



## **Meeting of the Council**

**Monday, 1<sup>st</sup> December, 2014 at 6.00pm**

**in the Council Chamber at the Council House, Priory Road, Dudley**

You are hereby summoned to attend a meeting of the Dudley Metropolitan Borough Council for the purpose of transacting the business set out in the numbered agenda items listed below.

### **Agenda - Public Session (Meeting open to the public and press)**

#### Prayers

1. Apologies for absence.
2. To receive any declarations of interest under the Members' Code of Conduct.
3. To confirm and sign the minutes of the meetings of the Council held on 13<sup>th</sup> and 24<sup>th</sup> October, 2014 as a correct record (Pages CL/25 – CL/34).
4. Mayor's Announcements.
5. Leader of the Council (Pages 1 – 2)
6. To receive reports from meetings as follows:

Meeting of the Cabinet held on 29<sup>th</sup> October, 2014:

Councillor S Turner to move:

- (a) Medium Term Financial Strategy (Pages 3 – 5)

Councillor P Lowe to move:

- (b) Capital Programme Monitoring (Pages 6 – 13)

Councillor G Partridge to move:

- (c) Review of Housing Finance (Pages 14 – 29)

Councillor R Harris to move:

- (d) Annual Review of the Constitution (Pages 30 – 39)

7. Notices of Motion

To consider the following notices of motion:

- (a) Received from Councillor Q Zada on 24<sup>th</sup> October, 2014

This Council notes:

That the Council has a duty to procure goods in a responsible manner, given the economic, social and environmental impact of its decision making.

That the Council's Procurement Strategy is designed to promote equality and diversity and should not adversely impact on communities.

That the Council will develop its "Love Your Local Community" campaign and philosophy and where any procurement activity leads to outcomes which fall short of this aspiration, then the Council makes every effort to mitigate this risk.

That the Council welcomes any initiative that promotes further its recently adopted motion of Fair trade in December 2013 and that by carefully selecting suppliers, it can make a difference to the lives of people locally and beyond.

The Council therefore resolves to:-

Cease existing and future procurement of goods and services where there is a direct benefit to the State of Israel, including through the supply chain, subject to legal compliance with all relevant procurement, contractual, legislative and regulatory requirements until such time as the State of Israel complies with international law.

- (b) Received from Councillor P Brothwood on 11<sup>th</sup> November, 2014

Public Houses: The Council instructs that an immediate review is undertaken of the relevant policies, planning legislation and guidance concerning the change of use or redevelopment of a Public House, with a view to an assessment being undertaken of:

- a) A Viability report that demonstrates to the Council's satisfaction that the public house is no longer economically viable, including the length of time the public house has been vacant, evidenced by the applicant of active and appropriate marketing for a constant period of at least 36 months at the existing use value;

- b) The role the public house plays in the provision of space for community groups to meet and whether the loss of such space would contribute to a shortfall in local provision, including evidence that the premises have been offered to use or to hire at a reasonable charge to community or voluntary organisations over a 12 month period and there is no longer a demand for such use;
- c) The design, character and heritage value of the public house and the significance of the contribution that it makes to the streetscape and local distinctiveness, and where appropriate historic environment, and the impact the proposal will have on its significance;
- d) The ability and appropriateness of the building and site to accommodate an alternative use or uses without the need for demolition or alterations that may detract from the character and appearance of the building;

and that a report is submitted to the next available Development Control Committee.

- (c) Received from Councillor B Etheridge on 11th November, 2014

The Council notes the joint press statement dated 7<sup>th</sup> November, 2014 issued by the Leaders of the four Black Country Councils and Birmingham City Council concerning their agreement, in principle, to work as a Combined Authority.

There has been insufficient discussion of the implications of this key strategic issue at the Cabinet and the full Council. Councillors and local people have not been given the opportunity to engage in full and meaningful consultation on these proposals.

This Council therefore resolves:

- (1) That all work on the formation of a Combined Authority be suspended until such time as the implications have been fully debated; and
- (2) That a debate for all 72 Members concerning the Combined Authority proposals be organised to take place in this Council Chamber as a matter of urgency.

- 8. To answer questions under Council Procedure Rule 11.

*Questions on the Minutes of the Cabinet and Committees, Community Forums and the Delegated Decision Summaries – these are contained in the separate book circulated to Members of the Council.*

- 9. Strategic Director and Statutory Officer Appointments (Pages 40 – 42)
- 10. To consider any business not on the agenda which by reason of special circumstances the Mayor is of the opinion should be considered at the meeting as a matter of urgency under the provisions of the Local Government Act 1972.



**Director of Corporate Resources**

**Dated: 21<sup>st</sup> November, 2014**

Distribution: All Members of the Council

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- The Democratic Services contact officer for this meeting is Steve Griffiths, Telephone 01384 815235 or E-mail [steve.griffiths@dudley.gov.uk](mailto:steve.griffiths@dudley.gov.uk)

**Dudley Metropolitan Borough**

**Minutes of the proceedings of the Council  
at the meeting held on Monday, 13<sup>th</sup> October, 2014  
at 6.00 pm at the Council House, Dudley**

**Present:**

Councillor M Aston (Mayor)  
Councillor S Waltho (Deputy Mayor)  
Councillors A Ahmed, K Ahmed, S Ali, A Aston, M Attwood, N Barlow, C Baugh, C Billingham, H Bills, D Blood, R Body, P Bradley, D Branwood, P Brothwood, K Casey, D Caunt, I Cooper, B Cotterill, J Cowell, W Duckworth, C Elcock, B Etheridge, S Etheridge, M Evans, K Finch, N Gregory, C Hale, M Hanif, P Harley, R Harris, D Hemingsley, S Henley, Z Islam, R James, L Jones, K Jordan, I Kettle, P Lowe, I Marrey, J Martin, P Miller, M Mottram, N Neale, G Partridge, C Perks, D Perks, M Roberts, H Rogers, D Russell, R Scott-Dow, K Shakespeare, G Simms, D Sparks, A Taylor, E Taylor, H Turner, K Turner, S Turner, D Tyler, D Vickers, M Wood and Q Zada together with the Chief Executive and other Officers.

**Prayers**

The Mayor's Chaplain led the Council in prayer.

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27 **Apologies for Absence**

Apologies for absence were received on behalf of Councillors S Arshad, T Crumpton, A Finch, J Foster, A Goddard, T Herbert, P Martin and M Wilson.

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28 **Declarations of Interests**

Declarations of interests, in accordance with the Members' Code of Conduct, were made by the following Members:

Councillor D Caunt – Action Note 11 of the Coseley East/Sedgley Community Forum (Reference to Seven Stars Public House) – Non-pecuniary interest as a Member of the Development Control Committee.

Councillor K Turner – Minute No. 5 of the Adult, Community and Housing Services Scrutiny Committee (Annual Scrutiny Programme 2014/15) Minute No. 6 (The Care Act – Implications for Dudley) and Minute No. 7 (Housing Futures Board) - Non-pecuniary interest as Chairman and Trustee Director of Age Concern Stourbridge and Halesowen, Director of Right to Buy Services Limited and being a private landlord for properties in Dudley and other areas.

Councillor K Turner - Minute No. 14 of the Adult, Community and Housing Services Scrutiny Committee (Right to Buy (RTB) and replacement New Build – Update and any reference to private tenants) – Non-pecuniary interest as a Director of Right to Buy Services Limited and a private Landlord for properties in Dudley and other areas.

Councillor S Henley – Minute No. 5 of the Health Scrutiny Committee (Dudley and Walsall Mental Health Partnership NHS Trust) and Minute No. 6 (Update of Urgent Care Development) – Non-pecuniary interest as his partner worked at Russells Hall Hospital.

Councillor E Taylor – Minute No.5 of the Health Scrutiny Committee (Dudley and Walsall Mental Health Partnership NHS Trust) and Minute No. 6 (Update of Urgent Care Development) – Non-pecuniary interest as her partner worked at Russells Hall Hospital.

Councillor M Attwood – Minute No. 14 of the Children’s Services Scrutiny Committee (Special Educational Needs Reforms 2014) and Minute No. 15 (The Annual Report of the Dudley Safeguarding Childrens Board 2013/14) – Non-pecuniary interest as a Member of the Management Committee of the Sycamore Centre (a short stay special school).

Councillor I Cooper – Minute No. 14 of the Children’s Services Scrutiny Committee (Special Educational Needs Reforms 2014) and Minute No. 15 (The Annual Report of the Dudley Safeguarding Childrens Board 2013/14) – Non-pecuniary interest as Governor of Caslon Primary School and a Member of its Finance Committee.

Councillor I Marrey – Minute No. 14 of the Children’s Services Scrutiny Committee (Special Educational Needs Reforms 2014) and Minute No. 15 (The Annual Report of the Dudley Safeguarding Childrens Board 2013/14) – Non-pecuniary interest as a Member of the governing body of a special school and the parent of a pupil with special educational needs.

Councillor M Mottram – Minute No. 14 of the Children’s Services Scrutiny Committee (Special Educational Needs Reforms 2014) and Minute No. 15 (The Annual Report of the Dudley Safeguarding Childrens Board 2013/14) – Non-pecuniary interest as Governor of Christchurch Primary School.

Councillor M Wood – Minute No. 14 of the Children’s Services Scrutiny Committee (Special Educational Needs Reforms 2014) and Minute No. 15 (The Annual Report of the Dudley Safeguarding Childrens Board 2013/14) – Non-pecuniary interest as Chair of the Finance Committee of the Halesbury School and Vice-Chair of the Trustees of the People’s Fields Trust, which oversees the Halesbury and Sutton schools.

Councillor K Casey – Minute No. 9 of the Development Control Committee (Planning Application No. P14/0959 - Mons Hill Cottage, 1 Mons Hill, Woodsetton, Dudley) – Non-pecuniary interest in view of the reference to the Member of Parliament (MP) for Dudley North as he worked for the MP.

Councillor K Casey – Minute No. 15 of the Development Control Committee (Planning Application No. P14/0981 (Amenity Space Adjacent to Sedgley Road/Parkes Hall Road, Dudley) – Non-pecuniary interest in view of his involvement in the campaign with local residents and the Royal British Legion.

Councillor K Casey – Minute No. 25 of the Development Control Committee (Planning Application No. P14/1051 (Land between 361 and 367 Himley Road, Gornal Wood, Dudley) – Non-pecuniary interest in view of the reference to the Member of Parliament (MP) for Dudley North as he worked for the MP.

Councillor C Perks – Minute No. 25 of the Development Control Committee (Planning Application No. P14/0743 (Former War Memorial Club, High Street, Amblecote) – Non-pecuniary interest as a ward member and she had made her views known about the application.

Councillor J Martin – Minute No. 35 of the Taxis Committee (Review of Private Hire and Hackney Carriage Drivers' Licences – Mr KY) – Non-pecuniary interest as he knew the taxi driver.

Councillors J Cowell and M Hanif – Minutes of the Ernest Stevens Trusts Management Committee – Non-pecuniary interest as Trustees of Mary Stevens Hospice.

Councillor H Rogers – Minutes of the Ernest Stevens Trusts Management Committee – Non-pecuniary interest as Chair of the Friends Group for Mary Stevens Park and Swinford Common. Also in relation to her involvement with the Project Implementation Team – Heritage Lottery Bid for Mary Stevens Park and attendance at stakeholder meetings.

