

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

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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 - 10)
[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 **Treasury Management Activity Monitoring -Mid Year Review 2018-2019**
(Pages 11 - 36)
[To approve the Treasury Management Activity Monitoring -Mid Year Review 2018-2019.]
- 6 **Capital programme 2018-2019 to 2022-2023 quarter two review** (Pages 37 - 66)
[To review the Capital Programme 2018-2019 to 2022-2023.]

DECISION ITEMS (AMBER - DELEGATED TO THE CABINET)

- 7 **Revenue Budget Monitoring 2018-2019** (Pages 67 - 116)
[To approve the Revenue Budget Monitoring Quarter Two 2018-2019.]
- 8 **Average Speed Enforcement Across the Black Country** (Pages 117 - 126)
[To approve the method of delivery for an Average Speed Enforcement Programme.]
- 9 **Roadworks Permitting** (Pages 127 - 136)
[To approve the draft roadworks permitting system for a formal six-week consultation.]

10 **Establishing the Regional Adoption Agency (Adoption@Heart) as a hosted model in the City of Wolverhampton Council** (Pages 137 - 154)
[To approve the establishment of a Regional Adoption Agency as a hosted model in City of Wolverhampton Council.]

11 **Prescribed Alterations to Specialist Educational Provision** (Pages 155 - 172)
[To approve the final decision on the change proposals following consultation.]

12 **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

13 **Appropriation of Land at Railway Street for Planning Purposes** (Pages 173 - 188)
[To approve the use of the Council's appropriation powers to enable the i9 development.]

Information relating to the financial or business affairs of any particular person (including the authority holding that information) (3)

14 **Secondary School Expansion Programme 2019-2020 and Primary School Provision** (Pages 189 - 204)
[To approve a review of the Secondary School Expansion Programme 2017-2019 and the Primary School Expansion Programme 2018-2020.]

Information relating to the financial or business affairs of any particular person (including the authority holding that information) (3)

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CITY OF WOLVERHAMPTON COUNCIL	Meeting of the Cabinet Minutes - 17 October 2018
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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

Mark Taylor	Strategic Director - People
Ged Lucas	Strategic Director - Place
Claire Nye	Director of Finance
Kevin O'Keefe	Director of Governance
Meredith Teasdale	Director of Education
David Watts	Director of Adult Services
Jennifer Brake	Service Director of Strategy and Change
Oliver Bhurru	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 submitted. |
| 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 12 September 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 **Draft Budget and Medium Term Financial Strategy 2019-2020**

Councillor Louise Miles presented the Draft Budget and Medium Term Financial Strategy 2019-2020. The report detailed the progress towards identifying additional budget reduction proposals in order to address the projected £19.5 million budget deficit for 2019-2020 as previously reported to Cabinet on 11 July 2018. The report also provided an update on some key factors, the timetable for the budget process and the risks in relation to them.

It was noted that the Secretary of State had announced an extra £240million for Adult Social Care and that it was projected that Wolverhampton would receive £1.376million to help support winter pressures.

Resolved:

1. That it be approved that the Budget Reduction and Income Generation proposals amounting to £695,000 in 2019-2020 proceed to the formal consultation and scrutiny stages of the budget process.
2. That it be approved that Financial Transactions and Base Budget Revisions totalling a net reduction of £4.7 million in 2019-2020 be incorporated into the 2019-2020 draft budget.
3. That authority be delegated to the responsible Director and the Director of Finance to implement Financial Transactions and Base Budget Revisions at the earliest opportunity where the proposal is not reliant on the outcome of formal budget consultation.
4. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve the final budget consultation arrangements.
5. That it be approved that further options are explored between October 2018 and January 2019 to address the updated projected budget deficit of in the region of £6.0 million for 2019-2020 based on the Council's high-level strategy.
6. That it be noted that, due to the uncertainty and increasing pressures over the medium term, the overall level of risk associated with the Draft Budget and Medium Term Financial Strategy (MTFS) 2018-2019 to 2019-2020 is assessed as Red for the first time since February 2016.
7. That it be noted that the updated projected deficit assumes the achievement of budget reduction and income generation proposals amounting to £28.3 million over the two-year period from 2018-2019 to 2019-2020. Over the eight financial years the Council has identified budget reductions in excess of £220.0 million. This continues to be the most significant financial challenge that the Council has ever faced.
8. That it be noted that the successful recovery of overpaid VAT has been granted at £1.8 million, approximately £200,000 lower than anticipated in the July 2018 report to Cabinet.
9. That it 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.
10. That it be noted 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.

11. That it be noted 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.
12. That it be noted that the 2019-2020 budget timetable will, as in previous years, include an update on all budget assumptions and the Provisional Local Government Settlement which will be presented to Cabinet in January 2019, with the final budget report due to be approved by Full Council in March 2019.
13. That it be noted that the HR implications as outlined in the report and that reductions in employee numbers will be achieved in line with the Council's HR policies.

6 **Governance Review and Scheme for the Transfer of the West Midlands Police and Crime Commissioner Functions**

Councillor Roger Lawrence presented the Governance Review and Scheme for the Transfer of the West Midlands Police and Crime Commissioner Functions for approval. The report consulted constituent authorities on the prepared Governance Review and Scheme for the proposed Mayoral West Midlands Combined Authority Police and Crime Commissioner governance model, prior to going out for formal public consultation. The consultation would be undertaken in a two-stage process, the first phase would take place until 11 January 2018 with the second phase scheduled to take place from 14 January to 11 March 2018.

Resolved:

1. That the prepared Governance Review and Scheme outlining the proposed model for Mayoral West Midlands Combined Authority governance of the West Midlands Police and Crime Commissioner functions be agreed and fed back to the West Midlands Combined Authority Board.
2. That authority be delegated to the Leader of the Council, in consultation with the Managing Director, to make minor amendments to the Governance review and Scheme on completion of the Local Authority approval process and prior to public consultation.
3. That it be noted that the proposed public consultation for the scheme and proposed governance model will start following the West Midlands Combined Authority Board meeting on 14 November 2018.
4. That the next steps and timetable to meet single Mayoral Police and Crime Commissioner elections in 2020 be noted.

7 **Amendment to Housing Enforcement and Charging Policy**

Councillor Peter Bilson referred to the report in the Supplementary Pack and informed the meeting that the updates were amendments to the paragraphs referenced in the recommendations. The report outlined the amended Policy that had been updated following recent changes to the law. The Policy aimed to ensure that the new powers were used to penalise the criminal landlords within the City and to incentivise and promote the work of good landlords.

Resolved:

1. That an amendment to the Council's housing enforcement and charging policy to underpin a more robust, proactive and zero tolerance approach to enforcement be approved.
2. That the adoption of a new scheme of discounts applied to licensing fees, up to a maximum of 50% cumulative discount, be approved as set out at paragraph 15.4 of the report, to encourage the active engagement of landlords with accreditation at a local, regional and national level, as part of the policy.
3. That the adoption of changes to the duration of Houses in Multiple Occupation licences to encourage landlords to apply for a Houses in Multiple Occupation licence in a timely manner be approved as set out in paragraphs 18 and 19 of the report.
4. That penalties for late submission of Houses in Multiple Occupation licence applications be approved as discussed in paragraph 17 of the report.
5. That a revised discount structure for the early payment of Civil Penalties be approved as discussed in paragraph 22 of the report.

8 **Progress on Black Country Core Strategy Review**

Councillor John Reynolds presented the Progress on Black Country Core Strategy Review report for approval. The report outlined that approval was required to adopt a new Local Development Scheme, which would include a revised timetable for the review, and an updated Statement of Community Involvement to support the review process. The Strategy would be referred to as the Black Country Plan going forward, to reflect recent changes to plan-making guidance in the National Planning Policy Framework and National Planning Practice Guidance.

Resolved:

1. That the Local Development Scheme, attached at Appendix 1 to the report, be approved to come into effect from 24 October 2018.
2. That the Statement of Community Involvement, attached at Appendix 2 to this report, be approved to come into effect from 24 October 2018.
3. That it be agreed to receive a further report in Autumn 2019 to approve consultation on the Draft Black Country Plan.
4. That progress to date on the Black Country Core Strategy review be noted and the new scope, name and timetable for the review be endorsed.

9 **Strategic Asset Plan**

Councillor Peter Bilson presented the Strategic Asset Plan for approval. The revised Strategic Asset Plan provided direction in the future management of the Council land and property portfolio. It also clarified the Council's approach to the management of its land and buildings portfolio and aspirational aims over the next five years. It was vital that the Council's assets contributed to the overall corporate and service objectives including ensuring that buildings were safe and secure, and that funding would be allocated to projects that would achieve the maximum positive impact.

Resolved:

That the implementation and adoption of a revised City of Wolverhampton Council Strategic Asset Plan and associated Action Plan be approved.

10 **Wolverhampton Safeguarding Children Board and Wolverhampton Safeguarding Adults Board Annual Report 2017-2018**

Councillor Sandra Samuels OBE and Councillor Paul Sweet presented the Wolverhampton Safeguarding Children Board and Wolverhampton Safeguarding Adults Board Annual Report 2017-2018 for endorsement. The Annual Report outlined the safeguarding activity that had been undertaken during 2017-2018 and highlighted the progress that partners had made against priorities. The Annual Report had been endorsed by the Health and Wellbeing Together Board along with scrutiny members.

The Independent Chair, Linda Sanders, stated that the Annual Report was a multiagency report and illustrated that one of the key strengths of the Boards was their openness and transparency. The report also outlined areas that would be accelerated in the forthcoming months.

Resolved:

That the final report of the Wolverhampton Safeguarding Children Board and Wolverhampton Safeguarding Adults Board Annual Report 2017-2018 be endorsed.

11 **School Accessibility Strategy**

Councillor Lynne Moran presented the School Accessibility Strategy for approval. The Council was required under the Equality Act 2010 to have an Accessibility Strategy in which it promoted better access in school for pupils with disabilities. The Strategy would go on to inform schools' Disability Equality Schemes and Accessibility Plans and set out how the Council would support and challenge all schools and academies in the City.

Resolved:

1. That the School Accessibility Strategy be approved.
2. That the summary of consultation responses listed as Appendix 3 to the report be noted.

12 **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 likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the authority holding that information).

13 **Black Country Coroner Collaboration Agreement**

Councillor Steve Evans presented the Black Country Coroner Collaboration Agreement for agreement, 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.

14 **Primary and Secondary School Expansion Programme 2019 - Fund Allocations and Update**

Councillor Lynne Moran presented the Primary and Secondary School Expansion Programme 2019 - Fund Allocations and Update for approval, 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.

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 21 November 2018
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Report title	Treasury Management Activity Monitoring – Mid Year Review 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	Council	5 December 2018
	Confident, Capable Council	6 February 2019

Recommendations for decision:

That Cabinet recommends that Council notes:

1. That a mid-year review of the Treasury Management Strategy Statement has been undertaken and the Council has operated within the limits and requirements approved in March 2018.
2. That a revenue net overspend of £2.2 million for the General Fund and an underspend of £12,000 for the Housing Revenue Account (HRA) are forecast from treasury management activities in 2018-2019.
3. That the detailed guidance notes for the Code of Practice on Treasury Management and the Prudential Code have recently been published by CIPFA and are under review by the Director of Finance. Therefore, the Treasury Management Statements for 2018-2019 are still based on the Council's interpretation of these Codes.
4. The updated position on the revised guidance on Local Government Investments and Minimum Revenue Provision as detailed in paragraphs 2.6 and 2.7 of the report.

5. The position regarding the Money Market Fund reform which is effective from 21 January 2019 and will require an update to the Annual Investment Strategy for 2018-2019 as detailed in paragraph 5.11 of the report.

1.0 Purpose

- 1.1 This report provides a monitoring and progress report on treasury management activity for the second quarter of 2018-2019 as part of the mid-year review, 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. Although the Codes had been released and are effective for the 2018-2019 financial year, the detailed sector specific guidance had not been issued and therefore, the strategy statements for 2018-2019 were prepared on an interpretation of the Codes. CIPFA 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 recommended that the requirement of both Codes are implemented as soon as possible.
- 2.5 The detailed guidance notes for the Codes have recently been published and are currently under review by the Director of Finance to assess any necessary changes.
- 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. Due to the linkages with the new guidance notes issued by CIPFA this particular guidance is being reviewed in tandem with those as detailed in paragraph 2.5.

- 2.7 With regard to the guidance on Minimum Revenue Provision (MRP) 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. This guidance has been reviewed, the main impact for the Council has been the introduction of a maximum useful economic life of 50 years (this is the maximum time that can be used for spreading the cost of borrowing) and MRP to be charged for all borrowings. The effective date for these changes is 1 April 2019 and therefore, when the Annual MRP Statement for 2019-2020 is put to Councillors for approval, they will be incorporated into the statement. The ongoing effect on the revenue budget will also be built into the Medium Term Financial Strategy (MTFS).
- 2.8 Cabinet and Cabinet (Resources) Panel receive quarterly reports throughout the year to monitor performance against the strategy and Prudential Indicators that have previously been approved by Council.
- 2.9 The Council continues to use Link Asset Services as its treasury management advisors throughout 2018-2019. Link Asset Services 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 2018-2019**
- 3.1 The forecast outturn for treasury management activities in 2018-2019 compared to budget is shown in Table 1.

Table 1 – Treasury management budget and forecast outturn 2018-2019

	Revised Budget £000	Forecast Outturn £000	Variance at Quarter two £000
General Fund	26,663	28,881	2,218
Housing Revenue Account	10,431	10,419	(12)
Total before use of reserve	37,094	39,300	2,206
Approved use of the Treasury Management Equalisation Reserve	(1,430)	(1,430)	-
Total after use of reserve	35,664	37,870	2,206

- 3.2 A revenue net overspend of £2.2 million for the General Fund and an underspend of £12,000 for the HRA are projected for the year 2018-2019. For the General Fund the main reasons are an increase in MRP charges for the year, following a review of MRP, offset against an underspend due to a reduced borrowing need in year because of re-phasing in the capital programme. Work will be undertaken to see if there are any opportunities to reduce the level of MRP in 2018-2019. However, if the forecast outturn is realised the overspend can be met by a further drawdown from the Treasury Management Equalisation Reserve subject to approval by Councillors. 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 savings wherever possible.
- 3.3 Appendix 1 to this report shows a comparison of the latest estimates of Prudential and Treasury Management Indicators over the medium term period with the equivalent figures which were approved by Council in March 2018.

4.0 Borrowing forecast for 2018-2019

- 4.1 The Council's need to borrow and the rates available continue to be monitored in order to achieve optimum results. The Council's medium term forecast is regularly updated to reflect actual borrowing that takes place along with any revisions to future anticipated borrowing.
- 4.2 Table 2 shows the average rate of interest payable in 2017-2018 and forecast for 2018-2019.

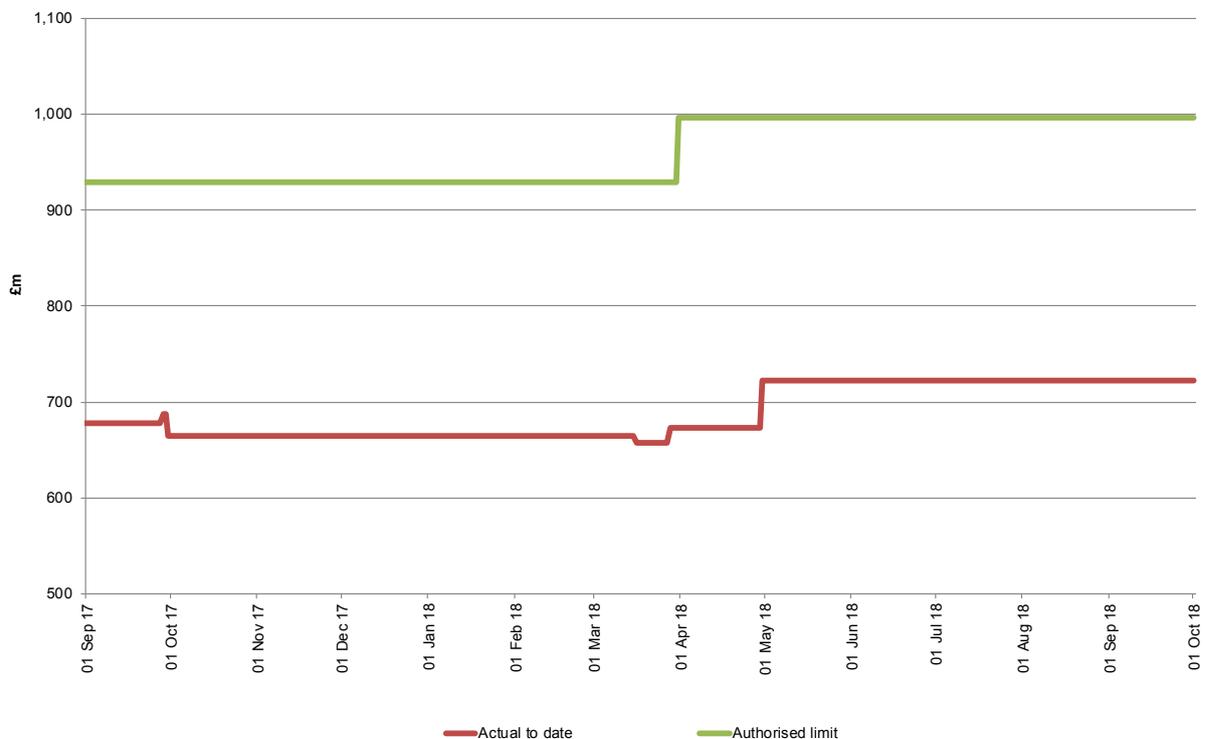
Table 2 – Average interest rate payable in 2017-2018 and 2018-2019

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

- 4.3 Each year it is necessary to raise new loans to finance capital expenditure and to replace existing maturing borrowing. The Council's policy is to prioritise the use of capital receipts to finance capital expenditure. Balances which are set aside to meet credit liabilities (i.e. to repay borrowing) are used to reduce the external borrowing requirement. Decisions to take borrowing will be made by the Director of Finance when it is judged that rates are likely to be at their lowest levels, and probably about to rise according to market indications, and only when an inflow of funds is required to meet imminent cash flow commitments. This will keep overall surplus cash balances to a minimum, in line with the current strategy. Appendix 2 to this report shows the maturity profile of external borrowing.

- 4.4 As always, the Council needs to be mindful that the opportunity to secure short term savings by postponing longer term borrowing requirements takes into account the risk of long term rates increasing in the future. Appendix 3 to this report includes the Link Asset Services commentary for quarter two 2018-2019 and forecasts that interest rates across all periods will increase up to March 2021. The Director of Finance will continue to keep actual and forecast rates under close review.
- 4.5 The Council's borrowing profile continues to operate within the overall limits previously approved by Council, as shown in Chart 1.

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



- 4.6 The level of borrowing at 30 September 2018 is £722.9 million. Appendix 4 to this report shows a summary of this position along with a detailed breakdown of new loans and repayments made throughout the year. £6.0 million of existing borrowing is due to be repaid between quarters three and four.
- 4.7 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 £158.3 million, as shown in Appendix 5 to this report. This appendix also shows the details for the disclosure for certainty rate, which enables the Council to access discounted borrowing at 0.20% below normal PWLB rates.

5.0 Investments forecast for 2018-2019

- 5.1 The approach during the year is to continue to use cash balances to finance capital expenditure so as to keep cash balances low.
- 5.2 Table 3 shows the total amount of surplus funds invested as at 31 May 2018 and 30 September 2018.

Table 3 – Total amounts invested 2018-2019

	31 May 2018 £000	30 September 2018 £000
Business Reserve Accounts	556	220
Money Market Funds	10,765	11,465
	11,321	11,685
Average cash balance for the year to date	13,358	20,901

- 5.3 Money Market Funds and Business Reserve Accounts are the main investments used as these have high credit ratings and instant access. This is based on the Council's low appetite for risk.
- 5.4 The Council's cash flow balance for the second quarter of the current financial year has moved between a low of £11.7 million and a maximum of £43.6 million. The average cash balance for the quarter being £24.1 million.
- 5.5 Table 4 shows the budgeted average rate of interest receivable in 2018-2019 and the forecast for the year.

Table 4 – Average interest rate receivable in 2018-2019

	2018-2019 Budget	2018-2019 Forecast
Average Interest Rate Receivable	0.30%	0.57%

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

- 5.8 The Council manages its investments in-house and invests only in the institutions listed in the Council's approved lending list, which is reviewed each time a counterparty is subject to a credit rating amendment. The Council's strategy allows for investments for a range of periods from overnight to five years, depending on the Council's cash flows, its interest rate view and the interest rates on offer. However, in order to maintain sufficient liquidity whilst total investment levels are relatively low, most investments have been placed for shorter durations.
- 5.9 The approved Treasury Management Code of Practice sets out the criteria to be used for creating and managing approved counterparty lists and limits. As a result of any changes to credit criteria, the Director of Finance is authorised to make changes to the list of approved counterparties. In the event that any of these counterparties fall below the Council's minimum lending criteria, activity in that account will temporarily cease and any balance withdrawn immediately. Appendix 6 to this report shows the Council's current specified investments lending list.
- 5.10 In quarter two 2018-2019 the Director of Finance has not been required to use her discretion to temporarily exceed any upper limits with approved counter-parties.
- 5.11 As mentioned above, Money Market Funds (MMF) are the main investments used by the Council. Since the financial crisis in 2008 various reforms have taken place across the financial sector to enhance resilience and stability. The latest reform issued by the EU effects MMF where the category of fund is changing with effect 21 January 2019. The impact of this change for the Council is currently under review by the Director of Finance and it will require an amendment to the Annual Investment Strategy for 2018-2019. Once this review has been completed a revised strategy will be put to Councillors for approval.

6.0 Evaluation of alternative options

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

7.0 Reasons for decisions

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

8.0 Financial implications

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

[SH/07112018/Y]

9.0 Legal implications

9.1 The Council's Treasury Management activity must be carried out in accordance with the requirements of the Local Government Act 2003. In addition the Local Government and Housing Act 1989 sets out requirements for local authorities in respect of capital controls, borrowing and credit arrangements. The Council is also required to comply with the Local Authority (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.

9.2 Treasury Management relates to the management of the Council's cash flow, borrowing and cash investments. This involves seeking the best rates of interest for borrowing, earning interest on investments, whilst managing risk in making financial decisions and adopting proper accounting practice.

9.3 The area is heavily regulated. The Local Government and Housing Act 1989 regulates the operation of the Housing Revenue Account. The 'CIPFA Code of Practice for Treasury Management in the Public Services', contains Treasury Management indicators and advice on Treasury Management Strategy. Investment strategy is regulated by 'DCLG Guidance on Local Government Investments' issued initially in 2004 and re-issued in 2010 and 2018. Part 2 of this Guidance is statutory guidance.

[TS/07112018/Q]

10.0 Equalities implications

10.1 There are no equalities implications arising from this report.

11.0 Environmental implications

11.1 There are no environmental implications arising from this report.

12.0 Human resources implications

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

13.0 Corporate landlord implications

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

14.0 Health and Wellbeing implications

14.1 There are no health and wellbeing implications arising from this report.

15.0 Schedule of background papers

Cabinet, 20 February 2018 – [‘Treasury Management Strategy 2018-2019’](#)

Cabinet, 11 July 2018 – [‘Treasury Management – Annual Report 2017-2018 and Activity Monitoring Quarter One 2018-2019’](#)

16.0 Appendices

Appendix 1: Prudential and Treasury Management Indicators

Appendix 2: Maturity profile

Appendix 3: Link Commentary

Appendix 4: Borrowing type, borrowing and repayments

Appendix 5: Certainty rate disclosure

Appendix 6: Lending list

Appendix 1

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 quarter two 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 September 2018		
	2018-2019	2019-2020	2020-2021	2018-2019	2019-2020	2020-2021
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
General Fund	147,670	85,025	41,747	130,499	145,963	56,782
HRA	64,390	69,390	67,650	61,962	81,080	65,002
	212,060	154,415	109,397	192,461	227,043	121,784

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 September 2018		
	2018-2019	2019-2020	2020-2021	2018-2019	2019-2020	2020-2021
	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
General Fund	736,387	765,583	779,265	672,618	731,723	744,857
HRA	279,027	307,117	335,603	270,748	308,784	333,347
	1,015,414	1,072,700	1,114,868	943,366	1,040,507	1,078,204

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		
	2018-2019	2019-2020	2020-2021
	Limit £000	Limit £000	Limit £000
Borrowing	996,745	1,068,662	1,136,052
Other Long Term Liabilities	90,754	86,628	82,351
Total Authorised Limit	1,087,499	1,155,290	1,218,403
Actual and Forecast External Debt as at 30 September 2018	915,965	1,040,107	1,077,803
Variance (Under) / Over Authorised limit	(171,534)	(115,183)	(140,600)

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		
	2018-2019	2019-2020	2020-2021
	Limit £000	Limit £000	Limit £000
Borrowing	964,873	1,047,456	1,117,437
Other Long Term Liabilities	90,731	86,606	82,328
Total Operational Boundary Limit	1,055,604	1,134,062	1,199,765
Actual and Forecast External Debt as at 30 September 2018	915,965	1,040,107	1,077,803
Variance (Under) / Over Operational Boundary Limit	(139,639)	(93,955)	(121,962)

Appendix 1

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 September 2018		
	2018-2019 Forecast £000	2019-2020 Forecast £000	2020-2021 Forecast £000	2018-2019 Forecast £000	2019-2020 Forecast £000	2020-2021 Forecast £000
Forecast Capital Financing Requirement at end of Second Year	1,114,868	1,114,868	1,114,868	1,078,206	1,078,206	1,078,206
Gross Debt	945,480	1,023,937	1,089,641	915,965	1,040,107	1,077,803
Capital Financing Requirement Greater than Gross Debt	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 September 2018		
	2018-2019 Forecast	2019-2020 Forecast	2020-2021 Forecast	2018-2019 Forecast	2019-2020 Forecast	2020-2021 Forecast
General Fund	11.5%	15.6%	17.1%	12.6%	15.7%	17.8%
HRA	34.0%	33.6%	34.7%	34.0%	34.8%	35.8%

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 September 2018		
	2018-2019 Forecast £	2019-2020 Forecast £	2020-2021 Forecast £	2018-2019 Forecast £	2019-2020 Forecast £	2020-2021 Forecast £
Financial year impact						
Implications of the capital programme for year:						
For Band D council tax	215.17	277.34	326.34	94.19	207.18	258.12
For average weekly housing rents	3.44	6.79	10.04	2.58	6.59	9.35
Marginal impact to previous quarter						
Implications of the capital programme for year:						
For Band D council tax	(45.46)	2.78	21.68	(28.94)	(2.37)	5.17
For average weekly housing rents	0.33	0.78	1.17	(0.11)	0.42	0.19

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 September 2018		
	2018-2019 Forecast £000	2019-2020 Forecast £000	2020-2021 Forecast £000	2018-2019 Forecast £000	2019-2020 Forecast £000	2020-2021 Forecast £000
HRA Debt Limit*	356,770	356,770	356,770	356,770	356,770	356,770
HRA Capital Financing Requirement	279,027	307,117	335,603	270,748	308,784	333,347
Headroom	77,743	49,653	21,167	86,022	47,986	23,423

* With effect 30 October 2018 the HRA Debt Limit was revoked, the figures above are provided as they relate to the quarter two position before this effective date.

Appendix 1

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 7 March 2018		
	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
Actual and Forecast Invested at 30 September 2018	-	-	-
Variance (Under) / Over Limit	(35,000)	(35,000)	(35,000)

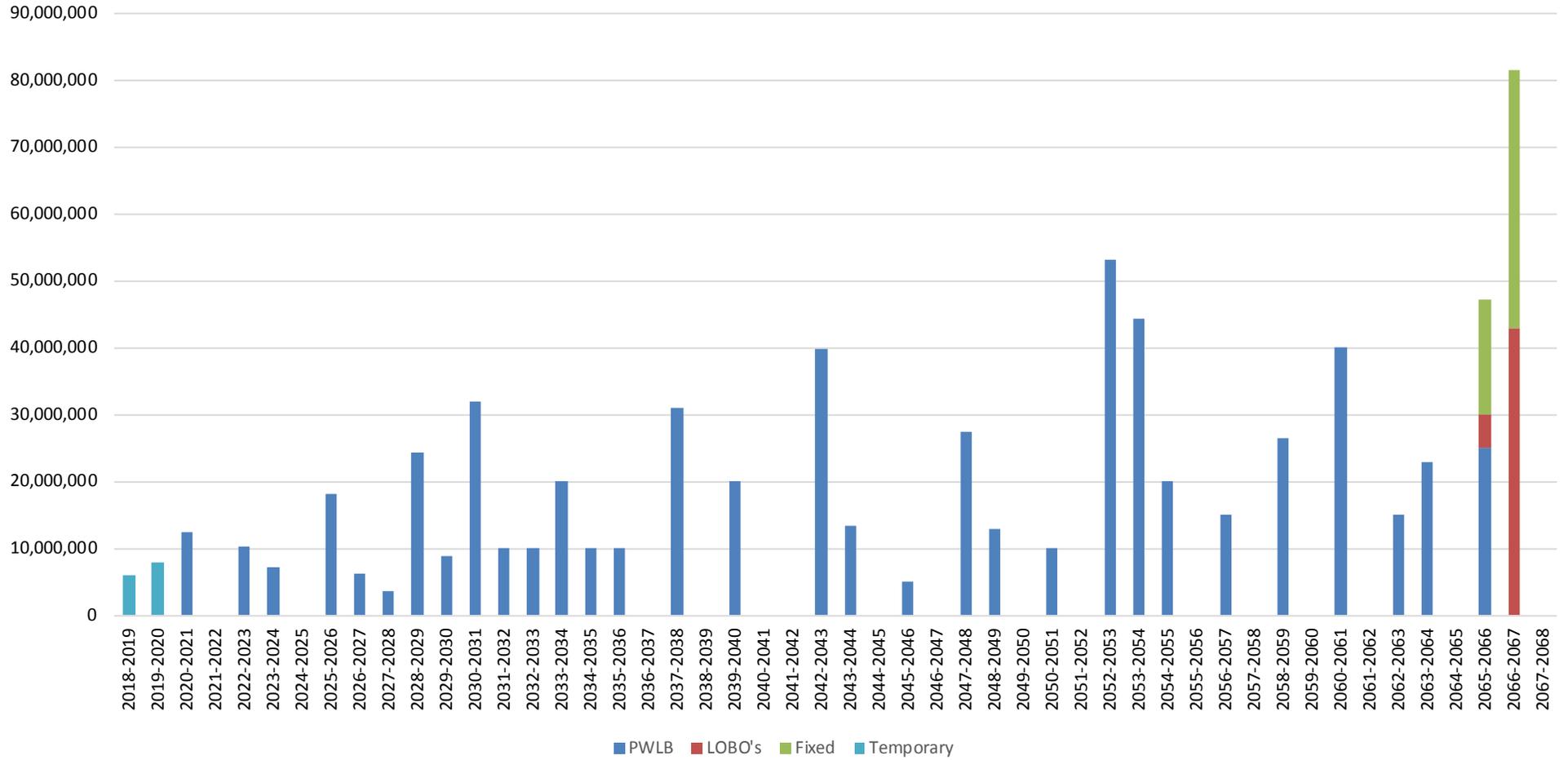
TMI 2 - Upper and lower limits to the maturity structure of its borrowing.

These limits relate to the % of fixed and variable rate debt maturing. Upto 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 7 March 2018		As at 30 September 2018
	Upper Limit	Lower Limit	2018-2019 Forecast Borrowing
Under 12 months	25%	0%	1.68%
12 months and within 24 months	25%	0%	5.41%
24 months and within 5 years	40%	0%	3.58%
5 years and within 10 years	50%	0%	6.31%
10 years and within 20 years			15.87%
20 years and within 30 years			21.92%
30 years and within 40 years	90%	50%	20.35%
40 years and within 50 years			24.88%
50 years and within 60 years			-

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Borrowing Maturity at 30 September 2018



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Economic Background**UK**

The first half of 2018/19 has seen UK economic growth post a modest performance, but sufficiently robust for the Monetary Policy Committee, (MPC), to unanimously (9-0) vote to increase Bank Rate on 2nd August from 0.5% to 0.75%. Although growth looks as if it will only be modest at around 1.5% in 2018, the Bank of England's August Quarterly Inflation Report forecast that growth will pick up to 1.8% in 2019, albeit there were several caveats – mainly related to whether or not the UK achieves an orderly withdrawal from the European Union in March 2019.

Some MPC members have expressed concerns about a build-up of inflationary pressures, particularly with the pound falling in value again against both the US dollar and the Euro. The Consumer Price Index (CPI) measure of inflation rose unexpectedly from 2.4% in June to 2.7% in August due to increases in volatile components, but is expected to fall back to the 2% inflation target over the next two years given a scenario of minimal increases in Bank Rate. The MPC has indicated Bank Rate would need to be in the region of 1.5% by March 2021 for inflation to stay on track. Financial markets are currently pricing in the next increase in Bank Rate for the second half of 2019.

