



Finance and Corporate Services Scrutiny Board (1)

Time and Date

9.30 am on Wednesday, 11th November, 2015

Place

Committee Rooms 2 and 3 - Council House

Public Business

1. **Apologies and Substitutions**
2. **Declarations of Interest**
3. **Minutes**
 - (a) To agree the minutes of the meeting held on 2 September 2015 (Pages 3 - 8)
 - (b) Matters Arising
4. **Sub Regional Procurement Strategy 2015 - 2020** (Pages 9 - 26)
Report of the Executive Director of Resources
5. **Medium Term Financial Strategy 2016-19** (Pages 27 - 42)
Report of the Executive Director of Resources.
6. **Public Consultation - Local Tax Support Scheme** (Pages 43 - 44)
 - (a) Council Tax Support and Welfare Reform Factsheet (Pages 45 - 46)
 - (b) Council tax support consultation (Pages 47 - 48)
 - (c) Council Tax – enforcement policy from April 2016, and discretionary relief (Pages 49 - 52)
7. **Treasury Management** (Pages 53 - 56)
Briefing note.
8. **Capital Programme Funding** (Pages 57 - 60)
Briefing note
9. **Public Health Ringfenced Grant** (Pages 61 - 64)
Briefing note.
10. **Outstanding Issues Report**

Outstanding issues have been picked up in the Work Programme

11. **Work Programme 2014-15** (Pages 65 - 70)

Report of the Scrutiny Co-ordinator

12. **Any other items of Public Business**

Any other items of public business which the Chair decides to take as matters of urgency because of the special circumstances involved

Private Business

Nil

Chris West, Executive Director, Resources, Council House Coventry

Tuesday, 3 November 2015

Notes:1)The person to contact about the agenda and documents for this meeting is Carolyn Sinclair, Governance Services, Council House, Coventry, alternatively information about this meeting can be obtained from the following web link:

<http://modern.gov.coventry.gov.uk>

2) Council Members who are not able to attend the meeting should notify Carolyn Sinclair as soon as possible and no later than 9am on the day of the meeting giving their reasons for absence and the name of the Council Member (if any) who will be attending the meeting as their substitute.

3) Scrutiny Board Members who have an interest in any report referred to this meeting, but who are not Members of this Scrutiny Board, have been invited to notify the Chair by 12 noon on the day before the meeting that they wish to speak on a particular item. The Member must indicate to the Chair their reason for wishing to speak and the issue(s) they wish to raise.

Membership: Councillors S Bains, J Blundell, D Chater, G Duggins, D Gannon (By Invitation), R Lakha, J Mutton (Chair), T Sawdon, T Skipper and D Welsh

Please note: a hearing loop is available in the committee rooms

If you require a British Sign Language interpreter for this meeting
OR if you would like this information in another format or
language please contact us.

Carolyn Sinclair

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Coventry City Council

Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held at 10.00 am on Wednesday, 2 September 2015

Present:

Members: Councillor J Mutton (Chair)
Councillor A Andrews
Councillor S Bains
Councillor D Chater
Councillor G Duggins
Councillor R Lakha
Councillor T Skipper
Councillor D Welsh

Other Members: Councillor K Maton

Employees:

Place B Hastie
G Collins
Resources V Castree
R Hartopp
G Paddan
A Williams
T Savill

Apologies: Councillors J Blundell and T Sawdon

Public Business

8. Declarations of Interest

There were no declarations of interest.

9. Exclusion of Press and Public

RESOLVED that, under Section 12A of the Local Government Act 1972, the press and public be excluded from the meeting for the items of business referred to in Minutes 17 below relating to Coventry Investment Fund on the grounds privacy as it contains information relating to the financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

10. Minutes

The minutes of the meeting held on 1 July 2015 were agreed and signed as a true record. There were no matters arising.

11. Outstanding Issues Report

Outstanding issues have been picked up in the Work Programme.

12. Discretionary Housing Payments 2015-16

The Scrutiny Board considered a Briefing Note of the Executive Director of Resources on the position of first quarter (April – June 2015) regarding Discretionary Housing Payments 2015/16 (DHP). The DHP provides short-term help to people who are experiencing difficulties paying their rent. The DHP policy was approved by Cabinet in March 2013 in preparation for the national Welfare Reforms which were introduced from April 2013.

