decision making responsibility across other linked budgets of approximately £7.0 million. The PCC has indicated his intention for the closer alignment of these budgets, totalling £11.0 million, to be within scope of the West Midlands CSP.

4.0 Proposed 2018-2019 Delivery Against Strategic Priorities

- 4.1 The current year's costed plan (2017-2018) has been delivered in line with spend proposals for the year, however, a small underspend is currently forecast totalling £15,000 arising from savings relating to domestic homicide reviews; an approach has been made to the PCC for permission to carry this forecasted underspend forward to support delivery into 2018-2019.
- 4.2 The costed plan for 2018-2019, detailed at **Appendix 1** is attached and follows the refreshed SWP strategic priorities of:
- Reducing Reoffending
 - Violence Prevention, and
 - Reducing Victimisation
- 4.3 Delivery against these strategic priorities are reviewed annually, informed by the annual strategic assessment. Using this approach, the strategy remains relevant to new and emerging local issues and introduces a degree of flexibility over the life of the strategy to respond. The delivery priorities for 2018-2019 are outlined below:

4.4 Reducing Reoffending

- Implement a Black Country wide Reducing Reoffending strategy in partnership with key stakeholders
- Tackle substance misuse and drug dealing amongst individuals, with a particular focus on New Psychoactive Substances (NPS) in order to reduce substance-related offending
- Identify young people at risk of offending to support them at an early stage, and provide interventions to address their attitudes and behaviours whilst considering a 'whole family' approach
- Reduce volume crime with particular focus on vehicle crime, burglary and shoplifting
- Improve city image and business confidence by tackling aggressive begging and rough sleeping

4.5 Violence Prevention

- Develop interventions to deter young people from committing violent acts

- Provide early interventions to deter young people from carrying bladed weapons
- Provide critical call out mediation services to reduce tensions and escalation of violence
- Deliver a behaviour change programme to reduce the harm from domestic abuse perpetrators
- Apply available legislative tools and powers to increase the effective management of offenders

4.6 Reducing Victimisation

- Engage with identified communities to break the cycle of cultural acceptance of domestic related abuse and vulnerability
- Build confidence within communities subjected to hate crime to increase reporting and strengthen cohesion
- Work with partners to strengthen and integrate the collective response to domestic abuse
- Increase understanding of modern slavery and build confidence of victims to report issues and access support
- Targeted engagement with businesses to reduce the risk of business victimisation, particularly in relation to shoplifting

5.0 Evaluation of alternative options

5.1 The PCC grant is allocated specifically for use by the SWP to contribute to the City's Community Safety and Harm Reduction Strategy 2017-2020 through delivery of activity set out in the costed plan attached at Appendix 1.

6.0 Reasons for decision

6.1 As CWC is the Responsible Authority for SWP's budget, formal delegation from Cabinet (Resources) Panel must be secured to enable the grant to be spent as intended.

7.0 Financial implications

7.1 Implementation of the Community Safety Strategy will be largely delivered through existing mainstream partner resources. Wolverhampton's grant allocation of £229,000 in 2018-2019 will be used to support the programme proposed in **Appendix 1**, the full cost of which would be met from within the grant resources available. Subject to agreement from the PCC, the anticipated carry forward of £15,000 will be added to the 2018-2019 programme.

7.2 The PCC allocation, when received, is ringfenced for Community Safety use by SWP in line with conditions of grant. The grant is received by the City of Wolverhampton Council as accountable body for SWP.
[MI/20022017/O]

8.0 Legal implications

- 8.1 Sections five and six of the Crime and Disorder Act 1998 require the Council and other responsible authorities to formulate and implement strategies to reduce crime and disorder in the area. Subsequent revisions to the Act (Police and Justice Act 2006) places a duty on Community Safety Partnerships to prepare strategic assessments with the purpose of informing the partnership plan revisions.
[RB/08022018/V]

9.0 Equalities implications

- 9.1 The programme of delivery for 2018-2019 is based on an assessment of need and contributes towards implementation of the strategic priorities in the Community Safety and Harm Reduction Strategy 2017-2020. This will result in crime reduction measures being implemented within some of the City's most deprived neighbourhoods and providing support to some of the City's most vulnerable residents through targeted interventions. The programme of delivery detailed will directly support implementation of the strategy, actively addressing inequalities of individuals and communities which are disproportionately impacted by certain crimes on the basis of gender, age, ethnicity, religion, sexuality and disability. A full equality analysis has been undertaken on the strategy; there are no negative implications from its delivery.

10.0 Environmental implications

- 10.1 Delivery of the programme detailed in this report will impact positively across all areas of the City through the implementation of crime reduction initiatives; particularly those neighbourhoods adversely affected by crime and anti-social behaviour.

11.0 Human resources implications

- 11.1 The City of Wolverhampton Council is the employer for three posts which are funded using contributions from the PCC grant which are detailed within the attached costed plan; one post within the Community Safety Team and two posts within the Youth Offending Team. The proposals within this report will provide funding for continuation of these fixed term posts to 31 March 2019.

12.0 Corporate landlord implications

- 12.1 There are no corporate landlord implications.

13.0 Schedule of background papers

- 13.1 There are no background papers

14.0 Appendices

- 14.1 Appendix 1: Safer Wolverhampton Partnership Costed Plan 2018-2019

**Safer Wolverhampton Partnership
Costed Plan 2018-2019**

Expenditure Type / incentive	Cost	Details of Delivery	Organisation Providing Service
1 Violence Prevention Violence Against Women and Girls (VAWG) provision	155,000	Delivery of Violence Against Women and Girls Provision for Wolverhampton delivering: Coordination of the Whole DV/DA Service, MARAC case conference coordination , IDVA Services Inc a Court Specialist IDVA, Training frontline staff and managers on all aspect of VAWG to increase knowledge and capacity	Wolverhampton Domestic Violence Forum
2 Violence Prevention Critical call out	10,000	Provision to deliver critical incident mediation services across Wolverhampton at times of heightened tensions or when a violence gang or youth violence incident has taken place. To provide mediation to reassure the community, ensure cohesion and reduce the risk or further incidents or retaliation.	Wolverhampton Community Reference Group
3 Violence Prevention Youth violence specialist commissioning	10,000	Target community based interventions	Various
4 Reducing Reoffending* Youth Crime Prevention	66,000	Provision of Youth Offending Team Deter Workers providing 'Out of Court Disposal' work within the YOT targeting young people on the cusp of the Youth Justice system	Youth Offending Team
Core Functions of SWP			
Domestic Homicide Reviews*	10,000	For the Provision of DHR's required in Wolverhampton	Contracts are issued as and when required to fund independent Chair / Author
Domehawk camera maintenance and deployment	9,500	This includes deployment (£4,500) of cameras across the city and associated maintenance/repair costs . Increased allocation for 2017-18 to address the backlog in repairs. (£7,500)	Community Safety Coordinators Employed by Wolverhampton City Council
7 Prevent and Cohesion Coordinator	37,000	Provision of a Prevent and Cohesion Coordinator FTE Role; working to ensure Community Cohesion, monitor and reduce incidents of hate crime, Raise awareness and training of front line staff across the city on WRAP	City Wolverhampton of Council
8 Running costs	7,500	General overheads to include PACT locations	SWP
Total Cost	305,000		
Minus centrally funded services	76,000		
Total allocation	229,000		

* Services will be funded centrally from the OPCC and will not come out of Wolverhamptons allocated 2018-2019 budget of £229,000

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 March 2018
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Report title	Recommendations from the Scrutiny Fire Safety Scoping Group	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson City Assets and Housing	
Corporate Plan priority	Confident Capable Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	(All Wards);	
Originating service	Scrutiny – Vibrant and Sustainable City Scrutiny Board	
Members of the Review Group	Councillor Greg Brackenridge (Chair) Councillor Philip Bateman Councillor Patricia Patten Councillor Jacqueline Sweetman Councillor Paul Singh Councillor Louise Miles Sue Roberts (MBE), Wolverhampton Homes Board Chair Bob Deacon – Unison Representative and Wolverhampton Tenants Association Representative Barry Appleby – Chair of the Disability Advisory Group on Leisure Activities Karen Ryder – Co-ordinator One Voice	
Accountable employee	Julia Cleary Tel Email	Systems and Scrutiny Manager Tel: 01902 555046 julia.cleary@wolverhampton.gov.uk
Report to be/has been considered by	Cabinet Member Briefing Wider Management Team Scrutiny Board Cabinet Member Briefing	6 February 2018 21 February 2018 6 March 2018 13 March 2018

Recommendation for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the Executive response to the Scrutiny Group's recommendations (Appendix 1).

1.0 Purpose

- 1.1 To bring to the attention of Cabinet (Resources) Panel the findings and recommendations of the scrutiny scoping exercise into fire safety and to agree the executive response.

2.0 Background

- 2.1 At the meeting of the Vibrant and Sustainable City Scrutiny Panel on 29 June 2017 a recommendation was made that the Scrutiny Board consider whether a review should be undertaken in relation to fire safety in tower blocks.
- 2.2 At the meeting of the Scrutiny Board held on 4 July 2017 the Board considered the recommendation from the Vibrant and Sustainable Scrutiny Panel and resolved that a scoping exercise be undertaken to assess how the Council had responded to the Grenfell Tower Fire.
- 2.3 Scrutiny Board considered that it would be best to put a full scrutiny review on hold until the formal, Government investigation into the Grenfell Tower Fire was concluded and any new regulations or guidance issued by Central Government.
- 2.4 There are currently two inquiries underway as a direct result of the Grenfell Tower fire:
 - i. A public inquiry into the fire led by Sir Martin Moore-Bick and;
 - ii. An Independent Review of Building Regulations and Fire Safety led by Dame Judith Hackitt.
- 2.5 The recommendations listed below have therefore been sectioned into those that can and should be implemented immediately and those that whilst sound in principle, may be best put on hold pending the findings and recommendations of the above mentioned reviews as any pre-emptive action in these areas could lead to duplication of work, work being pursued in the wrong areas and more disruption to tenants and other affected persons than is necessary.
- 2.6 The work carried out by the Group has been recognised and commended by Members of the political and non-political leadership of the Council and in particular the expertise and dedication of the Chair of the Group. A request has therefore been made by Council Leaders that this group remain in place and reconvene immediately following the publication of the final recommendations from the Hackitt Review and Moore-Bick Inquiry to consider the findings and to advise the Council on how best to proceed with the implementation of any outstanding or new recommendations which may at that time be appropriate.
- 2.7 More recently (January 2018), the Ministry of Housing, Communities and Local Government's (MHCLG) Permanent Secretary, Melanie Dawes has given evidence to the Communities and Local Government Select Committee to state that local authorities are responsible for making their buildings safe and that the Government will not be dictating

exact types of cladding to be used etc., these judgements will still need to be made by each individual local authority.

- 2.8 By carrying out an in-depth scoping exercise the Council will be ready to act immediately when new regulations or recommendations are issued by Government following the conclusion of the official enquiry.
- 2.9 Scrutiny Board was clear that tenants were to be central to the scoping exercise and that witness sessions needed to be held with professionals from inside and outside of the Council.
- 2.10 The Group considered that public safety, the safety of those working or visiting public buildings and those attending educational establishments was of paramount importance and is central to all of the recommendations.
- 2.11 The Group would like to thank all of the witnesses who attended the evidence sessions.

The Scrutiny Scoping Group met on three occasions and interviewed the following witnesses:

Date of Meeting	Witnesses
19 September 2017	<p>Wolverhampton Homes</p> <ul style="list-style-type: none"> • Lesley Roberts, Chief Executive • Simon Bamfield, Head of Commercial Services and Stock Investment.
	<p>West Midlands Fire Service</p> <ul style="list-style-type: none"> • Jason Holt, Station Commander • Pardeep Raw, Team leader for Black Country North Fire Safety Team Watch Commander
	<p>City of Wolverhampton Council Health and Safety</p> <ul style="list-style-type: none"> • Phil Reilly, Health and Safety Advisor
	<p>City of Wolverhampton Council, Corporate Landlord</p> <ul style="list-style-type: none"> • Tim Pritchard, Head of Corporate Landlord • Neale Shore, Compliance Officer
31 October 2017	<p>Wolverhampton Homes</p> <ul style="list-style-type: none"> • Lesley Roberts, Chief Executive • Simon Bamfield, Head of Commercial Services and Stock Investment.

	<ul style="list-style-type: none"> • Myk Kozuba, Stock Investment Manager • Darren Baggs, Assistant Director – Housing
	<p>City of Wolverhampton Council School Safety</p> <ul style="list-style-type: none"> • Phil Reilly, Health and Safety Advisor • Natalie Barrow, Health and Safety Advisor
	<p>City of Wolverhampton Council Emergency Planning</p> <ul style="list-style-type: none"> • Mick Shears, Resilience Officer
17 November 2017	<p>City of Wolverhampton Council</p> <ul style="list-style-type: none"> • Tim Johnson, Strategic Director-Place and Deputy Managing Director • Mark Taylor, Strategic Director-People • Meredith Teasdale, Director of Education • Tim Pritchard, Head of Corporate Landlord
	<p>City of Wolverhampton Planning and Building Control</p> <ul style="list-style-type: none"> • Stephen Alexander, Head of Planning • Stewart Hitchcox, Senior Building Surveyor

2.12 The draft report was considered by the Scrutiny Board on Tuesday 6 March 2018. The Board commended the work of the Chair of the Group and the work carried out by the Group. Scrutiny Board noted the fact that the Group had included tenant representatives and representatives from disability groups. Scrutiny Board noted the excellent work currently being carried out by Wolverhampton Homes and Emergency Planning.

The Chief Executive from Wolverhampton Homes stated that fire safety was taken very seriously and that he welcomed the findings of the report and that an action plan had been drawn up based on the recommendations of the Group.

Scrutiny Board noted the importance of communicating the findings of the Group and recommended that an ongoing communications plan be produced.

Scrutiny Board noted the importance of monitoring the recommendations and requested that an update report be brought back following the next meeting of the Group which was scheduled to meet following the findings of the Moore-Bick and Hackett inquiries.

2.13 The Grenfell Tower Fire

On 14 June 2017, a fire spread through the Grenfell Tower, a 24 storey residential housing block in North Kensington, London. Seventy-one people died and many more lives were changed. The tower provided social housing in 127 flats and management of the block was the responsibility of the Kensington and Chelsea Tenant Management Organisation.

2.14 The City of Wolverhampton Council (CWC) has a total of 36 tower blocks which are managed by Wolverhampton Homes (WH) on behalf of CWC and 1 tower block managed by Sanctuary Housing on a long term lease. The individual blocks range from 9 to 23 storeys in height and have between 33 to 126 units per block. In total, there are around 2,164 high-rise units of which 58 are leasehold (2.7%).

2.15 The vast majority of these blocks were built in the 1960's, with some in the early 1970's. In addition to the 36 high-rise tower blocks Wolverhampton also has an additional 11 blocks of flats that are 6 – 8 storeys. None of these have any cladding systems.

2.16 All the blocks are now designated as general needs blocks, which means they are occupied by a mixture of families, couples and single people. Those blocks that were previously designated as sheltered accommodation do present an enhanced risk from a fire safety perspective due to the age and health profile of the tenants.

2.17 The Grenfell Tower Inquiry

2.18 Following the Grenfell Tower Fire, the Prime Minister requested Sir Martin Moore-Bick to set up a public inquiry and to consult with the victims, family members and other interested parties on the scope of the terms of reference for the review.

2.19 On 10 August 2017 Sir Martin wrote to the Prime Minister to set out the terms of reference as follows:

1. To examine the circumstances surrounding the fire at Grenfell Tower on 14 June 2017, including:

(a) the immediate cause or causes of the fire and the means by which it spread to the whole of the building;

(b) the design and construction of the building and the decisions relating to its modification, refurbishment and management;

(c) the scope and adequacy of building regulations, fire regulations and other legislation, guidance and industry practice relating to the design, construction, equipping and management of high-rise residential buildings;

(d) whether such regulations, legislation, guidance and industry practice were complied with in the case of Grenfell Tower and the fire safety measures adopted in relation to it;

(e) the arrangements made by the local authority or other responsible bodies for receiving and acting upon information either obtained from local residents or available from other sources (including information derived from fires in other buildings) relating to the risk of fire at Grenfell Tower, and the action taken in response to such information;

(f) the fire prevention and fire safety measures in place at Grenfell Tower on 14 June 2017;

(g) the response of the London Fire Brigade to the fire; and

(h) the response of central and local government in the days immediately following the fire;

and

2. To report its findings to the Prime Minister as soon as possible and to make recommendations.

2.20 Some of the terms of reference listed above are specific to the Grenfell Tower fire but those in bold represent areas that this Council and its Partners must also be able to provide evidence and assurances of if requested to do so and to be confident that any response to any emergency is the right response.

2.21 Following the Grenfell Tower Fire, the Royal Borough of Kensington and Chelsea (RBKC) was heavily criticised as evidenced in the below excerpt from the Independent Grenfell Recovery Taskforce Initial Report on 31 October 2017:

RBKC failed its community on the night of 14 June and in the weeks following. Prior to that we have heard that RBKC was: distant from its residents; highly traditional in its operational behaviours; limited in its understanding of collaborative working and insular, despite cross borough agreements; and with a deficit in its understanding of modern public service delivery.