Councillor I Kettle – Minutes of the Ernest Stevens Trusts Management Committee – Non-pecuniary interest as a Director of Mary Stevens Hospice.

Councillor A Aston – All matters relating to West Midlands Ambulance Service (WMAS) – Pecuniary interest as an employee of WMAS.

Councillor S Turner – Any references to matters concerning Dudley College – Pecuniary interest in view of his employment as a Lecturer.

Councillor G Simms – Issues relating to Looked After Children – Non-pecuniary interest in view of her employment with an independent fostering agency.

Councillor Q Zada – Issues relating to Children, Young People and Families – Non-pecuniary interest as an employee of Black Country Partnership NHS Trust.

Councillors M Evans, D Hemingsley and D Sparks – Agenda Item No. 5(a) (Capital Programme Monitoring) – reference to Castle Hill Development – Non-pecuniary interests as trustees of Dudley Zoo.

Councillor N Neale – Minutes of Health Scrutiny Committee – All references to NHS WMAS – Pecuniary interest as an employee.

Councillor R Scott-Dow – Any reference to Gig Mill School, Norton – Non-pecuniary interest as a Committee Member.

Councillor D Caunt - Agenda Item No. 5(a) (Capital Programme Monitoring) – reference to Castle Hill Development – Non-pecuniary interest as a Director of Dudley Canal Trust.

All Directors, Assistant Directors and Treasurer – Agenda Item No. 5(b) and Minutes of the Cabinet (Review of Senior Management and Organisational Structure) – Pecuniary Interest in view of their employment.

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29 **Minutes**

Resolved

That the minutes of the meeting held on 14<sup>th</sup> July, 2014 be approved as a correct record and signed.

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30 **Mayor's Announcements**

(a) **Public Mental Health and Health Inclusion Team in the Office of Public Health**

The Mayor reported on an award received by the Public Mental Health and Health Inclusion Team in the Office of Public Health. Following remarks by Councillor R Harris, the Mayor presented the award to representatives of the Team and the Council expressed its congratulations to all concerned.

(b) **Councillor Safeena Arshad**

The Mayor referred to the absence of Councillor S Arshad.

Resolved

That in accordance with Section 85 of the Local Government Act 1972, the Council approve the reason for Councillor Arshad's non-attendance at meetings, on health grounds, and that this approval remain in effect until such time as Councillor Arshad is able to resume her duties.

(c) **Cheese and Wine Evening – 26<sup>th</sup> November, 2014**

The Mayor reported that a Charity Cheese and Wine Evening would be held on 26<sup>th</sup> November, 2014 with all proceeds to her charities.

(d) Dudley's Festival of Remembrance concert – 6<sup>th</sup> November, 2014

The Mayor reported that Dudley's Festival of Remembrance concert would take place at Dudley Town Hall on Thursday 6<sup>th</sup> November, 2014. All proceeds would go to the Royal British Legion Poppy Appeal.

(e) Remembrance Sunday – 9<sup>th</sup> November, 2014

The Mayor reported that the Remembrance Sunday event would be on 9<sup>th</sup> November, 2014.

(f) Armistice Day – 11<sup>th</sup> November, 2014

The Mayor reported that Armistice Day would be on Tuesday 11<sup>th</sup> November, 2014. A service would be held at the Clock Tower in Priory Street, Dudley.

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31 **Capital Programme Monitoring**

A report of the Cabinet was submitted.

It was moved by Councillor D Sparks, seconded by Councillor P Lowe and

Resolved

- (1) That current progress with the 2014/15 Capital Programme, as set out in Appendix A to the report submitted, be noted and that budgets be amended to reflect the reported variances.
  - (2) That the increase in budget for the Clayton Park Outdoor Gym be approved and the Capital Programme amended accordingly, as set out in paragraph 5 of the report submitted.
  - (3) That the expenditure on the A459 pedestrian crossing improvements be approved and included in the Capital Programme, as set out in paragraph 6 of the report submitted.
  - (4) That the expenditure on the replacement of franking machines be approved and included in the Capital Programme, as set out in paragraph 7 of the report submitted.
  - (5) That the urgent amendment to the Capital Programme, as set out in paragraph 8 of the report submitted, be noted.
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32 **Change in Order of Business**

Pursuant to Council Procedure Rule 13(c) it was:-

Resolved

That the remaining items of business be considered in the following order:-

Agenda Item Nos. 5(c), 5(d), 6, 7, 5(b) and 8.

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33 **Tenant Involvement Arrangements**

A report of the Cabinet was submitted.

It was moved by Councillor G Partridge, seconded by Councillor Lowe and

Resolved

- (1) That the disestablishment of the Area Housing Panels be approved.
  - (2) That support to tenants be offered in the development of a structure that will assist them in achieving their priorities as listed in paragraph 8 of the report submitted.
  - (3) That a transfer of responsibility from the Area Housing Panels to the Tenants Board to make recommendation(s) relating to expenditure of the Community Safety and Environment budget, be approved.
  - (4) That the Constitution and Terms of Reference of the Tenants Board, as set out in the Appendix to the report submitted, be approved.
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34 **Treasury Management**

A report of the Audit and Standards Committee was submitted.

It was moved by Councillor J Cowell, seconded by Councillor Lowe and

Resolved

- (1) That the treasury activities outlined in the report submitted be noted.
  - (2) That the amendments to the Council's investment strategy as detailed in Appendix 5 of the report submitted be approved.
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35 **Notice of Motion**

Pursuant to Council Procedure Rule 12, Councillor P Brothwood had given notice of a motion on 30<sup>th</sup> September, 2014.

The following motion was moved by Councillor P Brothwood and seconded by Councillor P Bradley.

“We move to request that Dudley Council consider holding a Borough Lottery. Proceeds after prizes and administration fees will be given to Charities within the Borough. The Charities and winners will be named online on the Dudley MBC website. We trust our colleagues within the Chamber will agree to this proposal and will assist us with setting up this venture.

Accordingly, this Council resolves to request the Director of Corporate Resources to investigate the feasibility and submit a report to the Cabinet or appropriate Committee at the earliest opportunity.”

During the debate on the above motion, pursuant to Council Procedure Rule 14.11, it was moved by Councillor G Partridge, duly seconded and

Resolved

That the question be now put.

Councillor P Brothwood exercised his right of reply to the debate pursuant to Council Procedure Rule 14.9.

The original motion was thereupon put to the vote and lost.

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36 **Questions under Council Procedure Rule 11**

During questions asked under Council Procedure Rule 11, there were no decisions that the Leader, Cabinet Members or Chairs agreed to have reconsidered.

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37 **Review of Senior Management and Organisational Structure**

In view of their pecuniary interests, as declared earlier in the meeting, all Directors, Assistant Directors and the Treasurer left the Council Chamber during the consideration of this item.

A report of the Cabinet was submitted.

It was moved by Councillor D Sparks, seconded by Councillor Lowe and

Resolved

- (1) That the outcome of the formal consultations summarised in Appendix 2 of the report submitted and the comments of the Conservative Group and Overview and Scrutiny Management Board set out in Appendices 3 and 5 of the report submitted, be noted.
- (2) That the new senior management structure set out in Appendix 1 of the report submitted, be approved.

- (3) That the spot salaries for the new Strategic Director and Chief Officer posts as set out in paragraphs 10 and 11 of the report submitted, be approved.
- (4) That the policy and procedure for market forces supplements set out at Appendix 4 of the report submitted, be approved.
- (5) That the terms of reference of the Appointments Committee and the Appeals Committee as set out in paragraphs 15 and 18 of the report submitted, be amended.
- (6) That the Chief Executive be authorised to apply the approved policy on voluntary redundancies in accordance with paragraph 17 of the report submitted.
- (7) That the next phase of consultation on the 4<sup>th</sup> tier structure referred to in paragraph 20 of the report submitted, be noted.

Pursuant to Council Procedure Rule 16.4, at the demand of in excess of six members present at the meeting, the voting on the above resolution was recorded as follows:

For (34)

Councillors A Ahmed, K Ahmed, A Aston, M Aston, C Baugh, R Body, H Bills, D Branwood, K Casey, I Cooper, B Cotterill, J Cowell, K Finch, C Hale, M Hanif, R Harris, D Hemingsley, K Jordan, P Lowe, I Marrey, J Martin, M Mottram, G Partridge, C Perks, M Roberts, D Russell, D Sparks, E Taylor, H Turner, K Turner, S Turner, D Tyler, S Waltho and Q Zada.

Against (27)

Councillors M Attwood, N Barlow, C Billingham, D Blood, P Bradley, P Brothwood, D Caunt, W Duckworth, C Elcock, M Evans, B Etheridge, S Etheridge, N Gregory, P Harley, S Henley, R James, L Jones, I Kettle, P Miller, N Neale, H Rogers, R Scott-Dow, K Shakespeare, G Simms, A Taylor, D Vickers and M Wood.

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38 **Urgent Business**

There was no urgent business raised under the provisions of the Local Government Act 1972.

The meeting ended at 8.10pm

MAYOR

CL/32

**Dudley Metropolitan Borough**

**Minutes of the proceedings of the Council**  
**at an Extraordinary Meeting held on Friday, 24<sup>th</sup> October, 2014**  
**at 5.00 pm at the Council House, Priory Road, Dudley**

**Present:**

Councillor M Aston (Mayor)  
Councillors K Ahmed, S Ali, A Aston, M Attwood, N Barlow, C Baugh, C Billingham, H Bills, D Blood, R Body, P Bradley, P Brothwood, D Caunt, I Cooper, B Cotterill, J Cowell, T Crumpton, W Duckworth, M Evans, A Finch, K Finch, J Foster, A Goddard, N Gregory, C Hale, M Hanif, P Harley, R Harris, D Hemingsley, Z Islam, R James, L Jones, I Kettle, P Lowe, I Marrey, J Martin, P Miller, M Mottram, N Neale, G Partridge, C Perks, D Perks, M Roberts, H Rogers, D Russell, R Scott-Dow, K Shakespeare, G Simms, D Sparks, E Taylor, H Turner, K Turner, S Turner, D Tyler, D Vickers, M Wood and Q Zada together with the Chief Executive and other Officers.

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39 **Apologies for Absence**

Apologies for absence were received on behalf of the Deputy Mayor (Councillor S Waltho) and Councillors A Ahmed, S Arshad, D Branwood, K Casey, C Elcock, B Etheridge, S Etheridge, S Henley, T Herbert, K Jordan, P Martin, A Taylor and M Wilson.

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40 **Declarations of Interests**

No declarations of interests, in accordance with the Members' Code of Conduct, were made in respect of the business to be transacted at this Extraordinary Meeting of the Council.

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41 **Mayor's Announcements**

No announcements were made under this agenda item.

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42 **Post of Chief Executive**

A report of the Appointments Committee was submitted.

It was moved by Councillor D Sparks, seconded by Councillor P Lowe and

Resolved

- (1) That Sarah Norman, currently the Strategic Director for Community, Wolverhampton City Council, be appointed to the post of Chief Executive on the terms, conditions and salary applicable to the post.
  - (2) That, subject to her formal acceptance of the post, Sarah Norman be appointed as the Head of the Council's Paid Service, pursuant to Section 4 of the Local Government and Housing Act, 1989 with effect from the date her employment commences with Dudley MBC.
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43 **Urgent Business**

There was no urgent business raised under the provisions of the Local Government Act 1972.