As for the labour market, unemployment has continued at a 43 year low of 4% on the Independent Labour Organisation measure. A combination of job vacancies hitting an all-time high in July, together with negligible growth in total employment numbers, indicates that employers are now having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to 2.9%, (3 month average regular pay, excluding bonuses) and to a one month figure in July of 3.1%. This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 0.4%, near to the joint high of 0.5% since 2009. (The previous high point was in July 2015.) Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC were right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy. However, the MPC will need to tread cautiously before increasing Bank Rate again, especially given all the uncertainties around Brexit.

EU

Growth was unchanged at 0.4% in quarter 2, but has undershot early forecasts for a stronger economic performance in 2018. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of manufacturing exports e.g. cars. For that reason, although growth is still expected to be in the region of 2% for 2018, the horizon is less clear than it seemed just a short while ago.

USA

President Trump's massive easing of fiscal policy is fuelling a (temporary) boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2%, (annualised rate), in quarter 1 to 4.2% in quarter 2, but also an upturn in inflationary pressures. With inflation moving towards 3%, the Fed increased rates another 0.25% in September to between 2.00% and 2.25%, this being four increases in 2018, and indicated they expected to increase rates four more times by the end of 2019. The dilemma, however,

is what to do when the temporary boost to consumption wanes, particularly as the recent imposition of tariffs on a number of countries' exports to the US, (China in particular), could see a switch to US production of some of those goods, but at higher prices. Such a scenario would invariably make any easing of monetary policy harder for the Fed in the second half of 2019.

China

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

Japan

Japan has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

Interest rate forecasts

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

Link Asset Services Interest Rate View											
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
BANK RATE	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
5 yr PWLB	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%
10 yr PWLB	2.40%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%
25 yr PWLB	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50 yr PWLB	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

The flow of generally positive economic statistics after the end of the quarter ended 30 June meant that it came as no surprise that the MPC came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, to 0.75%. However, the MPC emphasised again, that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary of contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years' time but they declined to give a medium term forecast. We do not think that the MPC will increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. We also feel that the MPC is more likely to wait until August 2019, than May 2019, before the next increase, to be followed by further increases of 0.25% in May and November 2020 to reach 1.5%. However, the cautious pace of even these limited increases is dependent on a reasonably orderly Brexit.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably neutral.

Appendix 3

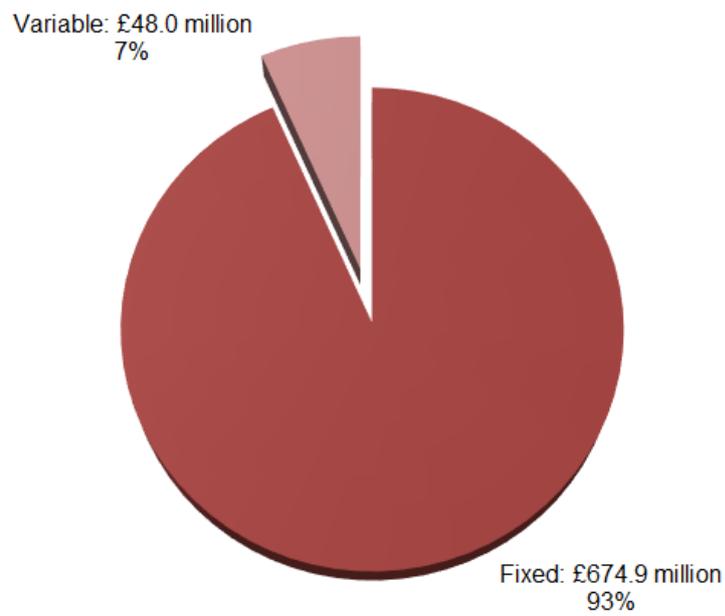
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

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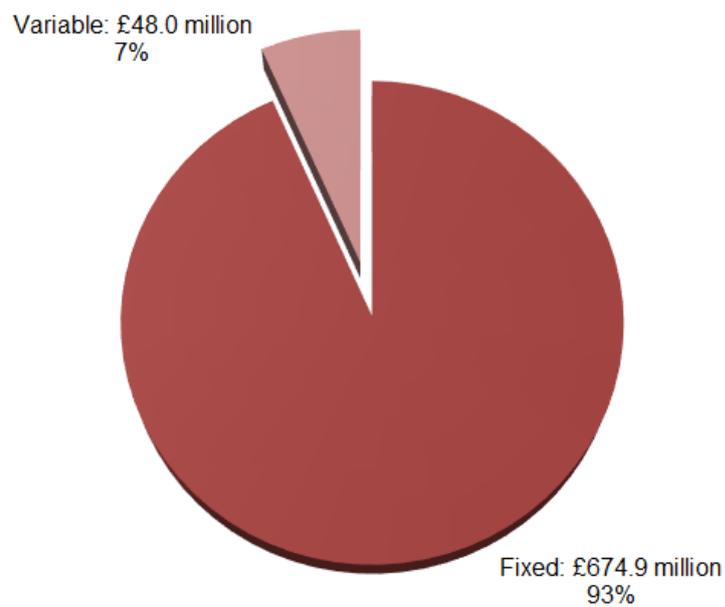
Borrowing: Graphical Summary

Borrowing by Type

As at 30 June 2018



As at 30 September 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 2						
Grand total borrowing						
			50,000			1,268,000

	Start Date	Maturity Date	Amount £000	Length	Interest Rate	Full Year Interest £
2018-2019 Repayments						
PWLB Fixed Maturity:						
No activity in quarter 2						
Temporary Loans:						
No activity in quarter 2						
Net movement						
			50,000			1,268,000

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 September 2018		
	2018-2019 Forecast £000	2019-2020 Forecast £000	2020-2021 Forecast £000	2018-2019 Forecast £000	2019-2020 Forecast £000	2020-2021 Forecast £000
Net Borrowing Requirement:						
Borrowing to finance planned capital expenditure	134,207	89,303	74,461	97,711	128,576	69,696
Existing maturity loans to be replaced during the year	40,000	72,000	62,500	87,682	80,000	62,500
Less:						
Minimum Revenue Provision for debt repayment	(7,775)	(14,650)	(16,316)	(12,012)	(15,817)	(18,222)
Voluntary debt repayment	(15,186)	(13,241)	(11,700)	(15,033)	(11,492)	(9,500)
	(22,961)	(27,891)	(28,016)	(27,045)	(27,309)	(27,722)
Loans replaced less debt repayment	17,039	44,109	34,484	60,637	52,691	34,778
Net Advance Requirement	151,246	133,412	108,945	158,348	181,267	104,474

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City of Wolverhampton Council
2018-2019 Specified Investments Lending List at 30 September 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 21 November 2018
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Report title	Capital programme 2018-2019 to 2022-2023 quarter two review	
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	6 November 2018
	Council	5 December 2018

Recommendations for decision:

The Cabinet recommends that Council:

1. Approves the revised medium term General Fund capital programme of £338.9 million, an increase of £17.9 million from the previously approved programme.
2. Approves the net additional General Fund resources of £17.9 million identified for;
 - i. New projects totalling £20.1 million (section 4 of the report);
 - ii. Existing projects net reduction totalling £2.2 million (section 3 of the report).

The Cabinet is recommended to:

1. Approve the General Fund virements detailed at Appendix 4 to the report for;
 - i. Existing projects totalling £11.0 million;
 - ii. New projects totalling £767,000.
2. Approve the HRA virements totalling £4.5 million detailed at Appendix 4 to the report for;
 - i. New project totalling £4.5 million.

Recommendations for noting:

The Cabinet is asked to note:

1. There are two projects requiring additional internal and external 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:
 - Average Speed Enforcement - Wolverhampton
 - Average Speed Enforcement - Walsall, Sandwell and Dudley.

1.0 Purpose

- 1.1 The purpose of this report is to provide Cabinet with an update on the 2018-2019 financial performance of the General Fund and Housing Revenue Account (HRA) capital programmes and the revised forecast for 2018-2019 to 2022-2023 as at quarter two 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 The capital programme reflects the priorities of the Strategic Asset Management Plan. 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 proposed capital programme can be found in Appendix 1 of the report.
- 2.5 At its meeting on 18 July 2018, Council approved a General Fund capital programme totalling £320.9 million for the period 2018-2019 to 2022-2023. Of the approved capital programme totalling £320.9 million, £147.6 million relates to the 2018-2019 financial year. Expenditure to the end of quarter two 2018-2019 for existing projects totals £26.4 million compared to the projected budget of £130.5 million. This level of expenditure is expected due to the timing of particular projects such as loans and grants to external organisations.
- 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

General Fund	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	Total
	£000	£000	£000	£000	£000	£000
Budget						
Approved	147,624	126,331	41,100	5,882	-	320,937
Variations						
New projects	6,172	7,552	6,370	-	-	20,094
Existing projects	(23,297)	12,080	9,312	(252)	-	(2,157)
	(17,125)	19,632	15,682	(252)	-	17,937
Projected	130,499	145,963	56,782	5,630	-	338,874
Financing						
Approved						
Internal resources	88,389	83,949	31,995	5,882	-	210,215
External resources	59,235	42,382	9,105	-	-	110,722
	147,624	126,331	41,100	5,882	-	320,937
Variations						
Internal resources	(10,671)	8,611	6,117	(252)	-	3,805
External resources	(6,454)	11,021	9,565	-	-	14,132
	(17,125)	19,632	15,682	(252)	-	17,937
Projected						
Internal resources	77,718	92,560	38,112	5,630	-	214,020
External resources	52,781	53,403	18,670	-	-	124,854
Variance	130,499	145,963	56,782	5,630	-	338,874

2.7 This report recommends variations to the approved programme totalling an increase of £17.9 million bringing the total revised programme to £338.9 million.

2.8 Details of all the projects that have contributed to the overall increase of £17.9 million in the General Fund capital programme can be found in Appendices 1 and 2 of the report, however the key projects that have contributed to the increase in the programme are as follows:

- An increase totalling £18.5 million for grants allocated 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, five 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;
- The increase detailed above is offset by the removal of the Land and Property Investment Fund 'Accountable Body Professional Services' projects totalling £1.8 million. These are now being met from revenue budgets funded by the West Midlands Combined Authority;

- An increase of £1.0 million relates to the 'Market Relocation to Southside' project which is due to unforeseen significant ground constraints. A bid for external grant has been submitted to fund the additional works.

2.9 On 17 July 2018, Council approved a revised HRA capital programme totalling £292.5 million for the period 2018-2019 to 2022-2023. Of this, £68.1 million relates to the 2018-2019 financial year. Expenditure to the end of quarter two 2018-2019 for existing projects totals £14.2 million compared to the projected budget of £62.0 million.

2.10 Table 2 shows the HRA 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	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	Total
	£000	£000	£000	£000	£000	£000
Budget						
Approved	68,124	71,100	63,820	52,157	37,300	292,501
Variations						
New projects	1,500	3,000	-	-	-	4,500
Existing projects	(7,662)	6,980	1,182	(100)	(4,900)	(4,500)
	(6,162)	9,980	1,182	(100)	(4,900)	-
Projected	61,962	81,080	65,002	52,057	32,400	292,501
Financing						
Approved						
Internal resources	67,171	71,100	63,820	52,157	37,300	291,548
External resources	953	-	-	-	-	953
	68,124	71,100	63,820	52,157	37,300	292,501
Variations						
Internal resources	(5,662)	9,480	1,182	(100)	(4,900)	-
External resources	(500)	500	-	-	-	-
	(6,162)	9,980	1,182	(100)	(4,900)	-
Projected						
Internal resources	61,509	80,580	65,002	52,057	32,400	291,548
External resources	453	500	-	-	-	953
Projected	61,962	81,080	65,002	52,057	32,400	292,501

2.11 As can be seen from Table 2, the overall programme remains at £292.5 million. There is a virement proposed within the programme of £4.5 million which is detailed in paragraph 5.7.

3.0 Existing projects

3.1 The General Fund changes proposed for existing projects totalling a net reduction of £2.2 million. A more detailed listing of the individual projects can be found in Appendices 1 and 2 of the report.

- 3.2 Requests for budget virements between existing projects for the General Fund totalling £11.0 million are detailed in Appendix 4 of the report.
- 3.3 The following paragraphs provide a commentary on the significant changes to budgets and an update on key projects.
- Reductions of £1.8 million relating to the 'Accountable Body Professional Services' projects. As mentioned in paragraph 2.8, these are now being met from revenue budgets funded by the West Midlands Combined Authority;
 - An increase of £1.0 million relates to the 'Market Relocation to Southside' project which is due to unforeseen significant ground constraints. A bid for external grant has been submitted to fund the additional works. The new Market opened to the public on 17 July 2018 and feedback from traders has been excellent with increased occupancy rates across all trading days compared to the previous location. On Wednesdays in particular, occupancy rates have more than doubled. Over twenty new traders have made repeat visits bringing a range of new trade lines to the market. This has included new food units, vegan cakes, florists, haberdashery and an onsite baker who opened in August;
 - A decrease of £574,000, relating to the 'Maintenance of unclassified roads' programme, reflects reallocation of resources across projects within the Transportation capital programme to align with current prioritisations, full details in Appendix 4;
 - An increase of £448,000 relating to the 'City North Gateway Phase 1' project which is fully funded from external resources, due to design changes in response to consultation that have led to delays and cost increase on certain elements. Efficiencies and costs savings continue to be explored to reduce the final outturn figure;
 - There are proposed changes of £424,000 relating to the 'Corporate Asset Management Programme' as detailed in Appendix 4 of the report;
 - A decrease of £308,000 relating to 'Schools Developed Formula capital' reflecting a reduced grant allocation due to schools' conversion into academies;
 - A decrease of £258,000 relating to 'Schools Capital Maintenance' of which £194,000 is due to the grant allocation being lower than anticipated and £64,000 being virements to new (£25,000) and existing (£39,000) projects as detailed in Appendix 4 of the report;
 - A net increase of £211,000 relating to the provision of 'Corporate Contingency'. This is due to the reallocation of resources totalling of £331,000 from the underspends identified across the capital programme which is being offset by the proposed virement of £120,000 to a new 'Remedial works' project;
 - A decrease of £191,000 for the 'Westside – Markets Re-location' project reflecting the reallocation of resources to support the additional works related to the

'Markets Relocation to Southside' project due to unforeseen significant ground constraints;

- A further decrease of £156,000 relating to virements from the 'Schools Capital Maintenance – Asbestos removal' project. Appendix 4 of the report provides further detail;
- A decrease of £131,000 relating to the 'Boundary Signs' project due to the budget being no longer required. An alternative model is being adopted with the set up costs absorbed by an external supplier that will result in the site rentals and a share of advertising revenue income for the Council;
- An increase of £55,000 relating to the 'Children's Transformation – Bingley' project reflects agreed additional works.

- 3.4 For the HRA there are proposed changes for existing projects totalling a net decrease of £4.5 million. This relates to the provision of 'Small Sites 4' and the reallocation of resources to support a new project as detailed in Appendix 4 of the report. A detailed listing of the individual HRA projects can be found in Appendix 2 of the report.
- 3.5 The Interchange project involves the creation of a new multi-modal transport hub, anchored by a new Railway Station, which will open in 2020. The project is currently on target with key milestones of commencement on site in July 2018 and the reopening of Pipers Row on 2 September 2018 being achieved. The overall budget of £81.8 million is on target. Detailed finance reports are monitored at a monthly finance board.
- 3.6 The Enabling Works (Phase 1) for the Civic Halls are ongoing, and forecast to complete in quarter four 2018-2019, will complete the asbestos removal from the building and also repair works to the structural steelwork to the perimeter of the building. The project is now entering a phase of further development of the design, cost and procurement of the Phase 2 refurbishment works to deliver the completion of the project.
- 3.7 The City Learning Quarter is a key corporate priority project that will provide a new learning campus within the City Centre. The scheme is currently forecast as a £50.0 million capital project. Design, costs and programme are currently being reviewed. £6.0 million has been approved as pre-development costs. Site assembly has progressed and the overall call on the £6 million budget is currently forecast as £5.6m. There is a Local Growth Fund bid for £25.0 million being developed in anticipation for LEP sign off in January 2019. Detailed costs together with programme are also expected by January 2019.
- 3.8 The refresh of the HRA Business Plan and Capital Programme has commenced in September 2018 to consider future HRA investment. The recent Budget Statement announcement of the removal of the HRA Borrowing Cap presents the opportunity for the City to now consider the future of HRA capital investment post 2022 (such as planning for new programme of Safer and Better Homes improvements, new build homes for rent, making best use of existing assets and Estate Redevelopment planning).

4.0 New projects and virements

4.1 Table 6 provides an analysis of forecast outturn for new projects requiring approval, covering the period 2018-2019 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 1 of the report.

Table 6: Analysis of new projects requiring approval

Directorate	2018-2019 to 2022-2023			
	Forecast outturn	Additional internal resources required	Additional external resources required	Virements from existing projects
	£000	£000	£000	£000
General Fund	20,094	250	19,077	767
Housing Revenue Account	4,500	-	-	4,500
Total Capital Programme	24,594	250	19,077	5,267

4.2 The new projects requiring approval are funded from a mixture of internal and external resources and virements totalling £5.3 million (see Table 6 for split over funds). A list of the virements can be found in Appendix 4 of the report.

4.3 The main new projects requiring approval (see additional resources in Table 6) are discussed below.

4.4 There is an approval for a budget increase of £19.1 million for five new projects which are all externally funded and an approval for an increase of £250,000 funded internally;

- An increase totalling £18.5 million relates to the '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, five new projects that were approved by the Joint Committee are now being proposed to be incorporated into the capital programme. This is fully funded from external resources;
- An increase totalling £755,000 relates to the implementation of the 'Average Speed Enforcement Across the Black Country' project. This is funded from other Local Authority contributions of £605,000 and internal resources of £150,000. The borrowing costs associated with this £150,000 will be met from the Highways Management Reserve. A report on this agenda is due to be presented to Councillors which seeks approval to implement Average Speed Enforcement Across the Black Country. 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.

- A new project 'Craddock Street Subway' which was identified through the Avion Centre action plan is being created totalling £200,000. This is funded from additional resources of £100,000 and the virement of £100,000 from an existing project. The borrowing costs associated with the additional resources will be met from the Highways Management Reserve. The subway is proposed to be closed due to the being a subject to anti-social behaviour, a new public open space is proposed to be created instead. The undertaken surveys have demonstrated that pedestrian use of the subway is very low and its closure will not place an additional burden on the surface crossings.

- 4.5 New projects created through virements from existing projects can be found in Appendix 4 of the report with the main items discussed below;
- 4.6 Virements totalling £667,000 of which £123,000 relate to new projects within the 'School Capital Maintenance' programme, £424,000 is for projects within the 'Corporate Asset Management' programme and £120,000 relates to the 'Kings School Remedial works' project as detailed in the Appendix 3 of the report.
- 4.7 A virement of £4.5 million for the HRA is required for the 'Small Sites 4' project in order to proceed with the construction of 35 affordable houses across seven sites.

5.0 Medium term capital programme financing

- 5.1 Table 7 details the approved financing for the capital programme for 2018-2019 to 2022-2023 and incorporates the requested approvals for projects included in this report.

Table 7: Approved and forecast capital financing 2018-2019 to 2022-2023

General Fund	2018-2019 to 2022-2023			
	Approved budget	Recommended budget	Variance	Resource as % of expenditure
	£000	£000	£000	
Expenditure	320,937	338,874	17,937	
Financing				
Internal resources				
Capital receipts	27,616	28,056	440	8.3%
Prudential borrowing	181,680	185,045	3,365	54.6%
Revenue contributions	919	919	-	0.3%
Reserves	-	-	-	0.0%
Subtotal	210,215	214,020	3,805	63.2%
External resources				
Grants & contributions	110,722	124,854	14,132	36.8%
Subtotal	110,722	124,854	14,132	36.8%
Total General Fund	320,937	338,874	17,937	100.0%

2018-2019 to 2022-2023				
Housing Revenue Account (HRA)	Approved budget £000	Recommended budget £000	Variance £000	Resource as % of expenditure
Expenditure	292,501	292,501	-	
Financing				
Internal resources				
Capital receipts	32,810	35,683	2,873	12.2%
Prudential borrowing	143,897	141,024	(2,873)	48.2%
Reserves	114,841	114,841	-	39.3%
Subtotal	291,548	291,548	-	99.7%
External resources				
Grants & contributions	953	953	-	0.3%
Subtotal	953	953	-	0.3%
Total HRA	292,501	292,501	-	100.0%

- 5.2 Part of the net increase in prudential borrowing has occurred due to a switch in financing of £3.5 million between two capital projects, at the request of the funder, that has been undertaken in phases. The first phase was included in the capital report to Councillors in July 2018 where prudential borrowing was reduced with an offset increase in grants and contributions. The second phase included in this report is the opposite of this, an increase in prudential borrowing with an offset in grants and contributions. There has been no overall increase in the expenditure budget of either project involved. In addition, the net effect of the two financing sources across both phases is nil.
- 5.3 Capital receipts totalling £28.0 million have been assumed within the General Fund capital programme for quarter two and can be seen in Table 8. This is an increase of £440,000 when compared to the approved budget, which has arisen as a result of an increased forecast from sales totalling £390,000 and £50,000 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
	2018 - 2019 £000	2019 - 2020 £000	2020 - 2021 £000	2021 - 2022 £000	2022 - 2023 £000	
General Fund capital receipts	11,300	13,300	2,200	1,200	-	28,000

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 Activity Monitoring – Mid Year Review 2018-2019' also on the agenda for approval at this meeting.

	2018-2019 £000	2019-2020 £000	2020-2021 £000	2021-2022 £000	2022-2023 £000	2023-2024 £000
Forecast cumulative impact:						
interest	331	80	62	62	62	62
minimum revenue provision	-	266	100	93	97	101
	331	346	162	155	159	163
Net revenue cumulative impact for General Fund	331	346	162	155	159	163

[RJ/01112018/K]

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/05112018/Q]

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 There are no human resources implications arising from this report.

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 Health and Wellbeing implications

15.1 There are a range of individual projects delivered through the Council's capital programme which could have health and wellbeing implications, these should be considered when individual capital schemes are being developed.

16.0 Schedule of background papers

- 16.1 Individual Executive Decision Notice, 2 July 2018 – ‘A0151 Stafford Road / Cannock Road Signal Refurbishment 2018-19’
- 16.2 Cabinet, 11 July 2018 – ‘[Capital budget outturn 2017-2018 including quarter one capital budget monitoring 2018-2019](#)’
- 16.3 Individual Executive Decision Notice, 17 July 2018 – ‘Land and Property Transactions (008)’
- 16.4 Cabinet (Resources) Panel, 4 September 2018 – ‘[Procurement Update PP-18002 – Small Sites Newbuild Council Housing Phase Four](#)’
- 16.5 Individual Executive Decision Notice, 24 September 2018 – ‘Land and Property Transactions – Ref 0006 – Corporate Landlord (006)’
- 16.6 Individual Executive Decision Notice, 28 September 2018 – ‘[Land Adjacent Stafford Street, Bilston: expenditure of S106 monies](#)’
- 16.7 Cabinet, 17 October 2018 – ‘Primary and Secondary School Expansion Programme 2019 – Fund Allocations and Update’

17.0 Appendices

- Appendix 1: Detailed projected budget
- Appendix 2: Detailed forecast change
- Appendix 3: Projects requiring approval
- Appendix 4: Virements for approval

Detailed projected budget

Appendix 1

Division	Project	Projected budget					Total	Internal resources	External resources
		2018-2019	2019-2020	2020-2021	2021-2022	2022-2023			
General Fund									
Corporate Directorate									
Corporate Services	Leisure Centres Enhancement	-	-	-	-	-	-	-	-
	Aldersley Leisure Village Enhancement	7	-	-	-	-	7	(7)	-
	Bert Williams Enhancements	1	-	-	-	-	1	(1)	-
	Central Baths Enhancement	1	-	-	-	-	1	(1)	-
	WV Active - Aldersley Leisure Village Enhancement	550	-	-	-	-	550	(550)	-
	Corporate Contingency	2,498	-	-	-	-	2,498	(2,498)	-
	Transformation Development Efficiency Strategy - Reorganisation costs capitalisation	3,700	3,000	-	-	-	6,700	(6,700)	-
	WV Living Phase 1 - Loans	18,800	-	18,000	-	-	36,800	(36,800)	-
Total Corporate Directorate		25,557	3,000	18,000	-	-	46,557	(46,557)	-
People Directorate									
Director of Education	Wilkinson Primary School - New Build	8	-	-	-	-	8	(8)	-
	Primary Expansion Programme	-	4,206	-	-	-	4,206	(4,107)	(99)
	Dunstall Hill Primary PEP	107	-	-	-	-	107	-	(107)
	PEP Phase 3 - Bilston CE Primary School	35	-	-	-	-	35	-	(35)
	PEP Phase 3 - Manor Primary School	1	-	-	-	-	1	-	(1)
	PEP Phase 3 - St Marys Catholic Primary School	4	-	-	-	-	4	-	(4)
	PEP Phase 3 - Villiers Primary School Creation of Classroom	24	-	-	-	-	24	-	(24)
	Loxdale Primary Phase 4	1,737	7,395	489	-	-	9,621	(9,621)	-
	Spring Vale Primary Phase 4	3,023	2,029	-	-	-	5,052	(2,052)	(3,000)
	Stowlawn Primary Phase 4	2,895	2,215	-	-	-	5,110	(2,110)	(3,000)
	Schools Devolved Formula Capital	880	692	-	-	-	1,572	-	(1,572)
	Prudential Loans	204	56	-	-	-	260	(260)	-
	Terrific Two's - Children's Village	2	-	-	-	-	2	-	(2)
	Asbestos Removal	40	-	-	-	-	40	(40)	-
	Uplands Junior	12	-	-	-	-	12	-	(12)
	Whitgreave Infants	3	-	-	-	-	3	-	(3)
	Springdale Primary	7	-	-	-	-	7	-	(7)
	Claregate Primary	14	-	-	-	-	14	-	(14)
	Bushbury Nursery	4	-	-	-	-	4	-	(4)
	Castlecroft Primary	19	-	-	-	-	19	-	(19)
	SS Mary & John Catholic Primary	5	-	-	-	-	5	-	(5)
	Stow Heath Primary	4	-	-	-	-	4	-	(4)
	Electrical Works	1	-	-	-	-	1	(1)	-
	Eastfield Primary - Electrical Remedial Works following periodic inspection	10	-	-	-	-	10	-	(10)
	Whitgreave Infants - Electrical Remedial Works following periodic inspection	49	-	-	-	-	49	-	(49)
	Merridale Primary - Electrical Remedial Works	42	-	-	-	-	42	-	(42)
	Eastfield Nursery - Electrical Remedial Works	39	-	-	-	-	39	-	(39)
	Fallings Park Primary - Electrical Remedial Works	50	-	-	-	-	50	-	(50)
	Long Knowle Primary - Electrical Remedial Works	49	-	-	-	-	49	-	(49)
	Claregate Primary - Electrical Remedial Works	60	-	-	-	-	60	-	(60)
	Wodensfield Primary - Electrical Remedial Works	19	-	-	-	-	19	-	(19)
	Contingency for Emergency Works	323	-	-	-	-	323	-	(323)
	Building Schools for Future VAT Adjustments	-	-	-	-	-	-	-	-
	BSF - Our Lady & St Chads Catholic Sports College - VAT	7	-	-	-	-	7	(7)	-
	BSF - St Edmunds - VAT	19	-	-	-	-	19	(19)	-
	Building Schools for Future ICT Infrastructure	-	-	-	-	-	-	-	-
	Infrastructure Abnormals/SLG/ELS	340	-	-	-	-	340	(340)	-
	Capital Maintenance - Heating Pipework Upgrades	55	-	-	-	-	55	(5)	(50)
	Penn Hall - Replacement controls to main boiler house	7	-	-	-	-	7	-	(7)
	Claregate Primary - Replacement heating to main school	127	-	-	-	-	127	-	(127)
	Fallings Park Primary - Replacement pipework and radiators to KS2	125	-	-	-	-	125	-	(125)
	Springdale Junior - replacement heating pipework	300	-	-	-	-	300	(130)	(170)
	Warstones Primary - replacement boiler	6	-	-	-	-	6	-	(6)
	Bushbury Nursery - Upgrade Boiler Plant and Control	46	-	-	-	-	46	-	(46)
	Castlecroft Primary - Upgrade Boiler Plant and Controls	67	-	-	-	-	67	-	(67)
	Eastfield Primary - Upgrade Boiler Plant and Controls	100	-	-	-	-	100	-	(100)
	Eastfield Nursery - Upgrade Hot Water	37	-	-	-	-	37	-	(37)
	Lanesfield Primary - Replace Hot and Cold Water Pipework	7	-	-	-	-	7	-	(7)
	Long Knowle - Upgrade Boiler Plant and Controls	27	-	-	-	-	27	-	(27)
	Penn Hall - Upgrade Boiler, Heat Emitters and Fan Connectors	91	-	-	-	-	91	-	(91)
	Stow Heath Primary - Upgrade Boiler Plant and Controls	144	-	-	-	-	144	-	(144)
	Tettenhall Wood - Replace Hot Water Cylinder, Generator and Control	33	-	-	-	-	33	-	(33)
	Uplands Junior - Upgrade Boiler and Controls	84	-	-	-	-	84	-	(84)
	Capital Maintenance - Roof / Ceilings Replacements	16	-	-	-	-	16	-	(16)
	Dovecotes Primary - replacement roof covering	13	-	-	-	-	13	-	(13)
	Bilston Nursery Replacement Roof Tiles (Phase 2)	120	-	-	-	-	120	-	(120)
	Goldthorn Park Primary - replacement roof covering	40	-	-	-	-	40	-	(40)
	Christ Church, Church of England Infants (TW) - roof covering to link	11	-	-	-	-	11	-	(11)
	West Park Primary - Replacement Roof Covering	107	-	-	-	-	107	(27)	(80)
	Wodensfield Primary - Replacement Roof Covering	30	-	-	-	-	30	(16)	(14)
	Replacement Roof Eastfield Primary	25	-	-	-	-	25	-	(25)
	Capital Maintenance - Structural Works	45	-	-	-	-	45	-	(45)
	D'Eyncourt Primary Resurface Car Park	30	-	-	-	-	30	(17)	(13)
	Woodthorne Primary - installation of security gates	2	-	-	-	-	2	(2)	-
	Bilston Church of England Primary - perimeter fencing	10	-	-	-	-	10	-	(10)
	Whitgreave - Primary Link Pathway	50	-	-	-	-	50	(50)	-
	St Albans CE Primary - Entrance and Office Alteration	25	-	-	-	-	25	-	(25)
	Bantock Primary - New Staircase	-	35	-	-	-	35	(35)	-
	Bushbury Nursery - Repointing Brickwork	9	-	-	-	-	9	-	(9)
	Bushbury Nursery - Replacement Flooring	8	-	-	-	-	8	(8)	-
	Westacre Infants - Resurface Playground	30	-	-	-	-	30	-	(30)
	Christ Church CE Junior - Cloakroom Alterations	21	-	-	-	-	21	(20)	(1)
	Stow Heath Primary - Structural and Brickwork Repairs	18	-	-	-	-	18	(18)	-
	Structural work Wood End Primary	30	-	-	-	-	30	-	(30)

