



Coventry City Council

## Briefing note

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**To**

Cabinet  
Council

31<sup>st</sup> October 2006

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**Subject : Amendments to Medium Term Financial Strategy**

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### **1 Purpose of the Note**

- 1.1 To inform Cabinet of proposed changes that respond to points made during Scrutiny Board 1's consideration of the Medium Term Financial Strategy on 18<sup>th</sup> October 2006.

### **2 Recommendations**

- 2.1 Cabinet are asked to consider and decide whether to agree the changes in section 3 following Scrutiny Board 1's consideration of the Medium Term Financial Strategy.

### **3 Information/Background**

- 3.1 Scrutiny Board 1 was broadly supportive of the Medium Term Financial Strategy that they considered on 18<sup>th</sup> October. Some comments were made reflecting a desire to see some marginal changes relating to the preciseness of language, clarity of understanding and the level of detail provided.
- 3.2 The Cabinet Member (Finance, Procurement and Value for Money) regarded these comments as being helpful in terms of development of the Strategy and has approved the changes shown below to address the points made by Scrutiny Board 1. Cabinet are therefore recommended to incorporate these changes to the Medium Term Financial Strategy on your agenda today. Text **changes** to the original Strategy are shown in bold below and additional text underlined.

Paragraph 1.2, a new third bullet point to be added to read,

"To maximise the transparency of our financial plans."

Paragraph 2.5, bullet point 1 new wording to read,

"Significant increases in **demanding** grant arrangements as government pilots new initiatives e.g. Standards Funds, Big Lottery."

Paragraph 2.5, bullet point 2 new wording to read,

"Experiments in new forms of governance at local level e.g. New Deal for Communities (NDC), Local Strategic Partnerships (LSPs) – each with **differing** financial arrangements."

Paragraph 5.14, new wording to read,

"We will seek to move towards a local "golden rule" of not using one-off resources to support ongoing expenditure. **In order to keep members' options open**, this policy will be applied flexibly, subject to the financial demands of specific circumstances. When unforeseen circumstances occur or where our financial circumstances merit it, members will retain the right to diverge from the rule on an exception basis."

Paragraph 5.18, new wording to read,

"We will use a formal objective framework for assessing potential capital schemes for inclusion in the Capital Programme where these schemes are competing for **locally controlled resources**. This framework will consider the degree to which schemes are judged to match our Corporate Objectives. It will also include a range of other factors that influence whether our Capital Programme represents good value for money for the people of Coventry."

Paragraph 5.21, new wording to read,

"The Council has a policy of structured land and property disposal that has generated significant resources in recent years and we will continue to dispose of surplus land and operational property and use the receipts to help manage the Corporate Capital Programme. These disposals are made under a scheme of delegation within the Urban Regeneration and Regional Planning Portfolio that results in formal reports being considered as required on a case-by-case basis. The disposal policy will continue to be applied in a way that is sensitive to the need to comply with DfES requirements for the sale of school sites and the need to support regeneration projects within which disposal sites are identified."

Paragraph 5.22, new wording to read,

"We will also seek to generate receipts from the sale of our least well performing commercial assets to help support the Corporate Capital Programme. In making disposal decisions we will balance the implications of the commercial rental income foregone against the amount and timing of the potential receipt to be generated. The strategy and its application have been dealt with in detail in a review of our commercial portfolio involving a member advisory panel and a series of formal member reports."

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