The meeting ended at 5.10pm

MAYOR

## **Meeting of the Council – 1<sup>st</sup> December, 2014**

### **Report of the Chief Executive**

#### **Leader of the Council**

#### **Purpose of Report**

1. To consider the position of the Leader of the Council in accordance with the provisions of the Council's Constitution.

#### **Background**

2. On 17<sup>th</sup> May, 2012, Councillor D Sparks was elected as Leader of the Council in accordance with the provisions of the Council's Constitution. Councillor D Sparks has notified me that he has resigned as the Leader of the Labour Group and that he will resign as Leader of the Council with effect from this meeting. Accordingly, it is necessary to submit a report to this meeting concerning the election of the Leader of the Council.
3. The Council's Procedure Rules require that the Leader of the Council shall be appointed at the annual meeting of the Council (as and when necessary). Further, Article 7 of the Council's Constitution prescribes that the Leader will hold office for a period of four years or until:
  - (a) his/her term of office as a Councillor expires; or
  - (b) he/she resigns from the office; or
  - (c) he/she is no longer a Councillor; or
  - (d) he/she is removed from office by resolution of the Council.
4. The Council is requested to consider the election of the Leader in accordance with the provisions of the Constitution.
5. Under Part 3 of the Constitution (Responsibility for Functions), the Leader has delegated powers to appoint the Deputy Leader and Cabinet Members.

#### **Finance**

6. There are no direct financial implications arising from this report.

**Law**

- 7. The relevant statutory provisions regarding the Constitution are contained in Part II of the Local Government Act 2000, as amended, together with Regulations, Orders and Statutory Guidance issued by the Secretary of State.
- 8. Article 7 of the Council's Constitution prescribes that the Cabinet will consist of the Leader together with at least 2, but not more than 9 other Councillors appointed to the Cabinet by the Leader. Under Article 7, it is the responsibility of the Leader to maintain the list of responsibilities and executive functions allocated to Cabinet Members.

**Equality Impact**

- 9. This report has no direct implications for the Council's policies with regard to equality and diversity. Decisions of the Leader on policy issues and the implementation of the Council Plan framework will involve actions to promote equality and in relation to children and young people.

**Recommendation**

- 10. That the Council consider the election of the Leader in accordance with the provisions of the Constitution.

*John Poyellus*

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**Chief Executive**

## **Meeting of the Council – 1<sup>st</sup> December, 2014**

### **Report of the Cabinet**

### **Medium Term Financial Strategy**

#### **Purpose of Report**

1. To consider decisions required in connection with the Medium Term Financial Strategy (MTFS) to 2017/18 and associated matters, including the Council Tax Reduction Scheme.

#### **Background**

2. A report was submitted to the Cabinet on 29<sup>th</sup> October, 2014 concerning the Medium Term Financial Strategy to 2017/18. A number of issues arising from the report now need to be considered by the Council. The full report is available on the Internet via the Committee Management Information System or on request from Members to Democratic Services (Tel: 01384 815236).

#### **Council Tax Reduction Scheme**

3. The Council, at its meeting on 2<sup>nd</sup> December 2013 approved that the Council Tax Reduction (CTR) scheme be amended from 1<sup>st</sup> April 2014 to be based on the eligibility and calculation rules of the current (2013/14) scheme with a 20% cut in the resulting level of the reduction; and that a transitional arrangement of an 8.5% cut in the calculated reduction apply at least up to 31<sup>st</sup> March 2015 - with full protection from any scheme changes being given to pensioners, disabled adults, disabled children, war pensioners and lone parents with a child under 5.
4. It is proposed that the transitional arrangement be terminated on 31<sup>st</sup> March 2015 and that the full 20% cut be implemented from 1<sup>st</sup> April 2015. It is proposed that full protection from any scheme changes should continue to be given to pensioners, disabled adults, disabled children, war pensioners and lone parents with a child under 5. This has been assumed in the forecasts of the Council's tax base for 2015/16 onwards along with other estimated changes as a result of increased property numbers, etc.

#### **Human Resource Implications**

5. Further to the decisions taken by the Council, at its meeting held on 14<sup>th</sup> July, 2014, on the mechanisms in relation to voluntary redundancy, the report to the Cabinet on 29<sup>th</sup> October, 2014 indicated that redundancy costs, including those relating to pension strain, were dependent on the age and length of service of the individuals being made redundant and therefore could not be precisely calculated at this stage. It was anticipated, however, that they can be met from use of resources earmarked for committed capital expenditure (which in turn could be funded from prudential

borrowing), review of earmarked reserves and general balances. The Cabinet propose that the officer delegations approved by the Council on 14<sup>th</sup> July, 2014, confirmed up to an initial maximum of £5.0m for direct redundancy costs and the capitalised cost of pension strain, in respect of redundancies required to achieve the proposed savings set out in the report submitted to the Cabinet.

### **Finance**

6. Relevant financial information was contained in the report to Cabinet referred to in paragraph 2.

### **Law**

7. 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.

### **Equality Impact**

8. The Government has stated that local Council Tax Reduction (CTR) 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.

9. An Equality Impact Assessment was undertaken prior to the decision to amend the CTR scheme as set out in paragraph 3.
10. There has been no specific involvement of children and young people in developing the proposals in this report.
11. On consideration of the issues in the report to its meeting held on 29<sup>th</sup> October, 2014, regarding which Council approval is required, the cabinet resolved as set out in paragraphs 14 -16 below.

### **Recommendations**

12. That, in respect of the Council Tax Reduction (CTR) scheme, the transitional arrangement be terminated on 31<sup>st</sup> March 2015 and that the full 20% cut be implemented from 1<sup>st</sup> April 2015, and that full protection should be given to pensioners, disabled adults, disabled children, war pensioners and lone parents with a child under 5, as set out in paragraph 4 above.

13. That delegated powers be given to the Director of Corporate Resources for making other changes to the documented CTR 2015/16 scheme in line with any government prescribed regulations, upratings and other minor miscellaneous amendments; the resulting 2015/16 scheme documentation to be published on the council's website before 31st January 2015.
14. That the delegation for approval of voluntary redundancies to the Cabinet Member for Human Resources, Legal, Property & Health and the Director of Corporate Resources, and of compulsory redundancies to the Cabinet Member for Human Resources, Legal, Property & Health and the Assistant Director for Human Resources and Organisational Development be confirmed up to an initial maximum of £5.0m for direct redundancy costs and the capitalised cost of pension strain, in respect of redundancies required to achieve the proposed savings set out in the report submitted to the Cabinet.



.....  
**Leader of the Council**

## Meeting of the Council - 1<sup>st</sup> December, 2014

### Report of the Cabinet

#### Capital Programme Monitoring

##### Purpose of Report

1. To report progress with the 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.

	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Public Sector Housing	42,730	40,334	41,162
Other Adult, Community & Housing	6,379	4,184	550
Urban Environment	29,534	15,996	5,873
Children's Services	18,226	11,526	161
Corporate Resources	2,481	1,658	1,366
<b>Total spend</b>	<b>99,350</b>	<b>73,698</b>	<b>49,112</b>
Revenue	14,093	13,544	13,687
Major Repairs Reserve (Housing)	22,279	22,558	22,847
Capital receipts	18,569	13,662	9,507
Grants and contributions (inc. Lottery)	25,118	11,152	183
Capital Financing Requirement*	19,291	12,782	2,888
<b>Total funding</b>	<b>99,350</b>	<b>73,698</b>	<b>49,112</b>

\*This will be funded internally from the Council's cashflow resources as far as possible, rather than from external debt.

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 2014/15 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. An update on progress with the Council's most significant capital schemes is shown in Appendix B.

## **Adult, Community and Housing**

### Disabled Facilities Grants

5. It is proposed that in order to address pressures on waiting lists for Disabled Facilities Grants, £600,000 of funding be reallocated from the Housing Assistance Grants budget in 2014/15. This will fund around 40 grants depending on the nature & cost of the works involved.

### North Priory Community Centre

6. As part of the development of Friar's Gate (North Priory) in partnership with Bromford Housing Association and Keepmoat, £300,000 was earmarked from the land value to provide a community facility. This will be built by Keepmoat, as part of the overall development works. The intention is that the community centre will be run entirely by the community not the Council. As yet, there is not a developed business plan to ensure the running costs of the Centre are covered. It is proposed that this allocation be noted and the expenditure included in the Capital Programme but that the build is not started until the business plan has been approved.

## **Urban Environment**

### Clean Vehicle Technology Fund

7. The Department for Transport has awarded the Council £158,000 as a part of this initiative. The grant is for a specific partnership scheme with Prospect Coaches (West) Ltd in Lye, to provide exhaust emission control equipment to 10 of their older vehicles. The vehicles are those used in contract work around the Borough which involves them being frequently driven through areas of poor air quality, so the scheme is designed to provide maximum benefit in terms of improving air quality.

It is proposed that the funding allocation be noted and the expenditure included in the Capital Programme.

## **Regeneration**

### Coronation Gardens, Dudley

8. On consideration of a report on the regeneration of Dudley Town Centre, proposed refurbishments to Coronation Gardens to improve visitor experience by connecting the town more strongly with Dudley College's Town Centre Campus development were approved at the meeting of the Cabinet held on 29<sup>th</sup> October, 2014. The improvements include the introduction of ramps to make the paths more accessible, a new student/events area including a stage, lighting and seating for outdoor performances; new and improved paving, lighting and furniture, the reinstatement and bringing back into use of the historic Apollo fountain in a similar way to the fountain in the Market Place, and enhancements to paving from Green Man Entry to the Broadway corner of Coronation Gardens in order to help connect this part of the town with the Market Place. The Cabinet resolved to recommend the Council to approve the proposed improvements in the Capital Programme.

## **Children's Services**

### Dudley Grid for Learning (DGfL)

9. DGfL is an educationally focused ICT service delivered in partnership with the private sector for the last 12 years, originally through a PFI arrangement. In October 2010, Cabinet approved the third phase of the project "DGfL3" to include an estimated cost

of £4m in 2013/14 (the majority of which will now be expended in 2014/15), which was anticipated to be funded from schools' contributions and residual PFI grant.

Following review of available resources, it is now proposed that £562,000 of the cost of DGfL3 be funded from unallocated unringfenced 14-19/SEN capital grant.

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

#### Lea Vale Road Culvert

10. Following the floods resulting from the extreme weather periods during December 2013 and January 2014 the Council secured £150,000 of Government funding to cover the full cost of mitigation works to reduce the level of flood risk to 45 residential properties in and around Lea Vale Road, Stourbridge. The scheme consists of the replacement of the existing damaged/collapsed small culvert with an oversized culvert, and the addition of a flood water detention pool. On completion of the works the ownership of the culvert will be transferred to the residents who will be responsible for inspections and long term maintenance.

In order to comply with the funding criteria and complete the works prior to the onset of winter, a decision (ref. DUE/39/2014) was made by the Deputy Leader of the Council in consultation with the Treasurer on 8<sup>th</sup> September 2014 that the project be approved and included in the Capital Programme.

