

# **MEETING OF THE CABINET**

**WEDNESDAY 30<sup>TH</sup> OCTOBER, 2013**

**AT 6.00 PM  
IN COMMITTEE ROOM 2  
AT THE COUNCIL HOUSE  
DUDLEY**

**If you (or anyone you know) is attending the meeting and requires assistance to access the venue and/or its facilities, could you please contact Democratic Services in advance and we will do our best to help you**

**STEVE GRIFFITHS  
DEMOCRATIC SERVICES MANAGER**

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**You can view information about Dudley MBC on  
[www.dudley.gov.uk](http://www.dudley.gov.uk)**

## **IMPORTANT NOTICE**

### **MEETINGS IN DUDLEY COUNCIL HOUSE**

Welcome to Dudley Council House

In the event of the alarm sounding, please leave the building by the nearest exit. There are Officers who will assist you in the event of this happening, please follow their instructions.

There is to be no smoking on the premises in line with national legislation. It is an offence to smoke in or on these premises.

Please turn off your mobile phones and mobile communication devices during the meeting.

Thank you for your co-operation.

Our Ref:  
SG

Your Ref:

Please Ask For:  
Steve Griffiths

Telephone No:  
01384 815235

22<sup>nd</sup> October, 2013

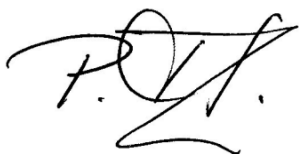
Dear Councillor

**MEETING OF THE CABINET – WEDNESDAY 30<sup>TH</sup> OCTOBER, 2013**

You are requested to attend a meeting of the Cabinet to be held on Wednesday, 30<sup>th</sup> October, 2013 at 6.00p.m. in Committee Room 2 at the Council House, Priory Road, Dudley to consider the business set out in the agenda below.

The agenda and reports for this meeting can be viewed on the Council's website  
[www.dudley.gov.uk](http://www.dudley.gov.uk).

Yours sincerely



Director of Corporate Resources

**A G E N D A**

1. APOLOGIES FOR ABSENCE

To receive apologies for absence from the meeting.

2. CHANGES IN REPRESENTATION OF MINORITY GROUP MEMBERS

To report any changes in the representation of Minority Group Members at this meeting.

3. DECLARATIONS OF INTEREST

To receive declarations of interest, in accordance with the Members' Code of Conduct.

4. MINUTES

To approve as a correct record and sign the minutes of the meeting held on 18<sup>th</sup> September, 2013 (copy attached).

**BUDGET, STRATEGIC, POLICY AND PERFORMANCE ISSUES**

5. REVENUE BUDGET STRATEGY 2014/15 (KEY DECISION) (PAGES 1 – 21)

To consider the joint report of the Chief Executive and the Treasurer

6. STAFFING ISSUES – BUDGET SAVINGS 2013/14 (KEY DECISION) (PAGES 22 – 42)

To consider the report of the Director of Corporate Resources

7. LOCALISED COUNCIL TAX REDUCTION SCHEME 2014/15 (KEY DECISION) (PAGES 43 – 54)

To consider the report of the Director of Corporate Resources

8. CAPITAL PROGRAMME MONITORING (KEY DECISION) (PAGES 55 – 60)

To consider the joint report of the Chief Executive and the Treasurer

**SERVICE RELATED CORPORATE ISSUES**

9. ANNUAL REVIEW OF EQUALITY 2013 (PAGES 61 – 63)

To consider the report of the Director of Corporate Resources.

10. ANNUAL REVIEW OF THE CONSTITUTION (PAGES 64 – 80)

To consider the report of the Director of Corporate Resources.

11. ISSUES ARISING FROM SCRUTINY COMMITTEES (IF ANY)

The Director of Corporate Resources to report orally.

**To: All Members of the Cabinet:**

Councillor Sparks (Leader - Chair)

Councillor Lowe (Deputy Leader)

Councillors K Ahmed, Branwood, Crumpton, Foster, Partridge, S Turner, Waltho and Wood.

**Opposition Group Members nominated to attend meetings of the Cabinet:**

Councillors Harley, James, Mrs Simms, K Turner, Vickers and Wright

## MEETING OF THE CABINET

Wednesday, 18<sup>th</sup> September, 2013 at 6.00 p.m.  
in Committee Room 2 at the Council House, Dudley

### PRESENT:-

Councillor Sparks (Leader of the Council) (Chair)  
Councillor Lowe (Deputy Leader)  
Councillors K Ahmed, Branwood, Crumpton, Foster, S Turner, Waltho  
and Wood

together with the following Opposition Group Members appointed to  
attend meetings of the Cabinet:-

Conservative Group - Councillors Harley, Miller, Mrs Simms, K Turner  
and Wright

### OFFICERS:-

The Chief Executive, Director of Adult, Community and Housing  
Services, Director of Children's Services, Director of Corporate  
Resources, Director of the Urban Environment, Director of Public  
Health, Treasurer, Assistant Director of Corporate Resources (Human  
Resources and Organisational Development) and the Democratic  
Services Manager, together with other officers

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#### 19      APOLOGIES FOR ABSENCE

Apologies for absence from the meeting were received on behalf of  
Councillors James, Partridge and Vickers.

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#### 20      CHANGE IN REPRESENTATION OF MINORITY GROUP MEMBER

It was reported that Councillor Miller was serving in place of Councillor  
Vickers for this meeting of the Cabinet only.

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#### 21      DECLARATIONS OF INTEREST

No Member made a declaration of interest, in accordance with the  
Members' Code of Conduct.

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MINUTES

RESOLVED

That the minutes of the meeting of the Cabinet held on 20<sup>th</sup> June, 2013, be approved as a correct record and signed.

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CAPITAL PROGRAMME MONITORING

A joint report of the Chief Executive and the Treasurer was submitted on progress with the implementation of the Capital Programme and proposing certain amendments to the Programme.

The Cabinet Member for Finance responded to a question concerning the allocation of Adult Social Care funding. The Cabinet Member for Regeneration responded to issues concerning rapid charging points for electric vehicles and stated that the matter was referenced in the Planning for Health Supplementary Planning Document (see Minute No. 28 below).

The Cabinet Member for Children's Services and the Leader of the Opposition Group placed on record their thanks to all involved in the bid for resources from the Demographic Growth Capital Fund in relation to Pens Meadow Special School.

RESOLVED

- (1) That the results of the Post Completion Review of capital projects, as set out in Appendix B to the report now submitted, be noted.
- (2) That the Council be recommended:-
  - (a) That current progress with the 2013/14 Capital Programme as set out in Appendix A to the report now submitted be noted.
  - (b) That the expenditure on the modernisation of Tiled House Lane Residential Care Home be approved and included in the Capital Programme, as set out in paragraph 4 of the report now submitted.
  - (c) That the additional expenditure at the Oak Lane Traveller Site be approved and included in the Capital Programme, as set out in paragraph 5 of the report now submitted.

- (d) That in respect of Mary Stevens Park, Stourbridge, the Director of the Urban Environment be authorised to accept the Heritage Lottery Fund (HLF) grant funding; the Director of Corporate Resources be authorised to sign the necessary funding agreements with HLF; and the capital element of the project be included in the Capital Programme, as set out in paragraph 6 of the report now submitted.
- (e) That in respect of Rapid Charging Points for Electric Vehicles, the Director of the Urban Environment be authorised to accept the funding; the project be included in the Capital Programme; and the Director of the Urban Environment be authorised to agree the locations for the charging points and procure and install the equipment in consultation with the Cabinet Member for Transport, as set out in paragraph 7 of the report now submitted.
- (f) That the Outdoor Gym project be approved and included in the Capital Programme, as set out in paragraph 8 of the report now submitted.
- (g) That the funding allocation in respect of the post-16 provision at Pens Meadow Special School be noted, and the project included in the Capital Programme, as set out in paragraph 9 of the report now submitted.

(This was a Key Decision with the Council and Cabinet being named as Decision Takers).

A report of the Chief Executive was submitted on corporate performance for the period 1<sup>st</sup> April to 30<sup>th</sup> June, 2013. The Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee had considered the report on 5<sup>th</sup> September, 2013.

RESOLVED

- (1) That the corporate quarterly performance management report be approved.
  - (2) That the consideration of the report by the Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee be noted.
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## LOCALISM ACT 2011 – THE COMMUNITY RIGHT TO CHALLENGE

A report of the Director of Corporate Resources was submitted on a proposed policy regarding the requirement to respond to the Community Right to Challenge provisions contained in the Localism Act 2011. The policy was set in a wider context of community involvement in accordance with the principles of establishing Dudley as a Community Council.

### RESOLVED

- (1) That the policy to deal with the Community Right to Challenge be approved and the wider context be noted.
- (2) That the proposed level and stages of decision making, as set out in the report now submitted and the associated policy and guidance documents, be approved.

(This was a Key Decision with the Cabinet named as Decision Taker).

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## ADOPTION OF THE HALESOWEN AREA ACTION PLAN

A report of the Director of the Urban Environment was submitted on the Halesowen Area Action Plan.

### RESOLVED

That the Halesowen Area Action Plan be approved and recommended to the Council for adoption.

(This was a Key Decision with the Council and Cabinet being named as Decision Takers).

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## ADOPTION OF THE STOURBRIDGE AREA ACTION PLAN

A report of the Director of the Urban Environment was submitted on the Stourbridge Area Action Plan.

### RESOLVED

That the Stourbridge Area Action Plan be approved and recommended to the Council for adoption.

(This was a Key Decision with the Council and Cabinet being named as Decision Takers).

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APPROVAL FOR ADOPTION OF THE PLANNING FOR HEALTH  
SUPPLEMENTARY PLANNING DOCUMENT

A report of the Director of the Urban Environment was submitted on the Planning for Health Supplementary Planning Document.

Members commented on the need for effective partnership working with strategic health partners in order to practically implement the provisions of the document to meet shared objectives.

RESOLVED

That the Planning for Health Supplementary Planning Document be approved and adopted.

(This was a Key Decision with the Cabinet being named as Decision Taker).

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REPORT OF THE INDEPENDENT REMUNERATION PANEL ON  
MEMBERS' ALLOWANCES

A report of the Director of Corporate Resources was submitted presenting recommendations from the Independent Remuneration Panel on a review of the Members' Allowances Scheme.

In connection with this item, the Leader of the Opposition Group commented that consideration should be given to reducing the number of Councillors to two per ward to achieve further financial savings alongside a more fundamental review of the Members' Allowances Scheme. The Chief Executive was requested to consider this issue taking account of the relevant legislative requirements and other considerations.

RESOLVED

That the recommendations set out in the report of the Independent Remuneration Panel be referred to the Council for approval.

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THE LOCAL GOVERNMENT OMBUDSMAN'S ANNUAL REVIEW  
LETTER 2012/13

A report of the Director of Corporate Resources was submitted on the Annual Review Letter for 2012/13 from the Local Government Ombudsman and information in respect of complaints received against the Council and dealt with by the Ombudsman's office over the year ending 31<sup>st</sup> March, 2013.

## RESOLVED

- (1) That the information contained in the report and the Appendix be noted and that the Chief Executive and Directors be requested to:-
  - (a) Review their internal arrangements, as appropriate; and
  - (b) Continue to ensure that requests for information on complaints received are dealt with by the date requested; this will ensure that responses can be submitted to the Ombudsman's office within the timescale set and the Council's excellent performance on response times can be maintained.
- (2) That all Directorates continue to impose rigorous monitoring of complaint activity to ensure ongoing good practice and a continued reduction in complaints being received.
- (3) That the Annual Review Letter be posted on the Council's website.

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### ISSUES ARISING FROM SCRUTINY COMMITTEES

No issues were reported under this item.

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### EXCLUSION OF THE PUBLIC

## RESOLVED

That the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information, as defined in Part 1 of Schedule 12A to the Local Government Act, 1972, as indicated below and in all the circumstances, the public interest in disclosing the information is outweighed by the public interest in maintaining the exemption from disclosure.

#### Description of Item

#### Relevant paragraph of Part 1 of Schedule 12A

Staffing Issue – Directorate of Corporate Resources

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STAFFING ISSUE – DIRECTORATE OF CORPORATE RESOURCES

A report of the Director of Corporate Resources was submitted on a proposal to terminate the contract of an employee (HW) on the grounds of redundancy in accordance with the Council's redeployment and retraining policy.

RESOLVED

That the termination of the contract of employment of the employee referred to in the report now submitted (HW) be approved, on the grounds of redundancy, in accordance with the terms and conditions set out in the report.

The meeting ended at 6.45pm

LEADER OF THE COUNCIL

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**Meeting of the Cabinet – 30<sup>th</sup> October 2013**

**Joint Report of the Chief Executive and Treasurer**

**Revenue Budget Strategy 2014/15**

**Purpose of Report**

1. To consider the Revenue Budget Strategy for 2014/15 and Medium Term Financial Strategy (MTFS) 2015/16 – 2016/17.
2. To present spending and funding options for consultation.

**Background**

3. When the Revenue Budget and Council Tax for 2013/14 was approved, the Council endorsed a Medium Term Financial Strategy (MTFS) which recognised the following basic assumptions:
  - (a) Revenue Support Grant (RSG) for 2014/15 is as per the indicative figures announced with the 2013/14 settlement, and for 2015/16 changes in line with the 2012 Autumn Statement and subsequent Treasury indications.
  - (b) income from Business Rates will be in line with current forecasts;
  - (c) the underlying value of Council Tax Benefit/Support awarded will not substantially exceed current levels.
  - (d) New Homes Bonus funding for future years increases at the same rate as for 2013/14.
  - (e) there is no overall increase in employer pension contributions. The new Local Government pension scheme comes into operation from April 2014, which is also the commencement of a new valuation period. The impact of both is uncertain at this stage.
  - (f) Single Status and Equal Pay costs are no more than estimated;
  - (g) general levels of inflation, pay and interest rates do not vary materially from current forecasts;
  - (h) income and expenditure relating to treasury management activity, including airport dividend income, are in line with forecasts;
  - (i) the impact of schools transferring to academy status can be managed within Directorate of Children's Services budgets.

- (j) there will be no other unplanned expenditure (including any resulting from demographic pressures) or shortfalls in income, which cannot be met from reserves;
- (k) Council Tax increases in future years are up to the referendum threshold based on current legislation and principles.

The risks relating to the above assumptions were recognised, together with the potential need to identify alternative funding sources or further savings to ensure that the strategy remained robust.

- 4. In order to ensure that the Council could properly manage its financial affairs over the medium term, and ensure resources would be available to deal with new spending pressures and other unforeseen eventualities, the strategy was therefore to:
  - (a) manage spending within approved budget levels;
  - (b) review spending priorities and the allocation of resources in line with Council Plan priorities;
  - (c) seek further efficiency and other savings;
  - (d) maximise opportunities for additional external funding;
  - (e) take action to replenish General Balances;
  - (f) regularly review risks and uncertainties and other relevant factors.

#### Forecast 2013/14 Position

- 5. Forecast General Fund revenue spend compared with budget for each Directorate is shown in Appendix A.
- 6. Latest monitoring indicates favourable Treasury variances amounting to a further £1.5m resulting from better than expected cashflows and returns on investments. It is proposed that Council be recommended to amend budgets to reflect this variance.
- 7. The budget for 2013/14 included a contingency of £1.0m to cover inflationary and other pressures in excess of those assumed when the budget was set. The position will be carefully monitored and reported back to Cabinet as necessary, but at this stage it is proposed that the contingency be retained.

#### Looked After Children

- 8. The outturn report to Cabinet in June 2013 highlighted a risk of an overspend arising from numbers of Looked After Children being higher than those allowed for in the budget.

9. As at August 2013, there were 757 Looked After Children as against 737 allowed for in the budget. The increase is primarily among high cost external residential and independent fostering agency placements. Whereas in previous years it has been possible to manage the costs of Looked After Children by holding back expenditure in other parts of the Directorate, the impact of reducing budgets means that that is no longer possible. Furthermore, the rising demand for services from social care has led to pressures on children's social care workloads. In order to ensure that social workers have manageable workloads and are able to progress cases in a timely manner including responding to externally imposed deadlines from the courts, it has been necessary to allocate additional resource to children's social work services and independent reviewing officers. Taken together, these factors lead to a projected overspend for the Directorate of Children's Services of £3m.
10. Cabinet in June agreed that the Director of Children's Services, the Chief Executive and Treasurer (in consultation with the Cabinet Member and Opposition Spokesperson for Children's Services and Lifelong Learning and the Deputy Leader) should monitor the position and report back to Cabinet in September. It was proposed that the report should include benchmarking of data and costs relating to Looked After Children against other comparable local authorities and should consider the implications for the longer-term budget strategy. This work has taken longer than anticipated due to its complexity, sensitivity and the need to obtain information from other authorities.
11. Preliminary benchmarking data has been shared with the Cabinet Member and Opposition Spokesperson for Children's Services and Lifelong Learning and the Deputy Leader. In addition, and as part of an approach to continuous performance improvement, the Directorate of Children's Services has commissioned a care practice diagnostic exercise by the Local Government Association. This will include an exploration and assessment of the application of thresholds for care and set this against a national context.
12. It is proposed that a report be brought to Cabinet in February 2014 outlining the outcomes of the diagnostic exercise and presenting any proposals that arise from it. In the meantime, it is considered prudent to assume that numbers of Looked After Children will remain at their current levels. It is proposed that Council be recommended to amend the current year budget to reflect this variance and that future year forecasts are amended accordingly (see table under paragraph 31 below).

## General Fund Balances

13. The latest forecast position, compared to the original approved budget for 2013/14 and subject to the risks and uncertainties outlined above, is as follows.