Division	Project	Projected budget					Total £000	Internal resources £000	External resources £000
		2018- 2019 £000	2019- 2020 £000	2020- 2021 £000	2021- 2022 £000	2022- 2023 £000			
	Capital Maintenance - Window Upgrade	20	-	-	-	-	20	-	(20)
	Hill Avenue Primary Replacement Classroom Windows	40	-	-	-	-	40	-	(40)
	Whitgreave Infants - Replacement Entrance Doors	20	-	-	-	-	20	-	(20)
	Christ Church Infants - Replacement Hall Windows	-	40	-	-	-	40	-	(40)
	Dovecotes Primary - Replacement Aluminium Windows	94	-	-	-	-	94	(4)	(90)
	Education - BSF - Design & Build - Phase 2	-	-	-	-	-	-	-	-
	BSF - Phase 2 - Our Lady & St Chads	31	-	-	-	-	31	-	(31)
	Education - BSF - Design & Build - Phase 3	-	-	-	-	-	-	-	-
	BSF - Phase 3 - Westcroft	49	-	-	-	-	49	10	(59)
	Heath Park Phase 3 Arts Block	54	-	-	-	-	54	-	(54)
	Education - BSF - Design & Build - Sample Schemes	-	-	-	-	-	-	-	-
	BSF - Sample Schemes - The Kings School	65	-	-	-	-	65	(65)	-
	Universal Infant Free School Meals	-	-	-	-	-	-	-	-
	UIFSM - Bantock	14	-	-	-	-	14	-	(14)
	Early Years Capital Fund	-	-	-	-	-	-	-	-
	Penn Kids	17	-	-	-	-	17	-	(17)
	Secondary School Expansion Programme	-	11,313	-	-	-	11,313	(11,313)	-
	Secondary Expansion Programme - Aldersley High	567	1,772	123	-	-	2,462	(2,462)	-
	Secondary Expansion Programme - Our Lady & St Chad's Catholic Academy	980	3,772	132	-	-	4,884	(4,884)	-
	SPCF Special Provision Capital Fund	-	425	464	-	-	889	-	(889)
	SPCF Penn Hall Additional SEN Provision	125	-	-	-	-	125	-	(125)
	SPCF Tettenhall Wood Additional SEN Provision	239	-	-	-	-	239	-	(239)
	SPCF Warstones Primary Additional SEN Provision	1	174	-	-	-	175	-	(175)
Adult Services	Aiming High for Disabled Children	-	26	-	-	-	26	-	(26)
	Mander Centre Changing Places Toilet Facilities	26	-	-	-	-	26	-	(26)
	Bentley Bridge Changing Places Toilet Facilities	40	-	-	-	-	40	-	(40)
	Independent Living Service	-	-	-	-	-	-	-	-
	Housing and Technology Capital Fund for Telecare within LD - Hardware	9	-	-	-	-	9	-	(9)
Children & Young People	Co-Location Programme	-	-	-	-	-	-	-	-
	Children's Transformation - Bingley	55	-	-	-	-	55	(55)	-
	Looked after Children - Extensions/Vehicles	13	-	-	-	-	13	(13)	-
	Extension Mr & Mrs G	147	-	-	-	-	147	(147)	-
Public Health & Wellbeing	Sports Investment Strategy	53	-	-	-	-	53	(53)	-
	Barnhurst Land Pitches	1,054	-	-	-	-	1,054	(1,054)	-
	Synthetic Pitch at Our Lady & St Chad's School	135	-	-	-	-	135	(96)	(39)
	Peace Green sport facilities	183	-	-	-	-	183	(171)	(12)
	Bowling provision	102	-	-	-	-	102	-	(102)
	Cricket provision	-	-	-	-	-	-	-	-
	East Park	12	-	-	-	-	12	-	(12)
	Claregate Playing Fields	12	-	-	-	-	12	-	(12)
	Fowlers Park	12	-	-	-	-	12	-	(12)
	Newbridge Playing Fields	179	-	-	-	-	179	-	(179)
	King George V Playing Fields	12	-	-	-	-	12	-	(12)
	Goodyear Park	12	-	-	-	-	12	-	(12)
	Sexual Health Premises	250	-	-	-	-	250	(250)	-
	Grants to other organisations	-	-	-	-	-	-	-	-
	CCTV - Avion Centre	21	-	-	-	-	21	(21)	-
Total People Directorate		16,575	34,150	1,208	-	-	51,933	(39,471)	(12,462)
Place Directorate									
City Environment	Maintenance of classified roads	82	1,871	1,871	1,000	-	4,824	(3,082)	(1,742)
	Response patching	361	-	-	-	-	361	(39)	(322)
	Birmingham New Road (Parkfield Rd to Spring Rd)	480	-	-	-	-	480	(170)	(310)
	Black Country Route (Coseley Road to Oxford Street)	210	-	-	-	-	210	(210)	-
	Cannock Road-Blackhalve Lane Junction	85	-	-	-	-	85	(54)	(31)
	Ash Street	150	-	-	-	-	150	(150)	-
	Highfields Road	100	-	-	-	-	100	(100)	-
	Salop Street	125	-	-	-	-	125	(64)	(61)
	Specialist Surface Treatments	50	-	-	-	-	50	(50)	-
	Raglan Street - Sainsburys S278 works	27	-	-	-	-	27	-	(27)
	Highway Improvement Programme	134	1,178	-	-	-	1,312	(39)	(1,273)
	Integrated Transport - Vine Island / Wobaston Road	44	-	-	-	-	44	-	(44)
	Integrated Transport - Advance Design	47	-	-	-	-	47	(9)	(47)
	Integrated Transport - Cannock Road / Cross St North	43	-	-	-	-	43	-	(43)
	IT Black Country Route/Coseley Road Island	7	-	-	-	-	7	-	(7)
	UTC - Wireless Communications	50	-	-	-	-	50	-	(50)
	New Cross area parking management	12	-	-	-	-	12	-	(12)
	Ring Road & City Centre Signage	100	-	-	-	-	100	-	(100)
	Bus infrastructure improvements	30	-	-	-	-	30	-	(30)
	Newhampton Road West/Hunter Street traffic signal upgrade	125	-	-	-	-	125	-	(125)
	City Centre Wayfinding	25	-	-	-	-	25	-	(25)
	UTC Expansion if CCTV / Driver Information / ANPR	100	-	-	-	-	100	-	(100)
	City East Gateway A454 - Japanese Knotweed	45	-	-	-	-	45	-	(45)
	Cannock Road/Stafford Road Junction	260	-	-	-	-	260	-	(260)
	Craddock Street Subway	200	-	-	-	-	200	(100)	(100)
	i54 Access and Infrastructure	609	-	-	-	-	609	(187)	(422)
	i54 Access and Infrastructure - i54 - Contingency / General Costs - WCC	50	-	-	-	-	50	(50)	-
	Vehicles (Procurement)	1,864	1,377	-	-	-	3,241	(3,241)	-
	Purchase of Vehicles 2018/19 (4 Years)	5	-	-	-	-	5	(5)	-
	Purchase of Vehicles 2018/19 (7 Years)	3,200	-	-	-	-	3,200	(3,200)	-
	Bowman's Harbour Repository - Tech Investigation	102	-	-	-	-	102	(102)	-
	Site Remediation Farndale - Courtaulds - Investigation (non Defra)	162	-	-	-	-	162	(162)	-

Detailed projected budget

Appendix 1

Division	Project	Projected budget					Total £000	Internal resources £000	External resources £000
		2018- 2019 £000	2019- 2020 £000	2020- 2021 £000	2021- 2022 £000	2022- 2023 £000			
	Parks Strategy and Open Space	-	-	-	-	-	-	-	
	Heath Town Park	72	-	-	-	-	72	(72)	
	Spring Road - (Taylor Road / Hilton PF)	35	-	-	-	-	35	(36)	
	Castlecroft Avenue - enhancement of play provision	2	-	-	-	-	2	(2)	
	Ashmore Park - enhancement of play provision	4	-	-	-	-	4	(4)	
	Fowlers Park	200	-	-	-	-	200	(200)	
	Rakegate - play area (S106)	205	-	-	-	-	205	(205)	
	Land North East of 72 Church Street, Bilston	15	-	-	-	-	15	(15)	
	Bereavement Services Improvement Programme at Bushbury Crematorium site (drainage,pavements)	54	-	-	-	-	54	(54)	
	Safety Programme	130	-	-	-	-	130	(130)	
	Local Safety Schemes - TROs/ Signs&Guardrails / Rd Markings	100	-	-	-	-	100	(100)	
	Vehicle actuated speed warning signs	40	-	-	-	-	40	(40)	
	Traffic Calming to Glaisher Drive, Science Park	70	-	-	-	-	70	(70)	
	Average Speed Enforcement - Wolverhampton	150	-	-	-	-	150	(150)	
	Average Speed Enforcement - Walsall, Sandwell and Dudley	605	-	-	-	-	605	(605)	
	Active Travel Programme	-	-	-	-	-	-	-	
	Cycling - Cycle Route Improvements	1	-	-	-	-	1	(1)	
	Walking,Cycling and SRTS - Cycle Parking	20	-	-	-	-	20	(20)	
	Network Development - Safer Routes to School	10	-	-	-	-	10	(10)	
	Accessing Growth Fund	-	-	-	-	-	-	-	
	A4123 - Birmingham New Road	41	-	-	-	-	41	(41)	
	City North Gateway Phase 1 - Stafford Road A449	4,440	-	-	-	-	4,440	(3,500)	
	Westside Link - Development Funding	95	-	-	-	-	95	(95)	
	Springfield Campus Connectivity Phase 2	550	-	-	-	-	550	(550)	
	City North (A449) and City East Gateway (A454) - Major Scheme Development	220	-	-	-	-	220	(220)	
	Street Lighting replacement programme (Invest to Save)	2,760	2,166	-	-	-	4,926	(4,926)	
	Highway Structures (bridges, subways, retaining walls)	60	-	-	-	-	60	(60)	
	Compton Bridge resurfacing	35	-	-	-	-	35	(35)	
	Wightwick Bridge Strengthening	35	-	-	-	-	35	(35)	
	Maintenance of unclassified roads	-	-	-	-	-	-	-	
	Maint. of Unclassified - The Crescent	75	-	-	-	-	75	(75)	
	Maint. of Unclassified - Carriageway Surfacing Treatment	660	660	660	660	-	2,640	(2,640)	
	Maint. of Unclassified - Brooklands Parade and roads off	100	-	-	-	-	100	(100)	
	Dudley street Footways	100	-	-	-	-	100	(100)	
	Bushbury Lane Footways	200	-	-	-	-	200	(200)	
	Footway works	-	940	940	-	-	1,880	(1,880)	
	Waterhead Drive flood defence works	75	-	-	-	-	75	(75)	
	Broad Lanes/Coseley Road	180	-	-	-	-	180	(180)	
	Chesterton Road	40	-	-	-	-	40	(40)	
	Dickens Road	90	-	-	-	-	90	(90)	
	Ranelagh Road	55	-	-	-	-	55	(55)	
	Ruskin Road	170	-	-	-	-	170	(170)	
	Silverton Way/Coleman Avenue	20	-	-	-	-	20	(20)	
	Spondon Road	120	-	-	-	-	120	(120)	
	Uplands Avenue and Roads off	93	-	-	-	-	93	(93)	
	Maintenance of Non Highway Structures	-	-	-	-	-	-	-	
	Demolition of 60-60A Willenhall Road	64	-	-	-	-	64	(64)	
	32 Hordern Road	62	-	-	-	-	62	(62)	
	94 Compton Road- Bridgnorth Road	100	-	-	-	-	100	(100)	
	LGF Transport project management	48	-	-	-	-	48	(48)	
	Security Enhancement works	-	-	-	-	-	-	-	
	Improving Pedestrian Safety	300	-	-	-	-	300	(300)	
	Waste & Recycling Strategy	-	-	-	-	-	-	-	
	Service Transformation	500	-	-	-	-	500	(500)	
	Lighting up the City	-	-	-	-	-	-	-	
	Wolverhampton Markets Lighting	60	-	-	-	-	60	(60)	
	Bollards	5	-	-	-	-	5	(5)	
	Lady Wulfruna Statue	1	-	-	-	-	1	(1)	
	Civic Halls	20	-	-	-	-	20	(20)	
	Project Management/Technical Support	94	-	-	-	-	94	(94)	
	Smart and Accessible City	-	-	-	-	-	-	-	
	Grant Payment to private partner	284	194	-	-	-	478	(478)	
City Housing HSG Housing	Disabled Facilities Grants	-	1,963	-	-	-	1,963	(1,963)	
	Mandatory Disabled Facilities Grants	1,800	1,800	-	-	-	3,600	(3,600)	
	Small Adaptations Grants	600	600	-	-	-	1,200	(1,200)	
	Stair Lift Maintenance	25	25	-	-	-	50	(50)	
	Care & Repair Fees re: DFG's	50	50	-	-	-	100	(100)	
	Housing General Fund General Schemes - Small Works Assistance (SWA)	334	250	-	-	-	584	(584)	
	Housing General Fund General Schemes - Capitalised Salaries	-	-	-	-	-	-	-	
	Capitalised Salaries	200	-	-	-	-	200	(200)	
	Housing General Fund General Schemes - Empty Properties Strategy	300	326	-	-	-	626	(626)	
	Housing General Schemes - Affordable Warmth	-	-	-	-	-	-	-	
	Affordable Warmth	375	195	-	-	-	570	(570)	
	Showell road site refurbishment	30	-	-	-	-	30	(30)	
Commercial Services	Corporate Asset Management	-	1,100	536	-	-	1,636	(1,636)	
	Bradmore Community Centre - internal / external renovation	33	-	-	-	-	33	(33)	
	Maltings Day Centre - rewiring and upgrading electrical systems	5	-	-	-	-	5	(5)	
	Upper Pendeford Farm - rewiring and upgrading electrical systems	1	-	-	-	-	1	(1)	
	Bradley Day Centre - rewiring and upgrading electrical systems	5	-	-	-	-	5	(5)	
	Graiseley Learning Technology Centre - step / ramp entrance improvements	11	-	-	-	-	11	(11)	
	Dunstall Community Centre - windows and doors replacement	5	-	-	-	-	5	(5)	

Detailed projected budget

Appendix 1

Division	Project	Projected budget					Total £000	Internal resources £000	External resources £000
		2018- 2019 £000	2019- 2020 £000	2020- 2021 £000	2021- 2022 £000	2022- 2023 £000			
	Graiseley Learning Technology Centre - windows and doors replacement	11	-	-	-	-	11	(11)	-
	Rooker Avenue Changing Rooms - demolition	64	-	-	-	-	64	(64)	-
	Blakenhall Family resource centre - automatic entrance doors	49	-	-	-	-	49	(49)	-
	Bradmore Recreation Ground - interior remodelling	3	-	-	-	-	3	(3)	-
	Bradley Day Centre - roof replacement	132	-	-	-	-	132	(132)	-
	Graiseley music school - window replacement	37	-	-	-	-	37	(37)	-
	Central Library – Replace skylight to main stairwell	30	-	-	-	-	30	(30)	-
	Wednesfield Community Hub – Upgrade heating system	15	-	-	-	-	15	(15)	-
	Graiseley Technology Support Centre – Roof replacement	19	-	-	-	-	19	(19)	-
	Warstones Library – Boiler replacement	22	-	-	-	-	22	(22)	-
	Blakenhall Community Centre – Boiler replacement	36	-	-	-	-	36	(36)	-
	Eastfield Community Centre – New heating system	17	-	-	-	-	17	(17)	-
	Makers Dozen – Replacement of rainwater disposal system	11	-	-	-	-	11	(11)	-
	Bilston Market – Full roof glass panels replacement	41	-	-	-	-	41	(41)	-
	Bingley Enterprise Centre – Roof replacement	15	-	-	-	-	15	(15)	-
	Bradmore Community Centre – Roof replacement	56	-	-	-	-	56	(56)	-
	Ashmore Park Community Hub – Roof replacement	20	-	-	-	-	20	(20)	-
	Goldthorn Assembly Hall – Roof replacement	15	-	-	-	-	15	(15)	-
	i10 Building – Upgrade air handling plant	11	-	-	-	-	11	(11)	-
	Central Baths – Upgrade air handling plant	19	-	-	-	-	19	(19)	-
	Bilston Town Hall – Internal/External renovation	150	-	-	-	-	150	(150)	-
	Fordhouses Rd Ind. Est. - Internal/External renovation	90	-	-	-	-	90	(90)	-
	Loxdale Rd Ind. Est. - Internal/External renovation	40	-	-	-	-	40	(40)	-
	Lower Bradley CC - External renovation	29	-	-	-	-	29	(29)	-
	Whitmore Reans SFH - Lift refurbishment	18	-	-	-	-	18	(18)	-
	Aldersley Leisure Centre - Refurbishment of female shower area	15	-	-	-	-	15	(15)	-
	Graiseley SFH - Structural maintenance of paths/car parks	57	-	-	-	-	57	(57)	-
	Lower Bradley CC - Toilets refurbishment	39	-	-	-	-	39	(39)	-
	Bradmore CC - Toilets refurbishment	15	-	-	-	-	15	(15)	-
	Lower Bradley CC - Windows replacement	31	-	-	-	-	31	(31)	-
	Wednesfield Judo Club - Roof Replacement	17	-	-	-	-	17	(17)	-
	Civic Centre - CCTV Installation	52	-	-	-	-	52	(52)	-
	Dovecotes - Replacement of brickwork and repointing	60	-	-	-	-	60	(60)	-
	St Chads CC - Windows replacement	35	-	-	-	-	35	(35)	-
	Bert Williams L.C. - combined heat and power system	20	-	-	-	-	20	(20)	-
	Duke St Bungalows - gas fire heating replacement	5	-	-	-	-	5	(5)	-
	Graiseley Strengthening Families Hub - door entry and fire alarm	14	-	-	-	-	14	(14)	-
	Newhampton Arts Centre - side elevation roof replacement	7	-	-	-	-	7	(7)	-
	Ernest Bold RC - sliding door replacement	5	-	-	-	-	5	(5)	-
	West Park Conservatory - Intruder Alarm and CCTV System	29	-	-	-	-	29	(29)	-
	Duke Street Bungalows - FRA priority works	150	-	-	-	-	150	(150)	-
	Grand Theatre - Changing room refurbishment works	120	-	-	-	-	120	(120)	-
	Upper Pendeford Farm - FRA priority works	11	-	-	-	-	11	(11)	-
	Culwell Street Depot - Boiler replacement	23	-	-	-	-	23	(23)	-
	Aldersley Leisure Village - Biomass plant replacement	12	-	-	-	-	12	(12)	-
	Amos Lane Allotment - New water main	16	-	-	-	-	16	(16)	-
	Civic Centre (Mayoral Suite) - toilets refurbishment	60	-	-	-	-	60	(60)	-
	Wednesfield Housing - asbestos removal works	9	-	-	-	-	9	(9)	-
	Fowlers Park Playing Fields - asbestos removal works	6	-	-	-	-	6	(6)	-
	Wholesale Market - asbestos removal works	1	-	-	-	-	1	(1)	-
	Slade Rooms - asbestos removal works	3	-	-	-	-	3	(3)	-
	Magistrates - asbestos removal works	6	-	-	-	-	6	(6)	-
	Bantock House - asbestos removal works	6	-	-	-	-	6	(6)	-
	Whitmore Reans Library - asbestos removal works	1	-	-	-	-	1	(1)	-
	ICT General Programme	75	-	-	-	-	75	(75)	-
	Security Enhancement (ICT Main Prog)	34	13	-	-	-	47	(47)	-
	Storage Refresh (ICT Main Prog)	30	180	-	-	-	210	(210)	-
	Upgrades (ICT Main Prog)	60	-	-	-	-	60	(60)	-
	Infrastructure Upgrades (ICT Main Prog)	2,210	415	-	-	-	2,625	(2,625)	-
	Data Centres (ICT Main Prog)	97	32	-	-	-	129	(129)	-
	Future Developments	921	250	-	-	-	1,171	(1,171)	-
	IT Service Management	60	-	-	-	-	60	(60)	-
	Print and Mail	45	20	-	-	-	65	(65)	-
	Disaster Recovery	101	100	-	-	-	201	(201)	-
	Desk top refresh	677	1,002	-	-	-	1,679	(1,679)	-
	Energy Efficiency Measures	214	142	213	-	-	569	(569)	-
	Disposals Programme (Non-Strategic)	380	-	-	-	-	380	(380)	-
	Woden Resource Centre, Vicarage Road Demolition	5	-	-	-	-	5	(5)	-
	Nelson Mandela House, Whitburn Close Demolition	3	-	-	-	-	3	(3)	-
	Merry Hill House, Langley Road Demolition	3	-	-	-	-	3	(3)	-
	Warstones Demolition	4	-	-	-	-	4	(4)	-
	Wolverhampton Environment Centre (WEC)	219	-	-	-	-	219	(219)	-
	Northcote School & Bushbury Community Centre - demolition	423	-	-	-	-	423	(423)	-
	Digital Transformation Programme Software	-	747	-	-	-	747	(747)	-
	DTP Phase 2 - Customer Platform	2,300	-	-	-	-	2,300	(2,300)	-
	Service Led ICT Projects	-	-	-	-	-	-	-	-
	Migrate Care First to Eclipse	313	-	-	-	-	313	(313)	-
	IDOX/GIS Cloud Migration	100	-	-	-	-	100	(100)	-
	Full Fibre Network	-	-	4,874	-	-	4,874	-	(4,874)
	Kings School Remedial works	120	-	-	-	-	120	(120)	-
Future Spaces	Future Spaces	2,262	-	-	-	-	2,262	(2,262)	-
Land and Property Investment Fund	Land and Property Investment Fund	-	-	-	-	-	-	-	-
	Dudley Music Institute	4,499	2,510	151	-	-	7,160	-	(7,160)
	Dudley Brownfield	2,281	430	-	-	-	2,711	-	(2,711)
	Goscote Lane	3,121	470	-	-	-	3,591	-	(3,591)
	Springfield Land Remediation	2,420	2,000	-	-	-	4,420	-	(4,420)
	School of Architecture and Built Environment (SOABE)	1,250	2,000	-	-	-	3,250	-	(3,250)
	i9 Office Development	800	2,922	-	-	-	3,722	-	(3,722)
	Black Country Living Museum - Forging Ahead	-	2,630	6,370	-	-	9,000	-	(9,000)
	National Brownfield Institute Seed Funding	500	-	-	-	-	500	-	(500)
	Phoenix 10	2,000	-	-	-	-	2,000	-	(2,000)

Detailed projected budget

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Division	Project	Projected budget					Total	Internal resources	External resources
		2018-2019	2019-2020	2020-2021	2021-2022	2022-2023			
Regeneration	Targeted Disposals Programme	-	-	-	-	-	-	-	-
	Bushbury Rec MUGA	6	-	-	-	-	6	(6)	-
	Disposal of Heath Town Baths	-	60	72	-	-	132	(132)	-
	Targeted Disposals - Hoardings	30	50	-	-	-	80	(80)	-
	Community Hubs	-	49	300	-	-	349	(349)	-
	Entertainments - Civic Hall Improvements	-	-	-	59	-	59	(59)	-
	Bilston Urban Village	-	-	-	-	-	-	-	-
	BUV - Bilston High Street Link	2	-	-	-	-	2	(2)	-
	South Side	16	-	-	-	-	16	(16)	-
	Demolition of 50-51 Snow Hill	31	-	-	-	-	31	(31)	-
	Markets Relocation to Southside	2,863	-	-	-	-	2,863	(2,006)	(857)
	Burdett House Demolition	249	-	-	-	-	249	(249)	-
	Wolverhampton Interchange Office/Retail Accommodation	-	-	-	-	-	-	-	-
	19 Office Development	40	8,630	4,330	-	-	13,000	(13,000)	-
	Wolverhampton Interchange Block 11 - Acquisition	57	-	-	-	-	57	(57)	-
	Bilston Urban Village	-	-	-	-	-	-	-	-
	Bilston Urban Village - Remediation of site in readiness for development	65	-	-	-	-	65	(65)	-
	Share of Capital Receipts to HCA	984	1,476	1,476	984	-	4,920	(4,920)	-
	Bilston Urban Village - Public Open Space	1,360	137	-	-	-	1,497	(1,061)	(436)
	Bilston Urban Village - Employment Land Site Investigation	69	-	-	-	-	69	-	(69)
	Black Country Growth Deal – Cultural Programme	-	-	-	-	-	-	-	-
	Civic Halls Improvements	6,676	12,787	9,887	2,927	-	32,277	(32,277)	-
	Grand Theatre	28	-	-	-	-	28	(28)	-
	Westside - Markets Re-location	250	-	-	-	-	250	(250)	-
	Black Country GOLD 2016-19	681	-	-	-	-	681	-	(681)
	Interchange - Ph2 Train Station/MSCP/Metro Extension	-	4,169	-	-	-	4,169	(2,079)	(2,090)
	Interchange - Ph2 Train Station/MSCP - Neptune Payments	11,411	6,481	684	-	-	18,576	(6,030)	(12,546)
	Interchange - Ph2 Train Station/MSCP - WCC Costs	1,383	281	210	-	-	1,854	(322)	(1,532)
	Queen Street Gateway Townscape Heritage Project	-	229	-	-	-	229	(14)	(215)
	Queen Street Gateway Townscape Heritage Project - 25 Queen Street	-	70	-	-	-	70	(14)	(56)
	Queen Street Gateway Townscape Heritage Project - 19-21 Queen Street	-	205	-	-	-	205	(36)	(169)
	Queen Street Gateway Townscape Heritage Project - Shop 26 Queen Street	38	-	-	-	-	38	(9)	(29)
	Queen Street Gateway Townscape Heritage Project - SHOP 28 Queen Street	-	25	-	-	-	25	(4)	(21)
	Queen Street Gateway Townscape Heritage Project - SHOP 29 Queen Street	-	59	-	-	-	59	(15)	(44)
	Queen Street Gateway Townscape Heritage Project - SHOP 31 Queen Street	-	16	-	-	-	16	(2)	(14)
	Queen Street Gateway Townscape Heritage Project - 44 Queen Street	-	32	-	-	-	32	(5)	(27)
	Queen Street Gateway Townscape Heritage Project - 45 Queen Street	40	-	-	-	-	40	(7)	(33)
	Queen Street Gateway Townscape Heritage Project - 47 Queen Street	60	-	-	-	-	60	(9)	(51)
	Queen Street Gateway Townscape Heritage Project - 48 Queen Street	48	-	-	-	-	48	(6)	(42)
	Queen Street Gateway Townscape Heritage Project - Project costs	37	51	-	-	-	88	(64)	(24)
	LGF Feasibility - Canalside Regeneration	37	-	-	-	-	37	-	(37)
	i54 Western Extension	942	1,000	-	-	-	1,942	(1,942)	-
	City Learning Quarter	-	39,000	5,000	-	-	44,000	(12,000)	(32,000)
	St Georges Car Park	13	-	-	-	-	13	(13)	-
	City Learning Quarter - Site Development	2,797	-	-	-	-	2,797	(2,797)	-
	Bilston War Memorial Restoration	35	-	-	-	-	35	-	(35)
	Tettenhall War Memorial Restoration	-	20	-	-	-	20	-	(20)
	Pennfields War Memorial Restoration	-	20	-	-	-	20	-	(20)
	Development of Bantock House Complex	294	-	-	-	-	294	(294)	-
	Art Gallery Improvement Scheme	568	428	-	-	-	996	(672)	(324)
Strategic Land Acquisitions	1,028	3,000	-	-	-	4,028	(4,028)	-	
Molineux Car Parking (12 Spaces South Stand)	29	-	-	-	-	29	(29)	-	
Molineux Car Park (approached via Whitmore Hill)	40	-	-	-	-	40	(40)	-	
Blue Network	-	-	-	-	-	-	-	-	
Smestow Valley LNR	486	-	-	-	-	486	(205)	(281)	
Wyrley & Essington Canal Local Nature Reserve Signage	49	-	-	-	-	49	-	(49)	
Ford Brook via Environment Agency	35	-	-	-	-	35	-	(35)	
Reedswood Park/Anson Branch Improvement via Walsall MBC	28	-	-	-	-	28	-	(28)	
Bradley Canal via Canals & River Trust	80	-	-	-	-	80	-	(80)	
Wyrley & Essington Canal Proposed LNR - Improvements to POS at Wednesfield Park	7	-	-	-	-	7	-	(7)	
Wyrley & Essington Canal Proposed LNR - Improvements to POS at Neachells Lane/Lichfield Road	10	-	-	-	-	10	-	(10)	
Wyrley & Essington Canal Proposed LNR - Improvements to POS at Bluebell Crescent	15	-	-	-	-	15	-	(15)	
Wyrley & Essington Canal Proposed LNR - Improvements to POS at Moathouse Lane Bridge	25	-	-	-	-	25	-	(25)	
Total Place Directorate		88,367	108,813	37,574	5,630	-	240,384	(127,992)	(112,392)
Total General Fund - existing and new projects		130,499	145,963	56,782	5,630	-	338,874	(214,020)	(124,854)

Detailed projected budget

Appendix 1

Division	Project	Projected budget					Total	Internal resources	External resources
		2018-2019	2019-2020	2020-2021	2021-2022	2022-2023			
Housing Revenue Account									
Housing Revenue Account	Decent Homes - Stock Improvements	-	-	-	-	-	-	-	-
	High Rise M&E Infrastructure Refurbishment	4,466	4,610	3,650	4,240	-	16,966	(16,966)	-
	Heath Town Refurbishment of Retained Properties	16,300	12,400	9,500	6,900	-	45,100	(45,100)	-
	Internal Decency Works	1,510	1,930	2,480	2,820	2,750	11,490	(11,490)	-
	New Park Village Ellerton Walk Maisonette Blocks	4,933	5,000	1,170	-	-	11,103	(11,103)	-
	Door Entry	370	370	370	370	370	1,850	(1,850)	-
	Repairs - Pathways / Unadopted Roads	200	200	200	200	200	1,000	(1,000)	-
	External Improvement Works (Pre Decent Homes)	1,100	1,100	1,100	600	-	3,900	(3,900)	-
	Adaptations for People with Disabilities	1,000	1,000	1,000	1,000	1,000	5,000	(5,000)	-
	Sale of Council Houses Admin	30	30	30	30	30	150	(150)	-
	W'ton Homes - Capitalised Sals	1,650	1,650	1,650	1,650	1,650	8,250	(8,250)	-
	CAASH Fund 10 Council Units	552	-	-	-	-	552	(552)	-
	Housing Services Capitalised Salaries	300	300	300	300	300	1,500	(1,500)	-
	Refurbishment of Voids to Decent Homes Standard	2,160	2,300	2,300	2,300	2,300	11,360	(11,360)	-
	Boiler Replacement	670	670	670	680	680	3,370	(3,370)	-
	Heath Town	2,043	-	-	-	-	2,043	(2,043)	-
	Tap Works site	-	1,200	-	-	-	1,200	(1,200)	-
	Tap works – Showell Road	2,461	500	-	-	-	2,961	(2,541)	(420)
	Structural works	980	980	990	990	1,000	4,940	(4,940)	-
	Lift Improvements	670	670	670	680	680	3,370	(3,370)	-
	High Rise Fire Safety Issues	2,370	2,380	2,380	980	1,000	9,110	(9,110)	-
	Roofing Refurbishment Programme - City wide	4,775	6,240	4,800	4,800	4,800	25,415	(25,415)	-
	Tower and Fort Works Project	-	1,200	1,182	-	-	2,382	(1,882)	(500)
	New Build Programme	-	-	5,450	12,240	7,000	24,690	(24,690)	-
	Starter Homes Project	83	-	-	-	-	83	(50)	(33)
	Sustainable Estates Programme	671	1,590	1,080	2,567	-	5,908	(5,908)	-
	Demolition of garage site at Hilton Road	30	-	-	-	-	30	(30)	-
	Non Traditional Surveys	440	100	110	-	-	650	(650)	-
	Small Sites Phase 3	2,748	-	-	-	-	2,748	(2,748)	-
	Small Sites 4	1,500	3,000	-	-	-	4,500	(4,500)	-
	Burton Crescent	2,509	3,410	-	-	-	5,919	(5,919)	-
	Heath Town Phase 1	2,000	1,000	-	-	-	3,000	(3,000)	-
	Heath Town Phase 3	-	7,080	4,520	-	-	11,600	(11,600)	-
	WVL Units - Danesmore	1,630	-	-	-	-	1,630	(1,630)	-
	WVL Units - Ettingshall and Sweetbriar Road	-	1,100	-	-	-	1,100	(1,100)	-
	WVL Units - Prouds Lane	-	940	-	-	-	940	(940)	-
	WVL Units - Wednesfield	-	3,510	3,510	3,510	-	10,530	(10,530)	-
	WVL Units - Former Residential care Home Sites	-	2,750	-	-	-	2,750	(2,750)	-
	Northcote	-	-	6,480	-	-	6,480	(6,480)	-
	Contingency	-	-	-	-	1,000	1,000	(1,000)	-
	St Lukes School	-	2,860	-	-	-	2,860	(2,860)	-
	Medium Sites	100	3,000	1,700	-	-	4,800	(4,800)	-
	High Rise Sprinkler Programme	-	4,010	3,990	3,560	7,640	19,200	(19,200)	-
	High Rise External Works	-	1,000	1,640	1,640	-	4,280	(4,280)	-
	Reedham Gardens	-	1,000	-	-	-	1,000	(1,000)	-
	Parkfields	-	-	2,080	-	-	2,080	(2,080)	-
	Additional Social Housing	1,711	-	-	-	-	1,711	(1,711)	-
Total Housing Revenue Accounts - existing and new projects		61,962	81,080	65,002	52,057	32,400	292,501	(291,548)	(953)

