

Time	5.00 pm	Public Meeting?	YES	Type of meeting	Executive
Venue	Committee Room 3, Third Floor - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH				

Membership

Chair	Cllr Roger Lawrence (Lab)
Vice-Chair	Cllr Peter Bilson (Lab)

Labour

Cllr Steve Evans
Cllr Val Gibson
Cllr Louise Miles
Cllr Hazel Malcolm
Cllr Lynne Moran
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:

Contact	Philippa Salmon
Tel/Email	Tel: 01902 555061 or philippa.salmon@wolverhampton.gov.uk
Address	Democratic Services, Civic Centre, 1st floor, St Peter's Square, Wolverhampton WV1 1RL

Copies of other agendas and reports are available from:

Website	http://wolverhampton.moderngov.co.uk
Email	democratic.services@wolverhampton.gov.uk
Tel	01902 550320

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

Agenda

Part 1 – items open to the press and public

Item No. *Title*

MEETING BUSINESS ITEMS

- 1 **Apologies for absence**

- 2 **Declaration of interests**

- 3 **Minutes of the previous meeting** (Pages 5 - 8)
[For approval]

- 4 **Matters arising**
[To consider any matters arising from the minutes of the previous meeting]

DECISION ITEMS (RED - FOR DECISION BY THE COUNCIL)

- 5 **West Midlands Second Devolution Agreement** (Pages 9 - 54)
To endorse the Second Devolution Deal.

- 6 **Capital budget outturn 2017-2018 including quarter one capital budget monitoring 2018-2019** (Pages 55 - 106)
To approve matters relating to the year end position with regard to capital budgets.

- 7 **Treasury Management – Annual Report 2017-2018 and Activity Monitoring Quarter One 2018-2019** (Pages 107 - 132)
To approve matters relating to the year end position with regard to Treasury Management arrangements and activity.

- 8 **Wolverhampton Youth Justice Plan 2018-2019** (Pages 133 - 150)
To approve the Youth Justice Plan priorities for 2018-2019.

DECISION ITEMS (AMBER - DELEGATED TO THE CABINET)

- 9 **Draft Budget and Medium Term Financial Strategy 2019-2020** (Pages 151 - 162)
To present the draft budget and Medium Term Financial Strategy 2019-2020 to 2020-2021.

- 10 **Reserves Provisions and Balances 2017-2018** (Pages 163 - 194)
To present the Reserves Provisions and Balances 2017-2018.
- 11 **Revenue Budget Outturn 2017- 2018** (Pages 195 - 252)
To present the Revenue Budget Outturn 2017- 2018.
- 12 **ICT Capital Investment Programme 2018-2019 to 2019-2020** (Pages 253 - 274)
To propose capital funding required to support and enhance the Council's ICT until March 2020.
- 13 **Local Council Tax Support Scheme** (Pages 275 - 280)
To propose a revision to local tax scheme for 2019-20.
- 14 **Open Space Strategy and Action Plan Update** (Pages 281 - 290)
To approve an update to the Wolverhampton Open Space Strategy.
- 15 **Right to Buy Policy Update** (Pages 291 - 304)
To approve an update to the Right to Buy Policy.
- 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 **WV Living Progress and Business Plan Update** (Pages 305 - 332)
To approve delivery against the WV Living Business Plan and the addition of sites into the WV Living Delivery Programme. Information relating to the financial or business affairs of any particular person (including the authority holding that information) (3)
- 18 **Acquisition of properties by the Housing Revenue Account** (Pages 333 - 340)
To approve the purchase of properties to bring into the Housing Revenue Account for Affordable Rent and Shared Ownership sale. Information relating to the financial or business affairs of any particular person (including the authority holding that information) (3)

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Attendance

Members of the Cabinet

Cllr Roger Lawrence (Chair)
Cllr Peter Bilson (Vice-Chair)
Cllr Steve Evans
Cllr Val Gibson
Cllr Louise Miles
Cllr Hazel Malcolm
Cllr Lynne Moran
Cllr John Reynolds
Cllr Sandra Samuels OBE
Cllr Paul Sweet

Employees

Keith Ireland	Managing Director
Tim Johnson	Strategic Director - Place
Mark Taylor	Strategic Director - People
Kevin O'Keefe	Director of Governance
Claire Nye	Director of Finance
Emma Bennett	Director of Children's Services
David Watts	Director of Adult Services
John Denley	Director of Public Health
Meredith Teasdale	Director of Education
Kate Martin	Service Director - City Housing
Shelley Smith	Communications Manager
Jaswinder Kaur	Democratic Services Manager
Philippa Salmon	Democratic Services Officer

Part 1 – items open to the press and public

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|---|
| 1 | Apologies for absence
There were no apologies for absence received. |
| 2 | Declaration of interests
There were no declarations of interest received. |
| 3 | Minutes of the previous meeting
That the minutes of the previous meeting held on 25 April 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 **Waste Strategy 2018-2028**

Councillor Steve Evans presented the Waste Strategy 2018-2028 for approval. The Strategy had been developed to reshape services to ensure that they continued to be efficient and effective whilst also meeting legislative, financial and operational responsibilities. Implementation would maximise sustainable benefits for the community and support regeneration and growth in the City.

Resolved:

1. That the City of Wolverhampton Council Waste Strategy 2018-2028 be approved.
2. That it be noted that the Waste Strategy was subject to any legislative changes, consultation outcomes and financial constraints that may impact on the future methodology.

6 **Principal Social Work Annual Report**

Councillor Sandra Samuels OBE presented the Principal Social Worker Annual Report for approval. Areas of improvement were evident across both Adult Social Care and Children and Young People Services that had created better support to service users, improved outcomes, improved staff productiveness and sense of wellbeing, in addition to achieving financial savings. The priorities proposed for 2018-2019 aimed to further reduce dependency and create savings.

Councillor Paul Sweet congratulated the Principal Social Worker on the achievements to date.

Resolved:

That the main priorities for the Principal Social Worker identified for 2018-2019 be approved.

7 **Public Health Annual Report 2017**

Councillor Hazel Malcolm presented the Public Health Annual Report for approval. The Annual Report fulfilled the statutory requirement for the Director of Public Health to publish a report on the health of the people in the area of the local authority. The report summarised the priority indicators by ward and detailed a baseline of the scale of the problems faced by the population of the City of Wolverhampton and the planned improvements in the quality of contracted and mandatory services over the next 12 – 18 months.

Resolved:

That the publication of the Public Health Annual Report be approved.

8 **Post 16 Implementation Plan**

Councillor Lynne Moran presented the Post 16 Implementation Plan for approval. The Implementation Plan had been created to support the operational delivery of the Post 16 Education and Skills Plan, to ensure that the Council raised aspirations through improved Post 16 access and participation. A more integrated education and training landscape would support the needs of young people and local employers.

The implementation of the Plan would be monitored both internally and externally and initial results would be provided in six months.

Resolved:

That the Post 16 implementation plan to support delivery of the Post 16 Education and Skills Plan be approved.

9 **Exclusion of press and public**

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the the likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the authority holding that information).

10 **Bushbury Hill EMB Estate Programme**

Councillor Peter Bilson presented the Bushbury Hill EMB Estate Programme that was exempt as it contained information relating to the financial or business affairs of any particular person (including the authority holding that information).

Resolved:

That the recommendations be approved as detailed in the exempt report.

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 July 2018
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Report title	West Midlands Second Devolution Agreement	
Decision Designation	RED	
Cabinet member with lead responsibility	Councillor Roger Lawrence Leader of the Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable director	Jennifer Brake, Service Director, Public Service Reform	
Originating service	Public Service Reform	
Accountable employee(s)	Ian Culley	Lead Planning Manager
	Tel	01902 555636
	Email	ian.culley@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board 12 June 2018	

Recommendations for decision:

The Cabinet is recommended to recommend that Council:

1. Endorse the Second Devolution Deal following the conclusion of negotiations between the West Midlands Combined Authority and the Government.
2. Approve the action plan for the implementation of the Second Devolution Agreement and agree to further discussions with Government.
3. Agree to receive further reports at the appropriate time resulting from detailed requirements of the devolution deal.

Recommendations for noting:

Cabinet is recommended to note:

1. The contents of the Second Devolution Deal and recognise that it contains a number of commitments to further devolution with the potential for significant further steps.
2. The implications for Wolverhampton resulting from the contents of the Second Devolution Deal.

1.0 Purpose

- 1.1 To inform Cabinet of the progress of the Second Devolution Deal and seek formal endorsement of the deal.
- 1.2 To outline the proposed approach to implementation of the deal and further discussion with Government.
- 1.3 To outline the benefits of the Second Devolution Deal for Wolverhampton.

2.0 Background

- 2.1 The first West Midlands Devolution Deal was agreed in November 2015 and endorsed by the City Council in March 2016. The Deal was an historic moment for the West Midlands and the first step in securing the powers, resources and independence needed to drive economic growth and public service reform. Work began immediately on developing proposals for the next stages of devolution and to explore further specific investment opportunities with government.
- 2.2 Since the first Agreement was signed the need for a successful industrial strategy delivered through strong local leadership and further devolution has become even greater, particularly the need to prepare the UK for a successful post-Brexit economy, improve skills and invest in infrastructure and the growth sectors that will provide for future prosperity.
- 2.3 The second devolution deal was agreed by the constituent authority leaders, the three LEP Chairs and the Mayor. Following this it was then announced by the government as part of the Autumn Budget on 22 November 2017. The West Midlands Combined Authority (WMCA) Board gave formal approval to the agreement at its meeting on the 9 February 2018 and requested that constituent authorities sought formal approval by Full Councils' for the deal, and proposed implementation plan, as early as possible in the municipal year 2018-2019.
- 2.4 This report details the contents of the Second Devolution Deal, its implications for Wolverhampton and outlines the implementation plan to support delivery of the agreement.

3.0 Contents of the Second Devolution Deal

- 3.1 The Deal is made up of a range of initiatives and commitments with the overall objective to address productivity barriers and support the delivery of a local industrial strategy.
- 3.2 The agreement recognises and reaffirms the roles of the constituent authorities, the non-constituent authorities and the LEPs in the Combined Authority, and commits the Government to support them all in delivering outcomes for citizens.
- 3.3 The Devolution Deal covered a number of areas where the Government committed to

support the West Midlands as it develops its Local Industrial Strategy to drive regional economic growth. The key measures are outlined below:

- **Housing.** The Government will provide £6 million over three years to support a new mayoral Housing Delivery Team in the WMCA to help accelerate delivery and achieve the level of housing growth to meet the West Midlands Strategic Economic Plan of 215,000 homes by 2031. Government have also committed to working with the WMCA to progress a Housing Deal to increase land supply and delivery, building on the recommendations of the West Midlands Land Commission.
- **Skills and employment.** Government is committed to working with the WMCA to establish one of the first Skills Advisory Panels which will have a role in bringing together strategic planning for post-16 skills provision including future funding allocations to colleges to meet local labour market needs. Government is also committed to providing £5 million over the next three years for a local construction training programme. Other elements of the Agreement include a career learning pilot and helping people return to work, and agreement to create an employment support framework to coordinate employment, skills and health services.
- **Transport.** The principal announcement was the commitment from Government to £250 million funding for the Wednesbury to Brierley Hill metro extension. Other elements include joint working on HS2 stations, increased support for cycling plans and sign up to the Network Resilience Partnership to improve the operational efficiency of the highway network.
- **Industrial Strategy.** Government is committed to working with the WMCA on a wide ranging local Industrial strategy to include support for the regional energy commission and participation in a partnership to identify ways to improve air quality as key elements. The Agreement also refers to a number of workstreams to enhance digital capacity and capability.
- **Finance and funding.** The Agreement enables a range of powers for the WMCA including borrowing capability, the establishment of a Mayoral Business Rate and support for finding an agreed mechanism to enable a Mayoral precept to support the investment programme. The Agreement also includes capacity building funding for the WMCA, the quantity to be confirmed but anticipated to be up to £2 million over two years.
- **Transforming public services.** A package of initiatives around the Public Sector Reform agenda but this is likely to be more of a focus for the next stage of devolution. The measures included in this Devolution Agreement include confirmation of the West Midlands being one of three national pilots for Housing First to address rough sleeping, funding for an office of Data Analytics, further work to strengthen local commissioning and co-ordination of criminal justice systems and a commitment to the merger of the PCC and Mayoral roles by 2020.

- 3.4 Unlike the first Devolution Deal, there are relatively few items that will require changes to the powers and Constitution of the WMCA and the formal legal process of drawing up Statutory Orders and presenting them to Parliament. These items relate to finance and governance arrangements and will be subject to separate papers to the WMCA Board and separate ratification processes by constituent authorities.
- 3.5 Importantly, the second deal established a joint commitment between the Government and WMCA to work together on a number of priority areas in which further devolution is sought but policies are not yet fully developed.
- 3.6 The full text of Second Devolution Deal is contained in Appendix 1 to this report.

4.0 Potential benefits for Wolverhampton

- 4.1 For Wolverhampton, the Devolution Deal is bringing additional resources to support the delivery of our priorities and should be welcomed. Of particular significance is the identification of the Wolverhampton-Walsall Corridor as a regionally significant growth zone in the Housing Deal, and the Springfield Campus has been confirmed as the National Brownfield Institute. Additional funding has been secured through the Construction Skills Initiative to enable local people to be able to better access job opportunities in the house-building industry and addressing homelessness is recognised a key priority in the Housing First Programme.
- 4.2 Moving forward, it is recognised that the two Devolution Agreements and other WMCA programmes cover a wide range of issues with far-reaching implications for City priorities. It is considered timely to review existing working arrangements with a view to adopting a more focussed and targeted approach to engaging with WMCA initiatives and workstreams.

5.0 Developing a new approach to devolution

- 5.1 During negotiations for the Second Deal, discussion took place between Government and the Combined Authority to work together to develop a new approach to devolution. This acknowledged a need to re-calibrate the devolution process: away from annual 'deal-making', and towards a relationship between the West Midlands and Government characterised by ongoing deeper collaboration on priority issues.
- 5.2 This new approach provides an important opportunity to develop proposals for more powers and flexibilities, and a better approach to funding, through longer term partnership, enabling evidence and cases for change to be fully developed and discussed and ensuring that trust is developed through implementation.

6.0 The Action Plan

- 6.1 The new approach to devolution has been signified by continued work between the WMCA and Government to develop an action plan to guide implementation of the Agreement. A meeting of the WMCA Board on the 9 March approved the Devolution

Action Plan. This adds further detail to a number of initiatives and commitments set out in the Agreement.

- 6.2 Appendix 2 to this report sets out the overall approach to this work and the partnership the Combined Authority are seeking with government. It then summarises a wide ranging agenda, including work on the Housing Deal and the Local Industrial Strategy as well as projects covering skills, employment, transport, public services and the Funding for Growth Commission.
- 6.3 The Combined Authority will continue to engage with Government on the basis of a detailed programme built on the Action Plan and are working jointly with government officials to agree the shared agenda for future work. Portfolio leads (as indicated in appendix 2) will be fully engaged in that process and the work ahead.

7.0 Evaluation of Alternative Options

- 7.1 The second devolution agreement was approved by the constituent authority leaders and the Mayor and then announced by the government at the Autumn Budget on 22 November 2017. The WMCA Board gave formal approval to the agreement at its meeting of 9th February 2018.

8.0 Reasons for Decision

- 8.1 As stated in paragraphs 4.1 and 4.2 of this report, the Devolution agreement and corresponding action plan will strengthen the delivery of key City priorities.

9.0 Financial implications

- 9.1 On 16 January 2018 Cabinet (Resources) Panel approved delegated authority to the WMCA to approve the amendment to statutory regulations which amend the WMCA borrowing powers. On 3 May 2018 the new regulations were passed giving the WMCA the power to borrow to support the investment programme agreed as part of the first devolution deal.
- 9.2 On 20 February 2018 Cabinet approved the delegated authority to the WMCA to approve the amendment to statutory regulations which enable the raise income via a supplementary business rate scheme to support the investment programme agreed as part of the first devolution deal. It is anticipated that the amendment will be put before parliament in due course.
- 9.3 The Government has also committed to work together with the Combined Authority on the Funding for Growth Programme to develop new sources of funding and financing to support the region's activities.
- 9.4 The Second Devolution Deal brings approximately £280 million of new funding for the West Midlands region, under the West Midlands Combined Authority remit. Appendix 2 to this report outlines potential opportunities available to the City of Wolverhampton to benefit from the additional funding.

- 9.5 Future reports to Cabinet will detail the outcomes from the WMCA Action Plan and consequential financial implications for the City of Wolverhampton Council.

[MH/07062018/Q]

10.0 Legal implications

- 10.1 There are some specific areas in the Deal where secondary legislation will be required which will need the consent of the Constituent Authorities. These will be brought forward on an individual basis in consultation with the relevant Government Departments and every effort will be made to liaise and co-ordinate with the governance processes of the Constituent Authorities. There may also be a need for public consultation in respect of some of these Orders and of course Parliamentary Approval.

[TS/07062018/Q]

11.0 Equalities implications

- 11.1 There are no direct equalities implications arising from this report. Moving forward work carried out by the WMCA will be subject to Equality Analyses as required, to ensure they are carried out in accordance with the Public Sector Equality Duty.

12.0 Environmental implications

- 12.1 There are no direct environmental implications arising from this report.

13.0 Human resources implications

- 13.1 There are no direct human resource requirements resulting from this report.

14.0 Corporate landlord implications

- 14.1 There are no direct corporate landlord implications from this report.

15.0 Schedule of background papers

9 February 2018, The Second Devolution Deal, West Midlands Combined Authority Board

9 March 2018, Devolution Action Plan, West Midlands Combined Authority Board

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WEST MIDLANDS COMBINED AUTHORITY

A SECOND DEVOLUTION DEAL TO PROMOTE GROWTH

[Signatures]

Introduction

1. The agreement made between the government and the Local Authority leaders and Local Enterprise Partnership (LEP) Chairs of the West Midlands Combined Authority (WMCA) area in November 2015 enabled significant devolution of powers, funding and responsibilities and marked a further step to deepen devolution in the area. Both government and the WMCA remain committed to the aim of bringing increased productivity and improved life chances to the West Midlands, as part of realising the potential of the Midlands Engine as a key growth centre for the UK.
2. The election of the Mayor means that strong and accountable governance arrangements for the West Midlands are now in place. Government and local leaders will build on the foundations laid over the last two years and ensure that the West Midlands is able to achieve its full potential and make its full contribution to the success of the UK.
3. This provides an appropriate moment at which to confirm and cement our joint commitment to the region. Accordingly, government is now further strengthening the West Midlands' devolution arrangements with this second devolution deal for the WMCA. These new proposals will support the ambitious plans of the WMCA for additional growth and improved wellbeing and demonstrates government's continued commitment to devolution and the future of the West Midlands.
4. Since the first agreement was signed the need for a successful industrial strategy delivered through strong local leadership has become even greater, as we seek to prepare the UK for a successful post-Brexit economy, improve skills, boost exports and invest in our infrastructure and the growth sectors that will provide for future prosperity. This new agreement reflects that changing context and recognises the need for the WMCA to develop a local industrial strategy to shape the long-term vision for growth in the area.
5. The Mayor and the WMCA will produce a local industrial strategy for the West Midlands, based upon the Strategic Economic Plan, which will set out a programme for accelerated delivery on the aims of the national strategy

through maximising the advantages of the West Midlands, bringing together social and economic ambitions to achieve inclusive growth. The WMCA will continue to work closely with the non-constituent authorities to jointly deliver the Strategic Economic Plan.

6. This devolution agreement commits government and the WMCA to a number of steps which support the delivery of a local industrial strategy in areas including housing, skills and employment, transport, air quality, energy and digital and through investment in key growth sectors such as advanced manufacturing, digital and new technologies.
7. The West Midlands is a key manufacturing centre and vital to the future growth of exports and the UK economy. The arrival of HS2 provides an unparalleled opportunity to boost growth. The blend of strategically important large businesses combined with an entrepreneurial culture is driving a high rate of business start-ups. The recent economic performance of the WMCA area exceeds national levels on GVA. The West Midlands performs well on exports and inward investment.
8. In recent years, the region has seen:
 - Stronger GVA per head growth of 2.8% from 2014 to 2015, closing the gap with national levels of growth (1.85%) and employment has grown by 55,700 over the past year to over 1.23 million;
 - 2,700 more business births than in 2015, with over 18,000 new start-ups in 2016,
 - Strong growth in goods exports, reaching almost £30bn across the region in 2016;
 - The value of goods exports was £29.7bn in 2016. The 12.6% rise in exports from 2015–2016 meant that the West Midlands was the fastest growing UK region for goods exports.
 - In the first two quarters of 2017, goods exports in the West Midlands have so far been worth £16.8bn.
 - 13,100 fewer working age people with no qualifications since 2015.

9. This agreement has been developed jointly by government and the WMCA. It represents the next big step in the West Midlands devolution process. Government and the WMCA commit to continuing a collaborative approach in future discussions.
10. This agreement is between the government, the Mayor, the leaders of the constituent authorities of the WMCA and the three LEP Chairs, and it recognises the role played by the leaders of the non-constituent authorities. It is subject to agreement from the WMCA Board and the constituent local authorities. This agreement is also subject to the statutory requirements, including public consultation and Parliamentary approval, of any necessary secondary legislation. Throughout this document, the term 'West Midlands' refers to Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton Metropolitan areas collectively, unless otherwise stated.

Delivering an Industrial Strategy for the West Midlands

Housing

11. To help the West Midlands to deliver the supply of houses needed to meet the ambition of the West Midlands Strategic Economic Plan of 215,000 homes by 2031, the government will provide £6m over three years, beginning in 2017/18, to support a new Mayoral Housing Delivery Team in the WMCA and make an immediate impact on delivery and longer term supply.
12. Through an integrated programme, the WMCA and its partners will bring forward a pipeline of new homes across all tenures, aligned to transport and infrastructure priorities. This will include unlocking housing opportunities from transport investment.
13. The government, the WMCA and its local partners will jointly consider levers at their disposal to support housing delivery where this will result in accelerated delivery and genuinely additional housing above local housing need and existing plan targets.
14. The Mayor, local leaders and government are committed to an ambitious increase in the number of new homes in the West Midlands and are continuing work on a Housing Deal to increase the supply of land and increase housing delivery across the West Midlands. This would build on the work done by the Mayor and leaders to establish an independent Land Commission and agree an innovative land delivery plan. Key requirements that areas must deliver in order to agree a Housing Deal with government will be addressed as part of future Housing Deal discussions.

Creating opportunity: improving skills and employment

15. Improving skills and ensuring that skilled labour is available in key growth sectors is essential to both economic growth and individual opportunities and life chances.
16. The government commits to the full implementation of the skills measures included in the Midlands Engine Strategy.
17. The government commits to work with the WMCA as we establish one of the first Skills Advisory Panels (SAP). The SAP will involve a new local partnership between the WMCA, local employers, post-16 skills providers and central government. SAPs will have a key role in bringing together strategic planning for post-16 skills provision based on data and intelligence on local labour market demand, and in influencing post-16 skills provision, including the implementation of T levels in the local area. In particular, the government, the WMCA and local colleges will take account of SAP analysis when allocating future capital funds to colleges to ensure they have plans which meet local labour market needs. The WMCA will work with government and local employers to encourage a strong West Midlands offer of work placements and apprenticeship placements.
18. The government will provide the WMCA with £5m over the next three years for a local construction training programme. This will be the first step in training up a new generation of construction workers and will help ensure that the West Midlands is well prepared for the technological changes that will affect our economy and society in the coming years. This will sit alongside employer-led interventions to boost construction with the government is taking forward as part of the early stages of the National Retraining Scheme.
19. The government and the WMCA will ensure that government and WMCA driven or commissioned skills and AEB activity relevant to the West Midlands takes account of local priorities as identified by the Skills Advisory Panel.
20. The WMCA has established a Productivity and Skills Commission. The outcomes of the Commission's work will play a key role in addressing the region's productivity challenges and taking forward the Industrial

Strategy. This will need to be aligned with the Department for Education's Skills Advisory Panels, which are designed to support a national skills strategy and prevent a fragmented approach.

21. Working within the government's new strategy for careers services, the government will work with the WMCA to ensure that local priorities directly inform the provision of careers advice and that the WMCA fully engages employers in playing a full role as will be set out in the forthcoming careers strategy.
22. The WMCA will want to work with and support its local Further Education and Higher Education providers to develop ambitious bids for Institutes of Technology within the West Midlands region.
23. Government will work with the WMCA to test innovative new approaches to lifelong learning through a career learning pilot in the West Midlands, to help adults upskill and reskill throughout their working lives. These will comply fully with the evaluation and reporting requirements from the Department for Education to ensure the pilots contribute to a valuable evidence base for what works in tackling barriers to people upskilling.
24. Government and the WMCA will explore ways to support those returning to the labour market after time out of paid employment to care for children or other family members.
25. Government and the WMCA will jointly develop and adopt an Employment Support Framework Agreement to drive the better coordination of employment, skills and health services across the West Midlands in order to increase the number of residents moving into work. This will specifically include:
 - How locally funded employment support programmes are designed, commissioned and performance managed;
 - How the Combined Authority and local partners can work together to align local public services to support people into work;
 - How the WMCA, DWP, JobCentre Plus and the LEPs will work together to offer apprenticeships and other work related training and work

experience opportunities to young people to drive down youth unemployment;

- How Jobcentre Plus, local authorities and their partners will work together to promote skills development and progression from low-paid employment to support growth.

Transport

26. A modern and efficient transport network, particularly the enormous opportunity presented by HS2 that will be a crucial driver of regional regeneration, underpins the economic growth and the whole of the local industrial strategy of the West Midlands. Effective management of local transport networks is equally critical to reducing the economic and human costs of congestion and air pollution.
27. The overall aims for transport devolution to the West Midlands have been to enable the Mayor and the WMCA to:
- Take forward their own priorities for investment in transport infrastructure through local control of funds to enable genuine alignment of rail and highways investment priorities.
 - Manage the local transport networks in an integrated way to reduce congestion and enhance public safety.
28. The WMCA will receive £250m over four years from the Transforming Cities Fund to be spent on local transport priorities. This will enable the WMCA to fund the Wednesbury to Brierley Hill metro extension, should they choose to do so. We expect this funding to support projects which represent value for money and meet local need. Appropriate assurance processes to enable development of robust business cases and scheme appraisals will be put in place so that local decision-makers can make properly informed and evidenced decisions. Government will continue to work with the WMCA to help the Combined Authority refine its scheme and assess financing and delivery options.
29. DfT will facilitate a discussion between Network Rail and the WMCA to discuss the transfer of ownership of the non-operational section of the Round Oak to Walsall railway route to enable the timely delivery of the Wednesbury to Brierley Hill metro extension. TfWM and the WMCA will seek to establish the most appropriate contractual and regulatory framework including, but not limited to, the Track Access Agreements for shared use of the line and commits to running services along the corridor from 2026.

30. The West Midlands' transport infrastructure needs to be made more resilient if the increased capacity and connectivity envisaged is to be delivered efficiently and effectively. The government had agreed to support and participate in a formal collaboration to achieve this.
31. Government is committed to working in partnership with, and to support, Transport for West Midlands (on behalf of the WMCA) in leading a formal multi-agency collaboration which will keep the West Midlands open for business and supporting growth during the extended construction period. A Minister will endorse the top tier of the robust multi-agency 'Network Resilience' partnership and will aim to attend a meeting early in the process to encourage all organisations to commit to the aims of the partnership. This will include the Department for Transport, Highways England, Network Rail, HS2 Ltd and other key agencies. The way of working developed will be an exemplar and model of best practice for future phases of HS2 delivery and other major investment programmes. Government will work with the partnership in applying the latest technology and best innovative solutions.
32. As part of this collaboration, government will work with TfWM to explore the scope for improved management of the highway, in particular to understand how the capacity for the West Midlands Key Route Network can be maximised.
33. Government will work with the Mayor and the WMCA to identify barriers to improving mobility in the region.
34. Following receipt of £250k government funding, Transport for West Midlands, on behalf of the WMCA, will develop a business case and options for a Regional Integrated Control Centre, including both 'virtual' and 'physical' solutions. If the business case demonstrates a clear case for a network resilience solution, the WMCA will explore funding options, including a local contribution.
35. Street Works Permit Schemes have a key role in meeting the Network Resilience challenge in the West Midlands. Therefore, the government will support the WMCA in bringing their non-permitting authorities together to implement a consistent area-wide scheme, in accordance with

Highways Authorities and Utilities Committee (England) Guidance. This will provide a unified approach to co-ordinating the road and utility works taking place, minimising local disruption.

36. As the strategic road authority, Highways England will work collaboratively with local partners to ensure smooth operation of and investment in the Strategic Road Network.
37. Thousands of people and businesses depend on the Strategic Road Network in the West Midlands every day. It is therefore imperative, and a shared priority of government and the WMCA, that there are appropriate contingency plans in the event of a catastrophic infrastructure failure so that the region can remain open for business. In recognition of this, government will discuss with the WMCA contingency relief options in case of incidents on the Strategic Road Network and the role of the Mayor in considering those contingencies. The government, Highways England and TfWM are also in discussions about ensuring there is a workable, clear and transparent process for using Operation Freeway on the M6 Toll when it is most needed. This will include discussions between government, the Mayor and Midlands Expressway Ltd on how to ensure optimal and timely decisions are made in relation to the potential usage of Operation Freeway.
38. Government will continue to maintain a dialogue with the WMCA as part of its plans to develop Enhanced Quality Partnership Schemes.
39. The WMCA is developing a long-term West Midlands Transport Delivery Plan. A key component of this Plan will be a focus on sustainable transport schemes, in particular cycling. The West Midlands has an ambitious plan to raise levels of cycling across the Metropolitan area to 5% of all trips by 2023. The WMCA will work collaboratively with government to identify new local funding opportunities to deliver high quality cycle infrastructure. This will support both national and West Midlands public policy objectives for transport and preventative health and well-being, with opportunities for sharing of best practice with other urban areas in the UK.
40. Government recognises the importance of HS2 to the West Midlands economy and will continue to work with the WMCA, the Urban Growth

Company and HS2 Ltd to discuss local ambitions to maximise its potential.

41. Government will continue to work with the WMCA to explore how the planned HS2 Interchange and Curzon stations can be designed so as not to preclude opportunities for international connectivity if HS1 and HS2 are connected in the future. Any costs associated with these decisions must be met locally.

Transport and digital

42. Mobility as a Service (MaaS) has the potential to revolutionise how we think about and use transport. For its users, MaaS should offer the best value proposition, by helping them meet their mobility needs and solve the inconvenient parts of individual journeys as well as the entire system of mobility services. A successful MaaS service also brings new business models and ways to organise and operate the various transport options, with advantages for transport operators including access to improved user and demand information and new opportunities to serve unmet demand. The aim of MaaS is to provide an alternative to the use of the private car that may be as convenient, more sustainable, help to reduce congestion and constraints in transport capacity, and can be even cheaper.
43. The WMCA and local partners have demonstrated clear ambition and innovative thinking on MaaS. Government is keen to support this ambition by:
 - Sharing best practice through a discussion on the development of innovative Mobility as a Service programmes, such as Whim, in order to advance our shared drive to explore future connected transport options;
 - Exploring the possibility of a regulatory framework to open up transport data access;

- Convening future discussions on Mobility as a Service in the West Midlands, including exploring non-legislative opportunities to improve services for customers across the region;

Air quality

44. Government will participate in a partnership with the WMCA and any local authorities required to develop local plans to achieve improvements in air quality and the consequent impact and opportunities on health, businesses, development, the economy and the environment. The aim of the partnership will be to enhance current national and local policy on air quality through developing a more comprehensive regional approach.
45. Officials from Defra and DfT will support the WMCA in developing proposals for:
- A more detailed air quality monitoring and reporting system for the West Midlands linked to the management of the Key Route Network;
 - The Mayor and the WMCA to develop and implement a comprehensive strategy for improving air quality across the West Midlands in collaboration with the local authorities.

Supporting Key Regional Industrial Strategy Sectors

Supporting business growth through the Industrial Strategy

46. The Mayor and the WMCA will develop a package of investments in key growth sectors as part of their overall investment programme. This will reflect sector deals developed as part of the Industrial Strategy.
47. The government wants to work closely with the West Midlands to deliver on key national priorities within the Industrial Strategy where the region provides a good opportunity to secure global leadership and enhanced growth.
48. Government will work with the WMCA to develop a local industrial strategy. This will be a long-term vision for growth, based on robust evidence and focused on raising productivity and pay in the area. It will be underpinned by strong cooperation between national government and the private sector, local leadership and key institutions.
49. The strategy will set out how the WMCA will work in partnership with government to support the key foundations of productivity. It will focus on raising skills levels across the area. It will identify and work to grow its leading sectors, develop new high value businesses, back the area's world-class science and innovation assets, and build on opportunities in all parts of the area. The strategy will reflect the main themes of the national Industrial Strategy, but also take a place-based approach which builds on the area's unique strengths and ensures all people in the West Midlands can contribute to, and benefit from, economic growth.
50. The West Midlands has significant potential for growth in the creative and digital sectors, building on the region's young population, excellent universities, entrepreneurial culture, connectivity and strong focus on digital technology. Both local partners and industry bodies have identified strong potential in these areas.
51. The WMCA will work with partners, including Government (BEIS), Local Enterprise Partnerships and Growth Hubs to develop a strategic approach to regulatory delivery, building on the Better Business for All national programme, overcoming regulatory barriers and supporting local priorities for growth and reform.

52. Government will work with the WMCA to understand the significant potential of professional and business services as a growth sector in the West Midlands.
53. Government will explore with the WMCA and partners how more intensive supply chain management and specialist business support can accelerate productivity growth, informing emerging sector deals and national thinking on clusters.

Energy

54. The government agrees to support the work of the West Midlands Regional Energy Commission, subject to agreement with government on the terms of reference, with a £120,000 fund for a local energy strategy as part of the local energy programme set out in Clean Growth Strategy, with input from relevant BEIS and Ofgem officials.
55. The West Midlands Regional Energy Commission will:
- build on initial work already in progress in the region, specifically to explore and develop appropriate regional governance and policy mechanisms which complement national market regulation while maximising economic opportunities for the region;
 - recommend how to accelerate significant local demand-led economic opportunities from energy systems innovation;
 - create mechanisms which drive and support the commercialisation of energy systems innovation and provide a platform for the region's manufacturing companies and innovators to compete globally;
 - unlock clean energy and low carbon investment opportunities;
 - develop and test a replicable and robust model of regional energy market governance.
56. The government look forward to publication of the initial findings of the Commission in 2018.
57. Government is in discussions with Midlands Engine LEPs for funding of up to £1.12m to support delivery of energy and low carbon projects across

the Midlands, under which WMCA projects can be considered for support. Decisions over the allocation of this support will be made based on local energy priorities across the Midlands. Government commits to a discussion with the WMCA about a scheme to enhance energy efficiency in homes and businesses, including the use of smart home technology and different business models for funding energy efficiency.

Automotive

58. The government wants the West Midlands to be a national and international hub for developing new automotive technologies, enhancing the UK's global share of these key growth sectors and contributing to climate change and air quality objectives.
59. This government is committed to supporting the West Midlands as a centre of electric vehicle manufacturing, competing with China, Germany and the United States, creating tens of thousands of new jobs in the next ten years, while autonomous vehicles are already being tested in Coventry City Centre.
60. As these two technologies come together into electric, driverless vehicles, the government will work with the Mayor to ensure the West Midlands has the infrastructure it needs to secure its place as one of the leading places in the world for these industries.
61. In line with this ambition, government recently awarded £31m to the West Midlands to create testing infrastructure for connected and autonomous vehicle (CAV) technology. This will help to ensure that the UK has the world's most effective CAV testing ecosystem, as part of the Industrial Strategy.
62. Government will also be investing £5m from the 5G Testbeds and Trials programme for an initial trial, starting in 2018, to test 5G applications and deployment on roads, including helping to test how we can maximise future productivity benefits from self-driving cars. This builds on the West Midlands existing expertise on future mobility technologies.

63. The West Midlands will be a key testing location for the best entries to a new innovation prize led by the National Infrastructure Commission to determine how roadbuilding should adapt to best support driverless cars.
64. Government is also currently considering £80m funding through the Industrial Strategy Challenge Fund's Faraday Challenge, supporting the area's industrial strengths and research excellence.
65. Government will continue to discuss the future of energy supply in the West Midlands to support the delivery of an action plan for power supply and infrastructure which enables industry and business to flourish.

Culture

66. The Mayor and the WMCA will work with government to support and build the culture and sport sectors in the region, recognising the important role they play in driving economic revival.
67. Work is already underway to further enhance the cultural assets of the West Midlands, from the significant progress that has already been made in raising funds for the Black Country Living Museum's latest development, to the proposals from Birmingham Museums Trust and Birmingham Royal Ballet to create a new joint cultural facility that will be spearhead social and economic regeneration on its proposed brownfield site.
68. Getting more people from every background regularly and meaningfully taking part in sport and physical activity is of utmost importance to government. Building on the success of the London 2012 Olympic and Paralympic Games and subsequent major sporting events, Government supports Birmingham's bid to host the Commonwealth Games in 2022 and looks forward to hearing the decision.

Digital

69. Building on the area's unique specialist strengths, the Mayor and the WMCA have a compelling vision to become a global tech hub to rival Berlin, Austin and Tallinn. Harnessing the power of digital in the public sector and creating the right environment for tech start-ups to flourish are two key shared objectives of the government, the Mayor and WMCA.
70. Effective digital leadership and governance is key to implementing successful digital change. Working with GDS and DCLG, the WMCA will draw up a Digital Capability Framework which sets out the level of skills required to deliver effective digital programmes and which can be used to disseminate best practice across local government. The WMCA will be an informed, intelligent, efficient customer for digital innovation in the public sector. This will be supported by best practice digital governance.
71. The WMCA recognises the potential of data to improve public service delivery. Key to exploiting this successfully is that the WMCA continues to use data and analytics securely and effectively for integrated local decision-making, planning and delivery. GDS and DCLG will work with the WMCA to explore further opportunities for using open data and secure data to improve public service delivery.
72. The WMCA have already recognised that digital is the 'golden thread' in the modern economy with the recent launch of their Urban Challenge programme. To further support their ambitions to use technology to solve the complex problems faced by the public sector, government encourages the WMCA to put forward new challenges to the recently announced GovTech Catalyst, which is supported by the new £20m GovTech Fund. The GovTech Catalyst and Fund will support public bodies to work closely with our world-leading tech sector, taking on the most innovative ideas, to boost productivity in UK public services.
73. Government has announced new funding to create 'Tech Nation' which will see the organisation expand its successful hub model to more cities around the country, including establishing a new hub in Birmingham.
74. Coventry and Warwickshire is a pilot location for a new £2m voucher scheme which will help bring the UK's fastest and most reliable broadband to homes and businesses across the country. Local companies

will be among those offered vouchers by broadband suppliers to pay for gold-standard full-fibre gigabit connections, to help revolutionise our digital infrastructure and make it fit for the future.

75. Working with their local One Public Estate partnership the WMCA will explore the option of converting unused public sector office space into co-working spaces for local tech entrepreneurs.

Transforming public services

76. Devolution provides the opportunity for public service transformation to improve how services are aligned around individuals, to remove the barriers to collaborative working and to bring together social and economic ambitions to support inclusive growth.
77. The Mayor and the WMCA want to grasp this opportunity and are already working with local stakeholders to put their aims into action. Government supports these objectives and commends the WMCA on the progress made so far. The government also sees this agreement as an opportunity to create a step change in the public services agenda, by establishing the building blocks to further public service transformation in the West Midlands in the future and ensuring continued close collaboration between the WMCA and government.
78. To take this process forward, the government and the WMCA commit to working together over the coming months on how the Combined Authority can be given greater flexibility to invest in and develop innovative approaches to delivering public services in order to produce a plan for next steps.
79. The government will support initiatives designed to enable public transformation:
- In response to the innovative proposals it has received from the WMCA for an Office for Data Analytics, government will provide £0.8m over three years for this initiative. This will bring together the considerable existing investment in research, data and intelligence to support delivery of the Strategic Economic Plan's economic and social outcomes, and enable the evidence base for further public service transformation.
 - The Mayor's Homelessness Taskforce is working with partners to redesign the services and care offered to homeless people across the West Midlands, with a strong focus on prevention. Government has committed £28m for Housing First pilots in three areas across England, one of which will be in the West Midlands. This will pilot the Housing First approach to ending the homelessness of rough sleepers

with the most complex needs. Under this approach individuals will be provided with accommodation alongside intensive key worker support to enable them to recover from issues such as mental health or substance abuse and sustain their tenancies.

- Establishment of a Social Work Academy – ‘FutureSocial’. This is a collaboration between 14 local authorities bringing together resources and capabilities to build workforce capacity at a regional level. The Academy will provide end-to-end support for career development, including post-qualification and recruitment and retention. Government has approved funding for the scheme and will work with the WMCA to develop this programme, including exploring the links to the LGA ‘Return to Social Work’ project and the government’s ‘Step up to Social Work’ programme.

80. The Mayor and the WMCA are prioritising enhancing mental and physical health, wellbeing and resilience and making the maximum impact on productivity and the reduction of inequalities in the future. There are a number of approaches to this:

- Government will work with the WMCA to facilitate discussions with local authority public health, as well as other local commissioners about opportunities to fund innovative pilots through local budgets to promote health and wellbeing in the West Midlands with a view to increasing levels of physical activity in both adults and children and piloting early preventative programmes.
- The government supports the WMCA’s aim of delivering the Thrive Mental Health Literacy programme across the WMCA, targeting 500,000 people. Government and the WMCA will work together to explore the right delivery models for the programme and how to build long-term sustainability into the programme.
- Government and the WMCA commit to continuing to work towards the ambitions of the Mental Health Commission. To date we have agreed that project management will be put in place for the following projects:
 - o Individual placement support

- A framework for improving wellbeing at work
- A wellbeing incentive to address mental health and muscular skeletal problems
- WMCA and the Black Country Sustainability and Transformation Plan (STP) will engage with health systems partners, on behalf of the other STPs in the area, to develop a proposal and business case for a prevention programme. The programme will initially focus on the development of professional and community capability to deliver effective social prescribing and asset-based interventions to improve health outcomes. This will be delivered through an emerging West Midlands Behavioural Change Network – a partnership including the WMCA and the region’s universities.

81. The government will work with the Mayor and the WMCA as well as with the NHS agencies to identify other devolved powers and funds that will support the Mayor’s priority of tackling health inequalities. This will include exploration of:

- Shared use of the public estate, so that proceeds from the disposal of locally owned NHS assets are retained in the West Midlands, in so far as statutory powers permit and subject to agreement with national and local partners;
- Regional use of transformation, research and development funds, including how STP transformation funding could take into account, where appropriate, the WMCA health and wellbeing objectives.

82. The Government, the WMCA and the PCC will work together to agree a detailed governance model and a legislative timetable for incorporating the role and power of the Police and Crime Commissioner into the mayoralty, with a view to electing the first Mayor with these powers in 2020.

83. The WMCA reaffirms its intention to integrate the West Midlands Fire and Rescue Service with the WMCA and Mayor and will engage with government and other stakeholders on the details of this governance change.

84. The government recognises the ambition of the Combined Authority to improve outcomes for offenders in the West Midlands area, and will work with the WMCA and local Police and Crime Commissioner to develop and strengthen the local role in commissioning joined up local criminal justice services.

Finance and Funding

85. The election of the Mayor, the changing economic context described above and the establishment of a Strategic Economic Plan for the three-LEP area has expanded both the ambition of the outcomes and the pace of delivery that local partners seek to achieve.
86. The first devolution deal saw the government commit to making a major investment in the West Midlands, with over £1bn allocated to the area for local priorities.
87. The government will launch a one-off Mayoral Capacity Fund totalling £12m over two years which will be available to Mayoral Combined Authorities with elected mayors, including the WMCA. This fund will support the new mayors by boosting their capacity and resources to deliver for their local area.
88. To align the WMCA's financial powers with their new responsibilities, and to provide the flexibility they need to invest in economically productive infrastructure, the government and the WMCA will reach agreement on a debt cap which will enable the government to take steps to extend the WMCA's borrowing powers to align with the WMCA's functions.

West Midlands Funding for Growth Programme

89. The Mayor and the WMCA have established a West Midlands Funding for Growth Programme to review public finance mechanisms and private sector funding opportunities. It will develop specific West Midlands solutions as well as pilots for potential national application.
90. The Programme will explore financial innovations with the aim of bringing greater autonomy and more effective use of public resources to the West Midlands and of spreading these innovations nationally. The Programme will include reforms for rapid implementation as well as longer-term work on bigger challenges, such as better use of existing local taxes. Government will work with the WMCA on selected themes as appropriate.

Mayoral powers

91. The government will, subject to the agreement of Parliament, provide for the Mayor of the WMCA to have the power to introduce a business rate supplement, which would be subject to a ballot of affected businesses.
92. Government recognises the ambitions of the WMCA and the Mayor and their wish to support a significant investment programme to drive growth. The government will work with the WMCA to consider whether there are appropriate functions that could be exercised by the Mayor to support the investment programme.

West Midlands and Government Working Together: Our Action Plan

This document is our action plan for the next stages of partnership working between the West Midlands Combined Authority and UK Government. It should be read in conjunction with the devolution 'deal' published in November 2017. It sets out:

- a) the ways in which we intend to **follow up on the commitments** made in the devolution deal document, and the ways in which those commitments translate into ongoing workstreams for the WMCA and its partners
- b) areas in which **clarification or more information** is needed – including with portfolio and officer leads for each strand of work, and those areas in which more clarity on governance or forward process is required
- c) the over-arching case for a **more collaborative ongoing relationship** between the WMCA, its members and partners, and the various departments of government that will be required to enable these priorities to be delivered.

Why we need an action plan

The West Midlands and the UK Government have already achieved much through a partnership that is growing in strength and impact. Within the last three years, the region has come together, established strong leadership and accountability, and shown that it can work together as a dependable partner with UK Government.

We have a clear shared agenda: a bold ambition for inclusive growth and reform that all of our communities can feel, driven through a place-based industrial strategy and a commitment to make the West Midlands a beacon for better leadership and better delivery.

Delivering on this agenda will require new powers and flexibilities for the West Midlands and the marshalling of additional resources and capability from a range of sources. In order to achieve these ambitions we must strengthen our collaborative working, capture new ideas and innovations and ensure that all our shared resources are brought to the table.

This means we can deliver on national objectives – for strong economic growth and social mobility – through our expert understanding of delivery mechanisms, delivering greater impact through our knowledge of what works best for our residents and businesses.

The second devolution agreement between the Government and the West Midlands outlines ways in which this might happen. It creates a unique opportunity to make progress together that will benefit the whole country. But we need to be proactive – stepping on to the front foot because we cannot wait for progress that our economy and our communities need to happen right now. This is why we have pulled together this action plan, and why the engagement with Whitehall outlined in the pages below has already begun in earnest.

Moving from 'devolution deals' to ongoing collaboration

The WMCA Board and UK Government have been clear about the need to re-calibrate the devolution process: away from an annual 'deal-making' process, and towards a relationship between the West Midlands and central government characterised by ongoing and deeper collaboration. This is for three reasons:

1. Our agenda for change is too broad to be funneled into an annual budgeting process that puts short term financial considerations ahead of strategic investment in the things we know that the region needs
2. Our reform plans are long-term and interdependent – they require consistent engagement with UK Government, and a depth of dialogue that builds trust over time and builds our collective capacity to deliver
3. Our industrial strategy – which will frame much of this ongoing dialogue – is a long-term strategy that requires deeper joint-understanding about the drivers for growth within the region, and the ongoing investment and flexibilities required to unlock faster progress.

The pages below set out our 'plans on a page' for following through on this ambition.

The WMCA board is asked:

1. To consider this Action Plan at March WMCA board, as a guide to our intentions and likely programme milestones following the approval of the original Devolution Deal document in February.
2. To note this report as further information *if required* as the Devolution Deal is approved by member Councils – because these documents together give a fuller sense how we intend to translate the Deal (which is a statement of policy intent) into actions that we are prepared to commit to and follow through on ourselves.
3. To continue the dialogue, engagement and feedback between the WMCA and its members that will be needed to ensure that we build the strong regional collaboration that is fundamental to achieving our goals.

Lead officers are happy to clarify any of the points contained in the 'plans on a page' below, and we will update WMCA Board at regular points throughout the calendar as we progress these actions and monitor progress both within the region and within central government. Note that this is not a plan of *all* WMCA activity, but a plan specifically related to the commitments made within the second Devolution Deal. Governance for particular strands of work are outlined below – but overall governance and responsibility for this plan rests with the Combined Authority Board.

PRIORITY 1 – A STEP CHANGE IN HOUSING INVESTMENT AND DELIVERY

Our work on this priority will be led by **Cllr Sean Coughlan**, supported by **Jan Britton** (lead CEO) and **Gareth Bradford** (Director of Housing and Regeneration) alongside Council Leaders and their housing and planning teams across the region. Governance is via the Land and Housing Delivery Board, reporting to the WMCA Board

What are our priorities?	Example specific actions
<p>To create a new partnership (between WMCA, UK Government, Homes England) and our local councils to secure the capacity and funding to deliver the scale/pace/mix and quality of housing the West Midlands and the UK needs – linked to strategic infrastructure investment planning and the piloting of improved and innovative approaches to housing construction, land remediation/acquisition and housing management.</p> <p>Building an ambitious housing investment portfolio for the region, taking care to work collaboratively to build a pipeline with strong local buy-in, evidence, assurances around delivery and the capacity to shape the market and the future skills base for innovation in construction.</p> <p>Working closely across housing, transport, public service reform and skills to ensure our ambitions for housing growth support inclusive growth and meaningful wellbeing outcomes across the region</p>	<ul style="list-style-type: none"> ➤ Agreeing a Housing Deal with Government that reflects our priorities, with strong local governance to underpin delivery and a level of ambition that supports housing growth goals set out in the Strategic Economic Plan (SEP) and Land Delivery Plan. ➤ A Site Pipeline (and related Investment Prospectus) that is robust, credible and mapped regionally – with clarity on housing supply & land release, employment sites and the necessary infrastructure provision and funding to unlock key sites ➤ Securing capacity for innovation in delivery and a local skills base – exemplified by the development of a national centre of excellence for brownfield remediation and construction skills in the Black Country ➤ Working with our partners at Homes England to create additional delivery capacity for the region ➤ Working with Homes England, LEPs and local councils to develop a detailed West Midlands Spatial investment and delivery plan to demonstrate confidence in delivery and clarity of intention and alignment across the region. ➤ Commitment to further work on a range of issues such as land remediation, land value capture, social housing, new technologies and stimulus of the SME market to support new construction methods and mixed models

PRIORITY 2 – A BOLD INDUSTRIAL STRATEGY FOR THE WEST MIDLANDS

Our work on this priority will be led by **Cllr Ian Ward** and **Jonathan Browning** (SEP Board Chair), supported by **Deborah Cadman** (Lead CEO), **Julia Goldsworthy** (Director of Strategy) and **Patrick White** (Interim Director of Industrial Strategy) alongside our Local Enterprise Partnerships (LEPs), universities, Council Leaders and their economic growth and development teams across the region. Governance is principally via the **Strategic Economic Plan (SEP) Board**, reporting to the WMCA Board.

What are our priorities?	Example specific actions
<p>Taking the opportunity to develop an ambitious West Midlands industrial strategy, responding to BEIS calls for 'place-based' strategies from Mayoral CAs following the publication of the Government's Industrial Strategy in Autumn 2017.</p> <p>Developing a stronger focus on genuine competitive advantages and future opportunities – including where we see major opportunities for local, regional and central government collaboration in sectors such as automotive, advanced manufacturing or life sciences, for example</p> <p>A shared understanding with Government about the contribution the West Midlands can make to UKPLC and the Grand Challenges the Government has defined, and what shared investment, regulatory flexibility / change or freedoms the region will need in order to maximize that impact.</p>	<ul style="list-style-type: none"> ➤ Developing and publishing an industrial strategy that reflects the current and future strengths of our businesses and people – built through collaboration between the WMCA, our LEPs, business community, academic partners and the public sector. ➤ Ensuring strong business leadership of the Industrial Strategy – through the development of clear sector action plans that are endorsed by sector leaders and which set out credible ambitions for growth and productivity improvement. ➤ Undertaking granular research that is led by our academic and LEP partners, building on our Productivity and Skills Commission, and getting under the skin of existing sector analysis to identify specific comparative advantage within high-growth-potential sub-sectors, and articulate a more detailed picture of the current business base within them ➤ Developing plans for more intensive supply-chain management and value chain growth, as a means to accelerating productivity growth ➤ A plan – developed with the WM Digital Board – to amplify current focus on the digital economy as a driver of regional growth, and the necessary capability and infrastructure investment to underpin it

PRIORITY 3 – BOOSTING PRODUCTIVITY THROUGH SKILLS AND JOBS

Our work on this priority will be led by **Cllr George Duggins**, supported by **Nick Page** (Lead CEO) and **Julie Nugent** (Director of Skills & Productivity) alongside our businesses, LEPs, Council Leaders and their education & skills teams, further education, higher education and other skills partners across the region. Governance is via the Productivity and Skills Commission, reporting to the **WMCA Board**

What are our priorities?	Example specific actions
<p>To use the potential of devolution to drive improved skills levels, higher rates of employment and a more responsive skills system that better meets the needs of local businesses, drives up productivity within the regional economy, and better supports the life chances of our learners and future workforce.</p> <p>Establishing strong leadership and a more joined up approach to skills funding, planning and delivery with the West Midlands – including greater local control over investment in skills and employment support</p> <p>A more effective use of public money in relation to skills, jobs and productivity, with greater focus on collaboration to deliver key sector specialisms and a more targeted offer for those individuals most in need or furthest from the labour market.</p>	<ul style="list-style-type: none"> ➤ The WMCA’s Productivity and Skills Commission will operate as a Skills Advisory Panel (covering 16-19, Adult Skills, T-Levels and apprenticeships). The Commission comprises experts from business and academia who will set out the key skills priorities for the region, working closely with stakeholders, including Department for Education (DfE). This analysis will also inform the production of our Local Industrial Strategy, recognising the key linkages between skills and productivity and economic growth. ➤ Production of a Regional Skills Plan, which will set out clear regional priorities for investment and establish a framework for collaborative working and alignment in post-16 education, skills and employment services within the region. ➤ Deliver a Career Learning Pilot to target and upskill low-paid/low-skilled adults in the workforce. ➤ Ensuring that government commissioned careers provision better aligns with local skills priorities – working with DfE and DWP to agree a new strategic relationship with the Careers and Enterprise Company and National Careers Service. ➤ Work with DWP, JobCentre Plus, Local Authorities and other local partners to create a joint Employment Support Framework that improves the targeting and impact of actions focused on helping West Midlands residents move in to and progress within employment.

PRIORITY 4 – INVESTMENT IN TRANSPORT THAT CAN TRANSFORM THE REGION

Our work on this priority will be led by **Cllr Roger Lawrence (who holds the transport portfolio)** and **Cllr Bob Sleigh (who holds the HS2 portfolio)**, and **Cllr Patrick Harley (who holds the environmental portfolio)**, supported by **Laura Shoaf** (Managing Director of TfWM) alongside her team and our wider partnership of local authorities, businesses, LEPs and transport industry partners. Governance is via the Transport Delivery Committee (and various operational transport and programme boards), ultimately reporting to the CA Board. HS2 specific activities report to the HS2 Growth Delivery Board – again, reporting ultimately to the WMCA Board.

What are our priorities?	Example specific actions
<p>To promote partnership working that builds the case for greater local control and adequate funding to deliver the long term transport investment plans outlined by the WMCA Board and TfWM – including the game changing arrival of HS2 within the region.</p> <p>Progressively securing the freedoms and flexibilities to manage regional transport networks effectively in line with local needs – including Integrated Control Centre, Operation Freeway, the moving of traffic powers, and BSOG</p> <p>Driving towards integrated connectivity linked to jobs and housing; and which enables people to travel, and businesses to access markets quicker and more easily; and which delivers a network that contributes to material improvements in congestion, public safety and air quality within the region.</p>	<ul style="list-style-type: none"> ➤ Creating longer term local funding arrangements for transport investment through continuous dialogue with UK Government. ➤ Maximising the potential of HS2 and the UK Central hub – supporting our world class airport – beginning with dialogue between WMCA, Urban Growth Company, Birmingham Airport (BHX), H.M. Treasury and the Department of Transport to clarify opportunities, objectives and funding streams, and submission of business cases for key proposals e.g. Birmingham International Station ➤ Establishing of a Network Resilience Partnership which pushes for more devolved transport powers, further technical work and through generating broader buy in from other areas (including potential amendments to the Operation Freeway agreement during HS2 construction) ➤ Securing DfT support for our bus service improvement strategy, including devolution of Bus Services Operator Grant (BSOG). ➤ Establishing a partnership to tackle air quality – an important cross-cutting area of work sitting between the Mayor’s Office, Industrial Strategy and Public Services/Wellbeing. ➤ Focused work within the Industrial Strategy to promote growth in transport related technology – including the creation of local ‘test beds’ for new technologies such as driverless cars ➤ Ensuring that the skills needs and opportunities of HS2 are reflected in the region’s wider skills strategy, so

What are our priorities?	Example specific actions
	that businesses and residents get the skills they need to prosper.

PRIORITY 5 – INCLUSIVE GROWTH, PUBLIC SERVICE INNOVATION AND WELLBEING

Our work on this priority will be led by **Cllr Steve Eling** (who holds the Public Services, Inclusion and Cohesion portfolio), and **Cllr Bob Sleigh** (who holds the Wellbeing portfolio), supported by lead CEOs **Phil Loach (Chief Fire Officer) (PSR)**, **Sarah Norman (Wellbeing)** and **Henry Kippin** (director of Public Service Reform), alongside the system of local authority, police, fire, NHS and VCS partners across the region. Governance is via the Public Service Reform Board and the Wellbeing Board, both ultimately reporting to the WMCA Board.