2.22 The Grenfell Tower Inquiry is still in the early stages with a Procedural Hearing scheduled for Wednesday 21 March and Thursday 22 March 2018. The Procedural Hearing will review the progress of the first phase of the inquiry and finalise the timeframe for the evidential hearings.

2.23 The Hackitt Inquiry: Independent Review of Building Regulations and Fire Safety

2.24 This review, led by Dame Judith Hackitt is tasked with urgently assessing the effectiveness of current building and fire safety regulations and related compliance and enforcement issues. The focus of the review is on multi occupancy high rise and residential buildings. The Review's two main priority areas are to develop a more robust regulatory system and to provide further assurances to residents that the buildings they

live in are safe now and for the future. This second priority area therefore links directly to the work also being carried out by the Scrutiny Scoping Group.

2.25 The Terms of Reference for the independent review are as follows:

1. To map the current regulatory system (i.e. the regulations, guidance and processes) as it applies to new and existing buildings through planning, design, construction;
- 2. To consider the competencies, duties and balance of responsibilities of key individuals within the system in ensuring that fire safety standards are adhered to;**
3. To assess the theoretical coherence of the current regulatory system and how it operates in practice;
4. To compare this with other international regulatory systems for buildings and regulatory systems in other sectors with similar safety risks;
5. To make recommendations that ensure the regulatory system is fit for purpose with a particular focus on multi-occupancy high-rise residential buildings.

2.26 As with the Terms of Reference for the Moore-Bick Inquiry, there will be an overlap with the work of the Scrutiny Scoping Group and in particular in relation to number 2.

2.27 An interim report including recommendations was published in December 2017 and the final report is expected by Spring 2018. A copy of the Interim Report can be found here:

<https://www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-interim-report>

3.0 Overall Observations

- 3.1 There is some very good work being carried out by Wolverhampton Homes, West Midlands Fire Service and the City of Wolverhampton Council at an operational level. Communications between the organisations are good and were praised by all those interviewed.
- 3.2 Clear steps to improve fire safety procedures have already taken place since the Group began its scoping exercise such as the designation of the Deputy Managing Director as the Strategic Lead for Health and Safety at the Council and steps such as this are welcomed by the Group.
- 3.3 However, there are areas where concerns have been raised by the Group and these are addressed in the recommendations at Appendix 1.
- 3.4 As stated above, this group will remain in place and reconvene immediately following the publication of the final recommendations from the Hackitt Review and Moore-Bick Inquiry to consider the findings and to advise the Council on how best to proceed with the

implementation of any outstanding or new recommendations which may at that time be appropriate.

4.0 Progress against initial scoping document

4.1 At the first meeting of the Group a scoping document was agreed and this is attached at Appendix 3

5.0 The Findings of the Group:

5.1 The Responsible Person

<i>Recommendation 1. Recommendation 2. and Recommendation 3.</i>

In relation to a workplace, the Responsible Person is the employer, if the workplace is to any extent under their control

- a) In relation to any premises not falling within the above, the Responsible Person is:
 - i. The person who has control of the premises (as occupier or otherwise) in connection with the carrying on by them of a trade, business or other undertaking (for profit or not); or
 - ii. The owner, where the person in control of the premises does not have control in connection with the carrying on by that person of a trade, business or other undertaking.
- b) In most circumstances the owner, employer or occupier of the premises is responsible for ensuring and maintaining the correct fire safety and procedures.
- c) Wolverhampton Homes has a policy which specifies how fire safety responsibility is delegated. At the moment, the responsibility and duty of care sits with the Stock Investment Manager who is a specialist member of staff for fire safety and he is supported by specialist health and safety officers.
- d) In relation to the person responsible for fire safety for the City of Wolverhampton Council this was confirmed to be the Deputy Managing Director, who currently chairs the Corporate Landlord Board.

5.2 A Competent Person

A competent person is described as someone who:

- a) Understands the relevant fire safety legislation and the associated guidance documents;
- b) Has appropriate training, education, knowledge and experience in the principles of fire safety;
- c) Has an understanding of fire development and the behaviour of people in fire;
- d) Understands the fire hazards, fire risks and relevant factors associated with occupants at special risk within buildings of the type in question; and
- e) Has appropriate training and/or experience in carrying out fire risk assessments.
- f) At the moment there is competence at various levels within the Council ranging from external consultant who carry out complex Fire Risk Assessments to internal Fire

Officers who can undertake straightforward Fire Risk Assessments. There is also an internal level of expertise as referenced in recommendations 3 and 15.

5.3 Section 41 Member Role Description

Recommendation 5.

Members appointed as lead members for their constituent authorities, under Section 41 of the Local Government Act 1985, are required to:

- a) answer questions put to them at meetings of their constituent council relating to the discharge of functions of the Fire and Rescue Authority;
- b) Report back to their constituent authorities on the work of the Fire Authority, in accordance with any requirements within their authority's procedural standing orders, overview and scrutiny processes, or other monitoring arrangements.
- c) Three appointments are made to the West Midlands Fire and Rescue Service at Annual Council signifying a nominated lead member for the purpose of answering questions at council meetings in relation to the Joint Authority concerned.

5.4 Wolverhampton Homes

Recommendation 20. and Recommendation 21.

- a) Wolverhampton Homes manage and look after more than 23,000 homes on behalf of The City of Wolverhampton Council.
- b) Wolverhampton Homes are an Arm's Length Management Organisation (ALMO) setup in 2005.
- c) There are also four Tenant Management Organisations (TMOs) in Wolverhampton that cover Dovecotes, Springfield Horseshoe, New Park Village and Bushbury Hill.
- d) The TMOs manage approximately 2,200 homes.

5.5 Role of the Concierge

Recommendation 10.

- a) The role of the Wolverhampton Homes concierge staff is to ensure that all fire safety measures have not been compromised and to undertake daily inspections of communal areas within all towerblocks.
- b) The concierge staff ensure clean, safe and secure environments for the residents.
- c) There are 29 of the 36 tower-blocks with CCTV at ground floor level which is monitored 24/7 centrally. The remaining seven tower-blocks are planned to have CCTV installed in 2018-2019.
- d) Onsite checks and litter picking activities are carried out to maintain clean, safe and secure communal environments
- e) The role of the concierge is to prevent fire not to fight it.

5.6 Training and Expertise

Recommendation 9. and Recommendation 10.

- a) Wolverhampton Homes - The Stock Investment Manager is designated as the Competent Person as appointed by the Responsible Body (Wolverhampton Homes) and is supported by external partner organisations and in particular a fire safety consultant from Jacobs who is an ex fire fighter and Graduate Member of the Institution of Fire Engineers (the consultant also holds a NEBOSH General Certificate and IOSH Fire Safety Management qualification). There is also a specialist fire safety advisor within the Health and Safety Team who liaises regularly with the Fire Service.
- b) Wolverhampton Homes concierge staff have general fire training and received Specific fire safety training for high rise blocks in December 2017. The Supervisor of the Concierge staff is a former fire fighter.
- c) The training for concierge staff will be carried out by a professional training provider and will cover areas including fire doors, dry riser cupboards, the seals around dry risers and any washers and wheels, combustible items and dealing with equipment left behind by contractors.
- d) Wolverhampton Homes are looking to enhance these arrangements with the appointment of a dedicated Fire Safety Compliance Officer.
- e) The City of Wolverhampton Council Interim Compliance Officer has appointed 3 Area Facilities Officers who have undertaken fire risk assessment training so will be able to carry out low risk, low complexity risk assessments once they are signed off as competent.
- f) The Council does have experienced and qualified employees but they do not appear to be in the right areas and there appeared to be vacuums that are being filled by bringing in consultants. Corporate Landlord is currently reviewing staffing requirements to undertake compliance related activities.
- g) An interim recommendation from the Hackitt Inquiry states:

There is a need to be certain that those working on the design, construction, inspection and maintenance of complex and high-risk buildings are suitably qualified. The professional and accreditation bodies have an opportunity to demonstrate that they are capable of establishing a robust, comprehensive and coherent system covering all disciplines for work on such buildings. If they are able to come together and develop a joined up system covering all levels of qualification in relevant disciplines, this will provide the framework for regulation to mandate the use of suitable, qualified professionals who can demonstrate that their skills are up to date. This should cover as a minimum:

- *engineers;*
- *those installing and maintaining fire safety systems and other safety-critical systems;*
- *fire engineers;*
- *fire risk assessors;*
- *fire safety enforcing officers; and*

- *building control inspectors.*

I would ask these bodies to work together now to propose such a system as soon as practicable. I will launch this work at a summit in early 2018.

5.7 The Wolverhampton Homes Fire Safety Committee

- The Fire Safety Committee is responsible for reviewing all fire safety measures and lessons learnt, the Committee meets regularly and is chaired by the Director of Operations. The Committee feedback to the Chief Executive and to the Board.
- Outcomes from the Fire Safety Committee included work to ensure that all cables in communal areas were now neatly strapped up and work being undertaken in relation to flat entrance doors with only 1 leaseholder door out of 70 now needing to be changed or issued with a certificate of compliance.

5.8 The Tenancy Agreement

<i>Recommendation 24.</i>

- In some areas, such as Aston in the West Midlands there is an agreement regarding Houses in Multiple Occupation that if a tenancy agreement changes that the Landlord informs the Fire Service and they arrange to carry out a safe and well visit with the new residents. This is built into the tenancy agreement.
- All tenants and leaseholders in tower-blocks receive information and guidance (including a personal visit from the concierge, a video and a leaflet) outlining what action should be taken in an emergency.
- Any changes made to a property by a leaseholder must be compliant with current regulations.
- The full lease sits with the City of Wolverhampton Council and is managed by Wolverhampton Homes.
- Any changes to an entrance door made by the leaseholder is the responsibility of the leaseholder and Wolverhampton Homes manages receipt of certification to confirm fire safety compliance. Legal action is taken when a certificate is not provided.
- The City of Wolverhampton Council currently has three different leases (managed by Wolverhampton Homes) in operation and creating a new lease to include a clause relating to Wolverhampton Homes replacing non-compliant doors and recovering the money could lead to extensive legal costs. It should be noted that there are sufficient legal powers as things stand to ensure compliance with fire safety standards. The MHCLG has issued guidance on the legal powers that already exist.
- Most flats in tower-blocks also have a fire door within the dwelling and it is important to ensure that this is not removed. Greater powers of entry are required to enable officers to check these doors along with checks of hard wired smoke detectors and internal compartmentalisation. There are no gas supplies in any of the tower-blocks in Wolverhampton.

5.9 West Midlands Fire Service

Recommendation 22.

- a) Prevention - representatives of the Fire Service visit businesses to ensure that premises are safe for employees. Operational crews carry out Safe and Well visits with the aim of visiting every domestic dwelling across the West Midlands.
- b) Protection - audits are carried out under the Fire Safety Legislation of all communal areas, every fire door is checked, stairwells are checked and all areas of compartmentalisation are checked.
- c) Site Specific Risk Inspections (SSRI) are also carried out in targeted areas such as tower blocks.
- d) In an emergency fire situation, the Incident Commander from the Fire Service takes control.
- e) During the witness session with the Fire Service it was stated that funding would be arranged where there was a requirement and that resources were not an issue.

However, the more recent the response from the West Midlands Fire Service to the provisional financial settlement states that whilst the Service are pleased to see the additional 1% flexibility in referendum limits which could provide potential for some level of increased Council tax funding, it is also disappointed not to receive some recognition in the settlement for the likely impact that the Grenfell Tower tragedy will have on the demands of the Service and the relatively low benefit the additional 1% flexibility provides compared to other Fire and Rescue Authorities, given WMFRA has the lowest Council Tax band D in the country.

5.10 Risk Assessments and Inspections including Fire Safety Inspections (including addressing disability issues for tenants)

- a) Site Specific Risk Inspections (SSRI) are carried out by the Fire Service in targeted areas such as tower blocks.
- b) All tower blocks have now been highlighted as targeted areas and should therefore be visited.
- c) During the visit the Fire Service make themselves available to residents and Safe and Well visits can be carried out there and then or future appointments made.
- d) The Fire Service has jurisdiction in the public areas only so can look at areas such as fire escapes and compartmentalisation. As with private dwellings, people living in tower blocks can request a free Safe and Well visit from the Fire Service.
- e) Regarding private dwellings, these fall under different legislation and are the responsibility of the owner or landlord.
- f) The Fire Service is still the enforcing body in relation to fire safety in private dwellings.
- g) In the immediate aftermath of the Grenfell Tower fire, the Government's focus was on establishing how extensively aluminium composite materials (ACMs) had been used within cladding systems on high-rise buildings. Wolverhampton Homes conducted a

detailed desktop review, which confirmed that none of the high-rise blocks it manages were clad with ACMs.

- h) In the weeks that followed the Grenfell Tower fire, any cladding system with any similarity to that used at Grenfell Tower, no matter how slight, came under intense scrutiny. Two groups of blocks in Wolverhampton had a similar 'carrier system' (metal rails were used to hold cladding panels in place), so West Midlands Fire Service (WMFS) were asked by the Government to investigate the blocks at the Graiseley Estate and the tall tower blocks in the Heath Town estate.
- i) It was evident following the subsequent testing of the cladding panels (and checks on the fabrication of the cladding systems), that no risk was posed by the cladding to either of these groups of blocks.
- j) One of the key responsibilities of the responsible person under the Fire Safety Order (whether undertaken by themselves or a competent person on their behalf) is to carry out a fire risk assessment and put in place fire prevention and mitigation measures that adequately reduce the life safety risk to those on or in the vicinity of the premises to as low as reasonably practicable.
- k) The fire safety measures covering the common parts of residential buildings that must be adequate for compliance with the Fire Safety Order comprise the following
 - i. measures to reduce the risk of fire and the risk of spread of fire;
 - ii. the means of escape from fire;
 - iii. the measures necessary to assist people in the use of the escape routes, such as emergency escape lighting, fire exit signs and measures for smoke control;
 - iv. where necessary, fire extinguishing appliances;
 - v. any fire alarm system necessary to ensure the safety of occupants;
 - vi. an emergency plan;
 - vii. maintenance of all of the above measures; and
 - viii. maintenance of measures required by legislation for use by fire-fighters.
- l) The fire risk assessment must be regularly reviewed. For example, when refurbishment of a building occurs, the responsible person must ensure that their fire risk assessment is reviewed to mitigate the additional risks the alteration process may impose on the building and its residents.

5.11 City of Wolverhampton Council and Corporate Landlord

Recommendation 1. Recommendation 2. Recommendation 3. Recommendation 14. Recommendation 16. Recommendation 17. and Recommendation 18.

- a) The remit of Corporate Landlord includes the Council's assets, facilities management and projects and works
- b) The Council has Health and Safety Advisors who act as a liaison with Wolverhampton Homes and the Fire Service.
- c) During the first few meetings of the Group it was very unclear as to who was responsible at a strategic level for Fire Safety at the City of Wolverhampton Council and what the Policy was at this level regarding fire safety and the co-ordination of

resources. Since those initial meetings, it has been announced that the Deputy Managing Director will be taking a lead responsibility for health and safety across the Council and that quarterly reports will be considered at a strategic level to ensure that actions are being delivered and issues in relation to resources addressed.

- d) It is important that there is a single point of contact in relation to fire safety at a strategic level in the Council.
- e) There are apparent vacuums and structural issues in the City Council in relation to fire safety and the Responsible Person needs to be identified along with a number of competent people. This to be addressed by the review being carried out by Corporate Landlord to enable resources to undertake compliance related activities.
- f) Fire Safety Management does not fall within the remit of the Health and Safety Team in the City Council.
- g) The Council has a good understanding of the wider estate and is keeping a close watch regarding national enquiries and developments.
- h) All buildings have been checked but not all buildings have been tested. Consideration must in some instances be given as to whether the required information in relation to a building can be collected in another way rather than testing.
- i) There are issues in relation to the capacity of the Council to test all of its buildings but steps can be taken to provide assurances for elected members and the public that the buildings are safe.
- j) The Council does not currently have a policy to fit sprinklers in all new builds and seeks technical advice from consultants in relation to each project individually. There is no legal requirement to fit sprinklers and there are alternative views as to whether they should be fitted as standard.
- k) The technical advice provided to the Council comes from a number of specialist bodies including the architects and the Fire Service.
- l) Sprinkler systems are considered as part of an overall fire management approach and different buildings will require different systems.
- m) Retrofitting sprinklers is more expensive than fitting them into a new build.
- n) Fire safety training is to be provided to concierge staff in the i10 building.
- o) From March 2018, there will just be one fire alarm system in the Civic Centre.

5.12 Schools, academies, further education establishments

<i>Recommendation 11. Recommendation 13. and Recommendation 26.</i>
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- a) There are 165 corporate properties and 42 community schools and the Council is currently in the process of ensuring that these have a managed fire risk assessment programme in place.
- b) 11 new schools have been fitted with sprinklers in Wolverhampton.
- c) There are concerns in relation to how previous risk assessments were carried out in schools prior to 2015 which came to light following an audit.