Detailed forecast change

Appendix 2

Division	Project	Approved budget	Proposed budget	Total change	Comments
		£000	£000	£000	
General Fund - forecast changes					
Corporate Directorate					
Corporate Services	Leisure Centres Enhancement	559	559	-	
	Corporate Contingency	2,287	2,498	211	The variance in the budget reflects the virement of underspends identified across the capital programme.
	Capitalisation Directives	6,700	6,700	-	
	WV Living Phase 1	36,800	36,800	-	
Managing Director	Boundary Signs	131	-	(131)	This budget is no longer required therefore a virement to the Corporate Contingency is proposed.
Total Corporate Directorate		46,477	46,557	80	
People Directorate					
Director of Education	Wilkinson Primary School - New Build	8	8	-	
	Primary Expansion Programme	24,160	24,160	-	
	Capital Maintenance	258	-	(258)	The variance in the budget reflects the reduced grant allocation and a virement to support new projects.
	Schools Devolved Formula Capital	1,880	1,572	(308)	The variance in this budget is due to a reduction in grant due to academy conversions.
	Prudential Loans	260	260	-	
	Early Education - Two Year Education Pilot	2	2	-	
	Asbestos Removal	196	108	(88)	The change in this budget reflects the reallocation of resources to existing and new schemes within the Schools Capital Maintenance programme.
	Electrical Works	319	319	-	
	Contingency for Emergency Works	350	323	(27)	The variance in the budget reflects the reallocation of resources to cover additional costs within the Schools Capital Maintenance programme due to the shortfall in anticipated grant receipt.
	Building Schools for Future VAT Adjustments	26	26	-	
	Building Schools for Future ICT Infrastructure	340	340	-	
	Capital Maintenance - Heating Pipework Upgrades	1,181	1,256	75	The change in this budget reflects the reallocation of resources to existing and new schemes within the Schools Capital Maintenance programme.
	Capital Maintenance - Roof / Ceilings Replacements	337	362	25	Approval is sought for roof replacement as detailed in Appendix 3 of the report.
	Capital Maintenance - Structural Works	248	313	65	Approval is sought for structural works as detailed in Appendix 3 of the report.
	Capital Maintenance - Window Upgrade	222	214	(8)	The change in this budget reflects the reallocation of resources to existing and new schemes within the Schools Capital Maintenance programme.
	Education - BSF - Design & Build - Phase 2	31	31	-	
	Education - BSF - Design & Build - Phase 3	103	103	-	
	Education - BSF - Design & Build - Sample Schemes	65	65	-	
	Universal Infant Free School Meals	-	14	14	The change in this budget reflects the reallocation of resources to existing and new schemes within the Schools Capital Maintenance programme.
	Early Years Capital Fund	17	17	-	
	Secondary School Expansion Programme	18,659	18,659	-	
	SPCF Special Provision Capital Fund	1,428	1,428	-	
Adult Services	Aiming High for Disabled Children	92	92	-	
	Independent Living Service	9	9	-	
Children & Young People	Co-Location Programme	-	55	55	The variance in this budget is due to additional works required for the Bingley scheme.
	Looked after Children - Extensions/Vehicles	160	160	-	
Public Health & Wellbeing	Sports Investment Strategy	1,425	1,425	-	
	Bowling provision	102	102	-	
	Cricket provision	239	239	-	
	Sexual Health Premises	250	250	-	
	Grants to other organisations	21	21	-	
Total People Directorate		52,388	51,933	(455)	
Place Directorate					
City Environment	Maintenance of classified roads	6,385	6,385	-	
	Raglan Street - Sainsburys S278 works	27	27	-	
	Highway Improvement Programme	2,104	2,400	296	The variance in the budget reflects the reallocation of resources across projects within the Transportation capital programme to align with current prioritisations.
	i54 Access and Infrastructure	659	659	-	
	Vehicles (Procurement)	6,446	6,446	-	
	Bowman's Harbour - Former Landfill Sites	102	102	-	
	Site Remediation Farndale	162	162	-	
	Parks Strategy and Open Space	633	533	(100)	The variance in the budget is due to the reallocation of resources to a new scheme as detailed in Appendix 4 of the report.
	Bereavement Services	254	54	(200)	This budget is no longer required therefore a virement to the Corporate Contingency is being proposed.
	Safety Programme	291	1,095	804	The variance in the budget is due to the reallocation of resources across projects within the Transportation capital programme to align with current prioritisations and new projects for which approval is now sought.
	Active Travel Programme	40	21	(19)	The variance in the budget reflects the reallocation of resources across projects within the Transportation capital programme to align with current prioritisations.
	Network Development - Safer Routes to School	10	10	-	
	Accessing Growth Fund	4,898	5,346	448	The variance in the budget is due to design changes in response to the consultation which have led to delays and cost increase on certain elements. Efficiencies and costs savings continue to be explored to reduce the final outturn figure.
	Street Lighting	4,926	4,926	-	
	Highway Structures (bridges, subways, retaining walls)	130	130	-	

Detailed forecast change

Appendix 2

Division	Project	Approved budget	Proposed budget	Total change	Comments
		£000	£000	£000	
	Maintenance of unclassified roads	6,412	5,838	(574)	The variance in the budget reflects the reallocation of resources across projects within the Transportation capital programme to align with current prioritisations.
	Maintenance of Non Highway Structures	226	226	-	
	LGF Transports project management	48	48	-	
	Security Enhancement works	300	300	-	
	Waste & Recycling Strategy	500	500	-	
	Lighting up the City	180	180	-	
	Smart and Accessible City	478	478	-	
City Housing HSG Housing	Disabled Facilities Grants	6,913	6,913	-	
	Housing General Fund General Schemes - Small Works Assistance (SWA)	584	584	-	
	Housing General Fund General Schemes - Capitalised Salaries	200	200	-	
	Housing General Fund General Schemes - Empty Properties	626	626	-	
	Housing General Schemes - Affordable Warmth	570	570	-	
	Showell road site refurbishment	30	30	-	
Commercial Services	Corporate Asset Management	3,471	3,471	-	
	ICT General Programme	4,442	4,442	-	
	ICT Disaster Recovery	201	201	-	
	ICT Desktop Refresh	1,679	1,679	-	
	Energy Efficiency Measures	569	569	-	
	Disposals Programme (Non-Strategic)	1,037	1,037	-	
	Digital Transformation Programme Software	3,047	3,047	-	
	Service Led ICT Projects	413	413	-	
	Full Fibre Network	4,874	4,874	-	
	Remedial Works	-	120	120	Approval is sought for the works to rectify defective works previously carried out by Carillion.
Future Spaces	Future Spaces	2,262	2,262	-	
Land and Property Investment Fund	Land and Property Investment Fund	19,664	36,354	16,690	The variance in the budget reflects new projects for which approval is now being sought.
Regeneration	Targeted Disposals Programme	218	218	-	
	Community Hubs	349	349	-	
	Entertainments - Civic Hall Improvements	59	59	-	
	Bilston Urban Village	2	2	-	
	South Side	2,111	3,159	1,048	The variance in the budget is due to the significant unforeseen ground constraints.
	Wolverhampton Interchange Office/Retail Accommodation	13,000	13,000	-	
	Wolverhampton Interchange Block 11	57	57	-	
	Bilston Urban Village	6,551	6,551	-	
	Black Country Growth Deal – Cultural Programme	32,305	32,305	-	
	Westside	441	250	(191)	The variance in the budget reflects the reallocation of resources to contribute to the Market relocation to Southside.
	Black Country Gold ERDF Project	681	681	-	
	Interchange - Ph2 Train Station/MSCP/Metro Extension	24,599	24,599	-	
	Queen Street Gateway Townscape Heritage Project	910	910	-	
	LGF Feasibility	37	37	-	
	i54 Western Extension	1,942	1,942	-	
	City Learning Quarter	46,810	46,810	-	
	War Memorial Restoration	85	75	(10)	The variance in the budget is due to reduction in grant.
	Development of Cultural Estate	1,290	1,290	-	
	Strategic Land Acquisitions	4,097	4,097	-	
	Blue Network	735	735	-	
Total Place Directorate		222,072	240,384	18,312	
Total General Fund - forecast changes		320,937	338,874	17,937	

Detailed forecast change

Appendix 2

Division	Project	Approved budget	Proposed budget	Total change	Comments
		£000	£000	£000	
Housing Revenue Account - forecast changes					
Housing Revenue Account					
Housing Revenue Account	Decent Homes - Stock Improvements	84,659	84,659	-	
	Minor Works/Door Entry Rolling Programme	1,850	1,850	-	
	Pathway Improvement and Safety Programme	1,000	1,000	-	
	External Improvement Programme	3,900	3,900	-	
	Adaptations for People with Disabilities	5,000	5,000	-	
	WH Service Sales Admin & Capitalised Salaries	8,400	8,400	-	
	CAASH Fund	552	552	-	
	Housing services capitalised salaries	1,500	1,500	-	
	Refurbishment of Voids	11,360	11,360	-	
	Boiler Replacement Programme	3,370	3,370	-	
	Heath Town	2,043	2,043	-	
	Tap Works site	4,161	4,161	-	
	Structural works	4,940	4,940	-	
	Lift and DDA Improvements	3,370	3,370	-	
	Fire Safety Improvements	9,110	9,110	-	
	Roof Refurbishment Programme	25,640	25,415	(225)	Reallocation of resources to Sustainable Estates Programme.
	Tower and Fort Works	2,382	2,382	-	
	New Build Programme	26,690	24,690	(2,000)	Reallocation of resources to Heath Town Phase 3.
	Starter Homes	83	83	-	
	Sustainable Estates Programme	5,713	5,938	225	Additional works required to amenity and clothes drying areas.
	Non Trad Surveys	650	650	-	
	Small Sites 3	2,748	2,748	-	
	Small Sites 4	4,500	4,500	-	
	Burton Crescent	5,919	5,919	-	
	Heath Town Phase 1	3,000	3,000	-	
	Heath Town Phase 3	9,600	11,600	2,000	Additional 14 units.
	WVL Units	16,950	16,950	-	
	Northcote	6,480	6,480	-	
	Contingency	1,000	1,000	-	
	St Lukes School	2,860	2,860	-	
	Medium Sites	4,800	4,800	-	
	High Rise Sprinkler Programme	19,200	19,200	-	
	High Rise External Works	4,280	4,280	-	
	Reedham Gardens	1,000	1,000	-	
	Parkfields	2,080	2,080	-	
	Additional Social Housing	1,711	1,711	-	
Total Housing Revenue Account - forecast changes		292,501	292,501	-	

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Projects requiring approval

Appendix 3

New projects created from virements and additional resources	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	Total	Virement	Additional resources	
	£000	£000	£000	£000	£000	£000		£000	Internal £000
A full set of virements can be found in Appendix 4									
General Fund									
Schools Capital Maintenance									
Approval is sought for the following school's projects:									
Uplands Junior School	12	-	-	-	-	12	12	-	-
Whitgreave Infants School	3	-	-	-	-	3	3	-	-
Springdale Primary School	7	-	-	-	-	7	7	-	-
Claregate Primary School	14	-	-	-	-	14	14	-	-
Bushbury Nursery	4	-	-	-	-	4	4	-	-
Castlecroft Primary School	19	-	-	-	-	19	19	-	-
SS Mary & John Catholic Primary Academy	5	-	-	-	-	5	5	-	-
Stow Heath Primary School	4	-	-	-	-	4	4	-	-
Schools Capital Maintenance - Replacement Roof - Eastfield Primary School	25	-	-	-	-	25	25	-	-
Approval is sought for the school's roof replacement project.									
Schools Capital Maintenance - Structural work - Wood End Primary School	30	-	-	-	-	30	30	-	-
Approval is sought for the school's structural work project.									
Corporate Asset Management									
Due to regular rescheduling of works which is required to ensure that current corporate priorities are met, approval for the following projects identified below is now sought.									
Duke Street Bungalows - FRA priority works	150	-	-	-	-	150	150	-	-
Grand Theatre - changing room refurbishment works	120	-	-	-	-	120	120	-	-
Upper Pendeford Farm - FRA priority works	11	-	-	-	-	11	11	-	-
Culwell Street Depot - boiler replacement	23	-	-	-	-	23	23	-	-
Aldersley Leisure Village - biomass plant replacement	12	-	-	-	-	12	12	-	-
Amos Lane Allotment - new water main	16	-	-	-	-	16	16	-	-
Civic Centre (Mayoral Suite) - toilets refurbishment	60	-	-	-	-	60	60	-	-
Wednesfield Housing - asbestos removal works	9	-	-	-	-	9	9	-	-
Fowlers Park Playing Fields - asbestos removal works	6	-	-	-	-	6	6	-	-
Wholesale Market - asbestos removal works	1	-	-	-	-	1	1	-	-
Slade Rooms - asbestos removal works	3	-	-	-	-	3	3	-	-
Magistrates - asbestos removal works	6	-	-	-	-	6	6	-	-
Bantock House - asbestos removal works	6	-	-	-	-	6	6	-	-
Whitmore Reans Library - asbestos removal works	1	-	-	-	-	1	1	-	-
Kings School Remedial works	120	-	-	-	-	120	120	-	-
A virement totalling £120,000 is proposed from the Corporate Contingency, to allocate a budget to accommodate works required at Kings School, to rectify defective works previously carried out by Carillion. Work is underway to assess the need for any rectification works across other school sites, subject to the outcome of these assessments further investment may be required.									
Craddock Street Subway	200	-	-	-	-	200	100	100	-
This project was identified through the Avion Centre action plan. The subway is proposed to be closed due to the being a subject to anti-social behaviour, a new public open space is proposed to be created instead. The undertaken surveys have demonstrated that pedestrian use of the subway is very low and its closure will not place an additional burden on the surface crossings.									

Projects requiring approval

Appendix 3

New projects created from virements and additional resources	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	Total	Virement	Additional resources	
A full set of virements can be found in Appendix 4	£000	£000	£000	£000	£000	£000	£000	Internal	External
								£000	£000
Land and Property Investment Fund									
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 the following projects into the capital programme:									
School of Architecture and Built Environment (SOABE)	1,250	2,000	-	-	-	3,250	-	-	3,250
i9 Office Development	800	2,922	-	-	-	3,722	-	-	3,722
Black Country Living Museum - Forging Ahead	-	2,630	6,370	-	-	9,000	-	-	9,000
National Brownfield Institute Seed Funding	500	-	-	-	-	500	-	-	500
Phoenix 10	2,000	-	-	-	-	2,000	-	-	2,000
Average Speed Enforcement Across the Black Country									
Approval is sought for the implementation of the Average Speed Enforcement system across the Black Country.									
Average Speed Enforcement - Wolverhampton	150	-	-	-	-	150	-	150	-
Average Speed Enforcement - Walsall, Sandwell and Dudley	605	-	-	-	-	605	-	-	605
Total General Fund new projects	6,172	7,552	6,370	-	-	20,094	767	250	19,077
Financing									
Internal resources	794	-	-	-	-	3,250	544	250	-
External resources	5,378	7,552	6,370	-	-	19,300	223	-	19,077
Grand total financing	6,172	7,552	6,370	-	-	20,094	767	250	19,077
New projects created from existing resources - virements	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	Total	Virement	Additional resources	
A full set of virements can be found in Appendix 4	£000	£000	£000	£000	£000	£000	£000	£000	£000
Housing Revenue Account									
Small Sites 4	1,500	3,000	-	-	-	4,500	4,500	-	-
Approval sought for a new project that will enable to develop seven sites and provide 35 affordable homes.									
Total HRA new projects	1,500	3,000	-	-	-	4,500	4,500	-	-
Financing									
Internal resources	1,500	3,000	-	-	-	4,500	4,500	-	-
External resources	-	-	-	-	-	-	-	-	-
Grand total financing	1,500	3,000	-	-	-	4,500	4,500	-	-

Directorate	Capital project	Virement		Comments
		Existing project £000	New project £000	
Re-allocation virements to new projects				
People	Schools Capital Maintenance:			
People	Provision for future programmes	(98)	-	
People	Castlecroft Primary School	-	19	
People	Claregate Primary School	-	14	
People	Uplands Junior School	-	12	Virements are proposed to support new projects within the Education.
People	Springdale Primary School	-	7	
People	SS Mary & John Catholic Primary Academy	-	5	
People	Bushbury Nursery	-	4	
People	Stow Heath Primary School	-	4	
People	Whitgreave Infants School	-	3	
People	Schools Capital Maintenance - Structural Works:			
People	Wood End Primary School	-	30	
People	Schools Uncommitted Balance of Capital Maintenance Grant - used to finance any in year schools maintenance items	(25)	-	A virement is proposed to support a new project within the Education.
People	Schools Roof / Ceiling Replacement:			
People	Eastfield Primary School	-	25	
Place	Corporate Asset Management Programme:			
Place	Molineux building (City Archives) – upgrade air handling plant	(150)	-	
Place	Provision for future programmes	(100)	-	
Place	Wolverhampton Art Gallery - upgrade ventilation system	(60)	-	
Place	Wolverhampton Art Gallery - external renovation	(52)	-	
Place	Ashmore Park Community Hub – roof replacement	(17)	-	
Place	Makers Dozen – replacement of rainwater disposal system	(15)	-	
Place	Warstones Library - ramp improvements and structural maintenance of paths / car park	(7)	-	
Place	Goldthorn Assembly Hall – roof replacement	(6)	-	
Place	Bert Williams Leisure Centre - internal renovation	(6)	-	
Place	Central Baths - internal renovation	(6)	-	
Place	Graiseley SFH - structural maintenance of paths/car parks	(3)	-	
Place	Duke St Bungalows - gas fire heating replacement	(1)	-	Virements are proposed to reflect reallocation of resources across the projects within the programme. Regular rescheduling of works is required to ensure that current corporate priorities are met and reflected.
Place	Newhampton Arts Centre - side elevation roof replacement	(1)	-	
Place	Duke Street Bungalows - FRA priority works	-	150	
Place	Grand Theatre - changing room refurbishment works	-	120	
Place	Civic Centre (Mayoral Suite) - toilets refurbishment	-	60	
Place	Culwell Street Depot - boiler replacement	-	23	
Place	Amos Lane Allotment - new water main	-	16	
Place	Aldersley Leisure Village - biomass plant replacement	-	12	
Place	Upper Pendeford Farm - FRA priority works	-	11	
Place	Wednesfield Housing - asbestos removal works	-	9	
Place	Fowlers Park Playing Fields - asbestos removal works	-	6	
Place	Magistrates - asbestos removal works	-	6	
Place	Bantock House - asbestos removal works	-	6	
Place	Slade Rooms - asbestos removal works	-	3	
Place	Wholesale Market - asbestos removal works	-	1	
Place	Whitmore Reans Library - asbestos removal works	-	1	
Corporate	Corporate Contingency:			
Corporate	Provision for future programmes	(120)	-	A virement is proposed to allocate a budget to accommodate works required at Kings School, to rectify defective works previously carried out by Carillion. Work is underway to assess the need for any rectification works across other school sites.
Place	Remedial Works:			
Place	Kings School Remedial works	-	120	
Place	Parks Strategy and Open Space:			
Place	Provision for future programmes	(100)	-	A virement is proposed to support a new project within City Environment identified through the Avion Centre action plan.
Place	Highway Improvement Programme:			
Place	Craddock Street Subway	-	100	
Re-allocation virements to existing projects				
People	Schools Capital Maintenance - Window Upgrade:			
People	Dovecotes Primary - replacement aluminium windows	(6)	-	Due to the window replacement costs being less than anticipated, a virement is proposed for the future programmes.
People	Provision for future programmes	6	-	
People	Schools Special Provision Capital Fund:			
People	Provision for future programmes	(39)	-	A virement is proposed to support additional remedial works.
People	Penn Hall Additional SEN Provision	25	-	
People	Tettenhall Wood Additional SEN Provision	14	-	
People	Schools Capital Maintenance - Contingency for Emergency Works:			
People	Provision for future programmes	(27)	-	
People	Schools Uncommitted Balance of Capital Maintenance Grant - used to finance any in year schools maintenance items:			
People	Provision for future programmes	(12)	-	Virements are proposed to facilitate heating upgrade costs with the schools.
People	Schools Capital Maintenance - Heating Pipework Upgrades:			
People	Penn Hall - upgrade boiler, heat emitters and fan convectors	26	-	
People	Castlecroft Primary - upgrade boiler plant and controls	7	-	
People	Bushbury Nursery - upgrade boiler plant and controls	6	-	
People	Schools Capital Maintenance - Roof / Ceilings Replacements:			
People	Provision for future programmes	(10)	-	A virement is proposed to support the school's roofing costs.
People	West Park Primary - replacement roof covering	10	-	

Directorate	Capital project	Virement		Comments
		Existing project £000	New project £000	
People	Schools Capital Maintenance - Asbestos Removal:			
People	Provision for future programmes	(58)	-	
People	Schools Uncommitted Balance of Capital Maintenance Grant - used to finance any in year schools maintenance items:			
People	Provision for future programmes	(27)	-	
People	Schools Capital Maintenance - Structural Works:			
People	Bushbury Nursery - replacement flooring	(2)	-	Virements are proposed to support various capital maintenance works within the Education.
People	Stow Heath Primary - structural and brickwork repairs	(2)	-	
People	Bushbury Nursery - repointing brickwork	(1)	-	
People	Provision for future programmes	29	-	
People	Bilston Church of England Primary - perimeter fencing	10	-	
People	Schools Capital Maintenance - Heating Pipework Upgrades:			
People	Provision for future programmes	36	-	
People	Schools Capital Maintenance - Electrical Works:			
People	Provision for future programmes	1	-	
People	Universal Infant Free School Meals:			
People	Bantock Primary	14	-	
Place	Digital Transformation Programme - Software:			
Place	Provision for future programmes	(1,418)	-	Re-allocation of resources within Digital Transformation Programme is proposed enabling to prioritise an upgraded and enhanced Customer Platform.
Place	DTP Phase 2 - Customer Platform	1,418	-	
People	Sports Investment Strategy:			
People	Provision for future programmes	(177)	-	Re-allocation of resources within Sports Investment Strategy is proposed to support Barnhurst Land Pitches project.
People	Barnhurst Land Pitches	177	-	
Place	Interchange - Ph2 Train Station/MSCP/Metro Extension:			
Place	Provision for future programmes	(2,081)	-	Reallocation of resources to the individual scheme.
Place	Interchange - Ph2 Train Station/MSCP - Neptune Payments	2,081	-	
Place	Strategic Land Acquisitions:			
Place	Provision for future programmes	(29)	-	A virement is proposed to accommodate the Molineux Car Park acquisition costs.
Place	Molineux Car Parking (12 Spaces South Stand)	29	-	
Place	Disabled Facilities Grant:			
Place	Provision for future programmes	(2,475)	-	Re-allocation of resources from the provision for future programmes are proposed to support projects within Disabled Facilities Grant programme.
Place	Mandatory Disabled Facilities Grants	1,800	-	
Place	Small Adaptations Grants	600	-	
Place	Stair Lift Maintenance	25	-	
Place	Care & Repair Fees	50	-	
Place	Bereavement Services:			
Place	Provision for future programmes	(200)	-	Budget is no longer required.
Corporate	Corporate Contingency:			
Corporate	Provision for future programmes	200	-	
Place	Highway Structures (bridges, subways, retaining walls):			
Place	Provision for future programmes	(10)	-	Reallocation of resources across projects within the Transportation capital programme to align with current prioritisations.
Place	Compton Bridge resurfacing	5	-	
Place	Wightwick Bridge Strengthening	5	-	
Place	i54 Access and Infrastructure:			
Place	Provision for future programmes	(50)	-	Reallocation of resources across projects within the Transportation capital programme to align with current prioritisations.
Place	i54 - Contingency / General Costs	50	-	
Project to project virements				
Corporate	Boundary Signs	(131)	-	Due to an alternative model being adopted with set up costs to be absorbed by an external supplier, the Boundary Signs budget is no longer required and therefore a virement is proposed to vire the budget to Corporate Contingency.
Corporate	Corporate Contingency:			
Corporate	Provision for future programmes	131	-	
People	Schools Capital Maintenance - Heating Pipework Upgrades:			
People	Lanesfield Primary - replace hot and cold water pipework	(143)	-	Virements within the Schools Capital Maintenance - Heating Pipework Upgrades programme are proposed to cover additional works.
People	Christ Church Church of England Junior School – replacement boiler and heating panel	(5)	-	
People	Bantock Primary - re-pipe heating	(4)	-	
People	Stow Heath Primary - upgrade boiler plant and controls	74	-	
People	Springdale Junior - replacement heating pipework	40	-	
People	Provision for future programmes	17	-	
People	Eastfield Nursery - upgrade hot water	12	-	
People	Uplands Junior - upgrade boiler and controls	4	-	
People	Tettenhall Wood - replace hot water cylinder, generator and controls	3	-	
People	Long Knowle School - upgrade boiler plant and controls	2	-	
People	Schools Capital Maintenance - Electrical Works:			
People	Eastfield Primary - electrical remedial works	(10)	-	Virements are required within the Schools Capital Maintenance - Heating Pipework Upgrades programme to cover additional works.
People	Eastfield Nursery - electrical remedial works	(1)	-	
People	Long Knowle Primary - electrical remedial works	4	-	
People	Wodensfield Primary - electrical remedial works	4	-	
People	Merridale Primary - electrical remedial works	2	-	
People	Schools Capital Maintenance - Structural Works:			
People	Christ Church, Church of England Junior - cloakroom alterations	1	-	
People	Schools Capital Maintenance - Roof / Ceilings Replacements:			
People	Dovecotes Primary – replacement roof covering	(17)	-	A virement is required to facilitate roofing costs at West Park Primary school.
People	West Park Primary - replacement roof covering	17	-	
Place	Disposals Programme (Non-Strategic):			
Place	Northcote School & Bushbury Community Centre - demolition	(320)	-	The changes proposed reflect the reallocation of resources across projects within the Disposals capital programme to align with current prioritisations and the latest estimate of demolition costs.
Place	Nelson Mandela House, Whitburn Close - demolition	(2)	-	
Place	Merry Hill House, Langley Road - demolition	(2)	-	
Place	Provision for future programmes	320	-	
Place	Warstones - demolition	4	-	

Directorate	Capital project	Virement		Comments
		Existing project £000	New project £000	
Place	Digital Transformation Programme - Software:			
Place	DTP Phase 2 - Business Intelligence	(225)	-	
Place	DTP Phase 2 - Content Management System	(160)	-	Resources reallocated within DTP to prioritise an upgraded and enhanced Customer Platform.
Place	DTP Phase 2 - Master Data Management	(115)	-	
Place	DTP Phase 2 - Unified Communications	(40)	-	
Place	DTP Phase 2 - Customer Platform	540	-	
Place	Corporate Asset Management Programme:			
Place	Newhampton Arts Centre - windows replacement	(50)	-	Virements are proposed to reflect reallocation of resources across the projects within the programme. Regular rescheduling of works is required to ensure that current corporate priorities are met and reflected.
Place	Newhampton Arts Centre - lift refurbishment	(31)	-	
Place	Dove SFH – roof replacement	(25)	-	
Place	Bingley Enterprise Centre – roof replacement	(7)	-	
Place	Bradmore Community Centre - internal / external renovation	33	-	
Place	Bilston Market – full roof glass panels replacement	21	-	
Place	Graiseley music school - window replacement	15	-	
Place	St Chads Community Centre - windows replacement	15	-	
Place	Graiseley Technology Support Centre – roof replacement	9	-	
Place	Maltings Day Centre - rewiring and upgrading electrical systems	5	-	
Place	Bradley Day Centre - rewiring and upgrading electrical systems	5	-	
Place	Wednesfield Judo Club - roof replacement	5	-	
Place	Bradmore Recreation Ground - interior remodelling	3	-	
Place	Upper Pendeford Farm - rewiring and upgrading electrical systems	1	-	
Place	Dunstall Community Centre - windows and doors replacement	1	-	
Place	Westside - Markets Re-location	(191)	-	A virement is proposed to support additional works due to unforeseen ground constraints.
Place	South Side:			
Place	Markets Relocation to Southside	191	-	
Place	South Side:			Scheme is completed, budget no longer required.
Place	Demolition of 1 - 5 Bell Street	(16)	-	
Place	Provision for future programmes	16	-	
Place	Queen Street Gateway Townscape Heritage Project:			A virement is proposed due to the application not being progressed.
Place	Queen Street Gateway Townscape Heritage Project - 43 Queen Street	(21)	-	
Place	Provision for future programmes	21	-	
Place	City Learning Quarter:			A virement is proposed from the completed projects to facilitate the acquisition and development costs within the programme.
Place	Acquisition of Former Faces Nightclub	(162)	-	
Place	Acquisition of 7 St Georges Parade	(8)	-	
Place	Site Development	157	-	
Place	Acquisition of St. Georges Car Park	13	-	
Place	Vehicles (Procurement):			Reallocation of resources across projects within the Fleet capital programme.
Place	Provision for future programmes	(1,117)	-	
Place	Purchase of Vehicles 2017/18 (5 Years)	(350)	-	
Place	Purchase of Vehicles 2018/19 (7 Years)	1,462	-	
Place	Purchase of Vehicles 2018/19 (4 years)	5	-	
Place	Maintenance of classified roads:			Reallocation of resources across projects within the Transportation capital programme to align with current prioritisations.
Place	Provision for future programmes	(310)	-	
Place	Salop Street	(42)	-	
Place	Highfields Road	(6)	-	
Place	Response patching	310	-	
Place	Ash Street	29	-	
Place	Cannock Road-Blackhalve Lane Junction	19	-	
Place	Maintenance of unclassified roads:			Reallocation of resources across projects within the Transportation capital programme to align with current prioritisations.
Place	Dudley street footways	(400)	-	
Place	Queen Square footways	(140)	-	
Place	Exchange Street	(140)	-	
Place	Queen Street	(36)	-	
Place	Hunter Street	(34)	-	
Place	Dickens Road	(4)	-	
Place	Spondon Road	90	-	
Place	The Crescent	45	-	
Place	Ranelagh Road	35	-	
Place	Ruskin Road	10	-	
Place	Highway Improvement Programme:			
Place	New Cross area parking management	(58)	-	
Place	Traffic Signs replacement	(20)	-	
Place	Newhampton Road West / Hunter Street traffic signal upgrade	80	-	
Place	Integrated Transport - Vine Island / Wobaston Road	44	-	
Place	Integrated Transport - Cannock Road / Cross St North	43	-	
Place	IT Black Country Route / Coseley Road Island	7	-	
Place	Safety Programme:			
Place	Local Safety Schemes - TROs / Signs&Guardrails / Road Markings	39	-	
Place	Vehicle actuated speed warning signs	10	-	
Place	Active Travel Programme:			
Place	Cycling - Cycle Route Improvements	(29)	-	
Place	Walking, Cycling and SRTS - Cycle Parking	10	-	
Place	Accessing Growth Fund:			
Place	City North Gateway Phase 1 - Stafford Road A449	448	-	
Total General Fund		(767)	767	

Virements for approval

Appendix 4

Directorate Capital project		Virement		Comments
		Existing project £000	New project £000	
Housing Revenue Account				
Re-allocation virements to new projects				
HRA	Small Sites Phase 4:			Re-allocation virement is required in order to proceed with the construction of 35 affordable houses across seven sites.
HRA	Provision for future programmes	(4,500)	-	
HRA	Small Sites Phase 4	-	4,500	
Project to project virements				
HRA	Roofing Refurbishment Programme - City wide	(225)	-	A virement is proposed for additional works required to amenity and clothes drying areas within Sustainable Estates Programme
HRA	Sustainable Estates Programme	225	-	
HRA	New Build Programme:			A virement is proposed for additional 14 units within Heath Town.
HRA	Provision for future programmes	(2,000)	-	
HRA	Heath Town Phase 3:			
HRA	Provision for future programmes	2,000	-	
Total HRA		(4,500)	4,500	
Grand total		(5,267)	5,267	

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 21 November 2018
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Report title	Revenue Budget Monitoring 2018-2019	
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	6 November 2018

Recommendations for decision:

That Cabinet is recommended to:

1. Approve the use of £410,000 from the Highway Management Reserve to fund various works and schemes as detailed at paragraph 7.5 of this report.
2. Approve the use of £75,000 from the Transformation Reserve to fund a Project Manager post for 16 months over 2018-2019 to 2019-2020 as detailed at paragraph 7.6 of this report.
3. Approve the use of £140,000 from the Future Works Reserve to support Agresso System upgrade as detailed at paragraph 7.7 of this report.
4. Approve the use of £1.3 million from the Adult Social Care Reserve to support cost pressures across the service detailed at paragraph 7.8 of this report.

5. Approve the use of an additional £50,000 from the Budget Contingency Reserve to fund the academy conversion deficit as detailed at paragraph 9.8 of this report.
6. Approve 12 virements totalling £1.6 million, for transfers within directorates, as detailed in Appendix 7 to this report.
7. Approve the write off of three Non-Domestic Rates (NDR) debts totalling £27,606.41 as detailed in Appendix 8 to this report.
8. Approve the write off of 5 sundry debts totalling £164,051.54 as detailed in Appendix 9 to this report.