What are our priorities?	Example specific actions
<p>Developing a blueprint for future PSR built on collaborative work across the region, and which raises the level of ambition for partnership working with government around public service innovation</p> <p>Work to identify funding and flexibilities for work on radical prevention – including cardiovascular disease prevention, complex needs, mental health innovation and continuing the WMCA’s work on the experience of vulnerable people within the justice system</p> <p>Establishing a credible basis for a programme of work on Inclusive Growth and public service reform - beginning with the establishment of an Inclusive Growth Unit for the region, and PSR and wellbeing activities that link health, productivity and service reform.</p>	<ul style="list-style-type: none"> ➤ Production of a PSR Plan in collaboration with HMG – including specific pilots for public service innovation in partnership with MHCLG, DWP, HMT and others ➤ Establishment of an Inclusive Growth Unit in partnership with regional and national agencies which will drive the creation of inclusive growth policy and ‘blueprints’ for inclusive investment in key WMCA areas. ➤ Driving forward the Thrive programme of mental health innovation with continued support from the Dept of Health and Social Care (DHSC), Dept of Work and Pensions (DWP) and other government agencies, and continued investment from WMCA and regional partners. ➤ Establishment of the WMCA’s ‘Future Social’ programme, funded by DHSC and which supports collaboration within the social care workforce across regional settings ➤ Creation of digital innovation pilots via the Urban Challenge programme (which links tech entrepreneurs with public service and wellbeing challenges), and greater capability for cross-agency analysis via an Office of Data Analytics ➤ Extension of the WMCA’s One Public Estate programme to support PSR and system change

PRIORITY 6 – LEVERAGING FUNDING FOR ACCELERATED GROWTH

Our work on this priority will be led by Mayor **Andy Street** and Cllr **Izzi Secombe** in collaboration with constituent Council Leaders, supported by lead CEO Deborah Cadman, **Julia Goldsworthy** (Director of Strategy), **Sean Pearce** (Director of Finance) and the network of Chief Financial Officers within constituent authorities. Governance is via the Funding for Growth Commission and the West Midlands Combined Authority Finance Directors Workstream, reporting to the WMCA Board.

What are our priorities?	Example specific actions
<p>Generating full UK Government engagement and a commitment – as set out in our Funding for Growth programme – to identify and leverage diverse sources of funding for local investment in identified priorities.</p> <p>Pushing for a more independent West Midlands, able to drive growth and reform with less reliance on government grants. This needs flexibility to deliver more effectively across all areas of investment, including public service improvement and reform.</p> <p>Clear signals as to the viability of specific funding models outlined by the Commission, and commitments to take this forward in partnership.</p>	<ul style="list-style-type: none"> ➤ A range of key policy development challenges to ensure funding is in place to meet our shared ambitions. These are reflected in the current Funding for Growth priority list below ➤ To secure Ministry of Housing, Communities and Local Government (MHCLG) support through secondments and project support to develop the Supplementary Business Rates scheme and other funding streams envisaged within the region’s first Devolution Deal ➤ To secure UK Government involvement on the Panel and access to project finance expertise through HM Treasury or Investment UK to support business case development. Proposed areas currently include: <ul style="list-style-type: none"> - Longer term transport funding allocation. - Land remediation funding (housing deal) - Land Value Capture (housing deal) - Housing Revenue Account Cap (housing deal) - Enterprise Zones and Tax Incremental Financing/ Strategic Infrastructure Tariff - Pension Fund and other Institutional Investment including Private Sector Leveraged Investment into the Region. - Public Service Reform Gainshare and social financing models - NHS asset sales retention (explored via the One Public Estate programme)

PRIORITY 7 (a) TRANSFERRING GOVERNANCE OF WEST MIDLANDS FIRE SERVICE (WMFS) FROM WEST MIDLANDS FIRE AND RESCUE AUTHORITY (WMFRA) TO THE MAYORAL COMBINED AUTHORITY.

(a) Our work on this transfer in governance will be led by the Mayor **Andy Street**

Lead officers: **Henry Kippin** (Director of Public Service Reform) and Chief Fire Officer, **Phil Loach**

Support Officers: **Tim Martin** (Monitoring Officer and Governance Lead, **Karen Gowreesunker** (Clerk WMFRA.). Fire reform support from Brian Nash - Home Office.
Governance is principally via the WMCA Board.

WMFRA and WMCA –Transfer of Governance of WMFS

What are our priorities:

Enabling the effective and timely transfer of governance of WMFS from WMFRA to the Mayoral WMCA.

The continued delivery of the WMFS three year rolling Corporate Strategy

Maintaining established CFO leadership, operational and service accountabilities as in the approved Scheme

Actions (aligned to priority 1):

- Secure approval from Constituent Authorities and CA Board to submit Scheme to Government March - May 2018.
- Submission of Scheme to Home Office - May/June 2018
- Develop a plan for implementation based on agreed working assumptions objectives, timescales and will need to satisfy CA governance and assurance processes.
- Home Office consult on draft Order with WMCA and Constituent Authorities Summer/Autumn 2018
- Order finalised Autumn/Winter 2018
- Implementation by April 2019.

PRIORITY 7(b) MERGER OF THE ROLE OF PCC AND MAYOR

(b) Our work on the merger of the roles of the PCC and the Mayor will be principally led by the **Mayor, Andy Street, Deborah Cadman**, Chief Executive of WMCA, **Henry Kippin** (Director of Public Sector Reform), **Tim Martin** (Monitoring Officer WMCA), **Sean Pearce** (Director of Finance) and appropriate Officers from the Office of the PCC.

Mayor and PCC – Merger of Roles

Development of proposals and consultation, working with PCC, MoJ, Home Office and MHCLG.

Production of a clear roadmap for 2018-20 including understanding of legislative plans – working with OPCC, Home Office, MHCLG and WMCA Constituent Authorities – and based on appropriate stakeholder engagement.

Next Steps:

- Develop a clear understanding of how HO wish to engage with WMCA and OPCC through this process.
- Develop proposals covering how the role of PCC will be absorbed into the Mayoral role including appropriate safeguards over operational independence etc.
- Proposals signed off locally.
- Parliamentary process and Order
- Implementation – May 2020

INDICATIVE TIMELINE OF ACTIVITIES

The timeline below is approximate – but sets our early expectations of how the priorities (and associated actions) set out in the previous pages translate together as a pipeline of work.

Project	Projects already scoped which will be taken forward in Q1 and Q2 of 2018	Projects that require more detailed scoping and set up – to be taken forward within 2018-19	Longer term projects requiring extensive policy development or which may require legislation, Start in 2018/19 completion and recommendations 2019/20
Housing Deal			
Producing the WMs Local Industrial Strategy			
Strategic approach to regulatory delivery			
Supply chain management and business support			
Skills Advisory Panel			
Careers service strategy			
P&S Commission recommendations			
Career Learning Pilot			
Employment Support Framework			
Supporting those returning to the labour market			
Maximising potential of UKC/HS2			
Congestion busting partnership/ transport network management and devolved powers			
Bus services improvement			
Transport technology – link to LIS/Digital			
Air Quality Partnership			
Digital Framework on skills/open data/public service collaboration			
Commitment to a plan for future PRS			
Health and wellbeing pilot projects			
Devolved health powers			
Criminal justice reform			
Transfer of WMFRA to MCA			
Merger of PCC and Mayor roles			
Funding for Growth Programme (range of specific sub-projects)			

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 July 2018
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Report title	Capital budget outturn 2017-2018 including quarter one capital budget monitoring 2018-2019	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee	Alison Shannon Tel Email	Chief Accountant 01902 554561 Alison.Shannon@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	26 June 2018

Recommendations for decision:

The Cabinet is recommended to recommend that Council approves:

1. The revised medium term General Fund capital programme of £385.9 million, an increase of £11.0 million from the previously approved programme, reflecting the latest projected expenditure for the medium term.
2. The revised medium term Housing Revenue Account (HRA) capital programme of £328.8 million, a decrease of £1.0 million from the previously approved programme, reflecting the latest projected expenditure for the medium term.
3. The net additional General Fund resources of £11.0 million identified for;
 - i. 12 new projects totalling £18.3 million (as detailed at paragraph 4.1 of the report);
 - ii. 58 existing projects net decrease totalling £7.3 million (as detailed at paragraph 3.38 of the report).

The Cabinet is recommended to:

1. Approve the General Fund virements totalling £19.7 million as detailed at Appendix 3 to the report for;
 - a. existing projects totalling £19.4 million (as detailed at paragraph 3.39 of the report);
 - b. new projects totalling £299,000 (as detailed at paragraph 4.2 of the report).
2. Approve the updated schedules of works for the capital projects under the following directorate;
 - i. Corporate: ICT, WV Active and in relation to Education; Building Schools for the Future (BSF), Primary School Expansion Programme, Secondary School Expansion Programme and Schools Capital Maintenance (as detailed at Appendix 4 to the report);
 - ii. People: Sports Investment Strategy, Co-location Programme, Children in Need - Aiming High for Disabled Children and Early Education - Two Year Education Pilot (as detailed at Appendix 5 to the report);
 - iii. Place: Corporate Asset Management Programme, Urban Parks Refurbishment Programme, Disposals Programme, Accessing Growth Fund, Southside Programme, Maintenance of unclassified roads, Non - Highway Structures, Highway Improvement Programme, Safety Programme, Maintenance of classified roads, Lighting up the City and Local Growth Funding (LGF) Feasibility (as detailed at Appendix 6 to the report).
3. Delegate authority to the Cabinet Member for Education, in consultation with the Director of Finance, to approve the allocation of the provision of the 'Special Education Needs (SEN) Special Capital Fund Programme' to individual capital projects in order that they may be progressed in a timely manner (as detailed at paragraph 3.41 of the report).
4. Delegate authority to the Cabinet Member for Resources in consultation with the Director of Finance to approve the allocation of the provision of the 'Parks Strategy and Open Space' to individual capital projects in order that they may be progressed in a timely manner (as detailed at paragraph 3.42 of the report).
5. Delegate authority to the Cabinet Members for City Environment and Resources, in consultation with the Strategic Director for Place and the Director of Finance, to finalise the business case and budget for a transit site in order that it can be progressed in a timely manner. It is anticipated that budget provision will be met from the Council's Corporate Contingency within the capital programme (as detailed at paragraph 4.9 of the report).

Recommendations for noting:

The Cabinet is asked to note:

1. The General Fund outturn position for 2017-2018 which stands at 70.0% of the approved capital budget.

2. The HRA outturn position for 2017-2018 which stands at 92.7% of the approved capital budget.
3. That there are four ICT projects requiring additional internal resources included in this report, but which are subject to a separate detailed project report also on this agenda. The inclusion of these projects is for budget approval purpose and is on the assumption that the approval to progress with the projects is given. As the progression is dependent on that decision, if the projects are not approved, the capital programme will be reduced accordingly. The names of the projects are:
 - ICT General Programme;
 - ICT Disaster Recovery;
 - ICT Desktop Refresh;
 - Service LED ICT Projects.

1.0 Purpose

- 1.1 To provide Cabinet with an update on the outturn position for 2017-2018 and update on the 2018-2019 financial performance of the General Fund and Housing Revenue Account (HRA) capital programmes whilst also providing a revised forecast for 2018-2019 to 2022-2023 as at quarter one of 2018-2019.
- 1.2 To recommend revisions to the current approved General Fund capital programmes covering the period 2018-2019 to 2022-2023.

2.0 Executive summary

- 2.1 The General Fund and Housing Revenue Account capital programmes are underpinned by the Council's Corporate Plan with significant focus on ensuring that we work as one to serve the city; delivering a stronger economy, enabling stronger communities with a confident capable Council. The City of Wolverhampton is an ambitious city with big plans and is one of the fastest growing areas in the UK for economic growth.
- 2.2 The capital programme includes significant investment programmes that endeavour to create an environment where new and existing business thrive, people can develop the skills they need to secure jobs and create neighbourhoods in which people are proud to live.
- 2.3 Individual capital project delivery milestones and financial analysis is undertaken over the lifecycle of each project, by project managers in conjunction with Strategic Finance, and is updated in the Council's project management system. Regular project delivery updates are provided to Directorate Leadership teams and will also be provided to Project Assurance Group, enabling governance and challenge. In addition to this, a new Capital Projects Member Reference Group has also been established to further enhance project governance and challenge. These governance arrangements will enable the Council to strengthen delivery arrangements and embrace lessons learnt from previous capital projects within the City of Wolverhampton.
- 2.4 This report considers specific changes to budgets. A full list of the capital programme can be found here:
<http://www.wolverhampton.gov.uk/article/7046/Medium-Term-Capital-Programme>
- 2.5 At its meeting on 7 March 2018, Council approved a General Fund capital programme totalling £373.1 million for the period 2017-2018 to 2022-2023. Since then further reports submitted to Councillors have been approved to increase this amount by £1.8 million to £374.9 million. Of the approved capital programme totalling £374.9 million, £149.5 million relates to the 2018-2019 financial year.
- 2.6 Table 1 shows the approved General Fund budget compared with that proposed, along with the resources identified to finance the proposed change.

Table 1: Summary of the General Fund projects requiring approval

General Fund	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022- 2023	Total
	£000	£000	£000	£000	£000	£000	£000
Budget							
Approved	92,770	149,462	85,025	41,747	5,882	-	374,886
Projects requiring approval:							
New projects	-	12,554	3,917	1,835	-	-	18,306
Existing projects	(27,804)	3,504	19,187	(2,176)	-	-	(7,289)
	(27,804)	16,058	23,104	(341)	-	-	11,017
Projected	64,966	165,520	108,129	41,406	5,882	-	385,903
Financing							
Approved							
Internal resources	60,520	113,430	49,167	36,288	5,882	-	265,287
External resources	32,250	36,032	35,858	5,459	-	-	109,599
	92,770	149,462	85,025	41,747	5,882	-	374,886
Projects requiring approval							
Internal resources	(24,257)	(7,349)	16,784	(3,987)	-	-	(18,809)
External resources	(3,547)	23,407	6,320	3,646	-	-	29,826
	(27,804)	16,058	23,104	(341)	-	-	11,017
Projected							
Internal resources	36,263	106,081	65,951	32,301	5,882	-	246,478
External resources	28,703	59,439	42,178	9,105	-	-	139,425
Variance	64,966	165,520	108,129	41,406	5,882	-	385,903

2.7 This report recommends variations to the approved programme totalling an increase of £11.0 million bringing the total revised programme to £385.9 million.

2.8 Details of all the projects that have contributed to the overall increase of £11.0 million in the General Fund capital programme can be found in Appendices 1 and 2, however the key projects that have contributed to the increase in the programme are as follows:

- An increase totalling £11.5 million on the Land and Property Investment Fund for which City of Wolverhampton Council acts as accountable body. In accordance with delegation granted by Cabinet on 22 March 2017 and subsequently approved by Council on 5 April 2017, four new projects that were approved by the Joint Committee are now being proposed to be incorporated into the capital programme. This is fully funded by external contributions.
- A £4.8 million increase in the Interchange - Ph2 Train Station/MSCP/Metro Extension project to align the budget in the Council's capital programme with the programme position approved by Cabinet (Resources) Panel on 14 November 2017. This is fully funded by external contributions. It should be noted that this does not represent an increase in the Interchange programme budget that has been reported previously.
- Increases of £1.3 million and £1.4 million for the Maintenance of Classified and Unclassified Roads programmes respectively to reflect new external funding allocations for 2018-2019.

- A £4.9 million increase in the 'Full Fibre Network' project following the award of grant funding by Central Government to support the construction of a fast fibre network linking multiple sites for public use across the city. The drawdown of this budget will be subject to further reports to Councillors.
- A £4.0 million increase in the ICTS capital programme is sought to reflect the extension of the ICT capital programme to 2019-2020.
- A £1.4 million increase in the provision for 'Special Education Needs (SEN) Special Capital Fund Programme' following the award of grant from the Department of Education (DfE) for the creation of new places and the improvement of existing facilities for children and young people with Special Education Needs and Disability.
- An increase of £2.1 million for the provision of 'Corporate Contingency' to ensure that corporate priorities are addressed in a more agile and timely manner.
- The increases detailed above are offset in part by the removal of the West Midlands Combined Authority Initiatives project provision totalling £22.0 million. The Combined Authority have now received borrowing powers and therefore no longer require the Council to borrow on their behalf.

- 2.9 The outturn expenditure for 2017-2018 for existing projects totals £65.0 million. This represents 70.0% of the approved budget.
- 2.10 A forecast outturn for 2018-2019 for existing projects totals £153.0 million; this represents 105.8% of the approved budget.
- 2.11 On 31 January 2018, Council approved a revised HRA capital programme totalling £329.8 million for the period 2017-2018 to 2022-2023. Of this, £39.2 million related to the 2017-2018 financial year and £64.4 million relates to the 2018-2019 financial year.
- 2.12 Table 2 shows the approved HRA budget compared with the actual expenditure for 2017-2018 and the changes proposed for 2018-2019 to 2022-2023, along with the resources identified to finance the proposed changes.

Table 2: Summary of the HRA projects requiring approval

Housing Revenue Account	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022- 2023	Total
	£000	£000	£000	£000	£000	£000	£000
Budget							
Approved	39,201	64,390	70,210	66,830	51,910	37,300	329,841
Projects requiring approval:							
New projects	-	-	-	-	-	-	-
Existing projects	(2,859)	3,734	390	(2,510)	247	-	(998)
	(2,859)	3,734	390	(2,510)	247	-	(998)
Projected	36,342	68,124	70,600	64,320	52,157	37,300	328,843
Financing							
Approved							
Internal resources	39,168	63,470	70,210	66,830	51,910	37,300	328,888
External resources	33	920	-	-	-	-	953
	39,201	64,390	70,210	66,830	51,910	37,300	329,841
Projects requiring approval							
Internal resources	(3,042)	3,701	390	(2,510)	247	-	(1,214)
External resources	183	33	-	-	-	-	216
	(2,859)	3,734	390	(2,510)	247	-	(998)
Projected							
Internal resources	36,126	67,171	70,600	64,320	52,157	37,300	327,674
External resources	216	953	-	-	-	-	1,169
Projected	36,342	68,124	70,600	64,320	52,157	37,300	328,843

- 2.13 This report recommends variations to the approved programme totalling a decrease of £1.0 million bringing the total revised programme to £328.8 million.
- 2.14 The outturn expenditure for 2017-2018 for HRA existing projects totals £36.3 million. This represents 92.7% of the approved budget.
- 2.15 A forecast outturn for 2018-2019 for existing projects totals £68.1 million; this represents 105.8% of the approved budget.

3.0 Existing projects

2017-2018 Outturn

- 3.1 Table 3 provides the outturn position and the variations compared to the approved budget for 2017-2018 for existing projects.

Table 3: Outturn expenditure for 2017-2018

	General Fund				HRA £000	Total Capital Programme £000	Paragraph number
	Corporate	People	Place	Total			
	£000	£000	£000	£000			
2017-2018							
Approved budget	29,653	2,948	60,169	92,770	39,201	131,971	
Outturn	17,181	1,978	45,807	64,966	36,342	101,308	3.2; 3.16
Expenditure as % of approved budget	57.9%	67.1%	76.1%	70.0%	92.7%	76.8%	3.2; 3.16
Variance projected v approved over/(under)	(12,472)	(970)	(14,362)	(27,804)	(2,859)	(30,663)	3.2; 3.16
Variance represented by:							
Re-phasing	(6,052)	(980)	(14,147)	(21,179)	(1,861)	(23,040)	3.3 - 3.11; 3.17
Increase/(decrease)	(6,420)	10	(215)	(6,625)	(998)	(7,623)	3.12 - 3.15; 3.18
Re-allocation to new projects requiring approval	-	-	-	-	-	-	
Total variance	(12,472)	(970)	(14,362)	(27,804)	(2,859)	(30,663)	
	General Fund				HRA see analysis below £000	Total Capital £000	
	Approved Budget	Outturn 2017-2018	Variance over / (under)	Outturn as % of budget			
	£000	£000	£000	%			
Financing for projected variance:							
Internal resources							
Capital receipts	4,158	3,510	(648)	84.4%	12,809	16,319	
Prudential borrowing	56,262	32,155	(24,107)	57.2%	6,318	38,473	
Revenue contributions	100	598	498	598.0%	-	598	
Reserves	-	-	-	-	16,999	16,999	
Subtotal	60,520	36,263	(24,257)	59.9%	36,126	72,389	
External resources							
Grants & contributions	32,250	28,703	(3,547)	89.0%	216	28,919	
Subtotal	32,250	28,703	(3,547)	89.0%	216	28,919	
Grand total	92,770	64,966	(27,804)	70.0%	36,342	101,308	
	HRA				HRA see analysis below £000	Total Capital £000	
	Approved Budget	Outturn 2017-2018	Variance over / (under)	Outturn as % of budget			
	£000	£000	£000	%			
Financing for projected variance:							
Internal resources							
Capital receipts	7,690	12,809	5,119	166.6%			
Prudential borrowing	9,219	6,318	(2,901)	68.5%			
Revenue contributions	-	-	-	0.0%			
Reserves	22,259	16,999	(5,260)	76.4%			
Subtotal	39,168	36,126	(3,042)	92.2%			
External resources							
Grants & contributions	33	216	183	654.5%			
Subtotal	33	216	183	654.5%			
Grand total	39,201	36,342	(2,859)	92.7%			

3.2 The General Fund outturn expenditure for 2017-2018 totals £65.0 million, which represents 70.0% (72.1% in 2016-2017) of the approved budget, a reduction in expenditure of £27.8 million. Of the net £27.8 million reduction, £21.2 million is due to re-phasing of projects which is discussed below. The Council recognises that it has further work to do to improve performance monitoring, this will enable the Council to further assess the financial and performance impact surrounding programme delivery. As

previously reported the Project Assurance Group was established to improve the monitoring of both financial and delivery performance of the capital programme. Work continues on developing a capital dashboard to assist with this aim. A new Capital Projects Member Reference Group has also been established to further enhance project governance and challenge.

- 3.3 Corporate Directorate: there is re-phasing of £6.1 million which is a net position of £6.4 million re-phasing from 2017-2018 to future years and £353,000 of acceleration into 2017-2018. The main items are discussed below by service area.

Corporate: the main items of re-phasing are;

- £1.0 million for 'ICT General Programme'. A report on this agenda is due to be presented to Councillors which seeks approval to increase the ICT capital programme. In the event that this item was not approved the budget allocation would be removed prior to seeking Council approval for the General Fund capital programme;
- £882,000 for 'Digital Transformation Programme' to reflect the delivery plan formulated for 2018-2019.

Director of Education: the main items of re-phasing are;

- £1.6 million re-phasing to future years for 'Primary Expansion Programme' following a value engineering process and minor re-designs of the schemes;
- Approximately £880,000 re-phasing to future years for Schools 'Devolved Formula Capital'. The budget for this programme is derived from the grant allocation to individual schools which can be spent over a three year period. The projects and timing of this spend is dependent on devolved decisions made by individual schools;
- £340,000 for 'Building Schools for Future ICT Infrastructure' projects due to the conclusion of negotiations with the contractor and updated delivery timescales;
- £248,000 for the provision of 'Contingency for Emergency Works' was not required in 2017-2018 and therefore funds are rolled forward to support future projects;
- Finally, £199,000 relating to 'Building Schools for the Future – Design and Build' projects where the budgets have been rolled forward to fund outstanding fees

- 3.4 People Directorate: there is re-phasing of £980,000 which is a net position of £1.0 million re-phasing from 2017-2018 to future years and £38,000 of acceleration into 2017-2018 with the main items being;

- £708,000 for 'Sports Investment Strategy' due to a revised project plan;
- £175,000 for 'Cricket Provision' which was re-phased due to achieving final agreement with the external funders. This has now been signed and the project will be delivered by the end of 2018-2019.

- 3.5 Place Directorate: there is re-phasing of £14.1 million which is a net position of £15.3 million re-phasing from 2017-2018 to future years and £1.2 million of acceleration into 2017-2018. The main items of this re-phasing are discussed in the paragraphs below by service area.
- 3.6 City Economy: the main items of re-phasing are;
- £1.8 million for 'Market relocation to Southside' project has been re-phased to 2018-2019 due to unforeseen ground conditions and archaeological finds. The project is due to complete in July 2018;
 - £1.1 million for 'City Learning Quarter Site Development'. The project was originally being delivered through the Local Education Partnership agreement with Inspiredspaces. This is a company which is partly owned by Carillion and due to their liquidation, the project was temporarily paused. New programme management and design arrangements have been implemented and the business case is continuing to be developed;
 - Re-phasing totalling of £449,000 for 'Interchange Phase 2 Train Station/MSCP/Metro Extension' project. The budget has been realigned in accordance with Cabinet (Resources) Panel approval, as detailed in paragraph 2.8;
 - £441,000 for 'Westside' in relation to progression of legal titles associated with the site disposal;
 - £385,000 relating to 'Black Country Growth Deal – Cultural Programme' due to further redesign works;
 - Further £234,000 for 'i54 Western Extension' project due to additional work required prior to planning consultation.
- 3.7 City Environment: the main items of re-phasing are;
- £659,000 for 'i54 Access and Infrastructure' provision for revised marketing programme and the remaining site disposals;
 - £338,000 for 'Vehicles (Procurement)' project to realign with procurement timeline of vehicles;
 - Approximately £180,000 for 'Lighting up the City' programme to realign project budget to reflect the timeline for delivery;
 - £162,000 relating to 'Site Remediation Farndale' project reflecting final costs anticipated in relation to the land remediation works at Farndale.
- 3.8 City Housing: re-phasing of £416,000 for the provision of 'Disabled Facilities Grants' is to realign project budget to reflect the timeline for delivery.

- 3.9 Corporate Landlord: re-phasing of £564,000 for 'Corporate Asset Management' programme is mainly due to security and access works.
- 3.10 Future Spaces: re-phasing of £2.3 million carried forward to accommodate final account and retention payment to contractors.
- 3.11 Regeneration Programmes: CWC acts as the Accountable body for the Black Country Land and Property Investment Fund, the Investment Fund will invest to secure new housing, industrial and commercial development, and is currently made up of allocations from the £200 million West Midlands Combined Authority Land Remediation Fund (LRF), secured from Government as part of the devolution deal. The projects funded through the Investment programme will be from across the West Midlands region, not specifically Wolverhampton projects and are recorded in the Council's capital programme because of its role as Accountable Body, therefore it should be noted there is no direct financial impact on the Council. £3.7 million for 'Land and Property Investment Fund' has been re-phased due to legal negotiations with the grant applicant for the Black Country Music Institute.
- 3.12 As well as the re-phasing of projects, an element of the underspend related to permanent reductions in budgets.
- 3.13 There is a £7.0 million reduction relating to West Midlands Combined Authority (WMCA) Initiatives. The Combined Authority has now been awarded their borrowing powers and therefore no longer require the Council to borrow on their behalf.
- 3.14 A decrease of £717,000 for 'i54 Travel Plan' project. This is due to the Section 106 contribution being redirected to fund revenue costs associated with the i54 bus service, therefore, the capital budget is removed.
- 3.15 Details of changes to all projects can be found in the supporting appendices.
- 3.16 The HRA outturn expenditure for 2017-2018 totals £36.3 million, which represents 92.7% (78.1% in 2016-2017) of the approved budget, a reduction in expenditure of £2.9 million. Of the £2.9 million reduction, £1.9 million is due to re-phasing of projects (slippage of £4.7 million offset by £2.8 million acceleration) which is discussed below.
- 3.17 The main items of re-phasing are;
- £1.7 million relates to 'Additional Social Housing' programme due to the suitable schemes not being identified during 2017-2018;
 - £1.5 million for 'Decent Homes – Stock Improvement' programme as a result of the High Rise infrastructure refurbishment work being paused whilst a review was undertaken of fire safety requirements;
 - Approximately £536,000 for 'Roof Refurbishment' programme due to poor weather conditions;
 - Further £532,000 for 'Care and Support Specialised Housing (CAASH) Fund' to realign project budget to reflect the timeline for delivery of the Tap Works development site;
 - Finally, an acceleration of £2.2 million relating to the 'Heath Town Refurbishment' project due to additional progress achieved on the programme.

- 3.18 The decrease of £1.0 million for the HRA mainly relates to the following;
- £258,000 for 'External Improvement Works' due to the resources being diverted to High Rise Safety priorities;
 - £239,000 for 'Lift Improvement' project reflecting a completion of 2017-2018 programme, budget balance not required to be carried forward;
 - £153,000 relating to 'Street Scaping' project due to release of balance following final account settlement with the contractor.
- 3.19 The effects of the above have been built into the current forecast of their associated programmes as detailed in the following sections of this report.

Future forecasts

- 3.20 Table 4 below provides an analysis of the projected budget forecast and the variations compared to the approved budget for existing projects.

Table 4: Projected budgets for existing projects

	General Fund				HRA £000	Total Capital Programme £000	See paragraph number
	Corporate	People	Place	Total			
	£000	£000	£000	£000			
2018-2019							
Approved budget	78,770	1,353	69,339	149,462	64,390	213,852	
Projected budget	65,079	2,296	85,591	152,966	68,124	221,090	2.10, 2.15
Forecast as % of approved budget	82.6%	169.7%	123.4%	102.3%	105.8%	103.4%	2.10, 2.15
Variance projected v approved over/(under)	(13,691)	943	16,252	3,504	3,734	7,238	3.21, 3.31
Variance represented by:							
Re-phasing	(2,698)	980	10,684	8,966	3,734	12,700	3.22-3.24, 3.35
Increase/(decrease)	(10,943)	(37)	5,817	(5,163)	-	(5,163)	3.25-3.27, 3.29
Re-allocation to new projects requiring approval	(50)	-	(249)	(299)	-	(299)	3.28, 3.30
Financing for projected variance:							
Internal resources	(14,986)	717	6,715	(7,554)	3,701	(3,853)	
Internal resources re-allocation to new projects requiring approval	(50)	-	(209)	(259)	-	(259)	
External resources	1,345	226	9,786	11,357	33	11,390	
External resources re-allocation to new projects requiring approval	-	-	(40)	(40)	-	(40)	
2019-2020 to 2022-2023							
Approved budget	28,868	-	103,786	132,654	226,250	358,904	
Projected budget	39,598	-	110,067	149,665	224,377	374,042	3.32, 3.36
Variance projected v approved over/(under)	10,730	-	6,281	17,011	(1,873)	15,138	3.32, 3.36
Variance represented by:							
Re-phasing	8,750	-	3,463	12,213	(1,873)	10,340	3.32, 3.36
Increase/(decrease)	1,980	-	2,818	4,798	-	4,798	3.33-3.35
Re-allocation to new projects requiring approval	-	-	-	-	-	-	
Financing for projected variance:							
Internal resources	9,730	-	3,047	12,777	(1,873)	10,904	
Internal resources re-allocation to new projects requiring approval	-	-	-	-	-	-	
External resources	1,000	-	3,234	4,234	-	4,234	
External resources re-allocation to new projects requiring approval	-	-	-	-	-	-	

2018-2019 Approved budget

- 3.21 As shown in Table 4, the latest financial monitoring information indicates that General Fund capital expenditure for 2018-2019 will be higher than the approved budget by £3.5 million. Of this, £9.0 million is due to re-phasing of projects between 2017-2018, 2018-2019 and the future years whilst £5.2 million relates to decrease in the programme with £299,000 relating to re-allocations from existing to new projects. Further details are discussed in the paragraphs below.
- 3.22 Corporate Directorate: there has been a re-phasing of expenditure totalling a net decrease of £2.7 million due to re-phasing against capital projects from 2017-2018 to later years. The key projects that have re-phasing in capital expenditure from 2017-2018 to 2018-2019, totalling £6.1 million are explained in paragraph 3.3 above. A further £8.8 million has been re-phased from 2017-2018 into later years resulting in the net £2.7 million re-phasing. The main projects are:
- £7.0 million has been re-phased into later years for 'Primary Expansion Programme' following a value engineering process and minor re-designs of the schemes;
 - £1.0 million re-phasing for 'Schools Devolved Formula Capital' projects which can be spent over three years as explained in paragraph 3.3 above;
 - £762,000 relating to 'Aldersley High Expansion' project to realign project budget to reflect the timeline for delivery.
- 3.23 People Directorate: there is a re-phasing of capital expenditure from 2017-2018 to 2018-2019 totalling £980,000 with the key projects that were re-phased explained in paragraph 3.4 above.
- 3.24 Place Directorate: there has been a re-phasing of expenditure totalling a net increase of £10.7 million, mainly due to the re-phasing of capital projects between 2017-2018, 2018-2019 and future years. The key projects that have re-phasing in capital expenditure from 2017-2018 to 2018-2019, totalling £14.1 million are explained in paragraphs 3.5 to 3.10 above. A further £3.7 million re-phasing from 2018-2019 into later years relates to the 'Interchange Phase 2 Train Station/MSCP/Metro Extension' project. The budget has been realigned, to reflect the agreed contract terms as detailed in paragraph 2.8.
- 3.25 The projected forecast decrease of £5.2 million for the General Fund 2018-2019 capital expenditure is a net position which is discussed below.
- 3.26 Corporate Directorate: there is a net decrease of £10.9 million which is explained below;
- A decrease of £15.0 million relates to West Midlands Combined Authority (WMCA) Initiatives. The provision for 2018-2019 is no longer required as explained in paragraph 3.13;
 - An increase totalling £1.9 million relates to four ICT projects, 'General Programme', 'Disaster Recovery', 'Desktop Refresh' and 'Service Led ICT Projects'. A report on this agenda is also being presented to Councillors as explained in paragraph 3.3;

- Further increase of approximately £2.1 million for the provision of 'Corporate Contingency' to ensure that corporate priorities are addressed in a more agile and timely manner.
- 3.27 People Directorate: a decrease of £37,000 is a net position with the main items being as follows;
- A decrease of £101,000 relating to the provision for 'Capital Investment in Community Capacity' which is no longer required;
 - An increase of £64,000 reflecting the costs for 'Cricket Provision – Newbridge Park' project that are fully funded from the Section 106 contributions.
- 3.28 There is re-allocation virement proposed from an existing to a new project within the People Directorate. The proposed re-allocation virement from the provision of 'Corporate Contingency' to a new 'Avion Centre – CCTV installation' project is in the region of £21,000 as detailed in Appendix 2 of the report.
- 3.29 Place Directorate: the forecast increase of £5.8 million is mainly due to the following;
- Paragraph 2.8 detailed the requirement to build in £4.8 million of resources in relation to the Interchange programme to reflect the position approved by Cabinet (Resources) Panel on 14 November 2017. Of the total £4.8 million, £3.7 million relates to 2018-2019;
 - £882,000 for the following projects reflecting new grant allocations for 2018-2019 financial year. These projects are; 'Dudley Street Footwork – phase 1 and 2' with the allocation of £449,000 within the Maintenance of unclassified road programme and £433,000 is for 'Black Country GOLD Project';
 - £500,000 relating to the provision of 'Empty Property Strategy'. This is a rolling programme fully supported by utilising capital receipts;
 - £302,000 for the provision of 'Maintenance of classified road' programme reflecting an allocation of the additional flood resilience and road repair funding;
 - £115,000 for the provision of 'Parks and Open Space' programme reflecting an allocation of further Section 106 contributions in order that projects can be progressed in a timely manner.
- 3.30 There are re-allocation virements proposed from existing to new projects within the Place Directorate totalling £278,000 as detailed in Appendix 2 of the report. The proposed re-allocation virements are:
- £209,000 from the provision of 'Corporate Asset Management' programme to 11 new schemes within the programme;
 - £40,000 from the 'Accountable Body Professional Services - Dudley Music Institute' project is proposed to be re-allocated to four new schemes within 'Land and Property Investment Fund', as discussed in paragraph 3.11;
 - £29,000 from the provision of 'Corporate Contingency' to a new 'West Park - Intruder Alarm and CCTV System' project to deter anti-social behaviour and increase community safety.

- 3.31 As shown in Table 4, the latest financial monitoring information indicates that HRA capital expenditure during 2018-2019 will be higher than the approved budget by £3.7 million. This is an increase due to net re-phasing of capital projects totalling £1.9 million from 2017-2018 to later years which is discussed in paragraph 3.16 above, and a net re-phasing of projects from the future to the earlier years totalling £1.9 million; as a result of £4.0 million slippage and £5.9 million acceleration. The main projects are;
- Slippage in the region of £4.0 million for the 'WV Living Units – Wednesfield' project due to the revised programme of works for WV Living development;
 - Acceleration of £4.0 million for 'Heath Town Refurbishment' project due to the successful progress on the programme;
 - Acceleration in the region of £2.0 million for 'Small Sites 4' project due to the suitable sites being identified enabling the programme to be brought forward.

2019-2020 to 2022-2023 Approved budget

- 3.32 The latest financial monitoring information shown in Table 4 indicates that General Fund capital expenditure for 2019-2020 to 2022-2023 will be higher than the approved budget by £17.0 million. Of this, £12.2 million is due to re-phasing of capital expenditure across the life of the capital programme as discussed in the previous paragraphs above.
- 3.33 The projected budget net increase of £4.8 million for the General Fund is discussed below.
- 3.34 Corporate Directorate: further increase of £2.0 million relates to ICT projects 'General Programme', 'Disaster Recovery' and 'Desktop Refresh' which is explained in paragraph 3.26 above.
- 3.35 Place Directorate: the forecast increase of £2.8 million is due to the following;
- £1.0 million for 'Interchange Phase 2 Train Station/MSCP/Metro Extension' project. The budget has been realigned in accordance with Cabinet approval, as detailed in previous reports, to reflect the agreed contract terms and conditions;
 - £940,000 for 'Dudley Street Footwork – phase 1 and 2' project within the Maintenance of unclassified road programme reflecting a new grant allocation;
 - Finally, an increase of £871,000 for the provision of 'Maintenance of classified road' programme reflecting an allocation of the additional flood resilience and road repair funding.
- 3.36 The latest financial information shown in Table 4 indicates that the HRA capital expenditure for 2019-2022 to 2022-2023 will be lower than the approved budget by £1.9 million, this is due to a re-phasing of expenditure as discussed in the paragraphs above.

Overall summary

3.37 Table 5 below provides an analysis of the capital expenditure for 2017-2018 to 2022-2023.

Table 5: Overall summary 2017-2018 to 2022-2023 for Existing Projects

	General Fund				HRA £000	Total Capital Programme £000	See paragraph number
	Corporate £000	People £000	Place £000	Total £000			
Overall summary							
Projected budget	121,858	4,274	241,465	367,597	328,843	696,440	
Variance projected v approved over/(under)	(15,433)	(27)	8,171	(7,289)	(998)	(8,287)	3.38
Variance represented by:							
Re-phasing	-	-	-	-	-	-	
Increase/(decrease)	(15,383)	(27)	8,420	(6,990)	(998)	(7,988)	3.38
Re-allocation to new projects requiring approval	(50)	-	(249)	(299)	-	(299)	3.28, 3.30

- 3.38 A detailed analysis of the projected net decrease of capital expenditure totalling £7.3 million for existing projects, can be found in Appendix 1 to the report.
- 3.39 Requests for budget virements between existing projects for the General Fund and HRA totalling £19.7 million and £24.0 million respectively are detailed in Appendix 3 to the report.
- 3.40 Ancillary schedules of General Fund works for approval are detailed in Appendices 4 to 6 to this report.
- 3.41 Approval is also being sought to delegate authority to the Cabinet Member for Education in consultation with the Director of Finance to approve the allocation of the provision of the 'Special Education Needs (SEN) Special Capital Fund Programme' to individual capital projects in order that they may be progressed in a timely manner.
- 3.42 Approval is also sought to delegate authority to the Cabinet Member for Resources in consultation with the Director of Finance to approve the allocation of the provision of the 'Parks Strategy and Open Space' to individual capital projects in order that they may be progressed in a timely manner.

4.0 New projects and virements

- 4.1 Table 6 provides an analysis of forecast outturn for the new projects requiring approval, covering the period 2017-2018 to 2022-2023, identifying where additional funding is required and where the new expenditure can be met from existing resources. A detailed analysis of the individual projects included in this table can be found in Appendix 2 to the report.

Table 6: Analysis of new projects requiring approval

Directorate	2017-2018 to 2022-2023			
	Forecast	Additional	Additional	Virements
	outturn	internal	external	from existing
	£000	resources	resources	projects
		required	required	
		£000	£000	£000
Corporate	6,527	225	6,302	-
People	21	-	-	21
Place	11,758	-	11,480	278
Total General Fund	18,306	225	17,782	299
Housing Revenue Account	-	-	-	-
Total HRA	-	-	-	-
Total Capital Programme	18,306	225	17,782	299

- 4.2 The new projects requiring approval are funded from a mixture of internal and external resources and virements of £299,000 (see Table 6 for split over funds) from existing projects as detailed in Appendix 3 to the report.
- 4.3 The main new projects requiring approval (see additional resources in Table 6) are discussed below.
- 4.4 Corporate Directorate: there is an approval for budget increase of £6.5 million for eight new projects;
- £4.9 million being the amount awarded by Central Government to support the construction of a fast fibre network linking multiple sites for public use across the city and therefore it is proposed that a budget is created for the provision of 'Full Fibre Network' project to accommodate this grant. The drawdown of this budget will be subject to further reports to Councillors;
 - £1.4 million relates to the grant award from the Department of Education (DfE) for the creation of new places and the improvement of existing facilities for children and young people with Special Education Needs and Disability. The approval is sought for the works at Penn Hall, Tettenhall Wood and Warstones Primary schools with the remaining balance of the grant proposed to be held on the provision for 'Special Education Needs (SEN) Special Capital Fund Programme' until further schools are identified for the improvements;
 - The remaining £225,000 relates to three ICT projects as detailed within the Appendix 2 to the report. The expansion of ICT Programme is required to ensure that the Council's IT infrastructure remains operational, secure and up to date and that new IT requirements specific to individual services are also met.
- 4.5 Place Directorate: there is an approval for a budget increase of £11.5 million for four new projects which are all externally funded;
- An increase totalling £11.5 million relates to Land and Property Investment Fund. In accordance with delegation granted by Cabinet on 22 March 2017 and subsequently approved by Council on 5 April 2017, four new projects that were approved by the Joint Committee are now being proposed to be incorporated into the capital programme, see paragraph 3.11;

- 4.6 New projects created through virements from existing projects can be found in Appendix 3 to the report with the main items discussed below.
- 4.7 Virement of £21,000 for the People Directorate relates to the 'Avion Centre – CCTV installation' project. The Avion Centre has become an area where crime and anti-social behaviour has been reported. A multi-agency plan to address these issues is being implemented however, CCTV provision is needed to act as a deterrent against committing these acts and a means for evidence capture to aid the enforcement action from statutory agencies.
- 4.8 Virements in the region of £278,000 for Place Directorate include the establishment of 16 new projects;
- £209,000 is for 11 projects within the 'Corporate Asset Management' programme for the prioritised works in order to meet health and safety risks and statutory regulations. This is a re-allocation within the overall project to individual schemes;
 - £40,000 relates to four projects for the Accountable Body Professional Services within 'Land and Property Investment Fund' as discussed in paragraph 3.11;
 - Finally, £29,000 relates to 'West Park Conservatory - Intruder Alarm and CCTV System' project.
- 4.9 Also within the Place Directorate, following the planned creation of a transit site to provide accommodation facilities for both the permanent and transient Gypsy Travellers and Travelling Show communities, close to the borders of Wolverhampton, consideration is currently being given to the impact that this may have in Wolverhampton with unauthorised encampments due to the displacement effect. On 22 May 2018, Cabinet (Resources) Panel noted the continuing work to identify suitable land on which to construct a transit site for use by travellers and gypsies and the potential investment associated with it. Approval is therefore sought to delegate authority to the Cabinet Members for City Environment and Resources, in consultation with the Strategic Director for Place and the Director of Finance, to finalise the business case and budget for a transit site in order that it can be progressed in a timely manner. It is anticipated that budget provision will be met from the Council's Corporate Contingency within the capital programme.
- 5.0 Medium term capital programme and budget strategy**
- 5.1 Table 7 details the approved financing for the capital programme for 2017-2018 to 2022-2023 and incorporates the requested approvals for projects included in this report.

Table 7: Approved and forecast capital financing 2017-2018 to 2022-2023

2017-2018 to 2022-2023				
General Fund	Approved budget	Recommended budget	Variance	Resource as % of expenditure
	£000	£000	£000	
Expenditure	374,886	385,903	11,017	
Financing				
Internal resources				
Capital receipts	31,404	31,126	(278)	8.1%
Prudential borrowing	232,964	213,835	(19,129)	55.4%
Revenue contributions	919	1,517	598	0.4%
Reserves	-	-	-	0.0%
Subtotal	265,287	246,478	(18,809)	63.9%
External resources				
Grants & contributions	109,599	139,425	29,826	36.1%
Subtotal	109,599	139,425	29,826	36.1%
Total General Fund	374,886	385,903	11,017	100.0%

2017-2018 to 2022-2023				
Housing Revenue Account (HRA)	Approved budget	Recommended budget	Variance	Resource as % of expenditure
	£000	£000	£000	
Expenditure	329,841	328,843	(998)	
Financing				
Internal resources				
Capital receipts	36,915	45,619	8,704	13.9%
Prudential borrowing	154,873	150,215	(4,658)	45.7%
Reserves	137,100	131,840	(5,260)	40.0%
Subtotal	328,888	327,674	(1,214)	99.6%
External resources				
Grants & contributions	953	1,169	216	0.4%
Subtotal	953	1,169	216	0.4%
Total HRA	329,841	328,843	(998)	100.0%

5.2 Capital receipts totalling £31.1 million have been assumed within the General Fund capital programme for quarter one and can be seen in Table 8. This is a decrease of £278,000 when compared to the approved budget, which has arisen as a result of a decreased forecast from sales totalling £871,000 and £593,000 increase due to re-phasing of receipts and capital requirements. In order to be prudent a detailed review of the schedule of disposals is undertaken to identify only those that are likely to be completed. The planned utilisation of capital receipts will reflect the need to balance the benefit for both the capital programme and the revenue budget.

Table 8: Receipts assumed in the revised General Fund capital programme

	Projected						Total £000
	2017 - 2018 £000	2018 - 2019 £000	2019 - 2020 £000	2020 - 2021 £000	2021 - 2022 £000	2022- 2023 £000	
General Fund capital receipts	3,500	19,400	5,300	1,700	1,200	-	31,100

5.3 Council, on 15 July 2015, approved the capital financial strategy relating to the approval of future capital projects, the declaration of identified underspends and the use of capital receipts to reduce the Council's need to borrow to fund the approved capital programme. As a consequence of this, no new projects have been included in the 2022-2023 financial year. Capital expenditure has a direct impact upon the Council's revenue budgets and therefore needs to be restricted to projects essential to the Council's priorities. Any proposals to increase the level of the capital programme are considered via a capital appraisal mechanism for value for money and appropriateness based on the current financial climate prior to approval being sought from Councillors.

6.0 Key budget risks

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

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

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

7.0 Evaluation of alternative options

7.1 This report provides an update on progress of capital projects during 2017-2018 and anticipated budget requirements for future years. The evaluation of alternative project options is detailed in individual investment proposals.

8.0 Reasons for decisions

8.1 To seek Cabinet's recommendation to Council to approve the revised capital budgets. This will ensure that the capital programme budget reflects the latest forecasts and requirements.

9.0 Financial implications

9.1 The financial implications are discussed in the body of this report. The revenue implications of the new and existing projects seeking approval for additional or changes in resources can be seen in the table below. These are fully reflected in the treasury management budget forecasts included in the report 'Treasury Management – Annual Report 2017-2018 and Activity Monitoring Quarter One 2018-2019' also on the agenda for approval at this meeting.

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	£000	£000	£000	£000	£000	£000
Forecast cumulative impact:						
interest	(243)	(526)	(491)	(489)	(487)	(487)
minimum revenue provision	-	(225)	(466)	(463)	(482)	(503)
	(243)	(751)	(957)	(952)	(969)	(990)
Forecast change in revenue grant from Combined Authority	169	739	1,083	1,105	1,129	1,153
Net revenue cumulative impact for General Fund	(74)	(12)	126	153	160	163

[SH/22062018/A]

10.0 Legal implications

- 10.1 Section 151 of the local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.
- 10.2 The Local Government Act 2003 brought in the current regime for capital finance for local authorities. It reduced the level of central control over local authority borrowing and capital expenditure.

[TS/27062018/R]

11.0 Equalities implications

- 11.1 Under the Equality Act 2010, the Council has a statutory duty to pay due regard to the impact of how it carries out its business on different groups of people. This is designed to help the Council identify the particular need of different group and reduce the likelihood of discrimination; the nine equality strands covered by the legislation are:

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

These strands include everyone.

- 11.2 Cabinet Members should also be aware that under the Equality Act 2010, they must have due regards to the Public Sector Equality Duty when making budget decisions. What this means in practice is that Cabinet Members must consciously think about the three aims of the Public-Sector Equality Duty as part of the decision making process, the three aims are to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation.
- Advance equality of opportunity by removing or minimising disadvantages, meet different needs and encourage participation.
- Foster good relations between people from different groups.

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

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

- 11.4 The Brown Principles, established as a result of a legal case concerning Post Offices closures in 2008, provide an important checklist when making decisions:
- Decision makers must be made aware of their duty to have due regard to the identified goals.
 - Due regard must be fulfilled before and at the time that a particular decision is being considered, not afterwards.
 - The duty must be exercised in substance, with rigour and with an open mind. It is not a question of ticking boxes.
 - The duty is not delegable; it must be fulfilled by the organisation in question rather than through the use of an external body to do it to the organisation.
 - The duty is a continuing one.
 - It is good practice to keep an adequate record showing that it has considered the identified needs.
- 11.5 There is a range of individual projects delivered through the Council's capital programme that have significant impacts on specific groups and equality implications should be considered when individual capital schemes are being developed.
- 11.6 This requirement would also apply if there were to be any redirection of capital funding in year to ensure that the impact of any changes is considered.

12.0 Environmental implications

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

13.0 Human resources implications

- 13.1 This report has no human resources implications.

14.0 Corporate Landlord implications

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

15.0 Schedule of background papers

Housing Revenue Account business plan (including 2018-2019 budget rents and service charges) – report to Cabinet (Resources) Panel on 16 January 2018, Council on 31 January 2018.

Capital Programme 2017-2018 to 2021-2022 Quarter Three Review and 2018-2019 to 2022-2023 budget strategy – report to Cabinet on 20 February 2018, Council on 7 March 2018.

Looked After Children Housing Adaptations Application – exempt report to Cabinet (Resources) Panel on 20 March 2018.

Schools Capital Programme 2018-2019 – exempt report to Cabinet (Resources) Panel on 20 March 2018.

Corporate Asset Management Fund – Approval of Schemes for 2018-2019 – Individual Executive Decision Notice signed on 10 April 2018.

Corporate Asset Management Fund – Approval of Schemes for 2018-2019 – report to Cabinet (Resources) Panel on 22 May 2018.

Procurement Update – PP17156 Development of 43 New Dwellings at Burton Crescent and Single Storey Extension at Burton Road – exempt report to Cabinet (Resources) Panel on 22 May 2018.

Restoration of Pennfields and Tettenhall war memorials – report to Cabinet (Resources) Panel on 19 June 2018.