In 2014/15, a budget of £811,865 was received from the Department for Works and Pensions (DWP) and the whole of this budget was spent. This financial year the DHP funding has been reduced to £619,313. The DWP have advised that this was mainly as a result of lower numbers of people affected by the welfare reforms than originally estimated. The Scrutiny Board reviewed the comparisons between the number of applications received and awarded as shown in the table below:

| | Q1 2014/2015 | Q1 2015/2016 |
|---|--------------|--------------|
| Housing Benefit caseload(end of June) | 39,254 | 37,198 |
| DHP Budget allocated for year | £811,865 | £619,313 |
| Number of DHP applications received 1st quarter | 1046 | 441 |
| Number of DHP applications awarded 1st Quarter | 170 | 112 |
| Amount awarded in 1 st quarter | £187,913 | £160,895 |

Members wanted to know how the scheme was promoted, to seek assurance that a reduction in the number of claims was not due to residents being unaware of the support available to them. They were assured that everyone who claims benefits is aware of the fund as they are told when they are sent information about their benefit claims.

Questions were also asked about the increased use of food banks in the City, particularly by those in work and the issue of reclaiming bonds from landlords/tenants at the end of a tenancy, where the Council had paid the bond to secure private sector rented accommodation. Members requested information on how much DHP funds were utilised to pay housing bonds annually, and how much the Council had been able to reclaim. The Board also asked for an update on the partnership working taking place across the City on Welfare Reform and an update on the impact of these changes of Coventry citizens.

RESOLVED, that the Scrutiny Board:

- 1. Notes the contents of the Briefing Note**
- 2. Requests a further briefing note on the membership and areas of work covered by the Welfare Reform Group**

3. Officers provide information relating to reclaiming of housing bonds at the end of a tenancy

13. Public Consultation - Local Council Tax Support Scheme

The Scrutiny Board received a Briefing Note on the Public Consultation – Local Council Tax Support Scheme. The report headed Public Consultation – Local Council Tax Support Scheme was considered at the Cabinet meeting of 11 August 2015. The Briefing Note introduced the content of that Cabinet Report and detailed the recommendations for the Board.

The Council Tax Support (CTS) is a means tested discount to help low income households with the cost of council tax payments. The Council awarded over £27.6 million in council tax support 2014/15 to approximately 33,500 households in the City. A consultation is being undertaken about changing the CTS scheme to deliver savings for the Council, which will end 26 October 2015.

The Board was advised that Officers had considered various models for revising the CTS; conscious of the impact this would have on vulnerable groups and the need to consider the impact on incentives to work. Some of the work had been informed by the experiences of other local authorities who have revised their schemes previously. The following four options had been considered and option 4 was preferred:

Option 1 – No change: This would option would incur additional costs for 2016/17

Option 2 – exclusion of vulnerable groups: by excluding one part of the working age population the encumbrance of additional costs increased for all other low income households.

Option 3 – Increased taper: a viable option notwithstanding the potential impact on incentives to work given that some excess income earned would be reduced through a lower level of Council Tax discount.

Option 4 – Minimum contribution: preferred option as it would apply a blanket reduction regardless of individual circumstances or the type or level of income of the customer.

An additional option was considered in respect of second adult rebate; this was complicated to administer, difficult to understand and gave a relatively small additional saving as take up of the discount is.

The Board sought clarification on the following:

- a) Consultation document in terms of comprehending the material/questions
- b) Dealing with issues of none payment of Council Tax and potential court costs
- c) Linking the consultation to other pending changes in welfare reform through shops and local events

- d) Estimated eventual collection rate of 90% - applied to the scheme changes within the report
- e) The Equality Impact Assessment for those affected by the change

RESOLVED, that the Scrutiny Board:

- 1) Note the content of the Briefing Note**
- 2) Request a further Briefing Note with additional information on the impacts of the proposed changes on citizens for the next meeting on 11 November 2015; before a decision is made to respond to the consultation document**
- 3) Work programme to be updated with this item**

14. Coventry Investment Fund Update

The Scrutiny Board considered a Briefing Note of the Executive Director of Place concerning the Coventry Investment Fund and how the fund is promoted.