11. On consideration of the information above, and the report referred to on Dudley Town Centre Regeneration, the Cabinet, at its meeting held on 29<sup>th</sup> October, 2014, resolved to recommend the Council as set out in paragraph 16 below.

### **Finance**

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

### **Law**

13. 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**

14. These proposals comply with the Council's policy on Equality and Diversity.
15. 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**

16. That the Council be recommended:

- That current progress with the 2014/15 Capital Programme, as set out in Appendix A be noted, and that budgets be amended to reflect the reported variances.
- That £600,000 of funding be reallocated from the Housing Assistance Grants budget in order to address pressures on waiting lists for Disabled Facilities Grants, in 2014/15, as set out in paragraph 5.
- That the allocation of funding for the North Priory Community Centre be noted, and the project included in the Capital Programme, as set out in paragraph 6.
- That the Clean Vehicle Technology funding allocation be noted and the expenditure included in the Capital Programme, as set out in paragraph 7.
- That the proposed improvements to Coronation Gardens be included in the Capital Programme, as set out in paragraph 8.
- That the revised funding for the third phase of the Dudley Grid for Learning project be approved, as set out in paragraph 9.
- That the Urgent Amendment to the Capital Programme, as set out in paragraph 10, be noted.



**Leader of the Council**

## 2014/15 Capital Programme Progress to Date

<b>Service</b>	<b>Budget £'000</b>	<b>Spend to 31<sup>st</sup> Aug £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comments</b>
Public Sector Housing	42,730	15,358	42,730		
Other Adult, Community & Housing	6,379	2,542	6,379		
Urban Environment	29,534	4,954	29,537		
Children's Services	18,226	3,108	18,226	+3	See note
Corporate Resources	2,481	796	2,481		
<b>TOTAL</b>	<b>99,350</b>	<b>26,758</b>	<b>99,353</b>	<b>+3</b>	

**Note:**

- Minor cost increase in respect of the Corbyn Road (base for joint Children's Safeguarding Unit and frontline social work teams) project. Can be funded from unallocated unringfenced 14-19/SEN capital grant.

## Progress with Major Capital Schemes

### Adult, Community and Housing

#### New Council Housing

A contract has been awarded and work is expected to commence on site at Norfolk Road, Wollaston and The Walk, Sedgley in November. Other planned schemes include the conversion of the former Wren's Nest Estate Office (planning permission has now been granted for this scheme); conversion of the former Archives building at Roseville, Coseley; conversion of the former care home at Arcal Lodge, Sedgley; and a number of smaller housing infill and garage sites across the borough. Site investigations, ecological and topographical reports are being prepared and the schemes are currently in design stage.

#### Dementia Gateways

Works are now completed for the second dementia gateway at Brett Young in Halesowen. Final costs are still to be established but schemes are expected to be delivered within budget.

### Urban Environment

#### Street Lighting

Street lighting improvement works are in progress and the Street Lighting Central Management System (CMS) is now fully commissioned and operational. 17,600 of the Council's 32,000 street lights can now be controlled via the CMS system remotely to help save energy; 11,000 of these can be dimmed. Spend is forecast to be within budget.

#### Better Bus Area

The proposals which involve the construction of a new signal controlled pedestrian crossing on the A4036 Pedmore Road, and the creation of additional road space and signal controls to facilitate bus priority measures at the junction of the Boulevard with Mill St, Brierley Hill were granted planning permission in March 2014. Main works commenced on site in July 2014 with substantial completion programmed for the end of October. Spend is forecast to be within budget.

#### Mary Stevens Park

The design team are finalising the detailed designs for the Park and have developed timescales for the 3 major contracts, most to start in March 2015. The Heritage Ranger has developed an events programme for the next 6 months, promoted in the Parks and Countryside events leaflet. Volunteering for project work is underway with a recruitment drive. Spend is forecast to be within budget.

### Castle Hill

New Access Road: Phase 1a was completed during October 2012. Phase 1b (link road and roundabout) was completed April 2013.

Phase 2 onwards: This comprises the secondary route, recreational route, car parking and Visitor Hub. Planning permission was granted on 12<sup>th</sup> March 2013. The design team are currently working on detailed designs on a phased basis. Works commenced onsite for the initial phase of the secondary route on 23<sup>rd</sup> September 2013 and was completed February 2014. Works commenced on the lower level car parks on 4<sup>th</sup> December 2013, and completed March 2014. Works to upper level car park commenced April 2014, and was completed July 2014. Tenders for the Recreational route linking the existing attractions have been invited with work due to start at the end of October and be complete in February 2015. The contract for the Visitor Arrival Hub has been awarded with construction starting in November and completion due in April 2015.

Spend is forecast to be within budget.

### Castle Hill Additional Funding

BCLM Schools Reception Building. Planning application has now been submitted, works are anticipated to commence January 2015, with an anticipated completion of July 2015. Spend is forecast to be within budget.

### Dudley Marketplace and Town Centre

The first phase of the overall Dudley Market Place Public Realm scheme, which is Castle Street/New Street, is substantially complete and opened to full access on 10<sup>th</sup> August. There are some outstanding works in this location, seasonal tree planting being programmed for November and the construction work to the Earl of Dudley statue which has not yet been programmed in. The second phase has now started and the construction of the market stalls is well under way, and although there has been a delay in the construction of the market stalls due to levels issues, the project is due to complete on programme. Spend is forecast to be within budget.

## **Children's Services**

### DGfL3

Dudley Grid for Learning (DGfL) 3 includes a programme of ICT equipment upgrade and renewal across financial years 2013/14 & 2014/15. Consultation with schools to ascertain their priorities for the 'refresh' programme is complete. Refresh of ICT infrastructure and classroom equipment has now commenced phased roll out across the school estate. The programme and associated expenditure is therefore on schedule to bring improvement to schools ICT as planned.

### Post 16 Facility for Pens Meadow School

The programme for design and procurement of the project is on track and the projected capital spend is in line with Education Funding Agency requirements.

### Schools Basic Need projects

The first phase of projects funded from Basic Need capital grant are progressing well. Projects at the Brook and Woodside Primary Schools were completed during the summer with both schools now being able to admit up to 60 children in each year group. Projects at Kates Hill and Gig Mill are on site and are due to be completed by Easter 2015. The project at Sledmere Primary is on site and is on target to be completed during August 2015.

## **Corporate Resources**

### Transforming our Workplace (ToW)

The project is now practically complete. Nearly 2,000 staff have been relocated to core offices. All refurbishment works, with the exception of a new cycle shower/store area in the basement of the Old Police Buildings is complete. Of the 12 surplus office sites earmarked for disposal, 7 have been sold and 3 are due to go to auction at the end of October. Work is currently in progress on the remaining 2 sites prior to a submission to planning. The overall programme of work is currently running to budget. A formal review of the whole project is currently being planned and will take place in early 2015.

## **Meeting of the Council – 1<sup>st</sup> December, 2014**

### **Report of the Cabinet**

#### **Review of Housing Finance**

##### **Purpose of Report**

1. To consider proposed revisions to the Housing Revenue Account (HRA) budgets to reflect latest financial forecasts.
2. To consider proposed revisions to the Public Sector Housing capital programme.
3. To note the Cabinet's approval to the HRA's 30 Year Business Plan.

##### **Background**

4. The HRA is a ring-fenced revenue account and deals with landlord functions associated with public sector housing. The costs of improvement and programmed maintenance of the Council's housing stock are treated as capital expenditure and are accounted for separately.

##### **HRA Revised Budget**

5. The current budget for 2014-15, approved by Cabinet on 12<sup>th</sup> February 2014, shows a surplus on the HRA of £0.523m at 31<sup>st</sup> March 2015. There are now a number of variations to the original budget.
6. The original 2014-15 budget and the proposed revised 2014-15 budget are shown in Appendix 1. The proposed revised budget shows a surplus on the HRA of £2.835m at 31<sup>st</sup> March 2015.
7. The balance brought forward from 2013-14 was greater than budgeted, at £5.6m compared to a budgeted £3.8m. £1.1m of this related to housing management savings where it was not possible to spend reserves in the year in which they were forecast, and a number of staff vacancies were not filled in the year. In addition, rental income was £0.4m higher than budgeted as the full bad debt provision was not required, and additional income of £0.4m was received in contributions to expenditure e.g. from leaseholders. An additional £0.1m was required to fund depreciation costs, as a result of accounting adjustments.

8. We are reporting an increase in rental income in 2014-15. This is because we will not need to make the full provision for bad debts that we had estimated in the original budget. Rent arrears have increased, but as yet we are not seeing the level of impact that we had anticipated with the roll-out of the government's welfare reforms.
9. The variance between the original and the proposed revised budgets for contributions to expenditure relates to additional income received from leaseholders and tenants' rechargeable repairs.
10. We have reviewed the reserves held for housing management activities and propose to release £2.1m to accelerate capital improvement works such as adaptations, heating, kitchens and bathrooms and bringing some high cost empty properties back into use. We are also forecasting in-year savings of £0.6m in Management, largely owing to staff vacancies.
11. Demand for responsive and cyclical repairs has increased, leading to an increase of £1.1m in the proposed budget.
12. The decrease in the Transfer to the Major Repairs Reserve reflects adjustments to depreciation on Housing non-dwellings.
13. Discretionary Housing Payments (DHP) are administered by Benefits and provide for tenants to receive additional benefit payments to meet housing needs. These are mainly awarded where a tenant has had housing benefit reduced as a result of underoccupancy penalties or the benefit cap, and 75% of awards relate to Council housing tenants, although awards are also made to tenants of housing associations or tenants in the private rented sector. DHP is funded via a grant from central government, although the local authority has the option to top this up, to a maximum budget of 2.5 times the grant allocation. This top up can be from the General Fund or, subject to applying to the Department of Communities and Local Government for the appropriate Direction, from the HRA. It is proposed that £375,000 be added to the HRA budget to support Council tenants in receipt of DHP for the current financial year.

#### Public Sector Housing Capital Programme

14. In February 2014, a 5 year housing public sector capital programme was agreed. A revised capital programme reflecting latest out-turn estimates is shown at Appendix 2.
15. The capital programme follows the principles approved in February 2014 and addresses the following priorities:
  - Continuing investment to target maintaining decent homes;
  - Improving energy efficiency, combating climate change and reducing fuel poverty;
  - Investing in empty homes to ensure that as many of the Council's homes as possible are available for occupation;
  - Maintaining investment, at affordable levels, in community safety, environmental and social programmes such as adaptations for persons with disabilities;
  - Providing new social housing homes within the borough.

16. The revised 2014-15 capital programme includes a proposal for increased expenditure on a number of new build schemes in 2015-16 and 2016-17 funded in part by £6.2m additional borrowing under the Local Growth Fund. It is proposed that this borrowing be approved, which will contribute towards expenditure of £15.6m on a number of schemes across the Borough. In addition, it is proposed to add a further £11.5m to the new build programme up to 2018-19 in order to meet the council's Right to Buy Replacement target.

Development sites include the former Wren's Nest Estate Office; conversion of the former Archives building at Roseville, Coseley; conversion of the former care home at Arcal Lodge, Sedgley; Middlepark Road, Russells Hall; the former Guest Hospital, Dudley; and a number of smaller housing infill and garage sites across the borough including the redevelopment of 14 to 24 Beech Road, Kingswinford, for which the Cabinet, at its meeting held on 29<sup>th</sup> October, 2014, approved the specific issues in paragraph 18 below.

