

Cabinet (Resources) Panel

Minutes - 28 February 2017

Attendance

Members of the Cabinet (Resources) Panel

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

Employees

Kenny Aitchison	Service Manager Housing Strategy/Development
Alison Fowler	Disposals Programme Manager
Dereck Francis	Democratic Support Officer
Keith Ireland	Managing Director
Gwyn James	Head of Strategic Transportation
Keren Jones	Service Director - City Economy
Kevin O'Keefe	Director of Governance
Linda Sanders	Strategic Director - People
Mark Taylor	Director of Finance

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence**
No apologies for absence were received.
- 2 Declarations of interests**
No declarations of interests were made.
- 3 Minutes of the previous meeting - 7 February 2017**
Resolved:
That the minutes of the meeting held on 7 February 2017 be approved as a correct record and signed by the Chair.

4 **Matters arising**

There were no matters arising from the minutes of the previous meeting.

5 **Revenue Budget Monitoring 2016/17**

Cllr Andrew Johnson presented the report which provided 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 2016/17.

Resolved:

1. That the use of £50,000 from the Public Health Early Intervention Team Reserve, specifically set aside from public health grant funding, to fund initial set up and salary costs for Beat the Street Wolverhampton be approved.
2. That the use of £563,000 from the Regeneration Reserve to fund various development works and schemes be approved.
3. That the use of £106,000 from the Local Strategic Partnership Reserve to support the work of the Skills Commission be approved.
4. That the write off of sixteen rechargeable repair accounts totalling £111,675 as detailed in Appendix I to the report be approved.
5. That the write off of four sundry debts totalling £27,832.77 as detailed in Appendix F to the report be approved.
6. That four virements totalling £2.1 million, for transfers within directorates, as detailed in Appendix G to the report be approved.
7. That expenditure budgets within the 2016/17 approved budget as detailed in section 4.2 of the report be set up for grant funded expenditure.
8. That it be noted that the projected outturn for the General Fund for 2016/17 is on target to achieve a net underspend against the budget.
9. That it be noted that projected redundancy costs, including the cost of pension strain, totalling £7.0 million are included in the forecast outturn. The projected costs are subject to change dependent upon the actual redundancies approved by year end. It is anticipated that forecast underspends against the Central Provision for Auto-enrolment and Pay Award costs, in addition to Capital Receipts flexibility announced by the Secretary of State, would offset the cost of redundancies.
10. That it be noted that the Director of Finance had approved the write off 1,073 former HRA tenant rent accounts for 2016/17 that are considered unrecoverable amounting to £760,000 at an average of £708 per account in accordance with the Council's Financial Procedure Rules. Debts from former tenants are written off when there is little prospect of the debt being collected. Wolverhampton Homes Board Resources Committee recommended the formal write off of debts totalling £374,000 on the 14 October 2016 and £386,000 on 20 January 2017.

11. That it be noted that the Director of Finance had approved the write off 1,891 former HRA tenant rechargeable repair accounts totalling £1.3 million covering the period 2010 to 2016 at an average of £695 in accordance with the Council's Financial Procedure Rules. No write off for rechargeable repairs had been undertaken since the recharge policy was relaunched in 2010.
12. That it be noted that 375 council tax accounts totalling £104,548.80 have been approved for write off by Director of Finance in accordance with the Council's Financial Procedure Rules.
13. That it be noted that 25 non-domestic rates accounts totalling £83,524.71 have been approved by for write off by Director of Finance in accordance with the Council's Financial Procedure Rules.
14. That it be noted that 52 sundry debt accounts totalling £77,962.45 have been approved by for write off by Director of Finance in accordance with the Council's Financial Procedure Rules.
15. That it be noted that 24 housing benefit overpayments totalling £7,714.34 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
16. That it be noted that a £18.3 million surplus on the Housing Revenue Account (HRA) is projected compared with a budgeted surplus of £15.3 million as shown at Table 8 and in detail at Appendix H to the report. The projected increased surplus of £3.0 million would be used to redeem debt in line with the HRA Business Plan.

