

Cabinet (Resources) Panel

Minutes - 25 July 2017

Attendance

Members of the Cabinet (Resources) Panel

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

Employees

Dereck Francis
Keith Ireland
Tim Johnson
Andy Moran
Claire Nye
Kevin O'Keefe
Trevor Pringle
Tim Pritchard

Democratic Services Officer
Managing Director
Strategic Director - Place
Head of Procurement
Director of Finance
Director of Governance
Education Advisor – Planning & Commissioning
Head of Corporate Landlord

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Apologies for absence**
No apologies for absence were received.
- 2 **Declarations of interests**
Tim Johnson, Strategic Director of Place declared a non pecuniary interest in item no. 20 in so far as he is a Director of ProjCo1.
- 3 **Minutes of the previous meeting - 27 June 2017**
Resolved:
 That the minutes of the previous meeting held on 27 June 2017 be approved as a correct record and signed by the Chair.
- 4 **Matters arising**
There were no matters arising from the minutes of the previous meeting.

5 **Revenue budget monitoring 2017/18**

Cllr Andrew Johnson presented the report on the projection of the likely revenue outturn position for the General Fund and Housing Revenue Accounts, compared with the Council's approved revenue budgets for 2017/18. He reported that it was early in the financial year but the monitoring information showed that there were considerable budget pressures that the Council would have to address. The revenue outturn position for 2017/18 was currently forecast to be an overspend in the region of £2.1 million. This primarily had arisen as a result of budget pressures on the Waste and Recycling service budget totalling £1.7 million. All services had been asked to look at further in year savings that could be made in order to address the projected overspend. The forecast outturn position for the Housing Revenue Account (HRA) showed better news with a surplus of £17.3 million projected, compared to a budgeted surplus of £16.8 million. The projected additional surplus of £458,000, which was mainly due to a forecast underspend on interest payable, would be used to redeem debt to comply with the Council's approved HRA Business Plan.

Resolved:

1. That the use of £28,000 from the Regeneration Reserve to fund various development works and schemes as detailed at paragraph 5.2.2 of the report be approved.
2. That the use of £103,000 from the Library Equipment Reserve to support the Libraries transformation improvements following the consultation exercise be approved.
3. That the use of £351,000 from the Transformation Reserve to fund various development works and schemes as detailed at paragraph 5.2.4 of the report be approved.
4. That the use of £1.7 million from the Budget Contingency Reserve to fund budget pressures within Contracts service in Public Health and Wellbeing be approved.
5. That the write off of two Non-Domestic Rates (NDR) debts totalling £12,252.96 as detailed in Appendix F to the report be approved.
6. That the write off of two housing benefit overpayments totalling £15,465.29 as detailed in Appendix G to the report be approved.
7. That the write off of three sundry debts totalling £37,393.22 as detailed in Appendix H to the report be approved.
8. That thirteen virements totalling £5.5 million, for transfers within directorates, as detailed in Appendix I to the report be approved.
9. That setting up of expenditure budgets within the 2017-2018 approved budget as detailed in paragraph 4.2 of the report for grant funded expenditure be approved.

10. That it be noted that the overall projected outturn for the General Fund for 2017-2018 is an overspend in the region of £2.1 million. All services would be asked to deliver further in year savings in order to address the projected overspend.
11. That it be noted that projected redundancy costs, including the cost of pension strain, totalling £2.9 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, would offset the cost of redundancies.
12. That it be noted that 958 council tax accounts totalling £242,023.55 have been approved for write off by Director of Finance in accordance with the Council's Financial Procedure Rules.
13. That it be noted that 53 Non-Domestic Rates (NDR) debts totalling £469,803.06 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
14. That it be noted that 58 sundry debt accounts totalling £62,890.87 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
15. That it be noted that 34 housing benefit overpayments totalling £9,354.30 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
16. That it be noted that a £17.3 million surplus on the Housing Revenue Account (HRA) is projected compared with a budgeted surplus of £16.8 million as shown at Table 9 and in detail at Appendix J. The projected increased surplus of £458,000 would be used to redeem debt in line with the HRA Business Plan.

6 **Extra statutory day - Christmas Eve**

Cllr Milkinder Jaspal presented the report on the proposal for the extra statutory day for Christmas Eve to be subsumed within the basic annual leave entitlement for employees. The proposal would promote minimal disruption of services to the public and avoid building closures during the Christmas period.

Resolved:

That the inclusion of the extra statutory day for Christmas Eve in the basic annual leave entitlement be approved.

7 **Probation policy**

Cllr Milkinder Jaspal presented a series of reports seeking changes to HR policies as part of their regular monitoring and evaluation. This report related to proposed revisions to the probation policy for Council employees.

Resolved:

That the revised Probation Policy be approved.