The Coventry Investment Fund (CIF) operated as a revolving investment fund to enable commercial investment projects to take place in the City that otherwise would not. The purpose of the Fund was 'to grow Coventry business rates and achieve economic benefits for its citizens'. The Fund could offer a range of investment types including loans, equity, rental guarantees and in exceptional circumstances grants. It was also available for public sector infrastructure investment where such investment supports the purpose of the Fund.

The Scrutiny Board noted that the Fund had recently completed its first annual report, which was attached as appendix one to the report. To date the Fund has committed £16.6m (33%) towards projects totalling £130m which was forecasted to create 845 jobs in the City.

Members questioned the officers and responses were provided. Matters raised included:

- Development of other projects; without CIF investment
- Cathedral Lane – investment
- Current demand for CIF
- Bring forward major development sites and employment projects for example on Friargate
- How the figures relating to the number of jobs created are being calculated

RESOLVED that the report be noted and a further report to be presented in 2016/17 and this item to be included in the future work programme.

15. **Work Programme 2015-16**

The Board noted the work programme for the year and agreed that the following items to be included:

- Public Consultation for 11 November meeting
- Reclaiming Housing Bonds
- Further CIF report

16. **Any other items of Public Business**

There were no other items of public business.

17. **Coventry Investment Fund Update**

Further to Minute 14 above, relating to the public aspects of this matter, the Board considered a private Briefing Note of the Executive Director of Place to note the information on the Coventry Investment Fund – Annual Report.

RESOLVED that the Briefing Note be noted.

(Meeting closed at 11.40)

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Public report Cabinet Member Report

Audit and Procurement Committee
Finance and Corporate Services Scrutiny Board (1)
Cabinet Member for Strategic Resources and Finance

26 October 2015
11 November 2015
07 December 2015

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor Gannon

Director Approving Submission of the report:

Executive Director, Resources

Ward(s) affected:

All

Title:

Sub Regional Procurement Strategy 2015 - 2020

Is this a key decision?

No

Executive Summary:

Through the shared procurement service, Coventry CC, Solihull MBC and Warwickshire CC agreed the first Sub-Regional Procurement Strategy in June 2010 which ran for 5 years expiring in June 2015. This report details the proposals for the revised Sub Regional Procurement Strategy 2015 - 2020.

In July 2014, the LGA published the National Procurement Strategy (NPS) giving local authorities a structure for the outcomes that need to be achieved to deliver procurement good practice, based around the following four themes, Making Savings, Supporting Local Economies, Demonstrating Leadership and Modernisation.

The revised Sub Regional Strategy 2015 – 2020 has been based around the NPS themes and priorities for local government. Across the three upper tier authorities within the Coventry, Solihull, Warwickshire (CSW) sub-region, the Councils spend approximately £883m each year on bought in goods, services and works. Spending this money well through effective procurement is fundamental to achieving organisational success for the three authorities and supporting prosperity across the sub-region.

Recommendations:

The Audit and Procurement Committee are requested to:

- 1) Consider the proposals in the report and forward any recommendations to the Finance and Corporate Services Scrutiny Board (1) or the Cabinet Member for Strategic Finance and Resources.

The Finance and Corporate Services Scrutiny Board (1) are requested to:

- 1) Consider the proposals in the report and any comments from the Audit and Procurement Committee and forward any recommendations to the Cabinet Member for Strategic Finance and Resources.

The Cabinet Member for Strategic Finance and Resources is requested to:

- 1) Consider the recommendations from the Audit and Procurement Committee and/or Finance and Corporate Services Scrutiny Board (1).
- 2) Approve the Sub Regional Procurement Strategy 2015 – 2020.

List of Appendices included:

| | |
|------------|---|
| Appendix 1 | Procurement reports |
| Appendix 2 | Sub Regional Procurement Strategy 2015 – 2020 |
| Appendix 3 | Making Savings theme |
| Appendix 4 | Supporting Local Economies theme |
| Appendix 5 | Demonstrating Leadership theme |
| Appendix 6 | Modernising theme |

Background papers:

None

Other useful documents

Current Procurement Strategy 2010 – 2015

http://www.coventry.gov.uk/downloads/file/2879/procurement_strategy

[National Procurement Strategy 2013](#)

Has it been or will it be considered by Scrutiny?