Recommendations for noting:

That Cabinet is asked to note:

1. The overall projected outturn for the General Fund for 2018-2019 is forecast to be an overspend in the region of £1.7 million.
2. That at this stage in the financial year it is difficult to forecast redundancy costs. However, based on recent years it is anticipated that the cost of redundancies can be met from reserves.
3. That 693 council tax accounts totalling £307,511.55, as detailed in paragraph 10.5 of this report, have been approved by for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
4. That 119 Non-Domestic Rates (NDR) debts totalling £680,774.76, as detailed in paragraph 10.6 of this report, have been approved by for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
5. That 94 sundry debt accounts totalling £74,497.79, as detailed in paragraph 10.3 of this report, have been approved by for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
6. That 39 housing benefit overpayments totalling £7,778.36, as detailed in paragraph 10.10 of this report, have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
7. That five debts relating to Business Improvement District (BID) totalling £513.70, as detailed in paragraph 10.7 of this report, have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
8. That a £15.5 million surplus on the Housing Revenue Account (HRA) is projected compared with a budgeted surplus of £15.2 million as shown at Table 9 and in detail at

Appendix 6 to this report. The projected increased surplus of £261,000 will be used to redeem debt in line with the HRA Business Plan.

1.0 Purpose

- 1.1 The purpose of this report is to provide Cabinet with a projection of the likely revenue outturn position for the General Fund and Housing Revenue Accounts, compared with the Council's approved revenue budgets for 2018-2019.
- 1.2 This is the second report of this financial year detailing the likely outturn projection for 2018-2019.

2.0 Background

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

Table 1 – 2018-2019 General Fund Revenue Budget Projected Outturn

	Net Controllable Budget 2018- 2019 £000	Projected Outturn 2018-2019 £000	Projected Variation Over/(Under)	
			£000	%
People	119,519	121,345	1,826	1.53%
Corporate	51,640	49,697	(1,943)	-3.76%
Place	51,495	52,377	882	1.71%
Education	6,486	6,584	98	1.52%
Net Budget Requirement	229,140	230,003	863	0.38%
Council Tax (including Adult Social Care Precept)	(96,970)	(96,970)	-	0.00%
Enterprise Zone Business Rates	(1,958)	(1,958)	-	0.00%
Business Rates (net of WMCA growth payment)	(72,356)	(72,356)	-	0.00%
Business Rates Autumn Statement Compensation	(7,847)	(7,006)	841	-10.72%
Government Grant (General)	(48,283)	(48,283)	-	0.00%
Collection Fund Deficit	(1,726)	(1,726)	-	0.00%
Total Resources	(229,140)	(228,299)	841	-0.37%
Net Budget (Surplus) / Deficit	-	1,704	1,704	0.74%

- 2.2 An overspend of £2.7 million for 2018-2019, was projected at the time of reporting to Cabinet (Resources) Panel on 24 July 2018. Services were asked to deliver in year budget reductions in order to address the projected overspend. As a result, the projected overspend has reduced to £1.7 million. This overspend is mainly due to pressures on demand lead services, in particular Looked After Children.
- 2.3 In order to address this remaining forecast overspend, directorates will be issued with in-year budget reduction stretch targets. In addition, Strategic Directors are undertaking an in-depth review and challenge of all service budgets, both revenue and capital, to identify

both in year and future budget reduction proposals. A review of earmarked reserves will also be undertaken.

- 2.4 The Council continues to be faced with a challenging projected financial position over the medium term, and significant budget reduction and income generation proposals are required in order to achieve a robust financial position. The Budget 2018-2019 and Medium Term Financial Strategy 2018-2019 to 2019-2020 approved by Full Council on 7 March 2018, identified that the Council would be faced with finding further budget reductions totalling £19.5 million for 2019-2020. The high-level budget strategy for 2019-2020, including directorate level budget reduction targets is currently being worked upon. It is important to note that the updated projected budget deficit assumes the achievement of prior year budget reduction and income generation proposals amounting to £28.3 million over the two-year period to 2019-2020. Over the last eight financial years the Council has identified budget reductions in excess of £220.0 million. This is the most significant financial challenge that the Council has ever faced.
- 2.5 A report was presented to Cabinet on 11 July 2018, which included a high-level strategy for addressing this projected £19.5 million budget deficit for 2019-2020. A further update was presented to Cabinet on 17 October 2018 where it was anticipated that the projected remaining budget deficit for 2019-2020 will be in the region of £6.0 million and approval was sought from Cabinet that further options are explored between October 2018 and January 2019 to address the updated projected budget deficit.
- 2.6 An update on the General Fund budget risks is provided at section 8.0. Due to the uncertainty and increasing pressures over the medium term, the overall level of risk associated with the Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020 is assessed as Red. This was reported in the October 2018 Budget Report to Cabinet.
- 2.7 It is important to note that redundancy costs, including the cost of pension strain, are forecast to be in the region of £3.0 to £4.0 million for 2018-2019. It is anticipated that the use of reserves, will offset the cost of redundancies.
- 2.8 In accordance with the Council's financial procedures rules, all virements in excess of £50,000, or those that result in a transfer between Employees and Other Controllable Expenditure headings, require the approval at this meeting. There are 12 virements that require approval in this report as detailed in Appendix 7.
- 2.9 The most significant factors contributing towards the projected net overspend against the budget are reported on a service-by-service basis in sections 3.0. to 6.0.
- 2.10 The forecast outturn position for the Housing Revenue Account is a surplus of £15.5 million, compared to a budgeted surplus of £15.2 million. The projected additional surplus of £261,000 will be used to redeem debt to comply with the Council's approved HRA Business Plan.

3.0 General Fund Revenue Budget Monitoring: Service Analysis

3.1 People

3.2 A summary of the projected outturn against the People 2018-2019 revenue budget is provided in Table 2, whilst a detailed analysis is provided in Appendix 1.

Table 2 – 2018-2019 Revenue Budget Projected Outturn - People

	2018-2019 Controllable Budget £000	2018-2019 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Strategic Director People including Commissioning	4,686	4,416	(270)	-5.76%
Adults Services	64,558	64,558	-	0.00%
Children & Young People	50,235	52,346	2,111	4.20%
Public Health & Wellbeing	40	25	(15)	-37.50%
People Total	119,519	121,345	1,826	1.53%

3.3 Overall a net overspend of £1.8 million (1.53%) is projected for the year. The main factors contributing towards this forecast overspend are:

1. **Strategic Director People including Strategic Commissioning** – There is a projected net underspend of £270,000 against these budgets mainly due to a forecast underspend within Strategic Commissioning totalling £280,000 as a result of a projected underspend on staffing budgets and efficiencies across contracts.
2. **Adult Services** – A balanced budget is forecast which is achieved as a result of various factors including:
 - a. A forecast overspend within Learning Disabilities Care Purchasing totalling £1.9 million due to a combination of cost pressures across care purchasing budgets arising as a result of increasing demand for support and challenges associated with the transformation programme. This overspend is partially offset from a proposed drawdown of £1.3 million from the Adult Social Care Reserve.
 - b. A forecast overspend within the Mental Health Assessment and Care Management service totalling £927,000 as a result of new social care packages and joint funded packages with health and a number of step downs that were delayed from previous periods while partner contributions were being agreed.

- c. A forecast overspend within Older People Care Purchasing totalling £250,000 as a result of pressure on short term placements and Domiciliary Care.
- d. A forecast overspend within Physical Disabilities Care Purchasing service totalling £123,000 as a result increasing demand for support and challenges associated with the transformation programme across care purchasing budgets.

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

- e. The Carer Support service is projecting an underspend of £460,000 as a result of a one-off forecast budget underspend on carer support spot purchasing.
- f. The Adults Assessment and Care Management service is projecting an underspend of £354,000 as a result of additional income and efficiencies on general budgets.
- g. The Learning Disability Provider service is projecting an underspend of £116,000 mainly as a result of underspend due to staff vacancies and additional income.
- h. The Service Director Adult is projecting an underspend of £1.1 million as a result of underspends against the additional monies which is offsetting budget pressures elsewhere within Adults.

3. Children & Young People - There is a forecast overspend totalling £2.1 million for this service mainly due to:

- a. A forecast overspend within Looked After Children (LAC) totalling £3.1 million as a result of projected overspend against LAC placements budgets based on latest financial modelling. This is partially offset by efficiencies across staffing budgets and additional income from Home Office for unaccompanied asylum-seeking children. Whilst Wolverhampton has seen a modest increase in the number of Looked After Children, we are continuing to buck the national trend, as many Councils continue to see Looked After Children numbers increase significantly. It is important to note that the Director of Children's Service is confident that robust procedures are in place to ensure that only those children that need to come into care are brought into care.

The forecast overspend in Looked After Children is offset by projected underspends within the following services:

- b. The Youth Offending service is projecting an underspend totalling £135,000 as a result of underspend due to one-off staff vacancies.
- c. The Service Director Children's & Young People is projecting an underspend totalling £135,000 as a result of use of one-off grant.
- d. The Early Intervention Service is projecting an underspend totalling £400,000 as a result of unfilled vacancies along with the use of one-off grant. This is partially offset by reduction in income generated from the Play Service.
- e. The Child Protection Service is projecting an underspend totalling £201,000 as a result of the use of one-off grant.
- f. The Specialist Support service is projecting an underspend totalling £122,000 as a result of one-off staffing vacancies along with additional income partially offset by increased expenditure.

4.0 Corporate

- 4.1 A summary of the projected outturn against the Corporate 2018-2019 revenue budget is provided in Table 3, whilst a detailed analysis is provided in Appendix 2.

Table 3 – 2018-2019 Revenue Budget Projected Outturn – Corporate

	2018-2019 Controllable Budget £000	2018-2019 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Corporate Services	14,671	13,617	(1,054)	-7.18%
Governance	2,668	2,661	(7)	-0.26%
Managing Director including Corporate Business Support	5,403	4,928	(475)	-8.79%
Corporate Budgets	28,898	28,491	(407)	-1.41%
Corporate Total	51,640	49,697	(1,943)	-3.76%

- 4.2 Overall a net underspend of £1.9 million (-3.76%) is projected for the year. The main factors contributing towards the projected underspend are:

1. **Corporate Services** – There is a projected net underspend of £1.1 million for this service directorate as a result of:
 - a. A projected underspend within Audit Services totalling £127,000 due to unfilled staff vacancies held across the service.

- b. A projected underspend within Central Corporate Budgets totalling £361,000 due to a reduction in the external audit fee, 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. A projected underspend within Leisure Services totalling £120,000 is forecast as it is projected that additional income will be received in year.
 - d. A projected underspend within Revenues and Benefits service totalling £419,000 as a result of receipt of additional grant income.
2. **Managing Director** – There is a projected underspend totalling £475,000 mainly due to unfilled staff vacancies within both Corporate Business Support and within Corporate Communications along with the use of one-off grant.
3. **Corporate Budgets** - Overall there is a projected underspend of approximately £407,000 against this budget as a result of planned net underspend on other corporate and transformational budgets and contingencies totalling £337,000. It is important to note that redundancy costs, including the cost of pension strain, are forecast to be in the region of £3.0 to £4.0 million for 2018-2019. It is anticipated that the use of reserves, will offset the cost of redundancies.

5.0 Place

- 5.1 A summary of the projected outturn against the Place 2018-2019 revenue budget is provided in Table 4, whilst a detailed analysis is provided in Appendix 3.

Table 4 – 2018-2019 Revenue Budget Projected Outturn – Place

	2018-2019 Controllable Budget £000	2018-2019 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Strategic Director	615	615	-	0.00%
Land Property Investment Fund Regeneration	-	-	-	0.00%
Commercial Services	5,784	5,974	190	3.28%
Housing	17,813	18,407	594	3.33%
Public Service Reform	1,508	1,358	(150)	-9.95%
City Environment	3,745	3,609	(136)	-3.63%
Place Total	22,030	22,414	384	1.74%
	51,495	52,377	882	1.71%

5.2 Overall, a net overspend of £882,000 (1.71%) is projected for the year. The main factors contributing towards this overspend are:

1. **Regeneration** – A £190,000 overspend is forecast within this service directorate mainly due to a forecast overspend within Visitor Economy arising as a result of reduced income linked to the implementation of a restructure and holding costs associated with the closure of the Civic Halls (£300,000). The overspend is partly offset by underspends from a number of services within the Regeneration service directorate.
2. **Commercial Services** – Overall there is a net forecast overspend totalling £594,000 within this service directorate as a result of:
 - a. An underachievement of income is forecast within Catering Services totalling £342,000 as a result of reduction in income due to increased competition and loss of school business which is offset in part by reduced expenditure anticipated for additional hours. Income levels are based upon known service levels and change in such levels will impact on the outturn position. A service review is currently being undertaken and it will continue to be closely monitored throughout the financial year.
 - b. A forecast overspend within the Capital Programme service totalling £135,000 due to a reduction in external income generation opportunities. An options appraisal of the delivery model for Projects and Works is currently being undertaken and implementation anticipated during the remainder of 2018-2019 financial year.
 - c. A forecast overspend is projected within Facilities Management totalling £188,000 as a result of increased repairs to community centres and costs in relation to void properties prior to demolition or development.
 - d. A forecast overspend is forecast within Estates and Valuations totalling £180,000 as a result of fixed asset valuation work.

These forecast overspends are offset mainly by projected underspend totalling £294,000 within Corporate Asset Management partly as a result of reduced expenditure on Carbon Reduction Commitment.

3. **City Housing** – Overall there is a net projected underspend totalling £150,000 within this service directorate is due to unfilled staff vacancies whilst the service review takes place in 2018-2019.
4. **Public Service Reform** – Overall there is a projected underspend totalling £136,000 within this service directorate mainly due to efficiencies on non-staffing budgets.

5. **City Environment** – Overall there is a forecast overspend totalling £384,000 within this service directorate as a result of:

- a. A forecast overspend totalling £500,000 within Parking Services as a result of reduced car parking and enforcement income due to ongoing transport improvement schemes in the City Centre.
- b. An overspend is forecast totalling £103,000 within Street Lighting due to an increase in the electricity tariff charged by the energy supplier.

This forecast overspend is offset mainly by a projected underspend within Fleet Services totalling £132,000 which is due to a combination of unfilled vacant posts, reduced spend anticipated on spare parts as a result of investment in fleet and an increase in salvage income from the sale of low value off-hired vehicles.

6.0 Education

6.1 A summary of the projected outturn against the Education 2018-2019 revenue budget is provided in Table 5, whilst a detailed analysis is provided in Appendix 4.

Table 5 – 2018-2019 Revenue Budget Projected Outturn - Education

	2018-2019 Controllable Budget £000	2018-2019 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Education	6,486	6,584	98	1.52%
Education Total	6,486	6,584	98	1.52%

6.2 Overall a net overspend of £98,000 (1.52%) is projected for the year. There is a forecast overspend of £360,000 in relation to Out of City Placements. A request for additional funding from the Dedicated Schools Grant High Needs Block will be made to the Schools Forum. This forecast assumes this cost pressure will be funded. The main factor contributing to this overspend is a forecast overspend of £162,000 on the Central Education Service as a result of a reduction in forecast income for the Central Education service based on schools converting to academies during 2018-2019.

7.0 Reserves and Balances

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

7.2 In addition to the General Fund balance, the Council also holds a number of earmarked reserves. The total earmarked reserves balance including school balances at the end of 2017-2018 was £55.7 million.

7.3 Transfers to/from Earmarked Reserves

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

7.5 Highway Management Reserve

Approval is sought from this meeting for the use of £410,000 from the Highway Management Reserve to fund expenditure as shown in Table 6.

Table 6 – Allocations from Highway Management Reserve

Service	Amount Allocated £000	Details
Transportation	170	To improve the surface of a public footpath that runs along the unadopted section of Grove Lane.
Transportation	100	To match S106 contributions and facilitate the infill of Craddock Street Subway to mitigate extreme Anti-Social Behaviour as identified through the Avion Centre action plan. This is to support the borrowing costs of the capital scheme.
Corporate Landlord	90	To fund the removal of an existing shelter, the provision of a public convenience and enhanced method of charging for coaches at Faulkland Street.
Transportation	50	Appointment of Innovation Project Officer to secure future commitments in relation to large / regional scale works.

7.6 Transformation Reserve

Approval is sought for the use of £75,000 from the Transformation Reserve to fund a Project Manager for 16 months over 2018-2019 to 2019-2020 to support the Business Support Programme.

7.7 Future Works Reserve

Approval is sought for the use of £140,000 from the Future Works Reserve to support Agresso System upgrade subject to completion of the business case.

7.8 Adult Social Care Reserve

Approval is sought for the use of £1.3 million from the Adult Social Care Reserve to support pressures across Adult Services.

8.0 General Fund Budget Monitoring – Risk Management

8.1 The overall level of risk associated with the budget 2018-2019 was changed to Red in the Draft Budget and Medium Term Financial Strategy 2018-2019 – 2019-2020 report to Cabinet due to the uncertainty and increasing pressures over the medium term. The main areas of risk are summarised in the table at Appendix 5.

9.0 Revenue Budget Monitoring – Schools’ Budgets

9.1 Maintained schools are required to submit budget plans detailing their expected income and planned spending levels at two points in the year 31 May and 31 October. Returns submitted on 31 May estimated that overall balances would reduce by £5.0 million to £1.8 million as reported in quarter one. Table 7 reflects the current position, based on revised outturns received to date.

Table 7 – Projected Movement on Schools’ Balances 2018-2019

Sector	Balances as at 31 March 2018 £m	Forecast Use of Balances in 2018-2019 £m	Forecast Balances as at 31 March 2019 £m
Secondary	(2.1)	0.6	(1.5)
Primary	3.9	(0.9)	3.0
Junior	0.6	(0.5)	0.1
Infant	0.1	(0.1)	-
Nursery	1.1	(0.8)	0.3
Special	1.0	(1.4)	(0.4)
Pupil Referral Units	2.2	(2.1)	0.1
Total	6.8	(5.2)	1.6

9.2 Schools with Surplus Balances

9.3 At the end of 2017-2018 maintained schools had balances of £6.8 million. 26 schools were identified as having balances above recognised thresholds detailed in the local scheme (5% for secondary schools and 8% for primary, special and nursery schools). Schools will be reporting their intended use of surplus balances over the coming months and this will be updated at Q3 reporting.

9.4 The Scheme for Financing Schools establishes an arbitration process to review the Authority’s decision and determine if, and to what level, any excess balances should be recovered. To date, a total of £119,700 has been clawed back from schools holding excess surplus balances. Of this, £60,957 was awarded to support school improvement plans and the remaining funds are being utilised to assist Special schools to increase

their provisions to avoid the need to send additional children to placements out of city, thus reducing the continued burden on the Out of City Special Educational budget.

9.5 Schools in a deficit balance position.

9.6 As part of its overview of schools in deficit, a Schools at Financial Risk (formerly known as Schools Under Notice of Concern) Board (SFR) chaired by the Director of Education reviews the financial information from schools in deficit to evaluate the financial position of the schools. The chair of Schools Forum is also a member of the board. The current position of schools that had anticipated a deficit position at the end of 2017-2018 is as follows:

Table 8 – Schools with anticipated deficits in 2018-2019

Name	Actual Balance at end of 2017-2018 £	Anticipated Balance at end of 2018-2019 £	Status
Coppice	(430,249)	(480,000)	The school converted to an Academy under the sponsored route on 1 June 2018, and final balances are currently being agreed.
St Albans Church of England Primary	(7,500)	(67,000)	The school converted to an Academy under the sponsored route on 1 September 2018, and final balances are currently being agreed.
St Matthias	(1,243,939)	(911,830)	A deficit recovery plan and application are under discussion with the school.
The King's Church of England	(449,536)	(641,446)	Licensed deficit application has been received and approved. The school are currently in breach of their licensed deficit (partly due to redundancy costs and increased pension strain), and work is continuing with the school to identify further cost reductions.
Woodthorne Primary	(78,689)	(80,000)	The school converted to an Academy in September 2018 under the conversion route. Final balances are yet to be agreed with the school but any remaining deficit, will be transferred to the Academy Trust.
St Patrick's Catholic Primary	25,428	(28,018)	Will require a licensed deficit application if outturn remains as planned. The governing body has been replaced with

Name	Actual Balance at end of 2017-2018 £	Anticipated Balance at end of 2018-2019 £	Status
			Council officers as chairs of board/ finance committee.
St Paul's Church of England Primary	135,255	(6,836)	No licensed deficit will be required provided the deficit remains below £10,000
Phoenix Nursery	32,737	(5,369)	No licensed deficit will be required provided the deficit remains below £10,000

9.7 Deficits Following Sponsored Academy Conversion

9.8 The schools surplus or deficit balance on conversion to academy status usually transfers at the same time. However, where the conversion is directed by Department for Education (DfE) through a sponsorship arrangement any deficit remains with the local authority. Such costs must be met from the Authority's General Fund, and at Quarter Two it is anticipated that these costs will be in the region of £550,000 in this financial year, and this deficit will be met from the Budget Contingency Reserve. Cabinet approval is therefore sought to fund the increase of £50,000 in academy conversion deficit from the Budget Contingency Reserve.

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

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, steps would be taken to pursue the debt, despite the debt having been written off.

10.2 **Sundry Debtors** - Income is due to the Council for a wide range of services provided to individuals and businesses. To reflect the fact that, despite the Council's best efforts, not all of this income will actually be collected, the Council makes provision for bad and doubtful debts, which it charges directly to the General Fund.

10.3 Overall, 99 debt write offs totalling £238,549.33 have been incurred. All but five valued at £164,051.54 in total, which require the approval of Cabinet (see Appendix 9), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedures Rules.

- 10.4 **The Collection Fund** - The City of Wolverhampton Council acts as billing and collecting authority for council tax and non-domestic rates income. The Council administers a separate Collection Fund account for this purpose. The Collection Fund accounts for the receipt of council tax and business rates (non-domestic rates) income and payments to precepting authorities such as the Fire Authority and the Police. Within this account, provisions are made for bad and doubtful debts and any write offs are charged to the council tax or business rates provision as appropriate.
- 10.5 **Council Tax** – Overall, 693 debt write offs totalling £307,511.55 have been incurred. All have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
- 10.6 **Non-Domestic Rates (NDR)** – Overall, 122 debt write off totalling £708,381.17 have been incurred. All but three valued at £27,606.41 in total, which require the approval of Cabinet (see Appendix 8), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedures Rules.
- 10.7 In addition to this, the Director of Finance has approved the write off five debts relating to the Business Improvement District (BID) totalling £513.70, in accordance with the Council's Financial Procedure Rules.
- 10.8 **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.
- 10.9 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.
- 10.10 Overall, 39 overpayments totalling £7,778.36 have been incurred. All have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedures Rules.
- 11.0 Housing Revenue Budget Monitoring**
- 11.1 The table below shows the latest forecast revenue outturn against budget for the Housing Revenue account (HRA). The forecast outturn position for the year is a surplus of £15.5 million, compared to a budgeted surplus of £15.2 million. The projected additional surplus of £261,000 will be used to redeem debt to comply with the Council's approved HRA Business Plan.

Table 9 – Housing Revenue Account Projected Outturn 2018-2019

	Budget	Projected Outturn	Projected Variation
	£000	£000	£000
Total income	(96,452)	(95,363)	1,089
Total expenditure	70,872	69,526	(1,346)
Net cost of HRA services	(25,580)	(25,837)	(257)
Interest payments etc.	10,394	10,390	(4)
(Surplus)/deficit before transfers to/from reserves and provision for redemption of debt	(15,186)	(15,447)	(261)
<i>Allocation of (surplus)/deficit</i>			
Provision for redemption of debt	15,186	15,447	261
Balance for the year	-	-	-

- 11.2 Rental income from dwellings and service charges is forecast to be lower than budgeted by £1.1 million, due to higher than anticipated right to buy sales and changes to the projected forecasts for affordable rent from new build properties.
- 11.3 The provision for bad debt is forecast to underspend by £1.3 million. This is because the delays to the implementation of Universal Credit have meant that the prudent budget provision of £2.3 million was higher than required.

12.0 Evaluation of alternative options

- 12.1 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.

13.0 Reason for decisions

- 13.1 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 of 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.

14.0 Financial Implications

- 14.1 The financial implications are discussed in the body of the report.
[MH/12112018/H]

15.0 Legal Implications

- 15.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs. It is a legal requirement under s25 of the Local Government Act 2003 to set a balanced budget and monitor the financial position throughout the year.
[TS/12112018/Q]

16.0 Equality Implications

- 16.1 This report provides details of the projected outturn for 2018-2019. The necessary equalities analysis will form part of the 2019-2020 budget setting process.

17.0 Environmental Implications

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

18.0 Health and Wellbeing Implications

- 18.1 Revenue Budget Monitoring reports on forecast outturn position of all Council services including services which seek to improve the health and wellbeing of all the population of City of Wolverhampton.

19.0 Background Papers

- 19.1 Cabinet, 17 October 2018 – [‘Draft Budget 2019-2020 and Medium Term Financial Strategy 2019-2020’](#)
- 19.2 Cabinet (Resources) Panel, 24 July 2018 – [‘Revenue Budget Monitoring 2018-2019’](#)
- 19.3 Cabinet, 11 July 2018 – [‘Draft Budget and Medium Term Financial Strategy 2019-2020’](#)
- 19.4 Cabinet, 11 July 2018 – [‘Reserves, Provisions and Balances 2017-2018’](#)
- 19.5 Cabinet, 11 July 2018 – [‘Revenue Budget Outturn 2017-2018’](#)
- 19.6 Full Council, 7 March 2018 – [‘Budget 2018-2019’](#)
- 19.7 Cabinet, 20 February 2018 – [‘2018-2019 Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020’](#)

20.0 Appendices

Appendix 1 – Revenue Budget Monitoring – People

Appendix 2 – Revenue Budget monitoring – Corporate

Appendix 3 – Revenue Budget Monitoring – Place

Appendix 4 – Revenue Budget Monitoring – Education

Appendix 5 – General Fund Budget Risks 2018-2019

Appendix 6 – Housing Revenue Account Budget Monitoring

Appendix 7 – General Fund Budget Virements

Appendix 8 – Non-Domestic Rates (NDR) Write Offs to be approved by Cabinet

Appendix 9 – Sundry Debts Write Offs to be approved by Cabinet

This report is PUBLIC
[NOT PROTECTIVELY MARKED]

Revenue Budget Monitoring – People

	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Strategic Director People including Commissioning					
Strategic Commissioning	4,446	4,166	(280)	(207)	The projected underspend is due to staffing vacancies and efficiencies on contract budgets.
Strategic Director People	240	250	10	(6)	
Total Strategic Director People	4,686	4,416	(270)	(213)	

Revenue Budget Monitoring – People

	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Adult Services					
Adults Assessment and Care Management	977	623	(354)	(273)	The projected underspend is due to additional income along with efficiencies across general budgets.
Better Care Fund	-	-	-	-	
Business Support	40	40	-	-	
Carer Support	1,228	768	(460)	(384)	A forecast underspend as a result of one-off savings on carer support spot purchasing.
Community Financial Support	1,606	1,653	47	(2)	
Community Support	899	899	-	-	
Emergency Duty Team	479	552	73	25	
Independent Living Service	1,865	1,842	(23)	(26)	
Learning Disabilities Care Purchasing	18,283	18,976	693	443	Projected overspend across care purchasing budgets of £1.9 million due to increasing demand for support and challenges associated with the transformation programme. This overspend is partially offset from a drawdown of £1.3 million from the Adult Social Care Reserve.
Learning Disability Provider	4,721	4,605	(116)	(48)	The projected underspend is due to staffing savings across the service and additional income.
Mental Health Assessment & Care Management	3,962	4,889	927	272	Projected overspend due to new social care packages and jointly funded packages with health and a number of step downs were delayed from previous periods while partner contributions were being agreed.
Older People Care Purchasing	18,722	18,972	250	250	The overspend is due to pressure on short term placements and Domiciliary Care.
Older People Provider Services	4,668	4,598	(70)	(119)	
Physical Disabilities Care Purchasing	4,411	4,534	123	(96)	Projected overspend across care purchasing budgets due to increasing demand for support and challenges associated with the transformation programme.

Revenue Budget Monitoring – People

	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Quality Assurance and Policies	351	371	20	20	
Service Director Adults & Additional monies	2,346	1,236	(1,110)	(62)	The underspend is against the additional monies which is offsetting pressures across the service.
Total Adult Services	64,558	64,558	-	-	

Revenue Budget Monitoring – People

	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Children & Young People					
Child Protection	9,615	9,414	(201)	(23)	The underspend is as a result of the use of one-off grant.
Early Intervention	4,346	3,946	(400)	65	The underspend is as a result of one-off staffing vacancies totalling £178,000, along with the use of one-off grant. This is partially offset by reduction in income generated from the Play Service.
Headstart	-	-	-	-	
Inclusion Support	550	571	21	6	
Looked After Children	27,886	31,007	3,121	2,118	Projected overspend against LAC placements budgets based on latest financial modelling. This is partially offset by efficiencies across staffing budgets and additional income from Home Office for unaccompanied asylum-seeking children. Whilst Wolverhampton has seen a modest increase in the number of Looked After Children, 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.
Safeguarding	2,929	2,891	(38)	(16)	
Service Director Children & Young People	1,098	963	(135)	(4)	The underspend is as a result of the use of one-off grant.
Specialist Support	2,649	2,527	(122)	(14)	The underspend is as a result of one-off staffing vacancies totalling £193,000 along with additional income of £30,000 partially offset by increased expenditure of £100,000.
Youth Offending	1,162	1,027	(135)	-	The underspend is a result of one-off staffing vacancies.
Total Children & Young People	50,235	52,346	2,111	2,132	

Revenue Budget Monitoring – People

	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Public Health & Wellbeing					
Business Continuity & Emergency Planning	9	9	-	-	
Commissioning	-	-	-	-	
Community Safety	31	16	(15)	(2)	
Contracts	-	-	-	-	
Health Protection & NHS Facing	-	-	-	-	
Healthier Places Service	-	-	-	-	
Healthy Ageing	-	-	-	-	
Healthy Life Expectancy	-	-	-	-	
Intelligence & Evidence	-	-	-	-	
Management and Administration	-	-	-	-	
Public Health Business Management	-	-	-	-	
Service Director Public Health & Wellbeing	-	-	-	-	
Sports Development	-	-	-	-	
Starting and Developing Well	-	-	-	-	
System Leadership	-	-	-	-	
Transformation - Public Health	-	-	-	-	
Total Public Health & Well Being	40	25	(15)	(2)	
Total People	119,519	121,345	1,826	1,917	

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Revenue Budget Monitoring – Corporate

Service/Budget	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Corporate Services					
Audit Services	1,855	1,728	(127)	(67)	The forecast underspend is as a result of unfilled staff vacancies held across the service.
Central Corporate Budgets	4,484	4,123	(361)	(60)	An underspend is forecast due to a reduction in external audit fees, lower than anticipated enhanced pension costs and a reduction in bank charges following the switch from an external to in house payment hosting system.
Finance Director	151	151	-	-	
Leisure Services	1,310	1,190	(120)	-	The forecast underspend is as a result of additional income.
Revenues & Benefits	2,605	2,186	(419)	(14)	The receipt of additional grant income has resulted in a forecast underspend within this area.
Service Improvement	91	91	-	-	
Strategic Finance	2,563	2,544	(19)	(27)	
The Hub	1,612	1,604	(8)	-	
Total Corporate Services	14,671	13,617	(1,054)	(168)	

Revenue Budget Monitoring – Corporate

Service/Budget	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Governance					
Director of Governance	162	161	(1)	-	
Governance Services	312	335	23	(44)	
Legal Services	2,194	2,165	(29)	-	
Total Governance	2,668	2,661	(7)	(44)	

Revenue Budget Monitoring – Corporate

Service/Budget	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Managing Director					
Corporate Business Support	1,496	1,347	(149)	(154)	The underspend is forecast due to unfilled staff vacancies held across the service.
Corporate Communications	2,022	1,731	(291)	(109)	The underspend is forecast due to unfilled staff vacancies held across the service along with the drawdown of one-off grant.
Human Resources	1,714	1,682	(32)	-	
Managing Director	171	168	(3)	(22)	
Total Managing Director	5,403	4,928	(475)	(286)	

Revenue Budget Monitoring – Corporate

Service/Budget	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Corporate Budgets					
Treasury Management Budgets	25,233	25,233	-	-	It is currently projected that there may be an overspend against the Treasury Management budget in the region of £2.2 million, primarily as a result of an increase in Minimum Revenue Provision (MRP) charges following a review. Work will be undertaken to see if there are any opportunities to reduce the level of MRP in 2018-2019. If, however the forecast overspend is realised, Cabinet approval will be sought for a drawdown from the Treasury Management Equalisation Reserve in future reports.
Central Provision for Auto-enrolment and Pay Award Costs	(5,451)	(5,451)	-	-	
West Midlands Transport Levy	10,276	10,276	-	-	
Environment Agency Levy	71	71	-	-	
Birmingham Airport - Rent	(69)	(69)	-	-	
Gross Redundancy Costs	-	-	-	-	
Capital Receipts Flexibility - Redundancy Costs	-	-	-	-	
Apprenticeship Levy	540	470	(70)	-	
Other Corporate / Transformation Budgets and Contingencies	(681)	(1,018)	(337)	(422)	This is planned underspend in order to help offset overspends within other directorates.
Cross-cutting savings proposals	(1,115)	(1,115)	-	-	
Corporate Adjustments	144	144	-	-	
Contribution from the Budget Contingency Reserve re special dividend from Birmingham Airport	(50)	(50)	-	-	
Total Corporate Budgets	28,898	28,491	(407)	(422)	
Total Corporate	51,640	49,697	(1,943)	(920)	