	<b>Original Budget £m</b>	<b>Latest Position £m</b>
Forecast balance at 31 <sup>st</sup> March 2013	17.7	17.7
Effect of 2012/13 outturn	-	1.7
<b>Actual balance at 31<sup>st</sup> March 2013</b>	<b>17.7</b>	<b>19.4</b>
Planned addition 2013/14	0.7	0.7
Variations approved by Cabinet in June	-	0.7
Favourable current year treasury variances (para 6)	-	1.5
Looked After Children (paras 8-12)	-	-3.0
<b>Forecast balance at 31<sup>st</sup> March 2014</b>	<b>18.4</b>	<b>19.3</b>

## Budget Strategy 2014/15

14. In formulating the Council's Budget Strategy and tax levels for 2014/15, Members will need to consider carefully:
- (a) the levels of Government support allocated to the Council;
  - (b) spending pressures, opportunities to free up resources (including savings), and Council Plan priorities;
  - (c) the implications of spending levels in later years as part of the Council's medium term financial plan;
  - (d) the views of consultees;
  - (e) the external factors and risks inherent in the Strategy;
  - (f) the impact on Council Tax payers.
  - (g) the Government's stated intention to offer Council Tax Freeze Grant for 2014/15 and 2015/16 (see paragraph 18 below);
  - (h) the potential impacts on people with protected characteristics as defined in the Equality Act 2010. Members will need to have due regard to the public sector equality duty under the Equality Act 2010. (Further details are set out in the Equality Impact section below.)

## Government Funding

15. At the time of setting the current MTFS, RSG figures for 2015/16 onwards had not been announced. Our forecasts were based on the assumption that the ongoing reduction in government funding would continue in line with the reductions over the previous four years. This was supported by the Chancellor's 2012 Autumn Statement and subsequent Treasury indications. Subsequent Government announcements in the March 2013 budget, the 2013 Spending Round (SR2013) in June, and a subsequent "Technical Consultation" on RSG and related matters require these forecasts to be revised. Based on the latest figures set out in the Technical Consultation:

- For 2014/15 RSG will reduce by 18.6% (£16.9m) compared with 2013/14, rather than by the 16.8% provisionally announced in February along with the final 2013/14 settlement;
- For 2015/16 RSG will reduce by 28.4% (£20.9m) compared with 2014/15, rather than by the 15.4% based on previous Treasury indications and assumed in the MTFS

For 2016/17 we do not have any detailed Government funding figures. However the Chancellor indicated in SR2013 that the reduction in overall Government spending is likely to continue at least until 2017/18 at the same average rate as currently. We have therefore assumed a further reduction in RSG of 25.9% (£13.6m) being a best estimate based on underlying trends. This will need to be reviewed as and when the Government provides further details.

16. The Government has also announced that around 35% of 2015/16 New Homes Bonus (NHB) funding will be top-sliced and allocated to Local Enterprise Partnerships (LEPs) for them to spend on their priorities as part of the "Local Growth Fund". A consultation was issued in respect of the details of the proposals, but not the policy itself.
17. We have responded to the consultations on RSG and top-slicing of NHB as summarised in Appendix B.
18. The Council Tax Freeze Grant offered to Councils who froze their Council Tax in 2013/14 was initially guaranteed for only two years. This has now been extended to 2015/16 amounting to £1.1m per year for Dudley. In addition, the Government has indicated that it will also offer similar grant (i.e. equivalent to a 1% Council Tax increase) to Councils who freeze Council Tax in 2014/15 and/or 2015/16, but with funding guaranteed only up to 2015/16.
19. The Government has indicated that the maximum Council Tax increase for 2014/15 and 2015/16, above which a referendum would need to be held, will be 2% for most authorities. However, unlike previous years this "headline" figure will not be adjusted for individual authorities as a result of changes in levies.
20. The Government has indicated that Education Services Grant (the grant that funds support services to schools which become the responsibility of academies after conversion) will reduce by around 20% in 2015/16. It is being assumed that this will be managed within the Directorate of Children's Services' existing resources.



21. On the basis of previous Government announcements it is anticipated that there will be a real increase of approximately £0.5m in the ring-fenced grant which funds Public Health activities in 2014/15. We are also assuming that grant levels will at least match current levels of expenditure in subsequent years.
22. As part of SR2013, the Government announced the creation of a £3.8bn Integration Transformation Fund to support the integration of health and social care. Precise details are not available at the local level but it is clear that the Fund will include elements of funding that are already built into the Council's budget. The transfer of any additional money will be conditional on the Council transforming the way in which it delivers services so as to release savings within the Clinical Commissioning Group (CCG). Further details are set out as Health Integration (under Directorate of Adult, Community and Housing Services) in Appendix C. These proposals will be kept under review as local plans are developed with the CCG.

### Other Forecasts

23. The new Local Government pension scheme comes into operation from April 2014, which is also the commencement of a new valuation period. This will have a favourable effect on employers' contributions. However, on the basis of latest indications the adverse effect of market conditions will more than offset this, such that overall there is likely to be a significant increase in employers' contributions from 1<sup>st</sup> April 2014, although it may be possible to phase in those increases. However, the magnitude of the increase and how any phasing might operate remains uncertain.
24. In addition to the direct impact of changes in employer pension contributions, the current National Insurance rebate for employees and employers for "contracting" out of the Additional State Pension into the Local Government Pension Scheme will end from 1<sup>st</sup> April 2016 as part of the move to the new Single Tier State Pension from that date. Although the Government has indicated the impact of this on public sector employers will be taken into account in funding allocations, it would not be prudent to assume this means the cost will be funded.
25. A report elsewhere on this agenda considers a range of proposals regarding the local Council Tax Support scheme. The impact of any agreed changes will need to be reflected in the budget in due course. At this stage a prudent approach has been taken and the forecasts in this report are based on there being no change to the scheme.
26. The "localisation" of Business Rates from 1<sup>st</sup> April 2013 transferred significant new risks to Councils. In particular:
  - With 49% of Business Rates collected being retained by Dudley, any changes in rateable value as a result of new building, change of use, demolitions, or successful appeals, etc. will have a significant direct impact on the Council's income.
  - In addition to the current effect of appeals, these may also be backdated – sometimes as far as 2005 – giving rise to substantial refunds to ratepayers.

The impact of both the above is difficult to predict, and will continue to be monitored closely, although at present we do not have any reason to make any significant changes to our forecasts.

27. It is estimated that there will be a Collection Fund surplus of £0.6m at 31<sup>st</sup> March 2014 which can be utilised to fund the 2014/15 revenue budget. This will be reviewed prior to the setting of the budget, along with estimates of the taxbase and forecasts for New Homes Bonus and New Homes Bonus Adjustment Grant.
28. Whilst the final costs of Equal Pay Back Pay (EPBP) still remain uncertain, new Single Status pay and grading structures have now been introduced, and we are reaching the end of the appeals process in respect of these. It has been assumed that any costs relating to schools will be funded from school resources. Latest estimates indicate that ongoing annual costs will be around £2m higher than reflected in previous MTFS assumptions, of which £1m can be met from reallocating the contingency budget for 2014/15 onwards.

### Base Budget Forecasts

29. The following key assumptions have been made (and are also referred to in the risk analysis in paragraph 37):
- (a) We are expecting pay awards for local government to be settled at very low levels in the next few years. The budget provision for prices assumes that competitive contract management and tendering will continue to minimise the impact of price rises on Council budgets. We are therefore proposing a provision of 1% for pay and 2% for prices each year for the duration of the MTFS;
  - (b) Interest rates will continue to have a relatively low impact in the medium term.
30. Details of Base Budget Forecasts for the next three years are set out below.

	2014/15 £m	2015/16 £m	2016/17 £m
2013/14 Base	247.6	247.6	247.6
Pay & Prices	3.7	7.3	10.8
Capital Programme and Treasury	-1.2	-0.8	-1.8
Pensions and National Insurance	0.7	1.7	4.7
Other Adjustments (*)	-0.9	0.3	0.5
<b>Base Budget Forecast</b>	<b>249.9</b>	<b>256.1</b>	<b>261.8</b>
% change year-on-year (like for like)	+0.9%	+2.5%	+2.2%

(\*) Includes reduction in expenditure as a result of reviewing transfers between the General Fund and Housing Revenue Account, and the costs of Equal Pay Back Pay and Single Status which cannot be met from existing provision and the reallocation of the contingency budget (see para 28 above).

## Spending Pressures

31. Having reviewed existing budgets in the light of Council Priorities, additional legislative requirements and service pressures, the following package of additional spending to target key service areas for investment over the next three years is proposed:

	2014/15	2015/16	2016/17
	£'000	£'000	£'000
<b>Adult, Community and Housing</b>			
Increased numbers of adults with learning disabilities	346	721	1096
Increased number of clients with dementia	582	1164	1746
	<b>928</b>	<b>1885</b>	<b>2842</b>
<b>Children's Services</b>			
The demand for placements of looked after children in 2013/14 (LAC) exceeds the 2013/14 base budget by £3.0m as set out in paras 8-12 above.	3000	3000	3000
	<b>3000</b>	<b>3000</b>	<b>3000</b>
<b>Urban Environment</b>			
Waste that goes to landfill is subject to a Landfill Tax set nationally	130	250	350
Domestic waste entering the incinerator is subject to an inflationary contractual 'gate fee'	56	113	170
	<b>186</b>	<b>363</b>	<b>520</b>
<b>Total</b>	<b>4114</b>	<b>5248</b>	<b>6362</b>

## Savings

32. Following a detailed budget review process, which considered the base budget forecast, the need to redirect resources to the spending pressures set out in paragraph 31 and the level of resources likely to be available to the Council, a range of savings has been identified from existing budgets as follows. Detailed proposals are set out in Appendix C.

	2014/15	2015/16	2016/17
	£'000	£'000	£'000
Adult, Community and Housing	3350	6707	13707
Urban Environment	1490	3592	3692
Children's Services	3037	4837	5087
Corporate Resources	681	1689	2530
Chief Executive's	100	688	751
<b>Total</b>	<b>8658</b>	<b>17513</b>	<b>25767</b>

## Human Resource Implications

33. Details are set out in the separate report on this agenda. Redundancy costs are dependent on the age and length of service of the individuals being made redundant and therefore cannot be precisely calculated at this stage. However, it is anticipated that they can be met from use of resources earmarked for committed capital expenditure (which in turn could be funded from prudential borrowing) and general balances.

## Medium Term Financial Strategy

34. The MTFS reflecting the revised spending proposals set out above, and forecasts of likely resource availability can be summarised as follows.

	2014/15 £m	2015/16 £m	2016/17 £m
<b>Base Budget Forecast</b>	249.9	256.1	261.8
- see para 30			
<b>Pressures</b>	4.1	5.2	6.4
- see para 31			
<b>Savings</b>	-8.6	-17.5	-25.8
- see para 32			
<b>Total Service Spend</b>	<b>245.4</b>	<b>243.8</b>	<b>242.4</b>
Revenue Support Grant (RSG)	73.6	53.8	40.2
Retained Business Rates	48.1	49.1	50.3
Top-Up Grant	15.1	15.4	15.8
New Homes Bonus (net of LEP topslice)	3.4	2.7	3.3
New Homes Bonus Adjustment Grant	0.9	0.9	0.9
Council Tax Freeze Grant re. 2013/14*	1.1	-	-
Collection Fund Surplus	0.6	-	-
Council Tax	95.0	97.2	99.5
<b>Total Resources</b>	<b>237.8</b>	<b>219.1</b>	<b>210.0</b>
<b>Deficit funded from Balances</b>	<b>7.6</b>	<b>24.7</b>	<b>32.4</b>
Balances brought forward	19.3	11.7	n/a
<b>Balances carried forward (see para 35)</b>	<b>11.7</b>	<b>n/a</b>	<b>n/a</b>

\*Included in RSG from 2015/16

35. As demonstrated by the table above, balances are adequate to fund the deficit for 2014/15, but it will be necessary to take further action going forward over and above the savings proposed in this report.
36. In order to ensure that the Council can properly manage its financial affairs over the life of this MTFS and beyond, and ensure resources are available to deal with new spending pressures and other unforeseen eventualities, the strategy must therefore be to:
- (a) manage spending within approved budget levels;

- (b) seek further efficiency savings;
- (c) consider opportunities for additional external funding, including new or increased fees and charges;
- (d) take action to replenish General Balances, including the review and re-allocation of earmarked reserves where these are no longer required for their original purpose;
- (e) explore the viability of different models for service delivery;
- (f) prioritise services in line with Council Plan aims and, as a last resort in the event that other measures are insufficient to deliver a balanced budget, reduce or cease to provide the lowest priority services.

Given the scale and urgency of the financial challenge that the Council now faces, it will be necessary to commit significant time and resources to examination of the options set out above.

### Estimates, Assumptions & Risk Analysis

37. The proposals in this report are based on a number of estimates, assumptions and professional judgements, which may need to be reviewed and amended either before the budget and Council Tax for 2014/15 is set, during the course of that year, or indeed over the term of the MTFS. These may lead to further increases in expenditure and, therefore, the need to identify alternative funding sources, and include:
- (a) Revenue Support Grant for 2014/15 and 2015/16 is as per the Technical Consultation issued in July 2013, and for 2016/17 is in line with Government indications of ongoing national deficit reduction. It should be noted that these forecasts in particular remain highly uncertain;
  - (b) income from Business Rates will be in line with current forecasts;
  - (c) the cost of Council Tax Support awarded will not substantially exceed previous forecasts. As set out above, the impact of any agreed changes to the scheme will need to be reflected in the budget in due course;
  - (d) New Homes Bonus funding for future years increases at the same underlying rate as for 2014/15.
  - (e) the increase in employer pension contributions from 1<sup>st</sup> April 2014 is no greater than estimated;
  - (f) Single Status and Equal Pay costs are no more than estimated;
  - (g) general levels of inflation, pay and interest rates do not vary materially from current forecasts;
  - (h) income and expenditure relating to treasury management activity, including airport dividend income, are in line with forecasts;
  - (i) the impact of schools transferring to academy status can be managed within existing Directorate budgets;

- (j) there will be no other unplanned expenditure (including any resulting from demographic pressures) or shortfalls in income, which cannot be met from reserves;
- (k) Council Tax increases in each year are 2% in line with indicated referendum thresholds. If the Council were to decide to freeze Council Tax in April 2014 and/or April 2015 and accept Council Tax Freeze Grant (see paragraph 18), the funding deficit would be greater than indicated above.

### **Consultation**

- 38. Extensive public consultation was undertaken during the last budget round (the “Big Question” exercise). Over 4,500 responses were received, giving views about Council Tax increases and about the services that people would most want to protect or would be prepared to see cut. Of those who responded, approximately 1,200 people signed up to receive e-bulletins from the council with news and information from across the borough. In view of the volume of responses already received, and in order to minimise costs, it is proposed that this year’s consultation will be done primarily via free online channels. This will include using the e-bulletin system, which now has approximately 1,600 subscribers, as well as the website and social media channels.
- 39. Detailed consultation will also be undertaken with groups identified as being potentially affected by the specific savings proposals, with a particular emphasis on equalities issues. Further information is set out in the Equality Impact section below. Unions will be consulted in the context of the redundancy process considered in a separate report elsewhere on this agenda.
- 40. The Council is required by law to consult with representatives of Business Ratepayers before the final budget and Council Tax are agreed. A consultation meeting will be held to consider the issues set out in this report. Further detailed information (as required by law) will be distributed in February for comment before the Council Tax setting meeting.
- 41. In accordance with the Council’s Constitution, the Scrutiny Committees will be asked to consider the issues set out in this report and any related specific issues relevant to their Council Plan and service responsibilities in the November cycle. In framing their responses, the Scrutiny Committees will be asked to consider both the spending and funding implications (including the impact on Council Tax) of any observations they may wish to make.

### **Finance**

- 42. This report is financial in nature and relevant information is contained within the body of the report.

### **Law**

- 43. The Council’s budget setting process is governed by the Local Government Finance Acts 1988 and 1992, and 2012 and the Local Government Act 2003.

44. The Local Government Act 2003 requires the Chief Financial Officer to report on the robustness of estimates made for the purpose of final budget calculations, and the adequacy of the proposed financial reserves and this will be included in the final budget report.
45. The Localism Act 2011 introduced a new chapter into the Local Government Finance Act 1992 making provision for council tax referendums to be held if an authority increases its council tax by an amount exceeding principles determined by the Secretary of State and agreed by the House of Commons.

### **Equality Impact**

46. Section 149 of the Equality Act 2010 - the general public sector equality duty - requires public authorities, including the Council, to have due regard to the need to:
  - eliminate discrimination, harassment and victimisation and other conduct that is prohibited by the Act;
  - advance equality of opportunity between people who share a protected characteristic and those who don't;
  - foster good relations between people who share a protected characteristic and those who don't.
47. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
  - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
  - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
48. The legislation states that "the steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities." In practice, this means that reasonable adjustments should be made for disabled people so that they can access a service or fulfil employment duties, or perhaps a choice of an additional service for disabled people is offered as an alternative to a mainstream service.
49. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - tackle prejudice, and
  - promote understanding.

50. Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

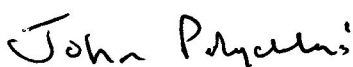
The duty covers the protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

51. An initial assessment of the budget proposals has been made. Where proposals are likely to have a significant equality impact, they will undergo an equality impact assessment informed by consultation with the protected groups who may be adversely affected, during the autumn. The results of this process and any steps which emerge that might help to mitigate any potential impact of the budget proposals on the protected groups will be reported to Members so that they can pay due regard to the Public Sector Equality Duty in making decisions on the budget. In making decisions on budget proposals, Members will need to weigh the Public Sector Equality Duty against the forecast financial position, risks and uncertainties set out in this report.
52. With regard to Children and Young People, the proposed budget for the Directorate of Children's Services will be spent wholly on maintaining and improving services for children and young people. The expenditure of other Directorates' budgets will also have a significant impact on this group.

## **Recommendations**

53. That Cabinet:

- (a) Recommends to Council that 2013/14 budgets be amended as set out in paragraphs 6 & 12.
- (b) Agrees that in respect of Looked After Children a report be brought back to Cabinet in February 2014 outlining the outcomes of the diagnostic exercise and presenting any proposals that arise from it, as set out in paragraph 12.
- (c) Approves the preliminary strategy outlined above as a basis for consultation.
- (d) Authorises the Chief Executive and Directors in consultation with the Leader, Deputy Leader and relevant Cabinet Members to examine the options set out in paragraph 36.
- (e) Notes the various issues and risks which will need to be taken into account in finalising Budget proposals for 2014/15, and the Medium Term Financial Strategy.