In total, for the five year period, this will give a budget of £40.6m for new build, equivalent to around 350 new council homes.

17. As a housing authority, we have the option to buy back any properties that have been sold under Right to Buy, and the vendor's solicitors must give us first refusal on purchase. Up to now, we have not exercised this option. We are also able to buy properties on the open market or as part of a mortgage rescue scheme. Over the last five years 54 mortgage rescues have been successfully undertaken in the Borough, one of which was shared equity and 53 of which were mortgage to rent via housing associations. The Cabinet, at its meeting held on 29<sup>th</sup> October, 2014, under delegated powers, approved the exercise of our right to buy back former right to buy properties and to buy other properties, either via mortgage rescue or on the open market, subject to a robust assessment that the property will be purchased at a discounted price that offers good value for money and will be sustainable in terms of lettings, maintenance and major works.
18. As part of the new build programme, the Cabinet, at its meeting held on 29<sup>th</sup> October, 2014, under delegated powers, approved the redevelopment of the site of 14 to 24 Beech Road and authorised:
- the acquisition of the leasehold interest of flat 22a Beech Road;
  - the termination of the lease of shop 20 Beech Road and the payment of statutory compensation equal to twice rateable value;
  - the rehousing of remaining existing tenants and the payment of homeloss and disturbance payments;
  - approval to acquire or divert vehicular access rights to the rear of 24 Pine Close if necessary;
  - approval of any other agreement necessary to facilitate the redevelopment of the site;
  - approval to use Compulsory Purchase Order powers for the acquisitions, should negotiation fail.

### Sundry Charges

19. At present no charge is made to tenants wishing to buy their council flat for the information pack that must be provided to their solicitor. This is required to set up the leasehold and represents a significant amount of work that is not applicable when tenants buy their house (freehold) under right to buy. Many other housing authorities do make a charge, with neighbouring authorities charging between £45 and £75 per pack. Based on recovering our average costs, the Cabinet, at its meeting held on 29<sup>th</sup> October, 2014, approved a charge of £50, to be levied from 1 January 2015.

### HRA Business Plan

20. The financial strategy for landlord housing is the subject of a continuing consultation process that includes tenants and residents. The Cabinet, at its meeting held on 29<sup>th</sup> October, 2014, under delegated powers, approved the 30-year HRA Business Plan set out in Appendix 3.

The key elements of this financial strategy, which presents an overall 30 Year Business Plan and covers a rolling five year period in more detail, include:

- maintain the Decent Homes Standard;
  - improve the energy efficiency of the housing stock and address fuel poverty;
  - invest in housing stock and minimise the number of void properties;
  - review the suitability of the housing stock and explore the feasibility of new build to increase stock and/ or replace properties that are in poor condition or that do not meet modern requirements;
  - support the aims of the Council Plan - promoting strong, caring communities through the provision of decent housing in a safe and clean environment;
  - identify ongoing savings and efficiency gains, through the use of partnerships where appropriate;
  - continue to undertake prudent management of reserves and other balances;
  - set rents having regard to government rent policy for social housing and our investment needs.
21. In addition to determining matters under its delegated powers, the Cabinet, at its meeting held on 29<sup>th</sup> October, 2014, resolved to recommend the Council to approve the proposals set out in paragraph 26 below.

### Finance

22. Section 76 of the Local Government and Housing Act places a duty on the Council to ensure that no action will be taken that may cause a deficit to arise on the HRA at 31<sup>st</sup> March 2015. A duty is also placed on the Council to review the financial prospects of the HRA from time to time. Reviews and regular monitoring carried out confirm that the HRA will be in surplus at 31<sup>st</sup> March 2015 and therefore complies with the requirements of the Act.

## **Law**

23. HRA finances are governed by Section 74-78B and 85-88 in Part IV of the Local Government and Housing Act 1989. Sections 167-175 in Part VII of the Localism Act 2011 abolish the HRA Subsidy system (Sections 79-84 in Part IV of the Local Government and Housing Act 1989) and introduce self-financing.

## **Equality Impact**

24. The proposals take into account the Council's policy on Equality and Diversity.
25. This is a financial report concerned with forecasting of income and application of resources. Some areas of proposed expenditure are intended to promote independence and improve quality of life for protected groups.

## **Recommendations**

26. It is recommended:
  - (1) that the revised HRA budget for 2014-15 as indicated in paragraphs 5 to 13 of this report and set out in Appendix 1 be approved.
  - (2) That the revised Public Sector Housing capital programme for 2014-15 to 2018-19 as indicated in paragraphs 14 to 16 of this report and set out in appendix 2, including the increase in HRA borrowing in 2015-16 and 2016-17 to fund new building under the Local Growth Fund, be approved.
  - (3) That provision for the buy back of the properties referred to in paragraph 17 above be added to the Capital Programme as the properties are purchased.



**Leader of the Council**

## Appendix 1

### HRA Revised Budget 2014-15

	Original Budget £m	Proposed Revised Budget £m	Variance £m
<u>Income</u>			
Dwelling rents	-88.948	-89.892	-0.944
Non-dwelling rents	-0.738	-0.728	0.010
Charges for services and facilities	-0.243	-0.245	-0.002
Contributions towards expenditure	-0.100	-0.225	-0.125
Interest on balances	-0.011	-0.020	-0.009
<b>Total income</b>	<b>-90.040</b>	<b>-91.110</b>	<b>-1.070</b>
<u>Expenditure</u>			
Management	17.978	15.278	-2.700
Responsive and cyclical repairs	24.073	25.173	1.100
Negative Subsidy	0	0	0
Transfer to Major Repairs Reserve	22.279	22.176	-0.103
Interest payable	17.998	17.760	-0.238
Revenue contribution to capital expenditure	9.712	11.812	2.100
Discretionary Housing Payments	0	0.375	0.375
Other expenditure	1.316	1.314	-0.002
<b>Total expenditure</b>	<b>93.356</b>	<b>93.888</b>	<b>0.532</b>
<b>Deficit in year</b>	<b>3.316</b>	<b>2.778</b>	<b>-0.538</b>
<b>Surplus brought forward</b>	<b>-3.839</b>	<b>-5.613</b>	<b>-1.774</b>
<b>Surplus carried forward</b>	<b>-0.523</b>	<b>-2.835</b>	<b>-2.312</b>

- We are reporting an increase in rental income. This is because we will not need to make the full provision for bad debts that we had estimated in the original budget. Rent arrears have increased, but as yet we are not seeing the level of impact that we had anticipated with the roll-out of the government's welfare reforms.
- The variances between the original and the proposed revised budgets for contributions to expenditure relates to additional income received from leaseholders and tenants' rechargeable repairs.
- We have reviewed the reserves held for housing management activities and propose to release £2.1m to support capital improvement works such as adaptations, heating, kitchens and bathrooms and bringing empty properties back into use. We are also forecasting in-year savings of £600,000 in Management, largely owing to staff vacancies.
- Demand for responsive and cyclical repairs has increased, leading to an increase of £1.1m in the proposed budget.
- Minor variations to interest on balances and interest payable relate to higher balances and savings on interest rates.

- The decrease in the Transfer to the Major Repairs Reserve reflects adjustments to depreciation on Housing non-dwellings.
- We are proposing to contribute £375,000 to the Discretionary Housing Payment budget. This will support council tenants affected by loss of housing benefit because they are considered to be underoccupying their property.

## Appendix 2

### Proposed capital programme 2014/15 to 2018/19

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Adaptations	2,713	2,647	2,794	2,825	2,887
Central heating	4,031	4,553	4,133	4,179	4,272
Community Safety and Environmental Improvements	275	730	1,131	1,144	1,702
Electrical Installations	1,648	1,622	1,663	1,682	1,848
External Improvement Programme	8,758	9,086	9,543	9,648	9,864
Insulation and Energy Efficiency	3,935	1,332	640	362	370
Minor Works	3,714	3,199	2,566	2,596	2,507
Internal Improvement Programme	3,429	2,414	2,786	2,819	2,638
New Council Housing	1,618	7,538	17,433	6,632	7,400
Tenants Association	66	64	84	85	86
Accommodation and Property	0	571	217	0	0
Void Property Improvements	12,891	12,249	11,096	11,152	11,055
Sheltered Accommodation	0	1,084	0	0	0
Mortgage Rescue	200	178	189	0	0
<b>Grand Total</b>	<b>43,278</b>	<b>47,267</b>	<b>54,275</b>	<b>43,124</b>	<b>44,629</b>

### Resources

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Borrowing	0	1,500	4,700	0	0
Major repairs reserve	22,176	22,560	22,834	23,104	23,374
Revenue contribution to capital	11,812	13,000	12,000	12,500	13,700
Usable capital receipts	8,274	10,036	15,250	8,042	8,090
Less usable capital receipts transferred to support private sector housing capital	-484	-496	-509	-522	-535
Other	1,500	666	0	0	0
<b>Grand Total</b>	<b>43,278</b>	<b>47,266</b>	<b>54,275</b>	<b>43,124</b>	<b>44,629</b>

## Appendix 3

### **HRA Business Plan - Thirty Year Business Planning Strategy for Landlord Housing**

#### **Purpose**

1. The Medium Term Financial Strategy for Landlord Housing (MTFS(LH)) has set out how the Council plans to balance spending pressures and available resources over the medium term, taking into account risks and uncertainties. It relates specifically to the Housing Revenue Account (HRA) and the capital programme for improvement of the Council's own housing stock.
2. The MTFS(LH) should be read in conjunction with the Council's overall Medium Term Financial Strategy (MTFS). The underlying principles set out in the overall document apply equally to the MTFS(LH).
3. In the context of the introduction of Self-Financing for public sector housing, the abolition of the HRA subsidy system, the increased autonomy and flexibility that housing authorities will have to manage their stock and, in Dudley's case, the increased debt taken on, a Thirty Year Business Plan has been developed. This takes into account issues including investment need, treasury management strategy, financial projections and tenants' engagement.

#### **Background**

4. The previous financial strategy for landlord housing focussed on the period up to 2010/11 and was determined through the Housing Stock Options Appraisal. This was a year-long consultation process involving a range of stakeholders and culminated in a decision by the Council in April 2005. This strategy showed that, on the basis of financial trends and government policy known at the time, it would be possible to deliver the Decent Homes Standard and other priorities for council housing by 2010, and this was achieved on time.
5. The new financial strategy for landlord housing takes into account the delivery of the Decent Homes Standard and the new opportunities and challenges arising from the introduction of the self-financing system. This is the subject of an ongoing consultation process that includes tenants and residents. The key elements of this new financial strategy, which will cover a rolling five year period, are:
  - maintain the Decent Homes Standard;
  - Improve the energy efficiency of the housing stock and address fuel poverty;
  - invest in housing stock and minimise the number of void properties;
  - review the suitability of the housing stock and explore the feasibility of new build to increase stock and / or replace properties that are in poor condition or that do not meet modern requirements;
  - support the aims of the Council Plan - promoting strong, caring communities through the provision of decent housing in a safe and clean environment;
  - identify ongoing savings and efficiency gains, through the use of partnerships where appropriate;
  - continue to undertake prudent management of reserves and other balances;

- set rents having regard to government rent policy for social housing and our investment needs.