16.0 Appendices

Appendix 1: Analysis of projected change in expenditure for existing projects

Appendix 2: Projects requiring approval

Appendix 3: Virements for approval

Appendix 4: Schedule of works – Corporate

Appendix 5: Schedule of works – People

Appendix 6: Schedule of works – Place

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Projects with a variance greater than 10% (+/-)

Corporate	Approved budget	Forecast outturn	Forecast change in expenditure	Financing		
	£000	£000	£000	Virements £000	Internal resources £000	External resources £000
ICT General Programme Change reflects a virement to approve as detailed within Appendix 3. An expanded ICT Programme (General Programme, Disaster Recovery and Desktop Refresh) has been proposed to ensure that the Council's IT infrastructure remains operational, secure and up to date in a complex and constantly changing IT environment.	3,955	6,013	2,058	48	2,010	-
ICT Disaster Recovery An expanded ICT Programme (General Programme, Disaster Recovery and Desktop Refresh) has been proposed to ensure that the Council's IT infrastructure remains operational, secure and up to date in a complex and constantly changing IT environment.	5	201	196	-	196	-
ICT Desktop Refresh An expanded ICT Programme (General Programme, Disaster Recovery and Desktop Refresh) has been proposed to ensure that the Council's IT infrastructure remains operational, secure and up to date in a complex and constantly changing IT environment.	1,018	2,587	1,569	-	1,569	-
Corporate Contingency Change reflects the re-provision of corporate contingency budget so that priority projects can be progressed in a timely manner, and a virement to approve as detailed within Appendix 3.	300	2,287	1,987	(133)	2,120	-
West Midlands Combined Authority (WMCA) Initiatives Change reflects a removal of the provision which is no longer required due to the WMCA being awarded with their borrowing powers.	22,000	-	(22,000)	-	(22,000)	-
Director of Education						
Schools ICT and equipment Change reflects a capitalisation of schools ICT and equipment costs that are fully funded from school contributions.	-	423	423	-	423	-
Schools Improvements Change reflects schools improvement works that are fully funded from the school contributions.	-	175	175	-	175	-
Capital Maintenance - Structural Works Change is due to the grant award being less than anticipated and a virement to approve as detailed within the Appendix 3.	740	638	(102)	4	-	(106)
Contingency for Emergency Works Change reflects a virement to approve as detailed within the Appendix 3.	450	350	(100)	(202)	-	102
Electrical Works (Planned maintenance) Change reflects a virement to approve as detailed within the Appendix 3.	908	1,105	197	197	-	-
Uncommitted Balance of Capital Maintenance Change reflects a virement to approve as detailed within the Appendix 3.	258	293	35	35	-	-
Universal Infant Free School Meals Change reflects a virement to approve as detailed within the Appendix 3.	22	30	8	8	-	-
Subtotal	29,656	14,102	(15,554)	(43)	(15,507)	(4)

People	Approved budget	Forecast outturn	Forecast change in expenditure	Financing		
	£000	£000	£000	Virements £000	Internal resources £000	External resources £000
Cricket provision Change reflects additional costs for Newbridge Park that are funded from Section 106 contributions.	176	240	64	-	-	64
Learning Disability Change reflects a virement to approve as detailed in Appendix 3.	130	144	14	14	-	-
Capital Investment in Community Capacity Change reflects a virement to approve as detailed in Appendix 3 and a budget reduction as it is no longer required.	115	-	(115)	(14)	-	(101)
Early Education - Two Year Education Pilot Change reflects fees associated with final completion related to the Gatis Street project.	38	42	4	-	4	-
Residential Care (Integrated Placement Scheme) Change is due to fees associated with final completion.	14	19	5	-	5	-
Subtotal	473	445	(28)	-	9	(37)

Place - Non Housing	Approved budget	Forecast outturn	Forecast change in expenditure	Financing		
	£000	£000	£000	Virements £000	Internal resources £000	External resources £000
Energy Efficiency Measures Approved on a case by case basis to achieve reductions in utility costs.	569	1,069	500	-	500	-
Vacation & Disposal of Jennie Lee Centre Change reflects a virement to approve as detailed in Appendix 3.	-	26	26	26	-	-
Interchange - Ph2 Train Station/MSCP/Metro Extension The budget has been realigned to reflect the position approved by Cabinet (Resources) Panel on 14 November 2017.	23,632	28,382	4,750	-	(3,500)	8,250
Black Country GOLD Project Change is due to the realigned accounting treatment of costs that was approved by The Ministry of Housing, Communities and Local Government.	721	1,154	433	-	-	433
Security Enhancement works Changes reflect the revised timeline for the programme of mitigation works and additional security enhancements for which a virement is proposed for approval from the Corporate Contingency.	373	456	83	83	-	-
Parks Strategy and Open Space Change reflects additional S106 contributions received and built into the capital programme in order that projects can be progressed in a timely manner.	636	751	115	-	-	115
Maintenance of classified roads Changes reflect final outturn and reallocation of resources across projects within the Transportation capital programme to align with current prioritisations and virements to approve are detailed within Appendix 3. Additional flood resilience and road repair funding is included.	8,488	9,698	1,210	(14)	-	1,224

Projects with a variance greater than 10% (+/-)

Place - Non Housing (continued)	Approved budget	Forecast outturn	Forecast change in expenditure	Virements	Financing Internal resources	External resources
	£000	£000	£000			
Maintenance of unclassified roads Changes reflect final outturn and reallocation of resources across projects within the Transportation capital programme to align with current prioritisations and virements to approve are detailed within Appendix 3. New grant allocations for the 2018-2019 financial year are also included.	6,616	7,966	1,350	(39)	-	1,389
i54 Travel Plan Change reflects the removal of S106 contributions redirected to fund revenue costs associated with the i54 bus service.	717	-	(717)	-	-	(717)
Safety Programme Changes reflect final outturn and reallocation of resources across projects within the Transportation capital programme to align with current prioritisations and virements to approve are detailed within Appendix 3.	861	1,060	199	199	-	-
Network Development - Safer Routes to School Changes reflect final outturn and reallocation of resources across projects within the Transportation capital programme to align with current prioritisations and virements to approve are detailed within Appendix 3.	10	12	2	2	-	-
Managing Short Trips Change reflects the completion of projects within this current programme of works and the alignment of budgets to total project costs.	753	510	(243)	-	-	(243)
Place - Housing	Approved budget	Forecast outturn	Forecast change in expenditure	Virements	Financing Internal resources	External resources
	£000	£000	£000			
Housing General Fund - Empty Property Strategy Change is due to the increased provision for acquisition of empty properties that is fully funded from capital receipts as per Empty Property Strategy.	463	963	500	-	500	-
Housing General Fund General Schemes - Capitalised Salaries Change reflects a budget requirement to accommodate the costs and a virement to approve as detailed in Appendix 3.	-	373	373	47	326	-
Subtotal	43,839	52,420	8,581	304	(2,174)	10,451
Total projects with a variance greater than 10% (+/-)	73,968	66,967	(7,001)	261	(17,672)	10,410
Total projects with a variance less than 10% (+/-)	109,498	109,210	(288)	(560)	(1,362)	1,634
Grand total General Fund	183,466	176,177	(7,289)	(299)	(19,034)	12,044

Projects with a variance greater than 10% (+/-)

Housing Revenue Account	Approved budget	Forecast outturn	Forecast change in expenditure	Financing		
	£000	£000	£000	Virements £000	Internal resources £000	External resources £000
Low Hill PODS scheme Change is due to release of final account provision after the settlement.	104	38	(66)	-	(66)	-
New Build infill schemes Change reflects a virement to approve as detailed in Appendix 3.	2,043	2,382	339	339	-	-
Additional Social Housing Change reflects a virement to approve as detailed in Appendix 3.	2,500	2,161	(339)	(339)	-	-
HRA - Street Scaping Change is due to release of final account provision after the settlement.	-	(153)	(153)	-	(153)	-
Sustainable estates Change reflects a virement to approve as detailed in Appendix 3.	8,955	6,886	(2,069)	(2,069)	-	-
High Rise External Works Change reflects a virement to approve as detailed in Appendix 3.	3,280	4,280	1,000	1,000	-	-
Studies & Capitalised Salaries Change reflects a virement to approve as detailed in Appendix 3.	7,380	9,600	2,220	2,250	(30)	-
Contingency Change reflects a virement to approve as detailed in Appendix 3.	6,000	1,000	(5,000)	(5,000)	-	-
Heath Town Phase 1 Change reflects a virement to approve as detailed in Appendix 3.	2,640	3,000	360	360	-	-
Care and Support Specialised Housing (CAASH) Fund Change reflects a switch of the resources.	1,021	1,021	-	-	(101)	101
Total projects with a variance greater than 10% (+/-)	33,923	30,215	(3,708)	(3,459)	(350)	101
Total projects with a variance less than 10% (+/-)	189,327	192,037	2,710	3,459	(864)	115
Grand total HRA	223,250	222,252	(998)	-	(1,214)	216
Total Capital Programme			(8,287)	(299)	(20,248)	12,260

Projects requiring approval

Appendix 2

New projects created from existing resources - virements	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	Total	Internal resources	External resources
A full set of virements can be found in Appendix 3	£000	£000	£000	£000	£000	£000	£000	£000	£000
General Fund									
Corporate Asset Management - Wednesfield Judo Club - roof replacement Planned maintenance and statutory compliance measures required following the prioritisation of works, approval for this project identified is now sought.	-	12	-	-	-	-	12	12	-
Corporate Asset Management - Civic Centre - CCTV installation Planned maintenance and statutory compliance measures required following the prioritisation of works, approval for this project identified is now sought.	-	52	-	-	-	-	52	52	-
Corporate Asset Management - Dovecotes - replacement of brickwork and repointing Planned maintenance and statutory compliance measures required following the prioritisation of works, approval for this project identified is now sought.	-	60	-	-	-	-	60	60	-
Corporate Asset Management - St Chads CC - windows replacement Planned maintenance and statutory compliance measures required following the prioritisation of works, approval for this project identified is now sought.	-	20	-	-	-	-	20	20	-
Corporate Asset Management - Bert Williams Leisure Centre - internal renovation Planned maintenance and statutory compliance measures required following the prioritisation of works, approval for this project identified is now sought.	-	6	-	-	-	-	6	6	-
Corporate Asset Management - Central Baths - internal renovation Planned maintenance and statutory compliance measures required following the prioritisation of works, approval for this project identified is now sought.	-	6	-	-	-	-	6	6	-
Corporate Asset Management - Bert Williams Leisure Centre - combined heat and power system Planned maintenance and statutory compliance measures required following the prioritisation of works, approval for this project identified is now sought.	-	20	-	-	-	-	20	20	-
Corporate Asset Management - Duke St Bungalows - gas fire heating replacement Planned maintenance and statutory compliance measures required following the prioritisation of works, approval for this project identified is now sought.	-	6	-	-	-	-	6	6	-
Corporate Asset Management - Graiseley Healthy Living Centre - door entry and fire alarm Planned maintenance and statutory compliance measures required following the prioritisation of works, approval for this project identified is now sought.	-	14	-	-	-	-	14	14	-
Corporate Asset Management - Newhampton Arts Centre - side elevation roof replacement Planned maintenance and statutory compliance measures required following the prioritisation of works, approval for this project identified is now sought.	-	8	-	-	-	-	8	8	-
Corporate Asset Management - Ernest Bold Resources Centre - sliding door replacement Planned maintenance and statutory compliance measures required following the prioritisation of works, approval for this project identified is now sought.	-	5	-	-	-	-	5	5	-
Accountable Body Professional Services - Dudley Brownfield The Council acts as accountable body and provides professional services to Black Country Land and Property Investment Fund as approved by Joint Committee on 22 November 2017. Approval is sought to incorporate this project into capital programme.	-	10	-	-	-	-	10	-	10
Accountable Body Professional Services - Parkrose Industrial Estate The Council acts as accountable body and provides professional services to Black Country Land and Property Investment Fund as approved by Joint Committee on 22 November 2017. Approval is sought to incorporate this project into capital programme.	-	10	-	-	-	-	10	-	10
Accountable Body Professional Services - Goscote Lane The Council acts as accountable body and provides professional services to Black Country Land and Property Investment Fund as approved by Joint Committee on 22 November 2017. Approval is sought to incorporate this project into capital programme.	-	10	-	-	-	-	10	-	10

Projects requiring approval

Appendix 2

New projects created from existing resources - virements	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022- 2023	Total	Internal resources	External resources
A full set of virements can be found in Appendix 3	£000	£000	£000	£000	£000	£000	£000	£000	£000
Accountable Body Professional Services - Springfield Land Remediation The Council acts as accountable body and provides professional services to Black Country Land and Property Investment Fund as approved by Joint Committee on 22 November 2017. Approval is sought to incorporate this project into capital programme.	-	10	-	-	-	-	10	-	10
West Park Conservatory - Intruder Alarm and CCTV System The fully glazed conservatory is a listed building, vulnerable to glazing damage and graffiti. To deter anti-social behaviour within the park and to monitor the building, approval is sought for alarm and CCTV system installation.	-	29	-	-	-	-	29	29	-
Avion Centre - CCTV installation Approval is sought for CCTV system installation at Avion Centre to deter anti-social behaviour within the shopping facility in Whitmore Reans.	-	21	-	-	-	-	21	21	-
Subtotal expenditure	-	299	-	-	-	-	299	259	40
Financing									
Internal resources	-	259	-	-	-	-	259	259	-
External resources	-	40	-	-	-	-	40	-	40
Subtotal financing	-	299	-	-	-	-	299	259	40

Projects requiring approval

Appendix 2

New projects created from additional resources	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	Total	Internal resources	External resources
	£000	£000	£000	£000	£000	£000	£000	£000	£000
General Fund									
ICT General Programme - IT Service Management An expanded ICT Programme (General Programme, Disaster Recovery and Desktop Refresh) has been proposed to ensure that the Council's IT infrastructure remains operational, secure and up to date in a complex and constantly changing IT environment.	-	60	-	-	-	-	60	60	-
ICT General Programme - Print and Mail An expanded ICT Programme (General Programme, Disaster Recovery and Desktop Refresh) has been proposed to ensure that the Council's IT infrastructure remains operational, secure and up to date in a complex and constantly changing IT environment.	-	45	20	-	-	-	65	65	-
Service Led ICT Projects - IDOX / GIS cloud migration Expansions in the Service Led ICT Projects capital programme are proposed to meet new IT requirements specific to individual services. In this instance the additional budget is required to facilitate the migration of an existing system to the cloud.	-	100	-	-	-	-	100	100	-
Full Fibre Network - Provision for future programmes Grant funding has recently been awarded by central government to support the construction of a fast fibre network linking multiple sites for public use across the city. It is anticipated that the project will be completed by 2020-2021.	-	70	3,433	1,371	-	-	4,874	-	4,874
Land and Property Investment Fund - Dudley Brownfield Project to remediate land and make scheme of 263 new homes viable was approved by Joint Committee on 11 April 2018. Approval is sought to incorporate this project into capital programme.	-	2,711	-	-	-	-	2,711	-	2,711
Land and Property Investment Fund - Parkrose Industrial Estate Project for developing current derelict site in to small unit lettable workspaces was approved by Joint Committee on 11 April 2018. Approval is sought to incorporate this project into capital programme.	-	758	-	-	-	-	758	-	758
Land and Property Investment Fund - Goscote Lane Project for the remediation of 9 separate sites which will lead to subsequent delivery of residential units was approved by Joint Committee on 11 April 2018. Approval is sought to incorporate this project into capital programme.	-	3,591	-	-	-	-	3,591	-	3,591
Land and Property Investment Fund - Springfield Land Remediation Project approved by Joint Committee in May 2018 to support delivery of site works, overall infrastructure and remediation costs to enable Springfield Campus to reach its aspiration in becoming a Centre of Excellence in Construction and the Built Environment. Approval is sought to incorporate this project into capital programme.	-	4,420	-	-	-	-	4,420	-	4,420
Special Education Needs (SEN) Special Capital Fund Programme - Provision for future programmes On the 27 February 2018 Cabinet (Resources) Panel approved the acceptance of a grant from the Department of Education for the creation of new places and the improvement of existing facilities for children and young people with Special Educational Needs and Disability. Approval is sought to incorporate the provision for future programmes into the capital programme until the individual projects are identified.	-	-	464	464	-	-	928	-	928
Special Education Needs (SEN) Special Capital Fund Programme - Penn Hall School On the 27 February 2018 Cabinet (Resources) Panel approved the acceptance of a grant from the Department of Education for the creation of new places and the improvement of existing facilities for children and young people with Special Educational Needs and Disability. Approval is sought to utilise this grant for works at Penn Hall school.	-	100	-	-	-	-	100	-	100
Special Education Needs (SEN) Special Capital Fund Programme - Tettenhall Wood School On the 27 February 2018 Cabinet (Resources) Panel approved the acceptance of a grant from the Department of Education for the creation of new places and the improvement of existing facilities for children and young people with Special Educational Needs and Disability. Approval is sought to utilise this grant for works at Tettenhall Wood school.	-	225	-	-	-	-	225	-	225

Projects requiring approval

Appendix 2

New projects created from additional resources	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	Total	Internal	External
	£000	£000	£000	£000	£000	£000	£000	resources	resources
								£000	£000
Special Education Needs (SEN) Special Capital Fund Programme - Warstones Primary		175	-	-	-	-	175	-	175
On the 27 February 2018 Cabinet (Resources) Panel approved the acceptance of a grant from the Department of Education for the creation of new places and the improvement of existing facilities for children and young people with Special Educational Needs and Disability. Approval is sought to utilise this grant for works at Warstones Primary.									
Subtotal expenditure	-	12,255	3,917	1,835	-	-	18,007	225	17,782
Financing									
Internal resources	-	205	20	-	-	-	225	225	-
External resources	-	12,050	3,897	1,835	-	-	17,782	-	17,782
Subtotal financing	-	12,255	3,917	1,835	-	-	18,007	225	17,782
Grand total General Fund expenditure	-	12,554	3,917	1,835	-	-	18,306	484	17,822
Financing									
Internal resources	-	464	20	-	-	-	484	484	-
External resources	-	12,090	3,897	1,835	-	-	17,822	-	17,822
Grand total financing	-	12,554	3,917	1,835	-	-	18,306	484	17,822

Directorate	Capital project	Virement			Comments	
		Existing project £000	Existing project £000	New project £000		
Re-allocation virements to new projects						
Place	Corporate Asset Management					
Place	Provision for future programmes	(209)	-	-		
Place	Wednesfield Judo Club - roof replacement	-	-	12		
Place	Civic Centre - CCTV Installation	-	-	52		
Place	Dovecotes - replacement of brickwork and repointing	-	-	60		
Place	St Chads CC - windows replacement	-	-	20		
Place	Bert Williams Leisure Centre - internal renovation	-	-	6	Virements are proposed to reflect reallocation of resources across the projects within the Corporate Asset Management programme. Regular rescheduling of works is required within this programme to ensure that current corporate priorities are met and reflected.	
Place	Central Baths - internal renovation	-	-	6		
Place	Bert Williams Leisure Centre - combined heat and power system	-	-	20		
Place	Duke St Bungalows - gas fire heating replacement	-	-	6		
Place	Graiseley Healthy Living Centre - door entry and fire alarm	-	-	14		
Place	Newhampton Arts Centre - side elevation roof replacement	-	-	8		
Place	Ernest Bold Resource Centre - sliding door replacement	-	-	5		
Re-allocation virements to existing projects						
Place	Land and Property Investment Fund:					
Place	Accountable Body Professional Services - Dudley Music Institute	(40)	-	-		Reallocation of Accountable Body Professional Services across schemes.
Place	Accountable Body Professional Services - Dudley Brownfield	-	-	10		
Place	Accountable Body Professional Services - Park Rose Ind Estate	-	-	10		
Place	Accountable Body Professional Services - Goscote Lane	-	-	10		
Place	Accountable Body Professional Services - Springfield Land Remediation	-	-	10		
Corporate	Corporate Contingency:					
Corporate	Provision for future programmes	(29)	-	-	Virement from Corporate Contingency is proposed to support CCTV system installation in West Park.	
Place	West Park - Intruder Alarm and CCTV System	-	-	29		
Re-allocation virements to existing projects						
Corporate	Schools Devolved Formula Capital:					
Corporate	Provision for future programmes	(4)	-	-	Contribution from school to larger capital programme.	
Corporate	Schools Capital Maintenance - Structural Works:					
Corporate	Rakegate Primary – renew 6 no. aluminium fire exit doors to classrooms	-	4	-		
Re-allocation virements to existing projects						
Corporate	Schools Devolved Formula capital:					
Corporate	Provision for future programmes	(698)	-	-	Virements from the provision are proposed to reflect reallocation of resources across individual schools.	
Corporate	St Andrews Primary	-	58	-		
Corporate	Coppice Community High	-	57	-		
Corporate	St Stephen's Church of England Primary	-	40	-		
Corporate	Springdale Junior	-	39	-		
Corporate	Tettenhall Wood Special	-	37	-		
Corporate	Rakegate Primary	-	35	-		
Corporate	St Thomas' Church of England Primary	-	32	-		
Corporate	Penn Hall Special	-	26	-		
Corporate	Bantock Primary (Formally Bingley)	-	25	-		
Corporate	Wilkinson Primary	-	24	-		
Corporate	Woodfield Junior	-	23	-		
Corporate	Wodensfield Primary	-	23	-		
Corporate	Stowlawn Primary	-	23	-		
Corporate	Windsor Nursery	-	22	-		
Corporate	Colton Hills	-	21	-		
Corporate	Penn Fields Special	-	20	-		
Corporate	Parkfield Primary	-	19	-		
Corporate	Whitgreave Infants	-	19	-		
Corporate	Goldthorn Park Primary	-	16	-		
Corporate	Christ Church, Church of England Junior	-	15	-		
Corporate	D'Eyncourt Primary	-	15	-		
Corporate	Woodfield Infant	-	14	-		
Corporate	Christ Church, Church of England SL	-	13	-		
Corporate	Deansfield High	-	13	-		
Corporate	Villiers Primary	-	11	-		
Corporate	Dovecotes Primary	-	10	-		
Corporate	Bilston Church of England Primary	-	8	-		
Corporate	Wood End Primary	-	6	-		
Corporate	St Alban's Church of England Primary	-	6	-		
Corporate	Warstones Primary	-	5	-		
Corporate	Bushbury Nursery	-	5	-		
Corporate	Phoenix Nursery	-	5	-		
Corporate	Ashmore Park Nursery	-	3	-		
Corporate	Castlecroft Primary	-	2	-		
Corporate	Merridale Primary	-	2	-		
Corporate	Westacre Infants	-	2	-		
Corporate	Springvale Primary	-	2	-		
Corporate	Graysley Primary	-	1	-		
Corporate	Lanesfield Primary	-	1	-		

Directorate	Capital project	Virement			Comments
		Existing project £000	Existing project £000	New project £000	
Corporate	Schools Prudential Loans:				
Corporate	Provision for future programmes	(27)	-	-	Provision allocated to emergency and additional works.
Corporate	The King's Church of England School	-	20	-	
Corporate	Merridale Primary	-	7	-	
Corporate	Secondary School Expansion Programmes:				
Corporate	Provision for future programmes	(4,700)	-	-	Capitalised feasibility costs following programme approval already included in provision for further expansion.
Corporate	Our Lady & St Chad's Catholic Academy	-	4,700	-	
Corporate	Schools Capital Maintenance - Heating Pipework				
Corporate	Upgrades (boilers):				Provision allocated to emergency and additional works.
Corporate	Provision for future programmes	(38)	-	-	
Corporate	Woodthorne Primary (Infant) – replacement heat and hot cold water pipework	-	22	-	
Corporate	Claregate Primary – replacement heating to main school	-	10	-	
Corporate	Christ Church, Church of England Junior – replacement boiler and heating panel	-	5	-	
Corporate	Springdale Junior - replacement heating pipework	-	1	-	
Corporate	Corporate Contingency:				
Corporate	Provision for future programmes	(85)	-	-	A virement is proposed for approval from the Corporate Contingency to accommodate additional security enhancements works to Civic Centre.
Place	Security Enhancement works: CCTV Equipment	-	85	-	
People	Sports Investment Strategy:				
People	Provision for future programmes	(7)	-	-	A virement is proposed to reallocate resources to the scheme.
People	Bilbrook Football Club	-	7	-	
People	Learning Disability:				
People	Provision for future programmes	(17)	-	-	Provision for future programmes unallocated is proposed to be accelerated into 2017-2018 for use towards Neil Dougherty programme.
People	Upgrade disability access/usage - Neil Dougherty Centre	-	17	-	
People	Capital Investment in Community Capacity:				
People	Provision for future programmes	(14)	-	-	A virement is required to fund additional expenditure for two schemes within Learning Disability project.
People	Learning Disability:				
People	Upgrade disability access/usage - Neil Dougherty Centre	-	8	-	
People	Upgrade disability access/usage - Brickkiln Centre	-	6	-	
Place	Disabled Facilities Grants:				
Place	Provision for future programmes	(1,584)	-	-	Virements are proposed to reflect reallocation of resources across individual projects within the Disabled Facilities Grants project.
Place	Mandatory Disabled Facilities Grants	-	1,042	-	
Place	Small Adaptations Grants	-	533	-	
Place	Stair Lift Maintenance	-	9	-	
Place	Housing General Fund - Empty Property Strategy:				
Place	Provision for future programmes	(337)	-	-	Virements are proposed to reflect reallocation of resources across individual projects within the Empty Property Strategy.
Place	34 Canterbury Road	-	116	-	
Place	8 Mandale Road, Fallings Park	-	76	-	
Place	7 St Edmunds Close	-	60	-	
Place	45 Chelmarsh Avenue	-	52	-	
Place	264 All Saints Road	-	33	-	
Place	Housing General Fund General Schemes - Small Works:				
Place	Provision for future programmes	(81)	-	-	Virements are proposed to reflect reallocation of resources across individual projects within the Small Works project.
Place	Small works assistance	-	71	-	
Place	Sanctuary Grant	-	10	-	
Place	Corporate Asset Management:				
Place	Provision for future programmes	(915)	-	-	Virements are proposed to reflect reallocation of resources across the projects within the Corporate Asset Management programme. Regular rescheduling of works is required within this programme to ensure that current corporate priorities are met and reflected.
Place	Civic Centre - electrical rewire of the 3rd and 4th floors	-	178	-	
Place	Blakenhall Community Centre – boiler replacement	-	4	-	
Place	Eastfield Community Centre – new heating system	-	2	-	
Place	Molineux building (City Archives) - upgrade air handling plant	-	140	-	
Place	Central Baths - upgrade air handling plant	-	9	-	
Place	Wolverhampton Art Gallery - internal / external renovation / refurbishment / restoration	-	42	-	
Place	Bilston Town Hall - internal / external renovation / refurbishment / restoration	-	50	-	
Place	Lower Bradley Community Centre - internal / external renovation / refurbishment / restoration	-	4	-	
Place	Graiseley Strengthening Family Centre - structural maintenance of paths / car parks	-	50	-	
Place	Lower Bradley Community Centre - toilets refurbishment	-	4	-	
Place	Wolverhampton Art Gallery - upgrade ventilation system	-	50	-	
Place	Lower Bradley Community Centre - windows / doors replacement	-	6	-	
Place	Asbestos removal - Civic Centre	-	98	-	
Place	Enhanced DDA measures - Civic Centre	-	55	-	
Place	Enhanced security measures - Civic Centre	-	223	-	
Place	City Learning Quarter:				
Place	Provision for future programmes	(3,217)	-	-	Reallocation of City Learning Quarter provision for future programmes to approved schemes.
Place	City Learning Quarter Site Development	-	2,765	-	
Place	St Georges Car Park	-	452	-	
Place	Community Hubs:				
Place	Provision for future programmes	(6)	-	-	A virement from the provision proposed to cover outstanding final fee payments.
Place	Wednesfield	-	4	-	
Place	Lowhill	-	2	-	

Directorate	Capital project	Virement			Comments
		Existing project £000	Existing project £000	New project £000	
Project to project virements					
Corporate	Schools Capital Maintenance - Roof / Ceilings Replacements:				
Corporate	Christ Church, Church of England Infant - roof covering to Link	(19)	-	-	Virements are proposed to reflect reallocation of resources across individual schemes within the Schools 'Capital Maintenance - Roof / Ceilings Replacement' project.
Corporate	D'Eyncourt Primary – replacement roof covering to corridor and toilets	(5)	-	-	
Corporate	Dovecotes Primary - replacement roof covering	(5)	-	-	
Corporate	Whitgreave Junior – replacement roof covering phase 4	(1)	-	-	
Corporate	D'Eyncourt Primary – replacement roof covering to years 3, 4, 5 and 6	(1)	-	-	
Corporate	Goldthorne Park Primary - replacement roof covering	-	20	-	
Corporate	Provision for future programmes	-	2	-	
Corporate	Wodensfield Primary – replacement roof to caretakers house	-	1	-	
Corporate	Universal Infant Free School Meals:				
Corporate	Bantock Primary	-	8	-	
Corporate	Schools Capital Maintenance - Structural Works:				
Corporate	Wodensfield Primary - replacement of internal walls, ceilings and floor coverings	(120)	-	-	Virements are proposed to reflect reallocation of resources across individual schemes within the Schools 'Capital Maintenance - Structural Works'.
Corporate	Bilston Church of England Primary - perimeter fencing	(10)	-	-	
Corporate	Wilkinson Primary - replacement entrance doors	(1)	-	-	
Corporate	Goldthorn Primary - replacement floor screeds	(1)	-	-	
Corporate	Castlecroft Primary - playground resurfacing	(1)	-	-	
Corporate	Westacre Infants - playground resurfacing	-	30	-	
Corporate	Christ Church, Church of England Junior - cloakroom alterations	-	20	-	
Corporate	Stow Heath Primary - structural and brickwork repairs	-	20	-	
Corporate	Bantock Primary - new staircase	-	16	-	
Corporate	Bushbury Nursery - repointing brickwork	-	10	-	
Corporate	Bushbury Nursery - flooring replacement	-	10	-	
Corporate	D'Eyncourt Primary – kitchen refurbishment	-	8	-	
Corporate	Westacre Infants – remove thermoplastic floor tiles and replace with carpet	-	7	-	
Corporate	Woodfield Junior - drainage work	-	4	-	
Corporate	Uplands Junior – provision of fire shutter to servery	-	4	-	
Corporate	Loxdale Primary – provision of fire shutter to servery	-	3	-	
Corporate	Provision for future programmes	-	1	-	
Corporate	Schools Contingency for Emergency Works:				
Corporate	Provision for future programmes	(202)	-	-	A review of the programme has identified a number of projects which have been completed using less resources than forecast. Virements are proposed to reflect reallocation of resources across individual schemes within the Education capital programme.
Corporate	Schools Capital Maintenance - Window Upgrade:				
Corporate	Provision for future programmes	(32)	-	-	
Corporate	Hill Avenue Primary - Replacement Class room windows	(30)	-	-	
Corporate	Oxley Primary replacement classroom windows	(1)	-	-	
Corporate	Schools Capital Maintenance - Heating Pipework Upgrades (boilers):				
Corporate	Long Knowle Primary - replacement heating system	(2)	-	-	
Corporate	Braybrook Centre - boiler replacement	(1)	-	-	
Corporate	St Alban's Church of England Primary – new mains cold water supply	(1)	-	-	
Corporate	Rakegate Primary - boiler install	-	29	-	
Corporate	Woodthorne Primary - boiler replacement	-	4	-	
Corporate	Christ Church, Church of England Junior – replacement boiler and heating panel	-	2	-	
Corporate	Springdale Junior - replacement heating pipework	-	1	-	
Corporate	Coppice Performing Arts School - boiler replacement	-	1	-	
Corporate	Schools Electrical Works (Planned maintenance):				
Corporate	Provision for future programmes	(5)	-	-	
Corporate	Stow Heath Primary - electrical remedial works following periodic inspection	(1)	-	-	
Corporate	Stow Heath Primary - electrical upgrade	(1)	-	-	
Corporate	Wodensfield Primary (Junior site) - electrical remedial works following periodic inspection	-	150	-	
Corporate	Christ Church, Church of England Infants - electrical remedial works following periodic inspection	-	37	-	
Corporate	St Alban's Church of England Primary - electrical remedial works following periodic inspection	-	8	-	
Corporate	Merridale Primary - electrical remedial works following periodic inspection	-	5	-	
Corporate	D'Eyncourt Primary - electrical remedial works following periodic inspection	-	2	-	
Corporate	Wodensfield Primary (Infants site) - electrical remedial works following periodic inspection	-	1	-	
Corporate	Nothern House School (former New Park) - electrical remedial works	-	1	-	
Corporate	Low Hill Nursery Development Plan	-	35	-	

Directorate	Capital project	Virement			Comments
		Existing project £000	Existing project £000	New project £000	
Corporate	Primary School Expansion Programme:				
Corporate	Contingency	(883)	-	-	
Corporate	St Martin's Primary	(62)	-	-	
Corporate	Eastfield Primary Phase 2	(39)	-	-	
Corporate	St Bart's Primary	(30)	-	-	
Corporate	Eastfield Primary	(15)	-	-	
Corporate	Stowlawn Primary	(8)	-	-	
Corporate	West Park Primary	(7)	-	-	
Corporate	Stowlawn Primary Phase 4	-	700	-	
Corporate	Dunstall Hill Primary	-	148	-	
Corporate	St Mary's Catholic Primary	-	118	-	
Corporate	Bilston Primary Phase 3	-	49	-	
Corporate	Provision for future programmes	-	23	-	
Corporate	Manor Primary	-	6	-	
Corporate	Schools Capital Maintenance - Asbestos Removal:				
Corporate	Wodensfield Primary	(32)	-	-	
Corporate	Christchurch Church of England Infant	(30)	-	-	
Corporate	Westacre Infant	(6)	-	-	
Corporate	Stow Heath Primary	(1)	-	-	
Corporate	Provision for future programmes	-	69	-	
Corporate	Building Schools for Future ICT Infrastructure:				
Corporate	Infrastructure Abnormals/SLG/ELS	(25)	-	-	
Corporate	St Matthias School	-	25	-	A virement is proposed to cover additional costs.
Corporate	Bert Williams Leisure Centre	(6)	-	-	
Corporate	Bert Williams Enhancements	(5)	-	-	
Corporate	Central Baths Enhancement	-	10	-	
Corporate	Aldersley Leisure Village Enhancement	-	1	-	
Corporate	ICT General Programme:				
Corporate	Refresh	(2,113)	-	-	
Corporate	Infrastructure Upgrades	-	1,248	-	
Corporate	Future Developments	-	913	-	
Corporate	Service Led ICT Projects:				
Corporate	Audio/Video equipment	(50)	-	-	
Corporate	WV Active Kiosk	-	2	-	
People	Sports Investment Strategy:				
People	Synthetic Pitch at Our Lady & St Chad's School	(131)	-	-	
People	Barnhurst Land Pitches	-	131	-	
People	Housing and Technology fund for Telecare within LD:				
People	Hardware	(99)	-	-	
People	Software	-	99	-	
People	Co-Location Programme:				
People	Children's Transformation - Bingley	(15)	-	-	
People	Children's Transformation - Eastfield	(14)	-	-	
People	Children's Transformation - Whitmore Reans	-	29	-	
Place	Housing General Fund - Empty Property Strategy:				
Place	32 Cadle Road	(5)	-	-	
Place	171 Caledonia Road	-	2	-	
Place	99 Milfields Road Bilston - Land	-	1	-	
Place	473 Birmingham New Road	-	1	-	
Place	11 Cyprus Street	-	1	-	
Place	Housing General Fund General Schemes - Small Works:				
Place	Provision for future programmes	(24)	-	-	
Place	Affordable Warmth	(23)	-	-	
Place	Housing General Fund Capitalised Salaries	-	47	-	
Place	Land and Property Investment Fund:				
Place	Accountable Body Professional Services - Dudley Music Institute	(50)	-	-	
Place	Provision for future programmes	-	50	-	
Place	Disposals Programme (Non-Strategic):				
Place	Provision for future programmes	(11)	-	-	
Place	Warstones Demolition	(10)	-	-	
Place	Colman Avenue - Provision of Playing Field	(7)	-	-	
Place	Nelson Mandela House Demolition	(5)	-	-	
Place	Merry Hill Demolition	(2)	-	-	
Place	Woden Resource Centre	-	9	-	
Place	Vacation & Disposal of Jennie Lee Centre - refurbishment of Parkfields High School (JLC vacation/relocation)	-	26	-	
Place	LGF Feasibility:				
Place	Interchange Commercial Phases - i9 Development	(40)	-	-	
Place	Cable Street	(27)	-	-	
Place	i54 Western Extension	(20)	-	-	
Place	Bilston Urban Village - East	(4)	-	-	
Place	Canalside Regeneration	(3)	-	-	
Place	Westside Link	-	57	-	
Place	East Park Gateway	-	37	-	

Directorate	Capital project	Virement			Comments
		Existing project £000	Existing project £000	New project £000	
Place	Corporate Asset Management:				
Place	East Park Pool - install new filtration systems and chemical dosing for pool	(34)	-	-	
Place	Penn Library - roof / insulation replacement	(25)	-	-	
Place	Bradmore Recreation Ground - window and door frame replacement	(24)	-	-	
Place	Springvale Library - roof / insulation replacement	(22)	-	-	
Place	Action 4 Independence - lighting and electrical works	(21)	-	-	
Place	Warstones Library - internal / external refurbishment	(11)	-	-	
Place	Pendeford Offices (Ryefields) - internal / external renovation / refurbishment / restoration	(10)	-	-	
Place	Finchfield Library - internal / external refurbishment works	(10)	-	-	
Place	Penn Library - internal / external refurbishment	(10)	-	-	
Place	Springvale Library - internal / external refurbishment	(9)	-	-	
Place	Grand Theatre - strenghtening of Grand Circle balustrade	(8)	-	-	
Place	East Park Library - ramp improvements and structural maintenance of paths / car park	(8)	-	-	
Place	New Enterprise Centre Industrial Estates - electrical and refurbishment works	(7)	-	-	
Place	Ashmore Park Youth Centre - rewiring and electrical upgrade	(7)	-	-	
Place	Wednesfield Community Hub – upgrade heating system	(6)	-	-	
Place	Central Library - replace slabs main entrance	(6)	-	-	
Place	Bilston Town Hall - re-wiring and upgrading electrical systems	(5)	-	-	
Place	Avenues Family Centre - re-wiring	(5)	-	-	
Place	Central Baths - re-wiring and upgrading electrical systems	(5)	-	-	
Place	Lower Bradley Community Centre - re-wiring and upgrading electrical systems	(3)	-	-	
Place	Bantock House - roof / insulation replacement	(3)	-	-	
Place	Bantock House - step / ramp entrance improvements	(3)	-	-	
Place	Merry Hill House - new entrance door system	(3)	-	-	
Place	Loxdale St Industrial Estates - electrical and refurbishment works	(2)	-	-	
Place	Whitmore Reans Community Centre - works to external timber and barge boards	(2)	-	-	
Place	Dunstall Community Centre - asbestos removal	(2)	-	-	
Place	Beckminster House – asbestos removal	(2)	-	-	
Place	City 10 (18 Queens Square) - re-wiring and upgrading electrical systems	(2)	-	-	
Place	Aldersley Leisure Village - re-wiring and upgrading electrical systems	(2)	-	-	
Place	Blakenhall Family Resource Centre - re-wiring and upgrading electrical systems	(1)	-	-	
Place	Bilston Market - structural maintenance of paths / car parks	(1)	-	-	
Place	Warstones Library ramp improvements and structural maintenance of paths / car park	(1)	-	-	
Place	Aldersley Leisure Village - heating works	(1)	-	-	
Place	Low Hill hub - roof replacement	(1)	-	-	
Place	Northwood Park - asbestos removal	(1)	-	-	
Place	West Park - asbestos removal	(1)	-	-	
Place	Bilston Library - asbestos removal	(1)	-	-	
Place	Stowheath Day Training Centre - asbestos removal	(1)	-	-	
Place	Tettenhall Institute - external refurbishment	(1)	-	-	
Place	Fowlers Playing Fields - external refurbishment	(1)	-	-	
Place	Victoria Building - install two new Building Management System enclosures	(1)	-	-	
Place	Ashmore Park Community Hub – ventilation replacements	(1)	-	-	
Place	West Park (West Lodge) – internal refurbishment works	(1)	-	-	
Place	Portobello Community Centre – internal refurbishment works	(1)	-	-	
Place	Lunt Community Centre – replace water main	(1)	-	-	
Place	West Park (Tea Rooms) – internal refurbishment	(1)	-	-	
Place	Neil Docherty Centre – asbestos removal	(1)	-	-	
Place	Northwood Park (Rangers Office) – asbestos removal	(1)	-	-	
Place	Bushbury Crematorium - re-wiring and upgrading of electrical systems	(1)	-	-	
Place	Blakenhall Resource Centre - structural maintenance of paths / car parks	(1)	-	-	
Place	Bradmore Community Centre - windows / doors replacement	(1)	-	-	
Place	Central Baths – lift replacement	(1)	-	-	

Virements are proposed to reflect reallocation of resources across the projects within the Corporate Asset Management programme. Regular rescheduling of works is required within this programme to ensure that current corporate priorities are met and reflected.

Directorate	Capital project	Virement			Comments
		Existing project £000	Existing project £000	New project £000	
Place	Graiseley Music School - replace cast iron heating pipework	-	51	-	
Place	Wolverhampton Art Gallery - internal / external renovation / refurbishment / restoration	-	45	-	
Place	Newhampton Arts Centre - windows / doors replacement	-	40	-	
Place	Bradmore Recreation Ground - interior remodelling	-	31	-	
Place	Fordhouses Road Industrial Estate - internal / external renovation / refurbishment / restoration	-	20	-	
Place	Newhampton Art Centre – roof replacement and internal enhancements	-	13	-	
Place	Loxdale Road Industrial Estate - internal / external renovation / refurbishment / restoration	-	10	-	
Place	Bradmore Community Centre - toilets refurbishment	-	10	-	
Place	Newhampton Arts Centre - lift refurbishment	-	6	-	
Place	Neville Garratt Centre - re-wiring and upgrading electrical systems	-	5	-	
Place	Aldersley Leisure Village – replace floor covering to male changing room showers	-	5	-	
Place	Bantock House - step / ramp entrance improvements	-	4	-	
Place	Landport Rd Industrial Estates - electrical and refurbishment works	-	4	-	
Place	East Park Changing rooms - refurbishment	-	4	-	
Place	Bradley Community Resource Centre - re-wiring and upgrading of electrical systems	-	4	-	
Place	Maltings Day Centre - re-wiring and upgrading electrical systems	-	3	-	
Place	Lower Bradley Community Centre - roof replacement	-	3	-	
Place	Rooker Avenue Changing Rooms - demolition	-	3	-	
Place	Eastfield Community Centre - asbestos removal	-	2	-	
Place	Fordhouse Rd Industrial Estates - electrical and refurbishment works	-	2	-	
Place	Duke St Bungalows – internal refurbishment	-	2	-	
Place	i10 building - upgrade air handling plant	-	1	-	
Place	Upper Pendeford Farm - re-wiring and upgrading electrical systems	-	1	-	
Place	Blakenhall Healthy Living Centre - re-wiring and upgrading electrical systems	-	1	-	
Place	Windsor Avenue Changing Rooms - re-wiring and upgrading electrical systems	-	1	-	
Place	Wolverhampton Art Gallery - re-wiring and upgrading electrical systems	-	1	-	
Place	Bradley Day Centre - re-wiring and upgrading electrical systems	-	1	-	
Place	Avion Centre - resurfacing of car park	-	1	-	
Place	Whitmore Reans Library - windows replacement	-	1	-	
Place	Maltings Day Centre - boiler replacement	-	1	-	
Place	Bradley Resource Centre – kitchen refurbishment	-	1	-	
Place	City Archives - Molineux Hotel - external protective system	-	1	-	
Place	Towers Outdoor Education Centre - windows replacement	-	1	-	
Place	Bradmore Community Centre - roof / insulation replacement	-	1	-	
Place	Bilston Urban Village: Public Open Space	(73)	-	-	Reallocation of Bilston Urban Village budgets to cover final accounts payments.
Place	Remediation of site in readiness for development	-	66	-	
Place	Site Acquisition	-	5	-	
Place	Bilston High Street Link	-	2	-	
Place	Westside: Demolition of Heantun House	(79)	-	-	Reallocation of resources between Westside schemes to cover title issues associated with site disposal.
Place	Relocation of UTC to Civic Centre	(11)	-	-	
Place	Markets Re-location	-	90	-	
Place	South Side: Demolition of 42-50 Snow Hill	(24)	-	-	Reallocation of budget to cover revised estimates for demolition of Burdett House.
Place	Demolition of Burdett House	-	24	-	
Place	Interchange - Ph2 Train Station/MSCP/Metro Extension: Neptune Payments	(1,470)	-	-	Increase in contingency provision in accordance with Contribution Agreement between Interchange Partners.
Place	Provision for future programmes	-	1,470	-	
Place	Wolverhampton Interchange Block 10	(97)	-	-	Saving on Block 10 final account required for potential pipeline of schemes on Strategic Land Acquisitions.
Place	Strategic Land Acquisitions	-	97	-	
Place	Acquisition 7 St Georges Parade Land	(1)	-	-	To cover shortfall in budget allocation for acquisition of building.
Place	Acquisition 7 St Georges Parade Build	-	1	-	
Place	Security Enhancement works: Science Park (Park & Ride) - height barrier	(2)	-	-	Scheme completed, budget is no longer required.
Corporate	Corporate Contingency: Provision for future programmes	-	2	-	
Place	Courtaulds - Investigation	(166)	-	-	A virement is proposed to reallocate resources within the project.
Place	Site Remediation Farndale - Courtaulds	-	166	-	

Directorate	Capital project	Virement			Comments
		Existing project £000	Existing project £000	New project £000	
Place	Highway Improvement Programme:				
Place	Provision for future programmes	(389)	-	-	
Place	Birmingham New Road / Shaw Road	(29)	-	-	
Place	Roadworks information improvement	(19)	-	-	
Place	Common Database software upgrade	(15)	-	-	
Place	Cannock Road / Cross Street North	(5)	-	-	
Place	Traffic Signs replacement	(3)	-	-	
Place	Advance Design	-	160	-	
Place	New Cross area parking management	-	47	-	
Place	Bus lane enforcement - associated works	-	45	-	
Place	Stafford Road Corridor improvements	-	10	-	
Place	Ring Road / Snow Hill traffic signals upgrade	-	5	-	
Place	A4124 traffic signal upgrades (NPIF)	-	5	-	
Place	Cannock Road / Raynor Road CCTV	-	3	-	
Place	Compton Park Access Road	-	1	-	
Place	Maintenance of unclassified roads:				
Place	Queen Square	(170)	-	-	
Place	Woodstock Road / Hurstbourne Cres and roads off	(140)	-	-	
Place	Footways	(89)	-	-	
Place	Footway works	(7)	-	-	
Place	Uplands Avenue and roads off	(1)	-	-	
Place	Darlington Street Footways	-	214	-	
Place	Bushbury Lane (parts) Footways	-	92	-	
Place	Brooklands Parade and roads off Footways	-	55	-	
Place	Dudley Street Footways Phase 1 and Phase 2	-	6	-	
Place	Woodhouse Road North Carriageways	-	1	-	
Place	Bilston Street Footways	-	-	-	
Place	Highway Structures (bridges, subways, retaining walls):				
Place	Provision for future programmes	(30)	-	-	
Place	Council Assets - Strengthening	(10)	-	-	
Place	Hordern Road Bridge - trief kerbs and guard rail	-	12	-	
Place	Tettenhall Road Bridge - edge beam replacement	-	11	-	
Place	Maintenance of classified roads:				
Place	Black Country Route (Coseley Road to Oxford Street)	(32)	-	-	
Place	Bilston Road (Ring Road to Cullwick Street)	(21)	-	-	
Place	Provision for future programmes	(11)	-	-	
Place	Chapel Ash to Compton Road	(3)	-	-	
Place	Three Tuns Lane	(2)	-	-	
Place	Neachells Lane / Alfred Squire Road Junction	(2)	-	-	
Place	Birmingham New Road (Parkfield Road to Spring Road)	-	60	-	
Place	Coalway Road	-	4	-	
Place	Lower Street	-	3	-	
Place	Penn Road (Stubbs Road to Coalway Road)	-	-	-	
Place	Safety Programme:				
Place	Wolverhampton Road East and Dudding Road	(20)	-	-	
Place	Mill Lane	(7)	-	-	
Place	Great Hampton Street	(2)	-	-	
Place	Sun street guard railing	(1)	-	-	
Place	Urgent Safety Works	-	126	-	
Place	Stafford Street pedestrian crossing (S73)	-	69	-	
Place	Local Safety Schemes - TROs / Signs&Guardrails / Road	-	33	-	
Place	Markings	-	1	-	
Place	Vehicle actuated speed warning signs	-	-	-	
Place	Accessing Growth Fund:				
Place	Bilston Urban Village	(66)	-	-	
Place	Stafford Road (A449) Corridor / i54 Sprint modelling & development	(36)	-	-	
Place	Springfield Campus to Interchange Connectivity	-	94	-	
Place	Willenhall Road (A454) Corridor / Canalside modelling and development	-	35	-	
Place	Pinfold Bridge, Wednesfield Road	-	24	-	
Place	Coach Station Bilston	-	2	-	
Place	Network Development - Safer Routes to School:				
Place	School Gate Parking	-	2	-	
Place	Non-Highway Structures:				
Place	94 Compton Road - Bridgnorth Road - steel works, safety fencing, masonry, corrosion protection	(5)	-	-	
Place	Demolition of 60-60A Willenhall Road on a highway improvement line	(3)	-	-	
Place	307 Castlecroft Culvert - Masonry and safety fencing	(1)	-	-	
Place	10 Underhill Lane and Cannock Rd footbridge - concrete works	(1)	-	-	
Place	305 Aldersley Stadium Access Road 4 - parapet/safety fencing	(1)	-	-	
Place	Footpath North of Fowlers field - Deck removal/replacement	(1)	-	-	
Place	32 Hordern Road - steel works, safety fencing and corrosion protection	-	5	-	
Place	234 Hordern Road footbridge - safety fencing, ramp replacement	-	4	-	
Place	273 Lanesfield canal footbridge - concrete works and safety fencing	-	2	-	
Place	Cycling - Cycle Route Improvements	-	1	-	

Virements are proposed to reflect reallocation of resources across projects within the Transportation capital programme to align to outturn and current prioritisations approved by Cabinet in the transport capital programme report on 25 April 2018.

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Directorate	Capital project	Virement			Comments
		Existing project £000	Existing project £000	New project £000	
Place	i54 Access and Infrastructure:				
Place	i54 - On site infrastructure - Advanced Earthworks	(20)	-	-	
Place	i54 - On site infrastructure - Infrast' Completion	(19)	-	-	
Place	i54 - Contingency / General Costs - WCC	(5)	-	-	
Place	i54 - Western Extension	-	12	-	Virements are proposed to reflect reallocation of resources across individual schemes within the 'i54 Access and Infrastructure' project.
Place	i54 - M54 Motorway Junction	-	10	-	
Place	Provision for future programmes	-	10	-	
Place	i54 - On site infrastructure - i54 SES Ongoing Maintenance	-	9	-	
Place	i54 - Off site infrastructure - Vine Island	-	3	-	
Place	Lighting up the City:				
Place	Queens Square	(13)	-	-	Virements are proposed to reallocate resources within the 'Lighting up the City' project.
Place	Sainsburys Wishbone Bridge	(10)	-	-	
Place	Project Management / Technical Support	(3)	-	-	
Place	Dudley Street	-	20	-	
Place	Interchange Handrail	-	6	-	
Total General Fund		(19,655)	19,377	278	

Directorate	Capital project	Virement			Comments
		Existing project £000	Existing project £000	New project £000	
Housing Revenue Account					
Re-allocation virements to existing projects					
HRA	Tower and Fort Works:				
HRA	Provision for future programmes	(2,383)	-	-	A virement is required to reallocate budget held against the provision for future programmes to specific project within the Tower and Fort Works project.
HRA	Tower and Fort Works project	-	2,383	-	
HRA	Non Traditional Surveys:				
HRA	Provision for future programmes	(684)	-	-	A virement is required to reallocate budget held against the provision for future programmes to specific project within the Non Traditional Surveys project.
HRA	Non Traditional Surveys project	-	684	-	
HRA	Small Sites Phase 3:				
HRA	Provision for future programmes	(4,000)	-	-	A virement is required to reallocate budget held against the provision for future programmes to specific project within the Small Sites Phase 3 project.
HRA	Small Sites Phase 3 project	-	4,000	-	
HRA	Adaptations for People with Disabilities:				
HRA	Provision for future programmes	(860)	-	-	A virement is required to reallocate budget held against the provision for future programmes to specific schemes within Adaptations for People with the Disabilities project.
HRA	Disabled Adaptations - Level Access Showers	-	352	-	
HRA	Disabled Adaptations - Stairlifts	-	179	-	
HRA	Disabled Adaptations - Minor works	-	142	-	
HRA	Disabled Adaptations - Extensions	-	112	-	
HRA	Disabled Adaptations - Other	-	59	-	
HRA	Disabled Adaptations - Vertical Lifts / Ceiling Track	-	15	-	
HRA	Hoists	-	1	-	
HRA	Disabled Adaptations - Incentive Scheme	-	1	-	
HRA	Contingency	(5,000)	-	-	A virement from the Contingency budget is proposed to fund the pressures on specific projects.
HRA	Heath Town Refurbishment	-	4,900	-	A virement to Heath Town Refurbishment project is required to account for voids refurbished during the programme.
HRA	Wolverhampton Homes - Capitalised Salaries	-	100	-	
HRA	Burton Crescent:				
HRA	Provision for future programmes	(5,180)	-	-	A virement is required to reallocate budget held against the provision for future programmes to the specific project.
HRA	Burton Crescent project	-	5,180	-	
HRA	Commercial Conversions:				
HRA	Provision for future programmes	(429)	-	-	A virement is required to reallocate budget held against the provision for future programmes to the specific project.
HRA	Commercial Conversions project	-	429	-	
Project to project virements					
HRA	Additional Social Housing	(339)	-	-	A virement is required to fund an additional spend due to the ground condition issues found during construction.
HRA	New Build infill schemes	(12)	-	-	
HRA	SCP Newbuild Phase 2	-	351	-	
HRA	Heath Town Phase 3	(360)	-	-	A virement between the stages is proposed due to the more detailed planning being undertaken.
HRA	Heath Town Phase 1	-	360	-	
HRA	Sustainable Estates Programme	(1,069)	-	-	These programmes and their budgets are reduced and a virement is proposed to fund the spend pressures elsewhere.
HRA	Internal Decency Works	(999)	-	-	
HRA	Heath Town Refurbishment	(557)	-	-	
HRA	Refurbishment of Voids to Decent Homes Standard	(479)	-	-	
HRA	External Improvement Works (Pre Decent Homes)	(150)	-	-	
HRA	Wolverhampton Homes - Capitalised Salaries	-	2,150	-	A virement is proposed to fund WH QS and design team in order to reduce an external fee charges across the programmes.
HRA	Roofing Refurbishment Programme - City wide	-	1,104	-	Virement is required to fund an urgent roofing issues.
HRA	Sustainable Estates Programme	(1,000)	-	-	A virement is required to fund an additional High Rise external works which are necessary after the surveys.
HRA	High Rise External Works:				
HRA	Provision for future programmes	-	1,000	-	
HRA	Hickman High Rise	(200)	-	-	A virement is required to fund the costs of additional fire safety requirements.
HRA	High Rise Fire Safety Issues	-	200	-	
HRA	Heath Town follow on works	(252)	-	-	A virement is required to fund the costs of Heath Town refurbishment.
HRA	Heath Town Refurbishment	-	252	-	
Total HRA		(23,953)	23,953	-	
Grand total		(43,608)	43,330	278	

ICT capital programme	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Main programme:							
Provision for Future Developments	-	921	250	-	-	-	1,171
Emergency Projects	-	75	-	-	-	-	75
Security Enhancement							
Penetration Testing and IT Health Check	22	24	13	-	-	-	59
Internal Security Testing Tools	-	10	-	-	-	-	10
	22	34	13	-	-	-	69
Storage Refresh							
Increase Storage Capacity	90	30	30	-	-	-	150
Upgrade / Replace Filers	130	-	-	-	-	-	130
Upgrade / Replace Data Domain	-	-	150	-	-	-	150
	220	30	180	-	-	-	430
Upgrades							
Replace / Upgrade Firewalls	-	50	-	-	-	-	50
Active Directory upgrade	-	10	-	-	-	-	10
	-	60	-	-	-	-	60
Infrastructure Upgrades							
Telephony Improvement	3	50	-	-	-	-	53
Core network infrastructure upgrade	-	180	-	-	-	-	180
Network Hardware Refresh	41	300	30	-	-	-	371
Expand production Virtual Machine environment and production Demilitarised Zone environment	-	30	-	-	-	-	30
System Centre Configuration Manager / System Centre Operations Manager	6	-	-	-	-	-	6
Resilient Express Route installation	-	20	-	-	-	-	20
Just in Time Development	228	250	250	-	-	-	728
Expand Secondary Data Centre Virtual Server Farm	-	35	-	-	-	-	35
Civic Centre Infrastructure Upgrade	714	250	-	-	-	-	964
Replace/Upgrade System Centre Appliance	-	40	-	-	-	-	40
Unified Communications	-	100	25	-	-	-	125
Project resource to support agile working	72	90	90	-	-	-	252
Civic Centre Wireless Upgrade	-	20	10	-	-	-	30
Large format printer	20	-	-	-	-	-	20
Additional digital signage equipment	347	500	-	-	-	-	847
Auditing Tools and Log Management Solution	7	90	-	-	-	-	97
Telephony Refresh	-	10	10	-	-	-	20
Application Rationalisation and SAAS	-	100	-	-	-	-	100
Replace Cisco wifi with Aruba for non Civic locations	-	55	-	-	-	-	55
Internet upgrade / replacement	-	50	-	-	-	-	50
WAN rationalisation (9 exchanges down to 6)	-	40	-	-	-	-	40
Photo Asset Bank Solution	3	-	-	-	-	-	3
Banking Payments Firewall	2	-	-	-	-	-	2
	1,443	2,210	415	-	-	-	4,068
Data Centres							
Additional Data Cabinets	-	2	2	-	-	-	4
Air conditioning	8	12	-	-	-	-	20
Data centre decommission and deep clean	-	5	-	-	-	-	5
Replace Uninterruptable Power Supply Batteries	-	16	5	-	-	-	21
Uninterruptable Power Supply Direct Current & Alternating Current Capacitor Replacement	3	12	5	-	-	-	20
Cold aisle containment	-	-	20	-	-	-	20
Migrate SDC	-	50	-	-	-	-	50
	11	97	32	-	-	-	140
IT Service Management							
System Centre, Cireson, Sharepoint	-	60	-	-	-	-	60
Print and Mail							
Hybrid Mail / Mailmark	-	45	-	-	-	-	45
Folding Machine	-	-	20	-	-	-	20
	-	45	20	-	-	-	65
Main programme total	1,696	3,532	910	-	-	-	6,138
Desktop Refresh	908	677	1,002	-	-	-	2,587
Disaster Recovery	-	101	100	-	-	-	201
Service Led ICTS Projects							
Migrate Care First to Eclipse	370	313	-	-	-	-	683
WV Active Kiosk	39	-	-	-	-	-	39
IDOX / GIS cloud migration	-	100	-	-	-	-	100
	409	413	-	-	-	-	822
Total ICT capital programme	3,013	4,723	2,012	-	-	-	9,748

WV Active - Leisure Centres	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Bert Williams Leisure Centre	3	-	-	-	-	-	3
Leisure Centre Enhancement Programme							
Aldersley Leisure Village Enhancement	12	7	-	-	-	-	19
Bert Williams Enhancements	11	1	-	-	-	-	12
Central Baths Enhancement	27	1	-	-	-	-	28
Aldersley Leisure Village Enhancement 2018-19	-	550	-	-	-	-	550
Total WV Active - Leisure Centres capital programme	53	559	-	-	-	-	612

Building Schools for the Future programme	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Sample:							
The Kings School	-	65	-	-	-	-	65
Phase 2:							
Our Lady and St Chad Catholic Academy	-	31	-	-	-	-	31
Phase 3:							
Westcroft School	-	49	-	-	-	-	49
Heath Park Arts Block	-	54	-	-	-	-	54
VAT Adjustments:							
Our Lady and St Chad Catholic Academy	-	7	-	-	-	-	7
St Edmund's Catholic Academy Compton Park	-	19	-	-	-	-	19
BSF - ICTS Infrastructure Schemes:							
Infrastructure Abnormals	520	340	-	-	-	-	860
St Matthias School	25	-	-	-	-	-	25
Total BSF capital programme	545	565	-	-	-	-	1,110

Primary School Expansion Programme	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Phase 1 & 2:							
Eastfield Primary Phase 1	(15)	-	-	-	-	-	(15)
Dunstall Hill Primary	1,632	107	-	-	-	-	1,739
Fallings Park Primary	(14)	-	-	-	-	-	(14)
Trinity Church of England Primary	4	-	-	-	-	-	4
Eastfield Primary	(4)	-	-	-	-	-	(4)
	1,603	107	-	-	-	-	1,710
Phase 3:							
Bilston Primary	84	35	-	-	-	-	119
Bushbury Hill Primary	1	-	-	-	-	-	1
Manor Primary	6	1	-	-	-	-	7
St Martin's Primary	8	-	-	-	-	-	8
Stowlawn Primary	(8)	-	-	-	-	-	(8)
West Park Primary	23	-	-	-	-	-	23
St Mary's Roman Catholic Primary	714	4	-	-	-	-	718
St Bartholomews Church of England Primary	1	-	-	-	-	-	1
Holy Trinity Catholic Primary	1	-	-	-	-	-	1
Lanesfield Primary	45	-	-	-	-	-	45
Villiers Primary	21	24	-	-	-	-	45
	896	64	-	-	-	-	960
Phase 4:							
Loxdale Primary	323	4,000	3,000	477	-	-	7,800
Spring Vale Primary	189	3,000	1,500	311	-	-	5,000
Stowlawn Primary	127	3,173	1,500	200	-	-	5,000
	639	10,173	6,000	988	-	-	17,800
Future expansion programmes	-	6,084	-	-	-	-	6,084
Contingency	-	744	-	-	-	-	744
Total Primary School Expansion capital programme	3,138	17,172	6,000	988	-	-	27,298

Secondary School Expansion Programme	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Aldersley High School	38	2,200	700	62	-	-	3,000
Our Lady and St Chad Catholic Academy	3	4,697	-	-	-	-	4,700
Future expansion programmes	-	3,200	7,800	-	-	-	11,000
Total Secondary School Expansion capital programme	41	10,097	8,500	62	-	-	18,700

Schools Capital Maintenance	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Boiler upgrades/replacement pipework/heaters:							
Bantock Primary - re-pipe heating	1	4	-	-	-	-	5
Braybrook Centre - boiler replacement	1	-	-	-	-	-	1
Woodthorne Primary (Infant) – replacement heat and hot cold water pipework	127	-	-	-	-	-	127
Christ Church, Church of England Junior – replacement boiler and heating panel	82	5	-	-	-	-	87
Penn Hall – replacement controls to main boiler house	33	7	-	-	-	-	40
Claregate Primary – replacement heating to main school	53	127	-	-	-	-	180
Fallings Park Primary – replacement pipework and radiators to KS2	25	125	-	-	-	-	150
St Alban's Church of England Primary – new mains cold water supply	14	-	-	-	-	-	14
Springdale Junior - replacement heating pipework	40	260	-	-	-	-	300
Warstones Primary - replacement boiler	85	6	-	-	-	-	91
Coppice Performing Arts - replace boiler	8	-	-	-	-	-	8
Woodthorne Primary - replacement boiler	4	-	-	-	-	-	4
Long Knowle Primary - replacement heating system	(2)	-	-	-	-	-	(2)
Rakegate Primary - boiler install	29	-	-	-	-	-	29
Bushbury Nursery - upgrade boiler plant and controls	-	40	-	-	-	-	40
Castlecroft Primary - upgrade boiler plant and controls	-	60	-	-	-	-	60
Eastfield Primary - upgrade boiler plant and controls	-	100	-	-	-	-	100
Eastfield Nursery - upgrade hot water	-	25	-	-	-	-	25
Lanesfield Primary - replace hot and cold water pipework	-	150	-	-	-	-	150
Long Knowle Primary - upgrade boiler plant and controls	-	25	-	-	-	-	25
Penn Hall School - upgrade boiler, heat emitters and fan convectors	-	65	-	-	-	-	65
Stow Heath Primary - upgrade boiler plant and controls	-	70	-	-	-	-	70
Tettenhall Wood School - replace hot water cylinder, generator and	-	30	-	-	-	-	30
Uplands Junior School - upgrade boiler and controls	-	80	-	-	-	-	80
Provision for future programmes	-	2	-	-	-	-	2
	500	1,181	-	-	-	-	1,681
Roof replacements and ceilings:							
Bilston Nursery - replacement tiles to roof phase 2	-	120	-	-	-	-	120
Whitgreave Junior – replacement roof covering (roof C and D)	45	-	-	-	-	-	45
Wodensfield Primary – replacement roof to caretakers house	18	-	-	-	-	-	18
Springdale Junior – replacement roof covering (roof D or E)	53	-	-	-	-	-	53
D'Eyncourt Primary – replacement roof covering to years 3, 4, 5 and 6	54	-	-	-	-	-	54
D'Eyncourt Primary – replacement roof covering to corridor and toilets	15	-	-	-	-	-	15
Stow Heath Primary - replacement roof adj delivery yard	15	-	-	-	-	-	15
Goldthorne Park Primary - replacement roof covering	-	40	-	-	-	-	40
Christ Church, Church of England Infant and Nursery - roof covering to link	-	11	-	-	-	-	11
Dovecotes Primary - replacement roof covering	(5)	30	-	-	-	-	25
West Park Primary - replacement roof covering	-	80	-	-	-	-	80
Wodensfield Primary - replacement roof covering	-	30	-	-	-	-	30
Provision for future programmes	-	26	-	-	-	-	26
	195	337	-	-	-	-	532
Window upgrade:							
Hill Avenue Primary - replacement classroom windows	-	48	-	-	-	-	48
Oxley Primary - replacement classroom windows	(1)	-	-	-	-	-	(1)
Whitgreave Infants - replacement entrance doors	-	20	-	-	-	-	20
Christ Church Infants - replacement hall windows	-	40	-	-	-	-	40
Dovecotes Primary - replacement aluminium windows	-	100	-	-	-	-	100
Provision for future programmes	-	14	-	-	-	-	14
	(1)	222	-	-	-	-	221
Development Plans:							
ICT and equipment							
Nursery schools	5	-	-	-	-	-	5
Primary schools	323	-	-	-	-	-	323
Secondary schools	42	-	-	-	-	-	42
Special schools	53	-	-	-	-	-	53
School improvements							
St Andrews Church of England Primary	4	-	-	-	-	-	4
Penn Hall Special School	12	-	-	-	-	-	12
MidPoint Pupil Referral Unit	4	-	-	-	-	-	4
Coppice Performing Arts School	7	-	-	-	-	-	7
Graiseley Primary	5	-	-	-	-	-	5
Wilkinson Primary	3	-	-	-	-	-	3
Bilston Church of England Primary	88	-	-	-	-	-	88
Tettenhall Wood Special School	13	-	-	-	-	-	13
Villiers Primary	2	-	-	-	-	-	2
West Park Primary	37	-	-	-	-	-	37
Low Hill Nursery	35	-	-	-	-	-	35
Provision for future programmes	-	-	-	-	-	-	0
	633	-	-	-	-	-	633