- d) Officers instructing fire risk assessments in community schools now apply the same standard as across other areas of the organisation with a competent person carrying out fire risk assessments.
- e) The fire risk assessments from the 42 community schools are providing the Council with the information required to ensure that the right solutions are in place in these schools in relation to fire safety.
- f) The Council is awaiting information to be returned by the schools regarding cladding which is taking some time and information from constructors is poor. These risks are now being addressed and assessed through the Fire Risk Assessment which will now include risks associated with cladding.
- g) 10 fire risk assessments have been commissioned and this will be a rolling programme throughout 2018/2019.
- h) Corporate Landlord are working closely with a fire safety consultant from Jacobs who is an ex fire fighter and Graduate Member Institution of Fire Engineers.
- i) Areas considered to be of high risk are being addressed with immediate effect.
- j) Schools present a very complex fire concern (science blocks with flammable equipment, issues regarding technology rooms, arson and smoking)
- k) At the moment there is no local, comprehensive data to show how many fire incidents have taken place in schools over the last 5 years.
- l) There is currently a lack of in house expertise at the Council and consultants are relied upon to carry out all but low risk fire risk assessment. There is ongoing recruitment but training and professional development is essential to ensure that outcomes and recommendations from fire risk assessments can be followed up. Feedback from Corporate Landlord has indicated that consultants will continue to be used to undertake more complex Fire Risk Assessments. However, Corporate Landlord does acknowledge the need to continue to develop competencies and provide resources to action any significant findings identified in the risk assessments and to manage fire risk generally. The undertaking of a Fire Risk Assessment is but one part of overall fire risk management.
- m) Sometimes it can be beneficial to bring in outside expertise as and when required but care must be taken to ensure that the Responsible Person and competent persons are permanent members of staff. Outside expertise can help to provide validity and objectivity but there must be a backup and responsibility internally should the external provider fail to deliver. Corporate Landlord will continue to develop in house competencies and resources and agree that suitable and sufficient competencies should be retained in house.
- n) The expertise that is already present at the Council does not appear to being utilised to its full capacity or in the right area and is not joined up.
- o) There have been no additional requests from schools for fire risk assessments following the Grenfell fire.
- p) A centralised data system is being put in place regarding schools and this will include information on fire safety.
- q) The Council is fully in control and aware of all estates managed directly but has less control and information regarding what individual schools are doing regarding the outcomes of fire risk assessments and fire alarms and testing. At the moment, there

are not sufficient resources to investigate this area and the Council must rely on each school managing this correctly. Ideally the Council would like to be able to log all of this information online as part of an overall compliance package as at the moment events are being checked and logged retrospectively. The cooperation of schools is required for this and all community schools have been asked to complete a monthly return which has been set up as an interim measure. To date, less than 10% of community schools have completed this monthly return for January 2018.

- r) Each school has a duty of care to the children that attend there and there are premise managers and business managers in place to ensure that this duty of care is adhered to.
- s) Residential Schools have been prioritised and assessments carried out by an external consultant.
- t) As employer the Council is duty holder for ensuring that health and safety is managed at Community and Voluntary Controlled Schools, with on-site operational responsibility for Health and Safety delegated to Headteachers and Governing Bodies. Representatives from the Education Department are organising a series of workshops with schools and officers to establish a collaborative approach to managing fire risk assessment and other health and safety matters.

5.13 Testing

<i>Recommendation 6. And Recommendation 8.</i>

- a) Aluminium Composite Material Cladding (ACM cladding) panels are commonly used for cladding buildings, typically as a form of rainscreen.
- b) Rainscreen cladding (sometimes referred to as a 'drained and ventilated' or 'pressure-equalised' façade) is part of a double-wall construction. The rainscreen itself simply prevents significant amounts of water from penetrating into the wall construction. Thermal insulation, airtightness and structural stability are provided by the second, inner part of the wall construction.
- c) ACM cladding consists of two skins of aluminium bonded to either side of a lightweight core of materials such as polyethylene (PE), polyurethane (PUR), profiled metal or a mineral core. It is a popular product because of its precise flatness, variety of surface finishes and colours, light weight and formability. However, during a fire, the panels can delaminate, exposing the core material.
- d) The original information request from the Government required the Council to provide details of any cladding on high rise blocks of flats.
- e) Following this, the Government then focused on aluminium composite cladding systems and instructed that where suspected a sample needed to be sent to the national testing body (BRE Group) and if the cladding failed, then the tower block would be revisited by the Fire Service with the Responsible Person and a plan of action drawn up.
- f) The latest government guidance is only focused on aluminium composite materials with a polystyrene core;
- g) Wolverhampton Homes has a good record of what its buildings are clad with and those with mineral wool wall systems are not deemed to be a risk.

- h) The latest Government guidance requires the Landlord to ensure that all cladding materials (including External Wall Insulation) are constructed from materials of “limited combustibility”, or at the very least, only use external wall systems, which can be shown to have passed the large-scale fire test detailed in BS8414.
- i) The BS8414 test evaluates the performance of the cladding system, when fire breaks out of an opening (such as a window) in an external wall, to ensure that it will not result in excessive fire spread up the outside of the building and allow the fire to re-enter the building at a higher level.
- j) All the rendered systems used on the City of Wolverhampton Council’s tower-blocks (manufactured by either SPS Envirowall, Weatherby or Structherm) have been tested and are compliant with BS8414.
- k) The cladding system manufactured by D+B Facades (identical to that used on the Graiseley blocks), has been recently tested to the BS8414 standard and is also compliant.
- l) The cladding material used on the tall tower-blocks at Heath Town (a Capex rainscreen system, featuring Steni panels), meets the requirements of the Building Regulations (Class 0), but has not been tested in accordance with the BS8414 test (as the installation predates the introduction of this test). It should be noted that this cladding has been tested to prove it’s a non-flammable material.
- m) The Government’s latest recommendations require all cladding materials to the B
- n) 6 out of 18 high rise blocks in Wolverhampton have been tested and every block has been visited and advice sought.
- o) There is conflicting advice regarding whether existing cladding should be removed and tested or whether a replicate piece should be tested.
- p) In relation to the cladding, Wolverhampton Homes have tested actual cladding from both Graislely and Heath town which have rainscreen cladding but it is made out of very different materials to that used on Grenfell. Graislely is pure aluminium and has a top safety rating. Heath town is meeting the building regulations and the cladding there is made from non-combustible materials.
- q) Actual panels have been removed from blocks and fire breaks checked. The only difference with Graislely is that there has been no need to take a panel away for further testing as the cladding is pure aluminium with nothing inside.
 - r) Other blocks with cladding are all rendered solution which is fixed directly to the wall and all the regulations and certificates confirm that these meet and exceed standards.

5.14 Emergency Planning

<i>Recommendation 15. and Recommendation 19.</i>

- a) Wolverhampton Homes has plans that will swing into action prior to the full Council emergency plan taking effect. The date of the last test of the Council’s emergency plan was in 2015 and this included testing of communications and rest centres. In the event of an emergency there would be enough beds to accommodate all residents from a tower block.
- b) The Tactical Control Room at the Council does not have disability access and this needs to be remedied as a matter of urgency.

- c) The list of potential rest centres is out of date and should be looked at to take into consideration using local faith group centres which could be closer to affected areas.
- d) Rest centre managers and responders are not currently trained in relation to mental health and this would be beneficial to allow them to immediately signpost any concerns and get help immediately for a person in need. It would also be beneficial to have staff trained in sign language present at rest centres.
- e) The City of Wolverhampton Council Emergency Planning and Resilience Team is a team of two that cover emergency planning, business continuity and priority functions in the Council.
- f) There are about 35-36 Duty Managers and they are available 24/7 during the week they are on duty.
- g) The Duty Manager will assess and coordinate an appropriate response to a major incident, approve resource allocation and brief the Duty Director.
- h) There are approximately 10 Duty Directors who are ultimately responsible to the Managing Director.

5.15 Corporate Manslaughter

Recommendation 17.

- a) There is a possibility that corporate manslaughter charges may be brought against those who had responsibility for the flats at Grenfell and this could include Council employees and elected members.
- b) Wolverhampton Homes has a clear governance structure which sets out responsibilities and delegations. All employees are aware of this and their responsibilities.
- c) The Board of Directors at Wolverhampton Homes have received legal, corporate manslaughter and health and safety training and are fully aware of what is expected of them and their responsibilities.
- d) The Board have a health and safety champion who attends officer meetings to provide challenge and scrutiny.
- e) The people with responsibility and the organisations they support have a duty to ensure that they are not prohibited in any way from carrying out their duties.
- f) There is a need to ensure that when employees or councillors are sitting on a Board, that they have a full understanding of their duties under the Directors Act and that their first duty is to the Board. An individual may have different responsibilities when acting as a board member and as a councillor and these differences need to be fully understood.

5.16 Planning and Building Regulations

Recommendation 12. and Recommendation 25.

- a) There are two regulatory regimes that are relevant to new developments. These are covered by planning applications and building regulation applications.
- b) Building Regulations deal with health and safety which includes fire safety.

- c) Planning covers areas such as amenity, impact on the neighbourhood, environmental impact and transport issues.
- d) Building Regulation applications do not have to come to the Council and some applications are dealt with by private Building Control bodies known as Approved Inspectors.
- e) When an application for building regulations is received by the Council the plans and specification are checked for compliance with the Building Regulations. If the design is considered deficient in any way a report identifying the concerns is sent to the applicant or their agent to enable them to address the issues. The Council will consult the Fire Service in accordance with the Regulatory Reform (Fire Safety) Order 2005 in relation to the design where there are fire safety issues.
- f) The responsibility for building in accordance with the Building Regulations lies with the person carrying out the work. Where a Building Regulation application has been deposited with the Council a Building Control surveyor will carry out a limited number of site inspections during the construction phase to try and ensure that the work is in compliance with the all aspects of the Building regulations, including fire safety.
- g) The Fire Service does not sign off the fire checks, it can only advise through the consultation process. Only the Local Authority or an independent Building Control body can sign the application off but it is extremely unlikely that the Local Authority would disagree with the Fire Service and a common understanding is normally agreed.
- h) If the Fire Service recommend sprinklers, then this can be made as a recommendation to the client but as the current Regulations do not make sprinklers mandatory then it can only be a recommendation.
- i) All of the recommendations made by the Local Authority and the Fire Service are recorded.
- j) Once the building is complete then responsibility for enforcement matters related to fire safety passes to the Fire Service and it can make further recommendations under the Regulations that come into force once a building is occupied.
- k) At the moment, it was not possible to have a Council policy that stated that all new builds had to have sprinklers as this would fall outside of the legal scope of the Regulations. This was currently the policy in Wales where the Welsh Government had carried out a consultation process and implemented a requirement that all new builds must have sprinklers. Where the Council is the client it can request specifications that are above the minimum requirement in the Building Regulations but this would be a client requirement as opposed to a Building Regulation requirement.
- l) A recent publication and review sponsored by the Ministry of Housing, Communities and Local Government (MHCLG) has stated that the building industry is aiming for minimum compliance, that enforcement measures are poor and that competence levels amongst builders and regulators is weak:

'It has become clear that the whole system of regulation, covering what is written down and the way in which it is enacted in practice, is not fit for purpose, leaving room for those who want to take shortcuts to do so'

(https://uk.reuters.com/article/uk-britain-fire-regulations/after-uks-grenfell-tower-fire-deaths-review-calls-for-culture-change-idUKKBN1EC1M8?utm_source=applenews)

- m) The Panels that were retrofitted to the Grenfell Tower and the majority of other similar ACM systems in the UK failed the BS 8414 combustibility test which the building industry's guidance states cladding should adhere to.
- n) The Group were generally concerned as to the lack of power provided to the Fire Service and Local Authority in relation to building regulations and the ability of contractors to disregard any recommendations that are not legal requirement.
- o) A review of the current Building Regulations is also backed by the National Fire Chief Council:

'The NFCC support the concept of risk assesses retro fitting of sprinklers in existing building and would also welcome the prioritisation of a review of the Building Regulations (Approved Document B) to ensure fire safety requirements keep pace with new building developments'

(<http://westbridfordwire.com/notts-fire-rescue-supports-national-fire-chiefs-council-position-sprinklers/>)

- p) In relation to high-rise residential buildings, there are two key legal frameworks, each with different scope, requirements and enforcing authorities:
 - a. The Regulatory Reform (Fire Safety), Order 2005 which is enforced by the Fire and Rescue Service and;
 - b. The Housing Act 2004 and in particular, the Housing Health and Safety Rating System (England) Regulations 2005 which is enforced by the Local Authority Environmental Health Officers (EHOs).
- q) The requirement for a 'responsible person' is within the Fire Safety Order.
- r) The Order states that there must be a responsible person in every relevant premise to carry out and regularly review a fire risk assessment for the premise. In residential premises, the fire risk assessment must consider whether the fire safety measures in place in the **common parts** of the building are suitable and sufficient to minimise the life risk to those lawfully on, or in the vicinity of the premises and, where necessary, to implement and maintain improved fire safety measures that reduce the risk from fire.
- s) In most premises to which the Fire Safety Order applies, the local Fire and Rescue Service will be the enforcing authority.
- t) The Housing Health and Safety Rating System 2005 (HHSRS), is a reactive system that assesses likely harm to tenants in relation to 29 identified hazards, including one for fire risk.

- u) The HHSRS provides Local Authorities through its EHOs with a range of powers to investigate and where necessary, require landlords to improve standards and remove hazards.
- v) EHOs cannot take enforcement action against Local Authorities;
- w) The HHSRS looks at both the individual dwelling and the common parts of the building.

5.17 Disability Awareness

<i>Recommendation 18.</i>

- a) At the moment, there is no disability access audit carried out as standard.
- b) As local authorities move more towards the independent living agenda then disability access needs to be given much greater consideration;
- c) The Fire Service assigns a Vulnerable Persons Officer once a vulnerable person has been identified as living at a premise.
- d) Wolverhampton Homes has a good general awareness of disability access issues and in 2010 a piece of work was carried out to look at accessibility in high rise blocks and this is continuously under review.
- e) Information is held in relation to approximately 80% to 90% of residents but care has to be taken to respect tenants privacy.
- f) Less information is held regarding leaseholders as they often do not want to provide the requested information. In some cases flats could also be sublet and information regarding this would not be available.
- g) There is a Social Housing Fire Safety Group and part of the remit of the Group is to monitor any repeat incidents to ascertain if these are due to vulnerable residents who need additional support or guidance.
- h) Wolverhampton Homes has a 5 year programme in place to look into access issues for disabled people but this does not form part of the current fire risk assessment.
- i) In relation to schools there are specific fire risk assessments for people with disabilities and training is provided. There are also assurances for pupils with Education Health Care Plans.
- j) When visiting schools, guests are not normally asked if they have any accessibility requirements which is a failing as it is important to know where these guests are and their requirements in an emergency. Schools must have an accessibility strategy but there is uncertainty as to the extent and implementation of these.
- k) In relation to consultation with disability groups during construction this has not been as strong as it was previously at the Council. Improvement is being made and it is hoped that with the new Corporate Landlord approach, bringing together all new buildings in the Council that the different departments can work closer together and advice from disability groups and the Access Officer can be taken on board and integrated more successfully.

5.18 Communications – Council, Fire Service and Wolverhampton Homes

- a) There are good relationships between Wolverhampton Homes and the Fire Service, visits have been done and areas for improvement pointed out and timescales agreed.

- b) There are good communications between Wolverhampton Homes and the City of Wolverhampton Council.
- c) Stay Put advice is still in force for tower blocks as these are not designed for simultaneous evacuation.
- d) Wolverhampton Homes have carried out a large scale consultation exercise regarding, 'Stay Safe Stay Put' and this has been reinforced with 'Are you Ready?' workshops.
- e) There have been four incidents recently where communal alarms have sounded and residents have stayed put, there is no evidence to suggest residents will not follow the stay put advice unless directed to do so by the Fire Service.
- f) Communications from the Fire Service regarding the Safe and Well visits could be improved as there was a general misunderstanding that they were just for elderly people.
- g) The Council's Health and Safety Advisor has visited all the tower blocks with the Fire Service following the Grenfell fire and was reassured by the faith the residents have in the service and no concerns or worries have been voiced.
- h) The Wolverhampton Homes Residents Association meets regularly and to date no concerns regarding fire safety have been raised.
- i) Information distributed by Wolverhampton Homes following the Grenfell Tower fire was very limited in format and language and this should be addressed for any future communications and where possible should include braille
- j) Wolverhampton Homes use a database system (Northgate) which is refreshed daily in relation to residents and leaseholders (where information is available). The Duty Manager has access to this information and where appropriate this can be shared immediately with partners such as the Fire Service.

5.19 Other partners including local businesses

- a) The first requirement following Grenfell has been to complete a template sent out by the Department for Communities and Local Government requesting information on all high-rise blocks. This request referred to all high-rise tower blocks in the area and not just those that were the responsibility of the Council and as such partner organisations have been liaised with.
- b) The Council's stock list is shared with the Fire Service and within 12 hours the Council as landlord is informed of any incidents or fires.
- c) The i10 building - investigations are still ongoing as to what is inside the cladding.

5.20 Access Issues for Emergency Services

- a) The Fire Service visited six blocks of flats within a week of the Grenfell fire to check areas such as access and egress.
- b) When carrying out a Site-Specific Risk Inspection (SSRI) consideration is given as to whether an appliance can gain access and if there are concerns then this is tested.

- c) Wolverhampton Homes has introduced an infrastructure programme and is looking to completely refurbish lobby areas and areas around lifts to improve the condition of these components.
- d) All dry risers and doors are accessible with one key which the Fire Service also have.

6.0 Evaluation of alternative options

6.1 All of the above recommendations have been considered in depth by the scoping group following close examination of the facts and discussions with expert witnesses. It is considered that these recommendations provide a balanced and pragmatic response to the evidence provided.