### **The proposed budget 2014/15 and the MTFSLH**

6. The Decent Homes Standard was delivered by the end of 2010. Resources remain to be required to maintain this standard, and deal with properties where the age of the fittings mean that a replacement is required, and non-decent properties as they become void. The rolling five-year capital programme includes resources to maintain the Decent Homes Standard.
7. A new stock condition survey was commissioned and undertaken during late 2013 to validate and support existing stock investment information. The detailed output of this is being evaluated, but has initially identified a five year investment need to 2018/19 of circa £200m and a 30 year capital investment of circa £750m. In addition there is an estimated demand for around £600m over 30 years required to address ongoing responsive repairs, statutory servicing (e.g. gas appliances) and cyclical maintenance. Further work is planned to be undertaken to develop more detailed 5 and 30 year financial plans that will also consider the financial implications and need delivering other wider housing issues in addition to basic stock 'bricks and mortar' investment such as new build housing, conversions, adapting properties for vulnerable persons and persons with disabilities and estate based improvements to ensure sustainable communities are maintained together with other contingent major repairs. This is planned to be undertaken during 2014/15.
8. This forecast has been based on recent financial trends and our current assessment of the Government's housing finance policy and, like any forecast, should be regarded with caution (risks to the forecast are considered later). In view of our commitment to stock retention and maintenance of the Decent Homes Standard, it is proposed that we continue when necessary to give consideration to the following:
  - ongoing review of spending and resource forecasts;
  - further efficiency and other savings, including those achievable from use of partnerships;
  - addition to and replacement of the housing stock via new build programmes;
  - the level of housing debt;
  - service charges<sup>1</sup>.
9. The volume of responsive repairs has generally decreased since the back-log of routine repairs was eliminated over the past few years. The increase in capital investment over the last few years together with efficiencies in the way repairs and capital works are delivered have resulted in significant cost savings.
10. A proposed rolling five-year capital programme has been developed as a continuation of the existing programme to maintain current standards and improvements following the achievement of the Decent Homes standard.

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<sup>1</sup> Government subsidy calculations assume charges over and above the rent for special services to flats and for supported housing – the HRA is financially disadvantaged as a result of not applying these charges.

11. Resources have been identified for a new build programme, with £40.6m identified up to 2018/19, which will meet our current Right to Buy Replacement targets and also fund the schemes for which we have Local Growth Fund approval.
12. The table below summarises the 30 year financial business plan (based on the PriceWaterhouseCoopers self-financing 30 year model and detailed in the HRA Estimates 2014-15 detailed 30 year financial plan). This is updated at least annually and will take into account changes in policy. It reflects our current approach of stock retention, maintenance of the Decent Homes Standard, investment in the maintenance and improvement of our stock, and regard to national rent policy.

	Years 1-5 £m	Years 6-10 £m	Years 11-15 £m	Years 16-20 £m	Years 21-25 £m	Years 26-30 £m
<b>Income</b>						
Dwelling rents	-472,880	-532,337	-602,290	-681,436	-770,983	-872,296
Other	-6,001	-6,296	-6,723	-7,194	-7,713	-8,287
<b>Total Income</b>	<b>-478,881</b>	<b>-538,633</b>	<b>-609,013</b>	<b>-688,630</b>	<b>-778,696</b>	<b>-880,583</b>
<b>Expenditure</b>						
<b>Management and maintenance (net of retained surpluses)</b>						
	212,795	239,555	263,840	291,497	321,780	355,485
<b>Depreciation and transfer to Major Repairs Reserve</b>						
	114,049	124,078	136,992	151,251	166,993	184,374
<b>Revenue Contributions to Capital / Debt Repayment</b>						
	63,012	83,886	114,811	152,512	196,553	247,354
<b>Interest Payments</b>						
	89,025	91,114	93,370	93,370	93,370	93,370
<b>Total Expenditure</b>	<b>478,882</b>	<b>538,633</b>	<b>609,013</b>	<b>688,630</b>	<b>778,696</b>	<b>880,583</b>
<b>Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### **Risks to the financial forecast**

13. The main risks to the financial forecast are considered below:

<b>Risk</b>	<b>Impact</b>
Inflation higher than forecast	<p>While increased inflation has an impact on costs, in the case of the HRA, it also affects resources, through the rent increase applied.</p> <p>If cost inflation is lower than general inflation as used to determine the rent increase, this will have a positive budgetary impact.</p>

	<p>However, if cost inflation is higher than general inflation as used to determine the rent increase, this will have a negative budgetary impact.</p>
<p>Income levels not achieved</p>	<p><u>Rent loss from void properties</u></p> <p>We have seen over recent years an increase in void properties owing mainly to greater tenant mobility and this has resulted in an increased rent loss of up to 3% of total rent available, although this is now starting to reduce as the impact of recent investment in void property works is beginning to have an effect.</p> <p>We are however seeing an increase in the number of hard-to-let properties, for instance two-bedroom high rise flats and some three-bedroom houses.</p> <p>We have allowed in our forecasts for a rent loss of 2.7% of total rent available.</p> <p>The cost for each 1% void loss is around £1m per annum.</p> <p><u>Rent loss from non-payment of arrears</u></p> <p>As part of the Government's proposed welfare reforms, it is proposed that many tenants will in future start to receive Universal Credit direct and will therefore be responsible for paying their own rent. Currently, tenants in receipt of benefit have their rent paid as a transfer from Benefits. This is likely to lead to an increase in arrears and potentially in bad debts.</p> <p>Around 2,600 tenants of working age in receipt of benefits have already been affected by benefit restrictions from April 2013 as they were deemed to be under-occupying their property.</p> <p>We estimate that around £1.8m rent, which was previously paid directly via Benefits, is now being collected from tenants as a result of the new underoccupancy rules.</p> <p>We have seen an increase in arrears during 2013/14 and 2014/15.</p> <p>The impact of Universal Credit on rent collection rates is difficult to assess at this stage, but initial estimates from the pilot projects suggest that the</p>

	<p>collection rate may fall from the current 98% to 80% - 90%. The management cost of collecting rents is also expected to rise as more payments are made direct by tenants rather than via transfer from the Benefits system.</p> <p>There have been a number of delays to the Universal Credit programme, with only a small number of claimants, very few of whom currently have housing needs, having been transferred to the new system. At the moment the timescale for transfer of more claimants, including those with housing needs, remains uncertain, as does the government's approach to the ICT systems that will be adopted when Universal Credit is rolled out more widely than the current pilot schemes.</p>
Change in rent policy	<p>The national formula setting / advising the maximum rent increase for social landlords is now September CPI plus 1%. "Convergence" has also ended from 2014/15 i.e. one year early, and more flexibility is available for social landlords around charging market rents for more affluent tenants.</p> <p>It is expected that the move from RPI plus 0.5% to CPI plus 1% will be broadly neutral.</p> <p>The decision to increase rents in 2014/15 by only 1.5% effectively superseded any change to the government rent formula, and we have carefully considered the longer-term affordability of our proposed rent increase.</p> <p>Recent government guidance on the changes to social rent policy makes it clear that while housing associations are expected to comply with the policy, housing authorities are expected to have regard to it.</p>
Interest rates higher than forecast	<p>Our debt on housing properties is around £467m following the introduction of self-financing. Hence, interest rate risk is much more significant than it was under the subsidy system.</p> <p>Risk will be mitigated by borrowing at fixed rates and spreading repayment dates to minimise refinancing risk.</p>
Reduction in property values in the borough	<p>Any reduction in property values will reduce the value of usable capital receipts.</p>

<p>Reduction in land sales and capital receipts</p>	<p>We have seen as a result of the general economic situation a diminution in the value received for sale of housing land. We also expect that with a new council house building programme we are likely to be disposing of fewer housing sites.</p> <p>A specific risk applies in relation to £700k of the anticipated receipt for North Priory which is payable as Kickstart grant by the Homes and Communities Agency (HCA) to our developer partners on the successful completion of Phase 1 of the project. This will then be passed on to the Council. We are actively monitoring our developer partners' progress in claiming this grant.</p>
<p>Reinvigoration of Right to Buy</p>	<p>The Government has increased the cap on Right to Buy (RTB) discount from £26,000 to £77,000 per property, and in future years this will continue to increase by inflation annually. The maximum discount for houses has also been increased during 2014/15 from 60% to 70%. The changes have already resulted in increased sales from the last quarter of 2012/13 onwards.</p> <p>However, because the value of the maximum discount has increased and there has been a reduction in the average value of the properties sold, increased sales will not necessarily result in a proportionally greater value of capital receipt income.</p> <p>New regulations have replaced the capital receipts pooling arrangements and require councils to build replacement homes for all extra homes sold under Right to Buy.</p> <p>2014/15 is the last year of the current arrangements, under which councils are required to contribute a share of Right to Buy capital receipts to the Treasury. As yet, we have had no guidance on proposed arrangements from 2015/16 onwards. There is a risk to future new build investment, should funding arrangements change to our disadvantage.</p>
<p>Suitability of stock</p>	<p>Some of our stock is old and nor particularly suited to modern styles of living. In addition, changes to the benefit system mean that some of</p>

	<p>our properties are less attractive than they were previously (e.g. two-bed high rise flats or three-bed maisonettes). We are already experiencing difficulty in letting such properties, which will lead to a loss in rental income and also potentially an increase in security costs and an increase in anti-social behaviour.</p>
Availability of borrowing	<p>The HRA is currently at the government's borrowing cap, so all capital expenditure on housing stock must be funded from annual revenue (mainly dwelling rent income) or capital receipts from house or land sales. Our strategy is to invest our annual rental income into maintaining and improving our stock, and building new homes as resources permit. In the short to medium term we are not planning to repay any debt, as our priority is improving and extending our stock. However, this restricts the size of any redevelopment / new build scheme as we are not able under current rules to borrow on the strength of future rental income.</p> <p>We have been successful in our bid under the Local Growth Fund to increase our borrowing cap by £1.5m in 2015/16 and a further £4.7m in 2016/17, which will contribute to our new build programme. However, this has set us another challenging target for new build and, like the Right to Buy replacement target, also requires a contribution from other HRA resources.</p>
Unforeseen costs or costs greater than estimated	<p>Any unbudgeted costs would have to be met from economies or reductions in planned spending in the year in which they arise or from any balances available in that year.</p> <p>Calculations indicate that any costs to the HRA arising from Single Status can be met within proposed budgets.</p> <p>We anticipate that any Equal Pay settlement costs would be capitalised through a government dispensation.</p>

## **Partnerships**

14. Housing Services is continuing to deliver on its partnership working and currently has a number of such arrangements, for example:
  - Funding partnerships with energy service providers to increase resources under the Government's ECO (Energy Company Obligations) - which replaced CESP from spring 2013 - to deliver energy efficient whole house

measures to combat climate change and CO2 emissions in Council Homes.

- Strategic partnerships that are being delivered in accordance with the principles of Sir John Egan's report 'Rethinking Construction'. Through innovative payment mechanisms, incentivising good performance and modern methods of collaborative working, partnerships are delivering improved services at a measurably lower cost and have allowed valuable and limited resources to be re-invested in the housing stock (eg gas servicing, maintenance and repairs).
  - A strategic partner is also planned to assist in the delivery of new build homes.
15. Procurement consortia and other partnership arrangements will also continue to be used where appropriate, forming partnerships with established bodies to deliver procurement efficiencies.