.....  
John Polychronakis  
Chief Executive



.....  
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Treasurer



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**List of Background Papers**

HM Treasury Budget 2013

Spending Round 2013

Local Government Finance 2014-15 Technical Consultation Paper

## Latest Forecast 2013/14

Directorate	Revised Budget £m	Outturn £m	Variation £m	
Adult, Community and Housing	103.759	103.759		
Children's Services	68.556	71.613	3.057	See note 1
Urban Environment	56.287	56.287		
Chief Executive's	3.635	3.635		
Corporate Resources	14.707	13.201	-1.506	See note 2
<b>Total Service Costs</b>	<b>246.944</b>	<b>248.495</b>	<b>1.551</b>	

Note 1: Costs of extra Looked After Children.

Note 2: Better than expected cashflows and returns on investments.

### **Summary of response to Technical Consultation on RSG for 2014/15 and 2015/16**

- We are disappointed that this consultation does not give any opportunity to comment on the reduction in Government funding. Indeed what is essentially a political decision has been hidden within something that purports to be a purely technical consultation. For Local Government to continue to suffer a disproportionate share of the “deficit reduction” is unsustainable.
- In particular, we are disappointed that figures for 2014/15 provided in February, on which authorities based their medium term financial plans, were amended as soon thereafter as the March 2013 Budget.
- In respect of top-slicing RSG to fund New Homes Bonus (NHB), we would re-iterate the point already made by ourselves and others that NHB is redistributing resources to those areas with the greatest capacity for new construction at a time of unprecedented reductions in Council funding. Moreover NHB is no longer required to achieve its original purpose (to provide councils with funding from outside the formula grant system towards the pressure on services resulting from new homes being built in their area), as this is now integral to the new funding system. As a minimum, there should be no further increase in NHB or the hold back required to fund it.
- In respect of top-slicing RSG to fund safety net payments to authorities with large reductions in Non Domestic Rate income, we believe that the safety net requirement may have been overestimated and there should therefore be no upfront safety net hold back, but rather an adjustment in future years once costs are known.

### **Summary of response to consultation on pooling (top-slicing) New Homes Bonus and allocation to Local Enterprise Partnerships**

In addition to the general issues raised concerning NHB in the response to the consultation on RSG above:

- We are opposed to pooling New Homes Bonus (NHB) in this way. Pooling of NHB will divert more resources away from existing essential services, contrary to the DCLG’s own documentation which states “New Homes Bonus is an unringfenced grant, which means local authorities are free to decide how to spend it, as they are in the best position to make decisions about local priorities.”
- Whilst LEPs have a useful role to play, they are unelected bodies. Local authorities are better placed in terms of accountability and making decisions about local priorities, which will include the economy.
- Amounts of NHB which Councils have already included in their medium term financial plans (i.e. to fund existing services) should be taken into account by LEPs when determining their priorities for using pooled funding whether or not any expenditure has been contractually committed. Otherwise pooling will lead directly to further service reductions.

## Proposed Savings

<b>Adult, Community and Housing</b>	<b>2014/ 15</b>	<b>2015/ 16</b>	<b>2016/ 17</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Learning Disability - Review the levels of residential care and care packages for people including supported housing. This will be achieved following a re modelling of how we deliver services to people with a Learning Disability which will see more people supported in community based settings and through the delivery of Direct Payments.	496	871	871
Health Integration - Working together with the Clinical Commissioning Group for Dudley we will introduce new ways in which people access care and support with revised working practices for staff across both Health and Social Care and the integration of Health and Social Care teams. The emphasis will be on building and maintaining community based services linked to Primary Health and Social Care in order to avoid unplanned hospital admissions and significantly reduce length of stay. This would result in a transfer of resources within the health and social care system to Social Care from Health.	1267	3443	10443
Mental Health Services - Review the levels of residential care and care packages for people including supported housing. This will be achieved by reducing the cost of new placements with providers; delivering improved value for money from existing care packages; through the use of telecare; extra care housing; and Direct Payments.	100	256	256
Transfer of home care hours from internal provision to external provider. The difference in unit costs will deliver the savings with no loss of care hours being provided.	300	300	300
Closure of the existing reablement homes for the elderly, with the transfer of required beds to Russell Court which has changed the use of beds in the home from long term residential care.	515	515	515
Older People - Reduction in number of residential placements being made from 6 residential home equivalents per week to 5 through more effective use of reablement to reduce long term care needs.	200	200	200
Reduction in social work and management posts as a result of the restructuring of the Directorate and the reduction in directly provided services.	200	400	400
Physical Disability - Savings from reviews of existing care packages. This will be achieved following a re modelling of how we deliver services to people with a Physical Disability which will see more people supported in community based settings and through the delivery of Direct Payments.	0	200	200
Libraries Archives and Adult Learning – Planned efficiencies across management and infrastructure costs whilst maintaining local provision.	272	272	272
Older People/ Learning Disability - Review of existing shared lives service with development of extending existing service provision to provide alternative to residential care.	0	250	250
<b>Total</b>	<b>3,350</b>	<b>6,707</b>	<b>13,707</b>

<b>Urban Environment</b>	<b>2014/ 15</b>	<b>2015/ 16</b>	<b>2016/ 17</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Service related savings</b>			
Reduction in the Road reconstruction and resurfacing programme	120	581	581
Reduction in the Footway reconstruction programme and public right of way maintenance	100	100	100
Reduction in routine Street Lighting, signs and bollards maintenance	0	50	50
Reduction in Street Cleansing linked to increased community led litter picking	0	71	71
Reduction in Gully Drain Emptying with a greater focus on problem 'hot spots'	0	52	52
Reduction in the Grounds Maintenance of parks, open spaces, verges and other amenities including grass cutting, shrubs, hard surfaces & pitch marking and the pruning of trees	5	270	270
Shortening the collection period for Green Waste to between April and the end of October	100	100	100
<b>Office staff related savings</b>			
Staff related savings across all Divisions of the Directorate	217	1175	1175
<b>Income generation</b>			
Increase car parking charges	225	225	225
<b>Other efficiency and contractual savings</b>			
Selling the spare capacity of the Incinerator at Lister Road Depot	313	313	313
Introduction of Wheelie Bins for domestic waste as part of wider waste minimisation strategy	100	100	100
Gym equipment contract negotiated savings	40	80	80
New technology within Street Lights will reduce light pollution and save significant energy costs	0	205	205
Broadfield House - explore the potential for an Asset Transfer to a third party	170	170	170
Utilise route optimisation software in Council vehicles	100	100	100
Switch off selected Street Lighting from midnight	0	0	100
<b>Total</b>	<b>1,490</b>	<b>3,592</b>	<b>3,692</b>

<b>Children's Services</b>	<b>2014/ 15</b>	<b>2015/ 16</b>	<b>2016/ 17</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Directorate</b> Accommodation savings and the relinquishing of property leases.	237	237	237
<b>Education Services</b> Redesign the Information Advice and Guidance support to targeted groups of vulnerable young people. The achievement of efficiencies and the use of different delivery models of support will reduce the impact to the service user but a reduction in staffing will be required to achieve the savings together with the release of 2 fte vacant posts.	550	650	650
<b>Education Services</b> Significantly reduce and redesign universal Youth Service activity offered to 11-19/25 year olds in the Borough. Resulting in the closure of up to 3 centres and a reduction in staffing including 2.6 fte vacancies. The service will also develop income opportunities including trading to schools, utilising buildings and activity programmes.	180	380	380
<b>Quality and Partnership</b> Reduce voluntary and community sector commissioning budget.	10	60	60
<b>Education Services</b> The Special Education Needs (SEN) home to school transport budget for pupils will be reduced through efficiencies and some redesign of the service provision to pupils and looked after children.	30	250	250
<b>Quality and Partnership</b> Savings will be achieved by releasing a 1fte vacant post and reducing the commissioned service for early Intervention mental health work.	40	110	110
<b>Asset Management</b> Asset Management Services will increase their traded service income targets and /or make staffing reductions.	40	90	90
<b>Children and Families</b> Proposals will be put forward for the restructuring of Children's Centres and the services they provide. These proposals will be subject to full and proper public consultation prior to any decision about the shape of future service delivery.	1,500	2,300	2,300
<b>Education Services</b> Options will be explored for Dudley Performing Arts (DPA) service to become 100% financially sustainable by 2016/17, through traded service income, grants, partner contributions and trust status.	0	0	160
<b>Education Services</b> A service review of Early Years activities has released 1.5fte vacant posts to save £0.090m. The remaining £0.070m will be saved from either additional traded service income and/or a redesign of the Early Years service delivery with potential staff reduction.	50	160	160

<b>Children's Services</b>	<b>2014/ 15</b>	<b>2015/ 16</b>	<b>2016/ 17</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Education Services</b> The saving will be achieved by the release of 3 vacant Education Improvement Advisor (EIA) posts together with potential staff reduction.	185	185	220
<b>Directorate</b> The Directorate will review and redesign its service provision from April 2014. This will include the release of 2.7 fte vacant posts saving £0.070m; service restructures saving £0.110m will result in some staff reduction; additional income targets of £0.070m; and other efficiencies of £0.050m.	115	245	300
<b>Quality and Partnership</b> Reduce the commissioning budget for short breaks for children with disabilities and redesign and reduce service provision internally resulting in possible staff reduction.	100	100	100
<b>Education Services</b> The national policy changes to Special Education Needs (SEN) should allow for a service redesign to achieve £0.070m of efficiencies by reducing staff by 2015/16.	0	70	70
<b>Total</b>	<b>3,037</b>	<b>4,837</b>	<b>5,087</b>

<b>Corporate Resources</b>	<b>2014/ 15</b>	<b>2015/ 16</b>	<b>2016/ 17</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
ICT - Consolidation of corporate and directorate-based ICT Services	200	350	507
100% Removal of Risk Management Funding	195	195	195
Management restructure across directorate	0	110	332
Other efficiency savings following process and service redesign	21	31	89
Increase Management & Valuation and conveyancing fees	0	5	25
Human Resources & Organisational Development staff savings	29	197	221
Accountancy staff savings	93	93	222
Staff savings across Customers division	0	100	298
Staff savings from Law & Governance division	143	185	218
Office accommodation savings	0	423	423
<b>Total</b>	<b>681</b>	<b>1689</b>	<b>2530</b>

<b>Chief Executive's</b>	<b>2014/ 15</b>	<b>2015/ 16</b>	<b>2016/ 17</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Community Safety staff savings	0	140	140
Communications - income generation and staff savings	0	180	200
Other staff savings across directorate	100	268	311
Reduction in Grant to DCVS / CFED	0	40	40
Reduce running expenses across directorate	0	60	60
<b>Total</b>	<b>100</b>	<b>688</b>	<b>751</b>



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**Meeting of the Cabinet – 30<sup>th</sup> October 2013**

**Report of the Director of Corporate Resources**

**Staffing issues – budget savings year 2013/14**

**Purpose of Report**

1. To update Cabinet with final figures relating to staff changes as a result of the budget saving process for year three (2013/14).
2. To update Cabinet with learning that has taken place over three years of savings and the outcomes put into place for the 2014/15 budget saving process.
3. To provide Cabinet with the timeline for managing the staffing implications for the 2014/15 budget saving process including the consultation and communication plans.
4. To seek approval for a voluntary redundancy (VR) programme which is targeted specifically at service areas where savings are identified, rather than a council wide expressions of interest process. This targeted approach will support the Council in the need to make the savings and recognises the balance of providing a service, whilst aiming to minimise the number of compulsory redundancies (CR) required. Employees will be able to express their interest in being included on a VR register which will be collated for potential redundancy bumping opportunities.
5. To seek approval for the Director of Corporate Resources in consultation with the Cabinet Member for HR, Law & Governance to have delegated responsibility to determine applications for voluntary redundancy including those with pension implications.
6. Further, to seek approval for the Assistant Director for HR & OD in consultation with the Cabinet Member for HR, Law & Governance to have delegated responsibility to approve compulsory redundancies arising out of the budget saving process, including those with pension implications.

**Background**

**Facts and Figures**

7. The budget for 2013/14 required efficiencies and other savings totalling £11.3m. As with previous years, where these relate to employee costs they have, as far as possible, been made through not filling vacancies, deleting posts, redeployment, redundancy bumping and voluntary requests for reduced hours.
8. Expressions of interest were requested from employees across the Council, excluding teaching staff, for voluntary redundancies. The process highlighted

from the start any posts or service areas where requests would not be able to be agreed (unless there was a redundancy bumping opportunity) to minimise expectations if service delivery/business needs would prevent agreement.

9. There were 367 expressions of interest in voluntary redundancy including 182 from the excluded groups. 25 requests were subsequently withdrawn by the employees (1 from the excluded group).
10. There was a clear message that employees from excluded groups may still register their interest however this would only be progressed should either budget savings change or there be a redundancy bumping opportunity, the perception of a council wide budget does appear to raise expectations regardless.
11. Voluntary redundancies for 57 employees had been approved. Once numbers for voluntary redundancies were confirmed there was still a requirement for compulsory redundancies to meet the savings required.
12. There was one report to Cabinet required – this related to 9 employees with approval requested to end their contracts of employment on the grounds of compulsory redundancy. None of the 9 had pension cost implications. One of the 9 employees, when realising their post was at risk of compulsory redundancy, asked if they might be accepted for voluntary redundancy (rather than seek redeployment) which was agreed, leaving 8 employees at risk of redundancy.
13. Redeployment efforts continued up to their last working day for all employees at risk of compulsory redundancy and the table below demonstrates the outcome for the 8 employees.

<b>Status</b>			
	Children's Services	DUE	Totals
Redeployed	1	2	3
Redundancy bumped*	0	2	2
Redundant	3	0	3

\*redundancy bumping takes place when an employee at risk of compulsory redundancy "bumps" a volunteer for redundancy out of their job and the post of the volunteer is then the one which is redundant and removed from the establishment.

14. Therefore 3 employees have left the council on the grounds of compulsory redundancy as a result of the savings, with 62.5% of those put forward to Cabinet for approval being successfully maintained in employment.
15. The total leavers (compulsory or voluntary redundancy) for 2013/14 budget savings is 60 (47.43 FTE). The table below gives a breakdown by directorate.

<b>Reason</b>	<b>Numbers</b>									
	Chief Executives		Children's Services		Corporate Resources		DACHS		DUE	
	FTE	Actual	FTE	Actual	FTE	Actual	FTE	Actual	FTE	Actual
Voluntary redundancy	0.43	1	9.02	16	11.56	14	10.94	12	12.48	14
Compulsory redundancy	0	0	3	3	0	0	0	0	0	0
Total	0.43	1	12.02	19	11.56	14	10.94	12	12.48	14

16. Given the severe ongoing budget conditions and the posts already deleted over three years of savings (see the table below) the figures for 2013/14 demonstrate a real ongoing commitment by Dudley MBC to minimise job losses and are as a result of a lot of hard work by many officers across the council.
17. The total numbers of compulsory and voluntary redundancies under the three years of the budget saving process is as follows:

	Year 1 2011/12	Year 2 2012/13	Year 3 2013/14	Total
<b>VR severance - employee numbers</b>	<b>404</b>	<b>83</b>	<b>57</b>	<b>544</b>
VR FTE	269.03	63.89	44.43	377.84
<b>CR severance - employee numbers</b>	<b>56</b>	<b>18</b>	<b>3</b>	<b>77</b>
CR FTE	45.95	17.03	3	65.98
<b>Total of Employee Leavers</b>	<b>460</b>	<b>101</b>	<b>60</b>	<b>621</b>
<b>Total of FTE leavers</b>	<b>314.98</b>	<b>80.92</b>	<b>47.43</b>	<b>443.33</b>

18. The total cost of compulsory and voluntary redundancies under the three years of the budget saving process is £13.079 million including capitalised pension costs broken down as follows:

	Year 1 (£ million)	Year 2 (£ million)	Year 3 (£ million)	Total (£ million)
VR severance	6.328	1.181	0.946	8.455
VR capitalised pension cost	2.615	0.429	0.448	3.492
CR severance	0.754	0.169	0.071	0.994
CR capitalised pension costs	0.088	0.050	0.000	0.138

### Learning from three years of budget saving

Overall:

19. The process for 2013/14 went well due to experiences and learning gained from the previous two years
20. Due to vacancy management and acceptance of voluntary redundancies the employee numbers for compulsory redundancy are very low. Unless a service area is closing and/or a job going in total it can often be the case that some work remains (whilst ensuring legal implications have been fully considered to ensure a legal and fair outcome). This may mean a restructure of the team/work has to take place. This can cause confusion to our employees; with a fear they are going to have unreasonable workloads. On occasion there has also been a perception expressed that colleagues who might not have performed as well as

them historically are being rewarded by being accepted for VR (particularly when there are excess volunteers).

21. There has been no adverse feedback with regards to either the redeployment or redundancy bumping process in terms of how the process is managed. Improvements have taken place to make the redundancy bumping process more transparent and effective whilst maintaining employee confidentiality and working within HR resources as it is a time consuming process.
22. The delegated responsibility for voluntary redundancy approval has once again been effective to ensure there have been no undue delays between agreement with the employee to proceed and formal approval.
23. Any employee who leaves the Council on the grounds of redundancy (be it compulsory or voluntary) should be able to leave with dignity and respect, feeling that their contribution has been valued. This will enhance the Council's reputation as a good employer and improve employee engagement if appropriate and fair processes are being followed consistently and ethically. There have been limited comments that this is not always the case, perhaps due to manager uncertainty or lack of experience in handling these difficult and sensitive areas.
24. The communication process for any voluntary redundancy process has to be carefully considered as does the acceptance of any such requests, balanced against the work that remains and the employees required to achieve this.

#### Consultation Process, communication and employee engagement:

25. There is a lack of clarity by some employees in terms of consultation when they are first informed about the potential redundancy of their post. This ranges from not understanding what a redundancy is; why their post has been selected for redundancy and what they can then do about it i.e. their opportunity to influence the decision during the consultation process.
26. Once the budget proposals are in the public arena and consultation commences with the various committees, not surprisingly, proposals may change for a number of reasons including changes to services areas affected, changes to funding streams, reduced requirement for staff cuts perhaps because of vacancy savings, staff turnover during the process etc.
27. Further improvements need to be made in communicating during the consultation process to ensure as much as possible that employees (all employees not just those directly affected) feel supported and valued. This includes better information regarding the consultation process and more involvement at that stage with line managers to ensure they understand the decision making process and can support the outcomes in terms of how they manage the formal and informal communications.