Revenue Budget Monitoring - Place

Service/Budget	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Strategic Director Place					
Strategic Director Place	615	615	-	-	
Total Strategic Director Place	615	615	-	-	

Revenue Budget Monitoring - Place

Service/Budget	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Land Property Investment Fund					
Land and Property Investment Support	-	-	-	-	
Total Strategic Director Place	-	-	-	-	

Revenue Budget Monitoring - Place

Service/Budget	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Regeneration					
City Development	647	558	(89)	(20)	
Enterprise	938	940	2	-	
Local Strategic Partnership	-	-	-	-	
Planning	957	897	(60)	(77)	
Director Regeneration	153	181	28	12	
Service Director City Economy	-	14	14	51	
Local Economy	1,873	1,868	(5)	(58)	
Visitor Economy	1,216	1,516	300	310	An overspend is forecast due to reduced income linked to the implementation of a restructure and holding costs associated with the Civic Halls closure.
Total Regeneration	5,784	5,974	190	218	

Revenue Budget Monitoring - Place

Service/Budget	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Commercial Services					
Capital Programme	(70)	65	135	135	An overspend is forecast due to a reduction in external income generation opportunities. An options appraisal of the delivery model for Projects and Works continues and implementation is anticipated during the remainder of 2018-2019.
Catering	(1,022)	(680)	342	652	An under achievement of income is forecast as a result of reduction in income due to increased competition and loss of schools' business offset in part by reduced expenditure anticipated for additional hours. Income levels are based upon known service levels and change in such levels will impact on the outturn position. A service review is currently being undertaken and it will continue to be monitored closely throughout the financial year.
Cleaning	1,387	1,413	26	30	
Corporate Asset Management	7,897	7,603	(294)	(72)	An underspend is projected as a result of reduced expenditure on Carbon Reduction Commitment.
Corporate Landlord Support	514	502	(12)	-	
Estates and Valuations	(3,989)	(3,809)	180	47	An overspend is forecast as a result of fixed assets valuation work required.
Facilities Management	824	1,012	188	175	An overspend is forecast as a result of increased repairs to Community Centres and costs in excess of the budget in relation to void properties prior to demolition or redevelopment.
Head of Corporate Landlord	111	80	(31)	-	
ICTS	5,708	5,708	-	-	
Commercial Services	-	-	-	-	
Customer Services	3,376	3,409	33	-	
Digital Transformation Programme	400	400	-	(6)	

Revenue Budget Monitoring - Place

Service/Budget	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Procurement Services	689	734	45	(6)	
Maintenance Programme	1,988	1,970	(18)	(1)	
Total Commercial Services	17,813	18,407	594	960	

Revenue Budget Monitoring - Place

Service/Budget	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
City Housing					
Housing	1,508	1,358	(150)	(108)	The forecast underspend is due to unfilled staff vacancies whilst the service review takes place in 2018-2019.
Total City Housing	1,508	1,358	(150)	(108)	

Revenue Budget Monitoring - Place

Service/Budget	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Public Service Reform					
Public Service Reform	3,745	3,609	(136)	(98)	A projected underspend is mainly due to efficiencies on non-staffing budgets.
Total Public Service Reform	3,745	3,609	(136)	(98)	

Revenue Budget Monitoring - Place

Service/Budget	Net Controllable Revised Budget 2018-2019 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
City Environment					
Bereavement Services	(1,903)	(1,974)	(71)	-	
Black Country Transport	34	34	-	-	
Environmental Maintenance	5,959	5,959	-	-	
Fleet Services	218	86	(132)	-	A projected underspend is mainly due to a combination of unfilled vacant posts, reduced spend anticipated on spare parts as a result of investment in fleet and an increase in salvage income from the sale of low value off-hired vehicles.
Highways Maintenance	1,653	1,653	-	-	
Landscape	32	32	-	-	
Licensing	-	-	-	-	
Markets	(671)	(690)	(19)	(19)	
Operation & Maintenance of Existing Network	1,018	1,018	-	-	
Parking Services	(3,453)	(2,953)	500	-	An overspend is forecast as a result of reduced car parking and enforcement income due to ongoing transport improvement schemes in the City Centre.
Public Protection	1,878	1,868	(10)	-	
Service Director City Environment	189	187	(2)	-	
Street Lighting	2,638	2,741	103	-	An overspend is forecast due to an increase in the electricity tariff charged by the energy supplier.
Transportation	686	701	15	-	
Waste and Recycling Service	13,752	13,752	-	-	
Total City Environment	22,030	22,414	384	(19)	
Total Place	51,495	52,377	882	953	

Revenue Budget Monitoring - Education

Service/Budget	Net Controllable Revised Budget 2018-19 £000	Net Controllable Forecast 2018-2019 £000	Net Controllable Variance (Forecast v Budget) Q2 £000	Net Controllable Variance (Forecast v Budget) Q1 £000	Reason for Variance Q2
Director of Education					
Adult Education	(150)	(150)	-	1	
Director of Education	577	597	20	-	
Early Years	289	286	(3)	-	
School Planning & Resources	304	334	30	49	
Central Education	(1,630)	(1,468)	162	87	A overspend is forecast due to reduction in income based on schools converting to Academies during 2018-2019.
Schools	-	-	-	-	
Skills	2,515	2,435	(80)	(51)	
Special Educational Needs	3,723	3,751	30	-	There is a forecast overspend of £360,000 in relation to Out of City Placements. A request for additional funding from the Dedicated Schools Grant High Needs Block will be made to the Schools' Forum. This forecast assumes this cost pressure will be funded.
School Improvement	859	799	(60)	-	
Total Director of Education	6,486	6,584	98	86	

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General Fund Budget Risks 2018-2019

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, and National Living Wage.	Amber
Service Demands	Risks that might materialise as a result of demands for services outstretching the available resources. This risk often applies to adults and children's social care.	Red
Identification of Budget Reductions	Risks that might materialise as a result of not identifying budget reductions due to limited opportunity to deliver efficiencies.	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 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	<p>Risks that might materialise as a result of the Final Local Government Finance Settlement.</p> <p>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.</p> <p>The risk of successful appeals against business rates.</p>	Red
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.	Amber

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Housing Revenue Account Budget Monitoring

	2018-2019 Budget £000	2018-2019 Forecast Outturn £000	2018-2019 Forecast Variance £000
Income			
Gross rents – dwellings	(89,690)	(88,814)	876
Gross rents – non dwellings	(797)	(772)	25
Charges to tenants for services and facilities	(5,965)	(5,777)	188
Total income	(96,452)	(95,363)	1,089
Expenditure			
Repairs and maintenance	26,054	25,784	(270)
Supervision and management	20,066	20,239	173
Rents, rates and taxes	446	447	1
Increase in provision for bad debts	2,250	1,000	(1,250)
Depreciation of fixed assets	22,056	22,056	-
Total expenditure	70,872	69,526	(1,346)
Net cost of HRA services	(25,580)	(25,837)	(257)
Interest payable	10,431	10,427	(4)
Interest and investment income	(37)	(37)	-
(Surplus)/deficit before transfers to/from reserves and provision	(15,186)	(15,447)	(261)
Allocation of (surplus)/deficit			
Provision for redemption of debt	15,186	15,447	261
Balance for the year	-	-	-

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General Fund Budget Virements

From		To		£000	Reason for Virement
Directorate	Service	Directorate	Service		
People	Business Support	People	Strategic Commissioning	85	Realign Business Support costs to Strategic Commissioning
People	Adults Assessment & Care Management SLC	People	Adults Assessment & Care Management SLC	114	Additional staffing budget required to support Supporting Life Choices (SLC) programme as per agreed posts for 2018-2019
People	Service Director Adults and Additional Monies	People	City Link	132	Virement to support City link staffing
People	Early Intervention	People	Service Director Adults and Additional Monies	84	Transfer Head of Service Early Intervention and Prevention budgets to Head of Service People
People	Independent Living Service	People	Older People Provider Services	643	Transfer of budget from Independent Living Service to Equipment Stores
People	Independent Living Service	Corporate	City Direct	52	Transfer of budget from Independent Living Service to City Direct
People	Adults Assessment & Care Management West	People	Independent Living Service	74	Transfer of Occupational Therapist post
People	Direct Payments	People	Direct Payments	51	Establishment of a staffing budget based on increased income contribution from Clinical Commissioning Group
People	Looked after Children	People	Specialist Intensive Support	62	Transfer two Mentor Posts.
People	Early Years	People	Early Intervention and Prevention	168	Transfer Early Years Practitioner posts.
Corporate	Central Corporate Budgets	Corporate	Strategic Finance	53	Transfer to support additional employee resources within Strategic Finance and the Agresso Business Support Unit.
Corporate	Central Corporate Budgets	Corporate	Governance Services	62	Net transfer to support interim Head of Equalities post.

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Non-Domestic Rates (NDR) Write Offs to be approved by Cabinet

Account Ref	Write-off Reason	Write-Off Amount £
5109001	No Trace	14,232.27
5111063	No Trace	5,208.53
5113233	No Trace	8,165.61
	Total	27,606.41

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Sundry Debts Write Offs to be approved by Cabinet

Account Ref	Write-off Reason	Write-Off Amount £
16019661	Deceased	18,759.03
16036510	Deceased	14,645.94
16013590	No Trace	6,179.80
1600442	Deceased	5,310.44
16008881	Deceased	119,156.33
	Total	164,051.54

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet 21 November 2018
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Report title	Average Speed Enforcement across the Black Country	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Steve Evans City Environment	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Ross Cook, Service Director of City Environment	
Originating service	City Transportation	
Accountable employee	John Roseblade	Head of City Transport
	Tel	01902 555755
	Email	John.roseblade@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	6 November 2018

Recommendations for decision:

The Cabinet is recommended to:

1. Delegate authority to the Cabinet Member for City Environment, in consultation with the Service Director of City Environment, to approve the implementation of the Average Speed Enforcement system and phased roll out across Wolverhampton.
2. Delegate authority to the Head of City Transportation to lead the development and implementation of the Average Speed Enforcement system on behalf of the Black Country authorities Dudley MBC, Sandwell MBC and Walsall MBC including the design, procurement, advertising and any consultation required to introduce the system.
3. Delegate authority to the Head of City Transportation to lead the negotiations with West Midlands Police to develop and implement a collaboration agreement covering the management and operation of the Average Speed Enforcement system on behalf of the Black Country authorities.

4. Delegate authority to the Director of Governance to enter into collaboration agreements with the other Black Country authorities, West Midlands Combined Authority, West Midlands Police and the Police and Crime Commissioner to implement, manage and operate the Average Speed Enforcement System.

Recommendation for noting:

The Cabinet is recommended to:

1. Note that the capital costs included in this report have been incorporated into the 'Capital programme 2018-2019 to 2022-2023 quarter two review' report which is also on this agenda and will subsequently be reported to Full Council for approval on the 5 December 2018, assuming that Cabinet approval to progress with the project is given. As the progression is dependent on that decision, if the project is not approved, the capital programme will be reduced accordingly.

1.0 Purpose

- 1.1 To seek approval to develop and introduce an Average Speed Enforcement (ASE) system in partnership with Dudley MBC, Sandwell MBC, Walsall MBC, West Midlands Combined Authority, West Midlands Police and Police and Crime Commissioner, for the financial year 2018-2019 and future years.

2.0 Background

- 2.1 The responsibility for the enforcement of speed limits is a statutory duty undertaken by West Midlands Police (WMP) on behalf of the Police and Crime Commissioner. This is currently delivered by WMP through mobile speed enforcement at specific locations across the region.
- 2.2 Across the Black Country in 2017 there were 2105 road traffic collisions resulting in personal injury to 2916 people; 418 of these casualties resulted in serious personal injury and 24 people lost their lives. Additionally across the region there has been increasing levels of anti-social behaviour such as car cruising which has adversely impacted on our communities.
- 2.3 Focussing on Wolverhampton over the same period, there were 503 road traffic collisions resulting in personal injury to 684 people; 84 of these casualties suffered serious personal injury and one person was killed. Considering the tragic impact that these unnecessary injuries cause to our families, community and local economy, the council takes its road safety responsibility very seriously, implementing a wide range of engineering and education schemes to address road safety problems throughout the year. However a cornerstone to managing and reducing road traffic collisions is speed enforcement; West Midlands Police currently undertake mobile speed enforcement at specific locations across the network, although it is recognised that this is at a low level and infrequent. The phased introduction of average speed enforcement across the Black Country will bolster the speed enforcement operation across the highway network and raise the profile of this important tool to assist in reducing casualties and anti-social behaviour across the Black Country.
- 2.4 To support the enforcement of speed limits, Birmingham City Council and Solihull MBC have implemented a pilot programme of ASE, in partnership with WMP, over the past few years. Following the success of this pilot programme, Coventry City Council have recently embarked on introducing ASE across the city.
- 2.5 The development of the Regional Road Safety Strategy identifies the roll out of ASE across the region as a fundamental tool in the ongoing reduction of road traffic collisions resulting in casualties being killed or seriously injured.
- 2.6 At officer level the Black Country authorities have expressed support for the roll out of ASE to support casualty reduction. Furthermore, in June 2018, the Strategic Transportation Officer Group (STOG) endorsed initial discussions, led by Wolverhampton, with WMP to explore how ASE could be implemented across the Black Country. These early discussions have confirmed that West Midlands Police would support the roll out of ASE across the Black Country, subject to the approval of a collaboration agreement.

2.7 In order to continue with the implementation of the system, approval is now required to develop collaboration agreements with the other Black Country authorities to manage the design, procurement and implementation of the system. Additionally, further negotiations will be required with WMP to develop a collaboration agreement to operate and manage the ASE system on behalf of the Black Country authorities.

3.0 Progress

3.1 Current Operational model - The initial operational model developed by Birmingham and Solihull resulted in the Local Highway Authorities being fully responsible for the investment in infrastructure/ licensing etc. required to roll out ASE and the ongoing maintenance. The day to day operation and management of the system (back-office) was undertaken by WMP, with their costs being recovered through the income generated from diversionary courses, such as speed awareness. Where the level of income exceeded the back-office costs, the income would be returned to the highway authority to reinvest into road safety. However, where the costs of the back-office operation were not achieved, the shortfall would be underwritten by the highway authority. This financial model has also been implemented by Coventry in rolling out ASE and the early negotiations with WMP has confirmed that the introduction of ASE in the Black Country would only be supported if the same financial model was adopted.

3.2 To support this it is necessary to put in place a collaborative agreement between the Black Country authorities and WMP. An arrangement already exists between Birmingham, Solihull and WMP and it is hoped that this can be used as a basis to develop the arrangement for Black Country authorities.

3.3 Route Selection - To support route selection, it is imperative that appropriate data was collected and considered to inform the route selection process. Assessment of this data in conjunction with WMP ensures that enforcement is being implemented at the most appropriate locations across the Black Country. As part of the development of the project operational guidelines will be developed outlining site selection criteria. The routes under consideration are:

Area	Location
Wolverhampton	A449 Stafford Road & A4444 Black Country New Road
Walsall	A34 Birmingham Road, A4444 Black Country New Road, A4148 Broadway North & A41 Black Country New Road, Moxley to Dangerfield
Sandwell	A34 Birmingham Rd & A4123 Birmingham New Road
Dudley	A4123 Birmingham New Road & A458 Lye bypass

3.4 Timescales - Funding has been identified to implement the infrastructure required to deliver ASE by each of the other Black Country authorities. As such there is a regional ambition to have an operational system in place by 31 March 2019.

3.5 In terms of contractual management, it is proposed that City of Wolverhampton Council administer the contract to provide the ASE system on behalf of the Black Country authorities. The implementation of the infrastructure associated with the system will be

managed and co-ordinated by each individual authority. To support this approach, a collaboration agreement will be developed outlining the roles and responsibilities along with the terms of engagement for each authority. Similar arrangements already exist for other areas of work across the Black Country and it is hoped that these can be utilised to support this work.

- 3.6 It will be necessary for participating authorities to ensure that they have acquired the necessary approvals to deliver the project and that the arrangements outlined in this report are acceptable for them to participate.

4.0 Evaluation of alternative options

- 4.1 Consideration of not introducing average speed enforcement should take into account that all other West Midland authorities are either introducing ASE or already have it in place. The West Midland Combined Authority have an aspiration for ASE to be present in each constituent Authority.

- 4.2 In respect of implementing ASE as opposed to Spot speed (Fixed Gatso housings) – Following the successful trial in Birmingham and Solihull Coventry have recently commenced rolling out ASE across their network. This approach to enforcement is fully endorsed by WMP as it improves the traffic speeds along the route and enables the future introduction of enforcing red light running and ensures a consistent approach to the delivery of speed enforcement across the West Midlands area. Furthermore, the Regional Road Safety Strategy has identified the continued introduction and roll out of ASE across the West Midlands as a key enforcement tool. From national trials reductions in excess of 70% in Killed and Serious injury collisions have been recorded and significant reductions in traffic speeds and compliance have been observed along installed routes.

- 4.3 Once the locations of fixed spot speed cameras were well known many drivers simply slowed just in their location.

- 4.4 The selection of locations for ASE is rigorously scrutinised and will be subject to the process outlined in paragraph 3.3 above.

5.0 Reasons for decisions

- 5.1 Decision is required to provide the appropriate authority for City of Wolverhampton Council to continue to lead this initiative on behalf of the Black Country Authorities.

- 5.2 In addition authority is required to procure the infrastructure and recharge participating partners accordingly together with the approval to enter into associated legal agreements to facilitate this.

6.0 Financial implications

- 6.1 Approval is sought in the Capital Programme 2018-2019 to 2022-2023 quarter two review report which is also on this agenda and will subsequently be reported to Full Council for approval on the 5 December 2018, for a capital budget of £755,000 for the Average Speed Enforcement across the Black Country.

- 6.2 The breakdown of how the £755,000 is funded is detailed in the table below. Other Black Country Authorities have confirmed their funding streams are in place for the current financial year 2018-2019.

Black Country Authorities - Funding		£000
Wolverhampton		150
Walsall		295
Sandwell		175
Dudley		135
Total		755

6.3 The feasibility for each route and the estimated costs are shown in table 1.1 below:

Table 1.1 – Estimated Costs

Area	Location	Capital £000
Cost of Cameras		
Dudley	A4123 – Burnt Tree to Sedgley Rd West	67
	A458 Lye by-pass	33
Sandwell	A34 – Scott Arms to Merrions Close	68
	A4123 – Birchley Island to Hagley Rd	67
Walsall	A34 – Merrions Close to Broadway	68
	A4444 – Moxley to Hughes Road	42
	A4148 – Arboretum to The Crescent	44
	A41 Black Country New Road Moxley to Dangerfield	58
Wolverhampton	A4444 – Hughes Road to Black Country Route	16
	A449 Stafford Road (Fiveways to Three Tuns)	95
Other Costs		
	Purchase of IT and Communication System	119
	Contingency	78
Estimated Total Cost		755

- 6.4 Wolverhampton’s investment will be £150,000. The cost of borrowing to fund this investment is approximately £24,000 per annum over a seven year period. This will be funded from the Highways Management Reserve.
- 6.5 Careful site selection will be required to ensure that the optimum location is identified to deliver sustained casualty and speed reduction. All income generated from the prosecutions will be collected by WMP. It is anticipated this will cover the revenue costs associated with the enforcement operation.
- 6.6 Following discussions with West Midlands Police operational costs have been estimated based on a business case of providing 20,000 activations. A breakdown of the estimated revenue costs associated with the ASE operation is shown in Table 1.2 below.

Table 1.2 – Estimated revenue costs for back-office function

Item	Annual cost £000
Safety Camera Operation (WMP) - Offence processing and issuing Notice of Intent to Prosecute (NIP)	54
Central Ticket Office - HMRC ticket processing	43
Postage and file preparation	21
Contribution towards enquiry officer for challenges or investigations relating to offence (1/3 fte)	31
Software licensing and support (Startrack)	3
Offence process charge (Startrack charge for processing each offence £0.49 per offence)	10
Total Estimated Cost	162

- 6.7 Under the proposed agreement, these costs will be shared equally between the four highway authorities resulting in each authority underwriting £40,500.
- 6.8 In addition each highway authority is responsible for the ongoing maintenance costs attributable to their respective assets. In the case of Wolverhampton, this is estimated to be in region of £13,000, giving a total revenue requirement of £53,500. The estimated maintenance costs for each authority are shown in the table below:

Area	Annual maintenance (inc comms/ERCU) £000
Dudley	11
Sandwell	7
Walsall	19
Wolverhampton	13
Total	50

- 6.9 It is anticipated that the revenue costs will be covered through income, however, if this is not the case they will be met from the Highways Management Reserve. The risk of under recovery of revenue costs is dependent on the conversion rate of activations to NIP. Currently the breakdown of offence outcomes is summarised below:
- 42% of activations result in a Fixed Penalty Notice which is handled directly with income going direct to the Treasury;
 - 22% of activations result in appeals or non-payments for a variety of reasons;
 - 36% of activations are processed to diversionary courses such as Speed Awareness;

6.10 The cost of attending a speed awareness course is currently £92 and the fee is split as shown below:

- £45 is returned to WMP and is used to cover operational costs with any surplus being returned to the contributing authorities.
- The remainder £47 is retained by the course provider (TTC) to cover:
- NDORS cost of the Speed Awareness Scheme nationally including, registration, driver database, course content and development etc;
- their costs in delivering the courses on behalf of WMP. Currently the course provider is a tendered contract managed by WMP and the provider is TTC.

6.11 Applying the conversion rate means that typically, every year, 36% of 20,000 activations, 7,200 notices will be referred to diversionary courses such as speed awareness, generating an annual income of approximately £324,000. Taking into account the annual operational costs incurred by WMP, the annual maintenance and communication costs for the system and associated equipment and the cost of borrowing to support the investment, it is estimated the system would effectively cover its own costs. Any surplus income would be apportioned equally between participating authorities. It should be noted that surplus income cannot be guaranteed and is dependent on several variable factors.

[MK/09112018/L]

7.0 Legal implications

7.1 To effectively deliver this project it is necessary to put in place a collaborative agreement between the Black Country authorities and WMP outlining the roles and responsibilities of each party and the terms of engagement. An arrangement already exists between Birmingham, Solihull and West Midlands Police and it is hoped that this can be used as a basis to develop the arrangement for Black Country authorities.

[RR/02112018/Q]

8.0 Equalities implications

8.1 There are no equalities implications arising from the implementation of this scheme.

9.0 Environmental implications

9.1 The introduction of ASE as set out in this report will contribute towards improved environmental benefits. Through controlling traffic speeds congestion can be more easily managed resulting in an improvement in air quality. Further benefits include improving the environmental safety for highway users.

10.0 Human resources implications

10.1 The delivery of the project as proposed will fully commit the existing employee resources available to support the introduction of ASE.

11.0 Corporate landlord implications

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

12.0 Health and Wellbeing Implications

12.1 The introduction of ASE and subsequent control and reduction of traffic collisions will have a significant, positive and direct impact on people's health and wellbeing and injuries.

13.0 Schedule of background papers

13.1 Cabinet, 25 April 2018 – [‘Transportation Capital Programme 2018/19 and future years’](#)

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet 21 November 2018
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Report title	Roadworks Permitting	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Steve Evans City Environment	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Ross Cook, Service Director of City Environment	
Originating service	City Transportation	
Accountable employee	John Roseblade	Head of City Transport
	Tel	01902 555755
	Email	John.roseblade@wolverhampton.gov.uk
Report to be/has been considered by	City Environment Leadership Team	5 November 2018

Recommendations for decision:

The Cabinet is recommended to:

1. Delegate authority to the Head of City Transportation to lead the development and implementation of the Highway Permit Scheme including any consultation required.
2. Subject to there being no significant objections or substantial changes, delegate authority to the Cabinet Member for City Environment, in consultation with the Service Director for City Environment, to:
 - a. Approve the detailed plans and undertake Statutory Consultation on the proposed permit scheme
 - b. Consider objections, determine the final scheme and notify any objectors of the decision.
 - c. Approve and publish the final permit scheme.
 - d. Sign off the implementation of the final scheme and complete any statutory processes.
3. Delegate authority to the Cabinet Member for City Environment, in consultation with the Service Director for City Environment, to approve the introduction of a Highway Permit Scheme for Wolverhampton.

4. Delegate authority to the Cabinet Member for City Environment and the Cabinet Member for Resources, in consultation with the Strategic Director for Place and Director of Finance, to approve any budgets to deliver this scheme and set and implement charges for a finalised permitting scheme.

Recommendation for noting:

The Cabinet is recommended to:

1. Note that associated with the permitting scheme is a fundamental in-house review of the National Street Gazetteer. It is proposed to consult on any significant changes simultaneously so that the new permitting scheme can be implemented using the most accurate street data available.

1.0 Purpose

- 1.1 To introduce a Highway Permit Scheme requiring a permit to be obtained before specified works are carried out on the highway in accordance with the West Midland Combined Authority decision of April 2017 for the coordination of street works on the Wolverhampton public highway network.
- 1.2 It is considered that this will lead to better co-ordination of all works, and closer monitoring of those who are responsible for installing and maintaining highways' and utilities' infrastructure, and their contractors.

2.0 Background

- 2.1 The Devolution Agreement for the elected Mayor of the West Midlands Combined Authority (WMCA) includes provisions equivalent to those contained within Section 49 New Roads and Street Works Act 1991 to enable the Mayoral WMCA to be defined as a Street Authority for the West Midlands Key Route Network (WMKRN), or the equivalent legislative provisions, in order to enable the Mayoral WMCA to develop a Permit Scheme to coordinate Notices etc. on the WMKRN. Duties including the receipt of notices, register, inspections are still to be carried out by the Local Highway Authority.
- 2.2 The WMCA Board approved a report on 7 April 2017 in respect of permits which detailed:

'5.2 Street Works - Permit Schemes on West Midlands Roads

A report was presented on the progress regarding the introduction of permit schemes across the WMCA area, following a decision of the Strategic Transport Officers Group in January 2017.

The introduction of permit schemes on roads in the region was considered a key priority for ensuring that the network continued to be managed effectively, reducing disruption and improving journey quality and time. The introduction of a permit scheme would empower highway authorities to impose conditions relating to traffic management, diversions and working hours, and the associated permit fee would provide a mechanism to fund the service and invest any surplus into managing traffic in the future. The report resolved the following:

- a. The need for a common set of principles for permit schemes covering the Key Route Network, to be in place by the end of April 2017, be agreed.
- b. The need to achieve cost efficiencies during the business case development phase, along with consideration of common back office functions, be agreed.
- c. It be agreed that across the WMCA area, local constituent authorities should either adopt the West & Shires Permit Scheme or the Birmingham Scheme.
- d. It be agreed that a project schedule setting out the activities to support successful introduction of the permit schemes should now be developed with the Traffic Managers Group, supported by the relevant officers reporting back to the designated Strategic Transport Officers Group.

- e. The progress made on agreeing the introduction of permit schemes across the WMCA area by October 2018 be noted.'
- 2.3 In addition the Secretary of State for Transport, the Rt. Hon. Chris Grayling, wrote to the City of Wolverhampton Council in July 2018. In this he pointed out the evidenced benefits of a permit scheme and indicated that there is an expectation that Highway Authorities should have a system in place by 31 March 2019.
- 2.4 The introduction of a permit scheme empowers local highway authorities to impose conditions (e.g. traffic management, diversions, working hours) and the associated permit fee provides a mechanism to fund the service. The feedback from other authorities indicates that the process of introducing permit schemes could take up to 18 months.
- 2.5 The Black Country authorities are working together to ensure a common permit scheme will operate on all local roads thus avoiding any confusion that would be generated by trying to run the proposed permit schemes and existing noticing schemes across the same geographic area.
- 2.6 To this end Dudley Metropolitan Borough Council (MBC) have led on engaging consultant AECOM to develop a permit scheme support proposal. The proposal provides for the development of an Outline Business Case and Cost-Benefit Analysis. It then goes on to agree and put together the scheme documentation (the rules by which the scheme will operate).
- 2.7 Based on this, AECOM have experience in successfully assisting other local highway authorities with the introduction of similar schemes. Therefore, the Black Country authorities have engaged AECOM to manage, implement and report on the required consultation process and provide advice on the preparation of the legal order and communication regarding its implementation, thus ensuring a consistent approach and methodology. On 20 March 2018 Cabinet (Resources) Panel approved the use of the Highways Management Reserve (£53,000) to commission AECOM as part of the joint Black Country initiative to deliver the project objectives identified in the appended submission.
- 2.8 Through utilising the support provided by AECOM the timescale for introduction of the scheme can be significantly reduced and facilitate a target completion date of 1 April 2019. This would also be consistent with the Devo 2 Deal requirement that, 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.
- 2.9 A permit scheme would guarantee the recovery of revenue funding for the resources necessary to improve the quality and efficiency of circa 9,000 road work schemes undertaken each year on the City's public highway network. The permit scheme would allow the monitoring, inspection and enforcement of road works and associated traffic management to be undertaken by the Council with all costs recovered by permit charges.

- 2.10 The costs related to permits which may not always lead to a permit being granted. Overheads can include: non-salary staff-related costs such as pensions and benefits, proportionate allocation of accommodation, central services and IT costs, as well as general administration and management for monitoring the permit system, KPIs and invoicing.
- 2.11 Permit scheme costs and income should be kept separately from other income streams, such as over-runs and fixed penalties. This meets the industry regulators' requirements to see a clear separation between costs to undertakers that are avoidable and costs that are not.
- 2.12 Permit schemes must not be used with the intention of generating surplus revenue. Income must only be used to meet the costs of the scheme. Permit Authorities may charge fees in relation to the issuing of permits and must justify those fee levels. The fee levels should be available to those consulted under regulation 3 and may not exceed those set out in regulation 29 of the 2007 Regulations.
- 2.13 In the event that fees and costs do not match the actual outturn for any year adjustments should be considered. Transparent information on this should be provided to all stakeholders as part of the published evaluation of the scheme. It is essential that, at least over a three-year period, fees do not exceed the allowable costs, also that fees must not exceed the proportion of costs for operating the permit scheme incurred in relation to statutory undertakers.
- 2.14 Consistently high-quality road reinstatements may also contribute towards stabilising the gap between the road maintenance backlog and the declining budgets available to repair road infrastructure. Booking road space under the Permit Scheme, traffic management and associated fines for late completion will help incentivise the timely completion of road works with the consequent benefits to business and the travelling public.
- 2.15 The permit regulations require each permit authority to maintain a register of each street covered by their scheme. The register should contain information about all relevant activities on the streets and forward planning information about activities and other events which could potentially affect users of the streets. There is a right to inspect the register, free of charge and at all 'reasonable times', except where it is 'restricted information'. Reasonable times may be taken to mean normal office hours. Permit authorities will still need a register under other legislation for street information and works.
- 2.16 A permit scheme must include provision allowing for conditions to be attached to permits. Where conditions are attached to a permit they must be of a type specified in the regulations and use the wording and numbering set out in the Statutory Guidance for Highway Authority Permit Schemes Permit Scheme Conditions issued March 2015. Authorities may not impose any additional conditions not covered by the Statutory Guidance when granting a permit.
- 2.17 There is a requirement under regulation 4(d) of the 2007 Regulations as amended by the 2015 regulations that before developing a permit scheme the authority must consider how it proposes to evaluate the scheme, to demonstrate whether its objectives have been met. Under regulation 16A of the 2007 Regulations authorities must evaluate their scheme

every 12 months of operation for the first three years and then every three years thereafter. The evaluation of the scheme should cover the costs and benefits of the scheme (both financial and non-financial) and review the level of fees.

- 2.18 An authority can vary or revoke its own scheme. Before doing so the authority must consult those identified in regulation 3(1) of the 2007 Regulations. When consulting the reasons for any variation or revocation should be explained

3.0 Progress

- 3.1 As commissioned, consultant AECOM have developed a permit scheme support proposal. The proposal provides a developed Outline Business Case and Cost-Benefit Analysis.

- 3.2 A preliminary assessment of the implementation requirements of introducing a permit scheme within the City indicates a need for the following;

- The recruitment and training of additional staff to operate the administrative processes for the Permit System for an average 9,000 road works per annum
- The recruitment and training of staff for the daily inspection of an average 9,000 road works per annum.
- New information technology software and hardware including handheld data capture devices (PDA's)

- 3.3 Anticipated annual revenue costs relevant to the scheme include;

- Information technology software and hardware maintenance
- Office based permit system administrators
- If appropriate office based Temporary Traffic Regulation Order, traffic diversion, highway licencing and Gazetteer administrators
- Administration of Council permit applications
- Site based highway inspectors

- 3.4 A proposed maximum fee structure for each category of works and for a hierarchy of main and minor roads can be seen in the following table. This has been calculated based on an annual average number of permits and the respective time and cost in servicing those.