## **Meeting of the Council – 1<sup>st</sup> December, 2014**

### **Report of the Cabinet**

#### **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 October, 2013. 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 will be necessary during 2014/15 and beyond.

##### **Review of the Council's Senior Management and Organisational Structure**

8. A report on the review of senior management and the Council's organisational structure was considered by the Council on 13<sup>th</sup> October, 2014. The restructuring proposals have major implications for the Council's Constitution, with particular reference to Cabinet and senior officer portfolios/delegated powers and the need for a review of the existing scrutiny arrangements.

9. Following the appointment of the Chief Executive, Strategic Directors and Chief Officers during October and November, 2014, a consultation exercise will take place during December and January concerning functions at fourth tier management level. These changes will need to be reflected in the Constitution.
10. In view of the ongoing restructuring process, I would request authority to make any urgent, necessary or consequential changes to the Constitution, for example to update terminology or post titles. The Constitution will need to be frequently updated to reflect ongoing decisions of the Council. The development of Scrutiny Committee structures and associated arrangements will be a member-led process. A report will be submitted to the Overview and Scrutiny Management Board in December to give consideration to this work in advance of the 2015/16 municipal year. It is recommended that the five existing Scrutiny Committees should continue unchanged for the remainder of this municipal year to complete the work previously allocated to them in the Annual Scrutiny Programme.

### **Integrated Transport Authority - Establishment of an Overview and Scrutiny Committee**

11. During the process for the reform of the Integrated Transport Authority (ITA) earlier this year, the Department for Communities and Local Government indicated that, along the lines of combined authorities, they would like to see an Overview and Scrutiny function for the new ITA. This is to ensure that there is representation from minority parties given there will only be one member per authority on the ITA, and there should be cross party involvement in long term decisions made on transport.
12. At its meeting on 18<sup>th</sup> September, the ITA agreed to the establishment of a Joint Overview and Scrutiny Committee and its Terms of Reference. Further, that the model for the Committee be based on the principles used for the Police and Crime Panel; and that the appointment of Members to the Committee shall be made by the Authorities with a view to ensuring that the balanced appointment objective is met so far as is reasonably practicable.
13. The ITA has agreed to establish an Overview and Scrutiny Committee as set out in the attached Terms of Reference at Appendix 1 to this report.
14. Membership will comprise twelve elected members appointed on an annual basis by the Authorities.
15. (a) One Member appointed by each of the following Councils, subject to that appointee being the Elected Mayor if any Councils operate such a system of governance:
  - Birmingham City Council
  - Coventry City Council
  - Dudley Metropolitan Borough Council
  - Sandwell Metropolitan Borough Council
  - Solihull Metropolitan Borough Council
  - Walsall Metropolitan Borough Council
  - Wolverhampton City Council

(b) Two further Members to be nominated by Birmingham City Council and appointed by the West Midlands Joint Committee.

(c) Two further Members to be jointly nominated by Dudley, Sandwell, Walsall Metropolitan Borough Councils and Wolverhampton City Council (via the Association of Black Country Authorities) and appointed by the West Midlands Joint Committee.

(d) One further Member to be jointly nominated by Coventry City Council and Solihull Metropolitan Borough Council and appointed by the West Midlands Joint Committee.

16. Following the local elections in 2014 and recent change in political leadership at Walsall MBC, the following political balance applies to the West Midlands ITA Overview and Scrutiny arrangements: Labour 8, Conservative 3 and Liberal Democrats 1.
17. Each district council is responsible for making its own individual appointment. Appointments to the remaining 5 elected member places will be considered by the West Midlands Joint Committee in line with similar arrangements that apply to the West Midlands Police and Crime Panel.
18. The Joint Scrutiny Committee will be hosted under local governance arrangements by Wolverhampton City Council. The Managing Director of Wolverhampton City Council will be Clerk to the Joint Scrutiny Committee.
19. Wolverhampton City Council's Standing Orders will apply to the Joint Scrutiny Committee. The Host Authority will also provide Section 151 (Financial) and Monitoring Officer (Legal) roles to the Joint Scrutiny Committee.

#### **Openness of Local Government Bodies Regulations 2014**

20. Further to previous guidance issued by the Department for Communities and Local Government, the above Regulations were issued during the summer of 2014. The Regulations have two main effects – (i) requiring Councils to make available reasonable facilities for members of the public to report on both executive and non-executive meetings using any communication method, including the internet; and (ii) requiring significant officer decisions, both executive and non-executive, to be recorded and published.

#### **Reporting of Meetings**

21. The Regulations are designed to enhance people's rights to report on meetings in digital and social media.
22. The Regulations increase the rights of the press and public to film, audio record, take photographs and use social media (eg: Twitter/Facebook) and the internet to report on any meetings that are open to the public.

23. The Council already provides “reasonable facilities” to facilitate reporting. The rules do not allow oral commentary as this would be disruptive. We are encouraged to embrace the use of modern technology and allow maximum openness and transparency at all public meetings, including Community Forums.
24. Dudley’s Constitution already states 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.
25. However, the new Regulations have removed the requirement for the consent of the meeting to be obtained in advance. Individuals do not need to seek prior approval, however, it is good practice that anyone wishing to film or record should notify the relevant officers (eg: Democratic Services) beforehand so that any necessary arrangements can be made and reasonable facilities made available.
26. There is no legal requirement for any meetings to be webcast. Meetings of the full Council are currently recorded for live broadcast on the Internet. The recordings of the Council meeting are not currently retained following the live broadcast, however, given the extension of the rights of individuals to make their own recordings, it is recommended that, in future, the Council meeting is broadcast via the Council’s You Tube channel. The recording would then be retained on the website.
27. Arrangements are in place to advise members of the public attending meetings that the proceedings may be recorded (eg: in the Chair’s announcements, notices in Council Chamber and meeting rooms and a statement on agenda papers). Guidance has been issued to Chairs and Lead Officers on the procedures for dealing with any disruptive behaviour or any objections from individuals concerning them being filmed or recorded.
28. It is recommended that Council Procedure Rule 24.6 be amended to provide that the Council has no objection to recording, filming, photography, use of social media, blogging or any similar electronic facilities during any meetings to which the public have access provided that the use of any equipment does not disrupt the meeting or the lawful transaction of business.

### **Publishing ‘Significant’ Officer Decisions**

29. The new Regulations also require that certain decisions made by officers under both executive and non-executive delegated powers are recorded and published (unless they contain exempt or confidential information) in much the same way that Cabinet Member/Key Decisions are currently published. The Regulations require officers to make written records of certain decisions and make them available to the public along with any relevant background papers.
30. The form of the written record is for the Council to decide, but some guidance is given in the DCLG Guide. This is generally in line with the Council’s standard format for decision sheets and Committee reports, the latter being contained in the Constitution.

31. There is no definitive list of the decisions that need to be recorded and the exact scope of the new Regulations is difficult to determine. The Regulations do, of course, complement existing rights to access documents through the use of Freedom of Information legislation and local transparency arrangements. In the interim, I have taken steps to ensure that the Council complies with these Regulations either by the use of systems that are already in place or by publishing relevant decisions on the Committee Management Information System via the Internet.
32. As referred to above, the Regulations require local government officers to make a written record of certain decisions and to make the record available for inspection by members of the public. An officer, who without reasonable excuse, either intentionally obstructs a person exercising the right to inspect, or refuses a request to provide a written record or background papers, is guilty of a criminal offence and is liable on summary conviction to a fine not exceeding level 1 on the standard scale.

### **Employee Code of Conduct**

33. The Employee Code of Conduct is subject to an annual review process. Following consultation with trade unions no significant issues or amendments have been raised for 2014. However, as a result of changes to Contract Standing Orders last April, the following revised paragraph needs to be inserted into the employee code to ensure consistency:

#### 3.7 Contractors

Employees are reminded of the requirements of paragraph 4.1. of Contract Standing Orders which states that:-

"No employee, member, spouse or other close relative will supply goods, services or carry out works unless they have been procured by competitive tender or quotation. The same applies to any company, partnership or firm in which they have an interest."

"Other Close Relative" shall include but shall not be limited to a person cohabiting on a similar basis to a spouse, a civil partner, a parent, grandparent, uncle, aunt, son, daughter, grandson, grand-daughter, brother, sister, niece or nephew of the employee or member or their spouse or cohabitee, whether the relationship is through blood, marriage or adoption.

### **Anti-Social Behaviour, Crime and Policing Act 2014**

34. The above legislation is in effect from 20<sup>th</sup> October 2014 and the majority of powers relate to Adult, Community and Housing Services and Children's Services.
35. Some of the powers under the Act relate to Urban Environment concerning the prevention of nuisance and annoyance; provision for community protection notices and public spaces protection orders (provision for premises closure notices and orders to be issued and made in respect of premises which cause nuisance to the public); the Act will also amend the provisions of the Dangerous Dogs Act 1991, etc.

36. The Act introduces a series of ‘tools’ available to deal with Anti-Social Behaviour, replacing a number of previous provisions. Alongside a general reference to the Act, the following delegations will need to be included in the Constitution under the portfolios of the relevant Cabinet Members and onward delegations to Officers:

- Injunction (replaces Anti Social Behaviour Order/Anti Social Behaviour Injunction/Individual Support Orders and Drinking Banning Orders)
- Criminal Behaviour Order (replaces Criminal Anti Social Behaviour Order)
- Closure Order (replaces Crackhouse and Premises Closure Order)
- Community Protection Notice (replaces certain Environmental Powers)
- Public Spaces Protection Order (replaces certain Orders relating to the control of land)

### **Powers Relating to Dangerous Trees and Functions of the Development Control Committee relating to Trees**

37. The list of delegated powers, under the portfolio of the Cabinet Member for Transport, currently refer to ‘Dangerous Trees (other than those on Education land or those abutting highways)’. The words in brackets have caused some confusion in that there are no other references in the Constitution to similar powers being undertaken by any other Cabinet Member(s) or Officers. Accordingly, it is recommended that the words in brackets are deleted for the purposes of clarity.

38. A number of amendments are required to the delegated functions under the Development Control Committee to bring the functions relating to trees in line with the way in which other development control applications are dealt with. This will ensure that the same criteria are applied to all applications. The wording of these amendments will be agreed in consultation with the Director of the Urban Environment and the Chair and Vice-Chair of the Development Control Committee prior to implementation.

39. On consideration of the information above, the Cabinet, at its meeting held on 29<sup>th</sup> October, 2014, resolved to recommend the Council as set out in paragraph 43 below.

### **Finance**

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

### **Law**

41. Section 37 of the Local Government Act 2000 requires the Council to keep its Constitution up to date.

## **Equality Impact**

42. This report complies with the Council's policies on equality and diversity and there are no particular implications for children and young people.