Schedule of works – Corporate

Appendix 4

Schools Capital Maintenance	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Asbestos removal:							
Wodensfield Primary	3	-	-	-	-	-	3
St Andrews Church of England Primary	16	-	-	-	-	-	16
Stow Heath Primary	8	-	-	-	-	-	8
Woodfield Junior	16	-	-	-	-	-	16
Christ Church, Church of England Infant and Nursery	-	-	-	-	-	-	0
Westacre Infants	-	-	-	-	-	-	0
Provision for future schemes	-	196	-	-	-	-	196
	43	196	-	-	-	-	239
Contribution to New Build schemes:							
Wilkinson Primary	8	8	-	-	-	-	16
	8	8	-	-	-	-	16
Contingency for emergency works							
Provision for future programmes	-	350	-	-	-	-	350
Rewiring and electrical upgrades (Planned Maintenance):							
St Andrew's Primary - electrical remedial works	34	-	-	-	-	-	34
Christ Church, Church of England Infants - electrical remedial works following periodic inspection	77	-	-	-	-	-	77
D'Eyncourt Primary - electrical remedial works following periodic inspection	72	-	-	-	-	-	72
Eastfield Primary – electrical remedial works following periodic inspection	-	20	-	-	-	-	20
Eastfield Nursery - electrical remedial works following periodic inspection	35	-	-	-	-	-	35
Merridale Primary - electrical remedial works following periodic inspection	87	-	-	-	-	-	87
St Alban's Church of England Primary - electrical remedial works following periodic inspection	90	-	-	-	-	-	90
Stow Heath Primary - electrical remedial works following periodic inspection	49	-	-	-	-	-	49
Uplands Junior - electrical remedial works following periodic inspection	80	-	-	-	-	-	80
Whitgreave Infants - electrical remedial works following periodic inspection	1	49	-	-	-	-	50
Wodensfield Primary (Infants site) - electrical remedial works following periodic inspection	51	-	-	-	-	-	51
Wodensfield Primary (Junior site) - electrical remedial works following periodic inspection	210	-	-	-	-	-	210
New Park School - electrical remedial works	1	-	-	-	-	-	1
Stow Heath Primary - electrical upgrade	(1)	-	-	-	-	-	(1)
Eastfield Nursery - electrical remedial works	-	40	-	-	-	-	40
Merridale Primary - electrical remedial works	-	40	-	-	-	-	40
Fallings Park Primary - electrical remedial works	-	50	-	-	-	-	50
Long Knowle Primary - electrical remedial works	-	45	-	-	-	-	45
Claregate Primary - electrical remedial works	-	60	-	-	-	-	60
Wodensfield Primary - electrical remedial works	-	15	-	-	-	-	15
	786	319	-	-	-	-	1,105
Structural/demolition/external works/security							
Castlecroft Primary - playground resurfacing	3	-	-	-	-	-	3
D'Eyncourt Primary - resurface car park	-	30	-	-	-	-	30
Woodfield Junior - drainage work	161	-	-	-	-	-	161
Graiseley Primary – replacement rainwater goods and fascias	20	-	-	-	-	-	20
Westacre Infants – remove thermoplastic floor tiles and replace with carpet	25	-	-	-	-	-	25
Rakegate Primary – renew 6 no. aluminium fire exit doors to classrooms	20	-	-	-	-	-	20
Loxdale Primary – provision of fire shutter to servery	21	-	-	-	-	-	21
Uplands Junior – provision of fire shutter to servery	19	-	-	-	-	-	19
D'Eyncourt Primary – refurbishment to school kitchen	75	-	-	-	-	-	75
Wilkinson Primary - replacement entrance doors	4	-	-	-	-	-	4
Woodthorne Primary - installation of security gates	33	2	-	-	-	-	35
Bilston Church of England Primary - perimeter fencing	10	-	-	-	-	-	10
Goldthorn Primary - replacement floor screeds	(1)	-	-	-	-	-	(1)
Whitgreave Primary - link pathway	-	50	-	-	-	-	50
St Albans Church of England Primary - entrance and office alteration	-	25	-	-	-	-	25
Bantock Primary - new staircase	-	35	-	-	-	-	35
Bushbury Nursery - repointing brickwork	-	10	-	-	-	-	10
Bushbury Nursery - replacement flooring	-	10	-	-	-	-	10
Westacre Infants - resurface playground	-	30	-	-	-	-	30
Christ Church, Church of England Junior - cloakroom alterations	-	20	-	-	-	-	20
Stow Heath Primary - structural and brickwork repairs	-	20	-	-	-	-	20
Provision for future programmes	-	16	-	-	-	-	16
	390	248	-	-	-	-	638
Uncommitted Balance of Capital Maintenance (Provision for future programmes)							
	-	258	-	-	-	-	258
Total Schools Capital Maintenance capital programme	2,554	3,119	-	-	-	-	5,673

Sports Investment Strategy	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Sports Investment Strategy							
Barnhurst Land Pitches	134	877	-	-	-	-	1,011
Synthetic Pitch at Our Lady and St Chad's School	75	135	-	-	-	-	210
Bilbrook Football Club	439	-	-	-	-	-	439
Peace Green sport facilities	9	183	-	-	-	-	192
Provision for future programmes	-	230	-	-	-	-	230
Bowling provision	-	102	-	-	-	-	102
Cricket provision							
East Park	-	12	-	-	-	-	12
Claregate Playing Fields	-	12	-	-	-	-	12
Fowlers Park	-	12	-	-	-	-	12
Newbridge Playing Fields	1	179	-	-	-	-	180
Kind George V Playing Fields	-	12	-	-	-	-	12
Goodyears Park	-	12	-	-	-	-	12
Total Sports Investment Strategy capital programme	658	1,766	-	-	-	-	2,424

Co-location Programme	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Children's Transformation							
Bingley Enterprise Centre	150	-	-	-	-	-	150
Whitmore Reans Children Centre	247	-	-	-	-	-	247
Eastfield Nursery School	155	-	-	-	-	-	155
Barnhurst Family Day Centre	1	-	-	-	-	-	1
Total Co-location capital programme	553	-	-	-	-	-	553

Children in Need - Aiming High for Disabled Children	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Changing Place toilet facilities							
Civic Centre	40	-	-	-	-	-	40
Mander Centre	-	26	-	-	-	-	26
Brickkiln Community Centre	3	-	-	-	-	-	3
Bentley Bridge	-	40	-	-	-	-	40
Provision for future programmes	-	26	-	-	-	-	26
Total Children in Need - Aiming High for Disabled Children capital programme	43	92	-	-	-	-	135

Early Education - Two Year Education Pilot	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Terrific Two's - Gatis Street	7	-	-	-	-	-	7
Terrific Two's - Children's Village	33	2	-	-	-	-	35
Total Early Education - Two Year Education Pilot capital programme	40	2	-	-	-	-	42

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Schedule of works – Place

Appendix 6

Corporate Asset Management Programme	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Unit 28/29 Fordhouse Road Industrial Estate - rewiring works	4	-	-	-	-	-	4
Wolverhampton Art Gallery - internal / external renovation / refurbishment / restoration	213	-	-	-	-	-	213
Bradmore Community Centre - internal / external renovation / refurbishment / restoration	3	-	-	-	-	-	3
Neville Garratt Centre - re-wiring and upgrading of electrical systems	49	-	-	-	-	-	49
Low Hill Community Centre - re-wiring and upgrading of electrical systems	10	-	-	-	-	-	10
Maltings Day Centre - re-wiring and upgrading of electrical systems	41	-	-	-	-	-	41
Upper Pendeford Farm - re-wiring and upgrading of electrical systems	14	-	-	-	-	-	14
Lower Bradley Community Centre - re-wiring and upgrading of electrical systems	13	-	-	-	-	-	13
Blakenhall Healthy Living Centre - re-wiring and upgrading of electrical systems	10	-	-	-	-	-	10
Bilston Town Hall - re-wiring and upgrading of electrical systems	1	-	-	-	-	-	1
City 10 - re-wiring and upgrading of electrical systems	8	-	-	-	-	-	8
Windsor Avenue Changing Rooms - re-wiring and upgrading of electrical systems	23	-	-	-	-	-	23
Blakenhall Family Resource Centre - re-wiring and upgrading of electrical systems	4	-	-	-	-	-	4
Wolverhampton Art Gallery - re-wiring and upgrading of electrical systems	56	-	-	-	-	-	56
Bradley Day Centre - re-wiring and upgrading of electrical systems	57	-	-	-	-	-	57
Bantock House - re-wiring and upgrading of electrical systems	20	-	-	-	-	-	20
Bantock House - roof / insulation replacement	2	-	-	-	-	-	2
Central Library - roof replacement	3	-	-	-	-	-	3
Graiseley Learning Technology Centre - step / ramp entrance improvements	-	11	-	-	-	-	11
Bilston Market - structural maintenance of paths / car parks	20	-	-	-	-	-	20
Dunstall Community Centre - windows / doors replacement	2	4	-	-	-	-	6
Graiseley Learning Technology Centre - windows / doors replacement	-	11	-	-	-	-	11
East Park Library - ramp improvements and structural maintenance of paths / car park	1	-	-	-	-	-	1
Warstones Library - ramp improvements and structural maintenance of paths / car park	-	7	-	-	-	-	7
Avion Centre - resurfacing of car park	4	-	-	-	-	-	4
Bantock House - replace platform lift	16	-	-	-	-	-	16
Eastfield Community Centre - asbestos removal	6	-	-	-	-	-	6
Central Baths - replace, rewire BMS & relocation of AHU plant controls and install defence wall to prevent floods from damaging plant	9	-	-	-	-	-	9
Fordhouse Road Industrial Estates - electrical & refurbishment works	135	-	-	-	-	-	135
Landport Road Industrial Estates - electrical & refurbishment works	22	-	-	-	-	-	22
Loxdale Street Industrial Estates - electrical & refurbishment works	29	-	-	-	-	-	29
New Enterprise Centre Industrial Estates - electrical and refurbishment works	36	-	-	-	-	-	36
West Park bowling club - replace roof covering, fascia and rainwater	16	-	-	-	-	-	16
Whitmore Reans Library - windows replacement	37	-	-	-	-	-	37
Aldersley Leisure Village - heating works	22	-	-	-	-	-	22
Culwell Street depot - heating replacement	43	-	-	-	-	-	43
Graiseley Music School - replace cast iron heating pipework	151	-	-	-	-	-	151
Blakenhall Family Resource Centre - automatic entrance doors	1	49	-	-	-	-	50
East Park Changing rooms - refurbishment	47	-	-	-	-	-	47
Bradmore Recreation Ground - interior remodelling	67	-	-	-	-	-	67
Whitmore Reans Community Centre - works to external timber and	18	-	-	-	-	-	18
Blakenhall Healthy Living Centre - refurbishment of male showers	15	-	-	-	-	-	15
Bert Williams Leisure Centre - refurbishment works	8	-	-	-	-	-	8
Civic Centre - reposition panel board 3	100	-	-	-	-	-	100
Grand Theatre - refurb downstairs toilets	22	-	-	-	-	-	22
Finchfield Library - internal / external refurbishment works	2	-	-	-	-	-	2
Penn Library - internal / external refurbishment	2	-	-	-	-	-	2
Springvale Library - internal / external refurbishment	1	-	-	-	-	-	1
Warstones Library - internal / external refurbishment	1	-	-	-	-	-	1
Action 4 Independence - lighting and electrical works	29	-	-	-	-	-	29
Civic Centre - electrical rewire of the 3rd and 4th floors	578	-	-	-	-	-	578
Low Hill Hub - roof replacement	32	-	-	-	-	-	32
Tettenhall Library - roof replacement	33	-	-	-	-	-	33
Lower Bradley Community Centre - roof replacement	80	-	-	-	-	-	80
Bushbury Crematorium - asbestos removal	3	-	-	-	-	-	3

Schedule of works – Place

Appendix 6

Corporate Asset Management Programme	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Bilston Community Centre - asbestos removal	4	-	-	-	-	-	4
Dunstall Community Centre - asbestos removal	1	-	-	-	-	-	1
Beldray Building - asbestos removal	4	-	-	-	-	-	4
East Park - asbestos removal	4	-	-	-	-	-	4
Lower Bradley Community Centre - asbestos removal	18	-	-	-	-	-	18
West Park - asbestos removal	1	-	-	-	-	-	1
Molineux Hotel Building - asbestos removal	1	-	-	-	-	-	1
Towers Outdoor Centre - asbestos removal	2	-	-	-	-	-	2
Tettenhall Institute - external refurbishment	12	-	-	-	-	-	12
Windsor Avenue Changing Rooms - internal refurbishment	15	-	-	-	-	-	15
Fowlers Playing Fields - external refurbishment	12	-	-	-	-	-	12
Action 4 Independence - boiler replacement	11	-	-	-	-	-	11
Maltings Day Centre - boiler replacement	45	-	-	-	-	-	45
Victoria Building - install two new Building Management System enclosures	16	-	-	-	-	-	16
Ashmore Park Community Hub – ventilation replacements	9	-	-	-	-	-	9
Bradley Resource Centre – air conditioning replacement	3	-	-	-	-	-	3
Swindley Bequest Land (inc. Tettenhall Pool) – pipework and dosing replacement and filtration	10	-	-	-	-	-	10
Bradley Resource Centre – kitchen refurbishment	6	-	-	-	-	-	6
West Park (West Lodge) – internal refurbishment works	18	-	-	-	-	-	18
Lunt Community Centre – internal refurbishment works	4	-	-	-	-	-	4
Portobello Community Centre – internal refurbishment works	3	-	-	-	-	-	3
Bantock Park – install pipework with new trench	6	-	-	-	-	-	6
Central Library – replace skylight to main stairwell	3	30	-	-	-	-	33
Newhampton Art Centre – roof replacement and internal enhancements	34	-	-	-	-	-	34
Aldersley Leisure Village – replace floor covering to male changing room showers	11	-	-	-	-	-	11
Lunt Community Centre – replace water main	8	-	-	-	-	-	8
Wildside Activity Centre – install new fire alarm system	6	-	-	-	-	-	6
West Park (Tea Rooms) – Internal refurbishment	9	-	-	-	-	-	9
Duke St Bungalows – internal refurbishment	19	-	-	-	-	-	19
Newbridge Playing Fields – asbestos removal	3	-	-	-	-	-	3
Wednesfield Community Hub – upgrade heating system	-	15	-	-	-	-	15
Graiseley Technology Support Centre – roof replacement	-	10	-	-	-	-	10
Warstones Library – boiler replacement	-	22	-	-	-	-	22
Blakenhall Community Centre – boiler replacement	-	36	-	-	-	-	36
Eastfield Community Centre – new heating system	-	17	-	-	-	-	17
Makers Dozen – replacement of rainwater disposal system	-	26	-	-	-	-	26
Bilston Market – full roof glass panels replacement	-	20	-	-	-	-	20
Bingley Enterprise Centre – roof replacement	-	22	-	-	-	-	22
Bradmore Community Centre – roof replacement	-	56	-	-	-	-	56
Ashmore Park Community Hub – roof replacement	-	37	-	-	-	-	37
Goldthorn Assembly Hall – roof replacement	-	21	-	-	-	-	21
Central Library - replace slabs main entrance	(6)	-	-	-	-	-	(6)
Avenues Family Centre - re-wiring	(5)	-	-	-	-	-	(5)
City Archives - Molineux Hotel - external protective system	1	-	-	-	-	-	1
Ashmore Park Youth Centre - rewiring and electrical upgrade	(7)	-	-	-	-	-	(7)
Merry Hill House - new entrance door system	(3)	-	-	-	-	-	(3)
Towers Outdoor Education Centre - windows replacement	1	-	-	-	-	-	1
City 10 (18 Queens Square) - drainage Replacement	(2)	-	-	-	-	-	(2)
Central Baths - re-wiring and upgrading of electrical systems	(5)	-	-	-	-	-	(5)
Aldersley Leisure Village - re-wiring and upgrading of electrical systems	(2)	-	-	-	-	-	(2)
Bushbury Crematorium - re-wiring and upgrading of electrical systems	(1)	-	-	-	-	-	(1)
Bradley Community Resource Centre - re-wiring and upgrading of electrical systems	4	-	-	-	-	-	4
Bradmore Community Centre - roof / insulation replacement	1	-	-	-	-	-	1
Blakenhall Resource Centre - structural maintenance of paths / car parks	(1)	-	-	-	-	-	(1)
Bradmore Community Centre - windows / doors replacement	(1)	-	-	-	-	-	(1)
Rooker Avenue Changing Rooms - demolition	3	-	-	-	-	-	3
Central Baths – lift replacement	(1)	-	-	-	-	-	(1)
Civic Centre - asbestos removal	98	-	-	-	-	-	98
Civic Centre - enhanced DDA measures	55	-	-	-	-	-	55
Civic Centre - enhanced security measures	223	-	-	-	-	-	223

Corporate Asset Management Programme	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Graiseley Music School - windows replacement	-	22	-	-	-	-	22
Bilston United Football Club - demolition of changing room buildings	-	64	-	-	-	-	64
Bradley Day Centre - roof replacement	-	132	-	-	-	-	132
Molineux building (City Archives) - upgrade air handling plant	-	150	-	-	-	-	150
i10 building - upgrade air handling plant	-	11	-	-	-	-	11
Central Baths - upgrade air handling plant	-	19	-	-	-	-	19
Wolverhampton Art Gallery - internal / external renovation / refurbishment / restoration	-	52	-	-	-	-	52
Bilston Town Hall - internal / external renovation / refurbishment / restoration	-	150	-	-	-	-	150
Fordhouses Road Industrial Estate - internal / external renovation / refurbishment / restoration	-	90	-	-	-	-	90
Loxdale Road Industrial Estate - internal / external renovation / refurbishment / restoration	-	40	-	-	-	-	40
Lower Bradley Community Centre - internal / external renovation / refurbishment / restoration	-	29	-	-	-	-	29
Whitmore Reans Strengthening Family Centre - lift refurbishment	-	18	-	-	-	-	18
Newhampton Arts Centre - lift refurbishment	-	31	-	-	-	-	31
Aldersley Leisure Centre - refurbishment of female shower area	-	15	-	-	-	-	15
Dove Strengthening Family Hub - roof / insulation replacement	-	25	-	-	-	-	25
Graiseley Strengthening Family Centre - structural maintenance of paths / car parks	-	60	-	-	-	-	60
Lower Bradley Community Centre - toilets refurbishment	-	39	-	-	-	-	39
Bradmore Community Centre - toilets refurbishment	-	15	-	-	-	-	15
Wolverhampton Art Gallery - upgrade ventilation system	-	60	-	-	-	-	60
Newhampton Arts Centre - windows / doors replacement	-	50	-	-	-	-	50
Lower Bradley Community Centre - windows / doors replacement	-	31	-	-	-	-	31
Wednesfield Judo Club - roof replacement	-	12	-	-	-	-	12
Civic Centre - CCTV installation	-	52	-	-	-	-	52
Dovecotes - replacement of brickwork and repointing	-	60	-	-	-	-	60
St Chads Community Centre - windows replacement	-	20	-	-	-	-	20
Bert Williams Leisure Centre - internal renovation	-	6	-	-	-	-	6
Central Baths - internal renovation	-	6	-	-	-	-	6
Bert Williams Leisure Centre - combined heat and power system	-	20	-	-	-	-	20
Duke St Bungalows - gas fire heating replacement	-	6	-	-	-	-	6
Graiseley Healthy Living Centre - door entry and fire alarm	-	14	-	-	-	-	14
Newhampton Arts Centre - side elevation roof replacement	-	8	-	-	-	-	8
Ernest Bold Resource Centre - sliding door replacement	-	5	-	-	-	-	5
	2,769	1,706	-	-	-	-	4,475
Provision for future programmes	-	100	1,100	536	-	-	1,736
Total Corporate Asset Management capital programme	2,769	1,806	1,100	536	-	-	6,211

Urban Parks Refurbishment Programme	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
All Saints Park	2	-	-	-	-	-	2
Heath Town Park	-	72	-	-	-	-	72
Spring Road - (Taylor Road / Hilton PF)	20	36	-	-	-	-	56
Castlecroft Avenue	76	-	-	-	-	-	76
Ashmore Park	-	11	-	-	-	-	11
Fowlers Park	-	200	-	-	-	-	200
Rakegate - play area	14	205	-	-	-	-	219
Total Urban Parks Refurbishment capital programme	112	524	-	-	-	-	636

Disposals Programme (Non-strategic)	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Colman Avenue	24	-	-	-	-	-	24
Woden Resource Centre	113	5	-	-	-	-	118
Nelson Mandela House Demolition	86	5	-	-	-	-	91
Merry Hill Demolition	73	5	-	-	-	-	78
Warstones Demolition	119	-	-	-	-	-	119
Wolverhampton Environment Centre (WEC)	11	219	-	-	-	-	230
Northcote School and Bushbury Community Centre	77	743	-	-	-	-	820
Provision for future programmes	-	60	-	-	-	-	60
Total Disposals (non-strategic) capital programme	503	1,037	-	-	-	-	1,540

Accessing Growth Fund	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Pinfold Bridge, Wednesfield Road	874	-	-	-	-	-	874
Stafford Road (A449) Corridor / i54 Sprint modelling & development	22	-	-	-	-	-	22
Willenhall Road (A454) Corridor / Canalside modelling and development	19	-	-	-	-	-	19
A4123 Birmingham New Road - development funding	129	-	-	-	-	-	129
Wolverhampton to Willenhall Metro study	150	-	-	-	-	-	150
Springfield Campus to Interchange Connectivity	27	-	-	-	-	-	27
Springfield Campus Connectivity - Phase 2	-	550	-	-	-	-	550
Westside Link - development funding	55	100	-	-	-	-	155
City North Gateway, Phase 1 Stafford Road A449	2,368	4,003	-	-	-	-	6,371
City North (A449) & City East Gateway (A454) - Major Scheme Development	20	220	-	-	-	-	240
Total Accessing Growth Fund capital programme	3,664	4,873	-	-	-	-	8,537

Southside Programme	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Demolitions							
42-50 Snow Hill	19	-	-	-	-	-	19
50-51 Snow Hill	48	31	-	-	-	-	79
1-5 Bell Street	258	16	-	-	-	-	274
Burdett House	-	249	-	-	-	-	249
Market relocation to Southside	3,085	1,815	-	-	-	-	4,900
Total Southside capital programme	3,410	2,111	-	-	-	-	5,521

Maintenance of unclassified roads	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Carriageway Surfacing Treatment	667	660	660	660	660	-	3,307
Brooklands Parade and roads off	53	-	-	-	-	-	53
Dudley Street Phase 1 and Phase 2	160	-	-	-	-	-	160
Bushbury Lane (parts)	350	-	-	-	-	-	350
Woodstock Road / Hurstbourne Cres and roads off	140	-	-	-	-	-	140
Footway works	-	940	940	-	-	-	1,880
Waterhead Drive flood defence works	75	-	-	-	-	-	75
Woodhouse Road North (carriageways)	32	-	-	-	-	-	32
Bilston Street (footways)	104	-	-	-	-	-	104
Newhampton Road East Carriageways	10	-	-	-	-	-	10
Darlington Street Footways	35	-	-	-	-	-	35
Total Maintenance of unclassified roads capital programme	1,626	1,600	1,600	660	660	-	6,146

Non - Highway Structures	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
	£000	£000	£000	£000	£000	£000	£000
Demolition of 60-60A Willenhall Road on a highway improvement line	54	20	-	-	-	-	74
32 Hordern Road - steel works, safety fencing and corrosion protection	11	62	-	-	-	-	73
94 Compton Road - Bridgnorth Road - steel works, safety fencing, masonry, corrosion protection	35	100	-	-	-	-	135
166 Alpine Way access bridge - corrosion protection	7	-	-	-	-	-	7
234 Hordern Road footbridge - safety fencing, ramp replacement	45	-	-	-	-	-	45
273 Lanesfield canal footbridge - concrete works and safety fencing	20	-	-	-	-	-	20
28 Aldersley Stadium access road - safety fencing	1	-	-	-	-	-	1
307 Castlecroft Culvert - Masonry and safety fencing	1	-	-	-	-	-	1
10 Underhill Lane and Cannock Road footbridge - concrete	1	-	-	-	-	-	1
305 Aldersley Stadium Access Road 4 - parapet / safety fencing	1	-	-	-	-	-	1
Total Non - Highway Structures capital programme	176	182	-	-	-	-	358

Highway Improvement Programme	2017-2018 £000	2018-2019 £000	2019-2020 £000	2020-2021 £000	2021-2022 £000	2022-2023 £000	Total £000
Integrated Transport - Advance Design	100	-	-	-	-	-	100
UTC - Wireless Communications	50	-	-	-	-	-	50
Traffic Signs replacement	30	-	-	-	-	-	30
New Cross area parking management	70	-	-	-	-	-	70
Ring road & City centre signage	100	-	-	-	-	-	100
Bus infrastructure improvements	30	-	-	-	-	-	30
District Parking	-	130	-	-	-	-	130
Ring Road / Snow Hill traffic signals upgrade	30	-	-	-	-	-	30
Cannock Road / Raynor Road CCTV	30	-	-	-	-	-	30
Newhampton Road West / Hunter Street traffic signal upgrade	80	-	-	-	-	-	80
A4124 traffic signal upgrades (NPIF)	497	-	-	-	-	-	497
Cannock Road/Cross Street North	5	-	-	-	-	-	5
Birmingham New Road Shaw Road	42	-	-	-	-	-	42
Provision for future programmes	-	1,178	1,178	-	-	-	2,356
Total Highway Improvement capital programme	1,064	1,308	1,178	-	-	-	3,550

Safety Programme	2017-2018 £000	2018-2019 £000	2019-2020 £000	2020-2021 £000	2021-2022 £000	2022-2023 £000	Total £000
Local Safety Schemes - TROs / Signs&Guardrails / Road Markings	103	-	-	-	-	-	103
Stafford Street pedestrian crossing	108	-	-	-	-	-	108
Great Hampton Street	20	-	-	-	-	-	20
Mill Lane	10	-	-	-	-	-	10
Vehicle actuated speed warning signs	30	-	-	-	-	-	30
Sun Street guard railing	10	-	-	-	-	-	10
Wolverhampton Road East and Dudding Road	70	-	-	-	-	-	70
Traffic Calming to Glaisher Drive, Science Park	70	-	-	-	-	-	70
Provision for future programmes	-	40	-	-	-	-	40
Total Safety capital programme	421	40	-	-	-	-	461

Maintenance of classified roads	2017-2018 £000	2018-2019 £000	2019-2020 £000	2020-2021 £000	2021-2022 £000	2022-2023 £000	Total £000
Response patching	174	-	-	-	-	-	174
Birmingham New Road (Parkfield Road to Spring Road)	501	510	-	-	-	-	1,011
Penn Road (Stubbs Road to Coalway Road)	90	-	-	-	-	-	90
Coalway Road	619	-	-	-	-	-	619
Three Tuns Lane	170	-	-	-	-	-	170
Black Country Route (Coseley Road to Oxford Street)	213	250	-	-	-	-	463
Chapel Ash to Compton Road	426	-	-	-	-	-	426
Lower Street	138	-	-	-	-	-	138
Bilston Road (Ring Road to Cullwick Street)	711	-	-	-	-	-	711
Neachells Lane / Alfred Squire Road Junction	176	-	-	-	-	-	176
Stafford Road (Bushbury Lane to Greenwood Road)	28	-	-	-	-	-	28
Provision for future programmes	-	1,081	1,871	1,000	1,000	-	4,952
Total Maintenance of classified roads capital programme	3,246	1,841	1,871	1,000	1,000	-	8,958

LGF Feasibility	2017-2018 £000	2018-2019 £000	2019-2020 £000	2020-2021 £000	2021-2022 £000	2022-2023 £000	Total £000
Canalside Regeneration	85	37	-	-	-	-	122
Westside Link	107	-	-	-	-	-	107
East Park Gateway	51	-	-	-	-	-	51
Royal Wolverhampton (Public Realm works)	53	-	-	-	-	-	53
Bilston Urban Village - East	2	-	-	-	-	-	2
Total LGF Feasibility capital programme	298	37	-	-	-	-	335

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 July 2018
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Report title	Treasury Management – Annual Report 2017-2018 and Activity Monitoring Quarter One 2018-2019	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	Alison.Shannon@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	26 June 2018
	Council	18 July 2018
	Confident Capable Council Scrutiny Panel	26 September 2018

Recommendations for decision:

The Cabinet is recommended to recommend that Council notes:

1. The Council operated within the approved Prudential and Treasury Management Indicators, and also within the requirements set out in the Council's approved Treasury Management Policy Statement during 2017-2018.
2. Revenue underspends of £1.6 million for the General Fund and £731,000 for the Housing Revenue Account were generated from treasury management activities in 2017-2018.
3. A revenue underspend of £1.2 million for the General Fund and an overspend of £263,000 for the Housing Revenue Account are forecast from treasury management activities in 2018-2019, subject to the impact of the Minimum Revenue Provision (MRP) review.

4. That the detailed guidance notes for the new Code of Practice on Treasury Management and the Prudential Code are still to be published by CIPFA and therefore the Treasury Management Statements for 2018-2019 are still based on the Council's interpretation of these Codes.
5. The revised guidance on Local Government Investments and Minimum Revenue Provision is under review by the Director of Finance and updates will be provided to Councillors in due course.

Recommendation for noting:

The Cabinet is asked to note:

1. The financial information included in this report is based on the 'Capital budget outturn 2017-2018 including quarter one capital budget monitoring 2018-2019' report also on the agenda for this meeting. The capital report is subject to a report being separately approved by Cabinet also at this meeting. Therefore, if this approval is not obtained, a revised version of this report will be presented to Council on 18 July 2018.
2. That it is proposed that a total of £900,000 of the treasury underspend in 2017-2018 will be transferred into the Treasury Management Equalisation Reserve, this is subject to approval by Cabinet in the Reserves, Provisions and Balances 2017-2018 report which is also being considered at this meeting (paragraph 3.5).

1.0 Purpose

- 1.1 This report sets out the results of treasury management activities carried out in 2017-2018, together with performance against the Prudential Indicators previously approved by Council. It also provides a monitoring and progress report on treasury management activity for the first quarter of 2018-2019, in line with the Prudential Indicators approved by Council in March 2018.

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 2018-2019 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=7536&Ver=4>

- 2.2 Treasury management is defined as:

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

- 2.3 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 CIPFA updated and released new versions of both the Code of Practice on Treasury Management and Prudential Code in December 2017. However, although the Codes have been released and are effective for the 2018-2019 financial year, the detailed sector specific guidance have not been issued. In addition, CIPFA have acknowledged that the requirement to produce a Capital Strategy, which is a requirement under the Prudential Code, may require a longer lead-in time and that this requirement may not be able to be fully implemented until the 2019-2020 financial year. CIPFA are recommending that the requirement of both Codes are implemented as soon as possible.
- 2.5 As the detailed guidance had not been received by the Council, the strategy statements for 2018-2019 were prepared on an interpretation of the Codes to ensure compliance. At the time of writing this report, the detailed guidance notes have still not been published by CIPFA.
- 2.6 On 2 February 2018 the Ministry of Housing, Communities & Local Government (MHCLG) issued its new Statutory Guidance on Local Government Investments and Minimum Revenue Provision. The guidance on Local Government Investments was effective from 1 April 2018, however, MHCLG acknowledged due to timescales this may

not have been practical to implement and approve before this date. Therefore, the disclosures and requirements can be presented for approval the first time the relevant strategy document is updated or superseded after 1 April 2018.

- 2.7 With regard to the guidance on Minimum Revenue Provision the effective date is 1 April 2019, except for the elements 'Changing Methods for Calculating MRP' which apply from 1 April 2018. Early adoption of the guidance is encouraged.
- 2.8 Both sets of the guidance are currently under review by the Director of Finance to assess any necessary changes to the Council's strategies with regards investments and MRP.
- 2.9 Cabinet / Cabinet (Resources) Panel received quarterly reports during 2017-2018 to monitor performance against the strategy and Prudential Indicators previously approved by Council.
- 2.10 The Council continued to use Link Asset Services as treasury management advisors throughout 2017-2018 and 2018-2019 to date. 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.

3.0 The strategy and outturn for 2017-2018

- 3.1 The strategy for 2017-2018 was to maintain cash balances at a reduced level, therefore keeping to a minimum the credit risk incurred by holding investments and to avoid the higher costs of external borrowing compared to interest foregone on cash balances, thereby generating revenue savings.
- 3.2 During 2017-2018, the Council followed the recommendations as set out in the Treasury Management Strategy 2017-2018. This included the authorised borrowing limit set at £1,024.1 million, the Treasury Management Strategy, the Annual Investment Strategy, the Prudential Indicators and the Annual Minimum Revenue Provision (MRP) Statement.
- 3.3 The Treasury Management outturn for 2017-2018 compared to budget is shown in Table 1.

Table 1 – Treasury management budget and outturn 2017-2018

	Approved Budget £000	Outturn £000	Variance £000	Variance at Quarter three £000
General Fund	16,137	14,517	(1,620)	(821)
Housing Revenue Account	10,975	10,244	(731)	(677)
Total	27,112	24,761	(2,351)	(1,498)

- 3.4 Overall there was an underspend of £1.6 million for the General Fund for 2017-2018 and an underspend of £731,000 for the HRA. The underspends are mainly due to a reduced borrowing need in year because of re-phasing in the capital programme and changes in interest rates.
- 3.5 In order to ensure that the revenue implications of the capital programme do not impact adversely on the revenue budget, a Treasury Management Equalisation Reserve was established during 2015-2016. This specific reserve can be called on as and when required to support the revenue costs associated with re-phasing in the capital programme. Of the above mentioned General Fund underspend of £1.6 million in 2017-2018, £900,000 will be transferred into this reserve, subject to approval of the Reserves, Provisions and Balances 2017-2018 report which is also being considered at this meeting. If approved, the balance on this reserve at 31 March 2018 will increase from £3.5 million to £4.4 million.
- 3.6 No institutions in which investments were made had any difficulty in repaying investments or interest in full during the year and no arrangements had to be made to prematurely withdraw funds from any investments as a result of a downgrade in their respective credit rating.
- 3.7 No debt was rescheduled in 2017-2018. Opportunities for rescheduling are now minimal since the Public Works Loans Board (PWLB) amended their discount calculation basis, and no opportunity to reschedule arose during the year.
- 3.8 Table 2 shows the average rate of interest payable and receivable in 2016-2017 and 2017-2018.

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

	2016-2017 Actual	2017-2018 Actual
Average Interest Rate Payable	3.68%	3.74%
Average Interest Rate Receivable	0.42%	0.27%

Borrowing outturn for 2017-2018

- 3.9 The average debt interest rate increased marginally from 3.68% in 2016-2017 to 3.74% in 2017-2018. The Council undertakes borrowing only when necessary to maintain sufficient cash flow balances and after monitoring the market to take advantage of the best available rates. A summary of the borrowing and repayment activities is shown below with the average interest rates; this activity has resulted in a slightly higher overall average rate for the year.

Table 3 – Summary of borrowing and repayment activities

	PWLB Loans £000	Average Rate %	Temporary Loans £000	Average Rate %	Other Loans £000	Average Rate %	Total Loans £000
New Loans Raised	97,000	2.62%	8,000	0.80%	-	-	105,000
Repayment of Loans	(73,000)	1.89%	(8,000)	0.94%	(6,114)	0.00%	(87,114)
Net movement	24,000		-		(6,114)		17,886

- 3.10 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.
- 3.11 The Council's Capital Financing Requirement (CFR) increased from £863.1 million to £876.5 million throughout 2017-2018. This reflects a net increase in the Council's underlying need to borrow for capital purposes. This was split between the General Fund and Housing Revenue Account at a rate of 71.0% and 29.0% respectively (2016-2017: 68.8% and 31.2%).
- 3.12 Table 4 shows how the increase in actual external borrowing arose during the year.

Table 4 – Increase in actual external borrowing 2017-2018

	£000
Opening Balance at 1 April 2017	655,061
Less: Repayments	
- Maturity Loans from PWLB	(73,000)
- Temporary Loans	(8,000)
- Regional Infrastructure Fund	(6,114)
Subtotal	(87,114)
Add: New Borrowing	
-PWLB Loan	97,000
-Temporary Loans	8,000
Subtotal	105,000
Net borrowing 2017-2018	17,886
Closing Balance at 31 March 2018	672,947

- 3.13 Appendix 1 shows a summary of this position along with a detailed breakdown of new loans and repayments made throughout the year.

Investment outturn for 2017-2018

- 3.14 The actual interest rate earned from investments decreased from 0.42% in 2016-2017 to 0.27% in 2017-2018. This is due to the continuing low interest rates available, this has minimal impact on the budget due to efficiencies generated by avoiding the cost of borrowing.

- 3.15 The approach during the year was to continue to use cash balances to finance capital expenditure so as to keep cash balances low. This minimised counterparty risk on investments and also maximised treasury management budget savings as investment rates were much lower than most new borrowing rates.
- 3.16 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.

4.0 2018-2019 forecast

- 4.1 It should be noted that in order to provide a timely report, only investment activities up to and including the 31 May 2018 have been included. Borrowing activities include the month of June. The forecast outturn for treasury management activities in 2018-2019 compared to budget is shown in Table 5.

Table 5 – Treasury management budget and forecast outturn 2018-2019

	Approved Budget £000	Forecast Outturn £000	Variance at Quarter one £000
General Fund	25,233	24,031	(1,202)
Housing Revenue Account	10,431	10,694	263
Total before use of reserve	35,664	34,725	(939)

- 4.2 Overall, an underspend of £1.2 million for the General Fund and a forecast overspend of £263,000 for the HRA are projected for the year 2018-2019.
- 4.3 The General Fund net underspend of £1.2 million is mainly due to a reduced borrowing need in year arising as a result of re-phasing of the capital programme, and interest and fees charged on loans provided to WV Living.
- 4.4 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 underspends wherever possible.
- 4.5 Appendix 2 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 2018.

Borrowing forecast for 2018-2019

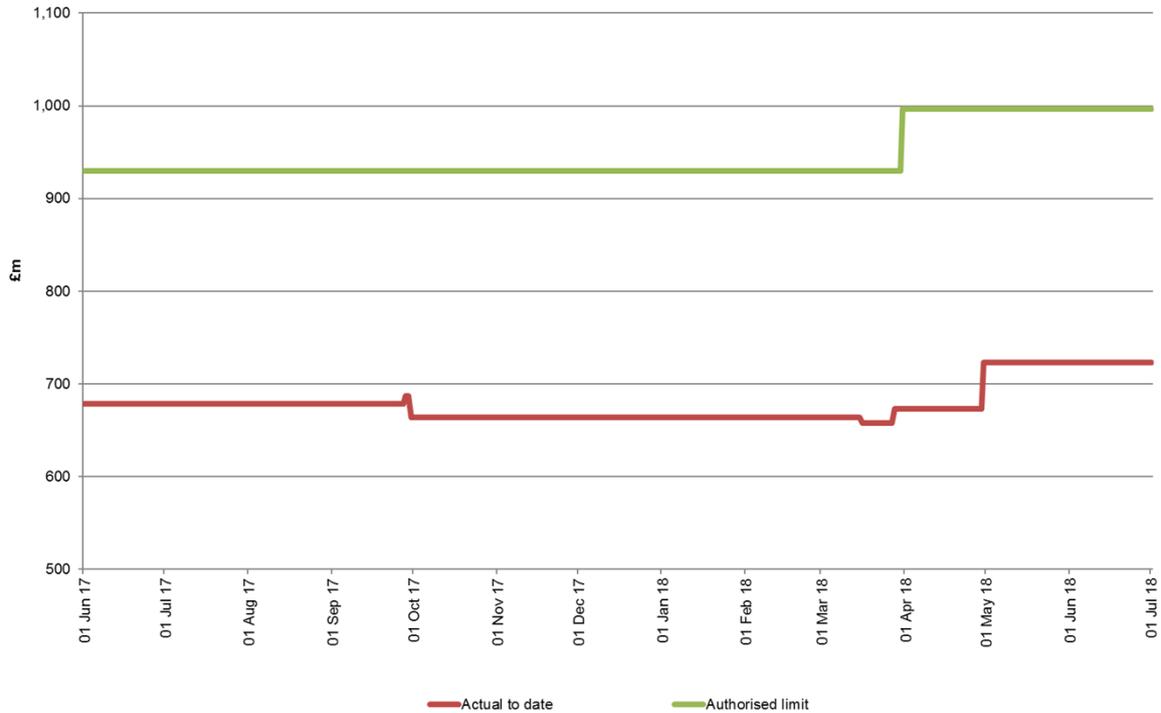
- 4.6 The Council's need to borrow and the rates available continue to be monitored in order to achieve optimum results. The Council's medium term forecast is regularly updated to reflect actual borrowing that takes place along with any revisions to future anticipated borrowing.
- 4.7 Table 6 shows the average rate of interest payable in 2017-2018 and forecast for 2018-2019.

Table 6 - Average interest rate payable in 2017-2018 and 2018-2019

	2017-2018 Actual	2018-2019 Forecast
Average Interest Rate Payable	3.74%	3.70%

- 4.8 The average rate of interest payable by the Council is estimated to slightly decrease from 3.74% to 3.70% for 2018-2019.
- 4.9 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 3 shows the maturity profile of external borrowing.
- 4.10 As always, the Council needs to be mindful that the opportunity to secure short term efficiencies by postponing longer term borrowing requirements takes into account the risk of long term rates increasing in the future. The Director of Finance will continue to keep actual and forecast rates under close review.
- 4.11 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



- 4.12 The level of borrowing at 30 June 2018 is £722.9 million. Appendix 1 shows a summary of this position along with a detailed breakdown of new loans and repayments made throughout the year. £6.0 million of existing borrowing is due to be repaid between quarters two to four.
- 4.13 In March 2018, Council approved a net borrowing requirement for 2018-2019 of £151.2 million. The forecast net borrowing requirement for 2018-2019 is £132.7 million, as shown in appendix 4. 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 PWLB rates.

Investment forecast for 2018-2019

- 4.14 The approach during the year is to continue to use cash balances to finance capital expenditure so as to keep cash balances low.
- 4.15 Table 7 shows the total amount of surplus funds invested as at 31 March 2018 and in order to provide a timely report, 31 May 2018.

Table 7 – Total amounts invested 2018-2019

	31 March 2018 £000	31 May 2018 £000
Business Reserve Accounts	162	556
Money Market Funds	7,380	10,765
	7,542	11,321
Average cash balance for the year to date	22,449	13,358

- 4.16 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.
- 4.17 The Council's cash flow balance for the first quarter of the current financial year has moved between a low of £4.6 million and a maximum of £25.7 million. The average cash balance for the quarter being £13.4 million.
- 4.18 Table 8 shows the budgeted average rate of interest receivable in 2018-2019 and the forecast for the year.

Table 8 – Average interest rate receivable in 2018-2019

	2018-2019 Budget	2018-2019 Forecast
Average Interest Rate Receivable	0.30%	0.49%

- 4.19 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 up to 31 May 2018.
- 4.20 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 debt (this is referred to as internal borrowing).
- 4.21 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 5 shows the Council's current specified investments lending list.

4.22 In quarter one 2018-2019 the Director of Finance has not been required to use her discretion to temporarily exceed any upper limits with approved counter-parties.

5.0 Evaluation of alternative options

5.1 As this is a monitoring report of treasury management activities undertaken in line with the approved Treasury Management Strategy for 2017-2018 and 2018-2019, there are no alternative options available.

6.0 Reasons for decision

6.1 This report provides an update on treasury management activities undertaken in line with the approved Treasury Management Strategy for 2017-2018 and 2018-2019.

7.0 Financial implications

7.1 The financial implications are discussed in the body of this report.

[SH/21062018/O]

8.0 Legal implications

8.1 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.

8.2 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.

8.3 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 reissued in 2010 and 2018. Part 2 of this Guidance is statutory guidance.

[RB/22062018/F]

9.0 Equalities implications

9.1 There are no equality implications arising from this report.

10.0 Environmental implications

10.1 There are no environmental implications arising from this report.

11.0 Human resources implications

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

12.0 Corporate landlord implications

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

13.0 Schedule of background papers

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

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

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

13.4 Quarter Three Treasury Management Activity Monitoring, Report to Cabinet (Resources) Panel, 20 March 2018

13.5 2018-2019 Budget and Medium Term Financial Strategy 2018-2019 – 2019-2020, Report to Cabinet, 20 February 2018

13.6 Treasury Management Strategy 2018-2019, Report to Cabinet, 20 February 2018

14.0 Appendices

Appendix 1: Borrowing type, borrowing and repayments

Appendix 2: Prudential and Treasury Management Indicators

Appendix 3: Maturity profile

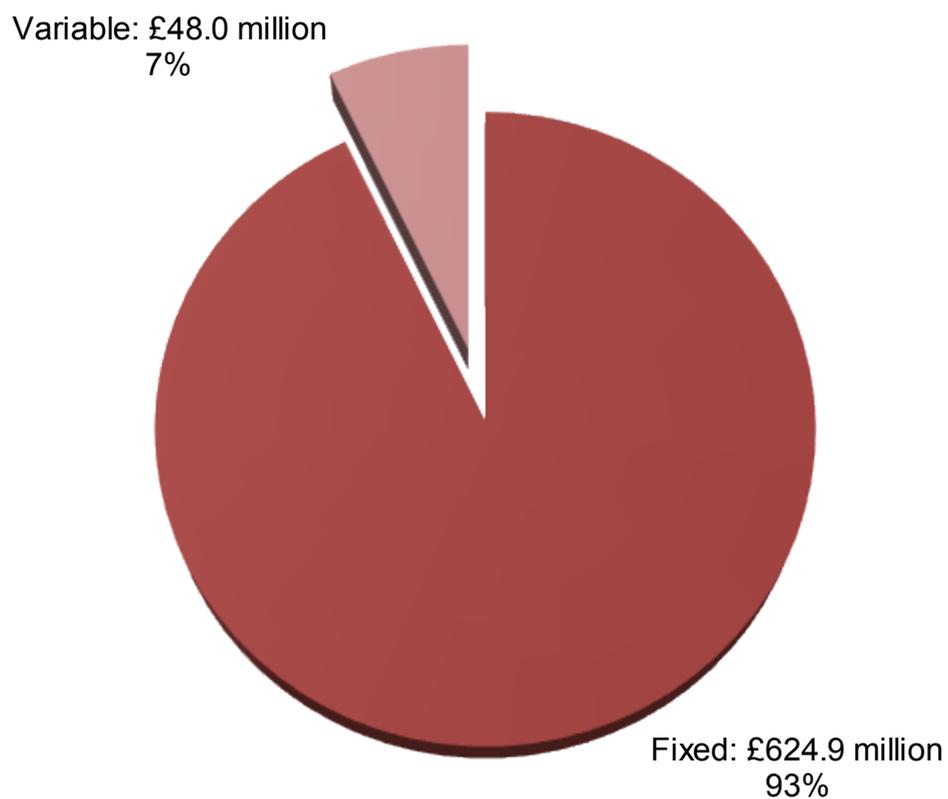
Appendix 4: Certainty rate disclosure

Appendix 5: Lending list

Borrowing: Graphical Summary

Borrowing by Type

As at 31 March 2018



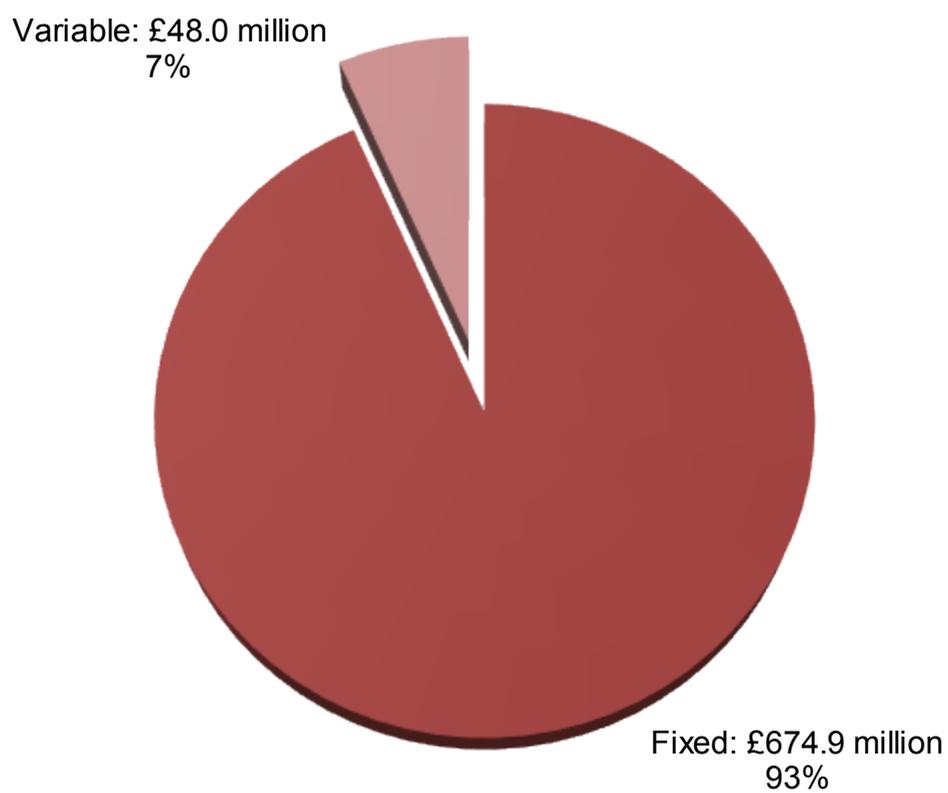
Borrowing and Repayments in 2017-2018

	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
506969	28/02/2018	28/02/2034	20,000	16	2.68%	536,000
506970	28/02/2018	28/02/2040	20,000	22	2.77%	554,000
506971	28/02/2018	28/02/2051	10,000	33	2.68%	268,000
507162	28/03/2018	28/03/2036	10,000	18	2.58%	258,000
507163	28/03/2018	28/03/2046	5,000	28	2.60%	130,000
Sub total for PWLB			97,000		2.62%	2,561,700
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			105,000			2,625,700
2017-2018 Repayments						
PWLB Fixed Maturity:				years		
503341	30/09/2014	30/09/2017	23,000	3	2.05%	471,500
501909	28/02/2013	28/02/2018	50,000	5	1.72%	860,000
Sub total for PWLB			73,000		1.89%	1,331,500
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
Other Loans:				years		
Regional Infrastructure Fund (RIF)	22/02/2011	16/03/2018	6,114	7	0.00%	-
Sub total for temporary loans			6,114		0.00%	-
Grand total repayments			87,114			1,406,700
Net movement			17,886			1,219,000

Borrowing: Graphical Summary

Borrowing by Type

As at 30 June 2018



Borrowing and Repayments in 2018-2019

	Start Date	Maturity Date	Amount £000	Length years	Interest Rate	Full Year Interest £
2018-2019 Borrowing						
PWLB Fixed Maturity:						
507271	30/04/2018	30/04/2028	20,000	10	2.40%	480,000
507272	30/04/2018	30/04/2034	10,000	16	2.66%	266,000
507273	30/04/2018	30/04/2054	20,000	36	2.61%	522,000
Sub total for PWLB			50,000		2.56%	1,268,000
Temporary Loans:						
No activity in quarter 1						
Grand total borrowing						
			50,000			1,268,000

	Start Date	Maturity Date	Amount £000	Length years	Interest Rate	Full Year Interest £
2018-2019 Repayments						
PWLB Fixed Maturity:						
No activity in quarter 1						
Temporary Loans:						
No activity in quarter 1						
Net movement						
			50,000			1,268,000

Prudential Indicators (PI) required by The Prudential Code

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

PI 1 - Estimates and actual capital expenditure.

Full details of capital expenditure plans and funding can be found in the outturn 2017-2018 quarter one capital budget monitoring 2018-2019 report. This indicator was called PI 3 up to 2018-2019.

	Approved by Council 7 March 2018				As at 30 June 2018			
	2017-2018	2018-2019	2019-2020	2020-2021	2017-2018	2018-2019	2019-2020	2020-2021
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Actual £000	Forecast £000	Forecast £000	Forecast £000
General Fund	92,770	147,670	85,025	41,747	64,966	165,520	108,129	41,406
HRA	39,201	64,390	69,390	67,650	36,342	68,124	70,600	64,320
	131,971	212,060	154,415	109,397	101,308	233,644	178,729	105,726

PI 2 - 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. This indicator was called PI 4 up to 2018-2019.

	Approved by Council 7 March 2018				As at 30 June 2018			
	2017-2018	2018-2019	2019-2020	2020-2021	2017-2018	2018-2019	2019-2020	2020-2021
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Actual £000	Forecast £000	Forecast £000	Forecast £000
General Fund	647,011	736,387	765,583	779,265	622,566	704,878	752,098	762,427
HRA	260,979	279,027	307,117	335,603	253,956	272,500	303,077	329,183
	907,990	1,015,414	1,072,700	1,114,868	876,522	977,378	1,055,175	1,091,610

PI 3 - 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). This indicator was called PI 5 up to 2018-2019.

	Approved by Council 7 March 2018			
	2017-2018 Limit £000	2018-2019 Limit £000	2019-2020 Limit £000	2020-2021 Limit £000
Borrowing	929,492	996,745	1,068,662	1,136,052
Other Long Term Liabilities	94,591	90,754	86,628	82,351
Total Authorised Limit	1,024,083	1,087,499	1,155,290	1,218,403
Actual and Forecast External Debt as at 30 June 2018	767,439	889,693	986,774	1,045,232
Variance (Under) / Over Authorised limit	(256,644)	(197,806)	(168,516)	(173,171)

PI 4 - 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. This indicator was called PI 6 up to 2018-2019.

	Approved by Council 7 March 2018			
	2017-2018 Limit £000	2018-2019 Limit £000	2019-2020 Limit £000	2020-2021 Limit £000
Borrowing	904,372	964,873	1,047,456	1,117,437
Other Long Term Liabilities	94,591	90,731	86,606	82,328
Total Operational Boundary Limit	998,963	1,055,604	1,134,062	1,199,765
Actual and Forecast External Debt as at 30 June 2018	767,439	889,693	986,774	1,045,232
Variance (Under) / Over Operational Boundary Limit	(231,524)	(165,911)	(147,288)	(154,533)

Prudential Indicators (PI) required by The Prudential Code

PI 5 - 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 and was called PI 8a up to 2018-2019.

	Approved by Council 7 March 2018				As at 30 June 2018			
	2017-2018	2018-2019	2019-2020	2020-2021	2017-2018	2018-2019	2019-2020	2020-2021
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Actual £000	Forecast £000	Forecast £000	Forecast £000
Forecast Capital Financing Requirement at end of Second Year	1,072,701	1,114,868	1,114,868	1,114,868	1,055,177	1,091,611	1,091,611	1,091,611
Gross Debt	815,094	945,480	1,023,937	1,089,641	767,439	889,693	986,774	1,045,232
Capital Financing Requirement Greater than Gross Debt	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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 6 - 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. This indicator was called PI 1 up to 2018-2019.

	Approved by Council 7 March 2018				As at 30 June 2018			
	2017-2018	2018-2019	2019-2020	2020-2021	2017-2018	2018-2019	2019-2020	2020-2021
	Forecast	Forecast	Forecast	Forecast	Actual	Forecast	Forecast	Forecast
General Fund	7.0%	11.5%	15.6%	17.1%	6.5%	10.5%	14.3%	16.5%
HRA	33.2%	34.0%	33.6%	34.7%	28.3%	34.2%	33.5%	34.7%

Local Prudential Indicators (LPI) set by City of Wolverhampton Council

LPI 1 - 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. This indicator was called PI 2 up to 2018-2019.

	Approved by Council 7 March 2018				As at 30 June 2018			
	2017-2018	2018-2019	2019-2020	2020-2021	2017-2018	2018-2019	2019-2020	2020-2021
	Forecast £	Forecast £	Forecast £	Forecast £	Actual £	Forecast £	Forecast £	Forecast £
Financial year impact								
Implications of the capital programme for year:								
For Band D council tax	82.48	215.17	277.34	326.34	47.14	169.10	255.52	298.91
For average weekly housing rents	0.74	3.44	6.79	10.04	0.51	3.20	6.68	9.66
Marginal impact to previous quarter								
Implications of the capital programme for year:								
For Band D council tax	(47.56)	(45.46)	2.78	21.68	(35.34)	(46.08)	(21.83)	(27.42)
For average weekly housing rents	(0.06)	0.33	0.78	1.17	(0.23)	(0.23)	(0.10)	(0.37)

LPI 2 - 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. This indicator was called PI 7 up to 2018-2019.

	Approved by Council 7 March 2018				As at 30 June 2018			
	2017-2018	2018-2019	2019-2020	2020-2021	2017-2018	2018-2019	2019-2020	2020-2021
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Actual £000	Forecast £000	Forecast £000	Forecast £000
HRA Debt Limit	356,770	356,770	356,770	356,770	356,770	356,770	356,770	356,770
HRA Capital Financing Requirement	260,979	279,027	307,117	335,603	253,956	272,500	303,077	329,183
Headroom	95,791	77,743	49,653	21,167	102,814	84,270	53,693	27,587

Treasury Management Indicators (TMI) required by The Treasury Management Code

TMI 1 - Upper limits to the total of principal sums invested over 365 days.

This details the maximum amount which can be invested for up to 5 years (as per paragraph 1.5 of the Annual Investment Strategy). It has been determined that a maximum of 50% of total investments with a cap of £35.0 million could be prudently committed to long term investments should the Director of Finance decide it is appropriate to. This indicator was called TMI 3 up to 2018-2019.

	Approved by Council 1 March 2017			
	2017-2018 Limit £000	2018-2019 Limit £000	2019-2020 Limit £000	2020-2021 Limit £000
Upper limit for more than 365 days	35,000	35,000	35,000	35,000
Actual and Forecast Invested at 30 June 2018	-	-	-	-
Variance (Under) / Over Limit	(35,000)	(35,000)	(35,000)	(35,000)

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

These limits relate to the % of fixed and variable rate debt maturing. Up to 2018-2019 this indicator only included fixed rate debt, the new Code of Practice issued December 2017 changed this requirement to include variable debt from 2018-2019.