- 8 **Performance management (capability) policy**
Cllr Milkinder Jaspal presented a report seeking approval to proposed changes to the Performance Management (Capability) Policy to further the Council's commitment to help and encourage all employees to achieve and maintain standards of good performance. The proposed change related to a reduction in the number of stages within the policy that would enable performance management issues to be escalated and dealt with more timely and efficiently.
- Resolved:
That the revised Performance Management (Capability) Policy be approved.
- 9 **Grievance policy**
Cllr Milkinder Jaspal presented the report on proposed revisions to the grievance policy by amending and reducing the number of stages in the policy to further ensure that the policy is clear, relevant and that grievances could be effectively resolved in a timely manner.
- Resolved:
That the revised Grievance Policy be approved.
- 10 **Removal of the bullying and harassment policy and the introduction of the dignity at work statement**
Cllr Milkinder Jaspal presented the report on a proposal to remove the Bullying and Harassment Policy and for complaints to be dealt with using the Council's Grievance Policy. It was also proposed to implement a new Dignity at Work Policy Statement. The policy statement aimed to assist employees in preventing, recognising and stopping any behaviour which may amount to bullying, harassment, discrimination or victimisation, any of which could have serious consequences for employees and for the Council. It would also further support the Council's commitment to diversity and equal opportunity for all.
- Resolved:
That the removal of the Bullying and Harassment Policy and the implementation of the new Dignity at Work Policy statement be approved.
- 11 **Disciplinary policy**
Cllr Milkinder Jaspal presented the report on a proposal to amend the Disciplinary Policy to ensure that it remained clear, relevant and that disciplinary matters could be effectively resolved in a timely manner.
- Resolved:
That the revised Disciplinary Policy be approved.
- 12 **Lighting up the city phase 1 – showcasing the city using lighting and greenery**
Cllr Steve Evans presented the report on a proposal to introduce a 'Lighting Up the City scheme' that aimed to create a more inviting City Centre, that would feel safe during both the day and night, by introducing improved lighting and greenery to the street scene. Iconic buildings and structures in the City would receive enhanced lighting treatment under the scheme. The work would also complement the regeneration activity taking place in the City Centre. The total cost of the scheme would be funded from £330,000 capital and a one-off revenue allocation of £190,000 from the Regeneration Reserve. It would not be funded out of the General Fund and the funding set aside for the scheme could not be spent on public services.

Resolved:

1. That the introduction of the Lighting Up the City Scheme at a total cost of £520,000 (£330,000 capital and £190,000 one-off revenue) be approved.
2. That the allocation of the capital provision of the Lighting Up the City works programme, totalling £330,000, to individual projects as detailed in appendix 1 of the report be approved.
3. That a one-off allocation of £190,000 from the Regeneration reserve to meet the revenue element of the scheme be approved.
4. That opportunities to work with a number of partners across the city so as to build on existing lighting schemes, and to create greater opportunities to bring life and vibrancy to the city centre be welcomed.
5. That further promotion of the Lighting Up the City programme as part of ongoing regeneration within the City Centre be supported.
6. That the City Council promoted schemes, i.e. City Art Gallery, be approved subject to a detailed report being considered by a future Cabinet (Resources) Panel.
7. That a further report on opportunities to expand the scheme with detailed costings and external funding opportunities be submitted to a future meeting of the Cabinet (Resources) Panel.

13 **Resilience of Civic Halls venue and operations**

Cllr John Reynolds presented the report on a proposal to undertake a range of additional investigative surveys necessary to address lifecycle repairs and maintenance works required at the Civic and Wulfrun Halls, whilst enabling works are being undertaken on the venues. Approval was requested to the funding to undertake the additional surveys.

Resolved:

1. That the £150,000 expenditure towards the estimated cost of additional technical surveys to identify if future maintenance and repairs can be minimised for the longer term and following recent national incidents, and towards a review of the need for any additional public safety requirements that should be included in the improvement scheme be approved.
2. That a draw down for the required funding from the Budget Contingency reserve, as additional unbudgeted expenditure is required be approved.

14 **Land forming part of un-adopted highway at Cross Street, East Park**

Cllr Peter Bilson presented the report seeking approval to the Council granting easements/wayleaves to statutory undertakers to construct underground ducting under Council land to supply a new development constructed by Welsh Power/Wolverhampton Power Limited. The grant of the lease would generate one off income of £80,000 to the Council.

Resolved:

1. That the Council grant easements/wayleaves to statutory undertakers to supply a new development constructed by Welsh Power/ Wolverhampton Power Limited.
2. That it be noted that the Council had granted a Licence to Wolverhampton Power Limited to carry out works to lay a duct in preparation for the laying of Service Media, within an un-adopted Highway in the ownership of the Council.