7.0 Reasons for decisions

7.1 The Council as employer and corporate landlord has a duty of care to all employees in relation to fire safety and must ensure that this is managed and coordinated at a Strategic level. The Council must designate a Responsible Person who has responsibility for:

- carrying out fire risk assessments of the premises and reviewing them regularly
- telling staff or their representatives about the risks they have identified
- putting in place and maintaining appropriate fire safety measures
- planning for an emergency
- providing staff information, fire safety instruction and training

7.2 The same is true of Wolverhampton Homes and each of the TMOs which also have a duty of care to the tenants and leaseholders living in the properties they manage.

7.3 The Council, its elected members, tenants, employees and members of the public must be confident that all necessary steps have been taken to ensure that a tragedy such as happened in Grenfell cannot happen in Wolverhampton.

7.4 The fact that this is the case needs to be communicated and the public must be assured that their concerns are being listened to and where appropriate, acted upon.

8.0 Financial implications

8.1 The Chair of the scoping group considered that safety should be the predominant factor when considering the evidence and as such there are a number of recommendations that if agreed would subsequently require a much more in depth financial analysis and separate reports would need to be considered at executive level in relation to these areas.

8.2 The main areas where there would be financial implications should the recommendations be taken forward relate to:

- The use of sprinklers in all new builds and refurbished buildings

- Cladding systems and testing
- Training for concierge and civic office facilities employees (keepers)
- Training for Councillors and employees sitting on management boards
- Recruitment of additional in house expertise in relation to fire safety
- Resources required for the production of and implementation of a fire safety strategy at a strategic level
- Resources for the management of school fire safety management including the possibility of additional staff to visit schools.
- Legal costs associated with bringing all current leases under one lease.

[HM/06032018/B]

9.0 Legal implications

The legal implications are dealt with throughout this report. The Council is required to comply with all relevant legislation relating to fire safety.

[TS/30012018/W]

10.0 Equalities implications

- 10.1 A number of equalities implications were identified during the witness sessions as stated above and rather than address these in detail in this report it is recommended that a separate piece of work be carried out by a working group set up through the Scrutiny Board. This working group will draw up an action plan with targets covering areas such as emergency egress, reasonable adjustments and equality and diversity.
- 10.2 The working group will report back to the Scrutiny Board on a regular basis.
- 10.3 As with the financial implications, where a specific report is required to be approved by the Executive in relation to the recommendations then specific equality implications will be considered at that time.

11.0 Environmental implications

- 11.1 There are no direct environmental implications associated with this report

12.0 Human resources implications

- 12.1 If any changes to current staffing structures or recruitment is required, the appropriate HR Policies must be adhered to. Any relevant training for Councillors, Managers and other employees must be procured through appropriate Council procurement channels and will be processed via the Councils workforce planning team using current training

processes. Consultation with relevant trade Unions will be undertaken within appropriate timescales.

13.0 Corporate Landlord implications

13.1 Corporate Landlord has played a major part in the scoping exercise and many of the recommendations relate to areas of responsibility that sit within this department such as community schools, the civic offices, the i10 building and other corporate buildings and the carrying out of fire risk assessments.

13.2 As shown in the main report, there will be many implications for Corporate Landlord should the recommendations be agreed but the scoping group is thankful to the officers from the department for their openness in providing the requested information and confident following the discussions that the recommendations are appropriate and in some instances already being actioned.

14.0 Schedule of background papers

14.1 None

15.0 Appendices

15.1 Appendix 1: Executive Response Sheet

15.2 Appendix 2: The Case for Sprinklers

15.3 Appendix 3: Original Scoping Document

Recommendations to the Cabinet (Resources) Panel	Timescale	Comments	Executive Response
1. That a very clear management structure be put in place in relation to the responsibility for fire safety within the City of Wolverhampton Council.	Immediate		
2. That there be one overarching and cohesive Fire Safety Strategy that ensures all operational and strategic areas are integrated and working; with greater Council oversight as detailed in recommendation 4.	Immediate	It is vital to have a clear fire safety policy. This will include the management structure referred to in recommendation 1. and all fire and health and safety protocols.	
3. That Strategic Executive Board receive regular reports from a suitably trained and experienced fire officer who is also someone managing the Council's duty of care as detailed in the management structure referred to in the first recommendation.	Immediate	Responsible Officer to sit within the Corporate Landlord. Fire Safety engineering experience to be required along with an ability to manage the Fire Risk Assessment programme.	
4. That the Leader write to ministers at the Department for Communities and Local Government and the Home Office to request the changes in legislation included in these recommendations and to lobby for funding to retro fit sprinklers in all schools and high rise buildings in line with advice from the Association of Chief Fire Officers and the Fire Service.	Await Outcomes of Moore-Bick and Hackitt Inquiries, To be agreed in Principle.	As per the original remit of the Group, it will be more productive to await the recommendations from the inquiries and write to the Government at that time in support of recommendations	

made once we are aware of the situation regarding funding and any legislative changes at a national level.

Hackitt Inquiry Interim Recommendation:

Consultation with the fire and rescue services is required on plans for buildings that are covered by the Fire Safety Order, but does not work as intended. Consultation by building control bodies and by those commissioning or designing buildings should take place early in the process and fire and rescue service advice should be fully taken into account. The aim should be to secure their input and support at the earliest stage possible so that fire safety can be fully designed in.

<p>5.</p>	<p>That the Section 41 Member reports to Full Council at least twice a year and that the Leader addresses fire safety issues in the annual state of the City address.</p> <p>That the Section 41 Member is invited to meetings of the Council's Executive to discuss issues relating to fire safety as and when they arise.</p>	<p>Immediate Action – refer to Constitution Working Group for consideration as part of review of Code of Conduct for Members on Outside Bodies.</p>		
<p>6.</p>	<p>That in principle it be agreed that only the highest rated fire-retardant materials, including cladding systems are promoted for any future builds or refurbishments.</p> <p>Reasons must be provided as to why a specific material has been chosen if not the highest rated.</p>	<p>Await Outcomes of Moore-Bick and Hackitt Inquiries</p>	<p>As per the original remit of the Group, the Council should await the recommendations from the inquiries which may also seek to address this. Should a decision be made now it could be contrary to the final recommendations and require remedy.</p> <p>Hackitt Inquiry Interim Recommendation:</p> <p>The government should significantly restrict the use</p>	

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 162</p>			<p>of desktop studies to approve changes to cladding and other systems to ensure that they are only used where appropriate and with sufficient, relevant test evidence. Those undertaking desktop studies must be able to demonstrate suitable competence. The industry should ensure that their use of desktop studies is responsible and in line with this aim.</p>	
<p>7.</p>	<p>That the Council or any subsidiaries of the Council such as Wolverhampton Homes or wholly owned companies such as WV Living, agree in principle that in any buildings under major refurbishment or any new builds, strong consideration is given to fitting sprinklers and hard-wired smoke alarms/fire detectors.</p> <p>Reference to this consideration and the reasons for and against fitting sprinklers and hard-wired smoke alarms/fire detectors should be detailed and mitigating measures listed that will assure safety and negate the need for sprinklers and hard-wired smoke alarms/fire detectors to be fitted.</p>	<p>Await Outcomes of Moore-Bick and Hackitt Inquiries</p>	<p>As per the original remit of the Group, the Council should await the recommendations from the inquiries which may also seek to address this. Should a decision be made now it could be contrary to the final recommendations and require remedy.</p> <p>Feedback from Corporate Landlord is clear that a Policy to fit sprinklers and hard-wired smoke alarms/fire detectors in every building is not a viable</p>	

way forward as in many cases this may not be the best option for the protection of life.

There are significant differences in residential and high-rise or complex buildings where a stay put policy is in place or people may be asleep compared to the majority of Council owned premises where an evacuation procedure is deemed to best safeguard those in the building.

Sprinklers and other such measures will be considered where there is concern following a Fire risk Assessment that the fire could spread due to the nature of the building.

It is acknowledged that in the case of schools the use of sprinklers may ease damage to the buildings or disruption to education but the focus of this review is on the protection of

			<p>life and other mitigating measures can provide this assurance.</p>	
<p>Page 164</p>	<p>8. That where necessary every tower block and every building owned by the Council with a cladding system needs to be independently tested as a matter of urgency (the whole system and not just the cladding) and a paper submitted to Full Council to confirm that this has been done including information on outcomes of the testing and any remedial actions required.</p> <p>Where it is deemed not necessary to test a building then reasons must be provided.</p>	<p>To be addressed through a Fire Risk Assessment Programme</p>	<p>Testing has been undertaken by Wolverhampton Homes.</p> <p>The Council has focused on buildings containing sleeping accommodation.</p> <p>Cladding on Council buildings is being assessed via an ongoing regime of Fire Risk Assessments, along with other potential risks and hazards</p> <p>A dedicated team would need to be brought together to carry out all of the actions details in the recommendation.</p> <p>The Fire Risk Assessment will be a visual non-intrusive inspection by an expert and decisions will be made following this inspection as to any further action required.</p>	

Hackitt Inquiry Interim Recommendation:

Building developers need to ensure that there is a formal review and handover process ahead of occupation of any part of a new high-rise residential building. While there are legitimate reasons to allow occupation in a phased way, the practice of allowing occupancy of buildings without proper review and handover presents barriers to the implementation of any remedial measures identified as part of the completion process.

Hackitt Inquiry Interim Recommendation:

It is currently the case under the Fire Safety Order that fire risk assessments for high-rise residential buildings must be carried out 'regularly'. It is

			recommended that the responsible person ensures these are undertaken at least annually and when any significant alterations are made to the building. These risk assessments should be shared in an accessible way with the residents who live within that building and notified to the fire and rescue service.	
9.	That the Local Authority concierge staff and their managers undertake additional fire safety training and if possible a shadowing or mentoring programme be agreed with Wolverhampton Homes.	Immediate		
10.	That fire safety training be made mandatory for all concierge staff and keepers as part of their induction programme and on an annual basis. This training should also include disability awareness training and the use of evac chairs where appropriate.	Immediate	The use of evac chairs is only relevant where an evacuation policy is in place (rather than a stay put policy in which case the Fire Service would carry out an evacuation).	
11.	That in due course, following the carrying out of Fire Risk Assessments; a list be made available of building materials and	To be addressed through a	Information is available for more modern buildings and a significant amount of information	

construction details in relation to all schools, academies and vulnerable persons' homes.
That an action plan with timescales be produced in relation to this with

Fire Risk Assessment Programme

does exist for older buildings but there is and will not exist one list detailing everything.

There is a significant amount of data in relation to schools but this is spread across a multitude of systems.

Recommendations can be addressed by a Fire Risk Assessment which will look at the building holistically and will include an assessment of the risks associated with cladding.

Hackitt Inquiry Interim Recommendation:

There is a need for building control bodies to do more to assure that fire safety information for a building is provided by the person completing the building work to the responsible person for the building in occupation. Given the importance of such information for ongoing

			maintenance and fire risk assessment, proof should be sought that it has been transferred	
Page 168	<p>12. That in relation to Planning and Building Regulations, the Council investigate the possibility of conditions being introduced for all new buildings and refurbishments to require that sprinklers, hard wired fire detection equipment and the highest rated fire-retardant materials are used.</p> <p>[Please see link to Hackitt Inquiry: https://www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-terms-of-reference]</p>	Await Outcomes of Moore-Bick and Hackitt Inquiries	As per the original remit of the Group, the Council should await the recommendations from the inquiries which may also seek to address this. Should a decision be made now it could be contrary to the final recommendations and require remedy.	
	<p>13. That the Council provide sufficient resources so that a qualified in house officer is available to go into all community schools to check compliance with fire safety regulations and fire risk assessments.</p> <p>That discussions are held with non-community schools to recommend that they also agree to the above officer visiting them to check compliance with fire safety regulations and fire risk assessments.</p>	Immediate	<p>An option under consideration is that this could be carried out by a member of the Health and Safety Team currently auditing schools.</p> <p>Legal implications must also be considered should a fire occur in a non-Local Authority School caused by something that was not identified in the Council led Fire Risk Assessment.</p>	

14.	That Information on the Council website in relation to fire safety be updated regularly.	Immediate		
15.	That in relation to Emergency Planning, the Group support the idea of regional coordination of emergency planning however, care must be taken to ensure that capacity and expertise remains within the Council to enable it to liaise effectively with the relevant authorities regarding fire safety and emergency planning.	Immediate	Steps must be put in place now to ensure this.	
16.	That an audit be carried out of access roads and parking areas next to and all the way around flats, key corporate buildings and high risk schools (those that have sleeping accommodation) to ensure that emergency vehicles, turntable ladders and hydraulic platforms are able to gain access.	Immediate	This has been completed in relation to tower-blocks and changes are to be made on the Graiseley Estate to improve access.	
17.	<p>That training be provided to all employees and councillors with responsibility for fire safety or who sit on Boards with responsibility for fire safety in relation to their legal obligations and responsibilities.</p> <p>This training to include information regarding corporate manslaughter and health and safety issues.</p>	Immediate	<p>Cllr Milkinder Jaspal (Cabinet Member for Governance which includes Health and Safety) is due to attend IoSH leading safety training course to include corporate manslaughter.</p> <p>This training is also to be undertaken by members of the Strategic Executive Board and Wider Management Team.</p>	

18.	<p>That a working group be set up through the Scrutiny Board. This working group will draw up an action plan with targets covering areas such as emergency egress, reasonable adjustments and equality and diversity.</p> <p>The working group will report back to the Scrutiny Board on a regular basis.</p>	Immediate		
19.	<p>That the current list of rest centres to be used in an emergency be revised and updated and where possible</p>	Immediate		
Recommendations to Wolverhampton Homes				
20.	<p>That Information on the Wolverhampton Homes website be updated more regularly (last update on Wolverhampton Homes website was 1 August 2017).</p>	Immediate		
21.	<p>That the City of Wolverhampton Council and Wolverhampton Homes consider bringing all the existing leases under one lease with fire safety at the heart of it.</p>	immediate	<p>Will require significant legal input and there are considered to be adequate legal powers already in existence, However, the Council and Wolverhampton Homes could begin to investigate the possibilities of this.</p>	
Recommendations to the Fire Service				
22.	<p>That in relation to the Fire Service Safe and Well visits there needs to be improved communicating and advertising. There is</p>	Immediate		

	a perception by the public that these may just be for older people. Consider a region wide system like that used in the Aston area of Birmingham where there the visits are opt out rather than opt in.			
Recommendations to the Government				
	23. That the Government look at current legislation that states that private companies are not required to disclose the outcomes of fire risk assessments.	Await Outcomes of Moore-Bick and Hackitt Inquiries		
	24. That the Government consider a change to legislation to allow landlords greater powers of entry to check areas such as gas and electrical safety, dampening systems, fire doors and alarms etc.	Ongoing	Being considered as part of the next stage of the Hackitt Inquiry,	
Page 171	25. That the Government carry out a review of the current Building Regulations (Approved Document B). [Please see link to Hackitt Inquiry: https://www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-terms-of-reference]	Underway	Hackitt Inquiry Interim Recommendation: The government should consider how the suite of Approved Documents could be structured and ordered to provide a more streamlined, holistic view while retaining the right level of relevant technical detail, with input from the Building Regulations Advisory Committee. Given that reframing the suite of guidance may take some time, in the meantime I would ask	

			the government to consider any presentational changes that will improve the clarity of Approved Document B as an interim measure.	
Recommendation to the Secretary of State for Education				
Page 172	26. That in relation to schools that are no longer in Local Authority control or are free schools there be enhanced monitoring and enforcement rights for the Local Authority in relation to fire safety and fire risk assessments.	Immediate		

Sprinklers and Automatic Water Suppression Systems

1. Many of the recommendations and comments in the main report refer to and deal with the issue of sprinklers, both for new builds and retro fitting.

Recommendations

Recommendation 4. Recommendation 7. Recommendation 11. and Recommendation 12.
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1.1 As has been stated in the report, there are some mixed views in relation to the fitting of sprinklers but having considered all the evidence put before them, the Scrutiny Scoping Group is firmly of the opinion that sprinklers save lives and should at the very least be fitted as a matter of course along with hard wired smoke alarms/fire detectors in all new builds and buildings undergoing major refurbishments.

2.0 Evidence for the implementation of Sprinklers/Automatic Water Suppression Systems

2.1 Water Suppression Systems are already mandatory in countries such as the United States and Wales for all new build properties. These systems can prove invaluable in helping to save lives and to reduce damage caused to a property by fire.

2.2 A recent statement from the National Fire Chiefs Council (NFCC) (supported by Nottinghamshire Fire and Rescue Service) has come out in favour of sprinklers stating:

'Sprinklers are the most effective way to ensure that fires are suppressed or even extinguished before the fire service can arrive...They save lives and reduce injuries, protect firefighters who attend incidents and reduce the amount of damage to both property and the environment from fires'

2.3 The NFCC did however also make it clear that sprinklers formed part of an overall fire safety solution and that it supported the concept of a *'risk assessed retro fitting of sprinklers in existing buildings'*

The Statement goes on to say that sprinklers are extremely reliable and that they extinguish or contain a fire on 99% of occasions.

2.4 It is also the current strategy of the West Midlands Fire and Rescue Authority (WMFRA) to:

Encourage the installation of Automatic Fire Suppression Systems (AFSS) where persons or premises are identified as being high risk in the Authority's Integrated Risk Management Plan.