	Approved by Council 1 March 2017		As at 30 June 2018 2018-2019 Forecast Borrowing
	Upper Limit	Lower Limit	
Under 12 months	25%	0%	0.74%
12 months and within 24 months	25%	0%	6.83%
24 months and within 5 years	40%	0%	3.70%
5 years and within 10 years	50%	0%	6.51%
10 years and above	90%	50%	82.22%

2017-2018 Outturn for Prudential Indicators (PI) no longer required by The Prudential Code from 2018-2019 onwards

PI 9 - Has the local authority adopted the CIPFA Treasury Management in the Public Services: Code of Practice.	Yes
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2017-2018 Outturn for Treasury Management Indicators (TMI) no longer required by The Treasury Management Code from 2018-2019 onwards

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. This indicator is no longer required from 2018-2019 onwards

	Approved by Council 1 March 2017				As at 30 June 2018			
	2017-2018 Forecast	2018-2019 Forecast	2019-2020 Forecast	2020-2021 Forecast	2017-2018 Actual	2018-2019 Forecast	2019-2020 Forecast	2020-2021 Forecast
Upper limit for fixed rate	100%	100%	100%	-	93%	-	-	-
Upper limit for variable rate	20%	20%	20%	-	7%	-	-	-

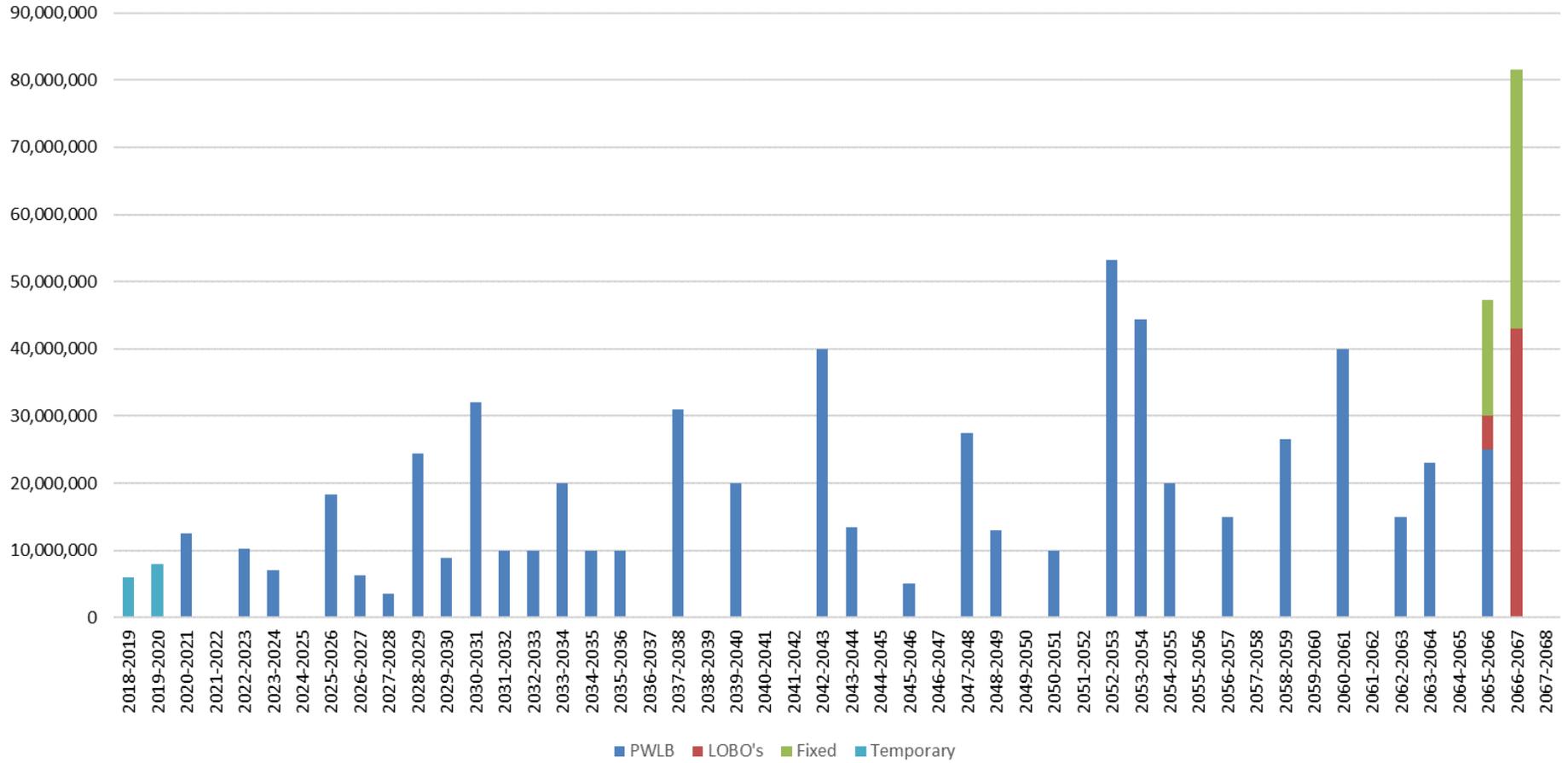
TMI 2 - Upper and lower limits to the maturity structure of its borrowing.

These limits relate to the % of fixed rate debt maturing. From 2018-2019 this indicator includes fixed and variable rate debt as required by the new Code of Practice issued December 2017, the forecasts for 2018-2019 can be found in the section above.

	Approved by Council 1 March 2017		As at 30 June 2018 2017-2018 Actual Borrowing
	Upper Limit	Lower Limit	
Under 12 months	25%	0%	0.96%
12 months and within 24 months	25%	0%	1.28%
24 months and within 5 years	40%	0%	3.63%
5 years and within 10 years	50%	0%	5.62%
10 years and above	90%	50%	88.51%

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Borrowing Maturity at 30 June 2018



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Disclosure for Certainty Rate

Certainty Rate								
This table details the information that is required to enable the Council to submit a return for 2018-2019.								
	Approved by Council 7 March 2018				As at 30 June 2018			
	2017-2018 Forecast £000	2018-2019 Forecast £000	2019-2020 Forecast £000	2020-2021 Forecast £000	2017-2018 Actual £000	2018-2019 Forecast £000	2019-2020 Forecast £000	2020-2021 Forecast £000
Net Borrowing Requirement:								
Borrowing to finance planned capital expenditure	65,481	134,207	89,303	74,461	38,473	126,076	107,926	67,216
Existing maturity loans to be replaced during the year	109,114	40,000	72,000	62,500	88,154	28,000	84,000	66,500
Less:								
Minimum Revenue Provision for debt repayment	(20)	(7,775)	(14,650)	(16,316)	(20)	(6,721)	(13,589)	(15,754)
Voluntary debt repayment	(17,209)	(15,186)	(13,241)	(11,700)	(21,607)	(14,677)	(12,414)	(10,750)
	(17,229)	(22,961)	(27,891)	(28,016)	(21,627)	(21,398)	(26,003)	(26,504)
Loans replaced less debt repayment	91,885	17,039	44,109	34,484	66,527	6,602	57,997	39,996
Net Advance Requirement	157,366	151,246	133,412	108,945	105,000	132,678	165,923	107,212

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City of Wolverhampton Council
2018-2019 Specified Investments Lending List as at 31 May 2018

Institution	Country (Sovereign Rating)	Limit £000	Term Limit
Australia & New Zealand Banking Group Ltd	Australia (AAA)	10,000	6 mths
Bank Netherlandse Gemeenten	Netherlands (AAA)	20,000	12 mths
Bank of Montreal	Canada (AAA)	10,000	6 mths
Bank of 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 AAmmf	20,000	Instant Access
Standard Life Investments Sterling Liquidity Fund	Fitch AAmmf	20,000	Instant Access
Federated Short-Term Sterling Prime Fund	Fitch AAmmf	20,000	Instant Access
Black Rock Sterling Liquidity Fund	Moody's Aaa-mf	20,000	Instant Access
Scottish Widows Sterling Liquidity Fund	Moody's Aaa-mf	20,000	Instant Access

Non-rated Institutions

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

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 July 2018
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Report title	Wolverhampton Youth Justice Plan 2018-2019	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Paul Sweet Children and Young People	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Emma Bennett, Director of Children's Services	
Originating service	Youth Offending Team	
Accountable employee	Rachel King Tel Email	Head of Service 01902 555955 rachel.king@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board YOT Management Board	19 June 2018 27 June 2018

Recommendation for decision:

The Cabinet is recommended to recommend that Council:

Approve the adoption of the Youth Justice Plan 2018-2019.

1.0 Purpose

- 1.1 The purpose of this report is to request that Cabinet recommend to Council the approval of the Youth Justice Plan for 2018-2019. This is the plan relating to the work of the Youth Offending Team (YOT) partnership under the oversight of the YOT Management Board and the Safer Wolverhampton Partnership. The work of this plan is regularly reviewed by the YOT Management Board, which comprises membership from City of Wolverhampton Council, West Midlands Police, The Royal Wolverhampton Hospital Trust, Recovery Near You (substance misuse service), National Probation Service and the Chair of the Black Country Youth Court Bench.

2.0 Background

- 2.1 Under the Crime and Disorder Act 1998, each Local Authority is required to have in place arrangements for the delivery of Youth Justice services usually via a YOT. Central government provides a grant to support local Youth Justice work via the Youth Justice Board (YJB) which sits within The Ministry of Justice. A condition of the grant is the provision of satisfactory services that are outlined in the required production of an annual Youth Justice Plan. The Youth Justice Plan requires Full Council approval, as detailed in the constitution under the budget and policy framework.
- 2.2 The format for Youth Justice planning is prescribed by the Youth Justice Board and has varied over the years. The attached plan is compliant with current guidance and an action plan based on future risks to delivery is prepared to drive the work.
- 2.3 This plan has routinely involved significant partnership consultation and planning, and the plan was discussed at the strategic YOT Management Board on 27 June 2018. The plan is required to be officially submitted to the Youth Justice Board by 31 July 2018.
- 2.4 The plan for 2018-2019 seeks to identify priorities that respond to the national YJB key performance indicators whilst also taking the local context of Wolverhampton into consideration. There is a clear focus on continuing to reduce the number of first time entrants, reducing reoffending and reducing the number of young people who received a custodial sentence
- 2.5 The recent increase in gang and youth violence within the city is specifically identified as a priority area to ensure we are identifying young people at risk and tailoring interventions to take into account the impact of adverse childhood experiences on young people. This work will also link to developing a better understanding across the region of the emerging issue surrounding County Lines.

3.0 Progress

- 3.1 The primary focus of a YOT is to prevent and reduce the offending behaviour of young people aged up to 18. There are three overarching national indicators on which performance is measured; the number of first time entrants into the youth justice system,

the number of young people who reoffend after their first offence and the number of young people who receive a custodial sentence as opposed to a community sentence.

- 3.2 During 2017-2018, Wolverhampton YOT worked with 282 young people on a total of 324 substantive outcomes, including Youth Cautions and Youth Conditional Cautions. This was in relation to 571 offences which was a small decrease when compared to 2016-2017 (599 offences). Alongside this, 133 young people worked with the YOT on Community Resolutions, committing 142 offences, a reduction of 26% when compared to 2016-2017 offences (193). First Time Entrants reduced by 7% in 2017-2018 when compared with the previous year and the use of custodial sentences has fallen by 27% for the same periods. The YOT has continued to focus its energy on preventing young people entering the Criminal Justice System by extending its offer with Community Resolutions and Out of Court disposals. In addition, practice continues to develop in engaging and working with young people at high risk of reoffending with an extension in the interventions on offer and the implementation of trauma informed practice.
- 3.3 The implementation of the Wolverhampton Reoffending Live Tracker toolkit in April 2018 has provided encouraging data on the levels of reoffending within the first 12 months of monitoring. Local data has indicated an overall binary reoffending rate of 23.3%, compared to a regional performance of 35.3% and National performance of 37.9%.
- 3.4 The new YOT inspection framework was published in March 2018 and inspection preparation is underway. The last inspection of the YOT was in December 2015. The outcome of the last inspection was that Wolverhampton YOT and its partners were found to have children and young people at the heart of their work. Planning for work to reduce reoffending was impressive and interventions were judged as being delivered to a high standard. However, education, training and employment outcomes for children and young people known to the YOT required improvement. Positively in 2017-2018 there was a 16% improvement in the engagement of YOT young people in education.

4.0 Evaluation of alternative options

- 4.1 The local authority has a statutory duty to submit an annual youth justice plan relating to their provision of youth services. The youth justice plan 2018-2019 has been developed following consultation with partner agencies.

5.0 Reasons for decision

- 5.1 The Youth Justice Board announced its strategic priorities for 2018-2021 in May 2018. The key areas of focus are: the disproportionate representation of children from some Black Asian Minority Ethnic (BAME) backgrounds in the youth justice system, local services' practice to include the importance of understanding and evaluating out of court disposals, national standards for youth justice, resettlement and transitions between services and safety in custody and secure schools.

5.2 The local priorities that have been identified for Wolverhampton not only respond to the local areas of need but also represent an alignment with the strategic priorities identified by the YJB.

6.0 Financial implications

6.1 The gross partnership pooled budget for 2018-2019 for the Youth Offending Service is £2.2 million. Following the deduction of partnership income contributions and other in-kind contributions of £800,000 from partners the approved net budget for the Council for the Youth Offending Service is £1.4 million.

6.2 A breakdown of the partnership pooled budget for the Youth Offending Service is shown in the attached Youth Justice Plan 2018-2019.
[NM/05062018/A]

7.0 Legal implications

7.1 YOT services are mandated in legislation and oversee Statutory Court Orders. It is a requirement for every area in England and Wales to provide YOT services.
[RB/30062017/S]

8.0 Equalities implications

8.1 The YOT provides services for some of the most vulnerable young people both as offenders, but also as victims of youth crime. There is on-going work to address the potential for disproportionality in the Youth Justice System. The YOT equality analysis will be refreshed alongside the action planning accompanying this Youth Justice Plan.

9.0 Environmental implications

9.1 There are no environmental implications arising from this report.

10.0 Human Resources implications

10.1 YOT employees work to City of Wolverhampton terms and conditions and policies or those of their seconding agency.

[HR/JF/EB/068]

11.0 Corporate landlord implications

11.1 There are no Corporate Landlord implications arising from this report.

12.0 Appendices

Appendix 1 – Youth Justice Plan

Youth Justice Plan 2018-2019
City of Wolverhampton



Introduction

Wolverhampton Youth Offending Team (YOT) continues to work with some of the City's most challenging young people to prevent offending and reoffending. A variety of internal quality assurance processes confirm that overall operational delivery remains strong and well managed. From year to year the YOT partnership seeks to consolidate previous progress and achievements whilst being responsive and open to new developments and challenges that present themselves. This plan reviews our progress over the last year and outlines the targets for continuous improvement.

The Youth Justice Plan for 2017-2018 was accompanied by an action plan that was reviewed regularly at YOT Management Board meetings and was signed off late February 2018. In this way the reflections and ambitions of the planning process are embedded into action with strategic oversight.

This plan for 2018-2019 reviews our progress so far and outlines our plans for continuous improvement. In addition, the HMIP inspection report "The Work of Youth Offending Teams to Protect the Public (October 2017) has reinforced the commitment of the YOT to understand and design services that consider the impact of trauma on young people. Alongside this, the role of social media and its relationship with offending will be an integral part of future service design for 2018-2019. The findings and lessons to be learnt from the Criminal Justice Joint Inspection (CJJI) report on "Out of Court disposal work in Youth Offending Teams" (March 2018) will be used to provide the framework to review provision going forward and further develop the YOT offer at the earliest intervention stage. The recently published government "Serious Violence Strategy" (April 2018), with its emphasis on early intervention, tackling county lines and drug misuse will also inform our priorities for 2018-2019. Finally, the recently published HMIP "Standards for inspecting youth offending services" (March 2018) will provide the overarching framework in which the work of the YOT going forward will be reviewed and developed.

Key achievements in 2017-2018

- Youth Justice Board data shows that in Wolverhampton, those who reoffend commit fewer reoffences than our geographical neighbours and nationally. April-June 2016 cohort showed a 17% reduction compared to the same period in 2015.
- The implementation of the Wolverhampton Reoffending Live Tracker toolkit in April 2017 has provided encouraging data on the levels of reoffending within the first 12 months of monitoring. Local data has indicated an overall binary reoffending rate of 23.3%, compared to a regional performance of 35.3% and National performance of 37.9%
- First Time Entrants have reduced by 7% in 2017-2018 when compared with the previous year
- A reduction in the custody rate for our young people of 27% for 2017-2018 when compared with the same period 2016-2017.
- Significant improvement in the engagement levels of school age YOT young people in Education for 2017-2018 with 73% meeting the 25-hour target at the end of their statutory orders.

- Developments in Special Educational Needs (SEN) and Education Health and Care Plan (EHCP) integration into core delivery of the YOT.
- Continued development of services for young people on the cusp of the Youth Justice system by delivering brief assessment and intervention for those subject to Community Resolutions, financed in part by a grant from the Police and Crime Commissioner. In addition, an extension in the YOT offer for those young people identified as requiring further assessment and support.
- Continued contribution to the partnership approach to address gang, youth violence and county lines issues. Leading on the Children Service's Gang and Youth violence action plan; development and piloting of a gang screening matrix and the profiling and identification of young people involved or at risk of gang associations.
- Delivery of presentation and case studies at a National Conference addressing county lines and gangs.
- Work within the partnership to ensure that Multi Agency Sexual Exploitation (MASE) and 'Missing' procedures are instigated and followed through in all relevant cases
- On-going participation and involvement with the ALTAR (Abuse, Lose, Trauma, Attachment & Resilience) action research project.
- Participation of all YOT staff in the Children's Services drive to embed Restorative practice as our norm and organisational culture. The YOT has been well placed to support the delivery of training
- Recruitment of six Referral Order Panel volunteers to support this high demand area of work, with full accreditation training achieved
- YOT research into effective interventions has been completed, key findings identified the effective elements of Wolverhampton's practice, were positive working relationships; opportunities for young people to embed newly-learned skills and interventions were personalised.
- Development of a practitioner lead Interventions Development Forum to devise "InterYOT" resources, including Weapon awareness and Anger/Anxiety programmes.
- Two successful final year student social work placements plus observation opportunities for two 'Think Ahead' students
- Training of a further practice educator within YOT
- Management participation in a leadership development programme
- Strong support to those in custody recognised by HMIP and supported by the Society of Voluntary Associates (SOVA) provision
- Providing quality services to courts at a time of organisational change within HMC Services
- Providing credible and safe options in the Community for the courts including a robust Intensive Surveillance and Supervision Scheme
- Continued success in the delivery of our Virtual Junior Attendance Centre offering bespoke interventions for individual young people in partnership with the voluntary and Third Sector.

- Development and implementation of a Participation Action Plan based on YJB best practice guidance on the model to “Consult and inform” young people engaged with the service.

YOT Young People

YOT service users are at the heart of everything we do, and all administration and back room activity is there to support the frontline interface with our young people.

Young people are involved in their assessments and actively encouraged to share in the planning of interventions. This has been highlighted within the recent YOT intervention research and from feedback received from young people involved with Out of Court disposals and Referral Order Panels.

The recently completed Interventions research highlights that young people recognise that the relationship and style of the worker is key to their engagement. This reflects a key component of Restorative Practice which is being embedded across the whole of Children’s Services. Alongside this, the on-going ALTAR research has resulted in further service review to ensure that our practice is trauma informed and built around the key elements of relational based practice.

Following the last HMIP e-survey in 2017 the YOT has refreshed its use of Viewpoint and actively seeks the views of service user to improve our understanding of how YOT delivery is experienced by using a Wolverhampton bespoke e-survey. In addition, as part of the participation action plan, consultations have been completed in key practice areas of Out of Court and Referral Order panels, both reflecting very positive feedback and areas that have resulted in service reflection and change.

The YOT is currently working to ensure that our services are accessible to all service users and an action plan has been developed to progress our reach for the needs of those with Special Educational Needs and Disabilities. In addition, issues of disproportionality and the experience of Black, Asian and Minority Ethnic young people within the criminal justice system and the YOT, remains an area of significant focus. To this end the voice of these service users are being actively sought and the interventions being offered and developed will be tailored to address key areas of disproportionality.

Structure and governance

The work of the YOT is overseen by a well-attended strategic quarterly YOT Management Board (YMB). Over the last year there have been some strategic personnel changes which has resulted in a change in Chair for the Board and other attendees. These transitions have been managed successfully. The Board welcomes guest attendance of our Local Partnership Adviser from the Youth Justice Board who can provide national context and perspective. The Board continues to receive regular reports on:

- Resourcing: both finance and staffing including holding partners to account for any proposed changes

- A revised and improved performance data report which is detailed in respect of key factors such as age, gender, race, offence type, Focus is on the three key national drivers and other local priorities – Reducing Reoffending; First time entrants to youth justice; custody rates and engagement of young offenders in education training and employment.
- National, regional and local developments including Inspection reports, work with the West Midlands Combined Authority, delivery by partner organisations, Gang and county Lines.
- Operational practice presentations which bring alive the work of the YOT to those responsible for strategic decision making and development
- Compliance with YJB grant conditions for example the timely submission of this plan and data returns
- Ensuring Community Safety and Public Protection Incidents provide appropriate opportunities for operational and strategic learning. These are further embedded in the work of the Wolverhampton Safeguarding Children’s Board Serious Case Review Committee
- Safeguarding remains a standing item on the YMB agenda to allow any other Strategic or Operational safeguarding issue to be raised within this forum.

All of this is with a view to driving continuous improvement through the annual action plan, shaping future services in response to presenting trends and need. The YMB is a learning meeting where partners can share collective wisdom and experience to shape the future of Youth Justice in Wolverhampton. At all times the needs of children and young people stay at the heart of the agenda.

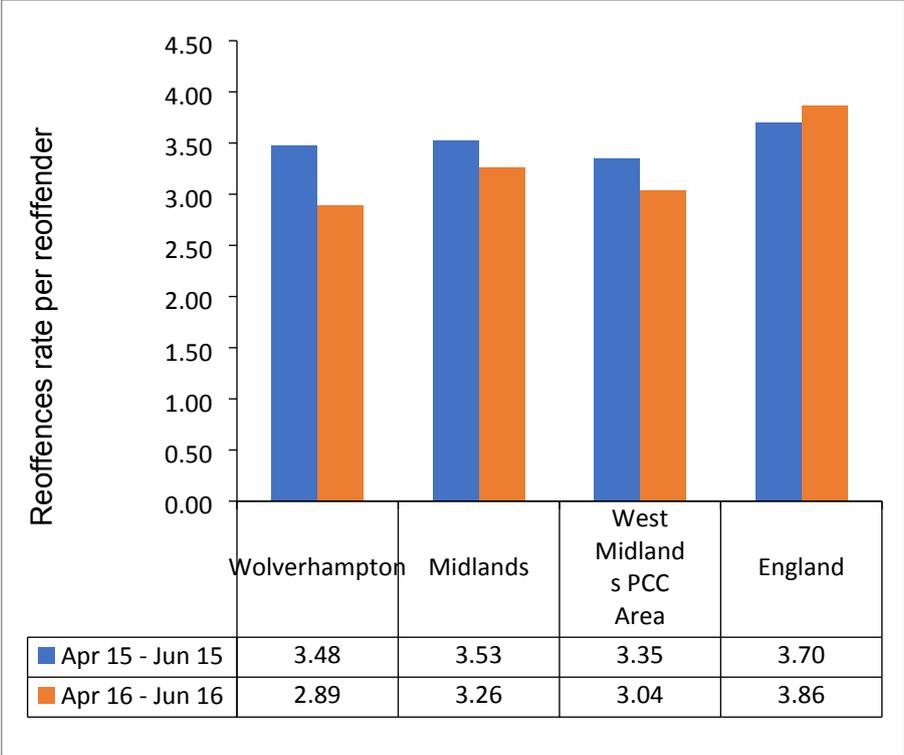
The YOT is managed by the City of Wolverhampton Council (CWC) within the Children’s Services and is well placed to contribute to the wider agenda of CWC and the broader Safer Wolverhampton Partnership (SWP). Reports about the work of the YOT are regularly presented to the CWC People Leadership Team (PLT), the Strategic Executive Board (SEB), the Wolverhampton Safeguarding Children’s Board (WSCB) and through Scrutiny and Cabinet. Particular areas of focus are reported within particular interest committees for example the Education Leadership team and Children and Young People’s scrutiny panel. This Youth Justice Plan is approved and endorsed by CWC Cabinet and the SWP.

Reducing Reoffending

The main aim of the Youth Justice system is to prevent offending and reoffending. The YJB Regional Performance Manager regularly assists the YMB with reports surrounding our reoffending performance. Over the last year we have received some specific support from the Youth Justice Board in implementing the ‘Reoffending Live Tracker Toolkit’ which has the capacity to provide more up to date and targeted data about reoffending which will inform future resource planning. This has been a significant area of progress over the last year requiring significant commitment from the Insight and Intelligence Team. This is now routinely reported on at the YMB and used in targeting resources and developing practice initiatives. As previously mentioned, this tracked cohort has provided some encouraging results to date.

The following graph from the national data of the Youth Justice Board shows that in Wolverhampton, reoffenders are committing fewer reoffences according to the latest data whereas reoffenders in the Midlands generally (including the PCC area) are committing more reoffences.

Reoffences rate per reoffender; year on year comparison of the quarterly cohort



However, the number of binary reoffenders is relatively high in Wolverhampton when compared to the new YJB YOT Family Cohort. This indicates that we need to continue to address the propensity to reoffend but that effective interventions are in place that will mitigate the frequency of reoffending. Work with the Reoffending Live Tracker will provide further intelligence to assist this understanding. The YMB has also requested a specific focus on the reoffending behaviour of young people who receive a community resolution (CR) following their first offence to evidence the impact of Community Resolution interventions.

Operational initiatives to reduce reoffending in the YOT are central to our work and include:

- Using the Reoffending Live Tracker information to target our resources on the areas of most significant reoffending, specifically reoffending within first month of an intervention and the disproportionality of BAME young people’s reoffending rates.
- Compliance meetings with young people and their carers to ensure that any deterioration in their response to YOT programmes of intervention is quickly understood, addressed and improved

- 7 days per week services for our most challenging and risky service users
- Involvement of young people in shaping our services and listening to their feedback
- Extension in the YOT offer for Community Resolutions and Out of Court disposals.
- Implementation of Pre-Panel Preparation meetings and extended contact with young people between court and referral order panel.
- Working with the Voluntary Sector to ensure services are diverse and relevant to our whole service user population e.g. SOVA, CATCH 22, Core Assets (IMPACT), Street Doctors
- Work within the wider partnership to understand the impact of 'County Lines' and gang affiliation
- Understanding the coercion and control contained within Missing and CSE experiences of young people.
- Work with families and parents to ensure the 'whole family' approach is embedded and that our Troubled Families initiatives are applied within the YOT and inform step down arrangements at the end of statutory court orders.
- Improved liaison with our partners within Children's Services e.g. the 'Looked After Children Transitions Team to produce better outcomes for our mutual population
- Work within the SWP and Children's partnerships to address the increasing threat of gang and youth violence, in particular the prevalence of weapon involved crime.
- Learn the lessons from our Interventions research to ensure that we understand what is best and effective practice.
- Implementation of trauma informed practice to support the child or young person's desistence.
- The Junior Attendance Centre continues to receive a ring-fenced budget from the YJB and this is now being utilised to provide bespoke and flexible services for young people more significantly involved in the Youth Justice system. The number of referrals from Wolverhampton has been steady and manageable. We have been pleased to consolidate our partnerships with Wolverhampton College, Kingswood Charitable Trust and the Dog's Trust amongst others, to offer a diverse, and meaningful programme particularly for those where there are indications of compliance challenges.
- Contributing to the on-going work around the Black Country Reducing Reoffending Strategy 2018-2020.

First Time Entrants (FTE) to the Youth Justice system

The First Time Entrant rate for Wolverhampton has shown a 7% reduction in young people and a 23% reduction in the number of offences committed for 2017-18 when compared against last year. Recent trends have identified that offences of violence against the person and theft are the most common for FTE. The YOT partnership has recognised the need to address this, and work has been undertaken with the Early Help service to ensure that assessed needs and interventions offered upstream of statutory services include the propensity of children and young people (CYP) to offend. This upturn also reflects the changes in the number of lower level Out of Court Disposal outcomes which would not have been previously included in these figures.

Key initiatives to further reduce FTE include:

- Use of Early Help assessment to identify upstream CYP at risk of offending
- Introduction of Community Resolution clinic to offer intervention and signposting to CYP on the cusp of FTE with appropriate signposting to Early Help
- Extension of the YOT Community Resolution and Out of Court assessment and intervention offer.
- Work with schools and private Care Home providers to ensure that prosecutions for inappropriate behaviour are minimised and very much the last resort
- Continued work with schools and education providers to ensure young people are accessing education, training or employment up to the age of 18, suitable to their level of need.

This will be a key area of priority for 2018-2019.

Use of custody

It is recognised that some CYP need to be detained for the protection of themselves and the wider community, and that this would reflect the severity of their offending. The YMB receives regular reports on custody rates, but also seeks assurance that those who are detained in the Secure estate are those for whom all other options have been exhausted or their sentence is proportionate to the crime committed.

The most recently YJB reported custody rate per 1,000 of the population of 0.80% is in line with our region and the new YJB YOT family cohort. This represents in actual terms a 27% reduction in the number of custody disposals for 2017-2018 when compared against 2016-2017. It is recognised that the number of young people involved in these statistics is very small but their behaviour and offending has been significantly impactful on the community. This has been reflected the seriousness of offences and the length of custodial sentences being imposed in 2017-2018. However, the overall reduction in the custody rate reflects the strong confidence of sentences in the YOTs ability to manage risk in the community and hold young people to account for their behaviour. Examination of individual custodial outcomes occurs after each sentencing event and the YOT senior management are generally satisfied that the YOT efforts to provide alternatives to custody for the Court are relevant and robust.

The YOT Management Board receives regular reports in respect of disproportionality in the system and has been concerned and exercised by the over-representation of black young men in custody. The findings of the Lammy report will be considered by the YMB alongside the rich seam of information provided in our performance reporting to closely monitor trends and shape the YOT responses to this issue.

The recent HMIP at Werrington Young Offenders Institute (YOI) produced very positive feedback to Wolverhampton YOT on the quality of our dedicated practitioner for young people in the secure estate. This reaffirmed previous inspection findings and continues to reinforce the wisdom of dedicated case manager time that targets young people in Secure. The YOT Head of Service presented a report on young people in the secure estate to the Wolverhampton Safeguarding Children's board in March 2018, where assurances were received about the quality of YOT practice and vigilance towards young

people in a context where some secure settings are receiving adverse reports on the quality of care and provision.

The other use of the secure estate is for CYP on remand and it is recognised that the YJB devolved budget is insufficient for the level of demand in Wolverhampton. The financial margins in these arrangements are small and a single adverse outcome can completely impact upon the budget. There has been consistent overspend on the devolved budget since its inception in 2014 and this concern has been raised through the YMB with the Youth Justice Board. The YOT works hard to provide credible bail packages to the courts, but the ongoing difficulty in accessing bespoke placements for our most challenging children within such small timescales, can produce adverse secure outcomes in Court. Training and information sessions have been shared with wider Children's Services to ensure placement demands are understood and responded to in a timely fashion. In addition, the YOT partnership is working to adhere to the PACE Concordat and produce a local protocol so that those vulnerable children detained in police cells have better options overnight. It is hoped that regional developments within the West Midlands Combined Authority will produce a more locally based agreement and the potential for value for money ring fenced emergency placements.

The YOT works to ensure that the ambition to save the use of custody for cases where it is truly the only proportionate option by the following:

- Producing quality gatekept reports to the court, supported by proportionate and credible community sentence recommendations
- The maintenance of a robust ISS scheme offering oversight and creative interventions to address risky offending and offer real alternatives to custody and secure remands.
- Maintaining the confidence of the court in all tiers of interventions and bail options e.g. Referral Order panels by offering shadow visits, presentations to Youth Court Panel meetings etc.
- Clear and credible compliance and, where necessary, enforcement procedures
- A clear risk management policy that reviews and maintains management oversight
- Utilising the Voluntary and Third Sector to ensure relevance of service to all sectors of the community
- Use of business intelligence to further understand disproportionality and follow up the implications of the Lammy report
- Embed roll out of ASSETPLUS in custody and ensure that resettlement/transition arrangements are bespoke to the individual needs of each young person; with a specific emphasis on the resettlement needs of BAME young people via additional ETE and mentoring support (SOVA), and relational/trauma informed programmes of engagement.
- Developing clear guidance and working protocols with Children Services in the response and management of remand bail requests to avoid where appropriate secure remands.

Engagement in Education Training and Employment (ETE)

This is no longer a nationally collected indicator, but the local YOT partnership has recognised that engagement in ETE is a key protective factor against offending. During the last year there have been very focussed and strategic efforts to improve this previously stubborn area of underperformance.

What can be proven at present is that young people exiting YOT orders are better engaged with ETE than they were at the start of their order. However, the entry level is significantly low and the wider partnership is working to understand how this occurs and to improve the offer for 'Inclusion' young people.

It is pleasing to record that the engagement levels for young people for 2017-2018 at school age are 73% and for post school age are 52%, an improvement of 16% over previous years and the highest level recorded. This is testament to a rigorous and individual approach to each case and the combined forces of the partnership through forum such as the Pupils Not in Full Time Education panel (PNIFTED) and the Post 16 Not in Education, Training or Employment panel (NEET) to identify need and pursue appropriate levels of provision. All partners involved in this initiative can take credit for the improvement in outcomes.

This continuous improvement will be driven by:

- The extension of the LAC Virtual Head role to include all YOT young people
- Work with Designated Teacher School forum to raise the profile and needs of young people who are disengaged from school age education
- Greater strategic support for YOT meetings convened to track those who are disengaged and ensure swift responses for a new more relevant offer
- Work with schools to encourage restorative responses to challenging behaviour
- Work with Skills and Employability Manager to expand the post 16 offer for young people.
- Support the SEND improvement strategy and action planning
- Dedicate YOT resources to assist ETE engagement
- Extend YOT ETE resources to include Community Resolutions and Out of Court disposals with a pathway agreed into Specialist Services to support young people at risk of disengagement from education at the earliest opportunity.

Resources and Value for Money

The Wolverhampton YOT partnership receives a variety of resources both financial and in kind from its partners all of which are overseen and understood within the strategic YOT Management Board. The YJB grant is a main source of financial income that is used to finance staffing to support the wide range of Youth Justice functions undertaken across the partnership.

Table 1 to this Plan is the Youth Justice Application framework which indicates the finance and in-kind contributions made by local partners. This funding and the in-kind contributions enable the YOT to concentrate on the system aims of reducing the number of children in the system and their reoffending whilst improving the safety, wellbeing and outcomes of children in the system. For 2018-2019 the YOT has also received direct

funding from the Police and Crime Commissioner (PCC) and this funding is specifically used to support the out of court disposal work.

In accordance with the Crime and Disorder Act 1998, Wolverhampton YOT receives contributions from all statutory partners – Police, Education, Health, Probation and Social Care. The level and type of these contributions has changed over the years since the inception of YOTs, but all partners are active participants in YOT strategic and operational delivery. Any proposal to change the levels of resourcing are presented at YMB for discussion and ratification. There are current partnership staff vacancies in the Child and Adolescent Mental Health Service (CAMHS) and Probation. CAMHS have identified some interim cover arrangements and Probation has provided the YOT with funding to enable the appointment of an additional case manager with a probation remit. Both substantive posts will be recruited to, but the interim arrangements evidence the true partnership commitment within the Wolverhampton YOT.

CWC has historically made the biggest in-kind and financial contribution to the work of the YOT, and as part of Children's Service the YOT has been required to contribute to efficiency savings. However, the YOT has also been able to utilise CWC drives for efficiency improvements such as digital transformation and business intelligence to produce coordinated and more efficient business processes.

Partnership Arrangements

The Youth Offending Team has strong links with key partnerships within the Children's and Community Safety areas of work. The YOT Head of Service carries a broad portfolio within Children's Services including edge of care support services, residential children's homes and vulnerable young people at risk of exclusion from school, those at risk of sexual exploitation and those going missing from home/ care. This broad portfolio fits well with the work of the YOT and has also assisted in strengthening the working relationship with Social Care. There are examples of good joined up working between the YOT and the Multi-Agency Safeguarding Hub (MASH) in managing risks within the community. In addition, Social Care have included the YOT in recent work around the profiling of vulnerable young people in the city.

As a response to the cessation of the reporting responsibilities by Local Authorities to the YJB for Community Safety Public Protection Incidents it has been agreed with Wolverhampton Safeguarding that any future incidents will be reported via the Serious Case Review Sub Committee and be managed under the locally agreed Table Top Review (TTR) process. The YOT undertakes an annual Section 11 audit providing evidence of our ongoing commitment to protecting vulnerable children. The YOT is represented at fora working to address issues of Child Sexual Exploitation (CSE), trafficking and the needs of those with several types of disability including learning disability. All young people attending the YOT are assessed for their risks to others, their risk of reoffending, and their individual safety and wellbeing issues. The YOT has strong links with the Multiagency Safeguarding Hub and can utilise referral procedures where necessary.

The YOT has led on PREVENT training for Children's Services and recognises the growing climate of concern in respect of terrorist activity and the need to identify early the potential for radicalisation. The YOT partnership is looking to respond to the currently published draft Youth justice response to the Terrorist threat that can be posed by a small number of children and young people.

The YOT is working to improve the step up and step-down relationships with Early Help and other Children's Services, also aligning our parenting interventions with the broader Parenting Strategy.

Within the Safer Partnership, the YOT participates in the Partnership Board and attends the Delivery Board. The YOT has strongly contributed to the Gangs and Youth Violence Strategy and is actively working to understand the increasing tensions in the local community with attention to the growing concerns presented by county lines activity. Wolverhampton YOT has been active in the establishment of a sub-regional Reducing Reoffending Strategy and work stream where it is believed some collaborative efforts might result in greater efficiency and effectiveness.

Risks and Actions for Future Delivery

Emerging trends and concerns in relation to Gang, youth violence and County Lines will be a key component of our work moving forward as a YOT partnership. The level of risk and concern of both professionals and service users presents us with a challenge to ensure that young people feel safe in our community whilst accessing relevant services. The embedding of Restorative Practice across Children's Services provides a real opportunity for the YOT to share its wisdom and history of work with this focus with a view to producing wider and better outcomes for CYP across the City. In addition, the work and service review around ALTAR and ensuring our services are structured and delivered within a trauma -informed framework will provide many opportunities going forward into 2018-2019.

The YOT partnership is aware of the need to keep a watchful eye on the First Time Entrant rate, and work to understand the implications of any statistical changes. In addition to this overarching plan with its continued focus on reducing reoffending, use of custody and ETE, a detailed action plan will be formulated to provide key areas of priority and delivery for the next year. Within this plan the key areas that will be given significant priority will be:

- To strengthen links with the Early Intervention service to promote a focus on crime prevention to further reduce the number of FTE and promote effective step down from YOT
- To increase the OOC offer to young people to reduce the numbers who reoffend and review service delivery in line with the HMIP Standards for inspecting youth offending services.
- To continue to increase the engagement of YOT young people in education, employment and training with a specific focus on post 16
- Review and implement a health triage system within the YOT.

- To increase the participation of YOT young people by ensuring they are consulted and informed and their views are heard and used to shape future provision
- To co-ordinate the multi-agency work across the city related to gangs, youth violence and county lines
- Consolidate and improve the YOT and Police Offender Management (IOM)/DETER arrangements to manage those identified as highest risk of serious harm.
- To improve the quality of YOT interventions through implementation of the abuse, loss, trauma, attachment and resilience training (ALTAR). This will increase the knowledge and skills to develop trauma informed practice and interventions
- To reduce the use of Youth Detention Accommodation and accessing remand placements in the community with Children Services.
- To ensure that 'Transition to Adulthood' arrangements with the Probation service are timely and effective
- To hold partners to account for maintaining their resource contributions to YOT particularly co-located staff
- To promote continued compliance with Youth Justice Board National Standards
- To maintain quality services to Courts
- Continue to use quality data and information to inform practice and service delivery.
- Maintain a robust quality assurance processes for assessments, reports, plans and delivery with a focus on the outcomes for the young people.
- To use quality data to inform on-going practice and service design regarding all issues of identifiable disproportionality.
- Specifically obtain the views & voices of BAME young people to inform our services for them.
- Develop bespoke programmes and interventions to support BAME young people to engage with YOT interventions, such as the Bronze Art Award; ETE, and to reduce their risks of reoffending.

Approval

This plan is approved by the YOT partnership and signed off by the Chair of the YOT Management Board. It is also subject to Cabinet approval within CWC.

Table 1: Partner contributions to the youth offending partnership pooled budget 2018-2019

Agency	Staffing costs (£)	Payments in kind – revenue (£)	Other delegated funds (£)	Total (£)
Local authority*	1,113,584	18,133	302,977	1,434,694
Police Service	27,360	61,100		88,460
National Probation Service		53,603		53,603
Health Service		118,786		118,786
Police and crime commissioner**	66,000			66,000
YJB Practice Grant	436,482			436,482
Welsh Government				
Other***		20,400		20,400
Total	1,643,426	272,022	302,977	2,218,425

* For multi-authority YOTs, the totality of local authority contributions should be described as one figure.

** Any money from the police and crime commissioner that has been routed through a local crime reduction partnership should be included here.

*** It should be noted that the 'Other' category is for additional funding that the YOT can use for any general youth justice activities.

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 July 2018
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Report title	Draft Budget and Medium Term Financial Strategy 2019-2020	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee(s)	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	alison.shannon@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	28 June 2018

Recommendations for decision:

The Cabinet is recommended to approve:

1. The high-level budget strategy for 2019-2020, including directorate level budget reduction targets, for inclusion in the Draft Budget and Medium Term Financial Strategy 2019-2020, to be reported to Cabinet in October 2018.
2. That work continues between July and October 2018 to further develop and identify new budget reduction and income generation proposals towards the directorate level budget reduction targets for 2019-2020, in order to ensure that a balanced budget can be set in 2019-2020.
3. That progress on the development of budget reduction and income generation proposals be reported to Cabinet in October 2018 for approval to proceed to the formal consultation stage of the budget process.

4. That further options are explored between July and October 2018 to address the updated projected budget deficit of £3.3 million for 2019-2020 based on the Council's high-level strategy.

Recommendations to note:

The Cabinet is asked to note:

1. That a significant element of the high-level budget strategy for 2019-2020 relate to one-off opportunities that can be achieved in 2019-2020.
2. That the updated projected deficit assumes the achievement of budget reduction proposals amounting to £28.3 million over the two-year period from 2018-2019 to 2019-2020.
3. That, due to external factors, budget assumptions remain subject to significant change, which could, therefore, result in alterations to the financial position facing the Council.
4. That there continues to be a considerable amount of uncertainty with regards to future funding streams for local authorities particularly with regarding 2020-2021 onwards. The Comprehensive Spending Review 2020, the Fair Funding Review and potential pressures arising as a result of new responsibilities will impact upon the Council's budget. At the point that further information is known it will be incorporated into future reports to Councillors.
5. That the General Fund revenue outturn position for 2017-2018 was a net underspend of £781,000 (-0.35%) against the net budget requirement of £222.6 million, after meeting the net cost of redundancy and pension strain, after the use of capital receipt flexibility and, contributions to essential specific reserves, as reported to Cabinet at this meeting in the Revenue Budget Outturn 2017-2018 report.
6. That whilst the positive General Fund outturn position during 2017-2018, and the resulting adjustments to reserves, will help to support the Council's short term financial position, it does not address the challenging financial position that the Council finds itself in over the medium term; as detailed in this report.
7. That the Council's General Fund Balance remains at £10.0 million; the minimum balance as determined in the Council's approved Reserves and Balances Policy. Emphasis therefore continues to be placed on identifying budget reductions and income generation proposals to meet the projected budget deficit over the medium term.
8. That the 2019-2020 budget timetable will, as in previous years, include an updated report presented to Cabinet in October 2018 detailing budget reduction and income generation proposals that will be subject to formal budget consultation during October – December 2018. Further to this, an update on all budget assumptions and the Provisional Local Government Settlement will be presented to Cabinet by January 2019, with the final budget report due to be approved by Full Council in March 2019.

1.0 Purpose

- 1.1 The purpose of this report is to provide Councillors with an update on progress towards identifying additional budget reduction proposals in order to address the projected £19.5 million budget deficit for 2019-2020.
- 1.2 This is the first report of the financial year on the Draft Budget and the Medium Term Financial Strategy (MTFS) for the period to 2019-2020.

2.0 Background and Summary

- 2.1 The 2018-2019 Budget and Medium Term Financial Strategy (MTFS) 2018-2019 to 2019-2020 was presented to Full Council for approval on 7 March 2018. The Council was able to set a balanced budget for 2018-2019 without the use of General Fund reserves. However, it was projected that the Council would be faced with finding further estimated budget reductions totalling £19.5 million by 2019-2020.
- 2.2 It is important to note that the updated projected budget deficit assumes the achievement of budget reduction and financial transaction proposals amounting to £28.3 million over the two-year period from 2018-2019 to 2019-2020.
- 2.3 In March 2018, Full Council approved that work started immediately to identify budget reductions to deliver the £19.5 million projected budget deficit in 2019-2020, with an update on progress to be reported to Cabinet in July 2018.
- 2.4 It should be noted that due to external factors, budget assumptions remain subject to change. This could therefore result in alterations to the financial position faced by the Council.
- 2.5 Since the 2018-2019 budget was set, work has been ongoing across the Council to identify opportunities and cross-cutting strategies to support the budget strategy for 2019-2020.
- 2.6 This report provides an update on progress, proposes a high-level budget strategy for 2019-2020 and details the pressures that the Council currently faces.

3.0 Budget Strategy 2019-2020 and the medium term

- 3.1 The Council's strategic approach to address the budget deficit continues to be to align resources to the Council's Corporate Plan 2016-2019.
- 3.2 The Council will soon be undertaking a review of the Corporate Plan 2016-2019 and will be developing the Council's Corporate Plan 2020-2025. Over the medium term, resources will continue to be aligned to enable the realisation of the Council's core objectives of achieving:

- a Stronger Economy to provide inclusive growth,
- Stronger Communities to build resilience,
- a Stronger Organisation focused on organisational development.

- 3.3 Investment in the future is essential to achieve the Council's Corporate Plan and also the City Vision.
- 3.4 Since the 2018-2019 budget was set in March 2018, work has been ongoing to identify a high-level strategy to address the projected budget challenge of £19.5 million for 2019-2020.
- 3.5 The various opportunities, as detailed in the paragraphs below, may in some instances require further analysis and consideration which will take place between July and October 2018, prior to being incorporated into the Draft Budget and Medium Term Financial Strategy 2019-2020 report which will be presented to Cabinet for approval in October 2018.

One-off funding streams

- 3.6 Following the positive General Fund revenue outturn position for 2017-2018, as reported to Cabinet at this meeting in the Revenue Outturn 2017-2018 report, it is proposed that one-off funds in the region of £1.5 million be released from Corporate earmarked reserves in 2019-2020 to support the Budget and MTFs.
- 3.7 In addition to this, it is proposed that one-off funds totalling £500,000 be released from the Job Evaluation reserve in 2019-2020. This reserve was created to fund legal costs associated with Job Evaluation. A review of the anticipated future costs indicates that this reserve can be reduced.
- 3.8 It is also anticipated that treasury budget adjustments, capital receipts and PFI re-financing could generate funds in the region of £2 million to support the budget strategy in 2019-2020. As previously reported to Cabinet, the Government allowed councils to use new capital receipts from April 2016 to March 2022 to pay for transformation work that is designed to make revenue savings. Further exploratory work is currently being undertaken and an update will be provided to Cabinet in October 2018.
- 3.9 A recent ruling by the European Court of Justice has raised the possibility of avoiding the need to charge VAT on some activities for which the Council currently charge the standard 20%. It is anticipated that the Council has overpaid VAT of £2.0 million from July 2007 to March 2018. Partners have been engaged to lodge a claim on behalf of the Council, and it is anticipated that the outcome should be known during this financial year.

Council Tax

- 3.10 In the provisional settlement for 2018-2019, the Government announced a change to the referendum limit on Council Tax increases in 2018-2019 and 2019-2020 from 1.99% to 2.99%. This would therefore enable the Council to increase Council Tax by a maximum of 4.99% in 2019-2020; the sum of 2.99% Council Tax increase plus a 2% adult social care precept.

- 3.11 The Budget and MTFS 2018-2019 to 2019-2020 approved by Full Council on 7 March 2018 assumes an increase in Council Tax of 1.99%, in addition to the Government's social care precept of 2%, totalling 3.99% for 2019-2020. Taking into account the change in the referendum limit, it is proposed that consideration be given to increasing Council Tax by a further 1% in 2019-2020 to 2.99% as part of the 2019-2020 budget consultation process. It is forecast that additional funds in the region of £1.6 million could be realised in 2019-2020, if Council Tax were to be raised by an additional 1% and an increase in the council tax base was achieved following the delivery of new homes. The additional funds generated would support the delivery of key services.

Realisation of Benefits from Existing Strategies

- 3.12 It is anticipated that a number of existing strategies will realise further benefits that have not been incorporated into the MTFS. The Digital and Customer Services Transformation Programme and the Corporate Admin Review are some of the key transformational projects that are gaining momentum and will enable greater transformation of the organisation and the platforms upon which services are delivered to customers. Further work will be undertaken to assess the impact of benefits realisation and assumptions made in the MTFS, however at this stage it is projected that additional budget reductions in the region of £1.4 million will be realised.
- 3.13 Negotiations are currently underway with the Clinical Commissioning Group regarding the Better Care Fund for 2018-2019. It is proposed that income in the region of £1.7 million be built into the 2019-2020 budget strategy as it is projected this level of additional income will be received in 2019-2020, following previous years' negotiations on the Better Care Fund.

Directorate Budget Reduction Targets

- 3.14 Following the positive General Fund revenue outturn position for 2017-2018, it is proposed that proactive financial management across the Council is encouraged to identify efficiencies and mitigating actions to achieve underspends in 2018-2019.
- 3.15 In addition to this, it is proposed that Directorates be allocated budget reduction targets for 2019-2020, as detailed in the table below.
- 3.16 Directorates will continue to further develop and identify new budget reduction and income generation proposals between July and October 2018 towards the directorate level budget reduction targets for 2019-2020, in order to ensure that a balanced budget can be set in 2019-2020.
- 3.17 Progress on the development of budget reduction and income generation proposals will be reported to Cabinet in October 2018 for approval to proceed to the formal consultation stage of the budget process.
- 3.18 The overall impact of the revisions to the 2019-2020 draft budget, arising as a result of the items detailed in the paragraphs above, have been reflected in Table 1 below.

Table 1 – Budget Strategy 2019-2020

	2019-2020 £000
Projected Budget Challenge as approved by Council, March 2018	19,463
Council Tax	(1,600)
One-off funding streams	
Use of Corporate Reserves	(1,500)
Reduction in Job Evaluation Reserve	(500)
Additional Treasury Budget Adjustments/Capital Receipts	(2,000)
VAT Refund	(2,000)
Realisation of benefits from existing strategies	(1,400)
Recognise income for Adult Social Care from the Better Care Fund	(1,700)
High level targets to be issued to Directorates	
Corporate	(1,500)
People	(2,000)
Place	(2,000)
Projected Budget Challenge as at July 2018	3,263

3.19 Cabinet approval is therefore sought to incorporate the high-level budget strategy for 2019-2020, including directorate level budget reduction targets, into the Draft Budget and Medium Term Financial Strategy 2019-2020, to be reported to Cabinet in October 2018. This report will also seek approval to proceed to the formal consultation stage of the budget process.

3.20 Further options will also be explored between July and October 2018 to address the updated projected budget deficit of £3.3 million for 2019-2020 based on the Council's high level strategy.

4.0 Update on Key Factors for 2018-2019

4.1 The assumptions used in the preparation of the budget and Medium Term Financial Strategy (MTFS) remain under constant review and update.

4.2 The 2018-2019 budget includes previously approved budget reductions totalling £24.5 million. The achievement of these budget reductions is monitored throughout the financial year during the revenue budget monitoring process, with updates provided to Cabinet (Resources) Panel quarterly on the forecast outturn by service.

- 4.3 At the time of writing, emerging pressures within the Looked After Children, Visitor Economy and Corporate Landlord services, following overspends in 2017-2018 as reported to Cabinet at this meeting in the Revenue Outturn 2017-2018 report, are being kept under review. Service areas will focus on identifying ways to mitigate any pressures that arise.
- 4.4 In addition to this, on 2 February 2018 the Ministry of Housing, Communities and Local Government issued new Statutory Guidance on Local Government Investments and Minimum Revenue Provision (MRP). The majority of the guidance on MRP is effective from 1 April 2019, however the guidance is currently under review to any necessary changes to the Council's strategies.
- 4.5 In March 2018, following the approval of the Council's 2018-2019 budget, the Government announced that they had identified an issue in the calculation of Business Rates S31 grant within the NNDR1 return for business rate retention pilot authorities, including the City of Wolverhampton. The error in the calculation meant that local authorities were anticipating greater levels of S31 grant income than will actually be received in 2018-2019. Therefore, a budget pressure in the region of £690,000 will be recognised in the revenue budget monitoring for 2018-2019, however mitigating actions will be considered.

5.0 Future Uncertainties

- 5.1 As reported to Cabinet on 20 February 2018, it is important to note that there continues to be a considerable amount of uncertainty with regards to future funding streams for local authorities particularly regarding 2020-2021 onwards. The Comprehensive Spending Review 2020, the Fair Funding Review and potential pressures arising as a result of new responsibilities will all impact upon the Council's budget.
- 5.2 On 30 May 2018, the Government released a briefing paper which provided an update on business rates retention, the Government's proposals for changes to the local government finance system and the Fair Funding Review.
- 5.3 The briefing paper indicated that the Fair Funding Review will be implemented on 1 April 2020. It is anticipated that a series of technical consultations will be published mid-2018, with broad outlines of the new system available by winter 2018. Indicative numbers, comprising of individual local authority allocations following implementation are expected to be made available by summer 2019, with final numbers available later that year.
- 5.4 In addition to this, it was recently announced that the Government have delayed the publication of the Adult Social Care Green Paper until autumn 2018 so that it can be integrated with the new NHS plan, further adding to the uncertainty faced by the Council.

6.0 General Fund Outturn and General Balances

- 6.1 The General Fund revenue outturn position for 2017-2018 was a net underspend of £781,000 (-0.35%) against the net budget requirement of £222.6 million, after meeting the net cost of redundancy and pension strain, after the use of capital receipt flexibility and contributions to essential earmarked reserves, as reported to Cabinet at this meeting in the Revenue Budget Outturn 2017-2018 report.
- 6.2 The positive General Fund outturn position for 2017-2018, and the resulting adjustments to reserves, will help to support the Council's short term financial position, it is important to note that it does not address the challenging financial position that the Council finds itself in over the medium term; as detailed in this report.
- 6.3 An element of the underspend arising within the 2017-2018 General Fund outturn is already factored into the Council's Medium Term Financial Strategy; in some cases budget reduction proposals have been achieved earlier than anticipated. Nevertheless, a comprehensive review of all services will be undertaken following the positive 2017-2018 General Fund outturn position to challenge areas of underspend and to identify any new budget reduction or income generation opportunities. Any budget reductions arising as a result of this review will be incorporated into the Draft Budget and Medium Term Financial Strategy report due to be presented to Cabinet in October 2018.
- 6.4 The Council's General Fund Balance remains at £10.0 million; the minimum balance as determined in the Council's approved Reserves and Balances Policy. Emphasis therefore continues to be placed on identifying budget reductions and income generation proposals to meet the projected budget deficit over the medium term.

7.0 Budget Risk Management and Timetable

- 7.1 A summary of the 2019-2020 budget setting process timetable is detailed in the table overleaf:

Table 2 – Budget Timetable

Report to Cabinet	11 July 2018
Intensive work to develop proposals	July – October 2018
Draft Budget and Medium Term Financial Strategy (MTFS) 2019-2020 report to Cabinet	17 October 2018
Formal Budget Consultation	19 October – 31 December 2018
Report to Cabinet (Resources) Panel following the Local Government Financial Settlement	15 January 2019
Final Budget Report 2019-2020 to Cabinet	20 February 2019
Full Council Approval of Final Budget 2019-2020	6 March 2019

7.2 The overall level of risk associated with the Draft Budget and Medium Term Financial Strategy (MTFS) 2018-2019 to 2019-2020 is assessed as Amber. The following table provides a summary of the risks associated with the MTFS, using the corporate risk management methodology.

Table 3 - General Fund Budget Risks 2018-2019 – 2019-2020

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

8.0 Evaluation of alternative options:

- 8.1 In determining the proposed high level budget strategy for 2019-2020, consideration has been made to the deliverability of budget reduction and income generation proposals and budget pressures. If we were to not implement the budget strategy as proposed in this report, alternative options would need to be identified in order for the Council to set a balanced budget in 2019-2020. This may therefore potentially impact upon service provision.

9.0 Reasons for decisions

- 9.1 It is recommended that the high-level budget strategy for 2019-2020, including directorate level budget reduction targets, is approved by Cabinet for further development between July and October 2018. Cabinet will be provided with an update on progress in the Draft Budget and Medium Term Financial Strategy 2019-2020 report which will be presented to Cabinet in October 2018. In approving this strategy, the Council will be working towards identifying options to be able to set a balanced budget for 2019-2020.

10.0 Financial Implications

- 10.1 The financial implications are discussed in the body of the report.
[MH/02072018/Y]

11.0 Legal Implications

- 11.1 The Council's revenue budgets make assumptions which must be based on realistic projections about available resources, the costs of pay, inflation and service priorities and the likelihood of achieving any budget reduction proposals.
- 11.2 The legal duty to spend with propriety falls under S.151 Local Government Act 1972 and arrangements for proper administration of their affairs is secured by the S.151 Officer as Chief Financial Officer.
- 11.3 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to the Council when it is making the statutory calculations required to determine its Council Tax. The Council is required to take this report into account when making its budget decision. The Chief Financial Officer's report must deal with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides. Both are connected with matters of risk and uncertainty. They are inter-dependent and need to be considered together. In particular, decisions on the appropriate level of Reserves should be guided by advice based upon an assessment of all the circumstances considered likely to affect the Council.
- 11.4 The relevant guidance concerning reserves is Local Authority Accounting Panel Bulletin 77, issued by CIPFA in November 2008. Whilst the Bulletin does not prescribe an appropriate level of reserves, leaving this to the discretion of individual authorities, it does

set out a number of important principles in determining the adequacy of reserves. It emphasises that decisions on the level of reserves must be consistent with the Council's MTFs, and have regard to the level of risk in budget plans, and the Council's financial management arrangements (including strategies to address risk).