#### Training:

28. Positive feedback has again been received by employees using the Facing the Future programme developed and run by the Corporate Learning & Development team.

## Policies and Procedures:

29. The “managing employees at risk of redundancy” (MEARR) policy has been reviewed each year to take into account learning taking place. Due to the complexity of all the processes involved this is a lengthy and detailed policy and further work is required to make the policy more user friendly for both managers and employees.

## Actions arising out of the learning:

30. As a result of the learning a detailed consultation plan has been developed including additional formal collective consultation meetings and manager briefings.
31. Record taking of collective consultation meetings will be improved with enhanced clarity and transparency of discussions and follow up actions/agreements.
32. A communication plan being developed by Communications & HR will provide a more structured approach to managing the communication process to ensure key messages are effectively and consistently cascaded throughout the council.
33. In addition to the manager briefings, highlighted in the consultation plan, the facing the future sessions have been reviewed to ensure they meet current need and feedback at the manager briefings will also be taken into account. This will include improving the support to all employees but especially those at risk of redundancy. Corporate Board have confirmed that attendance at the manager workshop on the Facing the Future Programme will be mandatory for managers with redundancies in their areas.
34. The MEARR policy will be redesigned to make it more user friendly with additional guide-notes as appropriate
35. The appeal process will be reviewed to improve the timeliness of resolution for all affected employees.
36. It is important that HR officers are engaged with at the earliest opportunity, particularly with regard to consultation on whether there is a genuine redundancy and appropriate selection pools. HR officers will take responsibility for a robust challenge to management teams to ensure that proper processes and consideration have taken place and to escalate any concerns as appropriate and necessary.

## Finance

37. The cost to the Authority in approving severances related to the budget savings process so far is set out in the table following paragraph 18.

Redundancy costs are dependant on the age and length of service of the individuals concerned and therefore costs for the 2014/15 savings cannot be precisely calculated at this stage. However, it is anticipated that they can be met from use of resources earmarked for committed capital expenditure (which in turn could be funded from prudential borrowing) and general balances.

## **Law**

38. The main provisions relating to the redundancy rights and payments for Local Authority employees are contained in The Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order 1999 as amended.
39. The Collective Redundancies (Amendment) Regulations 2006 concerns the duty to notify the Secretary of State of the proposal of collective redundancies. This duty has been met with the submission of the required HR1 Form.
40. Relevant employer responsibilities are contained in The Employments Rights Act 1996 and The Equality Act 2010
41. Section 111 of the Local Government Act 1972 empowers the Council to do anything which is calculate to facilitate, or is conducive or incidental to the discharge of its functions.
42. Pension arrangements for Local Government employees are contained in the Local Government Pension Scheme regulations 1997

## **Equality Impact**

43. The budget saving process detailed in this report is consistent with the Council's Equality & Diversity Policy
44. A corporate Equality Impact Assessment for staffing was completed and is attached as an appendix. There were no major implications identified for the seven protected characteristics as defined by the Equality Act 2010.

## **Recommendations**

45. That Cabinet note the contents of this report.
46. That Cabinet agree the outline timetable for the next round of employee related budget savings.
47. That Cabinet agree to a voluntary redundancy programme related to services where savings are identified, rather than a council wide "Expressions of interest" process.
48. That the Director of Corporate Resources, in consultation with the Cabinet Member for HR, Law and Governance, be authorised to determine all applications for voluntary redundancy including those where there are pension implications, and that the Assistant Director HR & OD, in consultation with the Cabinet Member for HR, Law and Governance be authorised to determine all applications for compulsory redundancy including those where there are pension implications, up to a total maximum of £3.0m for direct redundancy costs and £1.5m for the capitalised cost of pension strain



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**Philip Tart**  
**Director of corporate resources**

In consultation with:



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Contact Officers:

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01384 817209

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Team Manager  
01384 812119

**List of Background Papers**

- Equality Impact Assessment
- Draft outline timetable for the 2014/15 savings programme

## Staffing considerations - proposed budget savings 2014/15 – Timeline for key actions

3 <sup>rd</sup> October 2013	Union meeting to cover initial headline facts for the budget requirements for 2014/15. Additionally discuss enhanced appeal procedure and other processes such as selection pools & selection criteria.
October & November 2013	Briefings for managers - sessions for managers regarding budget proposals and training in supporting staff through change.
November through to February 2014	Proposal to hold staff briefing sessions – voluntary attendance (date/time to be agreed by managers to ensure no service disruption) to update and inform staff of the proposals and implications and working through change training.
22/10/13	<p><b>FORMAL COLLECTIVE CONSULTATION BEGINS</b></p> <p>Morning - Assistant Directors/Heads of Service meet with employees identifiable in the Cabinet report to explain the situation (HR to accompany). Meetings may be group or individual meetings depending on the circumstances.</p> <p>Afternoon - Corporate union consultation regarding the budget proposals and potential staffing implications including the Treasurers presentation and VR process for 2014/15</p> <p>Afternoon - Communication processes commence including VR process proposals.</p> <p>Followed by directorate union consultation meetings over the following week prior to Cabinet on 30/10/12.</p>
30/10/12	Full Cabinet to approve to go to consultation on proposed budget savings for 2014/15.
31/10/ 13 to 04/11/13	Further communication to workforce- explaining about the process for this year, including details regarding requests for voluntary redundancies. <a href="#">Note half term week is w/c 28.10.13</a>
Nov 2013 (continues through to February)	Scrutiny and consultation process. This is with scrutiny committees, external groups and employees/employee representatives.
Overview of main tasks with key dates highlighted	Managers, supported by HR conduct individual employee consultation. NOTE all managers must have attended the appropriate training sessions before holding meetings.
Individual employee consultation on remodelling takes place	Union consultation continues as necessary with directorate and divisional JCC meetings.
	Identify numbers/classifications of groups of potentially affected employees in preparation for HR1 submission to BIS, which is copied to union representatives.
13/12/13	Corporate union consultation meeting to update on progress to date and ensure any alternative proposals or concerns raised have been responded to.



During December and January	<p>Work to progress on:</p> <ul style="list-style-type: none"> <li>• Investigating redundancy bumping opportunities</li> <li>• Progressing selection pools</li> <li>• Conducting selection criteria meetings as necessary</li> <li>• Consultation with employees at risk of CR</li> <li>• Progress any VR requests if applicable</li> </ul> <p>Ongoing communication to staff updating them on the current status and consultation process in line with communication strategy.</p>
31.01.14	<b>FORMAL COLLECTIVE CONSULTATION PERIOD ENDS</b>
w/c 10.02.14	Corporate union consultation meeting.
12/02/14	Cabinet meeting to discuss budget proposals prior to recommending to full council.
<p>13/02/14</p> <p>Individual employee consultation on remodelling ends.</p> <p>Individual employee consultation on redeployment takes place.</p>	<p>AD/Head of Service meet with employees at risk, informing them that:</p> <ul style="list-style-type: none"> <li>• the consultation regarding the remodelling process has ended and their post is now confirmed as redundant.</li> <li>• Individual consultation in relation to redeployment commences.</li> <li>• Formal notice in line with contracts of employment will commence from 24<sup>th</sup> February (for those with 12 weeks notice and on the appropriate date thereafter for those with less notice)</li> <li>• Employees informed about the right of appeal regarding the post being redundant to their director of service. At the end of the notice period if redeployment has not been possible there is the right of appeal against the dismissal to the Director of Corporate Resources. This is not another opportunity to appeal against the redundancy decision.</li> </ul>
27/02/13	Appeals against redundancy of posts submission deadline (if met with on the 13 <sup>th</sup> February – employees have 10 days to register their appeal so need to account for any delay in holding the meeting).
03/03/14	<p>Full Council to ratify budget decision</p> <ul style="list-style-type: none"> <li>• Employees can leave the council after this meeting i.e. the first voluntary redundancies if applicable</li> <li>• Those at risk of compulsory redundancy will still be going through the time required on the redeployment register, with every effort made to redeploy or redundancy bump up to the last working day.</li> </ul>
w/c 17/03/14 and 24/03/14 (estimated dates)	Directors available to hear appeals as necessary.
From w/c 19/05/14	<p>Employee's leaving the Authority on the grounds of CR (unless on redeployment trials which may delay the leaving date for CR's).</p> <p>Appeals to Director of Corporate Resources regarding the dismissal (not against the redundancy decision as that has already been heard).</p>
31/05/14	2014/15 formal closure of budget process. The only exceptions to this date will be for employees at risk of compulsory redundancy who are undertaking redeployment or redundancy bumping trials that take them past this date. Any instances whereby service cuts in one area have led to the need for employee reductions in other areas not previously identified for savings and any related to cuts in grants where the details are not sufficiently available at this stage and may mean a later date to commence consultation.

## Equality impact assessment

**Name of policy, service or decision:** The reduction in non-school staff as a result of the budget saving process for financial year 2013/14.

**Lead directorate:** Corporate Resources

<p>1. Description – what is being assessed?</p> <p>The impact of budget cuts during 2013/14 staffing levels in the Council. The inclusion of savings required as a result of funding cessations or reductions refers only to those that the council is sufficiently aware of to enable them to be taken into account. Further Equality Impact Assessments will be produced if and when additional savings due to funding cessations are required.</p>
<p>2. Lead officer on assessment: Margot Worton, Head of HR – Change &amp; Strategy</p>
<p>3. Head of service: Philip Tart, Director of Corporate Resources</p>
<p>4. Members of assessment team:</p> <p>Sabeena Khanna, Principal HR Officer, Corporate Resources Directorate</p> <p>Simon Manson, Principal Policy &amp; Performance Management Officer, Chief Executive's Directorate</p> <p>Menna Flavell, Principal Officer Corporate Management, Corporate Resources Directorate</p> <p>Emma Wright, Principal HR Officer, Corporate Resources Directorate</p> <p>Amanda Hubble, Assistant HR Officer, Corporate Resources Directorate</p> <p>Helen Mallen, Principal HR Officer, Corporate Resources Directorate</p> <p>Theresa Andrews, Information Analyst &amp; Systems Officer, Corporate Resources Directorate</p>
<p>5. Date assessment began: 21 February 2013</p>
<p><b>Background</b></p>
<p>6. What are the aims and objectives or purposes of the policy or function/service?</p> <p>The Council continues to be required to identify significant levels of savings. A Cabinet Report was approved on 12<sup>th</sup> February 2013 detailing the proposals to be put to the Council on 4<sup>th</sup> March for budget savings to be made in 2013/14. Service EIAs for budget savings where equality is assessed to be relevant were considered at the meeting and were taken into account by Members in making decisions. Initial budget proposals had previously been presented at Cabinet in October 2012 prior to undertaking scrutiny and consultation with relevant protected groups as a</p>

result of which some proposals have been deferred to the following year's savings to allow for further consultation and to further mitigate the impact of savings on protected characteristics.

This EIA details the impact of savings on the staffing levels if the budget proposals are approved, addressing the impact at a corporate level. The current compulsory redundancy situation, and posts identified as at risk of redundancy are yet to be confirmed due to ongoing redeployment and redundancy bumping efforts so the EIA refers only to the Voluntary Redundancy statistics. However compulsory redundancies due to this process will be no higher than 4 employees ( 4.0 FTE).

The EIA addressing the final impact of 2011/12 budget savings on staffing was presented to the October 2011 Cabinet. That EIA concluded that there was no significant adverse impact on the basis of protected characteristics apparent from the available data and analysis. A higher proportion of disabled employees applied for voluntary redundancy in 2011/12 (4.5%) compared to the proportion in the workforce (3.3%). Of those that applied for voluntary redundancy 35.9% were given voluntary redundancy. Similarly at the end of 2012 the EIA presented to the October 2012 Cabinet for the 2012/13 budget savings indicated that there was no adverse impact on the basis of protected characteristics apparent from the available data and analysis. The statistics for the third quarter of 2012/13 indicate that the proportion of disabled employees amongst non-school staff has decreased marginally from 3.3% to 3.2%.

It was also agreed at the end of both the 2011/12 and 2012/13 budget savings process that the Managing Employees at Risk of Redundancy (MEARR) Policy and Procedure would be reviewed and learning points from the previous year would feed into this review. As a consequence the Policy and Procedure has been updated twice with a view to addressing issues that arose in each year e.g. feedback from some Trade Union representatives was that the redundancy bumping process could be more open and transparent. There is now an enhanced detailed section on redundancy bumping in the policy and HR teams have co-ordinated a list of posts available for redundancy bumping from voluntary redundancy requests that have either had a maybe or no decision or been informed that their post is excluded from making a voluntary redundancy request. Managers and employees have also commented that the policy is a long and complex document. Therefore this has been split into a Managers Guide, Policy document and employee's guide to assist those using the policy. The Redeployment and Retraining Policy and Procedure was also revised at the beginning of the 2012/13 savings, taking into consideration learning points from 2011/12. A further review will take place this year.

At the end of 2011/12 404 voluntary redundancy requests had been approved which considerably reduced the need for compulsory redundancies to be made. As a result of this, and by using redeployment and redundancy bumping 56 compulsory redundancies were made. At the end of 2012/13, there were 550 voluntary redundancy requests. 83 voluntary redundancy requests were accepted. As a result of this, and by using redeployment and redundancy bumping 18 compulsory redundancies were made.

Cabinet approved a further expression of interest process for voluntary redundancies in 2013/14 again the aim being to minimise the need for compulsory redundancies across the Council. 359 requests for voluntary redundancy were received and an additional 8 individuals were added to the process to mitigate against compulsory redundancies. Of the 367 VR applications 56 have been progressed. Provided in the assessment below is an analysis of the data from voluntary redundancy requests from 2013/14, demonstrating whether there has been any impact on protected groups from the responses to voluntary redundancy requests. Workforce information and statistical analysis is attached to this report. There has been no analysis of the compulsory redundancy statistics because the numbers are too low to be able to assess impact on the workforce. At the point of requiring cabinet authorisation there were 9 people at risk of compulsory redundancy, to use data with such low numbers would be misleading and of little benefit.

7. Who is it intended to affect or benefit (the target population)?

The Council's budget reduction process and its consequential impact will have an effect on:

1. Service users of the Council including potential users and carers
2. Members of non-school staff across the Council

8. What are the main issues relating to each protected characteristic?

Consider all three parts of the public sector equality duty:

- eliminating discrimination, harassment and victimisation,
- advancing equality of opportunity, and
- fostering good relations

All protected characteristics	
Age	The right to express interest in voluntary redundancy is open to all employees if the service can accommodate the request. Due to the nature of severance payments and the pension provision, those volunteering to be made redundant are expected to be mostly from the over 55 age range although not exclusively.

	<p>Those below the age of 55 do not have access to their pension thus usually making volunteering a less attractive option.</p> <p>In terms of compulsory redundancies older employees being made redundant who look for alternative work outside the Council may find it more difficult than a younger person, to find another job, despite age discrimination legislation. However, this is not reflected in unemployment statistics for the Dudley Borough (Source: Jobseekers Allowance, January 2013) which show that the 16-24 age group has the highest level of unemployment at 9.1% and the lowest levels are in the 55-64 age group at 2.4%. Employment amongst older age groups may be explained by a number of companies (especially in retail) promoting their employment of experienced older employees. Also it is more likely that fewer 55-64 year olds are actively seeking work as they have 'retired'.</p> <p>Where there is a selection pool in a compulsory redundancy situation the selection criteria provides an opportunity to reward employee loyalty whilst not discriminating against younger workers by including length of service as an element but limited to 5 years maximum. The competency based interview structure focuses on the skills and competencies held by the employee rather than length of time served to gain the necessary experience.</p>
Disability	<p>To mitigate any potential impact on disabled employees, the selection criteria used for any selection pool requirements omits any absence relating to disability. All employees and their representatives have an opportunity to discuss and challenge in a meeting the selection criteria therefore if any absence attributable to a disability has inadvertently been included this can be investigated as appropriate and rectified. Employees are encouraged to declare any disability on an annual basis to ensure records are up-to-date and necessary support, advice and guidance is provided to both employee and manager.</p> <p>Reasonable adjustments will be considered for individuals in the selection interview and in any redeployment/redundancy bumping opportunities considered. Employees may also bring a representative with them to consultation and communication meetings.</p>

Gender reassignment	There is no data available in this area to collate this.
Pregnancy or maternity	Women on maternity leave and men on additional paternity leave have enhanced protected status and this is recognised when considering selection pools for redundancy and when considering vacancies. This right also applies to those on adoption leave. Employees on maternity/additional paternity/adoption leave are kept informed of the consultation process throughout. To mitigate any potential impact on this group, the selection criteria used for any selection pool requirements omits any absence relating to pregnancy.
Race	Employees from some BME groups being made redundant may find it more difficult to find another job (e.g. due to employer discrimination) than employees from white groups. Unemployment statistics for the Dudley Borough show that compared to 5.1% of White British being out of a job there are 6.6% of BME people out of employment currently (Source: Job Seekers Allowance, January 2013).
Religion or belief	The data in this area is limited by the number of employees who do not declare their religion to draw any conclusions.
Sex	<p>64.6% of the Council's workforce (excluding schools) is female and therefore it is probable that more women than men will be at risk of redundancy or request voluntary redundancy. Due regard will be made to this area as some service areas may be more affected by the budget savings process for example back office functions, where the proportion of women may be even higher, and monitoring will be ongoing to ascertain if this affects a higher ratio of women to men than in the workforce profile of the council.</p> <p>Part-time employees tend to be predominantly female and as it can be simpler to lose one full-time post rather than many part-time posts, this may be an issue in terms of gender. Also where a full-time employee has shown an interest in VR it may not be possible for part-time employees to bump them as they sometimes cannot cover the hours and a job-share may not be found. To mitigate this where a part-time employee is matched</p>

	to a full-time bump all directorates are checked for suitable job share to be found, unless the employee wishes to increase their hours to full-time. Similarly where a part-time employee has requested VR, full-time employees have only been considered an unsuitable redundancy bumping match when it has been confirmed by the manager that the post must remain full-time to meet business requirements.
Sexual Orientation	There is no usable data available on sexual orientation for conclusions to be drawn in this area, although the council has started to monitor against this protected characteristic.

### **Stage 1 – evidence gathering**

Provide details of all information about the policy, service or decision which will help with the assessment. Use the headings below as reminders of what may be useful, although this not an exhaustive list.