And the West Midlands Fire Service state that they are:

Fully committed to promoting the installation of AFSS in all premises where their inclusion will support the vision 'Making West Midlands Safer, Stronger and Healthier'. (WMFS Briefing Note: Audit Committee)

2.5 Fire Safety Officers in the West Midlands have now also updated a response Building Control letter template in support of the use of sprinklers to say:

Sprinklers save lives, property and businesses. In a recent study looking at their activation in emergency situations (2011-16), sprinklers were found to have extinguished fires in 99% of cases where they activated. This Authority wholly supports the installation of sprinklers and other suppression systems where appropriate, which can only help to make the West Midlands safer, stronger and healthier.*

** Efficiency and Effectiveness of Sprinkler Systems in the United Kingdom, National Fire Chiefs Council (NFCC) and National Fire Sprinkler Network (NFSN)*

2.6 Sprinkler protection is also looked on very favourably by insurers of schools and other buildings, who can give premium discounts of up to 75%, and remove the compulsory excess, which can be as much as £1m.

3.0 Concerns relating to Sprinklers/Automatic Water Suppression Systems

3.1 Damage due to accidental activation:

3.2 Much less water is discharged by a sprinkler than would be discharged by the Fire Service. A fire sprinkler uses between 1/25th and 1/100th of the water used by each Fire Brigade hose (*Fire Sprinkler Association: <http://www.firesprinklers.org.uk/>*). Over 50% of fires are controlled by one or two sprinkler heads and are limited to an average of 5 meters squared; without sprinklers this average goes up to 21 meters squared with the associated enhanced costs and disruption. Should a school protected by sprinklers experience a fire, damage will be localised and the remainder of the school unaffected. Even the damaged part of the school can be back in use within hours instead of months.

3.3 Statistics also show that accidental operation occurs in only one in 16 million cases and in most of these cases the cause is human error (*Fire Sprinkler Association: <http://www.firesprinklers.org.uk/>*). Each sprinkler head is independent and is activated by heat with a thermal element set to operate at a fixed temperature, in most fires just one sprinkler head is activated and is sufficient to deal with the fire.

4.0 Cost

4.1 The Group agree that retro fitting sprinkler systems is generally more costly than fitting in a new build but this must be considered against the cost of fire damage and the possible savings from insurance.

4.1 Cost of School Fires in the UK

Fire Protection Association (FPA) have estimated the average cost of a large loss school fire to be approximately:

2009 (rebuild)	£330,000
2014 (rebuild)	£2.8 Million

(WMFS Briefing Note: Audit Committee)

4.2 The estimated cost annually (based on figures from 2009 to 2014) from large fires in educational buildings is £67.2 million. However, a rebuild will take time, temporary accommodation is required and the education of thousands of children will be disrupted. There is also evidence to suggest that it is children from the most disadvantaged backgrounds that are most likely to be affected by such an event and that even a short break from education effects future success:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412638/The_link_between_absence_and_attainment_at_KS2_and_KS4.pdf

4.3 Different Approaches:

- i. A fire at a large high school in the West Midlands where 1000 pupils had to be evacuated spread rapidly through the science block with more than 100 fire fighters in attendance. The fire caused major damage and some disruption to transport links and long term stability for the pupils. The damage was estimated to have been approximately £15 million. The school has been rebuilt without sprinklers.
- ii. Conversely following a fire at the National Motorcycle Museum in Birmingham which destroyed hundreds of rare and vintage motorcycles, the building was rebuilt with sprinkler protection. (*Efficiency and Effectiveness of Sprinkler Systems in the United Kingdom: An Analysis from Fire Service Data; May 2017; Optimal Economics*).

4.4 Costs for fitting sprinklers in a new build school

The Scottish Fire & Rescue Service, have identified the costs for installing fire suppression in three new Scottish schools was between 1% and 2% of the total build cost:

School	Cost of sprinklers	% of overall cost
X	£590k	1.8
Y	£400k	1.7
Z	£180k	2.1

These figures vary with figures released by the Education Minister in October 2015, which refer the inclusion of sprinklers adding between 2% and 6% to the cost of works.

5.0 Locally

5.1 Birmingham City Council has already pledged to retrofit sprinklers to the 213 blocks it owns at a cost of £31 million.

5.2 *Sprinklers Stop Fire in Wolves*

<https://www.wmfs.net/sprinklers-stop-wolves-fire/>

Firefighters were called to a student block in Culwell Street housing 20 occupants on Friday 8 September. The fire crews arrived within 4 minutes but due to the buildings sprinkler system the fire was already out/ The fire had started in a chip pan on the 14th floor, Group Commander Simon Hardiman, the Head of Fire Safety, stated:

Fortunately, the building's sprinkler system was actuated and prevented a fire which could have caused considerably more damage than the small amount which did occur.

The fire was contained by just one sprinkler 'head'. Our crew remained on site for a short while to assist with the initial clean-up work. However, thanks to the sprinklers, they were able to leave within half an hour and be ready to respond to other emergencies.

Sprinklers are the most effective way to ensure that fires are suppressed or even extinguished before firefighters arrive. They save lives and reduce injuries, protect fire crews and reduce damage by fire to both property and the environment.

In the last 12 months, the National Fire Chiefs Council (NFCC) and the National Fire Sprinkler Network (NFSN) have worked together to investigate the effectiveness and reliability of sprinkler systems. In 99 per cent of incidents at which they actuate they extinguish or contain the fire.

Sprinklers are an effective part of an overall fire safety strategy, and can be used to improve fire safety in a range of new and existing buildings.

Along with the National Fire Chiefs Council, we support the risk-based, retrospective fitting of sprinklers in existing buildings.

City of Wolverhampton Council

Overview and Scrutiny in Wolverhampton

Scrutiny Scoping Exercise: Fire Safety

Scrutiny Scoping Exercise: Fire Safety in Tower Blocks

1. Reasons for conducting the scoping exercise

- 1.1 At the meeting of the Vibrant and Sustainable City Scrutiny Panel held on 29 June 2017 a recommendation was made that the Scrutiny Board consider whether a review should be undertaken on fire safety in tower blocks.
- 1.2 At the meeting of the Scrutiny Board held on 4 July 2017 the Board considered the recommendation from the Vibrant and Sustainable Scrutiny Panel and resolved that a scoping exercise be undertaken to assess how the Council had responded to the Grenfell Tower Fire.
- 1.3 Scrutiny Board was concerned that to carry out a full scrutiny review at this stage would not be the most effective option and that it would be best to wait until the formal investigation into the Grenfell Tower Fire was concluded and any new regulations or guidance issued by Central Government.
- 1.4 Scrutiny Board agreed that a scoping exercise would enable the Council to be ready to move forward immediately with any future regulations or recommendations issued by Government following the conclusion of the enquiry.
- 1.5 By setting up a group such as this the Council can ensure that tenant representatives and representatives of disability groups are included as co-opted members.
- 1.6 The scoping exercise will ensure that tenants are central to the investigations and witness sessions will be held with professionals from inside and outside of the Council.

2. Background

- 2.1. On 14 June 2017 a fire broke out at Grenfell Tower, a 24 storey residential housing block in North Kensington, London. The tower provided social housing in 127 flats and management of the block was the responsibility of the Kensington and Chelsea Tenant Management Organisation.
- 2.2 A public enquiry is being carried out into the fire.
- 2.3 The City of Wolverhampton Council (CWC) has a total of 36 high-rise tower blocks which are managed by Wolverhampton Homes (WH) on behalf of CWC. The individual blocks range from 9 to 23 storeys in height and have between 33 to 126 units per block. In total, there are around 2,164 high-rise units of which 58 are leasehold (2.7%).
- 2.4 The vast majority of these blocks were built in the 1960's, with some in the early to mid-1970's. In addition to the 36 high-rise tower blocks

Wolverhampton also has an additional 11 blocks of flats that are 6 – 8 storeys inclusive. None of these have any cladding systems.

- 2.5 All the blocks are designated as general needs blocks, which means they are occupied by a mixture of families, couples and single people.
- 2.6 In 2011, 8 high-rise tower blocks that had previously been designated as sheltered schemes, were decommissioned and were converted back to general need accommodation. Since then, the tenant profile in these specific blocks has not fundamentally changed and the needs of residents in these blocks through age and mobility etc. remains relatively high.
- 2.7 The Group is keen to ensure that the Independent Living Agenda is taken into consideration during the exercise and that areas such as sustainability, fire safety and mobility are considered in relation to all new builds and refurbishments.

3. Key question(s) that the review is seeking to answer

The overall aim of this review is to assess the response of the City of Wolverhampton Council to the Grenfell Tower Fire.

- 3.1. In view of the complexity of the issue the scoping exercise will be focused on four broad areas of work. This will ensure that the scoping exercise achieves a balance between being sufficiently robust and ensuring that different sides of the issue are properly explored, while also being sensitive to the subject.
- 3.2 The scoping exercise is expected to cover two full days and address the following areas:

A. Background – Legislation and Regulations

Housing Act 2004 Part 1 and Part 2
Management of Houses in Multiple Occupation Regulations 2006
Building Regulations 2010
The Regulatory Reform (Fire Safety) Order 2005

Statutory responsibilities and who does what:

- Role of Wolverhampton Homes
- Role of the Fire Service
- Role of the Council and Corporate Landlord
- The Responsible Person/Competent Person
- Role of the Concierge and Fire Marshals
- TMOs
- Risk Assessments and Inspections including fire safety inspections (including addressing disability issues for tenants)
- Communications – Council, Fire Service and Wolverhampton Homes (types and format of communications)
- Management of estate

- Contractor arrangements
- Emergency Planning (including disability issues)
- Training
- Compliance and enforcement – notices

Resources

- Are sufficient and the right resources available to the Council and Emergency Services
- Do people know how to use the resources such as fire extinguishers

B. The Council's initial response to the Grenfell Tower Fire

Communications:

- What information, the format of communications and to who?
- Involvement of:
 - Tenants,
 - Residents,
 - Councillors,
- Schools, academies, further education establishments
- Residential care homes
- Other partners including local businesses
- Trust
- Safe and Well visits

Chronology of events

C. What the Council is doing now.

Testing Standards

- Materials and Construction
- Procedure and testing schedule – cladding and insulation
- Testing in Council, public and private buildings
- Result of testing so far
- Testing of electrical equipment, gas appliances and smoke detectors in tenants and non-tenants flats
- Ongoing communications

D. What are the plans for the future.

Fire Safety Measures

- Sprinklers
- Alarms
- Smoke detectors
- Cladding

- Modernisation/maintenance – wires/electrics/disability access and escape routes
- Communications - the need for tenants to trust the advice given by the Council and Fire Service and for the communications to be in the right formats.
- Ensuring that those housed above the ground floor can use the property safely
- Awareness of the disabilities of all the people in the property (not just tenants)

Emergency Planning

- Existing plans and date of last review
- Who is responsible
- Communications framework
- Category 1 and 2 Responders
- The Voluntary Sector and community organisations
- Provision of emergency housing/evacuation centres
- Resources to deal with psychological impact of an emergency
- Local Resilience Forum

4. Outcomes expected from conducting this work

- 4.1. There will be an increased level of awareness and knowledge among Councillors, tenants and residents in relation to the measures and steps that have been taken and continue to be taken in Wolverhampton following the Grenfell Tower Fire.
- 4.2 There will be an understanding of how the Council communicates the above measures and steps with tenants, residents and councillors.
- 4.3 There will be an understanding as to whether these communications are sufficient for tenants to trust the advice given by the Council and Fire Service and whether tenants will adhere to this advice in an emergency.
- 4.4 There will be increased transparency and understanding of which organisations are accountable for what.
- 4.5 There will be an enhanced understanding of what steps are being taken to ensure that tenants with a disability are equally protected and able to access services in an emergency situation.
- 4.5 A view will be taken as to whether what we currently do is good enough and what standards the Council should be aiming to achieve.

5. Resources – Member Involvement

5.1. The membership of the Scrutiny Scoping Group has been agreed:

Chair of Scrutiny Group

Councillor Greg Brackenridge

Councillors on the Group:

Councillor Philip Bateman

Councillor Jacqueline Sweetman

Councillor Patricia Patten

Councillor Paul Singh

Councillor Louise Miles

Co-opted Group Members

Sue Roberts (MBE), Wolverhampton Homes Board Chair

Bob Deacon – Unison Representative and Wolverhampton Tenants Association Representative

Barry Appleby – Chair of the Disability Advisory Group on Leisure Activities

Karen Ryder – Co-ordinator One Voice

Scrutiny Officer

Julia Cleary

6.0 External Organisations expected to contribute

Witnesses:

- Wolverhampton Homes
- City of Wolverhampton Council Corporate Landlord
- City of Wolverhampton Council Emergency Planning
- West Midlands Fire Service
- West Midlands Fire Authority
- Tenants
- Representatives from the voluntary sector
- Local councillors and cabinet members
- TMOs
- Wolverhampton Federation of Tenants' Associations

7. Meetings and Evidence Gathering

7.1. It is suggested that wherever possible evidence should be heard in person from witnesses. Witnesses should be encouraged to submit evidence in advance to give opportunity to review members to prepare questions.

7.2. At this stage it is envisaged that there will be a need for 2 meetings of the Group

Meeting

Objective

Witnesses

Meeting	Objective	Witnesses
Session 1	<ul style="list-style-type: none"> • Context for the review • Agreeing the scope of the review • Statutory responsibilities • Initial response to the Grenfell Tower fire and Communications timeline 	<ul style="list-style-type: none"> • Wolverhampton Homes • Corporate Landlord • Emergency Planning • West Midlands Fire Service • West Midlands Fire Authority
Session 2	<ul style="list-style-type: none"> • Fire Safety – Sprinklers etc. • Emergency Planning • Public Question and Answer Session • Recommendations 	<ul style="list-style-type: none"> • Wolverhampton Homes • Emergency Planning • West Midlands Fire Service • Voluntary Sector • TMOs

8. Report Drafting – Key Stages – to be agreed at first meeting

Activity	Target Date
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Draft report completed

Consideration of draft report findings and recommendations by the scoping group.

Draft report presented to Directorate Leadership Team Meeting, Relevant meeting with Wolverhampton Homes, Strategic Executive Board and the relevant Cabinet Member(s) for comment on the content and recommendations.

Scoping group approve final draft report.

Report to be considered by Scrutiny Board

Report presented to Cabinet.

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 March 2018
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Report title	Care and Support Provider Fee Review 2018-2019	
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 Services	
Originating service	Commissioning	
Accountable employee(s)	Sarah Smith Tel Email	Head of Strategic Commissioning 01902 55 5318 sarah.smith@wolverhampton.gov.uk
Report has been considered by	People Leadership Team Strategic Executive Board	12 March 2018 12 March 2018

Recommendation for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the proposed increase in fee levels for 2018-2019 to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage (NLW).

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. The engagement with current care and support providers as part of the fee review which builds upon the open book exercise undertaken 2017-2018.
2. The intention to review the terms of the Ethical Care Charter.

1. Purpose

- 1.1 The purpose of this report is to set out the proposed increases 2018-2019 for the following care and support providers, Direct Payment cost rate, and to outline the methodology used to develop the new rates.

2. Background

- 2.1 Section 5 of the Care Act establishes a duty on local authorities and Directors of Social Services to ensure a sustainable market of care in their areas. This covers all care sectors and providers of care and includes the growing sector of individual service users using personal budgets to employ Personal Assistants.
- 2.2 In 2017 the council developed a methodology that collected and collated the actual cost rates from the providers through an open book exercise, which comprised of the NLW and this informed the fee uplift for 2017-2018 at an additional cost of £1.1 million.
- 2.3 The council have undertaken a further fee review exercise which builds on this work by considering the impact of the increases to the NLW from April 2018.
- 2.4 Whilst there has been growth built into the Medium Term Financial Strategy (MTFS) up to 2018-2019 for the NLW the service will work with finance through the budget setting process to inform the MTFS of future potential increases related to the NLW.

Domiciliary Care and Direct Payment Service

- 2.5 The Domiciliary Care and Direct Payment service delivers care and support to people in their own homes.
- 2.6 A snapshot taken as of 5 March 2018, this highlighted 13,000 planned hours of domiciliary care per week for 65+ and 7,000 planned hours of direct payments per week for all age services.
- 2.7 The existing domiciliary care contracts were subject to a tender process which were awarded to 12 tier one providers in May 2016 and bids were based on a maximum hourly rate of between £13.72 - £13.92 per hour. These rates were reviewed in 2017 and Cabinet (Resources) Panel gave approval to increase the cost rate to a standard rate of £14.12.
- 2.8 The existing contracts are on a framework agreement; this establishes terms and conditions covering each contract that may be awarded during the lifetime of the agreement. However, there is no guaranteed amount of work and providers are expected to undertake all work issued to them.
- 2.9 Staffing represents an average of 60% of costs for Providers and is therefore influenced by factors such as the National Living Wage (NLW) and the ability of Providers to recruit and retain staff at the hourly rates offered.

- 2.10 In July 2017, Cabinet approved the principles of the Ethical Care Charter, suggested by Unison, which fix minimum standards and protect the dignity and quality of life for those people and the workers who care for them. Following feedback from providers regarding implementation it is the intention of the council to review the terms of the Ethical Care Charter with Unison.