15 **Demolition of garages at Hilton Road, Lanesfield**

Cllr Peter Bilson sought approval to the demolition of eight garages in Hilton Road, Lanesfield and the redevelopment of the area with secure parking for local residents. The garages were adjacent to residential blocks where Wolverhampton Homes were undertaking sustainability estates work. The eight concrete garages had now reached the end of their useful life and were increasingly uneconomical to maintain. The occupants of the garages had already been relocated and no objections had been received to the proposals.

Resolved:

1. That the demolition of the eight garages at Hilton Road, Wolverhampton, as recommended by the joint Asset Management Group with Wolverhampton Homes be approved. The resultant vacant site to be laid out as secure parking for the residents of adjacent blocks.
2. That it be noted that as well as removing an ongoing maintenance issue and area for fly tipping, the removal of the garages would provide additional, secure off road parking.

16 **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.

17 **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 remaining items of business as they involve the likely disclosure of exempt information falling within paragraph 3 of Schedule 12A of the Act.

Part 2 - exempt items, closed to press and public

18 **FutureSpace update**

Cllr Andrew Johnson presented the update report on the FutureSpaces programme which highlighted issues identified by the programme activity; advised on the implications of these issues; and sought approval on the implementation of actions related to these matters including:

- Varying the scope of works within the agreed programme mandate and budget;

- Undertaking required necessary works to the 3rd and 4th Floor areas of the Civic Centre; and
- Omitting works to Mezzanine and Registrar's from the current contract.

Resolved:

1. That the omission of the Registrar's and Mezzanine (other than essential enabling works) from the current FutureSpace construction contract owing to increased business risk be approved.
2. That the inclusion of revisions to the construction contract scope which address "life-cycle" maintenance items which would be beneficial to undertake whilst the Civic Centre is vacated for essential repair works be approved.
3. That the inclusion of items directly related to the scope of the FutureSpace programme, within the current contract, where a positive financial business case, or budget exists which could within agreed authority and scope be expended, subject to the delegated authority of the Cabinet Member for Resources in consultation with the Director of Finance and the Strategic Director for Place be approved.

19

Procurement - award of contracts for works, goods and services

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

Resolved:

1. That authority be delegated to the Cabinet Member for City Housing and Assets, in consultation with the Strategic Director for Place, to approve the award of a contract for New Build Housing on Garage Sites when the evaluation process is completed.
2. That authority be delegated to the Cabinet Member for Children and Young People, in consultation with the Strategic Director for People, to approve the award of a contract for Housing Support Services for People at Risk of Violence and Abuse when the evaluation process is completed.
3. That authority be delegated to the Cabinet Member for City Economy, in consultation with the Strategic Director for Place, to approve the award of a contract for Library Stock Supply when the evaluation process is completed.
4. That authority be delegated to the Cabinet Member for City Economy, in consultation with the Strategic Director for Place, to approve the award of a contract for the Relocation of Café and Other Works at Wolverhampton Art Gallery when the evaluation process is completed.
5. That authority be delegated to the Cabinet Member for City Economy, in consultation with the Strategic Director for Place, to approve the award of a contract for the Development of Bantock House Complex and Gardens when the evaluation process is completed.

6. That authority be delegated to the Cabinet Member for Adults, in consultation with the Strategic Director for People, to approve the award of the contracts for Direct Payments Support Service and Payroll Service when the evaluation process is completed.
7. That authority be delegated to the Cabinet Member for Adults, in consultation with the Strategic Director for People, to approve the award of a contract for Shared Lives when the evaluation process is completed.
8. That authority be delegated to the Cabinet Member for Adults, in consultation with the Strategic Director for People, to approve the award of a contract for Generic Housing and Preventative Floating Support Service when the evaluation process is completed.
9. That the Director of Governance be authorised to execute contracts in respect of the above as required.

20

Update on debt refinancing for Highfields and Penn Building Schools for the Future Private Finance Initiate schemes

Cllrs Andrew Johnson and Claire Darke presented the report on recent discussions with the Council's financial advisor, Ernst and Young, and Amber Infrastructure on a proposed refinancing of Highfields and Penn Building Schools for the Future (BSF) Private Finance Initiative (PFI) projects. The report provided background information on two potential refinancing options and the associated risks. Cllrs Johnson and Darke recommended that the Council proceed with Option 1 which was the more advantageous to the Council.

Resolved:

1. That the Director of Governance be authorised to proceed with the Senior Debt Refinancing for the Highfields and Penn Fields Building Schools for the Future Private Finance Initiative Project Agreement as proposed by Amber Infrastructure as set out in Option 1 of the report.
2. That the final decision on this matter and on the final details of the transaction be delegated to the Cabinet Member for Education and Cabinet Member for Resources in consultation with the Strategic Director People and Director of Finance, including delegation to approve any contracts or any documents necessary to complete the refinancing.
3. That it be noted that the final net gain figure(s) may still be subject to fluctuations dependent upon the prevailing condition of the funding market at the close of the transaction e.g. final Interest Swap breakage cost.
4. That it be noted that the recommendation presented within the report represents the most advantageous option that the Council can secure from this refinancing given current market conditions whilst maintaining an acceptable level of risk.