6 **Quarter Three Treasury Management Activity Monitoring**

Cllr Andrew Johnson presented the monitoring and progress report on treasury management activity for the third quarter of 2016/17, in line with the Prudential Indicators approved by Council in March 2016.

Resolved:

1. That the contents of the report and in particular that the Council is continuing to operate within the Prudential and Treasury Management Indicators approved by Council, and also within the requirements set out in the Council's approved Treasury Management Policy Statement for 2016/17 be noted.
2. That it be noted that savings of £1.2 million for the General Fund and £2.4 million for the Housing Revenue Account are forecast from treasury management activities in 2016/17.

7 **Arterial Routes - Achieving a Consistent Approach to their Maintenance and Development**

Cllr Steve Evans sought approval to implement a programme of highway enhancement works regarding development and maintenance on the Key Route Network (KRN) and other associated routes of high traffic volume to improve the streetscape and status of the city.

Resolved:

1. That the arterial routes highway enhancement work programme to a value of £2.0 million over a two year period from 2017/18 to 2018/19 to enhance the status of the city and improve the streetscape be approved.
2. That the Cabinet Member for City Environment, in consultation with the Service Director City Environment, be authorised to approve through an Individual Executive Decision Notice (IEDN) the detailed programme of works for each route.

8 **Police and Crime Commissioner (PCC) Community Safety Allocation**

Cllr Paul Sweet presented the report which requested approval to delegate the Police Grant Community Fund allocation 2017/18 from the Police and Crime Commissioner (PCC) to Safer Wolverhampton Partnership (SWP) in line with grant conditions, to aid delivery of agreed City-wide crime and community safety objectives. Allocation of the grant for 2017/18 was subject to PCC approval of a fully costed programme of delivery, the details of which were set out in the report.

Resolved:

That the delegation of the Police Grant Community Fund 2017/18 allocation from the Police and Crime Commissioner (PCC) to Safer Wolverhampton Partnership (SWP) for the purposes of delivering against the city's Community Safety and Harm Reduction Strategy 2017-20 be approved.

9 **Development of Bantock House Complex**

Cllr John Reynolds request approval for capital investments at Bantock House Complex. The investment would generate additional income and footfall for the site.

Resolved:

1. That scheme details for the proposed development of Bantock House Complex and Gardens be approved on the basis the associated borrowing would be funded from additional income generated by the café.
2. That it be noted that a capital allocation of £350,000 had been sought as part of the Capital Programme report to Cabinet on 22 February 2017 and Council on 1 March 2017, subject to approval of this report.

10 **Exclusion of press and public**

Resolved:

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

Part 2 - exempt items, closed to press and public

11 **Re-Entry - Transitional Payment Plan**

Cllr Andrew Johnson presented the report on a proposal to approve a transitional payment plan with Re-Entry totalling £336,000 for the period of May 2017 to

September 2018. This was following a change in invoicing arrangements in relation to salary payments made on their behalf by the Council.

Resolved:

That a transitional payment plan with Re-Entry totalling £336,000 for the period of May 2017 to September 2018 be approved.

12

Procurement - Award of Contracts for Works, Goods and Services

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

Resolved:

1. That authority be delegated to the Cabinet Member for City Environment, in consultation with the Strategic Director for Place, to approve the award of a contract for five new compact road sweepers when the evaluation process is complete.
2. That authority be delegated to the Cabinet Member for City Environment, in consultation with the Strategic Director for Place, to approve the award of contracts for the Supply, Installation and Maintenance of Traffic Signals and Associated Equipment when the evaluation process is complete and to extend the current contracts for a period up to three months if required during mobilisation of the new contracts.
3. That authority be delegated to the Cabinet Member for City Environment, in consultation with the Strategic Director for Place to approve the award of a contract for the A449 Stafford Road Resurfacing Works to Tarmac Trading Limited of Portland House, Bickenhill Lane, Solihull, B37 7BQ when the negotiation process is complete.
4. That authority be delegated to the Cabinet Member for City Economy, in consultation with the Strategic Director for Place, to approve the award of a contract for the provision of a Library Management System when the evaluation process is complete.
5. That authority be delegated to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve the award of a contract for Translation and Transcription Managed Services when the evaluation process is complete.
6. That exemption from compliance with Contract Procedure Rules due to national, single supply routes be approved for the following non-contracted spend:
 - i. Genito Urinary Medicine (GUM) and Contraceptive and Sexual Health (CaSH) services - Out of Area Charges
 - ii. Device and Drug Charges – Wolverhampton CCG
 - iii. Water Fluoridation – Public Health EnglandThis exemption is as a result of national legislation and would remain valid until a change in legislation occurs.