Category of works	Road Category 0, 1 & 2 or Traffic-sensitive £	Road Category 3 & 4 and non-Traffic-sensitive £
Provisional Advance (It is suggested this fee applies only where value has been added in processing the works)	98	75
Major works – over 10 days and all major works requiring a traffic regulation order.	230	142
Major works – 4 to 10 days	126	72
Major works – up to 3 days	52	36
Activity Standard	126	72
Activity Minor	52	36
Immediate Activity	50	33
Permit Variation	45	35

- 3.5 Following approval of the recommendations in this report there is a need to undertake a six-week consultation. The consultation exercises undertaken by the other Black Country authorities has refined the system whereby we will have a consistent approach. Dudley MBC have already gone through formal consultation, refining the detail of their permit system based on the responses received. Sandwell and Walsall MBC have also progressed to consultation using the refined system developed by Dudley MBC. They have subsequently received little feedback as the issues raised in the first consultation have been addressed.
- 3.6 Given this will be essentially the same refined scheme as the other Black Country Authorities have already consulted on it is not expected to generate any significant

objections. It is therefore recommended that authority to introduce the final scheme is delegated subject to there being no objections or significant amendments.

- 3.7 Subject to the approved implementation of a finalised scheme the Council will introduce a schedule of permit charges. Approval is therefore sought to the joint delegation of authority to the Cabinet Member for City Environment and the Cabinet Member for Resources, in consultation with the Strategic Director of Place and the Director of Finance to set and implement such permit charges.

4.0 Evaluation of alternative options

- 4.1 There is clearly an expectation that all Highway Authorities will introduce a roadworks permitting system. The letter from The Secretary of State in July 2018 points out that government do have powers to compel authorities to introduce a permitting scheme but it is hoped that this will not be necessary.
- 4.2 An option to do nothing would therefore carry risk of government intervention and would not deliver the benefits in terms of congestion management that a permit scheme is designed to offer.

5.0 Reasons for decisions

- 5.1 The system is designed to be self-financing and introduces a process of controlling roadworks, minimising their impact on the highway network. Utility companies have experience of permit systems in other regions and are expecting all highway authorities to introduce permits.

6.0 Financial implications

- 6.1 Cabinet (Resources) Panel on 20 March 2018 approved the use of £53,000 of the Highways Management Reserve to fund a shared feasibility study, alongside other Black Country Authorities, regarding the implementation of a street works permitting scheme.
- 6.2 In line with regulatory and statutory guidance permit charges can be set to recover the implementation costs over the first three years of operation together with the annual revenue costs for the scheme. Regulations must be complied with and due regard must be given to statutory guidance when developing a fee structure for the scheme. The annual review of the fee structure will be monitored and charges adjusted accordingly to ensure regulatory compliance with subsequent changes being subject of future reports to Councillors in line with existing governance processes.
- 6.3 The permitting scheme support proposal developed by AECOM provides for a self-financing scheme based upon an average 9,000 road works per annum. The fee schedule proposed at 3.4 reflects the likely maximum costs of implementing and administering the new permitting scheme appraised in the AECOM proposal.

- 6.4 Full recovery of the implementation costs (paragraph 3.2), in addition to the £53,000 already expended for the commission of AECOM, associated with staffing and acquisition of new technology and annual revenue costs (paragraph 3.3) have been considered in the proposed maximum fee schedule.
- 6.5 Determination and implementation of a finalised permit scheme and associated charges is subject to a six-week consultation period and approval via delegated authority for which this report seeks approval. Work is underway to validate the full costs to the Council and assumptions reflected in the AECOM proposal for the proposed permitting scheme and ensure a level of charging sufficient to fully recover all associated costs in line with regulations. This will support the development of a finalised scheme, subject to consultation, in line with the delegated authorities for which this report seeks approval.
- 6.6 The Highways Management Reserve can be considered to fund and therefore facilitate the recruitment of staff and the acquisition of new technology whilst the scheme is embedded. Approval to the use of this reserve will be subject of future Councillor reports.
[MK/13112018/X]

7.0 Legal implications

- 7.1 Highway Authority Permit Schemes were introduced by Part 3 (sections 32 to 39) of the Traffic Management Act 2004 (TMA) and are regulated in England by the Traffic Management Permit Scheme (England) Regulations 2007 (the 2007 regulations) as amended by the Permit Scheme (England) amended Regulations (the 2015 Regulations). The amended regulations applied to all new schemes from 30 June 2015 and will apply to all existing schemes from 1 October 2015.
- 7.2 The Deregulation Act 2015 removed in England the requirement for permit schemes to be approved by the Secretary of State. It amended the TMA enabling highway authorities in England to make their own schemes and to vary or revoke existing schemes.
- 7.3 Section 8 and Schedule 2 of the West Midlands Combined Authority (Functions and Amendment) Order 2017 deals with the functions of permit schemes by combined authorities on combined authority roads.
[TS/06112018/Q]

8.0 Equalities implications

- 8.1 The introduction of a permit scheme is likely to have a positive impact on all users of the highways network. Through reduced disruption and better planning of activities it is likely that the impact of road works on all users should be less.

9.0 Environmental implications

- 9.1 The introduction of a highway permit scheme will contribute towards improved environmental benefits through the better management and coordination of roadworks affecting the public highway enabling congestion to be more easily managed resulting in an improvement in air quality.

10.0 Human resources implications

10.1 The implementation of the highway permit scheme as proposed will fully commit the existing employee resources available.

10.2 The implementation of the permit scheme will require additional staff (financed through the income generated) and there will be a requirement to recruit to these posts.

11.0 Corporate landlord implications

11.1 There are no Corporate Landlord implications arising from the introduction of the permit scheme.

12.0 Health and Wellbeing implications

12.1 Permits will impose more restrictions on anyone undertaking work on the highway. These will include provision for the safety of pedestrians and motorists.

12.2 The scheme is specifically aimed at controlling street works, coordinating timings and locations and minimising impacts on the highway network. This will have a positive effect on congestion levels especially where works are taking place in sensitive locations.

13.0 Schedule of background papers

13.1 Cabinet, 25 April 2018 – [‘Transportation Capital Programme 2018/19 and future years’](#)

13.2 West Midlands Combined Authority Board, 7 April 2017 – ‘Street Works – Permit Schemes on West Midlands Roads’

13.3 Cabinet (Resources) Panel, 20 March 2018 – [‘Revenue Budget Monitoring 2017-2018’](#)

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 21 November 2018
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Report title	Establishing the Regional Adoption Agency (Adoption@Heart) as a hosted model in City of Wolverhampton Council	
Decision designation	AMBER	
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 for Children's Services	
Originating service	Children and Young People in Care	
Accountable employee	Alison Hinds	Head of Children and Young People in Care
	Tel	01902 553035
	Email	alison.hinds@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	6 November 2018

Recommendations for decision:

The Cabinet is recommended to:

1. Approve the establishment of the Regional Adoption Agency.
2. Approve City of Wolverhampton Council's acceptance that the approval of adopters is a function that will be delegated to the Regional Adoption Agency.
3. Approve the revised service design, structure and governance of the Regional Adoption Agency as a 'hosted' model.
4. Approve City of Wolverhampton Council as the host authority for the Regional Adoption Agency and TUPE transfer of employees into City of Wolverhampton Council to work within the Regional Adoption Agency.
5. Approve the revised proposed financial model and funding contributions from the four Councils.

6. Approve the establishment of a Lead Members Regional Adoption Agency Board to enable Lead Members from the four Councils to collectively execute their responsibilities in respect of monitoring outcomes for children in care.
7. To delegate authority to the Cabinet Member for Resources and the Cabinet Member for Children and Young People, in consultation with the Director of Finance and the Director for Children's Services, to approve the funding agreement.

1.0 Purpose

- 1.1 To present the detailed case for creating a new Regional Adoption Agency - Adoption@Heart, and to seek agreement on the proposed governance arrangements, financial model and funding arrangements, and implications for Council employees.

2.0 Background

- 2.1 The new Regional Adoption Agency (RAA) will combine the adoption services for the local authority areas of Dudley Metropolitan Borough Council (MBC), Sandwell MBC, Walsall MBC and City of Wolverhampton Council. The project is led by the City of Wolverhampton Council, with the RAA planned to go live on 1 April 2019.
- 2.2 The development of Regional Adoption Agencies (RAA) is part of the national regionalising adoption programme. All local authorities (LAs) are expected to deliver their adoption services through an RAA by 2020. Funding has been secured from the Department for Education (DfE) to cover the costs of setting up the new agency.
- 2.3 In March 2018, City of Wolverhampton Council's Cabinet approved the following recommendations:
- Approve the establishment of the Regional Adoption Agency (RAA)
 - Approve the service design, structure and governance of the RAA as a Local Authority Trading Company, including transfer of staff into the new organisation.
 - Approve the financial model and funding formula.
 - Approve the governance arrangements.
 - Delegate authority to the Cabinet Member for Resources and the Cabinet Member for Children and Young People in consultation with the Director of Finance and Director for Children's Services to make further decisions specifically relating to:
 - a. The finalisation of arrangements for the delivery of support services to the RAA, ensuring that the 'back office' costs are funded by Local Authorities and the RAA has a viable balanced budget.
 - b. Final cash flows for the RAA.
 - c. The development of an agreed funding protocol between the Local Authorities/Trust to enable the functioning of the funding formula, including tolerances and arrangements for spot purchasing to accommodate variations in numbers of placements required.
 - d. Arrangements for transferring budgets to the RAA during the 2018-2019 financial year to minimise exposure of either the Local Authorities or the RAA to risks of overspend.
 - e. The development of a risk sharing agreement between the four Local Authorities/Trust and the RAA, with appropriate governance for LAs to hold the RAA accountable.

- f. Authorising Adoption@Heart officer director appointments as appointments to an external body.
 - g. Taking any, and all decisions including without limitation the approval of all documents to enable the RAA to be incorporated; and
 - h. Taking any, and all necessary shareholder decisions required following incorporation.
- Delegate authority to the Director of Governance, in consultation with the Director of Children's Services, to enter into and authorise all necessary deeds, contracts and other related documents to implement the above recommendations.

2.4 It is proposed that the recommendations presented in this report supersede those previously agreed in Cabinet in March 2018

3.0 Progress

3.1 A stakeholder engagement strategy is in place and there has been active consultation with stakeholders throughout the project to inform the detailed model presented in this report, including council elected members, staff, and adopters. Voluntary Adoption Agencies (VAs) are actively involved, in line with DfE expectations.

3.2 A number of benefits are anticipated, both because of the opportunities for total re-design of the service, and because of its larger scale: the benefits are:

Efficiencies:

- Reduction in LA expenditure on fostering placements (and practitioner time)
- Reduced expenditure on adoption panels
- Decreased use of inter- agency placements
- More children identified for adoption through improved permanence planning.

Quality of Practice and Outcomes:

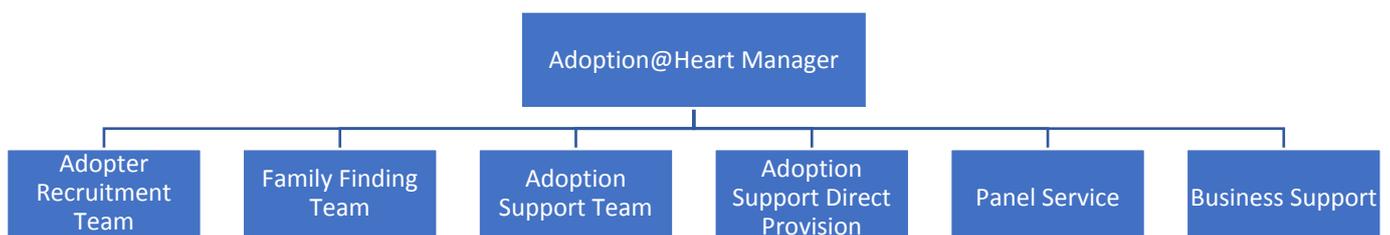
- Improved permanence planning for children
- Increased placement choice from a larger pool of adopters
- Reduction of placement days from children entering care to being placed with their adoptive family
- Fewer children for whom the permanence plan changes away from adoption
- A wider range of support services for adoptive families, promoting stability and reducing disruption
- More adopters approved and swifter matching of adopters with children.

3.3 It had previously been agreed that the RAA would be developed as a separate entity wholly owned by the four Councils, but in May 2018, concerns were raised about some of

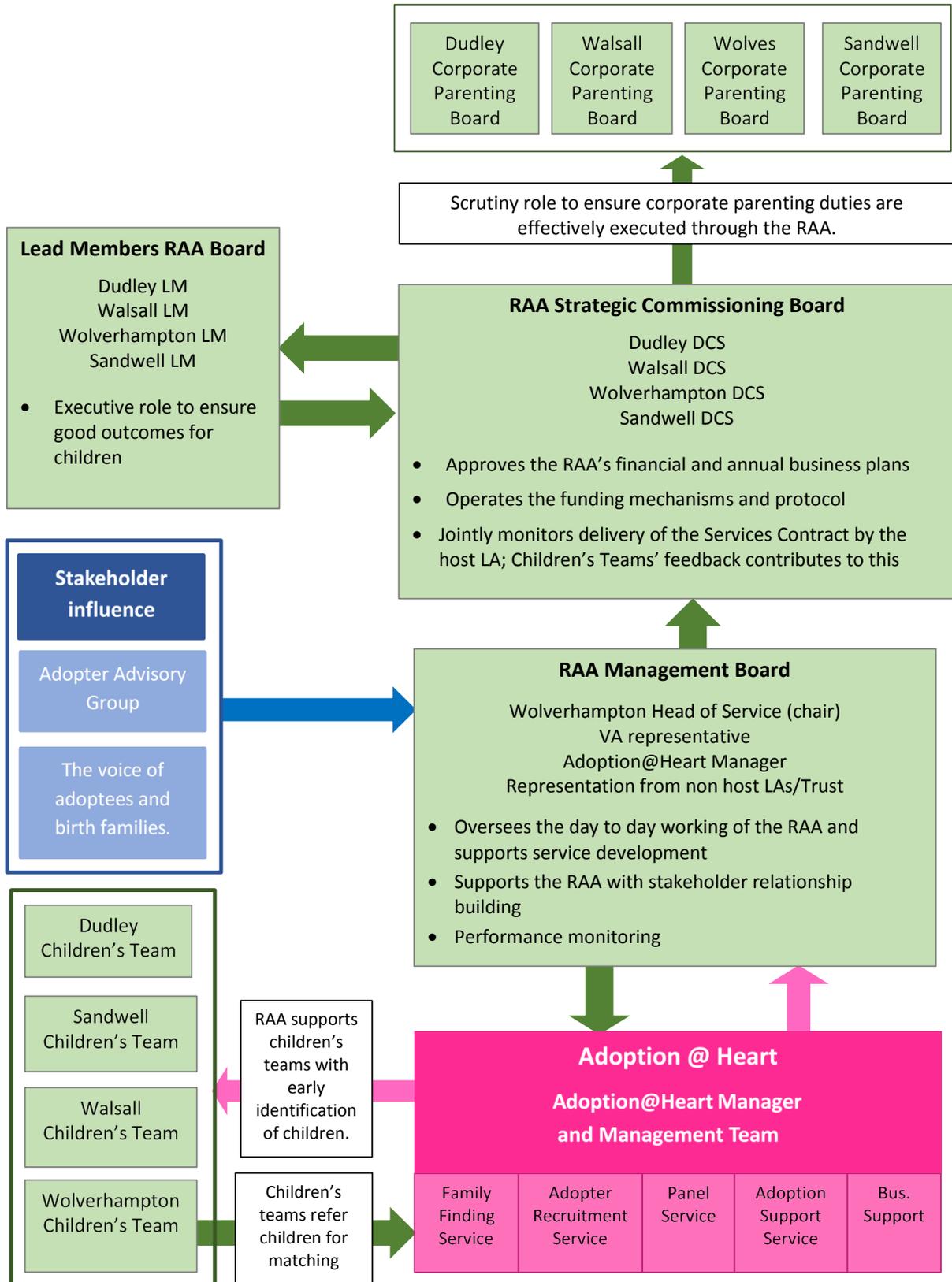
the complexities and uncertainties of establishing such a model for the RAA, including governance issues and the potential for escalating costs of the model and the minimal potential to expand for other public services. As a result, it was agreed to undertake some work to look at the feasibility of a “hosted” model as an alternative.

- 3.4 In June, the RAA Project Board considered the findings of the review and recommended that a move to a hosted model for Adoption@Heart be accepted by Directors of Children’s Services (DCSs) on the basis that this would be a less risky approach given that delivering the RAA via a separate entity is relatively untested. A hosted model will also be less resource intensive to deliver and avoid irrecoverable VAT on purchases. The move to a hosted model was subsequently agreed by the four DCSs.
- 3.5 A due diligence and evaluation process then took place in June and July 2018 to agree which Council would act as host, expressions of interest having been received from both Dudley MBC and City of Wolverhampton Council. This process produced a recommendation to DCSs that Wolverhampton act as host, which was unanimously agreed by that group.
- 3.6 In September 2018, the Association of Black Country Authorities (ABCA) Chief Executives Group, and the Chief Executives and Leaders Group, endorsed proposals in respect of the service design, structure and governance of the RAA as a ‘hosted’ model with City of Wolverhampton Council acting as host, the TUPE transfer of relevant staff into City of Wolverhampton Council, and the proposed financial model and formula for funding contributions from the four Councils.
- 3.7 The development of the RAA provides the opportunity to design a new service from top to bottom, and a whole range of new and innovative practice will enable the required efficiencies and improvements to be delivered. The RAA will deliver the following services:
- Support and challenge to child care teams in assessing children’s needs and early identification of children for whom an adoption plan is suitable.
 - Early Permanence Placements.
 - Child preparation and life story work.
 - Recruitment and approval of adopters including Panel.
 - Purchase and sale of inter-agency placements to achieve the best match.
 - Family finding and matching.
 - Matching Panel.
 - Pre and post approval support for adoptive families.
 - Birth Family support including Letterbox.

- Support for adopted adults – access to records and counselling.
 - A non-agency adoption service.
- 3.8 The service specification sets out the related delivery responsibilities which will remain with the LAs (primarily those relating to the children) to ensure that the whole system works effectively.
- 3.9 The service design and operating model is now complete and there will be teams each providing dedicated delivery of adopter recruitment, family finding and adoption support services respectively, with a Panel service working alongside. There will be a central hub, helping to build the identity and culture of Adoption@Heart, whilst maintaining a local and accessible presence via ‘spokes’, keeping staff and service user travel time to a minimum. Practitioners will be equipped to work flexibly, making use of ‘hot desk’ arrangements in local authority office bases. The high-level staffing structure for the RAA is shown below, with the Adoption@Heart Manager reporting to the Head of Children and Young People in Care, City of Wolverhampton Council.
- 3.10 The central hub will be located at Priory Green, Pendeford, helping to build the identity and culture of Adoption@Heart, with practitioners equipped to work flexibly, making use of ‘hot desk’ arrangements in local authority office bases.
- 3.11 VAs will be an integral part of the RAA, via a contract both to deliver identified services, and as contributors to the RAA’s strategic direction through a role on the Adoption@Heart Management Group.
- 3.12 The required support services arrangements for the RAA will be delivered by City of Wolverhampton Council as the host authority for the RAA against a service specification for the required functions (Finance, HR, ICT support etc.).
- 3.13 The RAA will have a bespoke case management system. Management and sharing of data between the partner organisations will be agreed, taking account of General Data Protection Regulations (GDPR), and appropriate information governance, information sharing, and data protection arrangements will be in place.
- 3.14 Transitional arrangements to ensure continuity of front-line services as adoption services move from the LAs into the RAA are being developed.
- 3.15 The diagram below shows the governance arrangements for the Regional Adoption Agency.



Adoption@Heart Governance Arrangements – Hosted Model



- 3.16 A Strategic Commissioning Board will be formed with representatives from all organisations jointly commissioning the RAA, with Dudley MBC taking the lead on behalf of all four Councils (and Sandwell Children's Trust) in the interests of transparency. The Board will be responsible for monitoring the performance and delivery of the contract by the RAA and will be governed by an agreement which will include shared arrangements for funding, access to resources and risk sharing.
- 3.17 A services contract will contain the service specification detailing the services to be delivered, the payment terms and performance monitoring arrangements. An Outcomes and Performance Monitoring Framework has been developed to monitor the performance of the RAA against the agreed contract. Other agreements will also be in place, in particular around information sharing between the LAs and the RAA in line with Data Protection and security. The Strategic Commissioning Board will also monitor the funding agreement between LAs and provision of placements by the RAA to the respective LAs/Trust and resolve any conflicts between competing interests of the participating LAs.
- 3.18 In addition, the Councils will be discharging their statutory responsibility to provide adoption services by allowing for the delivery of certain functions to be contracted out to the RAA and will want to exercise a scrutiny role over the delivery of those services. This function will be fulfilled by each LA's Scrutiny Committee and/or Corporate Parenting Boards, and also through a Lead Members RAA Board, consisting of the Lead Member from each of the four Councils, to ensure Cabinet members collectively discharge their responsibilities regarding outcomes for children in care. They will receive regular reports prepared via the RAA Strategic Commissioning Board on RAA performance.
- 3.19 An RAA Management Board will oversee the functioning and performance of the RAA at an operational level, ensure the full participation of a range of key stakeholders, and provide an interface between the RAA and the Strategic Commissioning Board.
- 3.20 Under regulation 5 of the Local Authority Adoption Service (England) Regulations 2003 each LA has to appoint an officer to manage the adoption service. Ultimately it is the LA that is responsible for the adoption service that it is required to maintain under s3 of the Adoption and Children Act 2002 and accountability and responsibility remains with the individual LA, hence inspection will be through the LA lens, and so the responsible officer needs to have sufficient oversight. In order to ensure that, each LA's Responsible Officer will sit on the RAA Management Board. In the City of Wolverhampton Council this role will be fulfilled by the Head of Children and Young People in Care.

4.0 Evaluation of alternative options

- 4.1 Alternatives to moving to a RAA hosted by City of Wolverhampton Council were explored:

- a. To continue with the current arrangements: this would not provide the opportunity to realise the benefits that have been identified; it would also mean that the City of Wolverhampton Council would not be working to Government policy.
- b. To move to a RAA hosted by one of the other partner LAs: only Dudley MBC expressed an interest in hosting and the due diligence process found greater confidence in Wolverhampton's submission.
- c. To continue to develop a RAA as an Local Authority Traded Company: this was seen as more bureaucratic and costly and carried greater risk.

5.0 Reasons for decisions

- 5.1 The decision to move to a RAA hosted by City of Wolverhampton Council has been taken for the reasons above; chiefly that it will enable the benefits identified to be realised, and the Council to keep in line with Government policy.

6.0 Financial implications

- 6.1 The costs of setting up the RAA are being funded by the DfE as part of the support available to early adopters of the programme in the form of a ring-fenced grant. The total grant allocation for the period December 2015 to the project go-live date is £1.1 million and this will be sufficient to meet all required costs. This grant will also be used to fund one-off implementation costs associated with setting up the RAA.
- 6.2 As per the table below, the RAA expenditure budget for 2019-2020 will be £4.8 million. As host organisation the Council will hold this budget and receive contributions from partner authorities as set out below. All partner organisations have agreed that the 2019-2020 budget will be made at the level of their current approved adoptions budget plus a £50,000 contribution to back office costs.

Draft 2019-2020 RAA budget

Expenditure	£000
Staffing	2,630
Non-Staffing	550
Host SLA	260
Inter-Agency placement costs	1,320
Total	4,760

Income	£000
Inter-Agency placement fees	440
Adoption Support Fund grant	220
Local Authority Funding:	
Sandwell	880
Dudley	1,130
Wolverhampton	1,100
Walsall	990
Total	4,760

- 6.3 The staff currently employed by the partner local authorities will TUPE transfer to the Council on 1 April 2019 and thereafter be Council employees with Council terms and conditions. The legal agreement between local authorities will ensure the Council is not liable for costs incurred prior to the transfer.
- 6.4 In future financial years the cost of the RAA will be split between partner authorities based on the number of placements requested. The mechanism and timing for the agreement of budgets and funding will be set out in a Funding agreement. Approval is sought in this report to delegate authority to the Cabinet Member for Resources and the Cabinet Member for Children and Young People, in consultation with the Director of Finance and the Director of Children's Services, to approve this agreement. There will also be provision for the spot purchase of additional placements if requirements exceed the number of placements initially requested.
- 6.5 There are some risks of overspending for the RAA in respect of the spend on inter-agency fees, particularly in the first year whilst the RAA is embedding a range of practice improvements to enable more of the RAA's own approved adopters to be matched with children in need of an adoptive placement. The financial situation will be closely monitored via the RAA Strategic Commissioning Board, in the event of a forecast overspend this will be communicated to all four Councils in a timely manner to allow remedial action to be agreed.
- 6.6 The Funding Agreement between the parties will set out an agreed process for reporting and a comprehensive risk share agreement setting out how overspends will be dealt with on an equitable basis. This agreement will also safeguard the Council and ensure the Council is only liable for an equitable share of any future costs arising in relation to the RAA.
- 6.7 Efficiencies are anticipated in the medium to long term in the area of inter-agency fee spend as well as through reduced children in care placement costs as children are placed for adoption more quickly.
- 6.8 Any surpluses generated by the RAA will be transferred to reserves to provide both a contingency against future pressures and / or opportunity for partner commissioners to

reinvest in the service. The Collaboration Agreement and associated schedules will specify arrangements for this.

[JB/12112018/Z]

7.0 Legal implications

- 7.1 The provision of an adoption service is a statutory requirement and the Council is required to monitor the provision of adoption services. The Adoption and Children Act 2002 provides the structure for this and under section 3 of the Act, each Council must continue to maintain within its area an adoption service designed to meet the needs of children who may be adopted, their parents, natural parents and former guardians. These services are referred to as the 'adoption service', meaning either a local authority or a registered adoption society may be referred to as an adoption agency (section 2(1) of the Adoption and Children Act 2002).
- 7.2 The development of an RAA will not absolve each local authority of its statutory responsibilities but will allow for the delivery of certain functions to be contracted out or delegated which will facilitate the operation of a regional adoption agency. Section 15 of the Education and Adoption Act 2016 enables the development of Regional Adoption Agencies by amending the Adoption and Children Act 2002 to include joint arrangements by one or more local authorities for all or any of their functions to be carried out on their behalf by either a) one of those authorities; or b) one or more other adoption agencies.
- 7.3 Each local authority will continue to be registered as an adoption agency as it will retain the Agency Decision Maker (ADM) responsibility for the child along with its care planning responsibilities. The approval of adopters will sit with the RAA, therefore Sandwell MBC, Dudley MBC and Walsall MBC will through their own governance procedures delegate this function to Wolverhampton City Council under section 3ZA subsection 3(c) Adoption and Children Act 2002 (the approval of prospective adopters). The City of Wolverhampton Council will need to arrange for the discharge of these functions including its own.
- 7.4 Under regulation 5 of the Local Authority Adoption Service (England) Regulations 2003 each LA has to appoint an officer to manage the adoption service. Ultimately it is the LA that is responsible for the adoption service that it is required to maintain under s3 of the Adoption and Children Act 2002 and accountability and responsibility remains with the individual LA, hence inspection will be through the LA lens as part of LA inspections and the responsible officer will continue to need sufficient oversight.
- 7.5 Due diligence in relation to transferring employees will be undertaken, to ensure that all parties are fully aware of the liabilities City of Wolverhampton Council is taking on. Due consideration must be given to the number of employees on long term sick leave or likely to be involved in industrial unrest in one authority, to ensure further provision does not have to be made by other authorities.

- 7.6 Wolverhampton will require an indemnity against any pre-existing employment claims that would otherwise transfer (by operation of law) and liabilities of the transferring LAs/Trust. Mechanisms will be set out in the Collaboration Agreement as required to properly allocate liabilities, along with the arrangements for the sharing of risk between the Councils and the Trust. In particular this will address the residual liability of the Councils to underwrite any liabilities, cost, or losses which are generated by the operation of the RAA by Wolverhampton if the RAA does not have the means to pay these itself from its income or capital or the DfE's set up costs, or via Wolverhampton's insurance cover. The risk sharing arrangements would also apply if the RAA ceases to operate.
- 7.7 Each Council shall bear a financial risk in relation to any such residual costs, losses and liabilities which mirrors the proportion of their annual funding contribution to the RAA under the Funding Protocol (but excluding any costs and liabilities covered by the reciprocal indemnity which is to given by Wolverhampton).
- 7.8 Each of the 4 LAs will retain any liabilities which are associated with or arise out of their respective adoption services except in circumstances where the RAA is directly responsible for an act of negligence or breach of statutory duty limited to its own functions, and not extending to any liabilities of others or their vicarious liability. This includes liabilities and claims that relate to historical adoption cases.

[TC/31102018/N]

8.0 Equalities implications

- 8.1 This proposal has equal opportunity implications as the development of an RAA has direct implications for looked after children with a plan for adoption. Actions included in this report target support for the most vulnerable children and therefore will have a positive impact on equalities. Research and data analysis has been undertaken to identify and agree actions to address potential equality impacts for service users and staff, and the project will continue to explore and address equality impacts. The data analysis includes results by protected characteristics to ensure that the actions outlined in this report are targeted to those areas that require it the most. The Equalities Assessment, undertaken by City of Wolverhampton Council, is available as a separate document.

9.0 Environmental implications

- 9.1 The proposals are intended to provide sustainable long-term solutions and environmental considerations will be factored into service delivery changes. There are no explicit environmental implications arising from this report.

10.0 Human resources implications

- 10.1 The operating model was developed in collaboration with current employees and stakeholders during the design phase. There will be one property acting as a 'hub' which

will provide a base for some core staff and hot desking for others, supplemented by remote and home working and flexible access to office accommodation in the four Councils/Trust to keep staff and service user travel time to a minimum. The aim is to develop a shared culture across the workforce of the new agency, whilst maintaining a local presence and enabling services to be delivered consistently across the region. Different working arrangements for staff will be required to achieve this.

- 10.2 Appropriate employees of the local authorities will transfer to City of Wolverhampton Council, under the Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 (“TUPE”), thereby negating the possibility of any staff redundancies as a direct result of the transfer.
- 10.3 The TUPE timeline will ensure that all partners carry out their responsibilities regarding human resources and legal requirements in a time efficient manner. This will include exchange of information on the impact of the transfer on the affected staff, and any measures being proposed by City of Wolverhampton Council. A formal consultation process with all affected staff, recognised Trade Unions and representatives will be led by the partner employers and supported by the RAA for all staff affected by the transfer.
- 10.4 A due diligence review of the numbers, roles and Terms & Conditions (“T&Cs”) which currently apply to employees has been undertaken and is being continuously updated. Staff will transfer onto Wolverhampton’s terms and conditions subject to formal consultation so employees can make an informed decision about whether or not to accept the changes. Measures will differ according to each LA so consultation meetings will be held separately with respective LA employees and trade union representatives.
- 10.5 Appropriate 'pension protection' will need to be provided for employees who will transfer under TUPE from the local authorities to CWC as host of the RAA. Each LA will honour its own commitments regarding pension liabilities.
- 10.6 Appropriate 'pension protection' will need to be provided for employees who will transfer under TUPE from the local authorities to City of Wolverhampton Council as host of the RAA. Discussions will take place with the WMPF, through which all four LAs are members of the Local Government Pension Scheme (“LGPS”), to ensure the transferring employees continue with their membership or entitlement to join following the transfer.

11.0 Corporate landlord implications

- 11.1 The RAA hub will be at Priory Green, Pendeford, owned by City of Wolverhampton Council, with a contribution to the lease and running costs made through the agreed support services element of the RAA budget
- 11.2 This will have full time desk space for approximately 20 hub based staff, plus some further desking for practitioners to use on a “hot desk” basis. RAA staff will also have flexible access to existing office accommodation within the four LAs to enable locality working, which will be provided by each local authority at no cost to the RAA.

12.0 Health and Wellbeing implications

- 12.1 The proposal has health and wellbeing implications as it seeks to improve the experience and quality of adoption placements for children and young people in the city, including more children being identified for adoption through improved permanence planning. It is expected that this, in conjunction with the 'Quality of Practice and Outcomes' benefits detailed in paragraph 3.2 of this report, including a wider range of support services for adoptive families, promoting stability and reducing disruption, will positively impact on the health and wellbeing outcomes of the children affected both in the short term, and as evidence suggests, throughout the whole of their life.

13.0 Schedule of background papers

- 13.1 Cabinet, 19 July 2017 – ['Creation of a Regional Adoption Agency – Adoption@Heart'](#)

14.0 Appendices

Appendix 1: Services to be delivered by the Regional Adoption Agency.