Residential and Nursing placements

- 2.11 Residential Care services deliver personal care and accommodation to people within a Care Quality Commission (CQC) registered setting.
- 2.12 During week commencing 5 March 2018 there were 500 individuals aged 65+ in receipt of a residential service and 260 individuals aged 65+ in a nursing home. In addition there were also 1,800 weeks short stay/respice care beds purchased in residential and 630 weeks purchased in nursing care.
- 2.13 The existing contracts are on a spot basis and this is essential as entry by residents into care homes is subject to legislation which allows individuals to enter a care home of their choosing "The Care and Support and Aftercare (Choice of Accommodation) Regulations 2014.
- 2.14 The council requires a range of high quality residential and nursing beds within the city, but providers are incurring high vacancy levels for care workers and nursing staff.
- 2.15 Some of the councils service users will require nursing care and will therefore be cared for in a registered nursing home. The council does not fund the nursing element of an individual's care package. This is funded and paid directly by the NHS via the Funded Nursing Care (FNC), currently £155 per week for 2017-2018, this is excluded from the standard rates shown in the option tables below.
- 2.16 National intelligence and local provider forums tell us that the main challenges the market is experiencing are the recruitment and retention of staff into the care sector.
- 2.17 There are several reasons for this, one of which is pay rates for care staff at, or just above National Living Wage (NLW).
- 2.18 Staffing represents on average 60% of costs for care providers and is therefore influenced by factors such as the current NLW and the ability of providers to recruit and retain staff at the hourly rates offered.

Extra Care

- 2.19 Extra care housing is a nationally recognised model of extending the range of housing options available to older people with care and support needs and is commissioned by

local authorities across the country.

- 2.20 Currently, the council has eight contracts in place with four extra care service providers for the provision of 270 funded places. The services are provided on a 'block' basis, which means that each provider is funded to accommodate and support a specified number of people with eligible care needs at any one time. The number of funded places in Wolverhampton is in line with that commissioned by peer local authorities.
- 2.21 There are eight extra care schemes across the city, all have a ten-year contract that runs from 2012 to 2022 with an option to extend until 2023. To enable people to live at the schemes for as long as possible, the contract allows for additional care above 25 hours per person per week to be purchased at a rate of £9.12 per hour.

Supported Living

- 2.22 The supported living accreditation framework delivers care and support to people with disabilities. These services support people to become as independent as possible and have a focus on reablement and enablement. These services provide 24/7 care where required for people who live in supported living schemes.
- 2.23 Accreditation to the supported living framework was awarded on 01/08/2016 for one year with extension options of one plus one years.

Band One	Substantial needs – up to £13.00 per hour
Band Two	High level needs – from £13.07 to £13.80 per hour
Band Three	Intensive support for complex needs between £13.80 - £17.72 per hour

- 2.24 These rates were confirmed as part of the tender process.
- 2.25 There are 28 accredited supported living providers on the supported living framework. There is no guaranteed amount of work for providers on the framework. Band One is not used as most people are assessed as requiring Band Two support. The framework is being opened to increase the providers available who can meet specialist forensic needs. A snapshot taken as of 5 March 2018, highlighted 11,000 hours of supported living per week.

Residential Provision for People under 65 years with complex needs

- 2.26 There are currently 150 placements in residential provision for people under 65 years with complex needs. This provision is not funded at a set rate with providers. The cohort accessing this provision have complex needs with disabilities and each package is based on the social care assessed needs and negotiated with the provider and as a result funding levels vary for each individual placement.

3. Overview of the Wolverhampton Market

- 3.1 The Care Act 2014 places duties on Local Authorities to facilitate and shape a diverse, sustainable and quality market and it is therefore important that the rates set for Wolverhampton create a balance between value for money and market sustainability whilst maintaining an acceptable level of quality.
- 3.2 The Act gives the local authority powers and duties in the case of provider failure to ensure that continuity of care is maintained for people that use care and support services.
- 3.3 The council is committed to support people, wherever possible, to live independently in their own homes for as long as possible and is working with the market to develop a range of services to support this.
- 3.4 Care providers increasingly care for people with complex and multiple needs. Recruitment in both the home care and care home sector is difficult for many providers.
- 3.5 From 1 April 2018 the hourly rate of the National Living Wage for those of 25 years and over, will increase from £7.50 to £7.83, rising to £9.00 an hour by 2020.
- 3.6 In the last 12 months two contracted domiciliary care providers and two care homes have exited the Wolverhampton market due to financial instability and changes to their business model. By actively reviewing the fees and considering the impact of the changes to the NLW the council is seeking to secure the future stability of the care and support market locally in Wolverhampton.

4. Evaluation of alternative options

- 4.1 The legislative NLW is intended to recognise the dignity of work and the importance for individuals, families and society of people being able to earn a living.
- 4.2 The council is required to provide appropriate care and support services to meet the statutory requirement and the needs of individual service users.
- 4.3 In 2017 the council developed a methodology that collected and collated the actual cost rates from the providers, which comprised of the NLW and this informed the fee uplift for 2017-2018 at an additional cost of £1.1 million.
- 4.4 Due to increases to the NLW from April 2018, the council have undertaken a further fee review exercise. The review has considered four options for each service area, which are:

Option One	Do nothing. Do not increase fee levels.
Option Two	Increase fee levels to meet the additional costs (employee only) resulting from the increases to the National Living Wage.
Option Three	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage.
Option Four	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage plus an additional 10% as proposed by the Ethical Care Charter.

5. Regional Benchmarking

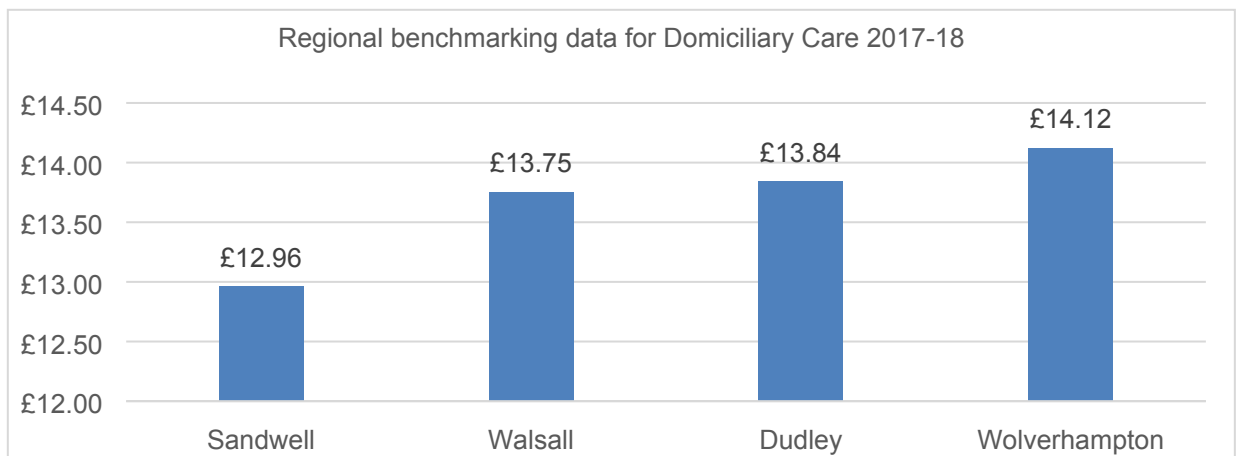
5.1 Benchmarking data has been reviewed against neighbouring authorities in the Black Country area to support the process. The council recognises that several potential cost pressures impact upon the care market both locally and nationally, this has been mitigated by the rates in comparison to other local authorities in the region.

Domiciliary Care

5.2 The table below outlines the regional benchmarking data for domiciliary care 2017-2018, which indicates that Wolverhampton is paying above the average regional rate of £13.58 per hour however these rates do not take into account planned increases in the NLW from April 2018.

5.3 It should be noted that Wolverhampton has implemented electronic homecare monitoring and only pays for actual hours delivered rather than paying for estimated hours based on provider invoices.

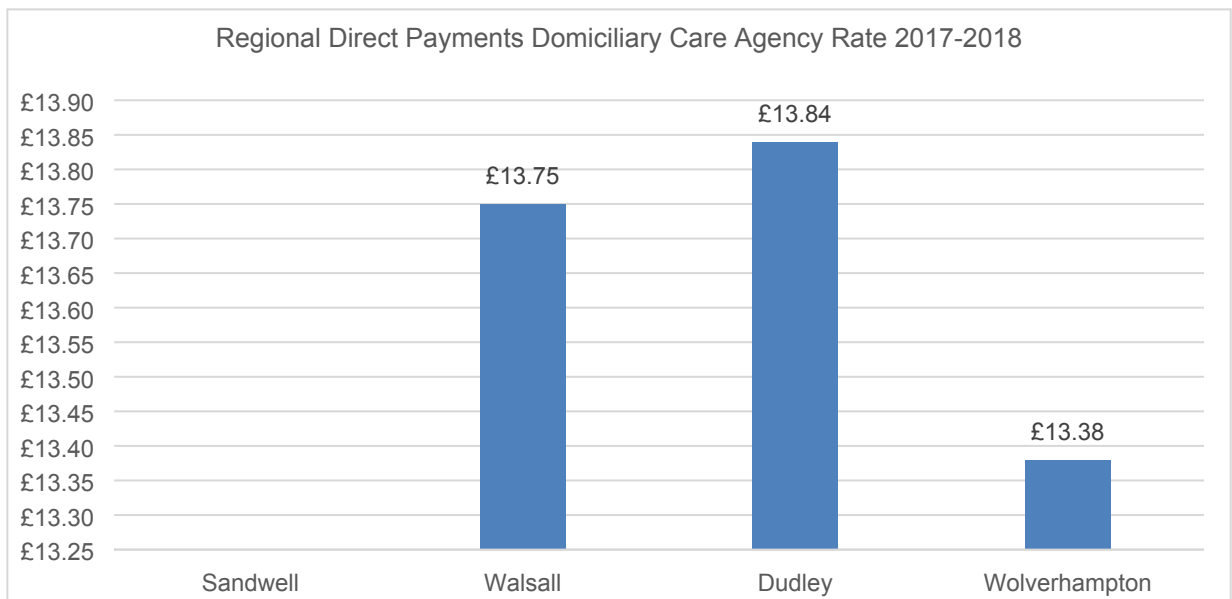
Table 1: Regional benchmarking data for domiciliary care 2017-2018



Direct Payments

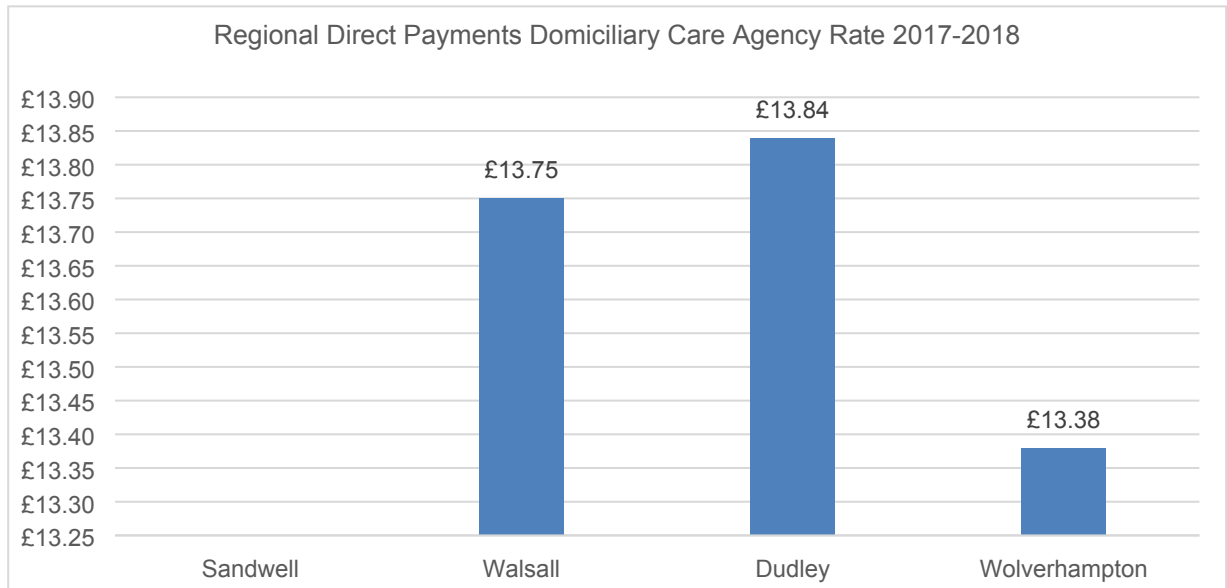
- 5.4 Direct Payments are cash payments made to individuals who have been assessed as being eligible for funded care and support in line with the Care Act (2014) eligibility criteria; they are intended to give individuals greater choice in their care as they enable individuals to choose not to receive services purchased by the council instead choosing to receive a payment in lieu of these to arrange their own support.
- 5.5 At present the Wolverhampton agency direct payment rate is £13.38 per hour and for the Personal Assistants is £10.40 per hour, which are in line with the current regional rates. The agency Direct Payment rate is higher as agencies are paid to administer the payroll for care workers, travel cost, national insurance, holiday and sick pay, and for a PA the care worker is employed directly by the individual and does not incur any administration costs.
- 5.6 A benchmarking exercise was carried out to understand the Direct Payment Domiciliary Care Rate for agencies and Personal Assistant rate.

Table 2: Direct Payments - Domiciliary Care Agency rate for 2017-2018:



NB: Sandwell does not have a set rate, this is agreed on an individual basis.

Table 3: Direct Payment – Personal Assistant rate for 2017-2018:

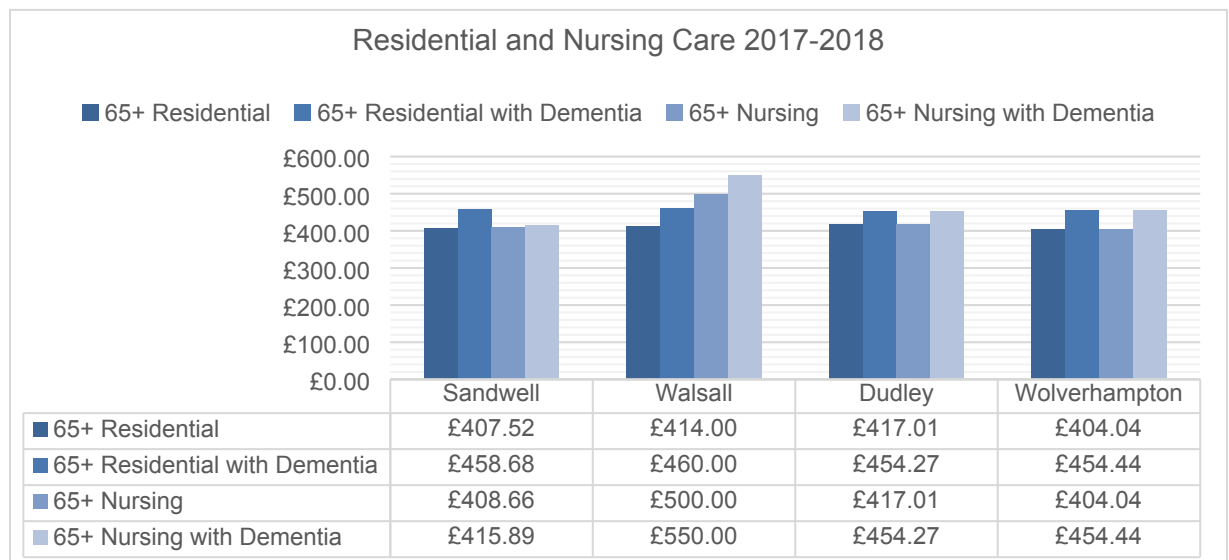


NB: Sandwell does not have a set rate, this is agreed on an individual basis.

Residential and Nursing Care - 2017-2018

5.7 The table below outlines the regional benchmarking data for residential and nursing care 2017-2018 excluding Funded Nursing Care (FNC).

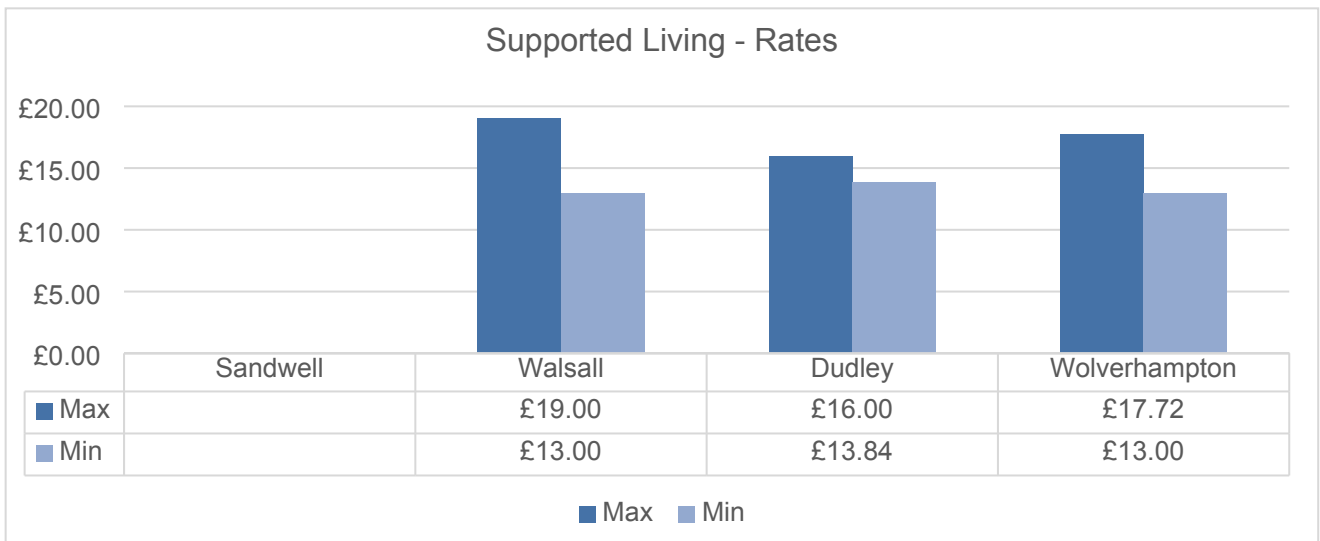
Table 4: Regional benchmarking data for residential and nursing care 2017-2018



Supported Living

5.8 The costing model across the region varies, some local authorities operate a fixed hourly rate and others a banding costing model. However most local authorities' rates are determined based on the level of support needs by individual customers; this is translated in number of hours (amount of care) required by each client and providers rates will be determined depending on tendered rates. The table below outlines the regional benchmarking data for supported living 2017-2018.