#### **Equality monitoring data:**

What systems are in place to monitor current and future impact for each protected characteristic? What monitoring data is collected for each of the protected characteristics? Set out details of this data.

The PSE system contains employee's personal details and reports can be produced from the system with equality information. Many employees have been trained on using Yourself and ensuring the system is up-to-date. At the start of each financial year there is now a requirement for all employees with access to PSE to check and update their information before they are able to proceed with using the system. With an improved data capture in place the council will be more informed of the workforce profile.

#### **Engagement and customer feedback:**

The MEARR Policy was reviewed and updated following feedback from affected employees in 2012/13 and feedback from Trade Unions. HR Officers involved in the process were also consulted before more detailed processes for ensuring consistency in redundancy bumping and assimilation were outlined. See page 2 above for details. Selection criteria for Voluntary Redundancy were also amended following feedback from employees and Trade Union representatives. Consultation regarding the budget saving process for 2013/14 savings commenced with trade unions on 25<sup>th</sup> October 2012 via a corporate meeting followed by directorate meetings.

**Barriers to access:**

All employees at risk of compulsory redundancy are offered the same provisions: access to 12 weeks on the redeployment register, 4 week trials where a placement is found (this may increase to 3 months if the employee has disabilities); access to the redundancy bumping information so possible posts can be identified; shadowing period if a bump is found; and severance payment if an employee with 2 years or more continuous service is made redundant. There are no identifiable barriers of access apart from the requirement to be aged 55 or over to access pension when made redundant.

**Information about the borough e.g. Census data:**

N/A

**Background or comparative information:**

The equality profile of those employees affected was compared to the workforce statistics for the third quarter 2012/13.

**What evidence is missing? What will be done to collect it?**

The data missing is that on religion/belief, transgender and sexual orientation. Although religion/belief and sexual orientation data is being collated for employees it is not widely completed. Transgender is not recorded.

**Stage 2 – data analysis**

Provide details of the analysis completed on the information presented at stage 1 above, identify patterns or trends and compare with other authorities, national research, census data, etc.

The data analysis provided below is on the strands from which data can be retrieved.

**Age**

The age profile of those applying for voluntary redundancy in the 2013/14 budget savings shows that there is a higher proportion of applications from 55-64 year olds than in the workforce. This was demonstrated in the 2013-14 budget savings process where 73.2% of the voluntary redundancy requests approved were for over 55 year olds. This may largely be due to the access to the pension



commencing when employees are over the age of 55. The distribution of responses for the age groups appears to show no impact on any particular age group.

### **Disability**

There is a slightly higher proportion of disabled employees applying for voluntary redundancy in the 2013/14 budget savings across the Council at 5.2% compared to the proportion in the workforce at 3.2%, although a higher rate for declining VR requests for disabled applicants. The higher proportion of disabled applicants may be explained by the age profile of the applicants as 63.1% of the disabled applicants were aged over 55, which is the age at which early access to pension is given. The overall impact on the proportional profile of the workforce by disability is likely to be minimal as both the 'yes' and 'no' responses are comparable for disabled and non-disabled applicants.

### **Race**

The proportion of BME employees applying for VR in the 2013/14 budget savings was substantially lower at 1.9% compared to that in the workforce at 8.0%. This may be due to a lower age profile of BME applicants where only 14.3% were aged 55 or over. The proportion of yes responses given to BME employees was comparable at 14.3% for employees from a BME group compared to that for white employees at 11.7% so there appears to be little impact on the BME profile from voluntary redundancies.

### **Religion**

It is difficult to draw any conclusions on the data relating to religion as 35.2% of those at risk of redundancy have not disclosed their religion/belief. Similarly across the Council 47.9% of those making a voluntary redundancy request have not declared their religion.

### **Sex**

There was a slightly lower proportion of Voluntary Redundancy requests from females at 61.7% compared to that in the workforce at 64.6%. However, a greater proportion of males were declined their request compared to females which appears to be due to the service areas from which the requests were being made being areas where requests could not be accepted. For example, in DUE there were four times the number of male applications in Environmental Management compared to female applications, where a large proportion of the DUE requests

were declined. The number of yes responses to females and males in this area is similar but the low numbers have had an impact on the figures. Looking at the grade breakdown it is similarly clear that the low numbers have impacted on the results. There was a higher proportion of males receiving a 'no' response at SCP 34 or below compared to females. The responses appear to be due to the areas from which the male applications were received, as these were areas where requests could not be accepted. There is a similar occurrence for the distribution of responses for males and females above SCP 34.

To ensure that females are not indirectly discriminated against redundancy bumping the Council actively look to find various options for part-time employees to redundancy bump a full-time employee. For example, to mitigate redundancies two part-time female employees at risk of redundancy were able to redundancy bump an employee on voluntary redundancy.

### **Stage 3 - assess the impact**

Does the policy or function/service have any potential adverse impacts on particular protected groups? If so explain what they are.

Where a small difference has been found between the proportion of voluntary redundancies within protected groups and their representation in the workforce it is so slight that there is no evidence of adverse impact that can be drawn from this. An adverse impact is more noticeable in some Councils in London where for example 23% of redundancies are from a BME group and only 5% of the workforce is BME (as per figures provided by UNISON, February 2012).

### **Stage 4 - reasons for adverse impacts**

Outline the reasons identified for adverse impacts

No adverse impact has been identified.

### **Stage 5 - consider alternatives/mitigating actions**

How will any adverse impacts identified be reduced or removed? Explain if it is decided that an adverse impact is unavoidable.

1. In anticipation of the need to make significant savings the council through effective workforce planning have continued the vacancy management process commenced prior to the 2011/12 budget savings including the non filling of some vacant posts and member authorisation required where vacancies are to be filled, this includes acceptance of requests for voluntary reduction in hours or flexible retirements where the vacant hours have not been replaced.
2. The council offered the opportunity of expressing an interest in voluntary redundancy to staff (excluding schools) in order that any at risk staff may consider VR and that other posts may also be considered in order to identify any redundancy bumping opportunities for staff in at risk posts. The current DMBC redundancy scheme is an enhancement on the statutory redundancy scheme.
3. Additionally the Council asked for expressions of interest in voluntary reduction in hours and flexible working.
4. The Council has developed comprehensive resources to support employees at risk of redundancy through its "Facing the Future" programme. This includes face to face advice and training and online information on topics such as life planning, career and finance and emotional support.
5. The Council offers redeployment support to staff at risk of compulsory redundancy. This includes staff being placed on the redeployment list with uncompetitive opportunities for vacancies (although competition with other redeployees). There is also support with regards to advice on the development of CV's, assistance with identifying job opportunities and preparation for interviews. Reasonable adjustments will be made for disabled employees during this process. Employees on maternity leave, adoption leave and long term sickness absence are kept fully informed.
6. The Council has extended the time allowed on the redeployment register for employees to be given access to the register before their post is declared redundant but whilst they are identified as in an 'at risk of redundancy' situation. Therefore employees will in some cases have more than 12 weeks to find alternative employment through redundancy bumping or redeployment.
7. The Council has a counselling service available and promote this service.

<p>8. Reasonable time off work will be given for employees at risk of compulsory redundancy to look for work or arrange appropriate training.</p> <p>9. The Council will apply relevant policies in relation to employees covered by maternity and paternity provisions when considering redundancy and redeployment.</p> <p>10. Some managers have been trained to effectively implement the managing employees at risk of redundancy policy including managing selection pools and criteria. To ensure consistency HR staff support managers through the process and feed back to a corporate group to ensure that any issues that have arisen are addressed consistently across the Council. Directors have been required to ensure managers involved in redundancies would receive relevant training.</p>
<p><b>Stage 6 - test the changes</b></p>
<p>Detail how the mitigating actions to reduce or remove the adverse impacts were tested, piloted or consulted on and the results of this.</p> <p>Most of the mitigating actions were in place for the first two years of budget savings with the result that the numbers of compulsory redundancies were reduced to 74 in total and the possibility of any significant adverse impact on particular groups in the work force minimised. In the 2011/12 budget savings process 36 employees at risk of compulsory redundancy were redeployed and 16 were bumped. In the 2012/13 budget savings process 20 employees at risk of compulsory redundancy were redeployed and 2 were bumped. As indicated above some improvements to the mitigating actions have been put in place as a result of learning from 2011/12 and 2012/13. This is helping again to minimise the numbers of compulsory redundancies that are likely and the possibility of any adverse impact on particular groups of employees considerably reduced.</p>
<p><b>Stage 7 – decision making</b></p>
<p>Did the test, pilot or further consultation illustrate that the mitigating actions will be effective? What decision is recommended about the policy or service and why? How will the decision maker be briefed on the EIA?</p> <p>During 2011/12 there were 404 voluntary redundancies resulting in minimising the need of compulsory redundancies to 56 In 2012/13 there were 83 voluntary</p>

redundancies minimising the need of compulsory redundancies to 18. The equality statistics at the beginning of the process highlighted possible concerns of impact on BME employees and disabled employees, these concerns were alleviated by the end of the process due to the number of employees bumped/redeployed.

#### **Stage 8 - monitoring arrangements**

How will the equality impact of the policy or service be monitored in the future?

Next year it is important that the impact of the savings for that year is analysed and the cumulative effect of what will be four years of budget savings.

#### **Stage 9 – action planning**

Provide details of actions or improvements identified during the EIA.

Date completed:

Signed by assessment leader officer:

Signed by assistant director/ head of service:

Date:

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**Meeting of the Cabinet – 30th October 2013**

**Report of the Director of Corporate Resources**

**Localised Council Tax Reduction Scheme 2014/15**

**Purpose of Report**

- 1 To update members on the results of the consultation exercise that was approved at the Cabinet meeting held on 20<sup>th</sup> June 2013, together with information regarding plans for council tax reduction scheme changes in our neighbouring authorities.
- 2 Following consideration of the consultation results, the outcomes from member scrutiny, and an equality impact assessment, to gain agreement on the Cabinet's preferred option for the Council Tax Reduction Scheme to commence in April 2014. This will then be submitted for member's approval at the full council meeting to be held on 5<sup>th</sup> December 2013.

**Background**

- 3 The Council's Benefit service administers the localised council tax reduction scheme. Under this scheme, the income of low income households is subjected to a means test and can result in a reduction to their council tax liability of up to 100%. 33,500 households currently receive a council tax reduction, the average amounting to £13.54 per week (£706 per year).
- 4 New *localised* Council Tax Reduction (CTR) schemes replaced the old *national* Council Tax Benefit (CTB) scheme in April 2013. This also came with a reduction in the level of, and nature of, supplied central government funding to support the scheme. The background to the CTR 2013/14 scheme development together with a breakdown of the schemes funding arrangements can be found in the Cabinet report on 20<sup>th</sup> June 2013.
- 5 After taking into account government grants towards CTR awards and the local authorities share of the overall council tax bill, Dudley's estimated contribution to funding it's CTR scheme in 2013/14 is approx. £1.85 million.
- 6 As some of the central government funding for our scheme was only granted for the first year, if the current scheme were to continue in 2014/15 (and council tax levels remain unchanged), Dudley's estimated contribution towards the scheme next year would be £2.4million.
- 7 As the CTR scheme for pensioners is prescribed in regulations, any change in our local CTR scheme can only apply to work-age applicants. The estimated breakdown of reductions to be granted under the current 2013/14 scheme is as follows:-

Data as at 01/05/13	Pension Age	Working Age Employed	Working Age Other	Total
Number of claims with non-zero awards	15892	2377	15081	33350
Average weekly reduction in CT	£13.69	£9.87	£13.97	£13.54
Average annual reduction in CT	£714	£515	£728	£706
Total annual awards	£11,349,729	£1,238,466	£11,001,423	£23,589,618

- 78% of all working age applicants of CTR (just under 14,000) currently receive a 100% reduction in their council tax bill (ie. they currently pay no council tax at all).
- 56% of all CTR applicants reside in the lowest council tax property band A and 84% reside in property bands A or B
- 25% of all households throughout the borough are in receipt of CTR. (Halesowen South has the lowest level at 12% and the highest is 39% in St. Thomas)

8 New CTR schemes for working age claimants can only be implemented at the start of a financial year (ie. 1<sup>st</sup> April) and any scheme changes must be consulted on and approved by a full council meeting before 31<sup>st</sup> January in the year that the scheme will start. Any transitional arrangements for applicants affected by changes must also be considered at the same time.

9 On 20<sup>th</sup> June, Cabinet members approved a timetable for consultation on potential scheme changes. The consultation was based on three options for a revised council tax reduction from 1<sup>st</sup> April 2014. These are as follows –

**OPTION ONE** – Continue with the current scheme which protects low income households from any changes, calculating CTR entitlement in the same way.

**OPTION TWO** – Calculate CTR entitlement in the same way, but then reduce the level of award granted by 8.5%. This will increase the council tax payable.

**OPTION THREE** – Calculate CTR entitlement in the same way, but then reduce the level of award granted by 20%. This will increase the council tax payable by more than in option two.

None of the options affect pensioners who are protected automatically by law.

10 In addition to seeking a preference on the preferred option, the consultation asked if any vulnerable groups (in addition to pensioners) should be protected from changes in the scheme, should options 2 or 3 be implemented. The 4 most common vulnerable categories protected in other local authority CTR schemes (ie. disabled adults, disabled children, war pensioners and lone parents with children under 5) were named in the consultation together with the option to suggest other vulnerable groups for protection from any changes.

11 Consultation on Dudley's preferred option commenced on 18<sup>th</sup> July with emails to our major precepting authorities (Fire and Police) who are also affected by our choice of CTR scheme. The key points arising from the response are :-

- An acknowledgement of the difficulties associated with reduced funding arrangements and the vulnerability of the citizens affected
- Consideration should be given to maximising other council tax technical changes to minimise the impact on the authority funding
- Whatever option is chosen, a prudent approach should be adopted in terms of the anticipated levels of council tax collection rates so that planning assumptions regarding funding are not over optimistic

12 Public consultation took place for 12 weeks from 29<sup>th</sup> July to 18<sup>th</sup> October 2013, the details of the consultation and the full results of which are included in Appendix 1.

In summary the 550 people responded to the consultation, of which 412 (73%) preferred option 1, 68 (12%) option 2, 65 option 3 (12%) and 15 (3%) gave no preference.

In the event that option 2 or 3 should be implemented 274 (50%) were in favour of protecting disabled adults, 241 (44%) disabled children, 229 (42%) war pensioners, 163 (30%) lone parents with a child under 5, and 119 (22%) suggested a variety of other categories of vulnerable households for protection.

13 The members of the Corporate Performance Management, Efficiency and Effectiveness (CPMEE) Scrutiny Committee have undertake scrutiny of the options for CTR schemes over a series of meetings as follows :-

11<sup>th</sup> June : Brief Introduction to topic

30<sup>th</sup> July : Informal meeting dedicated to 14/15 CTR Scheme development

5<sup>th</sup> Sept : Update on work-to-date and summary of recommendations

A summary of the issues discussed at the scrutiny committee are as follows :-

- The protection of low-income household from increases in council tax bills vs. options to raise more council tax to help with budget pressures elsewhere
- Analysing and defining any vulnerable categories that could be protected from changes should options 2 or 3 be implemented, and in particular the different definitions that could be applied to disability. The definition for disabled used in the consultation exercise is the widest definition to include all incapacity as a result of long-term illness. There is also a narrower definition for disability that could be used which can be defined as people in receipt of Disability Living Allowance (or it's replacement benefit Personal Independence Payments).
- The potential problems in collecting relative small amounts of council tax from low income households, and the increased costs of collecting from up to 14000 additional households who currently pay no council tax at all.

The minutes of the 5<sup>th</sup> September Scrutiny Committee meeting (item 13) include more detail on the member's discussions. Due to the final results of the public consultation not being available until 18<sup>th</sup> October and collection information from neighbouring authorities not being available, the work of the CPMEE committee concluded with the following resolution:-



*“That the Cabinet be informed that this Scrutiny Committee do not wish to make a recommendation to them regarding which of the three options for the Council’s 2014/15 Local Council Tax Reduction Scheme should be adopted, on the basis that there was currently not enough information available on which to make a decision but that if Cabinet/Council wish to implement either options 2 or 3 it is recommended that the vulnerable groups identified within the papers circulated to members and referred to at this meeting be protected and that the widest possible definition of disability be features of the proposed Scheme”*

- 14 The next steps in approving a revised CTR scheme are as follows :-

Cabinet approves scheme to submit to Full Council	30 <sup>th</sup> Oct 2013
Cabinet response to CPMEE Scrutiny Committee	20 <sup>th</sup> Nov 2013
Full Council approves scheme	5 <sup>th</sup> Dec 2013
Deadline for 2013/14 CTR scheme approval	31 <sup>st</sup> Jan 2014

- 15 As part of the recent “Big Question” consultation on the budget, the Council sought the views of the public on the services that they would want to cut or protect. The results of that exercise indicated a relatively high level of support for cutting benefits and other welfare services. However it is relevant to note that there was also a relatively high level of support for protecting services for disabilities and mental health in children and adults as well as for child protection and family support. (There was also a relatively high level of support for protecting older people but these are in any case protected by the mandatory CTR scheme for pensioners.)
- 16 At a national level, early indications from other authorities who have reduced CTR eligibility suggest that recovery of council tax from low-income families is proving challenging, both in terms of administration and lower collection rates. More locally, while budgeted collection rates vary widely, actual collection performance has reduced, although other factors have had an impact here, particularly changes to council tax exemptions and discounts for unoccupied properties from 01/04/13. It has proved difficult to obtain factual information this early in the financial year and official council tax collection results for 2013/14 will not be available until May 2014.

- 17 The following information about neighbouring authority plans has been extracted from publicly available reports. At this stage they are only proposals and the situation may change prior to the scheme setting deadline of 31<sup>st</sup> Jan 2014.