Services to be delivered by the Regional Adoption Agency

Child Journey	LA	RAA
Case Responsibility and care Planning	X	
ADM best interest decision / SHOBPA	x	
Support to Children's Social Work Teams in assessing children's needs and early identification of children for whom an adoption plan is suitable.		x
Challenge to care plans and Child Placement Reports.		x
Early identification and tracking of children requiring adoption	x	x
Tracking children with a plan for adoption		x
Early Permanence Placements		
Payments via common policy for duration of fostering placement	x	
Responsibility for early permanence placements and supporting foster carers under these arrangements.		x
Recruit, register, approve and supervise the carers		x
Responsibility for identifying at the earliest opportunity where a child has 'harder to place' characteristics	x	
Supporting, challenging and raising LA ambition around the identification at the earliest opportunity where a child has 'harder to place' characteristics		X
Shared use of a common tracking tool	x	x
Identifying where adopters able to meet specific needs may be required, e.g. where a child has 'harder to place' characteristics		x
Identifying suitable adopters at the earliest stage.		x
Preparing profiles of the child, including the early profile of the child.		x
Identifying early matching considerations.		x
Preparation of the child		
Delegated responsibility for preparing the child for an adoptive placement.		x
Responsibility for the preparation of the child's Life story book.		x
Delegated responsibility for undertaking specialist preparation work with 'harder to place' children, including therapeutic support		x
Producing the Later Life Letter.	x	
Family finding		x
Linking and matching		x
Introductions		x
Organising the Matching Panel and ADM arrangements for matches, including sourcing legal and medical advisors		x
Agency decision maker (ADM) decision on matches	x	

Adopter Journey	LA	RAA
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Support for those affected by adoption	LA	RAA
Pre-adoption support and post adoption contact for birth family members, including Letterbox		x
Birth Parent Support to prevent recurring proceedings	x	
Support for adopted adults – access to records and counselling		x
A (limited) non agency adoption service, e.g. for step parents		x
An Inter-country adoption service		x
An Intermediary Service	x	

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CITY OF WOLVERHAMPTON COUNCIL	Cabinet 21 November 2018
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Report title	Prescribed Alterations to Specialist Educational Provision	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Lynne Moran Education and Skills	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Meredith Teasdale, Director of Education	
Originating service	Special Educational Needs Service	
Accountable employee	Adrian Leach	Head of SEND
	Tel	01902 553927
	Email	Adrian.leach@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	6 November 2018

Recommendations for decision:

The Cabinet is recommended to:

1. Formally consider, in accordance with statutory guidance, the outcomes of Pre-publication Consultation and Representation in relation to the proposed prescribed alterations to Penn Hall School, Tettenhall Wood School and Warstones Primary School.
2. Approve the proposed prescribed alterations to Penn Hall School.
3. Approve the proposed prescribed alterations to Tettenhall Wood School.
4. Approve the proposed prescribed alteration to Warstones Primary School.

Recommendations for noting:

The Cabinet is recommended to:

1. Note that the two prescribed alterations to Penn Hall School are classified as related proposals which are interdependent and cannot be considered in isolation of one another.

2. Note that the two prescribed alterations to Tettenhall Wood School are classified as related proposals which are interdependent and cannot be considered in isolation of one another.
3. Note that the capital costs included in this report have been incorporated into the 'Capital programme 2018-2019 to 2022-2023 quarter two review' report which is also on this agenda and will subsequently be reported to Full Council for approval on 5 December 2018, assuming that Cabinet approval to progress with the project is given. As the progression is dependent on that decision, if the project is not approved, the capital programme will be reduced accordingly.

1.0 Purpose

- 1.1 This report details the outcomes of Pre-publication Consultation and Representation on the proposed prescribed alterations to specialist educational provision at Penn Hall School, Tettenhall Wood School and Warstones Primary School.
- 1.2 The paper seeks approval to permanently implement the proposed prescribed alterations.

2.0 Background

- 2.1 Local authorities must ensure that there are sufficient good school places for all pupils, including those with Special Educational Needs and Disabilities (SEND).
- 2.2 The Children and Families Act 2014 requires local authorities to keep provision for children and young people with SEND under review (including its sufficiency).
- 2.3 Central Government has committed £265 million of capital funding (Special Provision Capital Fund) to help local authorities create new school places and improve existing facilities for children and young people with SEND.
- 2.4 Wolverhampton was initially allocated £1.2 million (across the period 2018-2019 to 2020-2021); however, in May 2018 a further top up allocation was announced. Wolverhampton has now been allocated a total of £1.4 million (across the period 2018-2019 to 2020-2021).
- 2.5 On 27 February 2018, Cabinet (Resources) Panel:
 - Endorsed the acceptance of a grant of £1,158,571 over three years from the Department of Education in relation to the Special Provision Capital Fund.
 - Endorsed the development of the planned investment of the Special Provision Capital Fund, in line with the guiding principles set out in the report.
 - Delegated authority to the Cabinet Member for Education, in consultation with the Director of Education, for decisions relating to the future investment of the Special Provision Capital Fund.
- 2.6 On 6 March 2018, the Cabinet Member for Education, in consultation with the Director of Education;
 - Endorsed the investment priorities for the Special Provision Capital Fund.
 - Approved the publication of, and subsequent consultation upon, the proposed use of the Special Provision Capital Fund.
- 2.7 On 17 July 2018, the Cabinet Member for Education and Skills, in consultation with the Director of Education;
 - Considered all outcomes of Pre-publication Consultation regarding the proposed prescribed alterations to Penn Hall School, Tettenhall Wood School and Warstones Primary School.

- Approved progression to a period of Representation regarding the proposed prescribed alterations to Penn Hall School, Tettenhall Wood School and Warstones Primary School.

2.8 On 12 September 2018, Cabinet approved the ‘Vision for School Organisation 2018-2020: City of Wolverhampton Education Place Planning’ which outlines the Council’s strategic policy in relation to the planning and organisation of school provision across the City. The strategy recommends that the development of provision for students with SEND is guided by the following principles:

- “Local solutions are developed to support a reduction in the required number of out of City placements.
- The number of transitions experienced by children with SEND should be minimised wherever possible.
- Solutions should be developed to offer opportunities for students with SEND to attend mainstream provision, unless doing so would be incompatible with the provision of efficient education for other children.” (City of Wolverhampton Council, September 2018).

3.0 Statutory Consultation and Decision Making Process

3.1 Figure 1 below summarises the proposed prescribed alterations to Penn Hall School, Tettenhall Wood School and Warstones Primary School.

Figure 1: Proposed Alterations

School	Ward	Ofsted Judgement	Proposed Change(s)	Existing Registration	Proposed Registration (with effect from 1 September 2019)
Penn Hall School	Penn	Outstanding	<ul style="list-style-type: none"> • Expansion by 24 places. • Change in type of need catered for. 	<ul style="list-style-type: none"> • Age Range: 3 -19 • Capacity: 76 • Type of need catered for: Physical Disability. 	<ul style="list-style-type: none"> • Age Range: 3 -19 • Capacity: 100 • Type of needs catered for: Physical Disability, Severe Learning Difficulty, Profound and Multiple Learning Difficulty, Autistic Spectrum Disorder.
Tettenhall Wood School	Tettenhall Regis	Good	<ul style="list-style-type: none"> • Expansion by 18 places. • Change in Age Range. 	<ul style="list-style-type: none"> • Age Range: 5 -19 • Capacity: 102 • Type of need catered for: Autistic Spectrum Disorder. 	<ul style="list-style-type: none"> • Age Range: 4 -19 • Capacity: 120 • Type of need catered for: Autistic Spectrum Disorder.

Warstones Primary School	Penn	Good	<ul style="list-style-type: none"> Establishment of SEN provision. 	<ul style="list-style-type: none"> Mainstream provision. 	<ul style="list-style-type: none"> Mainstream provision with a resource base for pupils with Hearing Impairments.
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3.2 The change proposals qualify as prescribed alterations which require the undertaking of statutory consultation and decision making processes in accordance with 'The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013' and 'The Education and Inspections Act 2006 – as amended by The Education Act 2011.

3.3 Figure 2 below summarises the consultation and decision making process:

Figure 2: Consultation and Decision Making Process

Date	Process
14 May 2018 to 17 June 2018	Pre-publication Consultation
17 July 2018	The Cabinet Member for Education and Skills, in consultation with the Director of Education; considered all outcomes of Pre-publication Consultation and approved progression to a period of Representation.
10 September 2018 to 7 October 2018	Representation Period.
21 November 2018	Cabinet consider all outcomes of consultation and make a final decision on the proposals.
27 November 2018 to 24 December 2018	Appeals Period.
1 September 2019	Subject to approval, proposals are formally implemented.

3.4 As detailed within the DfE's statutory guidance, the Council is the decision-making body regarding proposals to make prescribed alterations to establish and/or alter SEN provision at maintained schools.

3.5 Decisions must be made within two months of the end of the Representation Period or they must be referred to the Schools Adjudicator.

3.6 There are a number of factors that Cabinet are required to have regard to when making decisions on the proposals. DfE Statutory guidance for decision makers can be found at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/514570/16-04-06_FINAL_SO_Guidance_DM.pdf

3.7 Decision makers must consider all views submitted during consultation.

3.8 When issuing a decision, the Cabinet can:

- Reject the proposal
- Approve the proposal without modification
- Approve the proposal with modification
- Approve the proposal - with or without modification - subject to certain conditions being met.

3.9 The following bodies may appeal the decision:

- The local Church of England diocese
- The local Roman Catholic diocese.

Should an appeal be lodged, the Council must then send the proposal, representations received and the reasons for their decisions to the Schools Adjudicator.

4.0 Penn Hall School

4.1 Proposal:

4.2 Penn Hall School is currently designated as a community special school with a capacity of 76 which caters for students with physical difficulties aged 3-19.

4.3 It is proposed that with effect from 1 September 2019:

- The capacity of Penn Hall School is increased from 76 places to 100 places.
- The type of needs that Penn Hall School is registered to cater for are extended from Physical Disability to Physical Disability, Severe Learning Difficulty, Profound and Multiple Learning Difficulty and Autistic Spectrum Disorder.

4.4 By providing for a larger, more diverse school population Penn Hall School would better support the changing needs of the City's population, enable a wider range of pupils to benefit from the education and support provided by Penn Hall School, and reduce the potential need for expensive out of City placements.

4.5 Further information regarding the proposed changes to Penn Hall School is available within the Complete Proposal and accompanying SEN Improvement Test (Appendix 1).

4.6 Outcome of Pre-publication Consultation:

4.7 Pre-publication Consultation ran from 14 May 2018 to 17 June 2018. During the Pre-publication Consultation period, more than 400 letters and consultation documents were distributed to stakeholders. Stakeholders included the Governing Board of Penn Hall School, members of staff at Penn Hall School, parents/carers of pupils attending Penn Hall School and all schools in Wolverhampton. A complete list of stakeholders who were consulted can be found at Appendix 2.

4.8 During the Pre-publication Consultation period, 47 written responses were received by the City of Wolverhampton Council (as summarised in Figure 3). These were completed by a range of stakeholders including members of staff at Penn Hall School,

parents/carers of pupils attending Penn Hall School and members of Penn Hall School’s Governing Board.

Figure 3: Written Responses Consultation Summary

Consultation Question	Number of Responses Received	Yes	No	Don't Know	Abstained
a. Do you agree with the proposal to extend the type of needs that Penn Hall is registered to cater for?	47	37 (79%)	7 (15%)	1 (2%)	2 (4%)
b. Do you agree with the proposal to increase the capacity of Penn Hall School?	47	34 (72%)	8 (17%)	3 (6%)	2 (4%)

Copies of all consultation responses can be found at Appendix 3 and must be given due consideration.

4.9 A number of supportive comments regarding the proposals were received during Pre-publication Consultation including:

- “We need to move with the growing population needs. To make the proposed changes needs to be done to cater for children, giving them the best care and attention we can” (P24 - Member of Staff at Penn Hall School)
- “Looking forward to the new challenges within the school” (P27 – Member of Staff at Penn Hall School)
- “I see that the school needs to reflect the needs of children citywide. Our school can provide its existing expertise to provide care across a wider designation of pupil needs.” (P37 – Member of staff at Penn Hall School)
- “There are strong foundations to support change in this outstanding school. With a strong working relationship between the school and the local authority, backed by appropriate funding these proposed changes will allow Penn Hall to provide an excellent learning environment for children and young people.” (P39 – Member of staff at Penn Hall School)
- “Penn Hall is a wonderful school and I think it is wonderful if it can provide for more children, every child deserves the best care and education.” (P47 – Parent/Carer of a pupil at Penn Hall School).

4.10 A number of concerns and considerations regarding the proposals were also identified during Pre-publication Consultation including:

- “I have concerns that the extra security needed to cater for the additional AS pupils will effect our wheelchair users. Their independence may be reduced as doors will

need extra handles/locks and may restrict the movement around the school and grounds.” (P28 - Member of staff at Penn Hall School)

- “Think that extending the types of needs catered for will fundamentally change the calm atmosphere and culture of the school and potentially increase risk levels for children who are already vulnerable due to their physical needs.” (P29 - Parent/Carer of a pupil at Penn Hall School)
- “It is wrong to create more capacity for children with learning difficulty, because of need, but not have the high standard of teaching already in place. Penn Hall School may acquire the skills in due time for this new student group but, till then, such students should not go to this school.” (P33 - Governor Broadmeadow Special School)
- “Expansion is exciting but needs appropriate funding/building to meet the needs of the growing population.” (P34 – Member of staff at Penn Hall School)
- “Why fix something that is not broken. It is a special school in its particular field which is children with physical disabilities, hence its reputation and track record is based on this field so adding children with multiple learning difficulties will not be beneficial to the school and existing pupils, or teachers. Instead maybe a additional centre or school be opened to cater for there needs.” (P35 - Parent/Carer of a pupil at Penn Hall School).

- 4.11 Representatives from the Education Department met with members of Penn Hall School’s Governing Board on 14 May 2018. A summary of this meeting is available at Appendix 4.
- 4.12 Representatives from the Education Department met with members of Penn Hall School’s School Council on 20 June 2018. A summary of this meeting is available at Appendix 5. Please note that whilst this meeting took place outside of the designated consultation period it is felt prudent for the students’ opinions to be considered.
- 4.13 Outcome of Representation:
- 4.14 The Representation Period commenced on 10 September 2018 and concluded on 7 October 2018. At the start of the consultation period, a Statutory Notice (Appendix 6) was published in the Express and Star Newspaper and consultation documentation was published on the Council’s website and distributed to relevant stakeholders. Appendix 7 provides a complete list of stakeholders who were consulted during Representation.
- 4.15 The City of Wolverhampton Council received two responses during Representation:
- “My son has many disability and phobia he getting better care and support from penn hall school every children who has multiple disabilities and need any support penn hall could make their future and they can make better life and future”
 - “I do not object to the expansion; I have a reservation regarding increased employee numbers and possible associated parking problems. At present employees use the school's car parking areas. At times those are full and vehicles are parked in The Avenue and in two areas adjacent to the school - near the closed iron gates and wooden doors on Vicarage Road. Problems occur when all these areas are full. There

is a car parking area near St Bartholomew's church, some 75 metres away, but this is not generally used. Consequently vehicles are parked on Vicarage Road, where there is no footpath for 50 metres, and on the footpath/highway opposite the school. The latter is very common causing parents/carers, often with pushchairs, and children to walk in the road. This in itself is a significant safety issue. Vicarage Road is a busy road especially at peak times when buses arrive and depart from Penn Hall School. So a combination of possible increased parked vehicles, buses and pedestrians causes me and other residents concerns. Are there proposals to create additional parking space for employees and visitors?"

4.16 Responses to Consultation:

4.17 In response to the outcomes of consultation, representatives from Education would like to make the following comments:

- 2018-2019 Academic Year: A temporary change, supported by capital investment via the Department for Education's Special Provision Capital Fund, has been made to the capacity and range of needs catered for at Penn Hall School for the 2018-2019 academic year. These prescribed alterations are proposed to support the making permanent of the temporary arrangements that are currently in operation.
- Road Safety: Education representatives have liaised with Road Safety representatives and reviewed opportunities and solutions to address parking constraints and consequential impacts. However, it is not felt that a cost-effective solution is currently available at this location.

4.18 Having duly considered all responses received, Cabinet is recommended to approve the proposed prescribed alterations to Penn Hall School.

5.0 Tettenhall Wood School

5.1 Proposal:

5.2 Tettenhall Wood School is currently designated as a community special school with a capacity of 102 which caters for students with Autistic Spectrum Disorder aged 5-19.

5.3 It is proposed that with effect from 1 September 2019:

- The capacity of Tettenhall Wood School is increased from 102 places to 120 places.
- The age range of Tettenhall Wood School is changed from 5-19 to 4-19.

5.4 In recent years, levels of demand for Tettenhall Wood School have increased significantly; consequently, numbers on roll at the school have increased from 57 in 2011-2012 to 110 in 2017-2018 (a 93% increase). The creation of additional capacity within this popular and successful school would provide extra places to meet an increased rate of autism in the City.

5.5 The proposed change in age range (to 4-19) at the school would enable Tettenhall Wood School to cater for Reception age pupils. This change would support pupils and families

by promoting stability of provision and reduce the number of major transitions that pupils face.

- 5.6 Further information regarding the proposed changes to Tettenhall Wood School is available within the Complete Proposal and accompanying SEN Improvement Test (Appendix 8).
- 5.7 Outcome of Pre-publication Consultation:
- 5.8 Pre-publication Consultation ran from 14 May 2018 to 17 June 2018. During the Pre-publication Consultation period, more than 400 letters and consultation documents were distributed to stakeholders. Stakeholders included the Governing Board of Tettenhall Wood School, members of staff at Tettenhall Wood School, parents/carers of pupils attending Tettenhall Wood School and all schools in Wolverhampton. A complete list of stakeholders who were consulted can be found at Appendix 9.
- 5.9 During the Pre-publication Consultation period, 48 written responses were received by the City of Wolverhampton Council (as summarised in Figure 4). These were completed by a range of stakeholders including members of staff at Tettenhall Wood School, parents/carers of pupils attending Tettenhall Wood School and members of Tettenhall Wood School’s Governing Board.

Figure 4: Written Responses Consultation Summary

Consultation Question	Number of Responses Received	Yes	No	Don't Know	Abstained
a. Do you agree with the proposal to increase the capacity of Tettenhall Wood School?	48	34 (71%)	6 (13%)	7 (15%)	1 (2%)
b. Do you agree with the proposal to extend the age range of Tettenhall Wood School?	48	39 (81%)	4 (8%)	3 (6%)	2 (4%)

Copies of all consultation responses can be found at Appendix 10 and must be given due consideration.

- 5.10 A number of supportive comments regarding the proposals were received during Pre-publication Consultation including:
- “The Headteacher has discussed this with staff and explained how the curriculum will work and I think this will be a positive use of the proposed capital funding budget.” (T10 – Member of the Governing Board of Tettenhall Wood School)

- “An excellent idea to increase the pupil capacity at Tettenhall Wood. Much needed.” (T11 – Parent/Carer of a pupil at Tettenhall Wood School)
- “Would be a good thing for children to start at Reception age like primary schools.” (T29 – Member of staff at Tettenhall Wood School)
- “I believe it would be beneficial for children with autism to start their school life here, instead of having to transition from another school.” (T35 – Member of staff at Tettenhall Wood School)
- “Necessary to meet the need in the area. Younger children need consistent placement from the start of their education rather than having to move after a year or so.” (T43 – Member of staff at Tettenhall Wood School).

5.11 A number of concerns and considerations regarding the proposals were also identified during Pre-publication Consultation including:

- “A more cost effective solution would be to open a free school.” (T13 - Local Headteacher)
- “More spaces are needed for teaching, therapies and individual rooms. We currently do not have enough staff to meet the needs of some of the challenging pupils.” (T31 - Member of staff at Tettenhall Wood School)
- “It really concerns me that by being in one school for their whole education will effectively institutionalise children and make transition to adult services even more difficult than it needs to be.” (T38 - SEND Professional)
- “Increasing numbers would have to come with additional staffing and at a time when school budgets are stretched to breaking point, activities, outings etc get cancelled it would be hoped that sufficient funding can be put in place to support the senior leadership team in this expansion.” (T45 – Parent/Carer of a pupil at Tettenhall Wood School and Member of the Governing Board of Tettenhall Wood School).

5.12 Representatives from the Education Department met with members of Tettenhall Wood School’s Governing Board on 21 May 2018. A summary of this meeting is available at Appendix 11.

5.13 Representatives from the Education Department met with members of Tettenhall Wood School’s School Council on 21 May 2018. A summary of this meeting is available at Appendix 12.

5.14 Outcome of Representation:

5.15 The Representation Period commenced on 10 September 2018 and concluded on 7 October 2018. At the start of the consultation period, a Statutory Notice (Appendix 6) was published in the Express and Star Newspaper and consultation documentation was published on the Council’s website and distributed to relevant stakeholders. Appendix 13 provides a complete list of stakeholders who were consulted during Representation.

5.16 The City of Wolverhampton Council did not receive any responses regarding the proposed changes to Tettenhall Wood School during the Representation Period.

5.17 Responses to Consultation:

- 5.18 In response to the outcomes of consultation, representatives from Education would like to make the following comments:

2018-2019 Academic Year: A temporary change, supported by capital investment via the Department for Education's Special Provision Capital Fund, has been made to the capacity at Tettenhall Wood School for the 2018-2019 academic year. These prescribed alterations include a proposal to support the making permanent of the temporary arrangement that is currently in operation.

- 5.19 Having duly considered all responses received, Cabinet is recommended to approve the proposed prescribed alterations to Tettenhall Wood School.

6.0 Warstones Primary School

6.1 Proposal:

- 6.2 Warstones Primary School is a mainstream community primary school which does not currently house specialist provision for pupils with Special Educational Needs and Disabilities.

- 6.3 It is proposed that with effect from 1 September 2019, a 12-place resource base for pupils with Hearing Impairments is established at Warstones Primary School.

- 6.4 The establishment of resource base provision at Warstones Primary School would ensure the sufficiency of provision in the City, enable a wider range of pupils to benefit from the education and support provided by Warstones Primary School and address the existing demand issue with pupils leaving the City.

- 6.5 Further information regarding the proposed change to Warstones Primary School is available within the Complete Proposal and accompanying SEN Improvement Test (Appendix 14).

6.6 Outcome of Pre-publication Consultation:

- 6.7 Pre-publication Consultation ran from 14 May 2018 to 17 June 2018. During the Pre-publication Consultation period, more than 700 letters and consultation documents were distributed to stakeholders. Stakeholders included the Governing Board of Warstones Primary School, members of staff at Warstones Primary School, parents/carers of pupils attending Warstones Primary School and all schools in Wolverhampton. A complete list of stakeholders who were consulted can be found at Appendix 15.

- 6.8 During the Pre-publication Consultation period, 36 written responses were received by the City of Wolverhampton Council (as summarised in Figure 5). These were completed by a range of stakeholders including members of staff at Warstones Primary School, parents/carers of pupils attending Warstones Primary School and members of Warstones Primary School's Governing Board.

Figure 5: Written Responses Consultation Summary

Consultation Question	Number of Responses Received	Yes	No	Don't Know	Abstained
Do you agree with the proposal to establish a resource base for pupils with Hearing Impairments at Warstones Primary School, with effect from 1 September 2019?	36	32 (89%)	2 (6%)	1 (3%)	1 (3%)

Copies of all consultation responses can be found at Appendix 16 and must be given due consideration.

- 6.9 A number of supportive comments regarding the proposals were received during Pre-publication Consultation including:
- “It is a great idea, I’m surprised there isn’t more done for pupils with hearing impairments.” (W17 – Parent of a pupil at Warstones Primary School)
 - “Will definitely enhance the experience of all the children” (W20 – Member of staff at Warstones primary School)
 - “I hope that the inclusion of hearing impaired children in the school will enrich the experience of my children currently attending the school, and hope that they will learn deaf awareness as well as some basic signing skills.” (W23 - Parent/Carer of a pupil at Warstones Primary School)
 - “A good fit, making use of both spare space and capable management to offer an important service to the community.” (W28 - Parent/Carer of a pupil at Warstones Primary School)
 - “This facility would fulfil a need in the city and improve overall facilities at Warstones Primary School.” (W29 - Parent/Carer of a pupil at Warstones Primary School).
- 6.10 A number of concerns and considerations regarding the proposals were also identified during Pre-publication Consultation including:
- “My concern for the School is additional parking facilities for the extra members of staff required for the Resource base.” (W9 – Parent/Carer of a pupil at Warstones Primary School)
 - “It is essential that some infrastructure changes take place first, in order to accommodate the extra children. This would need to be in the form of extra cloakrooms, toilets and staff/visitor parking as they are currently inadequate.” (W12 – Member of staff at Warstones Primary School)
 - “The school needs to make improvements in other areas first, then consider hearing impairment unit.” (W18 - Parent/Carer of a pupil at Warstones Primary School).

- 6.11 Representatives from the Education Department met with members of Warstones Primary School's Governing Board on 16 May 2018. A summary of this meeting is available at Appendix 17.
- 6.12 Representatives from the Education Department met with members of Warstones Primary School's School Council on 6 June 2018. A summary of this meeting is available at Appendix 18.
- 6.13 Outcome of Representation:
- 6.14 The Representation Period commenced on 10 September 2018 and concluded on 7 October 2018. At the start of the consultation period, a Statutory Notice (Appendix 6) was published in the Express and Star Newspaper and consultation documentation was published on the Council's website and distributed to relevant stakeholders. Appendix 19 provides a complete list of stakeholders who were consulted during Representation.
- 6.15 The City of Wolverhampton Council did not receive any responses regarding the proposed change to Warstones Primary School during the Representation Period.
- 6.16 Responses to Consultation:
- 6.17 In response to the outcomes of consultation, representatives from Education would like to make the following comments:
- Capital Investment: Representatives of the Corporate Landlord Service are working closely with school leaders to develop an appropriate capital scheme which would effectively enable the prescribed alteration and meet pupils' needs.
- 6.18 Having duly considered all responses received, Cabinet is recommended to approve the proposed prescribed alteration to Warstones Primary School.

7.0 Evaluation of alternative options

- 7.1 Whilst alternative solutions exist, the proposed changes offer practical opportunities to maximise the efficient and timely use of resources and align to the Council's strategic aspirations to:
- "Ensure Wolverhampton's school estate is fit for purpose and meets the full range of more complex needs of children and young people with special educational needs and disabilities now being placed."
 - "Develop local provision in order to reduce the number of children needing residential and out of area education, health and care services." (City of Wolverhampton Council 2016).

8.0 Reasons for decisions

- 8.1 The proposals would support the Council to develop high quality educational provision for pupils with Special Educational Needs and Disabilities and ensure that community needs can be met effectively.

9.0 Financial implications

9.1 The capital investment required to support the implementation of the projects will be met from the Special Provision Capital Fund of £1.4 million with contributions from other capital grant or from schools. The costs associated with the projects detailed within this report is £539,000:

Project	Total Project Cost £000
Tettenhall Wood Special School	239
Penn Hall Special School	125
Warstones Primary School	175
Total	539

9.2 Approval is sought in the Capital Programme 2018-2019 to 2022-2023 quarter two review report which is also on this agenda and will subsequently be reported to Full Council for approval on the 5 December 2018.

9.3 The revenue funding for additional High Needs places is met from the High Needs Block of the Dedicated Schools Grant (£33.9 million in 2018-2019). In recent years, there have been overspends within this area of funding, leading to a continued need to borrow from future years. The proposed changes will contribute to reducing the need to borrow forward from this grant, by ensuring that pupils can access provision locally rather than being directed to alternative out of city or Independent provision (which are often more expensive).

9.3 In addition, there are revenue costs in relation to the transportation of children with Special Educational Needs and Disabilities, that is met from the Council's general fund (2018-2019 budget £3.2 million). There is a significant pressure on this cost due to the need to transport pupils to out of city placements. By placing children within City, it is expected that these costs will reduce. The actual cost of transportation for each individual pupil will vary, but an average cost is estimated to be £7,000 per annum for an out of city pupil, compared to £3,000 per annum for a pupil within City.

[DB/12112018/M]

10.0 Legal implications

10.1 Local authorities have a statutory duty to ensure that there is a school place available for every child. The Children and Families Act 2014 requires local authorities to keep the provision for children and young people with SEN and disabilities under review (including its sufficiency), working with parents, young people, and providers.

- 10.2 The legal implications arising from this report are stated in the body of the report. In addition, any proposals to alter the structure of school provision in the area would need to comply with the detailed provisions in the Education and Inspections Act 2006 to ensure sufficient consultation is undertaken and that relevant stakeholders are notified of the proposals/decisions in a timely manner.
- 10.3 Any works undertaken to any of the schools referred to in this report will need to be procured in accordance with the Constitution and relevant legislation.

[TS/16082018/Q]

11.0 Equalities implications

- 11.1 This report has equal opportunity implications as the contents have direct relevance to educational provision for children and young people in the City.
- 11.2 Full equality analyses have been completed in relation to each of the establishments. These analyses are available at Appendix 20 (Penn Hall School), Appendix 21 (Tettenhall Wood School) and Appendix 22 (Warstones Primary School). In line with the prescribed decision-making process, decision-makers are required to pay due regard to these analyses.

12.0 Environmental implications

- 12.1 There are no environmental implications to this report.

13.0 Human resources implications

- 13.1 There are no direct human resource implications to this report.

14.0 Corporate landlord implications

- 14.1 Projects and Works will continue to collaborate closely with both the schools and the education department to ensure that all required works are delivered to budget, programme and brief.
- 14.2 We will continue to hold regular meetings and issue monthly reports on the status of each project to ensure that the school is kept fully up to date and consistently informed throughout the process.

15.0 Health and Wellbeing Implications

- 15.1 Members of the SEND and Commissioning Partnership Board have been included in consultation regarding the proposed prescribed alterations.
- 15.2 The City of Wolverhampton Council and Wolverhampton CCG are working closely to ensure that the needs of pupils in pertinent schools can continue to be met effectively.

16.0 Schedule of background papers

- Cabinet, 12 September 2018 - '[The Vision for School Organisation 2018-2020: City of Wolverhampton Education Place Planning](#)'
- Individual Executive Decision Notice, 17 July 2018 – 'Proposed Changes to Specialist Educational Provision'
- Individual Executive Decision Notice, 6 March 2018 – 'Special Provision Capital Fund'
- Cabinet (Resources) Panel, 27 February 2018 - '[Special Provision Capital Fund](#)'
- Department for Education, April 2016 – 'Making 'prescribed alterations' to local authority maintained schools'
- Cabinet, 24 February 2016 - '[Joint Special Educational Needs and Disabilities Strategy](#)'

17.0 Appendices

[Appendix 1 - Penn Hall School – Complete Proposal and SEN Improvement Test](#)

[Appendix 2 - Penn Hall School – Pre-publication Consultation Stakeholder List](#)

[Appendix 3 - Penn Hall School – Pre-publication Consultation Responses \(a\)](#)

[Appendix 3 - Penn Hall School – Pre-publication Consultation Responses \(b\)](#)

[Appendix 3 - Penn Hall School – Pre-publication Consultation Responses \(c\)](#)

[Appendix 4 - Penn Hall School – Governors Meeting Summary](#)

[Appendix 5 - Penn Hall School – School Council Meeting Summary](#)

[Appendix 6 - Statutory Notice](#)

[Appendix 7 - Penn Hall School – Representation Period Stakeholder List](#)

[Appendix 8 - Tettenhall Wood School – Complete Proposal and SEN Improvement Test](#)

[Appendix 9 - Tettenhall Wood School – Pre-publication Consultation Stakeholder List](#)

[Appendix 10 - Tettenhall Wood School – Pre-publication Consultation Responses \(a\)](#)

[Appendix 10 - Tettenhall Wood School – Pre-publication Consultation Responses \(b\)](#)

[Appendix 10 - Tettenhall Wood School – Pre-publication Consultation Responses \(c\)](#)

[Appendix 11 - Tettenhall Wood School - Governors Meeting Summary](#)

[Appendix 12 - Tettenhall Wood School – School Council Meeting Summary](#)

[Appendix 13 - Tettenhall Wood School - Representation Period Stakeholder List](#)

[Appendix 14 - Warstones Primary School - Complete Proposal and SEN Improvement Test](#)

[Appendix 15 - Warstones Primary School - Pre-publication Consultation Stakeholder List](#)

[Appendix 16 - Warstones Primary School - Pre-publication Consultation Responses \(a\)](#)

[Appendix 16 - Warstones Primary School - Pre-publication Consultation Responses \(b\)](#)

[Appendix 17 - Warstones Primary School – Governors Meeting Summary](#)

[Appendix 18 - Warstones Primary School - School Council Meeting Summary](#)

[Appendix 19 - Warstones Primary School - Representation Period Stakeholder List](#)

[Appendix 20 - Penn Hall School – Full Equality Analysis](#)

[Appendix 21 - Tettenhall Wood School – Full Equality Analysis](#)

[Appendix 22 - Warstones Primary School – Full Equality Analysis](#)

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