Table 5: Regional benchmarking data for Supported Living 2017-2018



NB: Sandwell does not have a set rate, this is agreed on an individual basis.

Residential Provision for People under 65 years with complex needs

5.9 This type of provision has not been subject to a set fee review. During 2017-2018 providers who wished to have a review of fees could formally request this. The process involved the requirement to submit open book accounts to enable the council to determine if a request for a fee increase was applicable.

6. Care and Support Provider Engagement

6.1 Engagement was undertaken to ensure current providers had an opportunity to provide feedback about the approach. This included:

- Requesting feedback on the fee methodology development. This did not include information about the calculated rates at this stage.
- An opportunity for providers to share evidence of their costs where they differ from those included in the fee methodology, for benchmarking purposes only.

6.2 The council received feedback from providers in the form of requests for fee review in 2017-2018.

Key themes include:

- Increase in National Living Wage
- Requirement of auto enrolment of staff in pensions
- Introduction of the apprentice levy
- Workforce pressures, including higher costs for recruitment, training and retention
- Increasing pressure on workforce capacity from sectors such as retail and hospitality, who can provide comparable or better remuneration packages and terms and conditions
- Increase in utility costs
- Annual CQC fee increase and increased costs of compliance
- Higher management and administrative costs as contracts and service delivery become more complex
- Shortage of care workers

7. Reasons for decision(s):

7.1 To ascertain the cost of care provision in the Wolverhampton market, several costing options have been modelled and considered to inform the setting of fee rates for 2018-2019, taking into account the National Living Wage and the Ethical Care Charter. The options for each service type are outlined below.

Domiciliary Care

7.2 The options for domiciliary care are as follows:

Option	Methodology for increase	Cost increase per unit	Proposed Hourly Rate £
Option 1	Do nothing. Do not increase fee levels	-	14.12
Option 2	National Living Wage increase to the employee	0.33	14.44
Option 3	National Living Wage to the employee and employer	0.39	14.48
Option 4	National living wage to employee and employer plus 10% as currently proposed by the Ethical Care Charter	1.18	15.28

7.3 The recommended options for domiciliary care is option three - increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage.

7.4 The options for Direct Payments Domiciliary Care and Personal Assistant rates are:

Option	Methodology for increase	Proposed Hourly Rate Direct Payments Domiciliary Care £	Proposed Hourly Rate Direct Payments Personal Assistant £
Option 1	Do nothing. Do not increase fee levels	13.38	10.40
Option 2	National Living Wage increase to the employee	13.68	10.72
Option 3	National Living Wage to the employee and employer	N/A	N/A
Option 4	National living wage to employee and employer plus 10% as currently proposed by the Ethical Care Charter	14.48	11.48

7.5 The recommended options for direct payments domiciliary care and direct payments personal assistants is option two - increase fee levels to meet the additional costs (employee) resulting from the increases to the National Living Wage. Option 3 is not applicable for direct payments.

7.6 The options for Residential Care and Nursing Care are:

Residential Care

Option	Methodology for increase	Current weekly rate 2017-2018 £	Proposed weekly increase £	Proposed new weekly rate 2018- 2019 £
Option 1	Do nothing. Do not increase fee levels	404.04	-	404.04
Option 2	National Living Wage increase to the employee	404.04	7.26	411.25
Option 3	National Living Wage to the employee and employer	404.04	8.58	412.58
Option 4	National living wage to employee and employer plus 10% as currently proposed by the Ethical Care Charter	404.04	25.96	429.94

Residential Care with Dementia

Option	Methodology for increase	Current weekly rate 2017-2018 £	Proposed weekly increase £	Proposed new weekly rate 2018- 2019 £
Option 1	Do nothing. Do not increase fee levels	454.44	-	454.44
Option 2	National Living Wage increase to the employee	454.44	7.26	461.65
Option 3	National Living Wage to the employee and employer	454.44	8.58	462.98
Option 4	National living wage to employee and employer plus 10% as currently proposed by the Ethical Care Charter	454.44	25.96	480.34

Nursing Care

Option	Methodology for increase	Current weekly rate 2017-2018 £	Proposed Weekly increase £	Proposed new weekly rate 2018- 2019 £
Option 1	Do nothing. Do not increase fee levels	404.04	-	404.04
Option 2	National Living Wage increase to the employee	404.04	7.26	411.25
Option 3	National Living Wage to the employee and employer	404.04	8.58	412.58
Option 4	National living wage to employee and employer plus 10% as currently proposed by the Ethical Care Charter	404.04	25.96	429.94

Nursing Care with Dementia

Option	Methodology for increase	Current weekly rate 2017-2018 £	Proposed weekly increase £	Proposed new weekly rate 2018- 2019 £
Option 1	Do nothing. Do not increase fee levels	454.44	-	454.44
Option 2	National Living Wage increase to the employee	454.44	7.26	461.65
Option 3	National Living Wage to the employee and employer	454.44	8.58	462.98

Option 4	National Living wage to employee and employer plus 10% as currently proposed by the Ethical Care Charter	454.44	25.96	480.34
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7.7 The recommended options for residential and nursing care is option three - increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the NLW.

Supported Living

7.8 The options for Supported Living are:

Option	Methodology for increase	Proposed Hourly Rate £
Option 1	Do nothing. Do not increase fee levels	£13.20 – 13.80
Option 2	National Living Wage increase to the employee	-
Option 3	National Living Wage to the employee and employer	£13.80
Option 4	National Living wage to employee and employer plus 10% as currently proposed by the Ethical Care Charter	£14.91

7.9 The recommended option for supported living is option three – to increase fee levels to a minimum rate of £13.80 to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage.

Residential Provision for People under 65 years with complex needs

7.10 Due to the range and variation of the funding arrangements for residential provision for people under 65 years with complex needs an automatic uplift of rates is not recommended.

7.11 Instead requests for a fee increase for an individual placement will continue to be considered on a case by case basis based on open book accounting

Extra Care

7.12 The options for Extra Care are:

Block contracts

Option	Methodology for increase	Estimated annual cost increase £000
Option 1	Do nothing. Do not increase fee levels.	-
Option 2	1% increase	27
Option 3	2% increase	54
Option 4	3% increase	81

7.13 The recommended option for extra care is option three - that the block contracts are increased by 2%.

7.14 It is also proposed that any additional care and reablement over 25 hours is paid in line with the increased domiciliary care rate to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage.

Home-Based Respite

7.15 The options for the Home-Based Respite are:

Option	Methodology for increase delivered over 25 hours	Proposed Hourly Rate £
Option 1	Do nothing. Do not increase fee levels	-
Option 2	National Living Wage increase to the employee	N/A

Option 3	National Living Wage to the employee and employer	£13.80
Option 4	National Living wage to employee and employer plus 10% as currently proposed by the Ethical Care Charter	£14.98

7.16 The recommended option for supported living is option three – to increase fee levels to a minimum rate of £13.80 to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage.

8 Financial Implications

8.1 The costs identified above are funded from Adults Services care purchasing which has a net controllable budget of £41.9 million in 2018-2019.

8.2 The MTFS includes growth of £1.1 million to support the increase in costs associated with the NLW across all care support plans.

8.3 The recommendations being considered in this report represent a total estimated increase in costs of £1.3 million. These costs will need to be contained within the total care purchasing budgets for Adults Services.

8.4 Whilst there has been growth built into the MTFS up to 2018-2019 for the NLW the service will work with finance through the budget setting process to inform the future potential increases related to the NLW.
[AJ/09032018/W]

9. Legal Implications

9.1 The increase would mean that care providers are supported to meet their legal obligations to pay the increase in the National Living Wage from 2 April 2018. The implementation of a cost rate increase supports local providers to meet the requirements of the National Living Wage and cost of living increases falls within the remit of the Care Act 2014. The Care Act 2014 has reiterated and strengthened this expectation with explicit requirements to maintain market sustainability and responsibilities for dealing with provide failure for both assisted and self-funding people.
[TS/09032018/R]

10. Equalities Implications

10.1 There are no equalities implications arising from this report.

11. Environmental Implications

11.1 There are no environmental implications from this proposal.

12. Human resources Implications

12.1 There are no human resources implications from this proposal.

13. Corporate landlord Implications

13.1 There are no corporate landlord implications for the council's property portfolio.

14. Schedule of background papers

14.1 None applicable

CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 March 2018
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Report title	External Funding Update	
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	Keren Jones, City Economy	
Originating service	City Economy	
Accountable employee	Heather Clark	Service Development Manager
	Tel	Tel: 01902 555614
	Email	Heather.Clark2@wolverhampton.gov.uk
Report to be/has been considered by	Place Leadership Team	12 February 2018
	Strategic Executive Board	27 February 2018

Recommendations for decision:

The Cabinet (Resource) Panel is recommended to:

1. Approve submission of a full application to the European Regional Development Fund (ERDF) for the Black Country AIM for GOLD (Advice Investment and Market Development and Growth Opportunities Local Delivery) Project.
2. Delegate authority to Cabinet Members for City Economy and Resources, in consultation with the Strategic Director Place and Director of Finance to enter into Grant Funding Agreements and approve budgets relating to successful bids or extensions to projects.
3. Agree to development of a full application for ERDF funding for a Smart Intelligence Infrastructure Investment I³ project should the outline application be successful.

1.0 Purpose

1.1 To seek necessary approvals relating to externally funded bids.

2.0 Background

2.1 Attraction of external funding is important to funding the delivery of the Council's key priorities. Resources include a dedicated external funding team who provide support to bid for external funding ranging from advice and guidance to bid leadership.

2.2 The Black Country European Structural and Investment Fund (ESIF) Strategy, developed on behalf of the Local Enterprise Partnership (LEP), outlined the Black Country's priorities for allocating European funding between 2014 and 2020. The Black Country's allocation between 2014 and 2020 was €177 million split 50/50 between European Regional Development Fund (ERDF) and European Social Fund (ESF). Cabinet (Resources) Panel on 10 January 2017 delegated authority to the Cabinet Member for City Economy, in consultation with the Service Director City Economy and Director of Finance to submit outline applications to future calls for European Regional Development Fund projects.

3.0 External Funding Update

3.1 **Stronger Economy: people develop the skills to get and keep work** - approvals are sought as follows:

Funder	Project Overview	Funding and Outcomes	Status and Approval required
Controlling Migration Fund	Wolverhampton Schools PEER Integration Accelerator programme – in partnership with the school improvement team, University of Wolverhampton and Adult Education. Building the capacity of schools to receive migrant families, supporting them to become participating members of the community benefitting all children within those schools.	£125,350 revenue over two years Match staff time CWC grant recipient Improved community cohesion	Successful. Delegated approval to enter into Grant Funding Agreement with the Funder and Delivery partners and approve revenue budget
Controlling Migration Fund	Wolverhampton English for Speakers of Other Languages (ESOL) PATHWAYS programme – in partnership with the Wolverhampton Learning	£459,931 revenue grant over two years CWC grant recipient	If successful, delegated approval to enter into Grant Funding Agreement with the Funder and Delivery partners,

	Platform, a consortium of local community sector providers. A more effective co-ordinated programme of English language and employment skills providing routes into employment for new migrants and residents supporting community integration	Match staff time Improved language skills and employability	budget approval and payment of grant to Wolverhampton Learning Platform delivery partners.
Department for Education (DfE) Flexible Learning Fund	Develop effective and scalable learning delivery methods that make learning more attractive and easier to access for adults. Bid submitted by West Midlands Adult and Community Learning Alliance (ACLA) comprising of six local authority providers; Birmingham, Coventry, Walsall, Dudley, Sandwell and Wolverhampton as well as Fircroft College and Joseph Chamberlain College. The lead body for the bid is Fircroft College.	£1.0 million total Fircroft College grant recipient Adult Education delivery element £75,000 revenue 2018/2019 No match requirement	Bid submitted Delegated approval to enter into partnership agreement if successful and budget approval.
European Social Fund/ Youth Employment Initiative	Impact in the Black Country supports young people between 15 and 29 to move into employment education and training (EET). It was originally funded till July 2018, however we have recently been advised that the project will be extended, however no further detail is known as yet however we anticipate initially an extension within the current budget envelope over a longer period of time.	£5.7 million revenue budget (third ESF/ third YEI/ third local match) already approved Dudley grant recipient Match staff time Extension post July 2018.	Delegated authority to enter into a deed of variation to Collaboration Agreement and approval to continue with the scheme within the original budget envelope.

DWP	Universal Support: provision of assisted and personal budgeting for Universal Credit claimants who require additional support to apply for or manage their Universal Credit account or manage their budget.	£169,000 revenue 2018/19 CWC grant recipient No match required	Delegate authority to commission providers and budget approval to continue with the scheme. The offer letter, grant funding agreement and data sharing agreement have been signed to meet DWP timescales.
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3.2 **Stronger Economy: Delivering effective core services that people want** - approvals are sought in relation to the following new bids

Funder	Project overview	Funding sought and outcomes	Status and approval required
Controlling Migration Fund	Improving Neighbourhoods for All – in partnership with the Refugee and Migrant centre. Improving access and sustainability of private rented housing in Wolverhampton benefitting vulnerable people including migrants and the wider neighbourhood. Reducing homelessness, exploitation and impact of rogue landlords.	£482,557 revenue over two years Match volunteer time CWC grant recipient	Bid successful. Delegated approval to enter into Grant Funding Agreement with the Funder and Delivery partners and approve revenue budget
Homes and Communities Agency (HCA) Accelerated Construction	Funding to contribute towards the ground remediation costs associated with developing eleven small sites within the Heath Town. The development of these sites will be carried out by the Council's wholly owned company – WV Living – and a private developer when three sites are marketed during 2019.	£5.0 million capital CWC grant recipient 98 apartments, 141 houses for market sale, rent and shared ownership	Bid submitted Delegated approval to enter into Grant Funding Agreements if successful and budget approval

West Midlands Combined Authority (WMCA) Black Country Land and Property Investment Fund	Funding to contribute towards the ground remediation and levelling costs associated with developing seven small sites within the Heath Town. The development of these sites will be carried out by the Council through the appointment of a local contractor.	£2-3 million capital CWC grant recipient 26 apartments and 83 houses managed by Wolverhampton Homes	Bid submitted Delegated approval to enter into Grant Funding Agreements if successful and budget approval
European Regional Development Fund (ERDF)	Smart Intelligent Infrastructure Investment I3: As part of delivery of Smart City strategy, the project will invest in Smart infrastructure: <ul style="list-style-type: none"> - Embedding smart enabled technology within low carbon lighting. - Investment in alternative transport infrastructure and digital data capture. - Integration of datasets into an intelligent information platform. 	£5.4 million (£2.3 million ERDF) CWC grant recipient Capital match in place. Revenue match staff time	Outline application submitted. Approval to submit full application if outline bid successful. Delegated approval to enter into Grant Funding Agreements.

3.3 **Stronger Economy: An environment where new and existing businesses thrive -** approvals are sought in relation to the following new bids:

Funder	Project Overview	Funding	Status and approval required
European Regional Development Fund (ERDF)	AIM for GOLD: continuation bid to continue funding for Black Country Advice Investment and Market Development (AIM) which provides business support to small and medium sized enterprises and Transformation Growth Opportunities Local Delivery (GOLD) which provides grants	£8.6 million total project costs, ERDF £3.4 million Match £1.2 million public £4.0 million private	Outline application approved. Progressed to full bidding stage. Approval to submit full application. Delegated approval to enter into Grant Funding Agreements if bid successful ,

	to businesses towards transformational activities.		budget approval and payment of grants to businesses.
--	--	--	--

3.4 Despite the result of the EU referendum, the UK is committed to the existing programme period for European Structural and Investment Fund (ESIF) funding with potential for projects to run until 2022. The Council proactively develops projects in advance of calls for outline proposal. European Social Fund projects are being extended. Future opportunities for European Regional Development Fund are set out below:

- Priority 1 Innovation: further call anticipated 2018. The University of Wolverhampton proactively bid under this priority and the Growth Hub referring to innovation provision funded under this priority.
- Priority 2 Information Communication Technology (ICT): a further call for continuation funding is anticipated in 2018. The Council are a delivery partner in the existing funded project Black Country Digital Passport.
- Priority 3 SME Competitiveness is fully committed. No further calls for outline applications are anticipated.
- Priority 4 Low Carbon – call for outline applications closed end January 2018. The Council submitted an outline application for I3 Smart Infrastructure project. Future calls will depend on funding awarded against this call.
- Priority 6 Environment – further calls for outline applications are anticipated in 2018, however there is currently insufficient match funding to develop a viable application.

