

SCRUTINY CO-ORDINATION COMMITTEE

14th October, 2009

Members Present: - Councillor Arrowsmith
Councillor Bains (substitute for Councillor Mutton)
Councillor Charley
Councillor Clifford
Councillor Crookes (Deputy Chair)
Councillor Duggins
Councillor Maton
Councillor Ridge (Chair)

Employees Present: - P. Barnett (Chief Executive's Directorate)
V. Castree (Chief Executive's Directorate)
B. Hastie (Finance and Legal Services Directorate)
P. Jennings (Finance and Legal Services Directorate)
J. McLellan (Customer and Workforce Services Directorate)
J. Parry (Assistant Chief Executive)
C. Steele (Chief Executive's Directorate)
J. Venn (Chief Executive's Directorate)
A. West (Chief Executive's Directorate)

Apologies: Councillor Mutton

Public Business

53. Declarations of Interest

There were no declarations of interest.

54. Minutes

The minutes of the meeting held on 16th September, 2009, were agreed as a true record.

55. Consideration of Call-ins – Stage 1

There were no call-ins.

56. Medium Term Financial Strategy

The Committee considered a report of the Director of Finance and Legal Services presenting a Medium Term Financial Strategy (MTFS) for 2010-2013 for adoption by the City Council. The previous strategy was approved in January 2009. The Strategy underpinned the medium term policy and financial planning process that was at the heart of setting revenue and capital budgets. The report had previously been considered by the Cabinet (their Minute 59/09 refers).

The Strategy was put forward at a time of considerable challenges being faced by national and local economies and when the City Council face a significant reduction in the real level of revenue and capital resources available to local government.

The Council had already begun to implement some of the significant change needed to prepare the financial base to deal with this situation in the form of the Transformation Programme and the bringing forward of the budget setting process.

It was clear from the financial position that the City Council would need to achieve significant revenue savings over the medium term and set a significantly restricted capital programme. At this point, with no Comprehensive Spending Review completed by Government and none expected until after the election, the impact of Government spending on the Council could only be estimated.

The Strategy had three main objectives;

- To provide a stable medium term financial base from which to deliver the Council's priorities and transformation/ABC agenda.
- To move the Council towards a more strategic longer-term approach to delivering our revenue and capital plans.
- To set a sound financial planning framework to underpin the effective financial management of the Council.

The Strategy (which was appended to the report in full) was set within the context of the Council's commitment to delivering the Coventry Sustainable Community Strategy and the Corporate Plan. Although the Council was awarded 4 star status in March 2009 it recognised the need to further improve the quality of its services. This would be particularly challenging at a time when a much lower level of funding would be available to local authorities through Government grant and Council Tax.

In order to deliver better services the Council had embarked on a Transformation Programme that would affect every area of the City Council and all the services it delivers over the next few years. Over the course of the 3 year strategy the ABC programme would incorporate a number of fundamental developments to the way the City Council works including the delivery of more efficient and flexible services, greater collaboration with city and sub-regional partners, taking some difficult decisions and increasing focus on core business and policy priorities.

The assumptions and principles outlined in the report and the Strategy were consistent with those being applied to the Pre-Budget Report and would be used in setting the 2010/11 budget proposals.

The Committee noted that the Cabinet had agreed the Medium Term Financial Strategy and had recommended that the Council approve the Strategy as the basis of the City Council's medium term financial planning process.

RESOLVED that the report be noted and that the Council be informed that the Committee did not wish to forward any comments to them.

57. 2010/11 Pre-Budget Report

The Committee considered a report of the Director of Finance and Legal Services which updated Members on the work undertaken in preparation for the 2010/11 and future years' Revenue Budget and Capital Programme. The report had previously been considered by the Cabinet (their Minute 58/09 refers). It comes at a time when national and local economies faced considerable challenges and it was anticipated that there would be a significant reduction in the real level of resources available to local government for the foreseeable future. For Coventry, this coincided with a period of significant change marked by the ABC Programme and the restructuring of several areas of senior management and the implementation of a radical programme of transformation projects. There had also been a decision to bring forward the budget setting process by approximately three months to allow more time to implement budget decisions for the start of the new financial year.

It was clear from the financial position that the City Council would need to achieve significant savings over the medium term. A list of savings options for the revenue programme was included in Appendix 1 of the report. These savings options totalled £10.3m in 2010/11 rising to £15.1m in 2011/12. It was important that a large majority of the savings options were approved when final budget proposals were brought to Council in December 2009 in order to allow balanced budgets to be set in future years.

Based on the current financial analysis the net revenue budget was expected to increase from £261.9m in 2009/10 to £269.4m in 2010/11 but to reduce thereafter.

For the Capital Programme, the Council was likely to have very little discretion to make new decisions due to the lack of capital resources available. A full programme had not been included within the report but would be included for members to consider in December. This would largely consist of schemes and programmes that had already been approved plus some relatively modest programmes of essential expenditure in the areas of property, highways maintenance and ICT.

The Committee noted that the Cabinet:-

- (1) Agreed that the medium term financial position set out in Section 2 of the report be used as a basis for consultation for the 2009/10 revenue and capital programmes.
- (2) Approved the content of the report and the savings shown in Appendix 1 as the basis of the public budget consultation process, subject to the change of wording in Appendix 1 as agreed at their meeting.

RESOLVED that the report be noted and that the Council be informed that the Committee did not wish to forward any comments to them.

58. Scrutiny Chairs' Progress Reports

The Committee considered and noted briefing notes by the Chairs of the Scrutiny Boards which detailed the progress made by each of the Boards compared to their agreed work programme.

59. Cabinet Member Plans – Review of 2008/9 and Revisions for 2009/10

The Cabinet Member (Policy, Leadership and Governance) (Councillor Taylor), gave a brief presentation on aspects of the Corporate Plan and responded to questions by the Committee on aspects of his Cabinet Member Plan.

The Committee noted that the other Cabinet Member Plans would be considered by the appropriate Scrutiny Board.

RESOLVED that the report and presentation be noted and that Councillor Taylor be invited to attend a meeting of Scrutiny Board (1) to discuss partnership working.

60. Outstanding Issues

There were no outstanding issues.

61. Scrutiny Co-ordination Committee Work Programme 2009/2010

The Committee considered and noted their Work Programme for the Municipal Year 2009/10 and agreed to the cancellation of their meeting on the 28th October, 2009.

62. Meeting Evaluation

In evaluating the meeting, the Committee were satisfied with the quality of the briefings and information they had received. The comments offered by members would be used to ensure the continued efficiency and effectiveness of future meetings.

63. Any Other Public Business

There were no other items of public business.