7. That the Director of Governance be authorised to execute contracts in respect of the above as required.

13

Wolverhampton Interchange Programme - Supplemental Agreement

Cllr John Reynolds requested approval to enter into Supplemental Agreement with the delivery partner for the Wolverhampton Interchange programme. The Programme was strategically important to the Strategic Economic Plan for the City and the wider Black Country. It would deliver a multi-modal transport hub comprising a new train station, multi-storey car park (MSCP) extension and an extended tram connecting to the railway station through a new stop at the bus station. It would also deliver 30,000 sq.m of office, retail and leisure floor space, £80 million of private sector funding and 2,000 jobs.

Resolved:

1. That the Council enter into a Supplemental Agreement with the delivery partners as detailed within the report and authority be delegated to the Cabinet Member for Governance in consultation with the Director of Governance for the execution of the Supplemental Agreement.
2. That authority be delegated to the Cabinet Members for City Economy and Resources in consultation with the Strategic Director Place and Director of Finance to authorise the Council paying the overage sum once determined to the Crown Commission Estate upon receipt of a claim from Neptune.
3. That the Council enter into collateral warranties in relation to the extension and refurbishment of the multi-storey car park and railway station.
4. That the Council enter into a Participation Deed with the Material Change consultees, and authority be delegated to the Director of Governance for the execution of the Participation Deed.

14

Site Disposal to WV Living for the Delivery of Starter Homes

Cllr Peter Bilson presented a report seeking approval to declare the Housing Revenue Account site at the rear of Reedham Gardens surplus to requirements and to dispose of the asset to WV Living for the purpose of developing new homes, including Starter Homes. The report also outlined progress made with the Starter Homes scheme for which the Council received an award of grant funding from the Homes and Communities Agency (HCA).

Resolved:

1. That the Housing Revenue Account (HRA) site at the rear of Reedham Gardens (site plan at Appendix 1 to the report) be declared surplus to requirements.
2. That the transfer of the freehold of the site to WV Living for the development of housing to include Starter Homes be approved, subject to a valuation of the site by the District Valuer and a further financial assessment to be reported to WV Living Board.

3. That authority be delegated to the Cabinet Member for Housing and City Assets in conjunction with the Director of Governance to agree the Heads of Terms for the disposal of the site.
4. That it be noted that Corporate Landlord Board agreed that the site at the rear of Reedham Gardens was surplus to requirements at its meeting of 21 September 2016, with a recommendation to dispose of this asset to WV Living, subject to valuation by the District Valuer and approval by Cabinet of the WV Living business case.
5. That it be noted that the site at the rear of Reedham Gardens is a Housing Revenue Account site and is classified as open space. It was included in a Council review of open space in February 2014, refreshed in January 2016. The site was categorised as low quality amenity space with potential for disposal. The Planning Authority had considered a change of use to residential, acceptable in planning policy terms subject to improvements to other local space. A contribution of around £55K would be required for this purpose.
6. That it be noted that WV Living considered the options for the delivery of Starter Homes for all four sites, and only one was considered acceptable at a Board meeting on 23 January 2017. Approval was given in principle for the acquisition of the site at the rear of Reedham Gardens for the development of Housing for Starter Homes, affordable and market sale, subject to certain considerations.
7. That the progress made to date with the Starter Homes project, the associated grant funding, and the timescales for delivery of this project arising from the grant conditions be noted.
8. That it be noted that if Cabinet (Resources) Panel approve the delivery of the Starter Homes scheme on just the one site at Reedham Gardens, the remaining three sites (see table 2.4 of the report) would be retained in the HRA and would be considered for small site development for Council housing.
9. That the name of the Accountable director referred to on the cover of the report be amended by the substitution of 'Lesley Roberts, City Housing' with Kevin O'Keefe, Governance'.