21 **Southside Markets update**

Cllr Steve Evans presented the report on progress with the project to relocate Wolverhampton Market from its existing position at Market Square to the Snow Hill site in the Southside area of the City. He particularly reported on the budgetary implications of the project following the tender process and the timeline for delivery of the scheme.

Resolved:

1. That the release of the capital budget (as detailed in the capital programme which had been agreed by Full Council on 19 July 2017) for the markets relocation scheme be approved.
2. That it be noted that the reporting required to increase the budget headroom had impacted on the delivery programme for the markets relocation and a new deadline for completion of January 2018 had now been established.

22 **Facilities management delivery model - extension of contracts and status update**

Cllr Peter Bilson requested approval to the extension of Facilities Management contracts until December 2018. The extension of the contracts would allow the Corporate Landlord sufficient time to complete due diligence for the re-procurement of the management and delivery of hard Facilities Management contracts. It would also allow the Council the opportunity to centralise the management of works in a more integrated manner.

Resolved:

1. That the extension of the contract for Building Repairs, Maintenance, and Minor Works, with Gough Group Holdings Limited of Tudor House, Moseley Road, Bilston, WV14 6JD from 1 October 2017 to 31 December 2018 with an extension value of £3.0 million be approved.
2. That the extension of the contracts for corporate security Lot 1 Key Holding and Alarms and Lot 2 with BBP Security Training Services Limited of 1st Floor, St. Peters House, 4 Exchange Street, Wolverhampton, West Midlands, WV1 1TS and Cougar Monitoring Limited of Prime House Sapcote Trading Centre, Powke Lane, Cradley Heath, West Midlands, B64 5QR from 1 October 2017 to 31 December 2018 with a combined estimated extension value of £360,000 be approved.
3. That the extension of the contracts for Electrical and Mechanical Repairs, Pressurisation Units, Maintenance, and Minor Works with RMC Mechanical Services Limited of Unit 1, Steelhouse Lane, Wolverhampton, West Midlands WV2 2AF; R D Jukes & Co. Limited of Walsingham Works, Walsingham Street, Walsall WS1 2JZ and Midwest Electrical Services Limited of 370 New Hampton Road West, Wolverhampton WV6 0RX from 1 October 2017 to 30 September 2018 with a combined estimated extension value of £3.0 million be approved.

4. That the extension of the contract for Fire Warning and Fire Safety Equipment Servicing and Maintenance, with Interserve of Ruscombe Park, Twyford, Berkshire, RG10 9JU from 1 October 2017 to 31 December 2018 with an estimated extension value of £170,000 be approved.
5. That the extension of the contract for washroom facilities, with PHS Group Limited of Block B, Western Industrial Estate, Caerphilly, CF83 1XH from 1 February 2018 to 31 December 2018 with an estimated extension value of £185,000 be approved.
6. That the extension of the contract for service of fixed electrical testing, with Quartzelec Limited of Castle Mound Way, Central Park, Rugby, Warwickshire, CV23 0WB from 1 April 2018 to 31 December 2018 with an estimated extension value of £360,000 be approved.
7. That the extension of the contract for Water Systems Hygiene Monitoring and Management, with Integrated Water Services Limited of Park Lane West, Tipton, DY4 8LH from 01 October 2016 to 31 December 2018 with an estimated extension value of £180,000 be approved.
8. That the status update on the re-procurement of the above contracts under a single FM Delivery provider as detailed in section 4 of the report be noted.

23

Corn Hill car park acquisition

Cllr John Reynolds sought approval to the principle of making an offer for the acquisition of the 0.50 ha Corn Hill Car Park (formerly the Royal Mail sorting office) to the south of the multi-storey car park at Interchange subject to undertaking further due diligence to support a detailed business case. The site had recently been put on the market and there was an urgency to seek approval before the deadline imposed by the vendor. The site was allocated in the City Centre Area Action Plan (AAP) as part of the Interchange development masterplan for office-led mixed use. The masterplan for the Corn Hill site suggested in the region of 150,000sq ft accommodation could be provided creating approximately 820 jobs.

Resolved:

1. That the principle of the Council bidding on the Corn Hill site based on its strategic importance in the context of the Interchange masterplan be endorsed.
2. That authority be delegated to the Cabinet Members for City Economy and Resources in consultation with the Strategic Director for Place and the Director of Finance to approve the full business case for submitting a bid subject to ongoing due diligence.