LA	2013 / 14 CTR schemes	2014 / 15 proposals
Birmingham	8.5% cut in CTR - with protected groups - extra CT to collect = £8.1m	Unknown - No public consultation started
Coventry	Default Scheme – no changes	Unknown - No public consultation started
Sandwell	Various scheme changes - with protected groups - extra CT to collect = £474k	Unknown - No public consultation started
Solihull	Default Scheme – no changes	Cabinet recommendation to retain default scheme for a further 2 years
Walsall	Default Scheme – no changes	Public consultation to commence based on 4 options - cut in CTR of 20.5% - cut in CTR of 10% - cut in CTR of 20% (with protected groups) - no change to scheme
Wolverhampton	8.5% cut in CTR - no protected groups - extra CT to collect = £1.2m	Public consultation underway on variety of 'mix & match' scheme changes :- - limiting CTR to 88% of CT liability - limit child disregard to 1 <sup>st</sup> child - lower capital cut-off to £3k - 5 other 'lower value' scheme changes

## **Finance**

- 18 In 2013/14 it is estimated that £24m in council tax reductions will be granted under our current scheme for low-income families. This is funded by £21.3million from central government, £0.6million in 'one-off' transitional grants, and a contribution from Dudley and it's major precepting authorities (Fire & Police) of £2.1million. The breakdown of these figures is 88% Dudley Council, 8% West Midlands Police & Crime Commissioner and 4% West Midlands Fire Service. No further government transitional funding has been announced for 14/15.
- 19 Although provision for funding the Dudley contribution to the scheme was made in the budget for 2013/14, (assisted by the one-off transitional grant), any savings made in the costs of the 2014/15 scheme will contribute to meeting other budget pressures.

- 20 The true cost of any CTR scheme to the council and it's precepting authorities (Fire & Police) is the amount of extra council tax that could be collected as a result of a less generous scheme. The table below shows the council's share of the extra council tax that would be collectable under each of the proposed scheme options. Each of the 3 options have been modelled to include and exclude all of the named 'potential' protected groups in the consultation. During the Scrutiny Committee discussions two different definitions for disabled adults were considered and consequently both options have been presented. There are obviously a number of sub-sets of the named protected groups that could be considered or indeed consideration of different groups for protection from changes as a response to the public consultation.

	<b>Protecting all disabled adults &amp; children, lone parents with child under 5 and war pensioners <u>widest</u> defn. of Disabled</b>	<b>Protecting all disabled adults &amp; children, lone parents with child under 5 and war pensioners <u>narrower</u> defn. of Disabled</b>	<b>Not protecting any vulnerable groups (other than pensioners)</b>
<b>Option 1</b> Continue with current scheme	No change	No change	No change
<b>Option 2</b> Increase council tax payable by cutting the level of CTR by 8.5%	Increase in <b>LA's share</b> of the collectable council tax by a <u>maximum</u> of <b>£456k</b> in 2014/15.	Increase in <b>LA's share</b> of the collectable council tax by a <u>maximum</u> of <b>£591k</b> in 2014/15	Increase <b>LA's share</b> of the collectable council tax by a <u>maximum</u> of <b>£911k</b> in 2014/15
<b>Option 3</b> Increase the council tax payable by cutting the level of CTR by 20%	Increase in <b>LA's share</b> of the collectable council tax by a <u>maximum</u> of <b>£1,072k</b> in 2014/15	Increase in <b>LA's share</b> of the collectable council tax by a <u>maximum</u> of <b>£1,389k</b> in 2014/15	Increase <b>LA's share</b> of the collectable council tax by a <u>maximum</u> of <b>£2,143k</b> in 2014/15

Assumptions

- All calculations are based on current caseloads, 2013/14 council tax levels with no annual upratings applied
- 'Savings' in the scheme are quoted in terms of the Dudley's share of extra collectible council tax and a 100% collection rate. (Only 88% of all council tax collected is retained by the local authority)
- Additional costs for collection and administration are not included

- 21 Implementing a scheme with no protected groups would require the collection of council tax from an additional 14,000 council tax payers who currently pay nothing, and additional council tax from another 3000 council tax payers who currently receive less than 100% CTR. It is estimated that the additional administrative costs in collection would be around £100k. Obviously this cost would reduce depending on the number of protected groups.
- 22 It is very likely that extra council tax from low-income households could result in a lower than average collection rate for this sector of the community (compare to our usual 99% collection rate). Although official collection rate statistics from local authorities with less generous schemes are not published until after the end of this financial year, the budgeted collection rates of neighbouring authorities for this additional debit is as low as 66%.

## **Law**

- 23 The Local Government Finance Act 2012 introduced local council tax reduction schemes to replace council tax benefit from April 2013.
- 24 The Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 (Statutory Instrument 2012 / 2885) contains the mandatory elements for any local scheme and details the scheme that must be adopted for pensioners.
- 25 The Council Tax Reduction Scheme (Default Scheme) (England) Regulations 2012 (Statutory Instrument 2012 / 2886) contains the default council tax reduction scheme that was imposed on councils if they failed in their duty to set a scheme by 31<sup>st</sup> January 2012. The default scheme mirrors the rules of the old council tax benefit scheme and our current CTR scheme follows this with the addition of extra income disregards for war and war widow pensions.
- 26 The law requires consultation on any council tax reduction scheme changes and approval of any changes by a full council meeting. Due to the way the current scheme is documented, the up-rating of annual amounts (personal allowances, premiums, disregards and non-dependent deductions) could be deemed changes to the scheme. To ensure legal compliance and to avoid unnecessary public consultation it is proposed that the CTR scheme that commences in April 2014 is documented in a manner that links annually up-rated values to equivalents in the national CTR scheme for pensioners or Housing Benefits regulations.

## **Equality Impact**

- 27 The Government has stated that local schemes should provide support for the most vulnerable. The Government has confirmed that it does not intend to prescribe the protection that local authorities should provide for vulnerable groups other than pensioners, but issued guidance in May 2012 on the existing duties local authorities must take into account in relation to vulnerable groups in designing their schemes. These cover the following:

- the public sector equality duty set out in section 149 of the Equality Act 2010
- the duty to mitigate child poverty under the Child Poverty Act 2010, and
- the duty to prevent homelessness under the Housing Act 1996.

The guidance does not tell local authorities what they must do in their schemes to be compliant with these duties, but states that this needs to be tailored to their own specific circumstances.

- 28 An Equality Impact Assessment has been undertaken (see background information) and will be reviewed / updated based on the scheme recommendations of the Cabinet.
- 29 There has been no specific involvement of children and young people in developing the proposals in this report.

## **Recommendations**

- 30 After considering the outcomes of the preceptor and public consultation, member scrutiny and the equality impact assessment, that Cabinet agree their preferred council tax reduction to be submitted to full council for approval on 5<sup>th</sup> December 2013. The preferred scheme could consist of any of the options proposed in paragraph 8 above together with any vulnerable groups (in addition to pensioners who are protected by legislation) that should be protected from any changes to the current scheme. It should be noted that any new proposal for significant changes to be introduced at this stage may require a further public consultation exercise to be undertaken.
- 31 If the CTR scheme is changed to be less generous than in the current financial year, the council has a duty to consider whether transitional arrangements are to be put in place for any CTR recipients affected. Transitional arrangements will have the effect of reducing the amount collectable. It is assumed that if options 2 or 3 are considered (with or without vulnerable group protection) then the financial impacts on the affected households are deemed acceptable and no transition arrangements need to be considered.
- 32 That Cabinet approve the proposal to document the preferred CTR scheme in such a manner that any personal allowances, premiums, disregards and non-dependent deductions are automatically linked to equivalent annually up-rated values published by the central government in either Housing Benefit Legislation or the prescribed Council Tax Reduction scheme for pensioners. This will allow any approved scheme to be automatically carried forward to future years, without the need for annual public consultation and re-approval, until such time that further scheme changes are considered.



.....  
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## **Appendix 1 : Summary of outcomes from customer consultation**

## **Links to Background Information**

[Equality Impact Assessment](#)

[Report to Scrutiny Committee on Protecting Vulnerable Groups \(Sept 2013\)](#)

[Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee \(5th September 2013\)](#)

[Council Tax Reduction Cabinet Report – 20<sup>th</sup> June 2013](#)

[The Welfare Reform Act 2012](#)

[The Local Government Finance Act 2012](#)

Further information (including the regulations for the default council tax reduction scheme) can also be found on the following website :-

<https://www.gov.uk/government/policies/giving-local-authorities-more-control-over-how-they-spend-public-money-in-their-area--2/supporting-pages/localising-council-tax-support>

## Appendix 1 - Customer Consultation

Formal consultation ran from 29/7/2013 to 18/10/2013 (12 weeks)

The consultation was intended to reach the following groups:

- Members
- Precepting authorities
- Benefit recipients
- General public
- External stakeholders – tenants associations, Citizens Advice Bureau, Housing Associations, Tenants and Resident Associations
- Social landlords
- Council Tax payers
- Internal stakeholders - Social care, Housing,

The consultation process included the following activities:

emails	Landlords, housing associations, internal & external stakeholders, preceptors (police & fire)
e-bulletin	Big Question respondents
Mailshot	Benefit recipients
Consultation leaflet	General public (available at DCP, libraries, Job centres, CABs)
Website	General public
Press release / coverage / advertisement	General public
Twitter	General public
Facebook	General public
Community Forums	General public

## Results of customer consultation (paper & internet)

The total number of responses was 550

<b>Scheme Options</b>	<b>Number</b>	<b>%</b>
Option 1 – No Change	402	73%
Option 2 – 8.5% cut in CTR	68	12%
Option 3 – 20% cut in CTR	65	12%
No option given	15	3%
<b>Protect Vulnerable Groups</b>		
Disabled Adults	274	50%
Disabled Children	241	44%
War Pensioners	229	42%
Lone Parent – child aged under 5	163	30%
Other (various)	119	22%

Responses by.....				
<b>Dudley Tax Payer</b>	<b>Receiving CTR</b>	<b>Organisation</b>	<b>Landlord</b>	<b>Other</b>
184	333	3	3	10

Responses by.....		
<b>Female</b>	<b>Male</b>	<b>Unknown</b>
276	242	32

Responses by.....				
<b>18-24</b>	<b>25-44</b>	<b>45-64</b>	<b>65+</b>	<b>Unknown</b>
18	174	303	25	30

Responses by.....					
<b>White</b>	<b>Black</b>	<b>Mixed</b>	<b>Asian</b>	<b>Other</b>	<b>Unknown</b>
476	9	6	19	12	28

Respondent has Long-Term Illness, Health Problems, or Disability limiting daily activity		
<b>Yes</b>	<b>No</b>	<b>Unknown</b>
231	289	30



We received 550 responses:

402 (73%) voted for option 1 which is no change:

- 294 (73%) of these respondents indicated they were in receipt of Council Tax Reduction
- 87 (22%) of these respondents indicated that they were Dudley council tax payers

68 (12%) of respondents voted for option 2 which is an 8.5% reduction

- 30 (44%) of these respondents indicated they were in receipt of Council Tax Reduction
- 32 (47%) of these respondents indicated that they were Dudley council tax payers

65 (12%) of respondents voted for option 3 which is a 20% reduction:

- 5 (8%) of these respondents indicated they were in receipt of Council Tax Reduction
- 58 (89%) of these respondents indicated that they were Dudley council tax payers

Of the 514 responses we received 119 suggestions for protecting other vulnerable groups.

Some repeated categories already in 4 groups named the rest were as follows :-

- All low income / benefit households – 30
- People on job seekers allowance – 23
- Lone parent with child under 16 - 8
- People affected by bedroom tax - 4
- Carers - 4
- ESA recipient – 3 (although this would be covered by the widest definition of disabled )
- Single People – 2
- Under 25s - 2

Plus 1 comment for each of the following

Kids in 1<sup>st</sup> homes / Asylum Seekers / Mental Health Issues / Students / Working Couples with Children/ Self-employed / Special Emergencies

**Copy of consultation document :**



Final A5 8pp.pdf  
(264 KB)

**Meeting Of the Cabinet – 30<sup>th</sup> October 2013**

**Joint Report of the Chief Executive and Treasurer**

**Capital Programme Monitoring**

**Purpose of Report**

1. To report progress with implementation of the Capital Programme.
2. To propose amendments to the Capital Programme.

**Background**

3. The table below summarises the *current* 3 year Capital Programme updated where appropriate to reflect latest scheme spending profiles provided by Directorates.

<b>Service</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Public Sector Housing	39,878	33,015	31,470
Other Adult, Community & Housing	9,001	2,647	550
Urban Environment	31,462	20,421	10,302
Children's Services	15,302	15,011	80
Corporate Resources	2,260	1,236	1,428
<b>TOTAL</b>	<b>97,903</b>	<b>72,330</b>	<b>43,830</b>

Note that the capital programme for future years is in particular subject to government grant allocations, some of which have not yet been announced.

- 4 In accordance with the requirements of the Council's Financial Regulations, details of progress with the 2013/14 Programme are given in Appendix A. It is proposed that the current position be noted and that budgets be amended to reflect the reported variances.

## **Urgent Amendment to the Capital Programme**

### Internal remedial works to offices at Mary Stevens Park, Stourbridge

5. The Transforming Our Workplace project was approved by Cabinet on the 14th July and includes the disposal of 12 surplus offices sites in Dudley town centre and the refurbishment of core offices to be retained.

When the Directorate of the Urban Environment collocated to 4 Ednam Road, three offices were vacated, including that at Mary Stevens Park (MSP). Retention of the office was necessary so that the Directorate of Children's Services could occupy the site. This would provide Children's Services with the opportunity to establish a strategic hub in the south of the borough to support the most vulnerable children and families in this area. As a result Children's services would be able to vacate a further 2 leased properties plus freehold sites at Halesowen District Office and Church Street Education Centre in Pensnett providing additional savings and capital receipts to the Council.

In order to accommodate the most vulnerable children and families, essential improvement works are required to the ground floor of the building. These include upgrading the existing reception and providing adjoining family rooms and associated amenities to accommodate vulnerable clients. As MSP will become a core Council office managed centrally, only essential works are being carried out to the same quality standard and cost controls applied to the wider project. This will include a modest amount of work to create new kitchen/break out areas for staff which can also be used for agile working by staff when working in the Stourbridge area.

The total cost of the work proposed is £121,000, which can be funded from a £50,000 allocation from the existing Transforming Our Workplace project and a £25,000 contribution from the Directorate of Children's Services capital programme (unallocated unringfenced 14-19/SEN capital grant), with the balance of £46,000 being met from anticipated future disposal proceeds resulting from the ongoing rationalisation of the Council's assets.

In order to accommodate additional staff moves within the existing programme and avoid knock on slippage, the proposed work at MSP has to commence as soon as possible, ideally starting in November 2013. To facilitate this, a decision (ref. DCR/35/2013) was made by the Leader of the Council in consultation with the Treasurer on 30<sup>th</sup> September 2013 to authorise internal remedial works to the council offices at Mary Stevens Park, Stourbridge as part of the Transforming Our Workplace project and include the works in the Capital Programme.

## **Post Completion Review of Capital Projects**

6. The Post Completion Reviews required by Contract standing orders have now been undertaken for the following schemes, with copies of the proformas summarising the reviews attached at Appendix B.

### **Urban Environment**

Salt Barn and Green Waste Facility

### **Children's Service**

Modernisation of Hawbush Primary School

It is proposed that these be noted.

## **Finance**

7. This report is financial in nature and information about the individual proposals is contained within the body of the report.

## **Law**

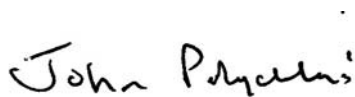
8. The Council's budgeting process is governed by the Local Government Act 1972, the Local Government Planning and Land Act 1980, the Local Government Finance Act 1988, the Local Government and Housing Act 1989, and the Local Government Act 2003.

## **Equality Impact**

9. These proposals comply with the Council's policy on Equality and Diversity.
10. With regard to Children and Young People:
  - The Capital Programme for Children's Services will be spent wholly on improving services for children and young people. Other elements of the Capital Programme will also have a significant impact on this group.
  - Consultation is undertaken with children and young people, if appropriate, when developing individual capital projects within the Programme.
  - There has been no direct involvement of children and young people in developing the proposals in this report.

## **Recommendations**

11. That the results of the Post Completion Review of capital projects, as set out in Appendix B be noted.
12. That the Council be recommended:
  - That current progress with the 2013/14 Capital Programme as set out in Appendix A be noted and that budgets be amended to reflect the reported variances.
  - That the Urgent Amendment to the Capital Programme, as set out in paragraph 5, be noted.



**John Polychronakis**  
**Chief Executive**



**Iain Newman**  
**Treasurer**

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## **List of Background Papers**

Relevant resource allocation notifications.

## 2013/14 Capital Programme Progress to Date

Service	Budget £'000	Spend to 30 <sup>th</sup> September £'000	Forecast £'000	Variance £'000	Comments
Public Sector Housing	39,878	12480	39,878	-	
Other Adult, Community & Housing	9,001	3814	8,989	-12	See Note 1
Urban Environment	31,462	10398	31,462	-	
Children's Services	15,302	2777	15,302	-	
Corporate Resources	2,260	842	2,260	-	
<b>TOTAL</b>	<b>97,903</b>	<b>30,311</b>	<b>97,891</b>	<b>-</b>	

Note 1: Minor underspend on completion of refurbishment of the Unicorn Centre (formerly Amblecote SEC).

<b>Title of Scheme: Modernisation of Hawbush Primary School</b>
<b>Date of Cabinet approval:</b> 13th February 2008 <i>(i.e. inclusion in Capital Programme)</i> This project was funded from the Primary Capital Programme Grant which was approved by Cabinet on the above date.
<b>Original Budget :</b> £5,040,000.00 <b>Planned Completion date:</b> 31st October 2011
<b>Outturn Cost:</b> £5,400,000.00 <b>Actual completion date:</b> 31st October 2011
<b>Variation from Budget:</b> £360,000.00 <b>Delay:</b> Not applicable.
<b>Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet):</b> <p>The increased costs are associated with provisional sums for items of work that has now been fully priced. Additional costs were also incurred for essential unforeseen works resulting in a contingency overspend. Additional areas of the existing community room were also added to the project as a variation. Additional funding was allocated and cost variations were reported and agreed at regular intervals through PIT (Project Implementation Team).</p> <p>The project was finished within the Contract Completion Date.</p>
<b>Original Objectives of Scheme (please indicate when and to whom these were reported):</b> <p>The project was prioritised through the Council's Strategy for Change as part of the Government's Primary Capital Programme initiative, which aimed to replace or update at least half of all primary schools. Hawbush Primary School was prioritised due to the poor condition of the existing building and the ability to rebuild within the existing site whilst pupils were still in the old school, all of which could be achieved within the timescale condition's for the first phase of the grant.</p> <p>The completed project has provided the pupils of Hawbush Primary with a school environment that is equipped for 21st century teaching and learning. The new development has also provided the pupils, staff, governors, parents and wider community with a physical environment that will inspire and challenge them. The new school is welcoming and reflects the message to the community that the learning environment is open to all.</p>
<b>Have these Objectives been met? (If "No" please provide explanation):</b> Yes.