15

Update on the Procurement of Residential Development of the Former Tower and Fort Works Site, Pelham Street/Ashland Street

Cllr Peter Bilson outline the salient points of the report which consolidated and updated the recommendations of a number of Cabinet (Resources) Panel reports which had been produced and authorised over a number of years to provide clarity on the authority provided. The report also provided an update following the completion of the land sale process and sought approval of the full funding for the scheme.

Resolved:

1. That the sale of land at the former Tower and Fort Works, Pelham Street/Ashland Street site to Bouygues Development Thomas Vale Limited be approved and the Council enter into a Development Agreement along with associated agreements including deeds of covenant, collateral warranties and transfer relating to disposal of the Council's land and the provision of written consent to any assignments and such other ancillary agreements as may be deemed necessary to execute the sale be approved.
2. That the payment under the Development Agreement to Bouygues Development Thomas Vale Limited in the sum of £2.4 million in relation to the construction of 19 units of Council housing to be funded from the Housing Revenue Account (HRA) be approved.
3. That the transfer of the freehold interest of the land as shown on the plan (edged red) in tranches, minus that planned for 19 Council housing units and in accordance with the Development Agreement be approved.
4. That the expenditure of the public open space receipt of £80,000 from Bouygues Development Thomas Vale Limited to enable the Council to procure the enhancement of the children's playground at Merridale Street West recreational ground be approved.
5. That authority be delegated to the Cabinet Member for City Housing and Assets in consultation with the Director of Finance to appropriate the land for the council housing units from the general fund to the HRA.
6. That it be noted that the addition of one Council housing rent unit, as following further discussions with Highways and Planning, the new proposed site layout would bring a total number of 19 Council units.

16

City North Gateway - A449, Junction 2 to Springfield Lane

Cllr Steve Evans sought approval to take forward for consultation an initial draft design for a comprehensive network improvement along the A449, between junction 2 of the M54 and Springfield Lane. The design would address existing operational problems and accommodate future growth. Further detailed design, and ultimately construction would be subject to securing funding.

Resolved:

1. That the network improvement scheme along the A449, between junction 2 of the M54 and Springfield Lane be approved for public consultation.
2. That the appointment of Eurovia Infrastructure Ltd of Horsham for Early Contractor Involvement (ECI) under the Midlands Highway Alliance Medium Scheme Framework be approved.
3. That authority be delegated to the Cabinet Members for City Environment and Resources, in consultation with the Strategic Director for Place and Director of Finance to undertake negotiations for land acquisition or dedication by agreement for small areas of land affected by the scheme.

4. That the placement of orders, not exceeding £100,000 in total, for advance works including but not limited to alterations to statutory undertakers' equipment, subject to grant funding being secured be authorised.
5. That authority be delegated to the Director of Governance to enter into a funding agreement with the Black Country Local Enterprise Partnership in respect of the City North Gateway – A449, J2 to Springfield Lane scheme.
6. That authority be delegated to the Cabinet Member for City Environment, in consultation with the Strategic Director for Place, to approve the award of the works contract for a total estimated contract value of £4.5 million when the evaluation process is complete, subject to grant funding being secured.

17 **Wolverhampton Environment Centre (WEC), Westacre Crescent, Wolverhampton**

Cllr Peter Bilson sought approval to declare part of the Wolverhampton Environment Centre (WEC) site surplus to requirements and to dispose of the site for housing development by WV Living (subject to approval by their Board); to allocate funds for demolition and planning consent and to transfer the remainder of the site for future use and maintenance as part of Smestow Valley Local Nature Reserve.