## **Recommendations**

43. That the Council be recommended:
- (a) That the Director of Corporate Resources be authorised to make any urgent, necessary or consequential changes to the Constitution arising from the ongoing review of the Council's Senior Management and Organisational Structure.
  - (b) That the Overview and Scrutiny Management Board consider revisions to the Council's Scrutiny Committees and associated scrutiny arrangements in advance of the 2015/16 municipal year with a view to recommendations being submitted to the annual meeting of the Council in May, 2015.
  - (c) That the creation of the ITA Overview and Scrutiny Joint Committee in the form set out in the report and at Appendix 1 be approved.
  - (d) That a Member be appointed as this Council's representative on the ITA Overview and Scrutiny Joint Committee.
  - (e) That West Midlands Joint Committee be given delegated powers to determine the remaining places on the ITA Overview and Scrutiny Joint Committee on the principles set out in this report and Appendix 1 in order to establish political proportionality.
  - (f) That the Director of Corporate Resources be authorised to agree and enter into such documents that are necessary to give effect to the above decisions concerning the ITA Overview and Scrutiny Joint Committee.
  - (g) That the proposals set out in this report to comply with the Openness of Local Government Bodies Regulations 2014 be approved, including the amendment of Council Procedure Rule 24.6 as referred to in paragraph 28.
  - (h) That the amendment of the Employee Code of Conduct, as set out in paragraph 33, be endorsed.
  - (i) That appropriate references to the Anti –Social Behaviour, Crime and Policing Act 2014 and the specific provisions referred to in paragraph 36 be included in Part 3 of the Constitution under the portfolios of the relevant Cabinet Members and Officers.
  - (j) That the proposed amendments to the powers relating to dangerous trees and the functions of the Development Control Committee relating to trees be approved, subject to the revised wording of the Development Control Committee terms of reference being agreed by the Director of Corporate Resources in consultation with the Director of the Urban Environment and the Chair and Vice-Chair of the Development Control Committee.

A handwritten signature in black ink, appearing to be 'W. J. ...', located at the top left of the page.

.....  
**Leader of the Council**

**West Midlands Integrated Transport Authority Joint Overview and Scrutiny Committee - Terms of Reference**

**1. Governance**

The Joint Overview & Scrutiny Committee will act as a Joint Committee under sections 101 and 102 Local Government Act 1972 and s9F Local Government Act 2000 (as amended).

**1.2 Access to Meetings**

Normal rules apply as to public access i.e. as a Joint Committee the public has access except for exempt business.

**1.3 Host Authority**

1.3.1 The Joint Overview & Scrutiny Committee will be hosted under local government arrangements by Wolverhampton City Council and the Managing Director of Wolverhampton City Council shall be Clerk to the Joint Scrutiny Committee.

1.3.2 Wolverhampton City Council Standing Orders will apply to the Joint Scrutiny Committee (save for section 5 below).

1.3.3 The Host Authority will also provide s151, Legal support and Monitoring Officer roles to the Joint Scrutiny Committee.

1.3.4 Administration costs will be met by the ITA Levy.

**2. Objects of ITA Scrutiny Committee**

2.1 To review and/or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the WMITA.

2.2 To make reports or recommendations to the WMITA with respect to the discharge of any functions which are the responsibility of the WMITA.

2.3 To undertake the following as required:

- Consider the draft policies and strategies which the ITA will be progressing in the upcoming year, to be identified via the Forward Plan
- Identify policies or areas to review if necessary
- To examine areas of best practice and highlight national issues that may be of relevance
- To have oversight of the progress of Transport policy and strategy

**3. Membership**

3.1 One member from each constituent authority and then Section 7(b), (c) and (d) becomes applicable.

3.2 Power for the committee to co-opt other non-voting members as it sees fit.

3.3 Members of the Joint O&S cannot be members/subs of the ITA or Centro Members

#### **4. Voting**

- 4.1 One member one vote for local authority members i.e. twelve in total.
- 4.2 Conflicts of Interest will be dealt with in accordance with the Members Code of Conduct of the Host authority.

#### **5. Quorum**

- 5.1 Four members present at the meeting.

#### **6. Meetings**

- 6.1 The Chair of the Meeting will be elected at the first meeting of the Committee at the start of each municipal year. A Vice Chair shall also be elected at the same meeting.
- 6.2 Meetings are to take place when the Committee considers it expedient to have an overview of the overall expressed purpose and intended outcomes of the WMITA provided that a minimum of one meeting of the Scrutiny Committee shall be held in each municipal year.

#### **7. Elected Member Appointments**

The WMITA Overview and Scrutiny Committee consists of twelve elected members appointed on an annual basis by the Authorities as follows:

- (a) One Member appointed by each of the following Councils, subject to that appointee being the Elected Mayor in the case of those Councils operating such a system of governance:

Birmingham City Council  
Coventry City Council  
Dudley Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Walsall Metropolitan Borough Council  
Wolverhampton City Council

- (b) Two further Members to be nominated by Birmingham City Council and appointed by the West Midlands Joint Committee.
- (c) Two further Members to be jointly nominated by Dudley, Sandwell, Walsall Metropolitan Borough Councils and Wolverhampton City Council (via the Association of Black Country Authorities) and appointed by the West Midlands Joint Committee.
- (d) One further Member to be jointly nominated by Coventry City Council and Solihull Metropolitan Borough Council and appointed by the West Midlands Joint Committee.
- (e) Appointments shall be made in accordance with sections 15 and 16 of the Local Government and Housing Act 1989 in order to reflect political balance.
- (f) Allowances will not be paid, but travelling expenses will be re-imbursed.

## **Meeting of the Council - 1<sup>st</sup> December, 2014**

### **Report of the Chief Executive**

#### **Strategic Director and Statutory Officer Appointments**

##### **Purpose of Report**

1. To consider recommendations concerning the appointment of the Strategic Director (Environment, Economy and Housing), the Strategic Director (Resources and Transformation) and the formal designation of statutory officers.
2. A progress report on the implementation of the senior management and organisational restructure will be submitted to the Cabinet on 4<sup>th</sup> December, 2014. This report only deals with appointments where full Council approval is required under the Constitution or relevant statutory provisions.

##### **Background**

3. In line with decisions of the Cabinet and Council concerning the corporate restructure, the Appointments Committee, at its meeting on 27<sup>th</sup> October, 2014, recommended that the Council:-
  - (a) Appoint John Millar, presently the Director of the Urban Environment, to the post of Strategic Director (Environment, Economy and Housing), in accordance with the salary and terms and conditions of employment applicable to the post.
  - (b) Appoint Philip Tart, presently the Director of Corporate Resources, to the post of Strategic Director – Resources and Transformation, in accordance with the salary and terms and conditions of employment applicable to the post.
4. Subject to the Council's approval, both of the above appointments will take effect from 19<sup>th</sup> January, 2015. The other Strategic Director post for People Services has been externally advertised. This post will undertake the statutory adult social care and children's services responsibilities. The Appointments Committee is scheduled to meet on 19<sup>th</sup> December, 2014 to consider making a recommendation to an extraordinary meeting of the Council on the same date concerning this appointment.
5. In his capacity as Director of Corporate Resources, Philip Tart was designated by the Council on 22<sup>nd</sup> February, 2010 as the Monitoring Officer pursuant to Section 5 of the Local Government and Housing Act 1989. It is proposed that Philip Tart continue to be designated as the Council's Monitoring Officer in his new Strategic Director post.

6. On 14<sup>th</sup> November, 2014, the Appointments Committee decided that, subject to the necessary approval of the Council, Iain Newman, presently the Treasurer, be appointed to the post of Chief Officer (Finance and Legal Services), with effect from 19<sup>th</sup> January, 2015 in accordance with the salary and terms and conditions of employment applicable to the post.
7. At the Council meeting on 26<sup>th</sup> April, 2010, upon his appointment to the post of Treasurer, Iain Newman was designated as the officer responsible for the proper administration of the Council's financial affairs under and in accordance with Section 151 of the Local Government Act, 1972. It is proposed that Iain Newman continue to be designated as the Council's 'Section 151 Officer' in his new Chief Officer post.
8. In the context of the organisational restructure, the Strategic Director of Resources and Transformation, in consultation with the Leader, the appropriate Cabinet Member(s) and the Chief Officer (Finance and Legal Services) will make the necessary internal arrangements for the ongoing nomination of the Deputy Monitoring Officer and Deputy Section 151 Officer. These roles are currently undertaken by Mohammed Farooq, Assistant Director (Law and Governance) and Jan Szczechowski, Head of Accountancy, respectively.
9. On 25<sup>th</sup> November, 2014, the Appointments Committee will interview applicants with a view to making an appointment to the post of Chief Officer (Health and Wellbeing). This post will undertake the statutory duties of the Director of Public Health.

## **Finance**

10. The cost of the appointments referred to in this report have been included in budgetary provisions associated with the senior management restructure as approved by the Cabinet and Council.

## **Law**

11. The terms of reference of the Appointments Committee and the Officer Employment Procedure Rules in Part 4 of the Council's Constitution provide that a recommendation should be made to the full Council concerning any new appointments with a salary exceeding £100,000. This applies to the Strategic Director posts established under the senior management restructuring as approved by the Council on 13<sup>th</sup> October, 2014.
12. Under Section 5 of the Local Government and Housing Act 1989, the Council has a legal duty to designate an officer as the Monitoring Officer. The functions of the Monitoring Officer are referred to in Article 12.03 of the Constitution.
13. In accordance with Section 151 of the Local Government Act, 1972, the Council has a legal duty to designate an officer to be responsible for the proper administration of the Council's financial affairs. The functions of this officer are set out in Article 12.04 of the Constitution.

14. The statutory role of the Director of Public Health is contained in the provisions of the National Health Service Act 2006, the Health and Social Care Act 2012 and any other relevant legislation, statutory provisions, regulations or guidance issued by the Secretary of State. Paragraph 2 of the Council's Officer Employment Procedure Rules refers to the designation of statutory officers, including the Director of Public Health.
15. The requirement to designate the statutory posts is included in the Council's Constitution adopted in accordance with the provisions of Part II of the Local Government Act, 2000.

### **Equality Impact**

16. The proposals in this report comply with the Council's Policy on Equality and Diversity.

### **Recommendations**

17. That with effect from 19<sup>th</sup> January, 2015:
  - (a) John Millar be appointed to the post of Strategic Director (Environment, Economy and Housing), in accordance with the salary and terms and conditions of employment applicable to the post.
  - (b) Philip Tart be appointed to the post of Strategic Director – Resources and Transformation, in accordance with the salary and terms and conditions of employment applicable to the post and that Philip Tart continue to be designated as the Council's Monitoring Officer in the role of Strategic Director.
  - (c) That Iain Newman continue to be designated as the officer responsible for the proper administration of the Council's financial affairs under and in accordance with Section 151 of the Local Government Act, 1972 in his role as Chief Officer (Finance and Legal Services).
18. That the Council consider a recommendation from the Appointments Committee meeting on 25<sup>th</sup> November, 2014 concerning the designation of the Chief Officer (Health and Wellbeing), to undertake the statutory role of the Director of Public Health.
19. That the external advertisement of the post of Strategic Director (People Services) to undertake statutory adult social care and children's services responsibilities be noted; that interviews be undertaken by the Appointments Committee and a subsequent recommendation be made to the Council on 19<sup>th</sup> December, 2014.
20. That the Strategic Director of Resources and Transformation, in consultation with the Leader, the appropriate Cabinet Member(s) and the Chief Officer (Finance and Legal Services) be authorised to make the necessary internal arrangements for the nomination of the Deputy Monitoring Officer and Deputy Section 151 Officer.

*John Pollock*

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**Chief Executive**