Signed by: Jane Porter ..... (Director)

Date: 9<sup>th</sup> September 2013

<b>Title of Scheme: Salt Barn &amp; Green Waste Transfer Facility – Lister Road</b>
<b>Date of Cabinet approval:</b> 08/ 02/2012 (i.e. inclusion in Capital Programme)
<b>Original Budget</b> (as first reported to Cabinet) £ 1,000,000 <b>Planned Completion date:</b> 10/2012
<b>Outturn Cost</b> (please indicate if still provisional): £ 1,156,000 <b>Actual completion date:</b> 11/2012
<b>Variation from Original Budget: £ 156,000</b> <b>Delay:</b> 1 month
<p><b>Reason for Cost Variation and / or Delay in Completion</b> (please indicate if any variation has previously been reported to Cabinet):</p> <p>During ground investigation a specialist stabilisation contractor identified the need for additional works due to the existing site conditions related to the historic use of the site and as a consequence a Decision Sheet dated 11th June 2012 authorised a £100,000 amendment to the capital budget.</p> <p>During construction additional safety works were agreed as was a change in a building material supplier following background checks .These factors increased costs by a further £56,000.</p> <p>Additional negotiations and works associated with the above accounted for the delay in completion.</p> <p>The overspend was covered within the overall revenue budget.</p>
<p><b>Original Objectives of Scheme (please indicate when and to whom these were reported):</b></p> <p>The objectives of the project and overall scheme were reported to Cabinet on 8<sup>th</sup> February 2012. The salt barn facility was built in recognition of Government recommendations for local authorities across the country to invest in new winter resilience initiatives following the most severe winter weather in recent years. The salt barn has provided for increased storage capacity, improved drainage and overall management of the boroughs salt stock, reducing previous corrosion and leaching of the salt.</p> <p>The Green waste building was introduced to reduce waste handling costs. The Council previously delivered its green waste to an external waste transfer station facility with the new building at Lister Road being central to its operation, providing for better storage and overall management of green waste prior to disposal for composting means.</p> <p>Both facilities have resolved previous environmental, operational and compliance concerns and have been fully supported by the Environment Agency. In addition, the project has improved overall site management at Lister Road depot following redesign and development of the highways compound where both buildings are situated.</p>
<p><b>Have these Objectives been met?</b> (If "No" please provide explanation):</p> <p>Yes</p>

**Signed by:** John Millar ..... (Director)

**Date:** 16<sup>th</sup> October 2013

**Meeting of the Cabinet – 30th October 2013**

**Report of the Director of Corporate Resources**

**Annual Review of Equality 2013**

**Purpose of Report**

1. To consider the annual review of equality and diversity for 2013, a full copy of which is available in the members' room and electronically on the council's committee management information system (CMIS).

**Background**

2. An annual review of equality is prepared for the Cabinet which gives an overview of progress in implementing equality objectives and progressing equality work.
3. The council's current three-year equality scheme was approved by the Cabinet in March 2012. This sets out the equality objectives that the council has identified in response to the requirements of the specific public sector equality duties under the Equality Act 2010, along with a range of information around the council's approach to equality, which also contributes to meeting the duty to publish equality information. The annual review provides a summary of progress in implementing the scheme's objectives, along with other relevant information which includes analysis relating to the council's workforce and employment record.
4. The 2013 review draws attention to changes in equality legislation and steps being taken by the Government towards its aim of reducing 'red tape'. In particular, the Government's review of the public sector equality duty has now reported to Ministers. The review's steering group felt that it was too early in the life of the duty to draw robust conclusions and a further full review has been promised by the Government in 2016. No changes to the duty are suggested at this stage, although the review recommends some measures for reducing what was seen in some areas as an overly bureaucratic approach to implementing the legislation. The Government is currently consulting on proposed changes to the judicial



review process which include ways to resolve disputes relating to the duty without resorting to judicial review. The Cabinet should be mindful of the continuing need to ensure that the public sector equality duty, as it stands, is complied with, for example, during the consideration of relevant budget proposals.

5. The draft review was circulated to members of the Corporate Performance Management, Effectiveness and Efficiency Scrutiny Committee for comment, in line with its lead scrutiny role on corporate equality issues.

### **Finance**

6. Any costs which might be associated with responding to the issues raised in the report which cannot be met from within existing budgets will need to be assessed in due course.

### **Law**

7. The Equality Act 2010 replaced the previous anti-discrimination laws with a single Act. The first duties of the Act came into force on 1<sup>st</sup> October 2010.
8. Public sector equality duties under the Act came into force on 5<sup>th</sup> April 2011 requiring public authorities to pay due regard to the need to eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations covering the protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
9. The Equality Act 2010 (Specific Duties) Regulations 2011 required public authorities to publish equality information by 31 January 2012 (and annually thereafter) and equality objectives by 5<sup>th</sup> April 2012 (to be reviewed at least every 4 years).

### **Equality Impact**

10. The review contains a range of information, monitoring data and analysis relating to the impact of the council's policies and practices on promoting equality and the achievement of equality objectives in relation to both services and employment. More information is given in the Directorate of Children's Services annual equality action plans and reports on the promotion of equality relating to children and young people.

## **Recommendation**

11. It is recommended that the Cabinet approves the annual review of equality 2013.



.....  
**Philip Tart**  
**Director of Corporate Resources**

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## **List of Background Papers**

Dudley MBC employment monitoring data

**Meeting of the Cabinet – 30<sup>th</sup> October, 2013**

**Report of the Director of Corporate Resources**

**Annual Review of the Constitution**

**Purpose of Report**

1. To consider the annual review of the Constitution.

**Background**

2. The Council introduced its written Constitution in May 2002.
3. Section 37 of the Local Government Act 2000 requires the Council to keep the Constitution up to date. This is reflected in Article 15, which requires the Monitoring Officer to monitor and review the operation of the Constitution in order to ensure that the aims and principles are given full effect.
4. Full Council is responsible for approving changes to the Constitution after consultation with the Cabinet. An exception to this is that the Leader, in consultation with the opposition Group Leader, may approve amendments to the Scheme of Delegation from time to time.
5. The Constitution is an important vehicle by which the Council promotes its overall democratic governance arrangements.
6. The last annual review of the Constitution was undertaken in November, 2012. All previously approved amendments have been fully implemented. Amendments are routinely made to update legal provisions and reflect ongoing operational issues.
7. This report takes account of ongoing changes in the national and local context and it is recognised that further amendments to the Constitution may be necessary during 2013/14 and beyond.

**Public Health Functions**

8. Following the transfer of public health functions to the Council in April, 2013, work has been undertaken to include appropriate references to statutory public health functions in the portfolio of the Cabinet Member for Health and Wellbeing with associated ongoing delegations to the Director of Public Health. These primarily relate to functions contained in the National Health Service Act 2006, the Health and Social Care Act 2012 together with the associated statutory guidance and regulations.

9. In October, 2013, the Leader of the Council made amendments to Cabinet portfolios, which included changes to functions relating to Environment and Culture and Health and Wellbeing. These are set out in Delegated Decision Sheet DCR/34/2013 (the full decision sheet is available on the website). Further work is being undertaken to include further references to the statutory functions of the Director of Public Health in the Constitution. These are set out in detailed regulations and guidance from the Department of Health.

### **Pay Policy Statement**

10. Under the provisions of the Localism Act 2011, the Council is required to approve its Pay Policy Statement on an annual basis and include the statement on the website. For the past two years, the Pay Policy Statement has been presented to the Council for approval in February. The Department for Communities and Local Government has now issued supplementary guidance, requiring full Council to be given the opportunity to vote on salary packages for new appointments that exceed a threshold of £100,000. Similarly, the guidance requires that any severance packages to employees leaving the authority that exceed the £100,000 threshold should also be submitted to full Council for approval.
11. In practice, the Council will consider the above matters following a recommendation from the Appointments Committee. The revised guidance will be reflected in the Constitution by amending the terms of reference of the Appointments Committee to provide that any recommendations on new appointments or severance packages that exceed the £100,000 threshold will be the subject of a recommendation to full Council. This amendment will be cross referenced in the functions reserved to full Council under Article 4 and in the Officer Employment Procedure Rules under Part 4 of the Constitution.

### **Members' Planning Code of Good Practice**

12. A detailed review of the Members' Planning Code of Good Practice, as set out in Part 6 of the Constitution, is currently in progress. The review is taking account of changes to the Members' Code of Conduct, the rules on declaration of interests and various other aspects associated with the development control process. The revised Code of Good Practice will be reported to the Development Control Committee in the first instance. Recommendations will subsequently be presented to the Council for future inclusion in the Constitution.

### **Ernest Stevens Trusts Management Committee**

13. The Council appointed the above Management Committee following the decision to replace the former Area Committees with the 10 Community Forums. The Management Committee comprises one ward Councillor from each of the Cradley and Wollescote, Lye and Stourbridge North, Norton, Pedmore & Stourbridge East, Quarry Bank and Dudley Wood and Wollaston & Stourbridge Town wards.

14. The former Area Committees had functions to deal with issues relating to local trusts/charities. In practice, however, the vast majority of business related to the Ernest Stevens Trusts under the delegated powers of the former Stourbridge Area Committee. As a general 'catch all' provision, it is recommended that the terms of reference of the Management Committee be extended to include all Trust land in the Borough. It is considered appropriate that this general power be allocated to a 'non-executive' Committee. In occasional cases, where the Management Committee is dealing with matters not relating to the Ernest Stevens Trust, substitution will be permitted from the wider political groups to enable the appointment of ward councillors for the area concerned for consideration of that business only.

#### **Signing of Decision Sheets in the absence of Cabinet Members**

15. In situations where a Cabinet Member is absent for an extended period of time, the general requirement is that all Decision Sheets should be referred to the Leader. In relation to the Directorate of Corporate Resources, it is recommended that the Deputy Leader (Cabinet Member for Finance) be authorised to sign decision sheets in the absence of the Cabinet Member for Human Resources, Legal and Property. This will avoid any potential delays in view of the high volume of decision sheets presented to the Cabinet Member for Human Resources, Legal and Property, particularly relating to staffing issues, where there is a budgetary aspect to the items under consideration.

#### **Recording of Council, Cabinet, Committee and Other Meetings**

16. The Department for Communities and Local Government has issued a guide entitled 'Your Council's Cabinet – Going to its meetings, seeing how it works'. This document makes reference to the filming and recording of meetings as well as the use of blogging, tweeting and other such electronic media. The guide includes a clear presumption that local authorities should not prevent the use of reasonable facilities for reporting on meetings. Councils are advised to allow the filming of councillors and officers at meetings that are open to the public.
17. Council Procedure Rules currently make provision for full Council meetings to be recorded for live broadcast on the Internet. The Council does not retain copies of these recordings for any other purpose other than the live broadcast. For all other meetings, no photographs may be taken, tape recordings made or other mechanical, electronic or similar apparatus used without the consent of the meeting concerned.

18. No objections have been raised to prevent individuals using their own mobile devices to use Twitter, similar social media or blogging facilities during meetings. With regard to filming or audio/visual recording, however, the guide recognises that the Council may reasonably ask for the filming to be undertaken in such a way that it is not disruptive or distracting to the good order and conduct of the meeting. As a courtesy, attendees should be informed at the start of the meeting that it is being filmed. It is recommended that anyone wishing to film should liaise with Council staff before the start of the meeting. The guide suggests that the Council should adopt a policy on the filming of members of the public speaking at a meeting so as to allow people to object to being filmed if they so wish, without undermining the broader transparency of the meeting.
19. It is recommended that Council Procedure Rule 24.6 be amended to provide that the Council has no objection to the use of social media, blogging or similar electronic facilities during any meetings to which the public have access. With regard to the use of filming or any other audio/visual recording equipment during any meeting, this would still be subject to the consent of the meeting being obtained in advance. In practice, this will ensure that no person is filmed without prior knowledge and the use of the equipment is not disruptive to the efficient conduct of business.

#### **Amendments to the Terms of Reference of the West Midlands Joint Committee**

20. The West Midlands Joint Committee (WMJC) comprises the seven Metropolitan District Councils of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. It was established in 1986 following the abolition of the West Midlands County Council. The Committee is a joint committee for the purposes of Part VI of the Local Government Act 1972.
21. The overall objective of the WMJC is to co-ordinate actions on important issues affecting the local authorities in the West Midlands, and to provide a vehicle for communicating these actions and their needs to Government and other influential bodies.
22. The Government has highlighted the importance of effective governance arrangements as one of the key requirements that must be met in devolving powers and funding to sub-regions. It is recognised that strengthened Transport Governance is a prerequisite to furthering significant devolved funding to the West Midlands, including Growth and City Deals, which must contain proposals for stronger governance across their functional economic area, so that decisions necessary for the growth of the area as a whole can be taken quickly and effectively.

23. The meeting of the West Midlands Metropolitan District Leaders Group on the 23rd January, 2013 agreed a set of principles for Transport Governance, recommended them to the Joint Committee and tasked officers with exploring how Transport Governance relating to the Integrated Transport Authority (ITA) could be taken forward.
24. At the Leaders meeting in March, a preferred route to implement the changes was agreed, which was to put in place a shadow board (through the existing Joint Committee structure) while progressing the required review to be considered by the Secretary of State. On 29th April, 2013, the West Midlands Joint Committee subsequently agreed to undertake a Governance Review of the West Midlands Integrated Transport Authority (WMITA).
25. Following this, the West Midlands Joint Committee meeting of the 12th June, 2013 agreed to set up a Shadow ITA pending formal approval by the Secretary of State. To accommodate this and other variations in respect of the Joint Committee, the seven West Midlands authorities are being recommend to endorse the revised Terms of Reference of West Midlands Joint Committee, as set out in Appendix 1. The amended terms of reference seek to:
- update the provisions relating to Birmingham Airport to match what has previously been agreed by the West Midlands Districts.
  - provide for effective decision making between meetings.
  - provide for the new duty to co-operate.
  - accommodate the disbanding of the former West Midlands Planning and Transportation Sub-Committee.
  - create the Shadow Integrated Transport Authority Board.
26. It is recommended that the Council formally endorse the revised Terms of Reference of the West Midlands Joint Committee, as set out in Appendix 1, as amended by the Joint Committee at its meeting on 12<sup>th</sup> June, 2013.

### **Black Country Executive Joint Committee**

27. City Deal and Growth Deal is a Government initiative under which certain powers, such as the ability to set and spend budgets, are devolved from central government to local authorities in a bid to increase economic growth. The Black Country sub-region has been successful in its application to be included in the City Deal and Growth Deal initiative, and whilst the details of how it will precisely work and its core elements are to be finalised with the Government, the Government wants to see a decision making entity that is both accountable and transparent. Discussions with the Government have resulted in the proposal for a Joint Executive Committee for the Black Country.
28. The Association of Black Country Authorities has agreed that each Councils' Cabinet would seek to set up an Executive Joint Committee, comprising of the Leaders of the four Black Country Councils, to be the lead decision making forum for City Deal and Growth Deal. The proposed Constitution of the Joint Committee including Terms of Reference is set out at Appendix 2.

29. Paragraph 4 of the Black Country Executive Joint Committee terms of reference refers to the allocation of spending and capital expenditure programmes. For clarification, this should not be construed as overriding the powers that are properly reserved to this Council to make budget decisions in relation to this Council's revenue or capital expenditure. As the City Deal develops, any revenue or capital commitments will still need to be approved by the Cabinet and full Council in the usual way.
30. The Government expect as part of the City Deal and Growth Deal arrangement that the local business community, and in particular the Local Enterprise Partnership (LEP) take a key role in decision making as well as both shaping and influencing the outcomes of City Deal and Growth Deal. The Association of Black Country Authorities and the Chair of LEP have agreed that the Joint Committee should have an Advisory Board, which forms part of the recommendation and decision-making processes.
31. The Advisory Board will comprise the Black County Councils' four Cabinet Members for economic development and regeneration (voting), four representatives from the LEP (voting), Executive Directors for economic development and regeneration of the four Councils in an advisory role (non-voting), representatives from central government as necessary in an advisory role (non-voting), and such other persons and/or bodies as the Advisory Board feel will assist it in its decision making in an advisory role (non-voting). The precise details of how this will operate in practice will depend upon the approach to managing City Deal and Growth Deal agreed between Government and the sub-region.
32. It has been agreed between the four Black Country Chief Executives that Walsall MBC will act as Secretary to the Black Country Executive Joint Committee and for the purposes of complying with the necessary legislation Walsall will publish the meeting dates, agenda, reports and take minutes. Finally, Walsall MBC's constitution will apply to the decision-making processes.
33. The Cabinet is recommended to endorse the establishment of a Black Country Executive Joint Committee for the purpose of dealing with the Government's agenda for greater local decision-making under City Deal and Growth Deal.

### **Ongoing Governance Reviews**

34. Over the past 12 months, the Council has introduced significant changes to its governance structures, most notably the introduction of Community Forums and the revised Scrutiny arrangements. The Community Forums are the subject of an ongoing process of monitoring and review in consultation with the Chairs/Vice-Chairs and Lead Officers. The Overview and Scrutiny Management Board is overseeing the progress of the new scrutiny arrangements. The outcome of the monitoring and review process will be reported to the Council to consider any amendments for the 2014/15 municipal year onwards.

### **Finance**

35. There are no financial implications arising from this report. Any costs arising from compliance with the Constitution are met from existing budgets.



36. In relation to City Deal, there will be financial implications in terms of government funding streams being made available. However, the details of those are yet to be finalised in negotiations with central Government and will need to form the basis of a future report.

### **Law**

37. Section 37 of the Local Government Act 2000 requires the Council to keep its Constitution up to date.
38. The West Midlands Joint Committee is constituted under Part VI of the Local Government Act 1972. The Black Country Joint Executive Committee will be established under the provisions of the Local Government Act 1972, the Local Government Act 2000 as amended by the Localism Act 2011 and regulations issued by the Secretary of State.