Resolved:

1. That area (1) of the Wolverhampton Environment Centre (WEC) site (as shown in Appendix 1 to the report) be declared surplus to requirements.
2. That the remainder of the WEC site area (2) be designated as part of the Smestow Valley Local Nature Reserve, subject to statutory requirements, and the site be allocated for future maintenance as public open space by Environmental Services.
3. That the proposal to tender the demolition of the glasshouses on area (1) at an estimated cost of £175,000 be approved.
4. That the proposal to obtain Outline Planning consent for residential use for area (1) at an estimated cost of £6,000, to be funded from the disposals capital programme be approved.
5. That the necessary virements of unallocated resources within the disposals capital programme to create a budget of £175,000 for the demolition be approved.
6. That that the transfer of area (1) would be subject to a requirement that the purchaser would enter into a Section 106 agreement to pay £80,000 to meet the costs of maintenance for ten years of the remainder of the WEC site as part of Smestow Valley Local Nature Reserve.
7. That the disposal of the freehold of area (1) to WV Living at a market value to be determined by the District Valuer for the development of housing, be approved subject to approval by the WV Living Board; and authority be delegated to the Cabinet Member for Housing and City Assets in consultation

with the Director of Finance to approve the details associated with the disposal of the asset.

8. That the re designation of the land at Westacre Crescent, as shown yellow on Plan at Appendix 1 to General Fund Public Open Space from Housing Revenue Account, to be managed as open space be approved.
9. That it be noted that the Capital Budget Quarter Three Monitoring 2016/17 report to Council would seek approval to a budget allocation of £205,000 as match funding to draw down European Regional Development Fund (ERDF) Black Country Blue Network bid resources to improve the remainder of the site and incorporate it into Smestow Valley Local Nature Reserve (LNR).
10. That it be noted that the tender acceptance process for the demolition would be considered in the procurement report to Cabinet (Resources) Panel.
11. That it be noted that a further report would be submitted around the further improvements to Smestow Valley Local Nature Reserve as part of the opening of the remainder of the site following the land disposal once the capital receipt for the site is fully known.
12. That it be noted that a report would be submitted to WV Living Board as part of the approvals to agree the Section 111 Agreement and transfer the land to WV Living.

18 **Heath Park Phase 3 Arts Block**

Cllr Clare Darke presented the report on a request by the CLPT to build an Arts Block on a section currently within the Private Finance Initiative (PFI) boundary. The report detailed progress that had occurred following the previous presentation to the Panel to reduce risk to the Council of allowing the request to be fulfilled.

Approval was sought for the Council to enter into a Deed of Variation to amend the PFI boundary at Heath Park to omit a discrete grassed area from the scheme and to Approval is also sought for the Council to incur costs on legal costs to be fully funded by the Academy to fulfil the deed of variation.

Resolved:

1. That the Council enter into a Deed of Variation to the Private Finance Initiative (PFI) Project Agreement for Heath Park and Deansfield Schools to redefine the PFI boundary at the Heath Park site, subject to the receipt of suitable assurances regarding costs incurred.
2. That the Council enter into any other contractual documents including but not limited to variations to the PFI Project Documents necessary to affect the Deed of Variation.
3. That the Council enter into contractual agreements with Central Learning Partnership Trust which would seek to pass any further liability connected to the Deed of Variation to the Academy Trust.

4. That the Council enter into an agreement with Central Learning Partnership Trust requiring the Academy Trust to pay the Council's costs in respect of the Deed of Variation and any other contractual documents.
5. That final approval of the Deed of Variation and the detail in recommendations 1-4 above be delegated to the Cabinet Member for Governance in consultation with Director of Governance.
6. That authority be delegated to the Director of Governance to execute all necessary contract documentation.
7. That an allocation in the capital programme of £150,000, fully funded by Heath Park Academy be approved and this funding by the Academy is to be integrated within legal documentation.
8. That it be noted that the Central Learning Partnership Trust had agreed in principle to meet all associated costs of the redefinition of the PFI boundary which would be followed by the development of the Heath Park Phase 3 Arts Block on that site.
9. That it be noted that the Academy are able to commission a Design and Build contract with the Local Education Partnership using the Council's OJEU Notice.
10. The risks set out in the report be noted.