- 11.5 In addition, Section 114 of the Local Government Finance Act 1988 requires the Chief Financial Officer to '**...make a report ... if it appears to her that the Authority, a committee or officer of the Authority, or a joint committee on which the Authority is represented**':
- a. has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful,
 - b. has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or
 - c. is about to enter an item of account the entry of which is unlawful.
- 11.6 The Chief Financial Officer of a relevant Authority shall make a report under this section if it appears to her that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- 11.7 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirement for 2019-2020.
[TS/02072018/Q]

12.0 Equalities implications

- 12.1 The further development of the various budget reduction proposals for Cabinet's consideration in October will include an initial equalities screening for each proposal and, where necessary, a full equalities analysis. This will enable Councillors to pay due regard to the equalities impact of their budget decisions. The Council will publish the equalities analyses as part of its public consultation around the 2019-2020 budget.

13.0 Human resources implications

- 13.1 In line with the Council's statutory duties as an employer under the Trade Union Labour Relations (Consolidation) Act 1992, an HR1 form was issued to the Secretary of State for Business, Innovation and Skills identifying the intention to reduce employee numbers by up to 500 across the Council in the period 1 April 2018 up to 31 March 2019. These will be through both voluntary redundancy and budget reduction targets which could result in compulsory redundancies.
- 13.2 The numbers included in an HR1 include posts held by colleagues who, as part of business review, redesign and/or restructure, need to be included, as they will be placed at risk of redundancy. However, many of these employees will apply and be offered jobs in the new structure or elsewhere in the organisation and therefore the number of

employees leaving the authority is anticipated to be far fewer than the number declared on an HR1.

- 13.3 As part of the ongoing transformation of the Council, although many services are being, or will be, redesigned, it is not anticipated that as many employees will exit the organisation as in previous years. Changes to the make up of teams and alternative ways of working will require services to be restructured, but numbers will not reduce as significantly as they have done previously.
- 13.4 As detailed in the report, budgetary savings will be made through efficiencies with new and smarter ways of working and transformation initiatives. Income generation will also be key.
- 13.5 If any reductions in employee numbers are required, these will be achieved in line with the Council's HR policies. Compulsory redundancies will be mitigated as far as is possible through seeking voluntary redundancies in the first instance, and through access to redeployment.
- 13.6 The Council will ensure that appropriate support is made available to employees who are at risk of and selected for redundancy, and will work with partner and external agencies to provide support. Budget reduction targets to move service delivery from direct Council management to private, community or third sector providers may have implications under the TUPE regulations. If TUPE were to apply, appropriate consultation with relevant Trade Unions and affected employees, would take place.
- 13.7 There is on-going consultation with the trade unions on the impact of the Council's budgetary position and the targets being made to meet the challenges posed by it.

14.0 Schedule of Background Papers

Revenue Budget Outturn 2017-2018, report to Cabinet, 11 July 2018.

Reserves, Provisions and Balances 2017-2018, report to Cabinet, 11 July 2018.

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

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 July 2018
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Report title	Reserves, Provisions and Balances 2017-2018	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee(s)	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	Alison.Shannon@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	12 June 2018

Recommendations for decision:

The Cabinet is recommended to:

1. Approve the transfers (to)/from earmarked reserves, provisions and general balances as detailed in tables 2, 3 and 4.
2. Approve expenditure from provisions for their purposes as set out in Appendix 3 and 4, up to the value held in each provision as at 31 March 2018.
3. Approve the continuation of delegation of authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to allocate funds from the Budget Contingency Reserve, the Regeneration Reserve, the Efficiency Reserve, the Transformation Reserve, the Development Reserve, the Regional Work Reserve, the Enterprise Zone Business Rates Reserve, the Business Rates Equalisation Reserve, the Treasury Management Equalisation Reserve, the Pension Deficit Recovery Reserve and the Budget Strategy Reserve.

4. Delegate authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to allocate funds from the Highways Management Reserve.

Recommendations for noting:

The Cabinet is asked to note:

1. That the level of the Council's earmarked reserves, provisions and general balances as at 31 March 2018 and the purposes for which they are being held, as detailed in Appendix 1, 2, 3 and 4.
2. That the relevance and adequacy of earmarked reserves and general balances will be reviewed as required by the Constitution during the 2019-2020 budget setting process.
3. That the allocation of funding from all earmarked reserves will be reported to Cabinet (Resources) Panel in the scheduled quarterly budget monitoring reports.
4. That Confident Capable Council Scrutiny Panel will scrutinise the use of reserves as part of the budget setting process as in previous years.
5. That the Director of Finance considers that the overall level of all reserves, provisions and balances is sufficient to meet the likely level of obligations to be met from reserves, provisions and general balances in the short term.
6. That the positive General Fund outturn position during 2017-2018, and the resulting adjustments to reserves, will help to support the Council's short term financial position, enabling one-off investment to support transformation of the Council. However, it does not address the challenging financial position that the Council finds itself in over the medium term; namely identifying an additional £19.5 million of budget reduction and income generation proposals over the period of 2019-2020. Cabinet will be presented with a report at this meeting detailing the progress towards identifying £19.5 million of budget reduction and income generation proposals for 2019-2020.
7. That the figures quoted in the report are still subject to statutory audit by Grant Thornton UK LLP as part of the 2017-2018 accounts closedown process.

1.0 Purpose

- 1.1 The purpose of this report is to inform Cabinet of the Council's resources currently held as earmarked reserves, provisions and general balances as at 31 March 2018, taking account of the outturn position for 2017-2018.

2.0 Executive Summary

- 2.1 An analysis of the authority's general balances, earmarked (revenue) reserves and provisions at 31 March 2018 is provided in Table 1 below. This comprises of reserves, provisions and balances held for all funds including the General Fund, the Housing Revenue Account and Schools.

Table 1 – Balances, Reserves and Provisions as at 31 March 2017 and 31 March 2018

	Further details	Balance at 31 March 2017 £000	Transfer Out £000	Transfer To £000	Balance at 31 March 2018 £000
Total General Balances	Table 2	(15,000)	-	(2,000)	(17,000)
Total Earmarked Reserves	Table 3	(61,302)	22,804	(17,224)	(55,722)
Total Provisions	Table 4	(32,772)	10,996	(18,112)	(39,888)

- 2.2 Overall, during 2017-2018 there has been a increase of £3.5 million in the level of general balances, earmarked reserves and provisions. Full details of the movements against general balances, earmarked reserves and provisions are provided in the sections below.

3.0 Background

- 3.1 Earmarked reserves are made up of retained surpluses against previous years' revenue budgets, which are available to fund future expenditure. Some are required by law or accounting practice, whilst others represent amounts voluntarily set aside by the Council for specific purposes.
- 3.2 The definition of provisions is set out in financial reporting standards. They state that a provision should be established when:
- a. the Council has a present obligation as a result of a past event, and
 - b. there is significant uncertainty around the timing or amount of settlement of the obligation, but
 - c. a reliable estimate can be made of the likely cost to the Council.
- 3.3 These definitions are for accounting purposes. The important issue for the Council in looking forward is whether or not the earmarked reserves and provisions, taken together with the Council's general balances, are sufficient to meet the cost of fulfilling the obligations (past or future) for which these reserves and provisions were established. If those obligations have been met, it is good practice to release the reserve or provision. The funds released are then available for other uses.
- 3.4 Due to the projected financial challenges facing the Council over the medium term, combined with the budget risks, reserves should only be called on in very specific circumstances and are not a viable funding option to reduce the projected budget deficit over either the short or longer term.
- 3.5 The policy on the use of reserves was revised during the 2014-2015 budget process, and approved by Full Council in November 2013. The revised policy states:
1. Earmarked Reserves - to provide sufficient sums to meet known and estimated future liabilities and/or planned expenditure.
 2. General Fund Balance:
 1. To retain a minimum balance of £10.0 million at all times in order that sufficient sums are available to address the significant budget risks that face the authority should they materialise.
 2. This actual balance may however be lower than the £10.0 million where the use of these balances is the only option to fund significant costs associated with downsizing the workforce, in order to deliver significant on-going savings. These balances should however be replenished to the minimum level of £10.0 million within a maximum of two financial years.

3. Can only be used following the agreement of Full Council having first been considered by the Cabinet Member for Resources in consultation with Cabinet colleagues and then by Cabinet (Resources) Panel and only in the following circumstances:
 - a. To fund one-off exceptional/extraordinary items of expenditure where such expenditure cannot be contained within existing budgets or by calling on earmarked reserves and/or provisions.
 - b. To smooth the impact of a significant projected medium term budget deficit, where robust plans to address that deficit will take time to approve and implement.
 - c. To fund Invest to save or income generating initiatives where there are insufficient sums held within the Efficiency Reserve to fund the initiative and there is a payback within a reasonable period of time.

4.0 General Balances

- 4.1 The Council maintains a number of general balances created by retained surpluses in this year and past years, as detailed in the table below.

Table 2 – General Balances at 31 March 2017 and 31 March 2018

	Balance at 31 March 2017 £000	Movement of Balances in 2017-2018 £000	Balance at 31 March 2018 £000
General Fund Balance	(10,000)	-	(10,000)
Housing Revenue Account Balance	(5,000)	(2,000)	(7,000)
Total Balances	(15,000)	(2,000)	(17,000)

- 4.2 General balances, unlike earmarked reserves, are funds that are generally available and not earmarked for a specific purpose although the individual funds (General Fund and Housing Revenue Account) are ring-fenced.
- 4.3 The positive General Fund outturn position during 2017-2018, and the resulting adjustments to reserves, will help to support the Council's short term financial position enabling one-off investment to support transformation of the Council. It does not, however, address the challenging financial position that the Council finds itself in over the medium term; namely identifying an additional £19.5 million of budget reduction and income generation proposals over the period to 2019-2020. Cabinet will be presented

with a report at this meeting detailing the progress towards identifying £19.5 million of budget reduction and income regeneration proposals for 2019-2020.

- 4.4 The General Fund Balance remains at £10.0 million as at 31 March 2018. This is the minimum balance as determined by the Council's policy on reserves and balances.
- 4.5 The Housing Revenue Account (HRA) Balance has been accumulated from net surpluses against HRA budgets in previous years. This balance is only available to fund expenditure against the HRA budget. The HRA Balance has increased by £2.0 million to £7.0 million as at 31 March 2018. The increase of £2.0 million was in context of likely impact of welfare reform on income collection.

5.0 Earmarked revenue reserves

- 5.1 In addition to general balances, the Council also holds a number of earmarked reserves. An analysis of the authority's earmarked reserves at 31 March 2018 is provided in the Table 3 below. Further detail by individual reserves is shown in Appendix 1 for Council earmarked reserves and Appendix 2 for other earmarked reserves that are administered by the Council but have specific criteria for allocation.

Table 3 – Earmarked Reserves by Directorates

	Balance at 31 March 2017 £000	Transfer Out £000	Transfer To £000	Balance at 31 March 2018 £000
<i>Earmarked Reserves</i>				
People	(1,721)	1,476	(1,737)	(1,982)
Place	(3,675)	2,431	(687)	(1,931)
Corporate Services (including Education)	(260)	310	(50)	-
Corporate Budgets	(40,699)	13,179	(9,424)	(36,944)
<i>Other Earmarked Reserves with Specific Criteria</i>				
People	(172)	149	(5)	(28)
Place	(1,566)	22	(503)	(2,047)
Corporate Services (including Education)	(2,298)	-	(1,037)	(3,335)
Corporate Budgets	(4,217)	-	(130)	(4,347)
Schools' Balances	(6,694)	5,237	(3,651)	(5,108)
Total Specific Reserves	(61,302)	22,804	(17,224)	(55,722)

- 5.2 As part of the 2018-2019 budget process all earmarked reserves were once again reviewed for relevance and adequacy by Strategic Finance in conjunction with Budget Managers. The earmarked reserves were also reviewed by Confident, Capable Council Scrutiny Panel Specific Reserves Working Group on 8 December 2017 for appropriateness. In response to feedback from the Working Group, and agreement of the Director of Finance, a number of reserve transfers were actioned during the 2017-2018 closedown process to rationalise and to ensure that reserves no longer required for their original purpose were consolidated to support future projects. Further details of these transfers is included in individual reserves in Appendix 1 and 2.
- 5.3 Schools' Balances (including balances held by Pupil Referral Units) are accumulated from underspends against school budgets in past years. This sum is only available to fund expenditure against schools' delegated budgets. It should be noted that the balance at 31 March 2017 included balances from schools which have subsequently converted to an academy during 2017-2018 but were local authority maintained schools at 31 March 2017. In the instance that a school holds a surplus balance at the point it converts to an academy, the surplus balance is transferred to the academy.
- 5.4 There has been a net reduction to earmarked reserves totalling £5.6 million, as shown in more detail at Appendix 1 and 2.
- 5.5 As a result of the positive General Fund outturn position for 2017-2018, as reported to Cabinet at this meeting in the Revenue Budget Outturn 2017-2018 report, the Council underspent by £781,000. It is therefore proposed that £781,000 is transferred into Pension Deficit Recovery Reserve. The earmarked reserves detailed in Appendix 1 reflect this proposal, which Cabinet is recommended to approve.
- 5.6 Earmarked reserves will be reviewed as part of the revenue budget monitoring process throughout 2018-2019, as required within the Constitution. Any proposed adjustments to earmarked revenue reserves will be reported to Cabinet (Resources) Panel for approval. In addition to this, a fundamental review of all earmarked reserves will be undertaken during 2018-2019 to rationalise earmarked reserves where appropriate.
- 5.7 Furthermore, the Confident Capable Council Scrutiny Panel will scrutinise the use of reserves as part of the 2019-2020 budget setting process, as in previous years.

6.0 Provisions

- 6.1 An analysis of the authority's provisions, which is a liability that the Council is aware of but the amount and timing of the liability is uncertain, as at 31 March 2018 is provided in the table below and is shown in more detail by individual provision in Appendix 3 and 4.

Table 4 – Provisions as at 31 March 2017 and 31 March 2018

	Balance at 31 March 2017 £000	Transfer Out £000	Transfer To £000	Balance at 31 March 2018 £000
Provisions for Bad & Doubtful Debts	(21,458)	4,460	(8,206)	(25,204)
Other Provisions	(11,314)	6,536	(9,906)	(14,684)
Total	(32,772)	10,996	(18,112)	(39,888)

7.0 Adequacy

- 7.1 In accordance with the provisions of the Local Government Act 2003 (Section 25), the Director of Finance is required to report on the adequacy of the proposed reserves. The Director of Finance considers that the overall level of all reserves, provisions and balances is sufficient to meet the likely level of obligations to be met from reserves, provisions and general balances in the short term.
- 7.2 It is important to note that many of the changes to earmarked reserves detailed within this report, which have arisen from the positive General Fund outturn position in 2017-2018, will help to support the Council's short term financial position. This does not, however, address the challenging financial position that the Council finds itself in over the medium term; namely identifying an additional £19.5 million of budget reductions and income generation proposals by 2019-2020.
- 7.3 Work continues to identify budget reduction and income generation proposals to address the projected budget deficit faced by the Council over the medium term and progress will be reported to Cabinet at this meeting in the Draft Budget and Medium Term Financial Strategy 2019-2020 report.

8.0 Evaluation of alternative options

- 8.1 The write-offs and use of reserve requests requiring the approval of Cabinet are all considered to be prudent in the opinion of the Director of Finance and the Cabinet Member for Resources.

9.0 Reason for decisions

- 9.1 Contribution to and from reserves requires the approval from Cabinet (Resources) Panel. The reserve amendments detailed in this report are all considered to be prudent in the opinion of the Director of Finance and the Cabinet Member for Resources.

10.0 Financial Implications

10.1 The financial implications are discussed in the body of the report.
[MH2/28062018/T]

11.0 Legal Implications

11.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.
[TS/29062018/Q]

12.0 Equality Implications

12.1 This report has no direct equality implications. However, any consideration given to the use of reserves, provisions or balances could have direct or indirect equality implications. These will need to be considered as and when sums are allocated from reserves and/or balances whereby an initial screening will be conducted.

13.0 Environmental Implications

13.1 This report has no direct implications for the Council's environmental policies. However, any consideration given to the use of reserves and/or balances could have direct or indirect environmental implications. These will need to be considered as and when sums are allocated from reserves, provisions or balances.

14.0 Background Papers

Draft Budget and Medium Term Financial Strategy 2019-2020, report to Cabinet, 11 July 2018.

Revenue Budget Outturn 2017-2018, report to Cabinet, 11 July 2018.

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

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Earmarked Reserves by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
People					
Youth Cafe Reserve	This reserve was originally established to fund running costs of the Youth Café and Youth Council rent and activities for young persons through to 2017-2018. Following a review of reserves during 2017-2018, it has been determined that this specific reserve is no longer appropriate. The remaining balance has been transferred to the Budget Contingency Reserve in 2017-2018. In the event that any dilapidation costs arise at the end of the Youth Café lease, approval will be sought to apply reserves if necessary.	(235)	235	-	-
Youth Offending IT Reserve	This reserve was originally established to fund the Youth Offending Team migration onto Childview - a new bespoke upgraded database. This work has been completed and therefore the remaining balance is no longer required. The remaining balance has been transferred to the Budget Contingency Reserve.	(20)	20	-	-
Building Resilience Reserve	To continue activities under the Preventing Violent Extremism work stream.	(4)	-	-	(4)

Earmarked Reserves by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
People					
Safeguarding – Adults Board	To fund the Adults Board expenditure in future years. This reserve is made up of contributions from our partners (Police, CCG, Probation and Prospects) to support the running costs of the Adults Board in future years.	(74)	21	(88)	(141)
Inclusion Support Reserve	This reserve was originally established to provide a contingency should the level of schools traded service decrease in the future. A review concluded that the level of work was not sufficient to warrant a specific reserve and therefore the remaining balance has been transferred to the Transformation Reserve.	(230)	230	-	-
MASH – Assessment Team	This reserve was established to fund the creation of a social work assessments and analysis team in the MASH for one year only. The team did both interrogate new referrals for child in need assessments, completed and resolved these, and transferred cases to social work units where longer term work was identified. This has ensured that referrals are dealt with quicker and area	(406)	406	-	-

Earmarked Reserves by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
People					
	teams were able to concentrate on longer-term quality casework and this reduce the number of re-referrals.				
Early Intervention Programme (EIP) – 4 x Strengthening Family Workers	This reserve was established to fund the creation of four additional FTE's Strengthening Families Support Workers. The posts will assist with dealing with the increased caseloads within the Locality Teams that have arisen as part of the Children's Re-design.	(132)	82	-	(50)
Adults Social Care Reserve	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 to Adult Social Care. Due to 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.	-	-	(1,299)	(1,299)

Earmarked Reserves by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
People					
Public Health	This reserve was established to fund one-off public health initiatives including improving health through improving private sector housing.	(337)	199	(350)	(488)
Public Health - Health Protection and Sexual Health	This reserve was established to support the implementation of new sexual health services for Wolverhampton and to initiate new ways of engaging and protecting vulnerable groups from infectious diseases. Following a review of reserves during 2017-2018 this specific reserve is no longer required. The remaining balance has been transferred to Public Health reserve.	(250)	250	-	-
Public Health - Year 2 Transformation Fund	This reserve was established to support the final year of two Transformational projects approved through Health & Wellbeing Board. Following a review of reserves during 2017-2018 this specific reserve is no longer required. The remaining balance has been transferred to the Public Health reserve.	(33)	33	-	-
People Total		(1,721)	1,476	(1,737)	(1,982)

Earmarked Reserves by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
Place					
HRA Homelessness	Available to support initiatives that work to prevent homelessness. This reserve was set up due to the uncertain future of the grant.	(115)	129	(169)	(155)
Cemeteries and Crematorium Reserve	This reserve was originally established to fund the replacement and repair of memorials in the event of damage through theft or adverse weather. No such incidents have taken place as yet to warrant the use of the reserve. Following a review of reserves during 2017-2018, it has been determined that any emerging pressures can be better managed through the use of Budget Contingency Reserve. The remaining balance has been transferred to the Budget Contingency Reserve.	(524)	524	-	-
Energy Efficiency Reserve	This reserve was originally established to fund major repairs and/or refurbishment to supplement capital budgets targeted at energy efficiency measures. Following a review of reserves during 2017-2018 this specific reserve is no longer appropriate.	(732)	756	(24)	-

Earmarked Reserves by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
Place					
	The remaining balance has been transferred to the Efficiency Reserve.				
Art Gallery Touring Exhibitions Reserve	To support the costs of touring exhibitions. The reserve has been built up from net income generated in previous tours.	(9)	-	-	(9)
Kickstart Loans	Recycling of funds secured following the repayment of Kickstart Loans into assistance for private sector housing improvements.	(72)	-	-	(72)
Regeneration Reserve	To fund projects in support of corporate regeneration priorities and maintaining the city centre development.	(1,535)	517	(494)	(1,512)
Schools Arts Service Reserve	Funds to support arts projects in schools.	(74)	32	-	(42)
Showell Road Travellers Site - Residents Deposits Reserve	Deposits from new tenants of sites managed by the City of Wolverhampton Council. The deposits are refundable when tenants leave or they are used to offset arrears or to pay for any damage. Following a review of reserves during 2017-2018 this specific reserve is no longer appropriate. The	(5)	5	-	-

Earmarked Reserves by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
Place					
	remaining balance has been transferred to the Budget Contingency Reserve.				
Library Equipment	For the purchase of equipment for libraries.	(104)	85	-	(19)
Local Growth Fund Transport	Sum set aside to meet the costs that may arise should capital funded development not realise a capital asset.	(122)	-	-	(122)
Catering - Trading Days	This reserve was originally established to support the Catering service in years of less than average trading days. Following a review of reserves during 2017-2018 this reserve is no longer required. The remaining balance has been transferred to the Budget Contingency Reserve.	(80)	80	-	-
HRA Strategy Reserve	This reserve was established to pay for void council tax relating to 2016-2017 but charged in 2017-2018.	(303)	303	-	-
Place Total		(3,675)	2,431	(687)	(1,931)

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017	Transfer Out	Transfer In	Balance at 31 March 2018
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Earmarked Reserves by Directorates

		£000			£000
Corporate Services and Education					
Apprenticeship Scheme Reserve	There is a General Fund budget earmarked for apprentice posts. The Reserve is intended to provide for temporary expansions of the apprenticeship scheme beyond the budgeted level in a given year. Appropriate budget provision has been made for apprentices and therefore this reserve is no longer required. The remaining balance has been transferred to the Transformation Reserve.	(260)	310	(50)	-
Corporate Services and Education Total		(260)	310	(50)	-

Earmarked Reserves by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
Corporate					
Budget Contingency Reserve	Available to address in-year budget pressures that cannot be addressed from within existing service budgets. Funds in this reserve will support risks associated with the budget, including but not limited to the delivery of challenging budget reduction targets.	(5,634)	4,079	(1,861)	(3,416)
Efficiency Reserve	Available to allow pump priming and investment in new developments, where the main aim is to generate efficiencies in the future as supported by a fully costed business case. These business cases are considered by the Strategic Executive Board and decisions are reported to Councillors as part of the quarterly financial monitoring and reporting arrangements.	(6,758)	1,405	(756)	(6,109)
Transformation Reserve	To progress the 3Cs Transformation Strategy and ultimately deliver greater efficiencies.	(1,470)	361	(540)	(1,649)
FutureWorks Reserve	This amount has been set aside to part fund costs arising from the Council's FutureWorks Programme.	(615)	264	-	(351)

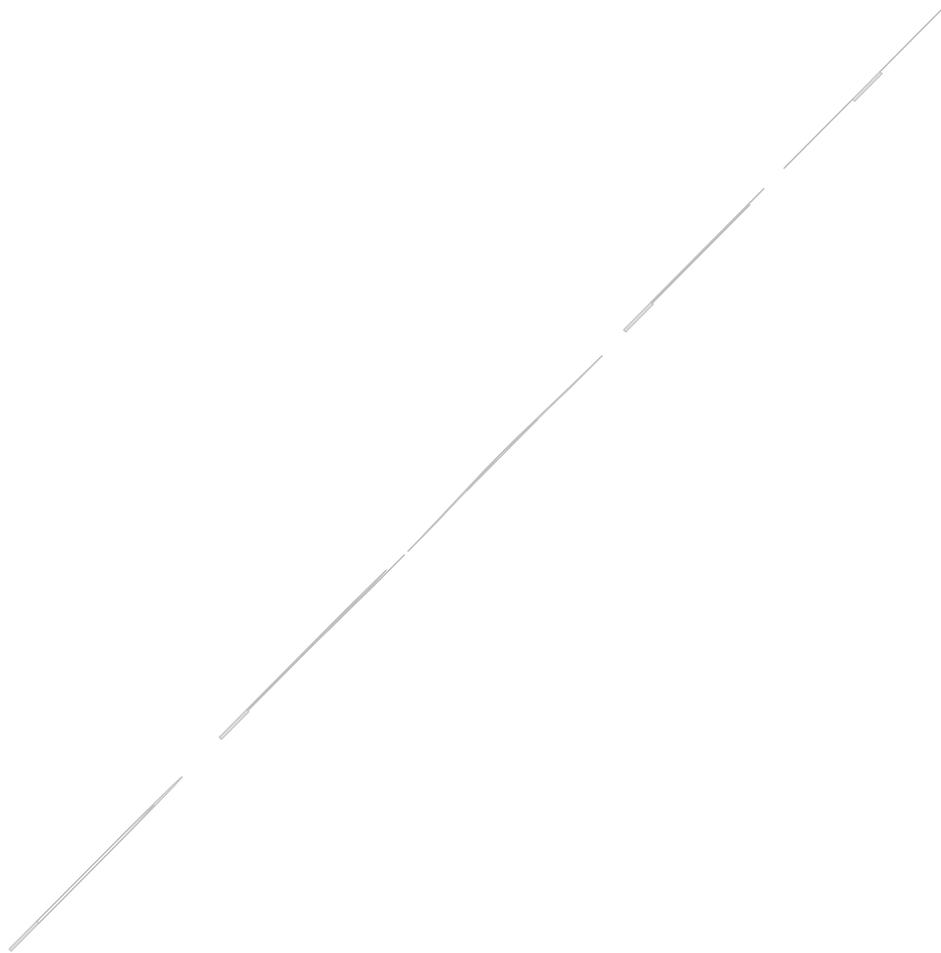
Earmarked Reserves by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
Corporate					
Job Evaluation Reserve	To assist with the funding of the implementation of new pay scales arising from job evaluation, in addition to equal pay costs that cannot be charged to the provision.	(2,131)	431	-	(1,700)
Local Strategic Partnership Reserve	The Council's unspent share of LPSA reward grant received in 2010-2011. This funding is used to support the delivery of activities recommended by the Skills Commission.	(11)	-	-	(11)
Development Reserve	To fund feasibility works.	(500)	-	-	(500)
Regional Work Reserve	Available to fund and support regional initiatives.	(963)	253	-	(710)
Enterprise Zone Business Rates Equalisation Reserve	To equalise the fluctuation in business rates receipts within the Enterprise Zone.	(669)	-	-	(669)
Business Rates Equalisation Reserve	To equalise the impact of the fluctuation in business rates on the Council's General Fund arising as a result of revaluations and appeals.	(2,886)	2,886	(2,123)	(2,123)

Earmarked Reserves by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
Corporate					
Treasury Management Equalisation Reserve	To support the revenue costs associated with rephasing in the Capital Programme.	(3,456)	-	(900)	(4,356)
Budget Strategy Reserve	Funds available to address reorganisation costs as a result of the financial challenges faced by the Council over the medium term.	(12,569)	3,500	-	(9,069)
Pension Deficit Recovery Reserve	This reserve was established to make further pension contributions towards the past service deficit in order to reduce the total costs and secure on-going budget reductions. This will support the budget challenge that the Council will face in future years. During 2017-2018 a further £2.4 million was transferred into this reserve to fund the £5.5 million advanced payment processed during 2017-2018. The General Fund underspend was also transferred to this reserve to ensure sufficient funds are available for future projects.	(3,037)	-	(3,244)	(6,281)
Corporate Total		(40,699)	13,179	(9,424)	(36,944)
Council Earmarked Reserves Total		(46,355)	17,396	(11,898)	(40,857)

Earmarked Reserves by Directorates



Other Earmarked Reserves with Specific Criteria by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
People					
Voluntary Sector and Community Partnership Reserve	This reserve was originally established to support partnership activities approved by the Safer Wolverhampton Partnership and Wolverhampton Strategic Partnership. For example, strategic objectives around infrastructure projects, domestic violence and probation. Appropriate budget provision has been made and therefore this reserve is no longer required. The remaining balance has been transferred to the Budget Contingency Reserve.	(115)	115	-	-
Mary Ellen Bequest - Oxley Training Centre Reserve	Bequest available for use at the Oxley Training Centre.	(7)	-	-	(7)
Mediation Service	To provide a Mediation Service which is self-funded through annual contributions, mainly from Wolverhampton Homes and Cannock Chase District Council.	(12)	12	-	-
Community Safety	To assist the Safer Wolverhampton Partnership to deliver the Crime Reduction, Community Safety and Drugs Strategy 2014-17 and the Local Policing & Crime Plan 2016-17.	(38)	22	(5)	(21)
People Total		(172)	149	(5)	(28)

Other Earmarked Reserves with Specific Criteria by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
Place					
Building Control Service Improvements	Any surplus achieved on the Building Control Service is required to be reinvested back into the service.	(227)	22	-	(205)
Victoria Square Sinking Fund Reserve	Sums set aside for future maintenance costs at Victoria Square commercial units.	(14)	-	(3)	(17)
Magistrates Court Reserve	Sinking fund to meet future refurbishment costs for building occupied by Magistrates court.	(34)	-	-	(34)
Highway Management Reserve	Reinvestment of funds secured through bus lane enforcement into Highway Improvement. Draw down of this reserve is managed in accordance with legislative requirements.	(1,291)	-	(500)	(1,791)
Place Total		(1,566)	22	(503)	(2,047)

Other Earmarked Reserves with Specific Criteria by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
Corporate Services and Education					
Insurance Reserve	The Reserve is for unexpected insurance claim events that cannot be covered by Insurance Fund budgets. Insurance claims costs vary year to year and a contribution may be made to or from the Reserve dependent on the Fund outturn position.	(1,985)	-	(166)	(2,151)
Markets Reserve	To fund periodic repairs and maintenance at the wholesale market including, for example, internal and external redecoration. The Reserve has been established from market trader contributions (part of annual service charges).	(79)	-	(13)	(92)
Licensing Reserve	The Licensing service is not permitted to make a surplus over a three-year period. Against this background the Reserve is used to minimise variations in fees imposed as costs and license volumes fluctuate between years.	(209)	-	(845)	(1,054)

Other Earmarked Reserves with Specific Criteria by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
Corporate Services and Education					
Wholesale Market Sinking Fund	Established to fund specific major replacement and refurbishment projects at the wholesale market including, for example, plant and equipment replacement or a roof replacement. This Reserve has been established from market trader contributions (part of annual service charges).	(25)	-	(13)	(38)
Corporate Services and Education Total		(2,298)	-	(1,037)	(3,335)

Other Earmarked Reserves with Specific Criteria by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
Corporate					
Funds and Bequests Reserve	Trust funds administered by the authority with specific criteria for allocation.	(9)	-	-	(9)
Art Fund	Funds administered to support revenue expenditure against criteria defined by the bequest.	(33)	-	-	(33)
Revenue Grants Unapplied (IFRS) Reserve	Established in accordance with the principles of IFRS in relation to the recognition of grants and contributions in the council's accounts. Approvals for the use of actual grants are made during the year according to the council's constitution.	(4,173)	-	(130)	(4,303)
Mayors Award	Trust funds administered by the authority with specific criteria for allocation.	(2)	-	-	(2)
Grand Theatre Loop	Trust funds administered by the authority with specific criteria for allocation.	-	-	-	-
Corporate Total		(4,217)	-	(130)	(4,347)

Other Earmarked Reserves with Specific Criteria by Directorates

Earmarked Reserve	Description of Reserve	Balance at 31 March 2017 £000	Transfer Out	Transfer In	Balance at 31 March 2018 £000
School Balances					
Schools Balances	Held in accordance with the Scheme of Delegation for Schools.	(4,532)	5,129	(3,417)	(2,820)
Schools Balances - Clawback Reserve	Established from funds clawed back from schools with excess balances. The funds are to be redistributed to schools following a bidding process.	(85)	85	(59)	(59)
Pupil Referral Units Reserve	Held in accordance with the Scheme of Delegation for Pupil Referral Units (PRUs).	(2,077)	23	(175)	(2,229)
School Balances Total		(6,694)	5,237	(3,651)	(5,108)
Other Earmarked Reserves with Specific Criteria Total		(14,947)	5,408	(5,326)	(14,865)

Provision for Bad and Doubtful Debts

Provision	Description of Provision	Balance at 31 March 2017 £000	Transfer Out	Transfer to	Balance at 31 March 2018 £000
Provisions for Bad and Doubtful Debts					
Collection Fund	All bad and doubtful debt provisions are calculated by application of an established formula that takes account of the risk of not recovering debts owed to the Council using a combination of factors including age of debt.	(11,731)	3,509	(6,784)	(15,006)
General Fund Sundry Debtors		(7,870)	378	(727)	(8,219)
Housing Revenue Account		(1,858)	574	(695)	(1,979)
Provisions for Bad and Doubtful Debts Total		(21,458)	4,460	(8,206)	(25,204)

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Other Provisions

Balance at 31 March 2017 £000	Provision Name	Provision Details	Amounts Used in 2017-2018 £000	Provisions Made in 2017-2018 £000	Balance at 31 March 2018 £000
Other Provisions					
(2,500)	Capitalisation Risks	This provision is in respect of potential claims under equal pay legislation. It is currently uncertain when payments might need to be made, and the value of any such payments.	1,041	0	(1,459)
(2,303)	Insurance	The Council self-insures risks to property and assets up to a total aggregate limit of £1.0 million and its liability exposures up to a limit of £250,000 on any one occurrence above which limits the external insurance cover operates. The insurance provision of £2.3 million is in respect of the outstanding claims under the self-insurance programme covering the current and past years.	0	0	(2,303)
(139)	Termination Benefits	During 2017-2018, the Council continued to accept applications for voluntary redundancy. As a result of this initiative, there were a number of employees and former employees to whom termination benefits were due, but had not yet been made, at the end of the year.	139	(953)	(953)
(104)	Midlands Housing Consortium (MHC)	MHC was previously a member of the West Midlands Pension Fund. It paid a lump sum to the Council to support pension payments to fund members. This provision will reduce gradually over time as pension payments are made.	28	0	(77)
(106)	Housing Revenue Account	There are three separate provisions: for legal disrepair claims, for tenant management organisation expenditure and for rent bonds.	87	(1)	(20)
(6,183)	Outstanding NNDR appeals	The Collection Fund account requires a provision for appeals against the rateable valuation set by the	5,234	(6,435)	(7,383)

Other Provisions

Balance at 31 March 2017 £000	Provision Name	Provision Details	Amounts Used in 2017-2018 £000	Provisions Made in 2017-2018 £000	Balance at 31 March 2018 £000
Other Provisions					
		Valuation Office Agency (VOA) not settled as at 31 March 2018.			
0	Waste and Recycling	Court costs relating to the waste and recycling service.	0	(2,250)	(2,250)
0	Court Costs	Court costs relating to a case settled out of court.	0	(175)	(175)
20	Other	These are small amounts relating to ex-members of the pension fund and refunds of aftercare payments made by residents subsequently falling within Section 117 of the Mental Health Act 1983 and from whom charges are not due.	7	(91)	(64)
(11,314)		Total Other Provisions	6,536	(9,906)	(14,684)

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 July 2018
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Report title	Revenue Budget Outturn 2017-2018	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee(s)	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	Alison.Shannon@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	12 June 2018

Recommendation for decision:

The Cabinet is recommended to approve:

1. The net surplus after taxation of £74,000 of Yoo Recruit Limited to be retained by the company to enable further business development.
2. The write off of four non-domestic rates totalling £45,817.82 as detailed in Appendix 7 to this report.
3. The write off of three sundry debts totalling £35,792.68 as detailed in Appendix 8 to this report.
4. The write off of two council tax accounts totalling £11,600.09 as detailed in Appendix 9 to this report.
5. 27 virements totalling £5.6 million, for transfer within directorates, as detailed in Appendix 10 to this report.

Recommendations for noting:

The Cabinet is asked to note that:

1. The revenue outturn position for 2017-2018 for the General Fund; a net underspend of £781,000 (-0.35%) was achieved against the net budget requirement of £222.6 million, after meeting the net cost of redundancy and pension strain, after the use of capital receipt flexibility, and contributions to essential earmarked reserves.
2. Whilst the positive General Fund outturn position during 2017-2018, and the resulting adjustments to reserves, will help to support the Council's short term financial position, it does not address the challenging financial position that the Council finds itself in over the medium term; namely identifying an additional £19.5 million of budget reduction and income generation proposals over the period to 2019-2020. Cabinet will be presented with a report at this meeting detailing the progress towards identifying £19.5 million of budget reduction and income generation proposals for 2019-2020.
3. A comprehensive review of all services will be undertaken following the positive 2017-2018 General Fund outturn position to identify any new budget reduction or income generation opportunities; Cabinet will be provided with an update on progress in the October 2018 budget report.
4. The General Fund outturn position takes into account a number of proposed transfers to and from reserves and provisions for which approval is sought in the Reserves, Provisions and Balances 2017-2018 report to be presented at this meeting.
5. Schools which remain under the control of the City of Wolverhampton Council drew down a net £940,000 of their reserves during 2017-2018 and after adjusting for the balance attributable to academies, taking the total accumulated reserves to £6.9 million at 31 March 2018.
6. The Housing Revenue Account revenue outturn position for the year was a surplus before allocations of £23.6 million, compared to a budgeted surplus of £16.8 million.
7. The draft financial statements of Yoo Recruit Limited will be subject to external audit.
8. As a result of recruitment through Yoo Recruit Limited, the Council has been able to avoid fees which would otherwise have been incurred, including approximately £225,000 in relation to the permanent recruitment of individuals who had been previously employed on a temporary basis through the agency.
9. The Collection Fund outturned with a £13.0 million surplus during 2017-2018; this resulted in an overall deficit of £200,000 to be carried forward. In 2014-2015, as a result of the adverse outturn against the Collection Fund, primarily owing to the impact of appeals against Business Rates, over which the Council has no control, Cabinet approved the establishment of a Business Rates Equalisation reserve to equalise the impact of appeals on the Council. In the Reserves, Provisions and Balances report to be

presented to Cabinet at this meeting, approval is sought to increase that reserve in 2017-2018 to support the Council over the medium term.

10. 48 non-domestic rates accounts totalling £372,552.17 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
11. 1,403 council tax accounts totalling £278,262.58 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
12. 38 sundry debt accounts totalling £125,465.96 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
13. 18 housing benefit debt accounts totalling £4,819.72 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.

1.0 Purpose

- 1.1 The purpose of this report is to inform Cabinet of the Council's revenue outturn position for 2017-2018 compared with approved budgets and targets.

2.0 Executive Summary

- 2.1 Overall a net underspend of £781,000 (-0.35%) was achieved against the General Fund net budget requirement of £222.6 million, after meeting the net cost of redundancy and pension strain after the use of capital receipt flexibility, and contributions to essential earmarked reserves.
- 2.2 In the Reserves, Provisions and Balances 2017-2018 report to be considered at this meeting, it is proposed that the Council make a contribution of £781,000 to the Pension Fund Deficit Recovery Reserve as a result of the General Fund net underspend.
- 2.3 Whilst the positive General Fund outturn position during 2017-2018, and the resulting adjustments to reserves, will help to support the Council's short term financial position, it does not address the challenging financial position that the Council finds itself in over the medium term; namely identifying an additional £19.5 million of budget reduction and income generation proposals over the period to 2019-2020. Cabinet will be presented with a report at this meeting detailing the progress towards identifying £19.5 million of budget reduction and income generation proposals for 2019-2020.
- 2.4 It is important to note that the updated projected deficit assumes the achievement of budget reduction proposals amounting to £28.3 million over the two-year period from 2018-2019 to 2019-2020. Over the last eight financial years the Council has identified budget reductions in excess of £200.0 million. This is the most significant financial challenge that the Council has ever faced.
- 2.5 The Council's General Fund Balance remains at £10.0 million; the minimum balance as determined in the Council's approved Reserves and Balances Policy. Emphasis therefore continues to be placed on identifying budget reduction and income generation proposals to meet the projected budget deficit over the medium term.
- 2.6 Schools remaining in the control of the local authority drew down a net £940,000 of reserves during 2017-2018 and after adjusting for balances attributable to academies, taking the total accumulated reserves to £6.9 million at 31 March 2018. This is set against schools' projection of balances of £2.4 million at the end of 2017-2018. Therefore, actual balances are £4.5 million greater than forecast. The Directors of Education and Finance will continue to challenge those schools who hold surplus balances, aiming to gain an understanding of plans in place and whether they are appropriate.
- 2.7 The Housing Revenue Account revenue outturn position for the year was a surplus before allocations of £23.6 million, compared to a budgeted surplus of £16.8 million. In accordance with the strategy approved as part of the Business Plan adopted in January

2016, the HRA reserve had been maintained at £5 million. However, £2.0 million of the additional surplus will be transferred to the HRA Reserve to increase this to £7.0 million in the event that welfare reforms impact on income collection. As a result, the remaining surplus of £21.6 million has been used to pay down debt.

- 2.8 Yoo Recruit, the Council owned temporary staffing agency has been trading for four years. The company had a turnover of £9.3 million and a net surplus after tax of £74,000. It is proposed that the net surplus is retained by Yoo Recruit to enable further business development. As a result of recruitment through Yoo Recruit Limited, the Council has been able to avoid fees which would otherwise have been incurred, including approximately £225,000 in relation to the permanent recruitment of individuals who had been previously employed on a temporary basis through the agency.
- 2.9 The Collection Fund outturned with a £13.0 million surplus during 2017-2018; this resulted in an overall deficit of £200,000 to be carried forward.
- 2.10 The Director Finance has approved the write off of 1,507 debt accounts totalling £781,000 in value.

3.0 Revenue Budget Outturn – General Fund Summary

3.1 An analysis of the Council's outturn position against General Fund revenue budgets for 2017-2018 is detailed in the table below. Further detailed analysis for each Directorate can be found in Appendices 1 to 4.

Table 1 – 2017-2018 Revenue Budget Outturn Summary

	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variation Over/(Under)	
			£000	%
Place	40,863	41,045	182	0.45%
People	116,160	116,220	60	0.05%
Corporate Services (including Education)	37,025	37,000	(25)	-0.07%
Corporate Budgets	28,534	27,886	(648)	-2.27%
Net Budget Requirement	222,582	222,151	(431)	-0.19%
Government Grant (General)	(59,378)	(61,767)	(2,389)	-4.02%
Business Rates	(70,459)	(70,550)	(91)	-0.13%
Enterprise Zone Business Rates	(1,790)	(1,504)	286	15.98%
Council Tax	(90,937)	(90,937)	-	0.00%
Collection Fund Deficit	2,886	2,886	-	0.00%
Business Rates Equalisation Reserve	(2,904)	(1,060)	1,844	63.50%
Total Resources	(222,582)	(222,932)	(350)	-0.16%
Use of General Balances	-	-	-	0.00%
Net Budget (Surplus) / Deficit	-	(781)	(781)	-0.35%

3.2 As can be seen from the table above, overall a net underspend of £781,000 (-0.35%) was achieved against the General Fund net budget requirement of £222.6 million, after meeting the net cost of redundancy and pension strain, after the use of capital receipt flexibility, and contributions to essential earmarked reserves.

3.3 Part of the underspend arising within the 2017-2018 General Fund outturn is already factored into the Council's Medium Term Financial Strategy; in some cases budget reduction proposals have been achieved earlier than anticipated. However, a comprehensive review of all services will be undertaken following the positive 2017-2018 General Fund outturn position to identify any new budget reduction or income generation opportunities; Cabinet will be provided with an update on progress in the October 2018 budget report.

- 3.4 Whilst the positive General Fund outturn position during 2017-2018, and the resulting adjustments to reserves, will help to support the Council's short term financial position, it does not address the challenging financial position that the Council finds itself in over the medium term; namely identifying an additional £19.5 million of budget reduction and income generation proposals over the period to 2019-2020. Cabinet will be presented with a report at this meeting detailing the progress towards identifying £19.5 million of budget reduction and income generation proposals for 2019-2020.
- 3.5 The Council's General Fund Balance remains at £10.0 million; the minimum balance as determined in the Council's approved Reserves and Balances Policy. Emphasis therefore continues to be placed on identifying budget reduction and income generation proposals to meet the projected budget deficit over the medium term.
- 3.6 It is important to note, that the General Fund outturn position takes into account proposed transfers to and from reserves and provisions. Full details regarding reserve transfers are included in the Reserves, Provisions and Balances 2017-2018 report, for which approval will be sought at this meeting.

4.0 Revenue Budget Analysis per Directorate

People

- 4.1 A summary of the 2017-2018 outturn against the People net controllable revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix 1.

Table 2 – 2017-2018 Revenue Budget Outturn – People

Service	Net Controllable Budget 2017-2018	Net Controllable Outturn 2017-2018	Variation Over/(Under)	
	£000	£000	£000	%
Strategic Director	4,829	4,200	(629)	-13.03%
Adult Services	62,343	62,343	-	0.00%
Children & Young People	48,959	49,658	699	1.43%
Public Health & Wellbeing	29	19	(10)	0.00%
People Total	116,160	116,220	60	0.05%

- 4.2 Overall, a net overspend of £60,000 (0.05%) for the year was achieved by the People Directorate. The main factors for each service directorate contributing towards the net overspend are detailed as follows:

- 1. Strategic Director Adults**– There was a net underspend of £629,000 mainly as a result of an underspend in Strategic Commissioning due to efficiencies arising from

the early achievement of a budget reduction target, along with one-off budget underspends as a result of vacancies held across the service.

2. **Adult Services** – In line with the approval at quarter 3, the underspends from across Adult Services totalling £1.3 million have been transferred into a reserve to support activities during 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 improved Better Care Fund was transferred in full to Adult Social Care. The underspend is a result of the timing of the announcement of these funds; the reserve will enable them to be spent in accordance with the grant conditions in 2018-2019. The following areas have overspent in 2017-2018:
 - a. The Better Care Fund pooled budget with the Clinical Commissioning Group (CCG) had an overall overspend of £472,000. The reported overspend of £187,000 is as a result of the Council's risk sharing payment under section 75 agreement.
 - b. Learning Disabilities Care Purchasing service outturned with an overspend totalling £2.5 million as a result of a number of pressures across care purchasing budgets due to increasing demand for support and challenges associated with the transformation programme.
 - c. An overspend totalling £454,000 within Learning Disability Provider service. This service had budgeted the use Public Health grant of £500,000 but this grant was no longer necessary in 2017-2018 following the additional funds that are now available to the adult social care as a result of minimum funding levels.

These overspends are offset by underspends within:

- d. The Carer Support service totalling £277,000 as a result of a reduction in demand for this service.
- e. The Community Support service totalling £317,000 due to efficiencies across employee budgets.
- f. Community Financial Support service totalling £111,000 and an underspend totalling £114,000 within Older People Provider Services, both as a result of one-off budget underspends on staffing costs, along with general efficiencies across the service.
- g. Independent Living Service totalling £148,000 as a result of one-off budget underspends on staffing costs, along with additional income. This is offset in part by pressures across general expenditure and equipment budgets.

- h. The Mental Health Assessment and Care Management service totalling £355,000 as a result of efficiencies across mental health care provision, along with one-off underspends due to staff vacancies.
- i. Adults Assessment and Care Management service totalling £229,000 mainly due to staff vacancies within the service as well as receiving additional income.
- j. Service Director Adults service totalling £1.8 million mainly due to the timing of the announcement of the additional Adult Social Care monies, not all schemes planned from this funding have had a full year effect, therefore resulting in an underspend of £1.3 million across the whole of Adult Services. This underspend has been transferred into a reserve to fund commitments in 2018-2019, which was approved in quarter three.

3. Children & Young People – There was a net overspend of £699,000 within the service, which has arisen primarily as a result of:

- a. An overspend within the Looked After Children is as a result of cost pressures totalling £2.0 million against placement budgets. This was offset in part by additional income from the Home Office for Unaccompanied Asylum Seeking Children of £380,000. This is also offset by an underspend of £455,000 as a result of one-off budget underspends on staffing costs. Whilst Wolverhampton has seen a modest 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 the Director of Children's Service's is confident that robust procedures are in place to ensure that only those children that need to come into care are brought into care.
- b. An overspend within the Child Protection service totalling £572,000 due to increased demand for Section 17 and No Recourse to Public Funds. The overspend is partially offset by efficiencies across general expenditure. Growth has been awarded for 2018-2019 to help address this pressure.
- c. An overspend within the Safeguarding service totalling £128,000 as a result of agency costs used to cover one-off vacant posts.

These overspends are offset by underspends within the following services:

- d. An underspend within the Early Intervention Service totalling £443,000 as a result of one-off budget underspends on staffing costs, along with a combination of efficiencies across general expenditure.
- e. An underspend within the Service Director Children's & Young People totalling £143,000 as a result of one off budget underspends on staffing costs and reduction in expenditure against contract budgets.

- f. An underspend within the Youth Offending service totalling £250,000 as a result of one-off budget underspend on staffing costs and additional income.
- g. An underspend within the Specialist Support service totalling £390,000 as a result of one-off budget underspends on staffing costs, along with efficiencies across general expenditure and additional income.

4. Public Health and Wellbeing is underspent by an underspend of £10,000 after the application of £1.1 million use of the Budget Contingency Reserve.

Place

- 4.3 A summary of the 2017-2018 outturn against the Place net controllable revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix 2.

Table 3 – 2017-2018 Revenue Budget Outturn – Place

Service	Net Controllable Budget 2017-2018	Net Controllable Outturn 2017-2018	Variation Over/(Under)	
	£000	£000	£000	%
Strategic Director Place	566	579	13	2.30%
Land Property Investment Support	-	-	-	0.00%
City Economy	8,062	7,790	(272)	-3.37%
Corporate Landlord	7,387	7,925	538	7.28%
Strategic Director - Housing	1,685	1,496	(189)	-11.22%
Public Service Reform	86	73	(13)	-15.12%
City Environment	23,077	23,182	105	0.45%
Place Total	40,863	41,045	182	0.45%

- 4.4 Overall a net overspend of £182,000 (0.45%) for the year was achieved by the Place Directorate. The main factors contributing towards the overspend are detailed as follows:

1. **Corporate Landlord** – This service directorate outturned with a £538,000 overspend mainly as a result of overspends within:
 - a. The Catering service totalling £734,000. Since the MTFs income targets were set as there has been a significant increase in competition in the market. This has resulted in some loss of business and price pressures, reflected in the outturn overspend. A review of the service delivery is ongoing and will be implemented in 2018-2019.

- b. The Capital Programme team totalling £122,000 as a result of agency staff costs which have been incurred to cover vacant posts in advance of a change in the operating model which will result in budget efficiencies during 2018-2019.
- c. The Maintenance Programme service totalling £107,000 due to additional reactive repair costs have been incurred due to weather damage and other issues.

However, these overspends are offset partially by underspend within the Estates and Valuations service totalling £437,000 as a result of rental income from commercial estates in excess of the budget and an underspend totalling £143,000 within Corporate Asset Management service as result of utility expenditure being lower than budgeted.

2. **City Environment** – This service directorate outturned with a £104,000 overspend mainly as a result of overspends within the following services:

- a. Fleet Services totalling £257,000 due to the slippage in the delivery of budget reduction proposals and increased repair costs due to aging fleet.
- b. Highways Maintenance service totalling £417,000 as a result of increased expenditure on winter service due to adverse weather conditions.
- c. Parking Services totalling £244,000 due to the slippage in the delivery of income generation proposals in relation to the review of District Parking.
- d. Transportation service totalling £104,000 primarily due to the change in accounting treatment of capitalised salaries and part under recovery of costs.
- e. Waste and Recycling Service totalling £101,000 as a result of consultancy costs incurred in the transformation of the waste service.

These overspends are offset by underspends within the following services:

- f. Bereavement Services totalling £159,000 as a result of additional income received from cremations and burials.
- g. Environmental Maintenance service totalling £319,000 due to reduced expenditure levels on materials and reduced salary costs as a result of vacancies.
- h. Operation & Maintenance of Existing Network service totalling £194,000 as a result of reduced expenditure on traffic signal works.

- i. Public Protection service totalling £159,000 as a result of staff vacancies in year and additional enforcement income.
- j. Street Lighting service totalling £227,000 which reflects reduced energy costs.

3. **City Economy** – There was a net underspend of £272,000 for the service directorate, which has arisen as a result of various factors including:

- a. The Skills service achieving an underspend of £193,000 due to the early achievement of 2018-2019 budget reduction proposals including staff vacancies, a review of underutilised budgets and additional income generated.
- b. The Planning service achieving an underspend of £254,000 due to additional income. There has been increase in both major planning applications and income from externally recharged services.
- c. The Strategic Organisation Development service showing an underspend of £166,000 as result of underspending on staffing costs and stock purchases.

These underspends are offset by an overspend within the Visitor Economy service totalling £383,000 due to reduced income as a result of the Civic Halls closure for refurbishment and as a result of additional expenditure for counterterrorism measures.

4. **Strategic Director Housing** – There was a net underspend of £189,000 for the service directorate as a result of a reduction in emergency accommodation payments, unfilled staff vacancies and budget underspends achieved on supported accommodation contract costs.

Corporate Services (including Education)

- 4.5 A summary of the 2017-2018 outturn against the Corporate Services (including Education) net controllable revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix 3.

Table 4 – 2017-2018 Revenue Budget Outturn – Corporate Services (incl Education)

Service	Net Controllable Budget 2017-2018	Net Controllable Outturn 2017-2018	Variation Over/(Under)	
	£000	£000	£000	%
Directorate	1,810	1,382	(428)	-23.65%
Corporate Services	24,468	23,821	(647)	-2.64%
Governance	7,978	7,996	18	0.23%
Education	2,769	3,801	1,032	37.27%
Corporate Services (incl Education) Total	37,025	37,000	(25)	-0.07%

4.6 Overall a net underspend of £25,000 (-0.07%) for the year was achieved by Corporate Services including Education. The main factors contributing towards the underspend are detailed as follows:

1. **Directorate** – An underspend of £428,000 has arisen due to vacancies held across the Corporate Business Support service.
2. **Corporate Services** – There was a net underspend of £647,000 within the service directorate, which has primarily arisen as a result of:
 - a. An underspend within the Audit Services totalling £343,000 due to unfilled vacancies held across the service.
 - b. An underspend totalling £417,000 in the Central Corporate budgets 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.
 - c. An underspend within the Revenue and Benefits service totalling £370,000 due to ceasing all agency staff contracts from the start of quarter 4 and to reflect a favourable Housing Benefit Subsidy outturn position compared to budget.

These underspends are offset by overspends within:

- d. The Commercial Services totalling £290,000 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.
- e. The Digital Transformation Programme totalling £136,000 due to revenue costs associated with the Digital Transformation Programme.

f. The Leisure Services totalling £123,000. A significant amount of budget reduction target of £500,000 has been delivered this year by WV Active and an increase in membership income realised. Transformation work continues and it is anticipated the remaining budget reduction proposals will be achieved in the next financial year.

3. **Governance** – There was a net overspend of £18,000 within this service directorate primarily as a result of an overspend totalling £279,000 within the Legal Services due to external fees incurred to support of one-off legal matters. This overspend is offset by underspends within the Human Resources service totalling £193,000 due to vacancies held as the service went through a minor restructure and lower than anticipated expenditure against a range of corporate training budgets.

4. **Education** - There was a net overspend of £1.0 million within the Education Directorate which has arisen primarily as a result of overspends within the School Planning and Resources service totalling £1.0 million as a result of increased demand for Home to School Transport of High Needs pupils.

Corporate Budgets

4.7 A summary of the 2017-2018 outturn against the Corporate Budgets net controllable revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix 4.

Table 5 – 2017-2018 Revenue Budget Outturn – Corporate Budgets

Service	Net Controllable Budget 2017-2018	Net Controllable Outturn 2017-2018	Variation Over/(Under)	
	£000	£000	£000	%
Corporate Budgets	28,534	28,667	133	0.47%
Education Total	28,534	28,667	133	0.47%

4.8 **Corporate Budgets** – There was a net overspend of £133,000 (0.47%) within Corporate Budgets. The main factors contributing towards the overspend are as follows:

a. **Gross Redundancy Costs** – Redundancy payments totalling £4.1 million due in 2017-2018 arising as a result of the voluntary redundancy programme. In December 2015, the Secretary of State announced that from 1 April 2016 capital receipts may be used for revenue transformational

projects. Capital receipts totalling £3.0 million have been used to offset some of the reorganisation costs.

- b. **Treasury Management** – There was a net underspend of £720,000 against the Corporate Treasury Management budget, primarily due to a reduced borrowing need in year due to re-phasing in the capital programme and prudent management of treasury budgets. The underspend reported includes a contribution to the Treasury Management Equalisation Reserve totalling £900,000.
- c. **Central Provision for Auto-enrolment and Pay Award Costs** – There was a £2.8 million underspend against the budget for auto-enrolment and pay award costs. As approved in July 2017, a prepayment of £5.5 million was made towards the 2018-2019 past service pension deficit requirement in 2017-2018. The underspend against the Central Provision for Auto-enrolment and a contribution to the Pension Deficit Recovery Reserve was forecast during 2017-2018 to cover, in part, the upfront payment.
- d. **Provision for Bad Debts** – The Provision for Bad Debts was greater than originally budgeted. Work will be undertaken during 2018-2019 to further improve the collection performance of outstanding debts. In addition to this, a review of the provision methodology will be undertaken to account for the likelihood of collection after twelve months.
- e. **Other Corporate / Transformation Budgets and Contingencies** – The underspend against this budget was planned during 2017-2018 to help to offset overspends within other directorates.
- f. **Apprenticeship Levy** – There was a net underspend on the Apprenticeship Levy due to the net cost being lower than the original estimate.
- g. **Corporate Adjustments** – There was a net underspend against this budget.
- h. **Budget reduction proposal held corporately for Waste and Recycling** – The overspend totalling £1.7 million has arisen as a result of budget reductions that could not be achieved during 2017-2018, due to the delayed transformation of the Waste & Recycling service.

5.0 Reserves, Provisions and Balances

- 5.1 A report detailing the Council's reserves, provisions and balances as at 31 March 2018 will be received at this meeting. The report, titled 'Reserves, Provisions and Balances 2017-2018', will seek approval for transfers to and from reserves, provisions and balances.