4.0 Evaluation of alternative options

- 4.1 No bid - projects would not proceed, would proceed at a lesser scale or over a longer timescale if external funding was not available.
- 4.2 Bid - external funding enables the Council to deliver priority projects at a faster pace with greater impact.

5.0 Reasons for decision

- 5.1 External funding enables priority projects to proceed, at a faster pace and with greater impact. External funders usually require the Council to enter into a Grant Funding Agreement outlining what the resource can be used for and rules and regulations relating to the funding source in particular EU funded projects. There is a risk of clawback of grant if rules and regulations are not followed, therefore dedicated Project Managers are built into costings for larger external funded projects to minimise risk.

6.0 Financial implications

- 6.1 This report seeks approval to submission of full applications for European Regional Development Fund (ERDF) for the Black Country AIM for GOLD (Advice Investment and Market Development and Growth Opportunities Local Delivery) Project and the Smart Intelligence Infrastructure Investment i³ should the outline application be successful. The bid submissions will be based on the financial profiles set out below. To avoid delays to delivery of grant funded schemes this report also seeks delegation to Cabinet Members for City Economy and Resources, in consultation with the Strategic Director Place and Director of Finance to enter into Grant Funding Agreements and approve budgets relating to successful bids or extensions to projects. Delegation to approve both grant funded capital and revenue budgets and pay grant to delivery partners and businesses will be in accordance with grant offers from funding providers after reviewing the risk and delivery arrangements associated with each grant. It is anticipated that these would in line with financial profiles included in funding bids for each scheme as set out below.
- 6.2 Wolverhampton Schools PEER Integration Accelerator programme financial profile per bid submission to Ministry of Housing Communities and Local Government (MHCLG) is as follows. The School Improvement Team will be grant recipient, receiving the grant up front, delivering in partnership with the schools.

	2017/2018 £000's	2018/2019 £000's	2019/2020 £000's	Total £000's
MHCLG revenue grant	20	60	45	125
Match from Schools Improvement Team		16	16	32
Match from schools		17	17	34
Match from Adult Education Service		4	4	8
Total	20	97	82	199

MHCLG have agreed that £20,000 funding approved for 2017/2018 can be reprofiled into 2018/2019.

- 6.3 Wolverhampton English for Speakers of Other Languages (ESOL) PATHWAYS programme financial profile is as follows. The Skills team will be the grant recipient delivering in partnership with Wolverhampton Learning Platform, receiving grant up front.

	2018/2019 £000's	2019/2020 £000's	Total £000's

DCLG revenue grant	197	198	395
• City of Wolverhampton Council	57	58	115
• Wolverhampton Learning Platform	140	140	280
CWC match (Skills staff time)	32	33	65
Total	229	231	460

6.4 The Flexible Learning Fund bid for grant of £75,000 will be used for development of resources, training staff for delivery of e-learning packages and staff time to manage student's experience. This bid would be delivered by Adult Education in 2018/19 with no specified requirements for match.

6.5 Universal Credit Support is based on estimated take-up for assisted digital and personal budgeting support. The Council will be paid on actual take-up of support based on a set unit cost. The estimated take-up would generate grant support of £171,053 but this could range between £85,526 which is the minimum guarantee or £205,263 which is 120% take-up. Any take-up above 120% of the estimate will be reviewed by DWP on a case-by-case basis for further funding. This project is co-ordinated by the Council's City Economy, Welfare Rights and Revenue and Benefits teams along with partners including housing providers. Support will be delivered by a number of providers including Wolverhampton Homes, CAB, Wolverhampton Learning Platform and Accord Housing. It is anticipated that all the grant will be defrayed via payment to providers based on unit costs.

UC Universal Support revenue	2018/19 £000's	
Assisted Digital (<i>Full Service</i>)	£58	This allocation is based on an assumption that 9% of those seeking to claim Universal Credit will need Assisted Digital Support.
Personal Budgeting Support (<i>Full Service</i>)	£113	This allocation is based on an assumption that 15% of those seeking to claim Universal Credit will need Personal Budgeting Support.
TOTAL	£171	+20% or – 50% depending on take up of support

6.6 The Improving Neighbourhoods for All bid submitted by City Housing was successful in securing £483,000 of grant. City Housing are the grant recipient delivering in partnership with Refugee Migrant Centre, receiving grant up front based on the following profile:

	2017/2018 £000's	2018/2019 £000's	2019/2020 £000's	Total £000's
MHCLG revenue grant				
• City of Wolverhampton Council	11	45	35	91

• Refugee Migrant Centre	47	195	150	39
				2
Total Grant	58	240	185	48
				3
Match provided by Volunteering (RMC)		10	10	20
Project Total	58	250	195	50
				3

6.7 Two grant funding bids have also been submitted to HCA Accelerated Construction programme and Land and Property Investment Fund to support delivery of the Heath Town Regeneration Project with grant requests of £5.0 million and £2.5 million respectively. These funding sources will provide additional resources to cover shortfall in viability or project costs such as demolition and ground conditions on Council owned sites over and above the £85.0 million Housing capital budgets available for the Heath Town Regeneration Project (new housing development, council property investment works, environmental works and new/improved estate car parking).

Capital funding	2018/2019 £000's	2019/2020 £000's	Comments
Homes & Communities Agency (HCA) Accelerated Construction (AC)	3,000	2,000	The HCA AC fund will contribute to the delivery of around 138 new homes for market sale/rent as part of the Heath Town Regeneration.
WMCA Black Country Land and Property Investment Fund (LPIF)	1,500	1,000	The LPIF fund will contribute towards the delivery of 109 new council homes on the Heath Town estate as part of the Heath Town Regeneration project.

3 Smart Infrastructure financial profile is set out below. Match funding is utilising an existing agreed budget for upgraded street lighting.

	2019-2020 000's	2020-2021 000s	2021-2022 000s	Total 000s
ERDF Grant				
Capital	455	860	807	2,122
Revenue	43	44	44	131
ERDF Grant Total	498	904	851	2,253
Match (CWC)				
Capital (Street Lighting Borrowing)	973	974	974	2,921

Capital (S106 cycle counters)		5	5	10
Revenue (Street Lighting)	71	71	71	212
Match Total	1,044	1,050	1,050	3,144
Project Total	1,542	1,954	1,901	5,397

6.9 Black Country AIM for GOLD is still in final development. The financial profile as it currently stands is set out below. Match funding will be provided from a mix of public and private sources. It is proposed that CWC match of total £445,000 will be from existing staff resources within the Enterprise team. Other Delivery Partners will provide match funding utilising existing staff resources. Partner match funding is still to be confirmed as part of the development of the full bid. Advice is being sought from DCLG on the eligibility of costs and match funding contributions prior to the submission of the bid. Finances as set out in the outline application are as follows:

	2018/2019	2019/2020 £000's	2020/2021 £000's	2021/2022 £000's	Total
Capital					
ERDF business grants		480	640	480	1,600
Private match		960	1,280	960	3,200
Total Capital	0	1,440	1,920	1,440	4,800
Revenue					
ERDF Grant					
• Revenue business grant		120	160	120	400
• CWC (3 Navigators plus shared and indirect costs)	63	415	415	312	1,205
• Chamber of Commerce (2 navigators on behalf of Dudley & Walsall)	19	77	77	57	230
ERDF Grant Sub Total	82	612	652	489	1,835
Public match					
• CWC match (revenue)	28	161	161	121	471
• Chamber of Commerce match (revenue)	14	81	81	60	236

• Dudley MBC match (revenue)	11	60	60	45	176
• Walsall MBC match (revenue)	10	60	60	45	175
• Sandwell MBC match (revenue)	7	40	40	30	117
Public Match Sub Total	70	402	402	301	1,175
Private match	0	240	320	240	800
Total Revenue	152	1,254	1,374	1,030	3,810
Project Total	152	2,694	3,294	2,470	8,610

[ES/22022018/F]

7.0 Legal implications

7.1 Where lead body for externally funded projects, the City of Wolverhampton Council will be required to enter into a funding agreement with the Funder which outlines the project and also sets out rules and regulations that must be complied with. Grant Funding Agreements will subsequently be entered into with each Delivery Partner to set out their roles and responsibilities and ensure compliance with funders rules and regulations and minimise risk to the Lead Body from non-compliance of delivery partners. There is a risk of clawback in the event of non-compliance with EU rules and regulations. Strict monitoring of compliance will be undertaken to minimise this risk.

[RB/20022018/V]

8.0 Equalities implications

8.1 Equal opportunities are a cross cutting objective of all European funded bids, therefore must be considered in the delivery of all European funded projects with equalities data monitored as part of delivery. The monitored equalities targets are set by the funder as part of the cross cutting themes.

9.0 Environmental implications

9.1 Sustainability is a cross cutting objective of all European funded bids, therefore must be considered in the delivery of all European funded projects.

10.0 Human resources implications

10.1 Costs for the project management of externally funded projects are built into project costs with staff recruited on fixed term contracts. The Job Descriptions of employees that are used to match fund EU funded projects, enabling the drawdown of additional resource, will need to include wording and the European flag added as a requirement of the funding. Appointment letters, job descriptions and requirement campaigns for funded posts must include wording that the post is part funded by ERDF and contain the appropriate logos.

11.0 Corporate Landlord implications

11.1 There are no corporate landlord implications.

12.0 Schedule of background papers

- Cabinet (Resources) Panel 10 January 2017 External Funding Update
- Cabinet (Resources) Panel 26 April 2016 External Funding Update
- Cabinet (Resources) Panel 15 September 2015 Black Country European Funded Projects.

Cabinet (Resources) Panel

20 March 2018

Report title	Acquisition of Privately Owned Empty Property by agreement or Compulsory Purchase: 15 Gordon Avenue, Lanesfield, Wolverhampton, WV4 6PX	
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	Spring Vale;	
Accountable Director	Kate Martin (Service Director: Housing)	
Originating service	Private Sector Housing	
Accountable employee	Richard Long	Housing Improvement Officer
	Tel	5705
	Email	richard.long@wolverhampton.gov.uk
Report to be/has been considered by	Place Directorate Leadership Team	7 February 2018

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Authorise the Service Director, City Housing to negotiate terms for the acquisition of the property 15 Gordon Avenue, Lanesfield, 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 Service Director, City Housing, authorise withdrawal of the property from the CPO.
4. Following any acquisition, authorise the Service Director, 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 15 Gordon Avenue, Lanesfield, Wolverhampton. WV4 6PX 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 semi-detached property that was reported as empty in May 2017. All attempts to make contact with the owner have not been responded to at this stage.
- 2.2 A Notice under section 215 of the Town and Country Planning Act 1990 was served on the property 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.
- 2.3 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, 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.

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.

5.0 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 capital budget for 2017-2018 of £463,000 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/12022018/L]

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/11022018/H]

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.

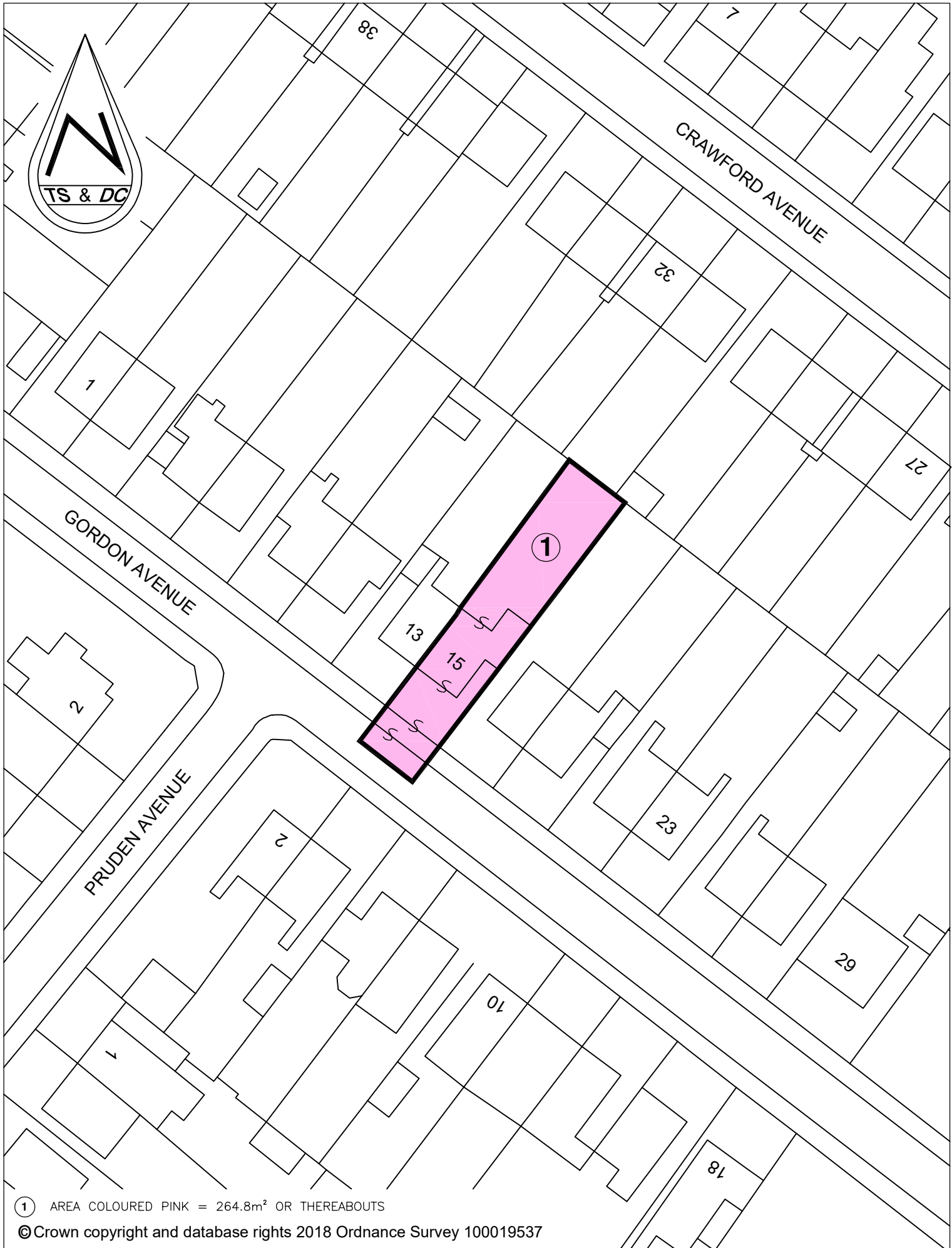
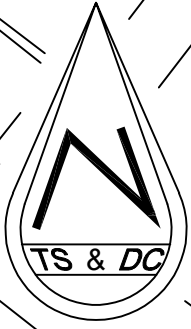
12.0 Schedule of background papers

- An Action Plan to Deliver the Empty Property Strategy 11 January 2006;
- Private Sector Empty Property Strategy 2010-2015;
- Wolverhampton Housing Needs Survey 2007;

13.0 Appendices

Appendix 1 – Site plan

Appendix 2 - Photographs



① AREA COLOURED PINK = 264.8m² OR THEREABOUTS

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date	January 2018
scales	1:500
drawn by	AJP
dwg. no.	\\Gordon Avenue 15.dwg

THE MAP REFERRED TO IN
THE WOLVERHAMPTON CITY COUNCIL
(15 Gordon Avenue)
Page 221
COMPULSORY PURCHASE ORDER 2018

City of Wolverhampton Council

Service Director – Place
Civic Centre, St. Peter's Square, Wolverhampton
Tel. (01902) 556556

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15 Gordon Avenue, Lanesfield, Wolverhampton. WV4 6PX



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CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 March 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	21 February 2018	Emma Balchin 01902 555269
Title and summary of decision			
Instrument of Government Approved the proposed Instrument of Government for Springdale Primary School.			
Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Andrew Johnson	Head of Revenues and Benefits	27 February 2018	Sue Martin 01902 554772
Title and summary of decision			
Award of Discretionary Rate Relief Approved the award of discretionary rate relief to: <ul style="list-style-type: none">• Wolverhampton Youth Zone• All Saints Action Network Limited			

2. People

Nil

3. Place

Nil

Part 2 – Exempt Items

1. Corporate

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Roger Lawrence	Director of Governance	16 February 2018	Jo Till 01902 550189
Title and summary of decision			
Scrap Metal Dealers Act 2013 <ol style="list-style-type: none">1. Endorsed and approve that the provisions of the Scrap Metal Dealers Act 2013 be adopted.2. Endorsed and approve the delegation of fee setting to the Head of Service/Director with responsibility for Licensing functions.3. Endorsed and approve the delegation of decision making functions under the Act to the Director with responsibility for Licensing functions, with a recommendation that he further delegate decision making to Head of Service/Licensing Manager/Licensing Officer.			

Decision maker	In consultation with	Date Approved	Contact Officer
Councillor Roger Lawrence	Director of Governance	19 February 2018	Jaswinder Kaur 01902 550320
Title and summary of decision			
Appointments to Standards Committee Approved the appointment of Councillors Anwen Muston, John Rowley and Jasbir Jaspal to Standards Committee.			

2. People

None

3. Place

None

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