### **Equality Impact**

39. This report complies with the Council's policies on equality and diversity and there are no particular implications for children and young people. An Equality Impact Assessment in relation to the City Deal proposals will need to be carried out when all the detail is available.

### **Recommendations**

40. The Council be recommended:
- (a) That the work undertaken and in progress to integrate public health functions within the Constitution, as referred to in paragraphs 8 and 9, be noted.
  - (b) That the terms of reference of the Appointments Committee be amended, with consequential changes elsewhere in the Constitution, to provide for salary packages for new appointments and any severance packages for employees that exceed £100,000 to be recommended to full Council for approval as referred to in paragraphs 10 and 11.
  - (c) That the review of the Members' Planning Code of Good Practice, as referred to in paragraph 12, be noted.
  - (d) That the proposed addition to the terms of reference of the Ernest Stevens Trusts Management Committee be approved as set out in paragraphs 13 and 14.
  - (e) That the Deputy Leader (Cabinet Member for Finance) be authorised to sign Decision Sheets in the absence of the Cabinet Member for Human Resources, Legal and Property, as referred to in paragraph 15.
  - (f) That the approach to the recording of Council, Cabinet, Committee and other meetings, as set out in paragraphs 16 to 19, be approved and that Council Procedure Rule 24.6 be amended accordingly.

- (g) That the amended Terms of Reference for West Midlands Joint Committee, as described in paragraphs 20 to 26 and Appendix 1 to this report, be approved insofar as they relate to the executive functions of Dudley Metropolitan Borough Council and that the Director of Corporate Resources be authorised to take any necessary and consequential actions to give effect to this decision.
- (h) That the establishment of the Black Country Executive Joint Committee, as referred to in paragraphs 27 to 33, be approved and the Constitution be amended accordingly.
- (i) That the constitution of the Black Country Executive Joint Committee, including the Terms of Reference set out in Appendix 2 to this report, be endorsed and the associated functions and powers be delegated to the Executive Joint Committee, subject to the requirement that any revenue or capital expenditure programmes or commitments are approved by the Cabinet and full Council in accordance with the existing Constitutional requirements of Dudley MBC.
- (j) That the Leader of the Council be appointed as the Cabinet's representative on the Black Country Executive Joint Committee together with a named Member to act as a substitute.
- (k) That the proposals for the City Deal and Growth Deal Advisory Board, as set out in paragraphs 31 and 32 of this report, including the provision for the appointment of the Cabinet Member for Regeneration, be approved.
- (l) That the Leader of the Council, in consultation with the Chief Executive and appropriate Directors, be authorised to make any necessary and consequential changes to the terms of reference of the Black Country Executive Joint Committee that may be required from time to time to implement the proposals in this report.
- (m) That the appointment of Walsall MBC to act as Secretary to the Black Country Executive Joint Committee and Advisory Board be noted.
- (n) That the ongoing reviews of governance arrangements, as referred to in paragraph 34, be noted.



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**Philip Tart**  
**Director of Corporate Resources**

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### **List of Background Papers**

The Council's Constitution - Full copy on the Council's Website

**WEST MIDLANDS JOINT COMMITTEE**  
**CONSTITUTION**

[ 2013]

1. (i) The District Councils of the County of West Midlands established on 24 July 1985 a Joint Committee known as the West Midlands Joint Committee ("the Committee") for the purpose of discharging the functions mentioned in the Annex. The Committee was a joint committee for the purposes of Part VI of the Local Government Act 1972 and the provisions of that part applicable to joint committees shall apply to the Committee.
- (ii) This Revised Constitution has been updated to reflect changes as set out in the Localism Act 2011 in relation to strategic planning and cross boundary infrastructure matters which must now be dealt with via the Duty to Cooperate ("the duty"). Further takes account of the establishment of a Shadow Integrated Transport Authority Board, its membership and role and functions as outlined in the attached annex.
2. (i) The Committee shall comprise seven voting members, each District Council being entitled to appoint one voting member who shall be a member of the District Council making the appointment. In the event of any voting member of the Committee ceasing to be a member of the District Council which appointed him/her, the District Council shall forthwith appoint another voting member in his/her place. Only a voting member is entitled to be elected as Chair or Vice-Chair of the Committee.
- (ii) Each District Council may appoint two of its members to attend the meeting of the Committee as observer members in addition to the voting member appointed under (i) above. Such observer members may speak at meetings of the Committee but not vote.
- (iii) Each District Council may appoint members of its Council as substitute for the voting members or observer members appointed under (i) or (ii) above to attend meetings of the Committee and its sub-committees in the absence for any reason of the voting members or observer members appointed under (i) or (ii) above and in attending meetings of the Committee and its sub-committees the substitute voting members or observer members shall be treated in all respects as if they were appointed under (i) or (ii) above as the case may be. The Secretary for the Committee shall be informed prior to the commencement of the meeting of the names of substitute members.
- (iv) The Chairman of each Joint Authority appointed in the West Midlands shall be an ex officio member of the Committee. Such ex officio members may speak at meetings of the Committee but not vote.
- (v) The Chairman (or their delegated representative) of each of the Local Enterprise Partnership's covering the Met. Area geography (GBS LEP, Black Country LEP and Coventry & Warwickshire LEP) shall be an ex officio member of the Committee for Shadow Board agenda items. Such ex officio members may speak at meetings of the Committee but not vote.
- (vi) The Committee shall, at its Annual Meeting, elect a Chair and Vice-Chair from amongst its voting members. In the event of both being absent from the meeting, the Chair and the Vice-Chair for whatever reason, the Committee shall elect a Chair from amongst the voting members present for that meeting.
- (vii) Four voting members of the Committee shall constitute a quorum. Except as otherwise provided by statute, all questions shall be decided by a majority of the votes of the voting

members present, the Chair having the casting vote in addition to his/her vote as a Member of the Committee.

- (viii) The Committee will meet as agreed at AGM but in any event at least quarterly. However, a meeting of the Committee may be convened at any time by the Secretary in consultation with the Chair. A meeting of the Committee must also be convened by the Chair within 28 days of the receipt of a requisition of any two voting members of the Committee addressed to the Secretary to the Committee. All requisitions shall be in writing and no business other than that specified in the requisition shall be transacted at such a meeting.
  - (ix) The Committee shall from time to time make such standing orders for the carrying on of the business of the Committee as the Committee shall deem necessary or desirable.
  - (x) For the avoidance of doubt and subject to there being no changes to the law on this issue, where a District Council is operating executive arrangements pursuant to the Local Government Act 2000 (and any regulations made under it), it will be a matter for the Executive of the District Council to appoint any voting member, observer member or substitute member to the Committee.
- 3. The Committee shall from time to time appoint such sub-committees to consider and deal with any of the functions of the Committee as may be thought desirable.
  - 4. The Committee shall employ a Secretary and such other officers as may be deemed necessary for the due conduct of the business of the Committee at such remuneration (if any) and upon such terms as the Committee shall decide. The appointment of Secretary shall be for a term of three years and shall be made at the annual meeting of the Committee in the appropriate year.
  - 5. (i) The Secretary shall keep proper accounts of the money received and expended by the Committee.  
(ii) The Secretary shall apportion the expenses of the Committee between the District Councils in proportion to the population of each district in the County.
  - 6. This Revised Constitution and, subject as hereinafter mentioned, the functions of the Committee may be amended at any time by the unanimous agreement of the District Councils.
  - 7. That the relevant Standing Orders for West Midlands Joint Committee are those of Birmingham City Council.
  - 8. Decision making between meetings is delegated to the Chair, but those decisions are only to be implemented if supported in writing by the signatures of all of the Chief Executives of each of the 7 Districts.

## **The Annex**

### **(Functions of the Joint Committee)**

1. To make nominations or appointments as the case may be:-
  - (i) to the 5 balancing places of the West Midlands Police and Crime Panel
2. In relation to Birmingham Airport, to:-
  - 2.1 (i) determine the exercise of the Districts' powers and rights as shareholders of the Company including the manner in which the Districts' block shareholder vote is to be exercised;
  - (ii) determine the manner in which the block vote is to be cast by any of the Districts' Directors.
  - (iii) determine the exercise of rights and performance of obligations, warranties, indemnities and covenants contained in the Investment Agreement and Taxation Deed relating to the restructuring of the Airport;
  - (iv) appoint and remove the Districts' Directors on the Board and appoint appropriate officers as Districts' Observers to attend Board meetings and support the District Directors.
  - 2.2 The delegation of powers by the Districts to the Joint Committee in clause 2.1 shall be subject to a condition that all resolutions of the Joint Committee or any Sub-Committee appointed by the Joint Committee shall be passed by a majority of the members present who between them represent Districts who hold at least 51% of the Districts' total shareholding.
  - 2.3 The Joint Committee may arrange for the discharge of their functions by a Sub-Committee subject to the same condition set out in clause 2.2.
  - 2.4 The Joint Committee may arrange for the discharge of their functions subject to the condition set out in clause 2.2 by each of the Districts' Chief Executives or anyone authorised by any District to act in the Chief Executive's absence acting in consultation with the Chair or Vice Chair of the Joint Committee.
3. To co-ordinate actions on important issues affecting the Districts and to provide a vehicle for communicating these actions, and the needs of Districts, to Government and other influential bodies.
4. To consult and co-operate as respects matters affecting the District Councils (including the Duty to Cooperate) and as appropriate with each District Council and the Joint Authorities.
5. To consider, in consultation with and, if appropriate, in partnership with the Joint Authorities, whether they could make better value arrangements for the provision of any services, supplies or works required in connection with the discharge of the functions of the District Councils.
6. To co-ordinate the exercise by the District Councils of the enforcement functions conferred on them by the Weights and Measures Act 1985 (as amended) with a view to securing uniformity in the exercise of those functions throughout the West Midlands and the employment provision or use by those Councils for the purposes of those functions of staff, property and facilities.
7. To oversee the work of and payment of the Joint Data Team contract with Mott Macdonald Ltd dated 27 March 2008.

Revised at the agreement of WMJC 12<sup>th</sup> June 2013

**BLACK COUNTRY JOINT COMMITTEE  
CONSTITUTION  
[ 2013 ]**

1. (i) Dudley MBC, Sandwell MBC, Walsall MBC and Wolverhampton City Council established an Executive Joint Committee known as the Black Country Joint Committee ("the Committee") for the purpose of discharging the functions mentioned in Annex A. The Committee is a joint committee of the Executive for the purposes of Part VI of the Local Government Act 1972 and Part I Chapter 2 of the Local Government Act 2000 and the provisions of thereof that are applicable to Joint Committees of the Executive shall apply to the Committee.
2. (i) The Committee shall comprise four members, each Council being entitled to appoint one voting member who shall be a member of the Councils Cabinet making the appointment. In the event of a voting member of the Committee ceasing to be a member of the Council which appointed him/her, the Council shall forthwith appoint another voting member in his/her place. Only a voting member is entitled to be elected as Chair or Vice-Chair of the Committee.  
  
(ii) Each Council may appoint members of its Executive as substitute for the voting members appointed under (i) above to attend meetings of the Committee and its sub-committees in the absence for any reason of the voting members or observer members appointed under (i) above and in attended meetings of the Committee and its sub-committees the substitute voting members or observer members shall be treated in all respects if they were appointed under (i) above as the case may be. The Secretary for the Committee shall be informed prior to the commencement of the meeting of the names of the substitute members.  
  
(iii) The Chairman of the Black Country Local Enterprise Partnership shall be an ex officio member of the Committee on matters relating to City Deal and Growth Deal. Ex officio members may speak at meetings of the committee but not vote. The Chairman of the Black Country Local Enterprise Partnership shall present reports to the Joint Committee from the City Deal and Growth Deal Advisory Board.  
  
(iv) The Black Country Consortium Ltd will be responsible for writing reports to the Joint Committee from the City Deal and Growth Deal Advisory Board in the format provided for at Annex B. A representative of the Black Country Consortium Ltd can be in attendance at meetings of the Joint Committee on matters relating to City Deal and Growth Deal in an advisory role.  
  
(v) The Committee shall at its Annual Meeting, elect a Chair and Vice-Chair from among its voting members or chose to adopt for that year to have a rolling Chair and Vice Chair being upon rotation. In the event of both being absent from the meeting, the Chair and Vice-Chair for whatever reason, the Committee shall elect a chair from amongst the voting members present for that meeting but shall not count for purposes of rotation.

(vi) Three voting members of the Committee shall constitute a quorum. Except as otherwise provided by statute, all questions shall be decided by a majority of the votes of the voting members present, the Chair having the casting vote in addition to his/her vote as a member of the Committee.

(vii) The Committee shall meet as agreed at its AGM. However a meeting of the Committee may be convened at any time by the Secretary in consultation with the Chair for the meeting that would be convened. A meeting of the Committee must also be convened by the Chair within 28 days of the receipt of a requisition of any two voting members of the Committee addressed to the Secretary of the Committee. All requisitions shall be in writing and no business other than that specified in the requisition shall be transacted at such a meeting.

(viii) The Committee shall from time to time to make such standing orders for the carrying on of the business of the Committee as the Committee shall deem necessary and or desirable.

(viii) For the avoidance of doubt and subject to there being no changes to the law on this issue, where a Council is operating executive arrangements pursuant to the Local Government Act 2000 (and any regulations made under it), it will be a matter for the Executive of the Council to appoint any voting member, or substitute member of the Committee as long as that member is a member of the appointing Councils Cabinet.

3. The Committee shall from time to time appoint such sub-committees and Advisory Boards to consider and deal with any of the functions of the Committee as may be thought desirable.
4. The Committee Secretary and such other officers as may be deemed necessary for the due conduct of the business of the Committee shall be Walsall Metropolitan Borough Council.
5. Meetings of the Joint Committee shall be held at Walsall Metropolitan Borough Council unless otherwise directed by the Joint Committee.
6. The Secretary shall:
  - i. Be responsible for preparing the agenda and submitting reports prepared by either of the Councils or other bodies to the Joint Committee and minutes of the Joint Committee.
  - ii. Be responsible for making arrangements for the publishing in accordance with Access to Information requirements all meetings, agenda, agenda items and minutes as appropriate.
7. That the relevant Standing Orders for Black Country Joint Committee are those of Walsall Metropolitan Borough Council.

## **Annex A – Terms of Reference**

### **Functions of the Committee**

1. To receive reports from any Sub Committee of the Joint Committee or Advisory Board of the Joint Committee.
2. At any time review and agree proposed changes to the Functions of the Committee, and seek approval of the same from the four Council Executives of the Black Country authorities.
3. To agree and approve any proposed governance and or reporting structure that the committee sees fit.
4. In relation to the City Deal and Growth Deal:
  - 4.1 To act as a strategic body; setting and reviewing objectives for strategic investment across the Black Country, including;
    - a. Providing a coherent single position on the major strategic City Deal and Growth Deal issues;
    - b. Agreeing allocation of spending;
    - c. Agreeing major priorities;
    - d. Consider and agree recommendations made by any Sub Committee of the Joint Committee or Advisory Board of the Joint Committee;
    - e. Refer recommendations received back to any Sub Committee of the Joint Committee or Advisory Board of the Joint Committee for further consideration as and when minded in the first instance to not follow recommendations at all or to materially change the substance of the decision except in the case of genuine urgency requiring a decision to be made at that time;
  - 4.2 Agreeing Lead and or Accountable Body status for a body or organisation;
  - 4.3 Agree, review and amend options at any time for City Deal and Growth Deal governance which is fit for purpose;
  - 4.4 influence and align government investment in order to boost economic growth;
  - 4.5 have regard to the duty to cooperate and Joint Committee's overall function as set out above;



- 4.6 to ensure alignment between decision making on City Deal and Growth Deal and decisions on other areas of policy such as land use, transportation, economic development and wider regeneration;
- 4.7 Co-ordinate and align decision making on transport with the LEPs ensuring that business views are taken on board and that LEP growth plans are reflected in strategic priorities;
- 4.8 Deciding on capital expenditure programmes and ensuring policy and programmes are delivered effectively through partners;

## **Annex B - Report Format**

### **BLACK COUNTRY JOINT COMMITTEE – XX<sup>TH</sup> XXXXX 20XX REPORT OF THE SECRETARY [insert title of report] BLACK COUNTRY JOINT COMMITTEE**

#### **1. PURPOSE OF REPORT**

Details of what is being sought in summary

#### **2. RECOMMENDATIONS**

Specific decision to be made by the Committee

#### **3. REPORT DETAIL**

All relevant and pertinent information so as to enable a fully informed decision to be made by the Joint Committee

#### **4. FINANCIAL IMPLICATIONS**

All relevant financial implications

#### **5. LEGAL IMPLICATIONS**

All relevant Legal implications

#### **6. RISK MANAGEMENT**

Key risk identified and explanations as to how they will be managed are to be inserted.

#### **7. EQUALITY IMPLICATIONS**

An equality impact assessment to be done and equality implications set out in the report as well as how they will be managed.

### **Background papers**

Authors name and contact details

8. To receive reports from any partnership
9. To exercise the functions delegated to it by the Agreement between the District Council relating to landfill brokerage dated 9 September 1994.
10. In relation to the Shadow Integrated Transport Authority Board
  - 10.1 To act as a strategic advisory body; setting and reviewing objectives for strategic investment in transport economic infrastructure across the conurbation, including:
    - a. Providing a coherent single position on the major strategic transportation issues
    - b. Setting the annual transport budget
    - c. Setting major transport priorities
    - d. Advising the existing ITA in respect of developing and monitoring the Local Transport Plan and its expenditure
  - 10.2 Consider the formal review and identify a preferred option for transport governance which is fit for purpose;
  - 10.3 Influence and align government investment in transport in order to boost economic growth;
  - 10.4 To ensure alignment in decision making on transport supports other areas of policy;
  - 10.5 Co-ordinate and align decision making on transport with the LEPs (through direct LEP representation) ensuring that business views are taken on board and that LEP growth plans are reflected in strategic priorities;
  - 10.6 Advising on capital expenditure programmes and ensuring policy and programmes are delivered effectively through partners including Local Authorities, Centro, Network Rail and the Highways Agency;
  - 10.7 Recommend appropriate steps to reorganise the ITA to make its functions more efficient; and
  - 10.8 Engaging and Co-ordinating with the wider travel to work area.