- 5.2 At the beginning of 2017-2018 a balance of £10.0 million was held within the General Fund reserve. The General Fund Balance remains at £10.0 million as at 31 March 2018. This is the minimum balance as determined by the Council's policy on reserves and balances. Emphasis therefore continues to be placed on identifying budget reductions and income generation proposals to meet the projected budget deficit over the medium term.
- 5.3 It is important to note that the positive General Fund outturn position during 2017-2018, and the resulting adjustments to reserves, will help to support the Council's short term financial position. It does not, however, address the challenging financial position that the Council finds itself in over the medium term; namely identifying an additional £19.5 million of budget reduction and income generation proposals over the period to 2019-2020. Cabinet will be presented with a report at this meeting detailing the progress towards identifying £19.5 million of budget reduction and income generation proposals for 2019-2020.

6.0 Outturn on Schools' Budgets

- 6.1 Schools that remain in local authority control started the 2017-2018 financial year with accumulated reserves of £8.4 million. At the end of the year revenue balances for these schools were £6.9 million, a reduction of £1.5 million. This remaining balance of £6.9 million represents 6.45% of the funding and income available to schools during 2017-2018.
- 6.2 The Directors of Education and Finance will continue to challenge those schools who hold surplus balances, aiming to gain an understanding of plans in place and whether they are appropriate.
- 6.3 Further details on schools' finances for 2017-2018 are shown at Appendix 5.

7.0 Housing Revenue Account

- 7.1 The table below provides the Housing Revenue Account (HRA) revenue outturn for 2017-2018 compared to the approved budget. The outturn position for the year is a surplus of £23.6 million, compared to a budgeted surplus of £16.8 million. £2.0 million of the additional surplus will be transferred to the HRA Reserve to increase this to £7.0 million in the event that welfare reform impacts on income collection. The balance will be used to redeem debt to create headroom and enable the Council to pay for future investment in housing.

Table 6 – Housing Revenue Account Revenue Outturn 2017-2018

	Budget	Outturn	Variation
	£000	£000	£000
Total income	(97,840)	(97,095)	745
Total expenditure	70,074	63,297	(6,777)
Net cost of HRA services	(27,766)	(33,798)	(6,032)
Interest payments and receipts	10,939	10,191	(748)
(Surplus)/deficit before transfers to/from reserves and provision for redemption of debt	(16,827)	(23,607)	(6,780)
<i>Allocation of (surplus)/deficit</i>			
Increase to HRA Reserve		2,000	2,000
Provision for redemption of debt	16,827	21,607	4,780
Balance for the year	-	-	-

- 7.2 Further detail behind the figures in this table are shown at Appendix 6.
- 7.3 The main variance was an underspend of £4.9 million on depreciation of fixed assets due to the impact of a change in accounting treatment used to calculate depreciation based on property components
- 7.4 The cost of the increase to the bad debt provision was £1.8 million lower than the budget. This was set at a level to provide for the impact of the roll out of universal credit which was implemented much later than originally timetabled by the government.
- 7.5 Rental and service charge income was £745,000 lower than budgeted due to a greater number of properties sold through Right to Buy.
- 7.6 There was an underspend against the budget for interest charges of £744,000 which was mainly due to slippage on the capital programme which reduced the borrowing requirement.

8.0 Yoo Recruit Limited

Financial Summary

- 8.1 On the 7 January 2014 Cabinet (Resources) Panel approved the structure of a Council owned temporary staffing agency. Yoo Recruit has now been trading for four years. The table below summarises the financial position for the 2017-2018 financial year; the company had a turnover of £9.2 million and a net surplus after tax of £74,000. It is proposed that the net surplus is retained by Yoo Recruit to enable business

development. The financial statements of Yoo Recruit Limited will be subject to external audit.

Table 7 – Yoo Recruit Financial Statement 2017-2018

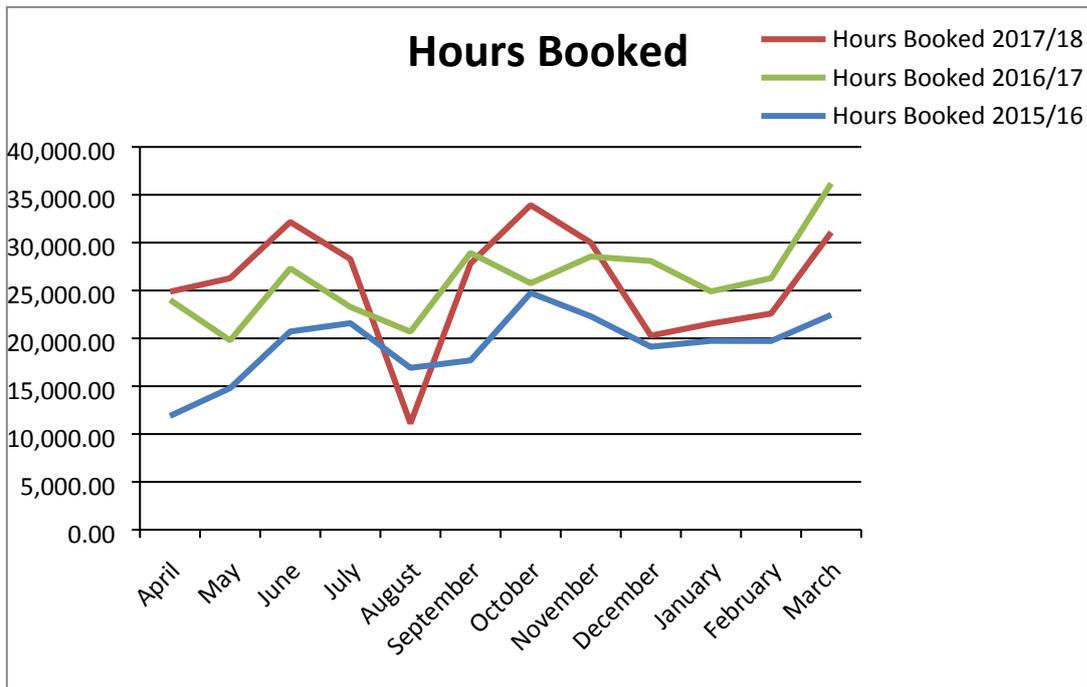
	£000
Sales	(9,253)
Direct Expenses	8,880
Gross Surplus	(373)
Overheads	281
Net Surplus before taxation	(92)
Taxation	18
Net Surplus after taxation	(74)

- 8.2 As a result of recruitment through Yoo Recruit Limited the Council has been able to avoid fees which would have otherwise have been incurred. On average this is approximately £225,000 each year in relation to the permanent recruitment of individuals who had been previously employed on a temporary basis through the agency. Ordinarily the Council could expect to pay a fee for the transfer of temporary staff to permanent posts.
- 8.3 During 2017-2018 financial year, a dividend of £200,000 was paid to the authority.

Operational Data

- 8.4 During 2017-2018 approximately 309,973 hours of work were booked through Yoo Recruit. Graph 1 illustrates that whilst there has been an increase year on year, there was a decline in August 2017 due to the transition of workers to the management partner.

Graph 1 – Yoo Recruit, Hours Booked per Month



9.0 Collection Fund

- 9.1 The Collection Fund outturned with a £13.0 million surplus during 2017-2018 and this resulted in an overall deficit of £200,000 to be carried forward. The Collection Fund income comes from receipts of Council Tax and Business Rates, also referred to as Non-Domestic Rates (NDR) collected from tax payers during the year and any balances from previous years. The £13.0 million surplus outturned as a result of £364,000 surplus on Council Tax and £12.7 million surplus for Business Rates.
- 9.2 The Collection Fund opening balance for Council Tax was a surplus of £759,000 and combined with the in-year surplus results in a surplus balance of £1.1 million to be carried forward.
- 9.3 The Collection Fund opening balance for Business Rates was a deficit of £14.0 million and combined with the in-year surplus, results in a deficit balance of £1.3 million to be carried forward.
- 9.4 In 2014-2015, as a result of the adverse outturn against the Collection Fund, primarily owing to the impact of appeals against Business Rates, over which the Council has no control, Cabinet approved the establishment of a Business Rates Equalisation reserve to equalise the impact of appeals on the Council. In the Reserves, Provisions and Balances report to be presented to Cabinet at this meeting, approval is sought to increase that reserve in 2017-2018 to support the Council over the medium term.

10.0 Debt Write Offs

- 10.1 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, appropriate steps would be taken to pursue the debt, despite the debt having been formally written off in the Council's accounts.
- 10.2 **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 (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.

Council Tax - Overall, 1,405 debt write offs totalling £289,862.67 have been incurred. All except two totalling £11,600.09, which require the approval of this Panel (see Appendix 9), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.

Non-Domestic Rates - Overall, 52 debt write offs totalling £418,369.99 have been incurred. All but four valued at £45,817.82 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 Procedure Rules.

- 10.3 **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. Overall, 41 debt write offs totalling £161,258.64 have been incurred. All but three valued at £35,792.68 in total, which require the approval of this Panel (see Appendix 8), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
- 10.4 **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.
- 10.5 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.
- 10.6 Overall 18 debt write offs totalling £4,819.72 have been incurred during the period. All of which have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.

10.7 As a result of the information detailed in paragraphs 10.3 – 10.6 above, the Director of Finance has approved the write off of 1,507 debt accounts totalling £781,000 in value.

11.0 Evaluation of alternative options

11.1 The write-offs, virements and use of reserve requests requiring 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 Reason for decisions

12.1 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. Contribution to and from reserves also requires the approval from Cabinet. 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. The Council's financial procedure rules also require that the Section 151 Officer shall submit a report setting out the Outturn within four months of the financial year end.

13.0 Financial Implications

13.1 The financial implications are detailed in the body of the report.
[MH/28062018/T]

14.0 Legal Implications

14.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.

14.2 The General Power of Competence, contained in Section 1 (1) the Localism Act 2011 gives eligible local authorities, "*the power to do anything that individuals generally may do*" as long as they do not break other laws. This includes the power to lend or invest money and to set up a company to trade and engage in commercial activity.

14.3 The provision of a 'soft' loan where there is an artificially low rate of interest or it is non-interest bearing can constitute State Aid under European legislation. The Council will avoid any question of their being State Aid if it can show that the loan agreement terms including the amount and the length of the loan and the interest rate under which the loan is repayable corresponds to normal market conditions i.e. it is on commercially acceptable terms. This will be the case here.
[TS/28062018/R]

15.0 Equality Implications

- 15.1 As this report provides details of the outturn for 2017-2018, there are no equalities implications arising from it. The necessary equalities analyses were carried out as part of the preparations for setting the 2017-2018 and 2018-2019 budgets, and will similarly form part of the requisite pre-work for 2019-2020.

16.0 Environmental Implications

- 16.1 The Council's annual budget and medium term financial strategy support a range of programmes designed to both improve environmental conditions across the city and promote economic and community development.

17.0 Background Papers

Draft Budget and Medium Term Financial Strategy 2019-2020, report to Cabinet, 11 July 2018.

Reserves, Provisions and Balances 2017-2018, report to Cabinet, 11 July 2018.

2018-19 Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020, report to Cabinet, 20 February 2018.

Revenue Budget Outturn 2017-2018 – People

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Strategic Director People					
Strategic Director People		266	283	17	-
Safeguarding		-	-	-	-
Strategic Commissioning	The underspend is as a result of efficiencies due to the early achievement of the Budget Reduction target, along with one-off budget underspends as a result of vacancies held across the service and on contract budgets.	4,563	3,917	(646)	-
Total Strategic Director People		4,829	4,200	(629)	-

Revenue Budget Outturn 2017-2018 – People

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Adult Services					
Better Care Fund	The Better Care Fund pooled budget with the Clinical Commissioning Group (CCG) had an overall overspend of £472,000. The reported overspend of £187,000 is as a result of the Council's risk sharing payment under section 75 agreement. In line with approval given in quarter three, the underspend across Adults Services has been transferred into a reserve.	-	187	187	713
Business Support		40	58	18	-
Carer Support	An underspend on the Carer Support spot purchasing budget as a result on reduction on the demand for the service.	1,032	755	(277)	-
Community Support	The underspend is due to efficiencies across recharge budgets.	895	578	(317)	-
Community Financial Support	An underspend of £52,000 as a result of one-off budget underspend on staffing costs, along with £59,000 on general efficiencies across the service.	1,601	1,490	(111)	-
Emergency Duty Team		261	352	91	-
Independent Living Service	The underspend is as a result of one-off budget underspends on staffing costs of £143,000, along with additional income of £126,000. This is offset in part by pressures of £121,000 across general expenditure and equipment budgets.	2,494	2,346	(148)	-
Learning Disabilities Care Purchasing	Overspend of £2.5 million on Learning Disabilities Care Purchasing as a result of a number of pressures across care purchasing budgets due to increasing demand for support and challenges associated with the transformation programme.	16,496	18,954	2,458	-

Revenue Budget Outturn 2017-2018 – People

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Learning Disability Provider	This service had budgeted the use of Public Health grant of £500,000. This level of support from Public Health was no longer necessary in 2017-2018 following the additional funds that are now available to the adult social care as a result of the minimum funding level.	4,754	5,208	454	-
Mental Health Assessment & Care Management	The underspend is as a result of efficiencies across mental health care provision, along with one-off budget underspends due to staff vacancies.	3,987	3,632	(355)	-
Older People Provider Services	The underspend is as a result of one-off budget underspends on staffing costs of £87,000, along with efficiencies across general expenditure totalling £27,000.	4,016	3,902	(114)	-
Quality Assurance and Policies		358	334	(24)	-
Adults Assessment and Care Management	An underspend due to staff vacancies across the service as well as receiving additional income.	646	417	(229)	-
Service Director Adults	Due to the timing of the announcement of the additional Adult Social Care monies, not all schemes planned from this funding have had a full year effect, therefore resulting in an overall underspend of £1.3 million across the whole of Adult Services. This underspend has been transferred into a reserve to fund commitments in 2018-2019, which was approved in quarter three.	3,380	1,613	(1,767)	586
Older People Care Purchasing		17,987	18,050	63	-
Physical Disabilities Care Purchasing		4,396	4,467	71	-
Total Adult Services		62,343	62,343	-	1,299

Revenue Budget Outturn 2017-2018 – People

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Children & Young People					
Child Protection	The overspend is due to increased demand for Section 17 funds totalling £411,000 and No Recourse to Public Funds (NRPF) of £454,000. The overspend is partially offset by a combination of general efficiencies across general expenditure. Growth has been awarded for 2018-2019 to address this pressure. A drawdown of reserves was made to fund the MASH Assessment Team.	9,216	9,788	572	(406)
Early Intervention	The underspend is as a result of one-off budget underspends on staffing costs of £307,000, along with a combination of efficiencies and across general expenditure totalling £136,000. A drawdown of reserves was made to fund Early Intervention and Prevention workers.	4,313	3,870	(443)	(82)
Early Years		524	583	59	-
Looked After Children	The overspend is due to cost pressures on the Looked After Children placements budgets totalling £2.0 million, partially offset by additional income from the Home Office for Unaccompanied Asylum Seeking Children totalling £380,000. This is also offset by an underspend of £455,000 as a result of one-off budget underspends on staffing costs. A drawdown from the Efficiency reserve was made to support a fostering marketing officer.	27,614	28,779	1,165	(20)
Service Director Children & Young People	The underspend is as a result of one-off budget underspends on staffing costs of £30,000, along with a reduction in expenditure against contract budgets of £113,000.	938	795	(143)	-
Youth Offending	The underspend is as a result of one-off budget underspends on staffing costs of £180,000, along with additional income not originally expected and efficiencies across general budgets.	1,241	991	(250)	-
Headstart		-	(3)	(3)	-
Inclusion Support		578	582	4	-

Revenue Budget Outturn 2017-2018 – People

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Children & Young People					
Safeguarding	An overspend is as a result of agency costs used to cover one-off vacant posts. The transfer to reserves represents partner contributions towards the Safeguarding Board.	2,163	2,291	128	67
Specialist Support	The underspend is as a result of one-off budget underspends on staffing costs £250,000, along with a efficiencies and across general expenditure and additional income. A drawdown of reserves totalling £144,000 was made to support both the Alternative Provision and the Youth Café.	2,372	1,982	(390)	(144)
Total Children & Young People		48,959	49,658	699	(585)

Revenue Budget Outturn 2017-2018 – People

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Public Health & Wellbeing					
Business Continuity & Emergency Planning	As approved at quarter one, the budget Contingency reserve has been applied to offset overspends.	6	6	-	(25)
Commissioning		-	-	-	-
Community Safety	As approved at quarter one, the budget Contingency reserve has been applied to offset overspends.	23	23	-	(36)
Contracts	As approved at quarter one, £1.1 million from the Budget Contingency Reserve has been applied to offset overspends across contract budgets.	-	-	-	(1,083)
Health Protection & NHS Facing		-	-	-	-
Healthier Places Service	As approved at quarter one, the budget Contingency reserve has been applied to offset overspends.	-	(10)	(10)	(2)
Intelligence & Evidence		-	-	-	-
Management and Administration		-	-	-	-
Service Director Public Health & Wellbeing		-	-	-	-
Sports Development		-	-	-	-
Transformation - Public Health	As approved at quarter one, the budget Contingency reserve has been applied to offset overspends.	-	-	-	(132)
Total Public Health & Wellbeing		29	19	(10)	(1,278)
Total People		116,160	116,220	60	(564)

Revenue Budget Outturn 2017-2018 – Place

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Strategic Director Place					
Strategic Director Place	A draw down from the Regional Works Reserve was made to fund regional contribution to the Growth Company. A further draw down from the Efficiency Reserve funded project management costs.	566	579	13	(393)
Total Strategic Director Place		566	579	13	(393)

Revenue Budget Outturn 2017-2018 – Place

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Land Property Investment Fund					
Land and Property Investment Support	This service is fully grant funded.	-	-	-	-
Total Land Property Investment Fund		-	-	-	-

Revenue Budget Outturn 2017-2018 – Place

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
City Economy					
Adult Education		(145)	(145)	-	-
City Development	A drawn down from the Regeneration reserve to fund regeneration revenue costs across several projects.	634	594	(40)	(282)
Enterprise	A draw down was made from the Budget Contingency reserve to provide required cash flow to the AIM project.	909	877	(32)	(221)
Library Services		-	-	-	-
Planning	An underspend has arisen as a result of additional income. There has also been increase in both major planning applications and income from externally recharged services. A draw down from the Building Control Reserve was made to fund project planning related costs.	920	666	(254)	(22)
Service Director City Economy		135	165	30	-
Skills	There is a reported underspend in this areas due to the early achievement of 2018-2019 budget reduction proposals including staff vacancies, a review of underutilised budgets and additional income generated. A transfer to the Budget Contingency reserve was made to ensure work can continue with the progress delivered on the Wolves @ Work programme.	2,464	2,271	(193)	92
Visitor Economy	The overspend reflects reduced income as a result of the Civic Halls closure for refurbishment. Additional expenditure has also been incurred for counter terrorism measures. A draw down from the Schools Arts Service Reserve funded related project costs.	1,272	1,655	383	(32)

Revenue Budget Outturn 2017-2018 – Place

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Local Strategic Partnership		-	-		-
Strategic Organisation Development	The reported underspend is due to efficiencies in staffing budgets and budget underspends on stock purchases. The draw down from the Regeneration Reserve funded in part the Libraries transformation work and a further draw down from the Library Equipment reserve was used to purchase equipment.	1,873	1,707	(166)	(182)
Total City Economy		8,062	7,790	(272)	(647)

Revenue Budget Outturn 2017-2018 – Place

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Corporate Landlord					
Capital Programme	An overspend is reported as agency staff costs have been incurred to cover vacant posts in advance of a change in the operating model which will reduce budget pressure in this service in 2018-2019.	(44)	78	122	-
Catering	Since the MTFS income targets were set, there has been a significant increase in competition in the market. This has resulted in some loss of business and price pressures, reflected in the outturn overspend. A review of the service delivery is ongoing and will be implemented in 2018-2019. A draw down was made from the Catering Trading Days Reserve to reflect the reduced number of trading days in this period.	(1,523)	(789)	734	(25)
Cleaning		1,098	1,194	96	-
Corporate Asset Management	Utility expenditure was lower than budgeted resulting in an underspend. A drawdown was made from the efficiency reserve to fund the asset services transformation programme and to fund works in corporate buildings.	7,987	7,844	(143)	(560)
Corporate Landlord Support		496	503	7	-
Estates and Valuations	Rental income from the commercial estate in excess of the budget, realising an underspend for this service area. A transfer was made to the Victoria Square Sinking Fund Reserve to create a fund for future maintenance works.	(3,173)	(3,610)	(437)	3
Facilities Management		792	809	17	-
Head of Corporate Landlord		107	142	35	-
Maintenance Programme	Additional reactive repair costs have been incurred due to weather damage and other issues, this has resulted in the service being overspent.	1,647	1,754	107	-

Revenue Budget Outturn 2017-2018 – Place

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Total Corporate Landlord		7,387	7,925	538	(582)

Revenue Budget Outturn 2017-2018 – Place

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Strategic Director Housing					
Housing	An underspend is reported as a result of reduction in emergency accommodation payments, unfilled staff vacancies and budget underspends achieved on supported accommodation contract costs. A transfer from the regeneration reserve was made in 2016-2017 to fund operational costs for WV Living. This was repaid by WV Living in 2017-2018.	1,685	1,496	(189)	485
Total Strategic Director Housing		1,685	1,496	(189)	485

Revenue Budget Outturn 2017-2018 – Place

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Public Service Reform					
Public Service Reform		86	73	(13)	-
Total Public Service Reform		86	73	(13)	-

Revenue Budget Outturn 2017-2018 – Place

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
City Environment					
Bereavement Services	An underspend is reported as a result of additional income from cremations and burials.	(2,588)	(2,747)	(159)	-
Environmental Maintenance	An underspend is reported due to reduced expenditure levels on materials and reduced salary costs as a result of vacancies. These offset in part the overspends on winter service and pressures in Fleet Services below.	6,563	6,244	(319)	-
Fleet Services	An overspend is reported due to the slippage in the delivery of budget reduction proposals and increased repair costs due to aging fleet offset by underspends in Environmental services. A drawdown from the Transformation Reserve was made to offset costs associated with an external Passenger Transport study as approved by Cabinet (Resources) Panel on 20 March 2018.	(539)	(282)	257	(104)
Highways Maintenance	An overspend is reported due to increased expenditure on winter service offset in part by the favourable outturn position within Public Protection.	1,554	1,971	417	-
Landscape		26	9	(17)	-
Operation & Maintenance of Existing Network	An underspend is reported as a result of reduced expenditure on traffic signal works offsetting increased costs in Transportation below.	981	787	(194)	-
Parking Services	An underachievement of income is reported due to the slippage in the delivery of income generation proposals in relation to the review of District Parking and as a result of reduced car parks in support of City regeneration. A transfer was also made into the Highways Management reserve, in line with statutory guidance for ring fenced income.	(2,951)	(2,707)	244	500

Revenue Budget Outturn 2017-2018 – Place

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Public Protection	An underspend is reported as a result of staff vacancies in year and additional enforcement income.	1,923	1,764	(159)	-
Service Director City Environment	A draw down from the Regeneration reserve was made funding revenue elements of the first project phase of Lighting up the City.	132	200	68	(36)
Street Lighting	The reported underspend reflects reduced energy costs and windfall third party income offsetting overspends within the Highway Maintenance service.	2,717	2,490	(227)	-
Transportation	An overspend is reported primarily due to the change in accounting treatment of capitalised salaries and part under recovery of costs.	990	1,094	104	-
Waste and Recycling Service	The reported overspend is as a result of consultancy costs incurred in the transformation of the waste service and associated reprofiling of budget reduction proposals as reflected in the MTFs. A draw down from the Budget Contingency Reserve was made to acknowledge the current known project timescales for service transformation.	14,242	14,343	101	(1,641)
Black Country Transport		27	16	(11)	-
Total City Environment		23,077	23,182	105	(1,281)
Total Place		40,863	41,045	182	(2,418)

Revenue Budget Outturn 2017-2018 – Corporate Services (including Education)

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Corporate Services					
Audit Services	An underspend has arisen due to vacancies held across the service. A contribution to the Council's Insurance Fund was made during 2017-2018 to support unexpected insurance claim events that may arise which cannot be covered by Insurance Fund budgets	1,984	1,641	(343)	166
Central Corporate Budgets	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.	4,025	3,608	(417)	-
Commercial Services	The overspend 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. A drawdown from the Transformation Reserve enabled consultancy support in developing trading structures and standard contract templates.	640	930	290	(15)
Corporate Communications	A drawdown from the Transformation Reserve was used to support the Outcome Based Accountability project.	1,860	1,824	(36)	(46)
Customer Services		3,035	2,989	(46)	-
Finance Director		140	138	(2)	-
ICTS		5,246	5,314	68	-
Digital Transformation Programme	An overspend has arisen due to revenue costs associated with the Digital Transformation Programme.	185	321	136	-

Revenue Budget Outturn 2017-2018 – Corporate Services (including Education)

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Leisure Services	An overspend reported as significant budget reduction target of £500,000 has been delivered by WV Active and an increase in membership income realised. Transformation work continues and it is anticipated the remaining budget reduction proposals will be achieved in the next financial year.	1,165	1,288	123	-
Revenues & Benefits	The underspend has arisen due to ceasing all agency staff contracts from the start of Q4 and to reflect a favourable Housing Benefit Subsidy outturn position compared to budget.	2,229	1,859	(370)	-
Service Improvement		87	87	-	-
Strategic Finance	Funds were drawn down from the FutureWorks Reserve to support the development of Agresso under the Council's FutureWorks Programme.	2,340	2,340	-	(372)
The Hub		1,532	1,482	(50)	-
Total Corporate Services		24,468	23,821	(647)	(267)

Revenue Budget Outturn 2017-2018 – Corporate Services (including Education)

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Governance					
Democratic Services	A contribution from the Efficiency Reserve was used to enable the creation of a scanned and indexed record of all the birth, death and marriage certificates held on site at the Register Office, dating back to 1837.	2,610	2,512	(98)	(100)
Director of Governance		201	176	(25)	-
Governance Services	During 2017-2018, funds were drawn down from the Transformation Reserve to enable Business Analysts to support the Corporate Admin Review.	609	673	64	(115)
Human Resources	The underspend has arisen due to vacancies held as the service went through a minor restructure and lower than anticipated expenditure against a range of corporate training budgets. During 2017-2018, funds were drawn down from the Job Evaluation Reserve to support legal costs arising as a result of equal pay claims.	3,136	2,943	(193)	(380)
Legal Services	The overspend has arisen due to external fees incurred in support of one-off legal matters.	2,129	2,408	279	-
Licensing	The Licensing service is not permitted to make a surplus over a three-year period. The underspend in year has therefore been contributed to the Licensing Reserve, which will be used to minimise variations in fees imposed, as costs and license volumes fluctuate between years.	-	-	-	845
Markets	During 2017-2018, funds were contributed to the Markets Reserve and Wholesale Market Sinking Fund to fund repairs and maintenance at the markets.	(707)	(716)	(9)	25
Total Governance		7,978	7,996	18	275

Revenue Budget Outturn 2017-2018 – Corporate Services (including Education)

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Directorate					
Corporate Business Support	An underspend has arisen due to vacancies held across the service.	1,601	1,173	(428)	(72)
Managing Director		209	209	-	-
Total Directorate		1,810	1,382	(428)	(72)

Revenue Budget Outturn 2017-2018 – Corporate Services (including Education)

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Education					
Director of Education	An overspend as a result of additional consultant costs incurred for SEN and School Improvement Reviews.	240	305	65	-
School Planning & Resources	An overspend primarily as a result of Increased demand for Home to School Transport of High Needs pupils.	1,600	2,605	1,005	(128)
Schools		-	-	-	(237)
Standards and Vulnerable Pupils	A borrow forward of £1.7 million from 2018-2019 was approved by Schools 'Forum to fund the increased number of Out of City Placements.	929	891	(38)	(1,700)
Total Education		2,769	3,801	1,032	(2,065)
Total Corporate Services (including Education)		37,025	37,000	(25)	(2,129)

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Revenue Budget Outturn 2017-2018 – Corporate Budgets

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Corporate Budgets					
Treasury Management Budgets	The underspend is primarily due to a reduced borrowing need in year due to rephasing in the capital programme and the prudent management of treasury budgets. Part of the underspend was contributed to the Treasury Management Equalisation Reserve.	16,137	15,417	(720)	900
Central Provision for Auto-enrolment and Pay Award Costs	As approved in July 2017, a payment of £5.5 million was made towards the 2018-2019 past service pension deficit requirement in 2017-2018. An underspend against the Central Provision for Auto-enrolment and a contribution to the Pension Deficit Reserve was forecast during 2017-2018 to cover, in part, the upfront payment.	2,765	-	(2,765)	
Contribution to Pension Deficit Recovery Reserve		-	2,463	2,463	
West Midlands Combined Authority Transport Levy		10,912	10,912	-	
Environment Agency Levy		71	71	-	
Provision for Bad Debts	Provision for bad debts was greater than originally budgeted. Work will be undertaken during 2018-2019 to further improve the collection performance of outstanding debts. In addition to this, a review of the provision methodology will be undertaken to account for the likelihood of collection after twelve months.	-	690	690	
Birmingham Airport - Rent		(69)	(89)	(20)	
Gross Redundancy Costs	Redundancy payments due in 2017-2018 arising as a result of the voluntary redundancy programme.	-	4,100	4,100	
Capital Receipts Flexibility - Redundancy Costs	In December 2015, the Secretary of State announced that from 1 April 2016 capital receipts may be used for revenue transformational projects. Capital receipts totalling £3.0 million have been used to offset reorganisation costs.	-	(2,965)	(2,965)	
Cross-cutting budget reduction proposals		-	-	-	

Revenue Budget Outturn 2017-2018 – Corporate Budgets

Service/Budget	Reason for Variation/Comments	Net Controllable Budget 2017-2018 £000	Net Controllable Outturn 2017-2018 £000	Variance 2017-2018 £000	Element Relating to Transfer to/(from) Earmarked Reserves £000
Other Corporate / Transformation Budgets and Contingencies	The underspend against this budget was forecast during 2017-2018 to help to offset overspends within other directorates. The net transfer to Earmarked Reserve totalling £44,000 is made up from a contribution of £169,000 into the HRA Homelessness Reserve and a contribution from Regional Work Reserve totalling £213,000.	2,875	296	(2,579)	(44)
Budget reduction proposal held corporately - Waste & Recycling	The overspend has arisen as a result of budget reductions that could not be achieved during 2017-2018, due to the delayed transformation of the Waste & Recycling service.	(1,700)	-	1,700	
Apprenticeship Levy	There was a net underspend on the Apprenticeship Levy due to the net cost being lower than the original estimate.	800	492	(308)	
Corporate Adjustments	There was a net underspend against this budget.	293	-	(293)	
Discretionary Funding for Business Rates Relief	Contribution to earmarked reserves.	-	(296)	(296)	
Contribution to Business Rates Equalisation Reserve	Contribution from earmarked reserves.	-	296	296	296
Contribution from Budget Strategy Reserve	Contribution from earmarked reserves.	(3,550)	(3,500)	50	50
Reserve Adjustments:					
Contribution to Pension Deficit Recovery Reserve	Reallocation of positive General Fund underspend to Earmarked Reserves to ensure sufficient funds are available for future upfront payments.	-	781	781	781
Total Corporate Budgets		28,534	28,667	133	1,983

Outturn on Schools' Budgets

Overview

Schools that remain in local authority control started the 2017-2018 financial year with accumulated reserves of £8.4 million. At the end of the year revenue balances for these schools were £6.9 million, a reduction of £1.5 million. This represents 6.25% of the funding and income available to schools during 2017-2018.

At the start of the 2017-2018, it was forecast that the Schools projected balance to be £2.4 million therefore actual balances are £4.5 million greater than forecast.

The table below illustrates the in-year movement by school type:

Table 8 - Analysis of Schools Balances 2017-2018

	Balance at 1 April 2017 £000	Transfer to Academy in year £000	Use of Balances in 2017- 2018 £000	Balance as at 31 March 2018 £000
Infant	(147)	(96)	108	(135)
Junior	(313)	(105)	(149)	(567)
Primary	(4,847)	796	141	(3,910)
Secondary	1,158	-	890	2,048
Special	(1,348)	-	357	(991)
Nursery	(847)	-	(253)	(1,100)
PRU	(2,077)	-	(153)	(2,230)
Total	(8,421)	594	942	(6,885)
Clawback Balances	(85)	-	27	(59)
Borrowed from future Allocations	1,812	-	23	1,835
Total Reserve Balance	(6,695)	594	992	(5,109)

A further £1.8 million has been taken from the school balance reserve to fund the continued pressures in Out of City placements and Alternative Provision, effectively borrowing from the 2018-2019 allocation.

Within the City, four schools have now had a balance of over fifteen per cent of their income for five years meaning that the Local Authority is liable to further challenge from the Department for Education regarding these schools. During 2017-2018 officers from the Local Authority met with head teachers of schools to discuss plans for the use of excess surplus balances to ensure that they were being used effectively. No schools were taken through the arbitration process to recover balances as all schools demonstrated legitimate and robust plans. Previous rounds of balance challenges have resulted in a recovery of £119,604 from schools. Of this,

Outturn on Schools' Budgets

£60,957 has been re-distributed to schools through an agreed bidding process, and £58,647 remains available for schools to bid for during 2018-2019.

Schools may be maintaining balances for:

- a) Future cost increases in pension and other pay related costs, whilst they are aware that there will be no increases in funding per pupil for the foreseeable future.
- b) The impact of a national funding formula that is expected to be fully implemented from 2019-2020. It is expected that this will bring significant turbulence in the school funding system and to schools funding settlements.

It is important to note that, as any variances against schools' delegated budgets are transferred either to or from schools' accumulated reserves, their outturn position is financially neutral to the Council's General Fund.

Schools in a Deficit Position

The table below shows that the total number of schools in deficit has decreased by four.

Table 9 – Number of Schools in a Deficit Position

Sector	2016-2017	2017-2018
Infant	1	-
Junior	1	-
Primary	4	4
Secondary	4	3
Special	-	-
Nursery	1	-
Pupil Referral Unit	-	-
Total	11	7

Where schools end the financial year in a deficit position they are required to seek the approval of the Local Authority, to operate with a deficit balance. A further report on these will be brought to a future Cabinet (Resources) Panel.

Housing Revenue Account Revenue Outturn 2017-2018

	2017-2018 Budget £000	2017-2018 Outturn £000	2017-2018 Variance £000
Income			
Gross rents – dwellings	(91,261)	(99,829)	432
Gross rents – non-dwellings	(923)	(849)	74
Charges to tenants for services and facilities	(5,656)	(5,416)	240
Total income	(97,840)	(97,094)	(746)
Expenditure			
Repairs and maintenance	26,104	25,760	(344)
Supervision and management	19,172	19,365	193
Rents, rates and taxes	435	497	62
Increase in provision for bad	2,250	438	(1,812)
Depreciation of fixed assets	22,113	17,237	(4,876)
Total expenditure	70,074	63,297	(6,777)
Net cost of HRA services	(27,766)	(33,797)	(6,031)
Interest payable	11,095	10,351	(744)
Interest and investment income	(37)	(41)	(4)
Adjustment for premiums and	(120)	(120)	-
(Surplus)/deficit before transfers to/from reserves and provision for redemption	(16,827)	(23,607)	(6,780)
Allocation of (surplus)/deficit			
Increase to HRA Reserve		2,000	2,000
Provision for redemption of debt	16,827	(21,607)	4,780
Balance for the year	-	-	-

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National Domestic Rates (NDR) Write offs to be approved by Cabinet

Account Ref	Reason for Write-off	Write-off amount £
5104294	No Trace	9,808.77
5111993	No Trace	19,367.34
5055673	Recovery Prohibited By Statute	9,232.11
5058075	Recovery Prohibited By Statute	7,409.60
	Total	45,817.82

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Sundry Debts Write offs to be approved by Cabinet

Account Ref	Reason for Write-off	Write-off amount £
16003226	Deceased	8,403.24
16040900	No Trace	21,969.44
16009595	Uneconomical to Collect	5,780.00
	Total	35,792.68

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Council Tax Write offs to be approved by Cabinet

Account Ref	Reason for Write-off	Write-off amount £
7170022621	Deceased (no estate)	6,052.68
61234530917	No Trace	5,547.41
	Total	11,600.09

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General Fund Budget Virements

From		To		£000	Reason for Virement
Directorate	Service	Directorate	Service		
Place	City Environment	Corporate Accounts	Corporate Accounts	1,700	Waste & Recycling Transformation budget reduction proposals that could not be delivered in 2017-2018 and reported throughout the year within Corporate Accounts
Corporate Accounts	Corporate Accounts	Corporate Accounts	Treasury Management	200	Yoo Recruit dividend to be included within Treasury Management
Corporate	Digital Transformation Programme	Corporate	Central Corporate Budgets	185	Budget for DTP held corporately
Corporate	ICTS	Corporate	Central Corporate Budgets	315	Budget for ICTS held corporately
Place	Head of Corporate Landlord	Place	Estates and Valuations	110	Increase in running costs budgets matched by income from a recharge to Wolverhampton University.
Place	Parking Services	Place	Environmental Maintenance	43	Early Years Pupil Premium revised grant allocation 2017-2018
Place	Parking Services	Place	Highways Maintenance	457	Early Years Disability Access Fund (DAF) revised grant allocation 2017-2018
Corporate Accounts	Corporate Accounts	People	Adults Assessment & Care Management West	550	2017-2018 Public Health Replacement monies
Corporate Accounts	Corporate Accounts	People	Emergency Duty Team	150	2017-2018 Public Health Replacement monies
Corporate Accounts	Corporate Accounts	People	Specialist Support	415	2017-2018 Public Health Replacement monies
People	Strategic Director People	People	Older People Care Purchasing	85	Virement to move CM 2000 care management budget 2017-2018
Corporate	Central Corporate Budgets	Corporate	Licensing	39	Transfer of Place Directorate Non-Controllable Recharges to Licensing.
Corporate	Licensing	Corporate	Licensing	170	Switching Enforcement Recharges to Licensing from Non-Controllable to Controllable.
Place	Public Protection	Place	Public Protection	170	Switching Enforcement Recharges to Licensing from Non-Controllable to Controllable.

General Fund Budget Virements

From		To		£000	Reason for Virement
Directorate	Service	Directorate	Service		
Place	Facilities Management	Place	Facilities Management	43	Switching Corporate Landlord Recharges to Licensing from Non-Controllable to Controllable.
Corporate	Licensing	Corporate	Licensing	43	Switching Corporate Landlord Recharges to Licensing from Non-Controllable to Controllable.
Corporate	Licensing	Corporate	Central Corporate Budgets	66	Recharge to Licensing.
People	Older People Care Purchasing	People	Learning Disabilities Care Purchasing	171	Transfer 2017-2018 budgets re Care Purchasing Expenditure
People	Older People Care Purchasing	People	Service Director Adults	92	Transfer 2017-2018 budgets re Care Purchasing Expenditure
People	Older People Care Purchasing	People	Learning Disabilities Care Purchasing	152	Transfer 2017-2018 budgets re Care Purchasing Expenditure
People	Older People Care Purchasing	People	Business Support	85	Transfer of budgets 2017-2018 to correct spend codes
People	Learning Disabilities Care Purchasing	People	Carer Support	30	Transfer 2017-2018 in year budget underspends to cover Learning Disability overspend
People	Learning Disabilities Care Purchasing	People	Community Support	5	Transfer 2017-2018 in year budget underspends to cover Learning Disability overspend
People	Learning Disabilities Care Purchasing	People	Older People Care Purchasing	323	Transfer 2017-2018 in year budget underspends to cover Learning Disability overspend
People	Learning Disabilities Care Purchasing	People	Older People Provider Services	12	Transfer 2017-2018 in year budget underspends to cover Learning Disability overspend
People	Learning Disabilities Care Purchasing	People	Adults Assessment & Care Management North	14	Transfer 2017-2018 in year budget underspends to cover Learning Disability overspend
People	Learning Disabilities Care Purchasing	People	Adults Assessment & Care Management East	22	Transfer 2017-2018 in year budget underspends to cover Learning Disability overspend
Total				5,647	

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 July 2018
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Report title	ICT Capital Investment Programme 2018-2019 to 2019-2020	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable director	Andy Moran, Director of Commercial Services	
Originating service	ICT	
Accountable employee(s)	Gail Rider Tel Email	Head of Service - ICT 01902 553496 Gail.Rider@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	15 May 2018

Recommendations for decision:

The Cabinet is recommended to:

1. Approve the reprofiling and proposed extension of the ICT capital programme for the years 2018-2019 to 2019-2020 at an additional cost of £4.0 million.

Cabinet is asked to note:

1. That the additional internal resources required for the reprofiling and extension of the ICT capital programme for the years 2018-2019 to 2019-2020 have been incorporated into the 'Capital budget outturn 2017-2018 including quarter one capital budget monitoring 2018-2019' report which is also on this agenda, and will subsequently be reported to Full Council for approval on the 18 July 2018, assuming that Cabinet approval to progress with the projects is given. As the progression is dependent on that decision, if the projects are not approved, the capital programme will be reduced accordingly.

1.0 Purpose

- 1.1 The purpose of this report is to seek approval for additional capital funding of £4.0 million for the ICT capital programme to fund on-going and anticipated requirements from 2018-2019 to 2019-2020. There is a current approved ICT capital programme for 2018-2019 totalling £1.5 million so with an additional £4.0 million the ICT capital programme for 2018-2019 to 2019-2020 will total £5.5 million.
- 1.2 The Council's ICT infrastructure necessitates the need to be continually updated to remain operational, secure and up to date. Most ICT solutions have a finite shelf life and are required to be replaced or upgraded at regular intervals in order to remain current, working and supported, failure to do so could lead to critical Council ICT solutions failing and, therefore being unable to support the Council in its duty to serve its citizens.
- 1.3 There is a rolling ICT capital programme which formulates the budgetary provision. There are a variety of different capital budgetary requirements ranging in size from £1.0 million plus to items of only a few thousand pounds. This report identifies the current agreed ICT capital programme as approved by Full Council on 7 March 2018 and sets out the estimated ICT capital programme to fund requirements through to the end of the financial year 2019-2020. This report also includes estimated costs of the ICT capital programme for the financial years 2020-2021 to 2022-2023 but this is for information only and funding is not being requested for this in this report.
- 1.4 This funding request is solely for the ICT capital programme and does not incorporate any funding requirements of the Digital Transformation (DTP) / Commercial Business Improvement Programme (CBIP).

2.0 Background

- 2.1 The Council's ICT infrastructure needs to be continually updated to remain operational and up to date. There is a rolling ICT capital programme which makes budgetary provision for this. Within the expenditure there is a variety of different requirements ranging in size from £1.0 million plus to items of only a few thousand pounds.
- 2.2 Traditionally all of the ICT infrastructure has been housed in either the Primary Data Centre (PDC) in the Civic Centre or at a Secondary Data Centre (SDC) currently located within Staffordshire County Council's buildings.
- 2.3 Conforming to industry best practice standards the Council has been moving from using traditional "on-premise" infrastructure to using "cloud" based infrastructure in line with the council's "cloud first" strategy. The underlying foundation of this strategy is if a service can be delivered cost effectively, securely and efficiently using a cloud based solution then this will be adopted as opposed to traditional methods of installing specific hardware and software "on premise". This strategy places more reliance on fast and resilient internet connectivity which must be maintained and improved in line with the strategic move to cloud services.

- 2.4 All ICT installations, sites and customers are linked through a city-wide network. The network and its associated equipment is largely based at the Civic Centre but there is also substantial equipment currently housed at Staffordshire County Council.
- 2.5 This cloud first strategy will see a move away from a traditional 3 year and 5 year hardware replacement cycle (although this will remain for solutions not yet suited to cloud technology) and a smoother annual “rental” type of finance programme will start to develop.
- 2.6 The council has also commenced a more mobile and agile workforce, therefore, customers need to have technology at their fingertips (laptops, tablets, smart phones etc.) that support this strategy.
- 2.7 A realignment of the ICT capital programme was approved at Council on 8 November 2017 and this realignment is shown in Appendix 1.
- 2.8 As a result of the requirement to realign the ICT capital programme previously agreed, funding for longer term strategic objectives now needs to be reallocated in order to allow the programme to continue. There is also a strategic requirement to extend the ICT capital programme into a five year programme taking it up until 2022-2023 and this full programme is detailed in Appendix 2 (please note that funding for years beyond 2019-2020 is not being requested in this report) . A brief explanation of all line items is given in Appendix 3.
- 2.9 The ICT capital programme spans five years but as technology changes quickly funding for the first two years only is requested in this report. The estimated funding requirements for years 2020-2021 to 2022-2023 are provided for information only.
- 2.10 The financial impact of this proposal is that additional funding of £4.0 million is required for the period 2018-2019 to 2019-2020.

3.0 Progress

- 3.1 All schemes identified on the ICT capital programme are required, some to ensure the service continues on a day to day basis, others to support proposed business programmes (Future Space, Smarter Ways of Working etc.) and some to ensure that the Council remains compliant (Public Services Network, Microsoft etc.). There are additional schemes where it is anticipated that upgrades / replacements will be essential due to technology either failing due to age or becoming outdated or incompatible with newer technologies or simply no longer unsupported.

4.0 Evaluation of alternative options

- 4.1 This report requests funding to support a varying number of ICT schemes. The financial implications section below shows that borrowing is the current preferred funding source, however, if capital receipts are available and prove to be a more cost-effective funding source these will be used to reduce the cost of borrowing.

4.2 All schemes where funding has been requested will be assessed individually to ensure that the most appropriate solution is selected in order to satisfy business requirements and deliver the best value for money. Business cases will also be written for larger projects to ensure that the project is viable and worthwhile.

5.0 Reason for decision

5.1 Borrowing is the current preferred funding source, however, capital receipts are constantly monitored and will be used if they prove to be a more cost effective funding source for the council.

6.0 Financial implications

6.1 The current ICT capital programme budget for 2018-2019 to 2019-2020 is £1.5 million, as detailed in Appendix 1. This was included in the Quarter Three Capital Programme report which was approved by Full Council on 7 March 2018. The proposed extension to the Programme for 2018-2019 and 2019-2020 will require an additional £4.0 million of capital funding. The schedule of projects is detailed in the table in Appendix 2. This table also incorporates the current estimated funding requirements for 2020-2021 to 2022-2023, provided for information only at this stage given uncertainties in a rapidly changing technological environment. The additional funding required is summarised in the table below:

	2018- 2019 £000	2019- 2020 £000	Total £000
Current Capital Programme	1,500	12	1,512
Proposed Capital Programme	3,500	2,012	5,512
Additional Funding Required	2,000	2,000	4,000

6.2 The estimated revenue costs associated with funding the entire Programme expansion through borrowing are detailed in the table below:

	£000
2018-2019	40
2019-2020	480
2020-2021	880
2021-2022	880
2022-2023	880
2023-2024	890
2024-2025	450
Total	4,500

It may, however, be more cost effective to apply capital receipts to the short life assets generated through the ICT Capital Programme in the event that capital receipts are available. The revenue implications of borrowing identified above would reduce as capital receipts funding was applied. Capital receipts are continually monitored and their allocation across projects determined on an annual basis.

- 6.3 If Cabinet approves the proposed increase in the ICT Capital Programme, approval of the additional funding will be sought in the 'Capital budget outturn 2017-2018 including quarter one capital budget monitoring 2018-2019' report which will be presented to Full Council on 18 July 2018.
[MH/21062018/A]

7.0 Legal implications

- 7.1 There are no legal implications arising from this report.
[TS/27062018/Q]

8.0 Equalities implications

- 8.1 There are no equalities implications arising from this report.

9.0 Environmental implications

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

10.0 Human resources implications

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

11.0 Corporate landlord implications

- 11.1 There are no corporate landlord implications arising from this report.

12.0 Appendices

Appendix 1: ICT Capital Programme as at Q3 2017-2018

Appendix 2: ICT Capital Programme 2018-2019 to 2022-2023

Appendix 3: ICT Capital Programme – Budget Synopsis

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Appendix 1

ICT Capital Programme Q3 2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	£000	£000	£000	£000	£000
Main Programme:					
Provision for Future Developments	-	-	-	-	-
	-	-	-	-	-
Emergency Projects	25	-	-	-	-
	25	-	-	-	-
<u>Security Enhancement</u>	-	-	-	-	-
Penetration Testing & ITHC	13	-	-	-	-
Internal Security Testing Tools	10	-	-	-	-
	23	-	-	-	-
<u>Refresh</u>	-	-	-	-	-
Microsoft Enterprise Agreement (Core)	810	-	-	-	-
Microsoft Enterprise Agreement (Dynamics/servers)	90	-	-	-	-
Microsoft Azure Commitment	-	-	-	-	-
	900	-	-	-	-
<u>Storage Refresh</u>	-	-	-	-	-
Increase Storage Capacity	30	-	-	-	-
Upgrade / Replace Filers	-	-	-	-	-
Upgrade / Replace Data Domain	-	-	-	-	-
	30	-	-	-	-
<u>Upgrades</u>	-	-	-	-	-
Replace / Upgrade Firewalls	50	-	-	-	-
Active Directory upgrade	-	-	-	-	-
	50	-	-	-	-
<u>Infrastructure Upgrades</u>	-	-	-	-	-
Telephony Improvement	-	-	-	-	-
Core network infrastructure upgrade	21	-	-	-	-

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Network Hardware Refresh	20	-	-	-	-
Expand production VM environment and production DMZ environment	-	-	-	-	-
SCCM / SCOM	-	-	-	-	-
Expand SDC Virtual Server Farm	35	-	-	-	-
Hybrid Mail and Printing	-	-	-	-	-
Civic Centre Infrastructure Upgrade	-	-	-	-	-
Application Rationalisation and SAAS	-	-	-	-	-
Auditing Tools and Log Management Solution	3	-	-	-	-
Telephony Refresh	20	-	-	-	-
Civic Centre Wireless Upgrade	-	-	-	-	-
Replace/Upgrade System Centre Appliance	14	-	-	-	-
Unified Communications	50	-	-	-	-
Project resource to support agile working	-	-	-	-	-
Large format printer	-	-	-	-	-
Additional digital signage equipment / AV	9	-	-	-	-
Just in Time Development	-	-	-	-	-
Resilient Express Route installation	20	-	-	-	-
	-	-	-	-	-
	192	-	-	-	-
Data Centres					
Additional Data Cabinets	4	2	-	-	-
Air conditioning	5	-	-	-	-
Data centre decommission and deep clean	5	5	-	-	-
Replace UPS Batteries	19	-	-	-	-
UPS DC & AC Capacitor Replacement	10	5	-	-	-
	43	12	-	-	-
Main Programme	1,263	12	-	-	-
Desktop Refresh	-	-	-	-	-
Disaster Recovery	4	-	-	-	-
Service Led ICT Projects:					
Migrate Care First to Eclipse	233	-	-	-	-
WV Active Kiosk	-	-	-	-	-
Revenues and Benefits cloud migration	-	-	-	-	-
IDOX / GIS cloud migration	-	-	-	-	-

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Council Chamber / Mayoral Parlour refurbishment	-	-	-	-	-
	233	-	-	-	-
Total ICT Capital Programme	1,500	12	-	-	-

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Appendix 2

ICT Capital Programme 2018-2019 to 2022-2023	2018-2019 £000	2019-2020 £000	2020-2021 £000	2021-2022 £000	2022-2023 £000
Main Programme:					
Provision for Future Developments	250	250	250	250	250
	250	250	250	250	250
Emergency Projects	25	-	-	-	-
	25	-	-	-	-
<u>Security Enhancement</u>					
Penetration Testing & ITHC	23	13	50	13	13
Internal Security Testing Tools	10	-	-	-	-
	33	13	50	13	13
<u>Storage Refresh</u>					
Increase Storage Capacity	30	30	30	30	30
Upgrade / Replace Filers	-	-	-	450	-
Upgrade / Replace Data Domain	-	150	-	-	200
	30	180	30	480	230
<u>Upgrades</u>					
Replace / Upgrade Firewalls	50	-	80	50	-
AD upgrade	10	-	-	10	-
	60	-	80	60	-
<u>Infrastructure Upgrades</u>					
Telephony Improvement	50	-	-	50	-
Core network infrastructure upgrade	180	-	-	-	-
Network Hardware Refresh	300	30	30	30	30

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Expand production VM environment and production DMZ environment	30	-	30	-	30
SCCM / SCOM	-	-	-	-	-
Expand SDC Virtual Server Farm	35	-	15	-	15
Civic Centre Infrastructure Upgrade	250	-	-	-	-
Application Rationalisation and SAAS	100	-	-	-	-
Auditing Tools and Log Management Solution	90	-	-	-	-
Telephony Refresh	10	10	10	10	10
Civic Centre Wireless Upgrade	20	10	50	10	10
Replace Cisco wifi with Aruba for non Civic locations	55	-	-	-	-
Replace/Upgrade/Develop System Centre	40	-	60	-	50
Unified Communications	50	25	25	25	25
Project Resource to support agile working	90	90	90	90	90
Large format printer	-	-	-	-	-
Hybrid mail and printing	-	-	-	-	-
Additional digital signage equipment / AV	250	-	-	-	-
Just in Time Development	250	250	250	250	250
Internet upgrade / replacement	50	-	-	50	-
Resilient Express Route installation	20	-	-	-	-
WAN rationalisation (9 exchanges down to 6)	40	-	-	-	-
	1,910	415	560	515	510
<u>IT Service Management</u>					
System Centre, Cireson, SharePoint devt	60	-	50	-	50
	60	-	50	-	50
<u>Print and Mail</u>					
Hybrid Mail / Mailmark	45	-	-	-	-
Folding Machine	-	20	-	-	-
Large Format laminator	-	-	10	-	-
Scorer	-	-	10	-	-
Booklet Maker	-	-	-	30	-

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Large Format Printer	-	-	-	-	20
	45	20	20	30	20
<u>Data Centres</u>					
Additional Data Cabinets	2	2	-	2	2
Air conditioning	5	-	-	-	-
Data centre decommission and deep clean	5	-	5	-	5
Replace UPS Batteries	15	5	-	15	5
UPS DC & AC Capacitor Replacement	10	5	-	-	20
Cold Aisle Containment	-	20	-	-	-
Environmental Management	-	-	-	40	-
Migrate SDC	50	-	-	-	-
	87	32	5	57	32
<u>Disaster Recovery</u>					
DR	100	100	-	-	-
	100	100	-	-	-
<u>Desktop Refresh</u>					
Refresh	-	-	-	-	-
Tablets	65	517	225	525	375
Laptops	-	165	200	250	250
Desktops (Libraries 2018-2019)	100	-	-	-	150
Desktops - non libraries	-	-	350	-	-
Monitors	300	200	50	-	-
Peripherals (docking stations, keyboards, mice etc)	20	40	40	60	60
Mobile phones	50	50	50	50	50
Telephony Headsets	32	30	-	-	-
	567	1,002	915	885	885
<u>Service Led ICT Projects</u>					

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Migrate Care First to Eclipse (101)	233				
WV Active Kiosk (102)	-	-	-	-	-
Migrate IDOX to Cloud	100	-	-	-	-
	358	-	-	-	-
Total	3,500	2,012	1,960	2,290	1,990

ICT Capital Programme – Budget Synopsis

Appendix 2 shows the ICT Capital profile required to deliver the proposed ICT Capital programme for 2018-2019 to 2022-2023 and below are explanations of each of the line items.

Future Developments

Desirable:- A budget to support future developments that are not yet known. If there are no future developments this budget will not be spent.

It is envisaged that a budget of £250,000 per annum will be required to fund future developments through to 2022-2023. This budget has been increased compared to previous years as experience has shown that new developments have come to light which require funding above the original £200,000 future developments budget.

Emergency Projects

Desirable:- A budget to support emergency developments where expedited procurement is required.

A fund of £25,000 is included in 2018-2019 to cater for the requirement to purchase ICT solutions more swiftly than normal processes would allow. It is estimated that £50,000 will be carried forward as an underspend from the 2017-2018 budget which will amount to a total of £75,000 being available for 2018-2019.

Security Enhancements

- Penetration Tests and ITHC:-

*Essential to retain connectivity with central government departments such as the DWP.
Prevents risk, high priority.*

In order to comply with PSN requirements it is mandatory for the Authority to undertake external penetration tests and provide authorised health check reports. A 3 year contract is currently being let in 2017-2018 and a further contract will be required in 2020-2021 at an estimated cost of £50,000. Health checks are also required to be performed and submitted annually and the cost of these is estimated to cost approximately £13,000 per annum.

- Internal Security Testing Tools:-

*Desirable.
Reduces resource requirement, low priority.*

In order to support the requirement to provide health checks and ensure the Council's infrastructure complies with PSN requirements some specialist tools will need to be purchased and it is estimated that a budget of £10,000 will be required to purchase these in 2018-2019.

Storage Refresh

- Increase Storage Capacity:-

*Probable
Reduces risk, medium priority.*

There is likely to be a requirement to increase storage capacity as the Council stores more and more data, an estimated budget of £30,000 per annum (apart from years when the filer itself may require upgrading / re-contracting) has been apportioned for this. A strategic move towards cloud services may warrant a different financial model for storage

than is currently proposed, however, it is prudent to budget for the solution that is currently in place.

- Upgrade / Replace filers:-
Probable:- This will be dependent on future storage strategies but something will definitely be required.
Prevents risk, medium priority.
In August 2017 a 5 year storage contract was entered into at a cost of £450,000. A new storage contract may be required in 2021-2022 and the proposed budget for this contract has also been set at an estimated £450,000. As stated above a move to cloud services may warrant a different financial model than the one currently envisaged.
- Upgrade / Replace Data Domain:-
Probable:- This asset is beyond its life expectancy and will need replacing but only when it starts showing signs of failure.
Reduces risk, medium priority.
The current Data Domain appliance is ageing and beyond its expected life and, although functioning well, may require upgrading or replacing in 2019-2020 at an estimated cost of £150,000. Using figures based on an average 3 year life expectancy a further £200,000 has been included for upgrade / replacement in 2022-2023.

Upgrades

- Replace / Upgrade Firewalls:-
Probable:- A health check will be undertaken prior to any purchases in order to ascertain when upgrades / replacements become necessary.
Prevents risk, high priority.
£50,000 is estimated to be required in 2018-2019 to cover increased requirements, hardware failure and / or upgrade / replacement with a further £80,000 and £50,000 being required in 2020-2021 and 2021-2022 respectively to maintain a fit for purpose firewall infrastructure.
- Active Directory Upgrade:-
Essential
Prevents risk, provides opportunities, medium priority.
The council relies on a product known as “Active Directory” (AD) to manage all users and their associated assets. The council’s AD requires upgrading in 2018-2019 at an estimated cost of £10,000. It is also envisaged that AD will require a further upgrade in 2021-2022 therefore an additional £10,000 has been included for this.

Infrastructure Upgrades

- Telephony Improvement:-
Probable:- This will be subject to an analysis exercise to establish exactly what is required.
Provides opportunity, low priority.
As the future space programme embeds itself and mobile/smarter working becomes a natural part of the working culture, solutions that satisfy the telephony demand aligned to this working profile will need to be developed. A £50,000 budget has been proposed in 2018-2019 for this with a further £50,000 proposed for 2021-2022 where upgrade and/or replacement of infrastructure may be required.
- Core Network Infrastructure Upgrade:-
Probable:- This asset will reach its life expectancy but a health check will take place to assess the need for upgrade / replacement.
Reduces risk, medium priority.
This was upgraded in 2013-2014 so, with an estimated 5 year life, this will need upgrading again in 2018-2019 at an estimated cost of £180,000.

- **Network Hardware Refresh:-**
Probable:- This project will be aligned with the Council's property rationalisation programme in order to ensure that funds are used for the most appropriate locations.
Reduces risk, provides opportunity, low priority.
A rolling Capital replacement programme of £30,000 per annum is required to ensure that the network infrastructure throughout the corporate network remains up to date, maintained and supported. There is an additional £270,000 requirement in 2018-2019 to enable agility across non Civic Centre sites (to match the agility of the Civic Centre) that are to be retained longer than 3 years. At this point it is not known which sites will form (or not) part of the group of Council wide assets, where sites reduce then the costs will also reduce.
- **Expand production VM environment and production DMZ environment:-**
Probable:- Dependent upon future strategies and business requirements.
Reduces risk, low priority.
Some demand for additional server infrastructure remains, and, as such, the requirement for expansion of the virtual infrastructure is estimated to be £30,000 every 2 years. As the council's "cloud first" strategy accelerates this budget line may go towards supporting cloud server infrastructure as opposed to on-premise virtual server infrastructure.
- **Expand SDC Virtual Server Farm:-**
Possible:- Dependent upon future strategies and business requirements.
Reduces risk, low priority.
Infrastructure at the Secondary Data Centre (SDC) needs to be expanded in line with infrastructure at the Primary Data Centre (PDC) and, as a result of this, it is estimated that £35,000 will be required in 2018-2019 and £15,000 will be required in 2020-2021 and 2022-2023. Note that the Physical SDC may be largely replaced by a virtual SDC (Infrastructure As A Service) but the costs are estimated to be the same for infrastructure requirements.
- **Civic Centre Infrastructure Upgrade:-**
Essential:- Required to finalise the ICT requirements for the Future Space Programme.
Provides opportunity, high priority.
A further £250,000 is estimated to be required in 2018-2019 in order to fund additional hardware to support the final phase of the Future Space programme.
- **Application rationalisation and SAAS:-**
Possible:- Dependent upon further analysis.
May provide a return on investment, low priority.
Solutions need to be investigated to reduce the application estate and take advantage of technologies that allow for more affordable and more mobile / agile working methods. Software As A Service is a tried and tested path and will be investigated as well as the DTP being utilised were appropriate. A budget of £100,000 for 2018-2019 has been included for this rationalisation.
- **Auditing Tools & Log Management Solution:-**
Essential:- The Council needs this information to remain PSN compliant.
Reduces risk, high priority.
PSN have a requirement for council's to monitor staff access to computers via "log management" and tools at an estimated cost of £90,000 (in 2018-2019) are required to do this. These tools will also assist in auditing of non PSN requirements such as file and permission access.
- **Telephony Refresh:-**
Probable:- Dependent upon the failure rate of current equipment.
Reduces risk, medium priority.

As the telephony system is now much more reliant on server and switch infrastructure, as well as an increasing reliance on cloud technologies, it is necessary to replace ageing hardware / software on a cyclical basis, therefore, a £10,000 budget per annum has been estimated to accommodate this.

- **Civic Centre Wireless Upgrade:-**

Probable:- Dependent upon analysis that will take place to identify requirements.

Reduces risk, low priority.

As the number of laptops and tablets increases within the civic centre the associated wireless infrastructure needs to be maintained to keep pace. £10,000 per annum budget has been estimated to support this with an increased sum of £50,000 in 2020-2021 to replace / upgrade the back end infrastructure.

- **Replace Cisco with Aruba for non Civic Centre Locations:-**

Probable:- This project will be aligned with the Council's property rationalisation programme in order to ensure that funds are used for the most appropriate locations.

Provides opportunity, low risk.

There are a number of non Civic Centre locations that have ageing Cisco WiFi equipment that needs to be replaced with Aruba WiFi equipment. A budget of £55,000 will be required in 2018-2019 to achieve this. (This figure is based on current sites, a reduction in sites will lead to a reduction in costs)

- **Replace/Upgrade/Develop System Centre:-**

Probable:- Dependent upon analysis that will take place to identify requirements.

Reduces risk, low priority.

A £40,000 budget is required in 2018-2019 to upgrade and develop the current system centre implementation and a further budget of £60,000 will be required in 2020-2021 to replace the physical system centre appliance with a further upgrade required two years later at a cost of £50,000.

- **Unified Communications:-**

Probable:- Dependent upon future strategies and business requirements.

Provides opportunity, low priority.

In order to aid mobility and agility a unified communications solution is required to allow people to be contacted easily, wherever they are, using one simple solution. This project is already underway and an estimated budget of £50,000 will be required in 2018-2019 to ensure the infrastructure is fit for purpose with a further £25,000 per annum being required to ensure it remains resilient and capable of supporting increased numbers.

- **Project Resource to Support Agile Working:-**

Possible:- Dependent upon future agile working requirements.

Provides opportunity, low priority.

Resource is required to support the roll out and the usage of agile working project throughout forthcoming years at an estimated cost of £90,000 per annum.

- **Additional Digital Signage Equipment and AV:-**

Probable:- Dependent upon future strategies and business requirements.

Provide opportunity, low priority.

In order to promote events to the citizens of Wolverhampton, professionally advertise schemes and activities and to generally inform the public and employees of the council external digital signage is required and additional internal Audio Visual capability is also required at an estimated cost of £300,000 being required in 2018-2019.

- **Just in Time Development:-**

Probable:- Dependent upon future strategies and business requirements.

Provides opportunity, low priority.

In order to support rapid development of solutions to support the business over the coming years estimated funding of £300,000 per annum will be required.

- **Internet Upgrade / Replacement:-**
Essential:- The current contract is due to expire and needs to be renewed. Maintenance, medium priority.
As the Council operates more and more in the digital world it is imperative that fast and resilient internet links are available and, in order to ensure this, the Council's current internet service will need to be upgraded or replaced in 2018-2019 at an estimated cost of £50,000.
- **Resilient Express Route Installation:-**
Probable:- Dependent upon analysis that will take place to identify requirements. Prevents risk, medium priority.
In line with an upgrade internet link there is also a requirement to make the specialist internet connection for the Digital Transformation Programme resilient at an estimated cost of £20,000 in 2018-2019.
- **WAN Rationalisation:-**
Possible:- Dependent upon analysis that will take place to identify requirements. May provide a return on investment, low priority.
In order to reduce costs in the longer term and, therefore, save the council money it is necessary to invest in network architecture changes in 2018-2019 at an estimated cost of £40,000.

IT Service Management

- **System Centre, Cireson, SharePoint Development:-**
Probable:- Dependent upon future strategies and business requirements. Maintenance, medium priority.
These solutions need to be developed to continually evolve to meet the demands of service users. It is estimated that a budget of £60,000 will be required in 2018-2019 to achieve this with a further budget of £50,000 every two years thereafter.

Print and Mail

- **Hybrid Mail / MailMark:-**
Probable:- Dependent upon future strategies and business requirements. May provide a return on investment, low priority.
In order to deliver savings on outgoing post, and provide options to email or text rather than post, to meet service demand for different communication options it is estimated that a budget of £45,000 will be required in 2018-2019.
- **Folding Machine:-**
Probable:- Dependent upon analysis that will take place to identify requirements. May provide a return on investment, low priority.
To provide the ability to automatically fold printed items either for inserting into envelopes or printed booklets it is estimated that a budget of £20,000 will be required in 2019-2020.
- **Large Format Laminator:-**
Probable:- Dependent upon analysis that will take place to identify requirements. May provide a return on investment, low priority.
To provide large format laminating services for external signage solutions an estimated budget of £10,000 will be required in 2020-2021.
- **Scorer:-**
Probable:- This asset will reach its life expectancy but a health check will take place to assess the need for upgrade / replacement. Reduces risk, low priority.

To replace the current scoring machine (which enables the effective folding of printed items) when it reaches end of life in 2020-2021 and estimated budget of £10,000 will be required.

- **Booklet Maker:-**
Probable:- This asset will reach its life expectancy but a health check will take place to assess the need for upgrade / replacement.
Reduces risk, low priority.
The current booklet making machine reaches end of life in 2021-2022 and an estimated budget of £30,000 will be required to replace it.
- **Large Format Printer:-**
Probable:- This asset will reach its life expectancy but a health check will take place to assess the need for upgrade / replacement.
Reduces risk, low priority.
The large format printer has an estimated life of 5 years so will require replacing in 2022-2023 at a cost of £20,000.

Data Centres

- **Additional Data Cabinets:-**
Possible:- Dependent upon whether we can generate income by housing other organisations' infrastructure to generate income.
May provide a return on investment, low priority.
An estimated £2,000 per annum will be required to ensure there are sufficient data cabinets suitably powered and network enabled in order to house required network and infrastructure hardware. This requirement is anticipated to slow down as we look to migrate infrastructure from "on premise" into the "cloud."
- **Air Conditioning:-**
Probable:- Dependent upon how well the initial phase of the replacement progresses.
Maintenance, medium priority.
The air conditioning units in the UPS (Uninterrupted Power Supply) room are in the process of being replaced with and estimated £5,000 being required in 2018-2019 to complete the project.
- **Data Centre Deep Clean:-**
Probable:- Dependent upon the cleanliness of the data centre every 2 years.
Maintenance, low priority.
A deep clean should be undertaken every 2 years, therefore, £5,000 funding has been requested for 2018-2019, 2020-2021 and 2022-2023.
- **Replace UPS Batteries:-**
Probable:- Dependent upon the failure rate of the batteries.
Maintenance, low priority.
Batteries in the UPS have a finite life and need replacing on a cyclical basis. It is estimated that £15,000 will be required in 2018-2019 and £5,000 being required in 2019-2020 with these amounts being required again in 2021-2022 and 2022-2023 respectively.
- **UPS DC & AC Capacitor Replacement:-**
Essential:- These are beyond their life expectancy and will need replacing but only when it starts showing signs of failure.
Maintenance, high priority.
Capacitors in the Data Centre have a 5 year life expectancy (some are currently beyond this) and therefore need replacing before they become end of life. The capacitors are of different ages, therefore, replacement periods vary with budget requirements of 2018-

2019 (£10,000) and 2019-2020 (£5,000) with a probable additional requirement of £20,000 in 2022-2023.

- Cold Aisle Containment:-

Desirable:- A business case will be built to assess whether this will be financially viable. May provide a return on investment, low priority.

To make the data centre as efficient as possible it would be prudent to introduce partitioning to ensure that “hot air aisles” and “cold air aisles” remain separate so that air conditioning units do not have to cool hot air more than necessary. A full review of the data centre will be required to ascertain if this exercise would be viable and worthwhile but, if it is, there will be an estimated cost of £20,000 to introduce it in 2019-2020.

- Environmental Management:-

Desirable:- A business case will be built to assess whether this will be financially viable. May provide a return on investment, low priority.

As the council moves more towards using the cloud to supply services the strategy is to “rent out” space in the data centre to generate income. In order to ensure the data centre is fit for this purpose environmental monitoring will need to be installed and an amount of £40,000 has been budgeted for in 2021-2022 to achieve this. Again, a full review will be undertaken to establish whether it is going to prove viable and worthwhile undertaking this activity.

- Migrate SDC:-

Probable:- Dependent upon future strategies and business requirements. Reduces risk, may provide a return on investment, medium priority.

There is a risk and an annual rental cost in having the Council’s data centre housed in a building that is not owned by the Council, therefore, at the end of the current contract in February 2019 it is planned to migrate to Council owned premises at an estimated one off implementation cost of £50,000.

Disaster Recovery

Probable:- Dependent upon future strategies and business requirements. Reduces risk, low priority.

As more and more services are delivered from cloud or hosted sites the requirement for traditional disaster recovery architectures are reducing, however, there are still essential services (E.g. networking, domain controllers and some critical applications) that are still delivered from “on-premise” these need to be protected in case of a disaster, in order to do this a budget of £100,000 is required in 2018-2019 and 2019-2020.

Desktop Refresh

Probable:- Dependent upon future strategies and business requirements. Provides opportunity, low priority.

The drive to more mobile and smarter working continues, in order to support this, more innovative desktop computing devices are required both now and in the future to ensure users constantly have the correct, equipment that is fit for their work purpose. To ensure the desktop hardware estate remains fit for purpose the following funds are estimated to be required:-

- Tablet Devices: £65,000 is estimated to be required to satisfy current demand in 2018-2019 and a further £525,000 will be required in 2019-2020 with further estimated costs of £225,000 in 2020-2021, £525,000 in 2021-2022 and £375,000 in 2022-2023.
- Laptop Devices: £165,000 is estimated to be required in 2019-2020 with a further £200,000 in 2020-2021, £250,000 in 2021-2022 and £250,000 in 2022-2023.

- Desktop Devices (Libraries): £100,000 is estimated to be required to upgrade devices in 2019-2020 and then another £150,000 will be required in 2022-2023 to refresh these devices.
- Desktop Devices (Non Libraries): It is estimated that £350,000 will be required in 2020-2021 to refresh the current corporate desktop estate.
- Monitors: The majority of monitors have not been upgraded in the last 10 years and they are not capable of delivering the resolution that modern desktop devices (E.g. laptops) produce. These monitors need upgrading which will require a budget of £300,000 in 2018-2019 with a further £200,000 and £50,000 being required in 2019-2020 and 2020-2021 respectively.
- Peripherals(docking stations, keyboards, mice etc.: In order to support the above hardware devices peripherals will be required at an estimated cost of £20,000, £40,000, £40,000, £60,000 and £60,000 for 2018-2019 to 2022-2023.
- Mobile Phones: There will be a requirement for more mobile phones throughout the business and, at a current cost of £155 per device, this is expected to generate a demand of approximately £50,000 per annum from 2018-2019 to 2022-2023.
- Telephony Headsets: There will be a requirement for headsets to be purchased to support the Unified Communications and Collaboration project. The rollout is expected to reach 2,000 people in 2018-2019 and the remainder in 2019-2020 with costs estimated to be £32,000 per annum.

Service Led ICT Projects

- Migrate Care First to Eclipse:-
Probable:- The project is currently being reviewed but is likely to progress and this budget will be required to support it.
Prevent risk, medium priority.
The Platform for Care project vision is to transform the systems for Children and Young People and Adult services, transforming customer experiences and outcomes by enabling better service delivery using a single integrated digital platform. Enabling and empowering Council staff to work from anywhere and everywhere, with real time information aiding accurate decision making and improve efficiency. This is estimated to require a Capital investment of £233,00 in 2018-2019.
- Migrate IDOX to Cloud:-
Possible:- Analysis will be undertaken to determine if this upgrade / migration is financially viable.
May provide a return on investment, reduces risk, low priority.
The Council's IDOX solutions requires upgrading and as part of this it will be migrated to a cloud based solution at an estimated cost of £100,000 in 2018-2019.

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 July 2018
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Report title	Local Council Tax Support Scheme	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Revenues and Benefits	
Accountable employee	Sue Martin Tel Email	Head of Revenues and Benefits 01902 554772 Sue.martin@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	26 June 2018

Recommendations for decision:

The Cabinet is recommended to:

1. Approve the publication of a draft local council tax support scheme for consultation, for 2019-2020 onwards, containing the following revisions:
 - a. A minimum change rule where changes in weekly entitlement of £3 or less are not applied.
 - b. Financial and household information used to assess entitlement to Universal Credit to be used to determine council tax support entitlement.
 - c. The notification of an award of specified benefits to count as a claim for council tax support.
2. Delegate authority to the Cabinet Member for Resources, in consultation with the Head of Revenues and Benefits, to approve the documents to be issued for consultation.

Recommendation for noting:

The Cabinet is recommended to:

1. Note that following the outcome of consultation a further report will be submitted to Cabinet on 23 January 2019 to enable a final scheme to be recommended to Council on 6 March 2019.

1.0 Purpose

- 1.1 This report is presented to Cabinet in order to seek the approval of changes to the Council's local scheme for council tax support; having considered options that could be incorporated.
- 1.2 Any changes to the scheme will be subject to public consultation prior to adoption by full Council. At this stage therefore, Cabinet is only asked to agree a draft revised scheme.

2.0 Background

- 2.1 In April 2013 the Council implemented its own local scheme to replace Council Tax Benefit. Government continues to set the rules for pensioners and so the local scheme applies only to working age households.
- 2.2 From December 2017 the housing benefit scheme closed for most new claims. Support with housing costs is now provided through Universal Credit, administered by the Department for Work and Pensions. The Council continues to provide assistance with council tax through its local scheme.
- 2.3 The number of housing benefit claims administered by the Council will decrease as people transfer to Universal Credit. Consequently, the amount of grant provided by Government to administer housing benefit will also decrease from 2019-2020 onwards.
- 2.4 The proposals in this report aim to address some of the expected impacts of the roll-out of Universal Credit on the administration of the local council tax support scheme.

3.0 Impact of Universal Credit

- 3.1 Based on national figures, the number of working age families receiving housing benefit is likely to decrease by 25% over the next 12 months as they move to universal credit with a corresponding decrease in government administration grant expected in 2019-2020.
- 3.2 It is not yet clear when the roll-out of Universal Credit will be completed however, based on recent announcements, it is unlikely to be before 2023. Data modelling suggests that in the future almost all working age recipients of council tax support will also be receiving Universal Credit.
- 3.3 Universal Credit entitlement is recalculated and could potentially change every month. If we do nothing, there would be a significant increase in workload from recalculating council tax support every time universal credit changes.
- 3.4 Each notification of Universal Credit entitlement includes details of the income and household circumstances used in the calculation. The data contains a breakdown of pensions, earnings and benefits and a summary figure for 'other income'. The current council tax support scheme requires the 'other income' figure to be disaggregated, meaning additional information has to be collected from customers.

- 3.5 Every change in income or circumstance of any member of the household triggers a reassessment of council tax support, regardless of whether it leads to a change in entitlement. Any change in entitlement, regardless of how small, triggers a revised council tax bill and potentially resetting of recovery action.
- 3.6 An option to address the scheme overheads in response to the impact of Universal Credit would be to introduce a minimum change rule. In this situation, all changes would continue to be applied to the claim, but only those that change the entitlement, up or down, by predefined tolerances would result in a change to the amount payable.
- 3.7 In addition, using the income data supplied with the Universal Credit notification would eliminate the need to make additional requests for information from customers.

4.0 Evaluation of alternative options

- 4.1 Three options have been considered and are summarised below:

Advantages	Disadvantages
Option 1 – do nothing	
On line claims process captures what is needed for assessment	Anticipated increase in administrative cost as universal credit caseload increases
Comparability with pensioner scheme, staff don't have to operate two sets of rules	Impact on recovery if council tax support award changes and action resets
Annual uprating follows rules for pensioner scheme and housing benefit	Complexity of scheme – difficult for customers to understand
Eligibility tapered based on every £1 of income – gradual withdrawal of support	High volume of information and evidence needed for assessment
Cost of scheme can be varied relatively simply through the maximum liability percentage.	Every change must be notified by customer
No software changes needed	
Option 2 – introduce a minimum change rule and use income data from Universal Credit calculation	
Retains existing scheme rules so as option 1 plus -	Nothing done to simplify scheme rules
Can be combined with new technology to reduce administration costs	
Eliminates revised billing for small changes	
Eliminates the need for additional information to be collected where Universal Credit is in payment	

Option 3 – develop a simplified scheme	
Can be designed to align with universal credit	Not enough information about the relationship with Universal Credit to design a new scheme with sufficient confidence about which groups might be better or worse off.
Simpler for customers to understand	Can create 'cliff edges' between bands
Less information needed for assessment therefore potential for reduced administration costs	
Customers need only report changes that move them to a different income band	

- 4.2 For the reasons set out above, option 2 is recommended and Cabinet is asked for permission to consult on amending the scheme by
- a. introducing a minimum change rule based on a de-minimis value of a £3 change in weekly entitlement
 - b. using the income and household data contained in the Universal Credit notification to calculate council tax support entitlement.
 - c. Simplifying the claim process by using notification of an award of Income Support, Jobseeker's Allowance (income-based), Employment and Support Allowance (income-related) or Universal Credit as a claim for council tax support.

5.0 Reasons for decisions

- 5.1 At this stage Cabinet is only being asked to agree a draft revision to the council tax support scheme that will be subject to public consultation.
- 5.2 The proposed revisions aim to reduce the administrative costs of the scheme without making major changes to the level of award under the scheme.
- 5.3 Responses to the consultation will help refine the final scheme that Council will be asked to approve.

6.0 Consultation

- 6.1 The Council has a duty to consult on any revisions to its local council tax support scheme which would reduce entitlement to support for any class of person, and to take account of the outcomes in making a final decision.
- 6.2 The Local Government Finance Act 2012 requires the Council to do the following in the order set out:
 - a. consult any major precepting authority which has power to issue a precept to it,

- b. publish a draft scheme in such manner as it thinks fit, and
- c. consult such other persons as it considers are likely to have an interest in the operation of the scheme

6.3 The requirement to consult as laid down in the Local Government Finance Act 2012 states that consultation must be carried out on the basis of a published draft scheme which incorporates the proposed changes.

6.4 A plan is currently being prepared that anticipates consultation running from late summer.

7.0 Financial implications

7.1 It is anticipated that government administration subsidy for housing benefit will reduce by up to £300,000 in 2019-2020. If option 2 is implemented, it is envisaged that the cost of administering the scheme will reduce. Whilst the cost of reduced administration cannot be forecast precisely at this time, it is hoped that it should go some way towards offsetting the reduction in government administration subsidy in 2019-2020.

[MH/29062018/P]

8.0 Legal implications

8.1 There are no legal implications at this stage however should a decision to revise the scheme be taken in the future then the Local Government Finance Act sets out requirements for consultation and decision making.

[RB/18062018/N]

9.0 Equalities implications

9.1 The proposals and outcome of the consultation will be subject to a full equality analysis.

10.0 Environmental implications

10.1 There are no environmental implications arising from this report.

11.0 Human resources implications

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

12.0 Corporate landlord implications

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

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 July 2018
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Report title	Open Space Strategy and Action Plan Update	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor John Reynolds, City Economy Councillor Steve Evans, City Environment	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable director	Julian Wain, Director of Regeneration Ross Cook, Director of City Environment	
Originating service	Planning and Environmental Services	
Accountable employees	Michèle Ross	Lead Planning Manager (Sub-Regional Strategy)
	Tel	01902 554038
	Email	Michele.ross@wolverhampton.gov.uk
	Steve Woodward	Head of Environmental Services
	Tel	01902 554260
	Email	Steve.woodward@wolverhampton.gov.uk
Report has been considered by	Future City Board	1 May 2018
	Strategic Executive Board	25 June 2018

Recommendation for decision:

The Cabinet is recommended to:

Adopt the City of Wolverhampton Open Space Strategy and Action Plan Update.

1.0 Purpose

- 1.1 To seek approval to adopt an updated version of the City of Wolverhampton Open Space Strategy and Action Plan (OSSAP), which will direct investment and planning decisions on open space across the City in future years, help the Council to secure external funding (including developer contributions) and release surplus assets to maximise local community and regeneration benefits.

2.0 Background

- 2.1 Well managed and located open spaces make a vital contribution to the quality of life and health of individuals, families and communities across Wolverhampton. The Council owns and manages most of the open space in the City, providing a range of recreational opportunities for sport, exercise, play, contact with nature and growing produce. The Black Country Core Strategy is clear that a network of good quality open space is vital to attract people to live and work in Wolverhampton. A good quality open space network is vital to help deliver the Council's Vision for Public Health 2030.
- 2.2 Investment is currently taking place in open space across the City, to improve the quality of key sites, create quality open space to serve new and existing residents, such as at the former Goodyear site and Ward Street, and maximise use of existing sites such as playing fields. Much of the funding for on-going improvements has been secured from developers through the planning process. Over the period 2016-2018 capital S106 funding in the region of £405,000 has contributed to nine open space improvement projects across the City totalling £690,000.
- 2.3 During 2012-2014, the Council adopted a strategic approach to open space in Wolverhampton, set out in a suite of documents: Sport Development Investment Strategy (SDIS); Playing Pitch Strategy and Action Plan (PPSAP); Open Space Strategy and Action Plan (OSSAP); and Open Space, Sport and Recreation Supplementary Planning Document. The strategic approach makes efficient use of open space assets and ensures delivery of regeneration priorities within constrained budgets through working with local communities and reconfiguring sites and services, where appropriate, to release funds for reinvestment. To make decisions about where this should happen, secure external funding and guide delivery it is important to have an up-to-date evidence base, strategy and action plan based on realistic open space standards.
- 2.4 When Cabinet adopted the OSSAP on 26 March 2014 it was agreed that the Action Plan part of the OSSAP would be monitored and updated annually and the Strategy element reviewed at least every five years. The PPSAP and OSSAP Action Plan were updated in 2015, as reported to Cabinet on 13 January 2016 and 24 February 2016. Towards an Active City was adopted in 2017, which replaces the SDIS.
- 2.5 In 2017, consultants were commissioned to refresh the open space standards in the OSSAP, as the population has increased and there have been a number of changes to open space provision across the City since this work was last completed in 2013. Minor changes were also made to the Strategy to reflect recent policy and operational changes.

An update of the OSSAP Action Plan was then completed. In parallel, a partial update of the PPSAP was commissioned, to provide an up-to-date evidence base for decisions affecting playing pitches in the City and to feed into the OSSAP Action Plan update.

- 2.6 It is important that the Council adopts the updated OSSAP, which is available at <http://www.wolverhampton.gov.uk/planningpolicy> in order to:
- Secure investment for priority open space, sport and recreation projects which will support regeneration, housing delivery and health objectives and increase the attractiveness of Wolverhampton as a place to live, visit and work;
 - Provide clarity and certainty to developers and land owners, including the Council, in relation to the disposals programme and planning obligations; and
 - Provide a strategic context for external funding bids and future budget decisions.

3.0 Delivery of the Open Space Strategy and Action Plan

- 3.1 The OSSAP is an investment strategy and evidence for planning decisions, which:
- Applies deliverable open space standards to different parts of the City and highlights areas of surplus and deficiency;
 - Provides clear, prioritised actions to protect, improve the quality of and extend open space provision where there are deficiencies, and rationalise open space provision where there are surpluses or this could improve quality or access (taking into account cross-boundary effects and City-wide priorities);
 - Maximises effective use of existing physical and financial resources in improving open space provision.
- 3.2 The OSSAP sets out quantity, quality and access standards for seven different types of open space:
- Parks
 - Natural green space
 - Amenity green space
 - Provision for children
 - Provision for young people
 - Outdoor sports (including playing pitches)
 - Allotments

It applies these standards to five Analysis Areas and highlights areas which have surpluses or deficiencies against the standards. The standards are generally lower than those set by neighbouring authorities, reflecting the densely built, urban nature of Wolverhampton. The OSSAP standards update highlighted a decrease in most quantity standards as a result of population increases between 2012 and 2018. However, the Parks standard has been maintained, as a result of the creation of 16 ha of new Parks across the City associated with new housing development. The overall quality of open space provision has also increased due to investment, with more sites classified as high quality compared to 2012.

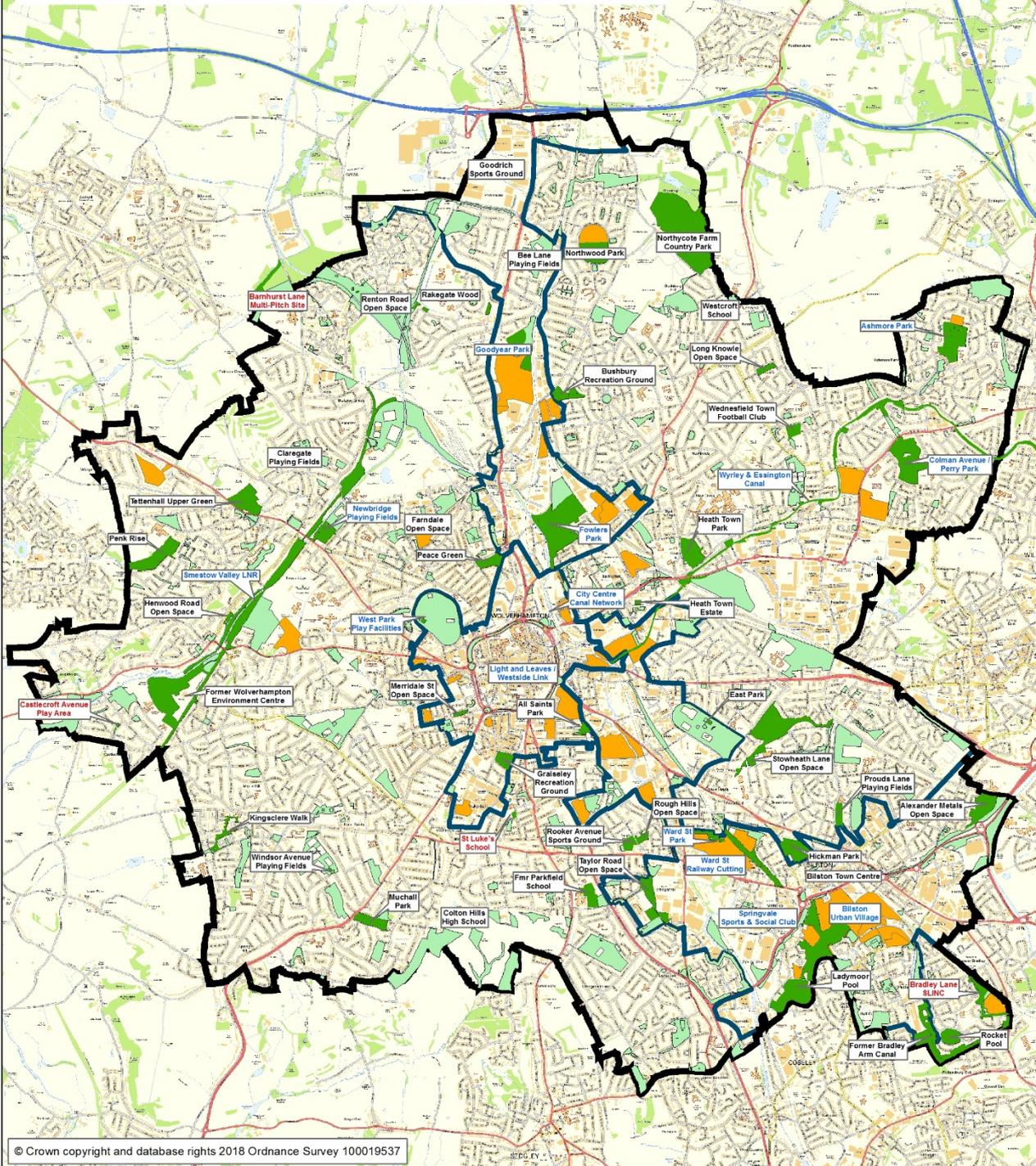
3.3 The City-wide aims of the OSSAP are:

- To broadly retain the same amount of open space across the City (4.38 ha per 1,000 residents);
- To target investment in key open spaces to address gaps and support growth;
- To allow poorer quality open spaces in local areas of surplus to come forward for development, subject to levels of compensation which provide reasonable capital receipts;
- To set out playing pitch priorities (based on the Playing Pitch Strategy and Action Plan) which provide a clear framework for disposal of former playing fields, including on school sites.

3.4 The priority projects set out in the Action Plan part of the OSSAP provide clear guidance on the Council's priorities for open space improvement by Analysis Area, which will form the focus for investment and allocation of developer contributions and other funding. The location of these projects and their regeneration context is shown on the plan below.

Wolverhampton Open Space Action Plan Priority Sites and Regeneration Context

-  Priority Open Space Action Sites
 -  Other Open Spaces
 -  Regeneration Spine - Area Action Plans
 -  Committed Housing sites (>50 homes)
- Red label - Project Completed
Blue label - Project Underway
Black label - Project not started



- 3.5 Since the OSSAP was updated in 2015 considerable progress has been made to deliver priority actions, funded by both internal and external resources. These actions include:
- Changing rooms for new multi-pitch site to serve the north of the City at Barnhurst Lane now under construction;
 - Creation of a new community use playing pitch at St Luke's Primary School to mitigate for playing field loss at the former St Luke's Junior School;
 - Phase 1 of Ashmore Park improvement works completed;
 - Castlecroft Avenue Play Area completed;
 - Designation of a new Black Country Wyrley & Essington (BC W&E) Canal Local Nature Reserve (LNR);
 - Successful Blue Network ERDF Bid contributing to a £500,000 investment programme for the new BC W&E Canal LNR, the creation of 4ha of LNR at the former Wolverhampton Environment Centre and other improvements to Smestow Valley LNR – works now underway;
 - Successful Bilston Urban Village Strategic Environmental Infrastructure ERDF and Local Growth Fund Bid contributing to a £2.0 million works programme for the creation and improvement of a series of linked open spaces, including Nettlefolds Park, Barbors Fields and Highfields Park, for recreation and biodiversity purposes – works now underway;
 - City-wide canal towpath improvements in the Wednesfield, City Centre and Bilston areas, funded through the Managing Short Trips project, providing a walking and cycling route between Wolverhampton and Birmingham.
- 3.6 Individual changes made to the original OSSAP 2015 are available on request. The Strategy and Action Plan have been subject to updates to reflect:
- Refreshed open space standards;
 - Amended playing pitch priorities following completion of an updated Playing Pitch Strategy and Action Plan;
 - Progress made in delivering priority actions, including any changes to details, timescales and funding arrangements;
 - Emergence of new priority actions in accordance with the Strategy, including:
 - Lights and Leaves and Westside Links projects to improve green infrastructure serving Wolverhampton City Centre;
 - Provision of new sports facilities at Peace Green Neighbourhood Park;
 - Improvements to pitches and facilities at a number of Council-owned open spaces and private sports clubs across the City;
 - Increasing community use of football pitches at a number of Council-owned open space and schools across the City;
 - Creation of a new football pitch at Grosvenor Street Open Space serving the Heath Town Estate, to mitigate for playing field loss at Burton Crescent housing development site;
 - Improvements to open spaces in Bilston Town Centre which require investment to improve quality or remodelling to enable more flexible use, in line with the priorities of the Bilston Business Improvement District Business Plan.

4.0 Next Steps

- 4.1 In order to balance the need for regular updates with resource constraints, in future the OSSAP Action Plan will be updated every two years and the OSSAP will be subject to a standards and strategy refresh every six years. The PPSAP will be subject to a partial review every two years and a full review every six years. This means that there will be an OSSAP Action Plan update and PPSAP partial review in 2020.

5.0 Evaluation of alternative options

- 5.1 The alternative option to updating the Open Space Strategy and Action Plan would be to continue to use an out-of-date document for decision-making purposes. This would reduce the effectiveness of the document to enable decision-making on a range of open space issues.

6.0 Reasons for decision

- 6.1 It is important that the Council and partners are able to make robust decisions on open space issues based on up-to-date evidence. If the Open Space Strategy and Action Plan is not updated on a regular basis there is a risk that this would reduce the effectiveness of the document to enable decision-making on a range of open space issues.

7.0 Financial implications

- 7.1 The Action Plan contains details of projects that have either been successfully completed in recent years, are on site or have been identified as priority actions and therefore make up a programme of potential projects.
- 7.2 Elements of projects on site, namely Barnhurst Lane Changing Rooms, Peace Green, Bilston Urban Village Environmental Infrastructure, Fowlers Park, Heath Town Park, Renton Road Play Area and Castlecroft are already reflected in the approved capital programme.
- 7.3 The programme of potential projects will help support future bids for external resources and direct private developer contributions in line with Council priorities. Not all the potential projects will involve the Council incurring capital expenditure. However, any required on-going maintenance of the sites will impact on the Council's revenue budget. The costs stated in the Action Plan are indicative based on the costs to complete the desired works and do not include any future maintenance costs. However, potential projects will not be progressed until any additional maintenance costs have been quantified and at least 10 years' future maintenance costs secured.

- 7.4 The completion of desired works is dependent upon external resources from grant funding and developer contributions and until funding is confirmed it is not possible to finalise any capital and revenue estimates. Included projects will be subject to future reports to Councillors seeking approval for terms and costs once known in line with current approval processes.

[TT/12062018/C]

8.0 Legal implications

- 8.1 There are no legal implications arising from this report.

[TS/14062018/Q]

9.0 Equalities implications

- 9.1 An Equality Analysis has been completed, which concludes that, overall, the Open Space Strategy and Action Plan (OSSAP) will have positive equal opportunity implications, by seeking to achieve equal access for all to a sufficient quantity and quality of open space and sport facilities of different types. The OSSAP will increase participation in sport and physical activity and access to high quality open space across the City.

- 9.2 There is identified potential for some localised adverse impacts through development of a limited number of open spaces. However, in these cases there has been careful consideration to ensure that any impacts are balanced by secured mitigation measures which will result in overall improvements to quantity, quality and/or access to open space in the local area.

10.0 Environmental implications

- 10.1 The OSSAP update will have positive implications for the improvement of open space for people and wildlife across the City.

11.0 Human Resources implications

- 11.1 There are no human resource implications directly arising from this report.

12.0 Corporate landlord implications

- 12.1 Any potential Council schemes will require approval by the Council before any capital expenditure is incurred as ongoing maintenance of the sites will impact on the Council's revenue budget. This will involve the submission of proposals to Corporate Landlord Board to be reviewed on value for money and appropriateness based on the current financial climate. Capital expenditure has a direct impact upon the Council's revenue budgets and therefore needs to be restricted to projects essential to the Council's priorities. Any projects endorsed by Corporate Landlord Board will then be reported to Councillors for approval.

13.0 Schedule of background papers

Wolverhampton Open Space Audit and Needs Assessment, PMP for City of Wolverhampton Council (2008)

Wolverhampton Open Space Strategy and Action Plan (February 2014)

Wolverhampton Open Space Strategy and Action Plan Equality Analysis (January 2014)

Open Space, Sport and Recreation Supplementary Planning Document (2015)

Wolverhampton Playing Pitch Strategy and Assessment, KKP for City of Wolverhampton Council (2015)

City of Wolverhampton Open Space Strategy and Action Plan (February 2016)

Cabinet 24 February 2016 – City of Wolverhampton Open Space Strategy and Action Plan Update

Wolverhampton Playing Pitch Strategy and Assessment Update, KKP for City of Wolverhampton Council (June 2018)

City of Wolverhampton Open Space Strategy and Action Plan Update, KKP for City of Wolverhampton Council (June 2018)

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet 11 July 2018
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Report title	Right to Buy Policy Update	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable director	Kate Martin, Service Director, City Housing	
Originating service	City Housing	
Accountable employee(s)	Mila Simpson	Service Lead Housing Strategy
	Tel	01902 554841
	Email	Mila.simpson@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board 26 June 2018	

Recommendations for decision:

The Cabinet is recommended to:

1. Adopt the set of criteria as set out at paragraph 3.3 of the report when considering an application to purchase a former Right to Buy property is received by the Council.
2. Delegate authority to the Cabinet Member of City Assets and Housing, in consultation with the Service Director City Housing, for agreeing the buy back of a former Right to Buy property as set out at paragraph 3.7 of the report.
3. Delegate authority to the Service Director City Housing for refusing applications to buy back former Right to Buy properties as set out at paragraph 3.7 of the report.

4. Approve the use of discretion to waive some or all of the repayment of Right to Buy Discount when a former Right to Buy property is sold on within five years in the exceptional circumstances set out in paragraph 4.4 of the report.
5. Approve the use of the 'Request to Waive Repayment of Discount Awarded Under The Right to Buy Scheme' form at appendix 1 to assist in the collation of evidence to prove exceptional circumstances and minimise the risk of abuse and the risk of fraud as set out at paragraph 4.8 of the report.
6. Approve as per paragraph 5.6 of the report, the Council charging professional fees to cover both legal and valuation work required when served with a notice to extend the lease of a former Right to Buy property.
7. Approve as per paragraph 6.7 of the report, the Council charging professional fees to cover both legal and valuation work required when served with a notice for the collective purchase of the freehold of a block of flats, where the Council currently holds the freehold.

1.0 Purpose

- 1.1 This report sets out policy that deals with situations arising from former secure tenants who have exercised their Right to Buy (RTB):
- 1.2 **Right of First Refusal** – This report sets out the factors to be considered and the decision-making process when receiving offers to purchase back properties sold through RTB. Under covenant of sale owners must offer their property back to the Council when selling within 10 years of first purchase.
- 1.3 **Repayment of RTB Discount** – This report sets out the procedure the Council will follow to consider and make decisions on requests for discretion to be applied in the repayment of RTB discount when the property is sold within 5 years of purchase.
- 1.4 **Extension of leases** – This report sets out the procedure the Council will follow to consider and make decisions on requests to extend leases on RTB leasehold properties, including the mechanism for the Council to introduce recharging for professional fees to undertake this work on behalf of the leaseholder.
- 1.5 **Enfranchisement** – This report sets out the procedure the Council will follow to consider and make decisions on requests by a group of leaseholders to collectively purchase the freehold on their block, including the mechanism for the Council to introduce recharging for professional fees to undertake this work on behalf of the leaseholder.

2.0 Background

- 2.1 The RTB provides secure tenants of the Council, the right to purchase the home they rent, under part 5 of the Housing Act 1985. Qualifying tenants receive a discount on the property's market value starting at 30% for houses and 50% for flats following at least 3 years as a public sector tenant. This increases dependent on the length of their tenancy currently to a maximum of £80,900 outside of London, as is subject to increase on 6th April each year in line with Consumer Price Index (CPI).
- 2.2 Wolverhampton Homes has a dedicated team that takes receipt of and processes applications for the RTB of Council housing stock. This is done in-conjunction with the Council's Legal services who lead on all conveyancing matters on behalf of the Council.
- 2.3 The Council currently deal with these matters following regulation however this report seeks to clarify the Council's approach to those areas where local authorities have the gift to apply discretion or local adjustments to ensure these matters are dealt with in an efficient and consistent manner.

3.0 Right of first refusal

- 3.1 Owners wishing to resell or dispose of their property bought through the RTB scheme within 10 years of purchase are required to offer it back to the Council as the former landlord at the full market value.
- 3.2 This is the Right of First Refusal and is set out in covenants as part of the sale of property as introduced in the Housing Act 2004 and set out in the Housing (Right of First Refusal) (England) Regulations 2005.
- 3.3 Whilst the Council is not obliged to buy back properties offered to it in this way, it will determine whether or not a property will be repurchased by considering the following factors:
- Capital funds are available AND;
 - Purchase of the property supports wider regeneration or development objectives;
 - Purchase of the property will avoid a future compulsory purchase order (CPO);
 - Housing need and demand is established for that property type in the locality it is being offered;
 - Assists in meeting housing need for those requiring supported living such as bringing bungalows or other level access properties into Housing Revenue Account (HRA) stock;
 - Supports the Council's wider objectives as a landlord of social housing for making best use of stock and meeting housing need;
 - Where it is being added to the HRA's portfolio of Council housing, additional costs for refurbishment work to bring it up to the Decent Homes Standard is minimal;
 - Purchase of the property offers value for money.
- 3.4 In accordance with the regulations, the Council will only consider offers which must include the following;
- a statement from the owner or trustee saying that they wish to dispose of the property;
 - the full postal address of the property being offered;
 - state there is a covenant regarding buy-back under Right to Buy legislation;
 - information about the type of property, the number of bedrooms and details of the heating system;
 - details of any improvements or structural changes made since purchasing from the council;
 - an address where correspondence can be sent.
- 3.5 Where the Council wishes to purchase a property it has been offered, it must agree the market value with the owner. If a price cannot be agreed it will be determined by the District Valuer (the government will pay the costs of employing a District Valuer).
- 3.6 As per the regulations the Council must respond to a Right of First Refusal offer within 8 weeks, with either an acceptance or rejection notice. Where the Council does wish to purchase the property and issues an acceptance notice, it then has 12 weeks to enter a binding contract for the purchase of the property, or 4 weeks within receipt of a written

notice from the owner saying that he is ready to complete the transaction, whichever is longer.

- 3.7 The appropriate officer within the Housing Development Team, Housing Services will make a determination on whether or not the property will be repurchased in line with the criteria set out at 3.1.4. If so Cabinet Member approval will be sought from the Portfolio Holder for City Assets and Housing via an Individual Executive Decision Notice. If it is to be refused they will seek approval from the Service Director City Housing.

4.0 Repayment of RTB discount

- 4.1 Owners wishing to resell or dispose of their property bought through the RTB scheme within 5 years of purchase are required to repay some or all of the discount they received.
- 4.2 This is set out in section 155 of the Housing Act 1985. Updated in section 185 of the Housing Act 2004 it clarified that former landlords have discretion not to demand that former tenants repay part or all of the discount they received. The discretion applies to any sale that would trigger repayment of discount which takes place on or after 18 January 2005.
- 4.3 The Ministry for Housing, Communities and Local Government (MHCLG) issued guidance in respect of when the use of discretionary powers would be appropriate. Whilst it is for the Council to decide if the circumstances of a particular case would justify the exercise of discretion under section 155, MHCLG advise that landlords should only exercise their discretion where the former tenant cannot afford to repay part or all of their discount and would therefore not be able to move home where they are required to do so due to particular exceptional circumstances as the opportunity cost of the Council not demanding repayment is a net cost to the public purse.
- 4.4 The following are examples from the MHCLG guidance of where the use of discretion may be justified.
- a. where an owner of the property wishes to move because otherwise he or she and/or other family members (especially children) face a demonstrable threat of violence or of significant harm; for example, due to:
 - relationship breakdowns involving actual or threatened domestic violence
 - racial, religious, homophobic or any other kind of harassment
 - extreme anti-social behaviour, such as persistent drug dealing in an adjoining or nearby property
 - b. where the sudden onset of a severe medical condition or serious deterioration of an existing condition makes a move essential on medical grounds;

- c. where an early move is essential to return to employment; for instance where an individual has a firm offer of a job in another area and would thereby be able to return to work, either:
- after long term unemployment; or
 - after having been made redundant, when his/her skills are such that there is no prospect of getting another job locally.
- d. where a traumatic personal event (for example, sudden bereavement) makes a move essential for emotional or psychological reasons
- 4.5 In each case it will be necessary to establish both the facts justifying the move and that such a move could not take place unless part or all of the discount repayable were waived.
- 4.6 In order for the Council to make a decision on waiving RTB discount, requests for discretion must be made in writing with decisions made on a case by case basis.
- 4.7 Requests will be required to include:
- Details of the amount of the waiver of the repayment they are seeking and the reason why;
 - Clear objective evidence in support of the request, setting out their circumstances and facts justifying their imminent need to move for example police reports or correspondence, medical evidence, letters from their employer;
 - Financial circumstances demonstrating the move could not take place unless some or all of the discount is waived for example a mortgage assessment carried out by an FSA approved advisor, the amount of any outstanding mortgage, the value of sole or joint savings and equity, estate agent or solicitors fees;
 - A current valuation of the property;
 - Details of any other property the client is seeking to purchase or move to.
- 4.8 As per the MHCLG guidance the Council as landlord need to fulfil their fiduciary duty, to ensure accountability as not demanding repayment will lead to a net cost to the public purse. Officers from Legal Services, Housing Services and Audit have drafted a form as set out in appendix 1 that can be sent to those applying for discretion. This will assist in gathering the required information which will help to verify; if the application fulfils the qualifying criteria, that circumstances are expectational, that the client cannot afford to repay part or all of the discount and that repayment of part or all of the discount would lead to demonstrable personal hardship. It will also help to minimise the opportunity for fraudulent abuse of the discretion.
- 4.9 On receipt of this information an assessment of the evidence will be undertaken by Housing Strategy officers, with input from Legal Services and Finance, with additional information requested if necessary.

- 4.10 The Service Manager for Housing Strategy will review the evidence collated and make a decision in consultation with Finance. The amount to be waived should be the lowest amount necessary to enable the move to go ahead. The client will be advised in writing of the outcome of the request for discretion to be exercised.
- 4.11 The customer will have the right to appeal this decision, as will be set out in the letter. They will be given 28 days to request in writing a review of the decision, including the grounds for the review. Appeals will only be considered where additional information can be provided. Reviews will be carried out by a head of service not involved in the original decision. They will consider if the policy and/or procedure have been applied correctly.
- 4.12 The outcome of the review will be made in writing to the customer. They will also be advised of their right to make a formal complaint through the Council's complaints procedure; and of their right to refer the matter to the Local Government Ombudsman.

5.0 Extension of leases

- 5.1 The Council offers 125 year leases as standard when a RTB property is sold. A lease extension is achieved by granting a new lease in place of the existing one, but for 90 years longer as per the Leasehold Reform, Housing and Urban Development Act 1993. The Act sets out the procedure the leaseholder and the Council should follow.
- 5.2 Lease extensions are usually requested when the amount of time left to run on the lease is approaching 80 years, as lease extension becomes much more expensive when a lease falls below 80 years and as the number of years on the lease runs down, this may also eventually affect a leaseholder's ability to get a mortgage against the property.
- 5.3 This formal procedure is started when the leaseholder serves a Tenant's Notice on the landlord, which is received by Legal Services. This prompts a number of eligibility checks and actions to be taken by professional services within the council.
- 5.4 Legal Services are required to:
- check that the lease is a long lease that has been owned by the applicant for more than 2 years;
 - check that the owner or others within the block have not made an application for collective enfranchisement (the right of leaseholders to collectively purchase the freehold of a block of flats);
 - check with Housing Services that there is no intention by the Council to redevelop the building as the Council can resist a claim on the grounds of redevelopment;
 - serve counter-notice stating if the claim is admitted. If it is state which of the proposals contained in the tenant's notice are acceptable and which are not acceptable and what the counter-proposals are.
- 5.5 The Council must also instruct a valuation of the flat for the purpose of calculating the price of the new lease.

5.6 As the leaseholder is liable for the landlord's professional fees (including both legal costs and valuation fees) from the service of the notice regardless of whether the application is successful, it is proposed that the Council will recoup these costs from the leaseholder with estimated fees from Legal Services circa £500 and for valuation circa £500.

6.0 Enfranchisement

6.1 This is the right for leaseholders of flats to act together to collectively purchase the freehold and any headleases of their building.

6.2 In order to be a qualifying leaseholder the tenant must have a long lease which means a lease which, when originally granted, was for a term of more than 21 years, but they cannot own three or more flats in the building.

6.3 This follows a statutory process as set out in the Leasehold Reform, Housing and Urban Development Act 1993. The process is only likely to be triggered where there is a large group of leaseholders who are dissatisfied with the management of the block.

6.4 Whilst the Council can negotiate with such leaseholders before the statutory process has been commenced, for reasons of clarity and costs, it is recommended that the statutory procedure is closely followed from the beginning.

6.5 It begins with the service of a notice by the tenant following which the Council would need to make investigations to determine whether the right is in fact exercisable (this would need to be done by Legal Services in conjunction with Wolverhampton Homes). If the right is exercisable, officers would need to be certain that the Council has got no intention to develop or demolish the property, which would require input from Housing Services.

6.6 The Council would also need to instruct a valuer to determine whether the price proposed by the leaseholders is a realistic valuation.

6.7 As the leaseholder is liable for the landlord's professional fees (including both legal costs and valuation fees) from the service of the notice regardless of whether the application is successful, it is proposed that the Council will recoup these costs from the leaseholder with estimated fees from Legal Services circa £500 and for valuation circa £500.

7.0 Evaluation of alternative options

7.1 The alternative option would be not to introduce any locally determined policy, but to be reliant on the legislation and regulations. This however would not provide for areas of discretion set out within the regulations, which may make applications longer and more difficult to assess

8.0 Reasons for decision

8.1 The recommendations if agreed will lead to a consistent approach across Council officers when dealing with requests relating to former Right to Buy properties. This in turn will

ensure applications are assessed more quickly and should result in fewer reviews on decisions.

9.0 Financial implications

- 9.1 A decision to buy back a former Right to Buy property can only be made if a capital budget is available and approved within the Housing Capital Programme.
- 9.2 Decisions to waive some or all of the Right to Buy discount will be made in consultation with Financial Services as this will result in a net cost to the Housing Revenue Account.
- 9.3 The legislation governing the extension of leases and purchase of the freehold provides guidance on that applicants can be made responsible for the payment of legal costs and administration charges.
[JM/18062018/F]

10.0 Legal implications

- 10.1 The Right to Buy scheme was introduced by the Housing Act of 1980 and amended by the Housing Act 1985 and Housing Act 2004
- 10.2 The Housing Act 2004 introduced covenants requiring owners wishing to dispose of their property during the first ten years after purchasing under the RTB scheme to offer the property back to the Council before placing it on the open market. The Housing (Right of First Refusal) (England) Regulations 2005 set out the procedures for owners to follow in offering their properties back and also for the Council in accepting such offers which the Council will observe.
- 10.3 The standard lease issued by the Council is for 125 years. The Leasehold Reform, Housing and Urban Development Act 1993 allows for the grant of a new lease for a term of 90 years plus the unexpired term. The Act sets out the procedure the leaseholder and the local authority should follow.
- 10.4 The conditions under which leaseholders may purchase the freehold of a property and the statutory procedure are covered by the Leasehold Reform, Housing and Urban Development Act 1993 and will be observed by the Council.
[26062018/DC/C]

11.0 Equalities implications

- 11.1 An equalities analysis has been completed and there are no equality implications.

12.0 Environmental implications

- 12.1 There are no environmental implications associated with this report.

13.0 Human resources implications

13.1 There are no human resources implications associated with this report.

14.0 Corporate landlord implications

14.1 There are no Corporate Landlord implications associated with this report.

15.0 Appendices

Appendix 1: Request to Waive Repayment of Discount Awarded Under The Right to Buy Scheme

Appendix 1

Request to Waive Repayment of Discount Awarded Under The Right to Buy Scheme

Upon the purchase of your home you obtained discount as provided for by Section 155A Housing Act 1985

- You have made a request for the Council to waive some or all of the discount awarded
- This transaction may be treated as early disposal (Section 155 Housing Act 1985); or may be treated as an exempted disposal (Section 160 Housing Act 1985)
- Please complete and return the questionnaire below to enable the Council to deal with your request.

Owners Name/s	Address
Phone Number(s)	
Email address(s)	National Insurance Number(s)
Date of Purchase and Purchase Price	dd/mm/yy £
Discount Received	£
Extra money borrowed for property improvements? If yes, please provide further details	Yes / No £
How was the purchase funded? Please circle whether you borrowed the money from a lender (i.e., loan/mortgage) used savings, borrowed from family or friends or gifted the money from someone.	Mortgage Loan/Savings Family/Friends Other (please provide details below)
If you have a mortgage or loan on the property, please provide details of your lender. Please include your loan agreement number	Name & Address of Lender Loan/Mortgage agreement number(s)
If you are in arrears with your mortgage or property loan, please provide details and state whether any	£

recovery proceedings are being taken by your lender.	
Amount of discount you want the Council to waiver	£
Are all owners permanently resident at the above address? If no, please provide details	Yes / No
Time spent elsewhere, e.g., visiting friends/family for extended periods of time, spending time in a care setting or on long holidays? If yes, please provide details	Yes / No
Time spent as an inpatient in hospital over the last 12 months? If yes, please say who and provide dates	Yes / No
Is anyone in the household in receipt of care or support? This could include support from health professionals, police, social services or family legal support (amongst others) It also includes support provided within the home or in an external setting. If yes, please provide details	Yes / No
Please tell us who currently lives in the household, please list all names, dates of birth, relationship and contact details	
Has anyone joined the household in the last 12 months? If yes, please provide details	Yes / No
Has anyone left the household in the last 12 months? If yes, please provide details	Yes /No
Does anyone named on this form currently own, or have they previously owned any other property in the UK or abroad? If yes, please provide details	Yes / No
Is anyone named on this form a private landlord or company involved in property purchase, sales or lettings? If yes, please provide details	Yes / No

Is anyone being paid for, or promised any financial reward for making this application?	Yes / No
Are you or any member of your household employed by Wolverhampton Homes/Wolverhampton City Council/any other local authority or public body? If yes please provide details	Yes / No
Is anyone named on this form actively involved with any political parties? If yes please provide details	Yes / No
Does anyone named on this form currently own, or previously owned any other property in the UK or abroad? (including property purchased jointly with someone else) If yes, please provide details	Yes / No
Is anyone named on this form engaged in the process of purchasing any other property in the UK or abroad? If yes, please provide details	Yes / No

Please use the space below to tell us why you are making this request. Based on the information you provide in this section you will be asked to supply evidence to support your request. We will contact you at a later date to tell you what we need. Please continue on a separate sheet if necessary. Failure to supply any information requested will result in cancellation of the application.

This authority is under a duty to protect the public funds it administers, and to this end may use the information you have provided on this form for the prevention and detection of fraud. It may also share this information with other bodies responsible for auditing or administering public funds for these purposes. For further information, see www.wolverhampton.gov.uk/article/3060/National-Fraud-Initiative.

Depending on what information you provide we might need to conduct further checks and you may be asked to supply additional documents for all parties involved in the proposed transaction, please read the declaration below carefully before signing.

Declaration to be signed by all parties named on the title deeds.

I/We understand the following:

The information given on this form is correct and that if I/We have given false or misleading information, or deliberately withhold information which, if disclosed would have resulted in the application being declined, the Council may take legal action under the Housing Act 1985 and/or Fraud Act 2006 and offenders will be liable to prosecution.

I/We authorise you to undertake appropriate checks to verify the information I/we have provided at all stages in my/our application to waive repayment of the Right to Buy discount awarded, including requesting and sharing information with/from Housing Benefits Division, any other Council Department, any other Council, Registered Social Landlord, Private Landlord or Managing Agents, Department of Work and Pensions, West Midlands Police, National Fraud Initiative, NHS & GP, Employers, Financial Institutions, Credit Reference Organisations or any other bodies deemed necessary to investigate information given. Any personal information will be processed in accordance with the requirements of the Data Protection act 1998.

I/we agree to authorise the Council or anyone acting on behalf of them to undertake relevant checks on each person named on this form.

tick this box to confirm everyone involved has read and understands the information above. If you are unsure you should seek independent legal advice.

Each person named on the title deeds of the property is required to complete and sign below.

Signed	Date
Full Name (please print)	

Signed	Date
Full Name (please print)	

Signed	Date
Full Name (please print)	

Completed forms should be returned to: Legal Services, Wolverhampton City Council,
Civic Centre, St Peters Square, Wolverhampton
WV1 1RG

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