Yes - Finance and Corporate Service Scrutiny Board, 11th November 2015

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

Yes - Audit and Procurement Committee, 26th October 2015

Will this report go to Council?

No

Report title: Sub Regional Procurement Strategy 2015 - 2020

1. Context (or background)

- 1.1 Through the shared procurement service, Coventry CC, Solihull MBC and Warwickshire CC agreed the first Sub-Regional Procurement Strategy in June 2010 which ran for 5 years expiring in June 2015. This report details the proposals for the revised Sub Regional Procurement Strategy 2015 - 2020.
- 1.2 In June 2014 the revised Constitution was adopted and a list of procurement activity since then has been included as Appendix 1.
- 1.3 In July 2014, the LGA published the National Procurement Strategy (NPS) giving local authorities a structure for the outcomes that need to be achieved to deliver procurement good practice, based around the following four themes, Making Savings, Supporting Local Economies, Demonstrating Leadership and Modernisation.

2. Options considered and recommended proposal

- 2.1 For the shared procurement service to work effectively with contracts being let by one authority on behalf of the two other authorities, it is important that there are shared goals and desired outcomes. If there were no agreed direction on strategy, contracts could be let that were commercially sound without delivering the Council's priorities. The proposal is therefore that a sub-regional procurement strategy will clarify expectations and required outcomes leading to the delivery of Council priorities.
- 2.2 The shared procurement service management team reviewed the procurement vision contained in the existing strategy in the light of the current and future national context and pressures that need to be addressed by local government procurement professionals. These thoughts were presented to a sub-regional away day for procurement staff from the upper tier authorities. Views expressed by procurement professionals and the stakeholders they deal with, during the away day were used to finalise the future vision for the revised strategy and a draft was presented to the Shared Service Directors meeting in July 2015. The final draft was approved after the Directors made some recommendations. The draft is included as Appendix 2 to this report. Each authority will take the recommended Sub Regional Procurement Strategy through their organisational governance structures for approval in the autumn.
- 2.3 The revised strategy is structured as an A3 report giving the context in which procurement is delivered, the governance structure, legislative framework and future vision for the service. Appended to the A3 report are four mind maps (Appendices 3 to 6) one for each of the NPS themes. The maps start with the theme at the centre, expanding out through the NPS priorities and outcomes and then the sub regional responses (the outside boxes) which have been Red, Amber or Green (RAG) rated to show relevant importance for the sub region, with red being the most important to have in place, amber less of a priority although still important and green being activities that would further enhance the service although not an immediate priority.
- 2.4 A revised Sub Regional Procurement Strategy seeks to clarify the strategic direction for procurement across the sub region whilst allowing for more localised delivery plans within each of the three authorities to meet specific need.

- 2.5 It was agreed that it was a sensible approach to base the revised sub regional Procurement Strategy on the NPS themes and priorities to demonstrate that the shared procurement service is working to national best practice.
- 2.6 The NPS themes fit well with the Council's priorities and therefore delivery of the Sub Regional Procurement Strategy will help to deliver those priorities. Effective procurement can contribute to a wide range of socio-economic benefits including a successful local economy, a thriving voluntary sector, community empowerment, equality, consideration for the environment and value for money.

3. Results of consultation undertaken

- 3.1 As stated previously the Sub Regional Procurement Strategy is based on the themes of the NPS. There was wide consultation on the NPS itself including central government, local government heads of procurement nationally, external consultants and the local government association. For our local vision and challenges, consultation was held with sub regional procurement staff, local authority stakeholders, Heads of Service and Directors with responsibility for Procurement. Views were sought through face to face meetings, a sub-regional away day for procurement staff and circulating draft documents for comment. Comments received were considered and where appropriate incorporated into the final strategy and appendices used as the basis for this report.

4. Timetable for implementing this decision

- 4.1 If approved, the Sub Regional Procurement Strategy will take immediate effect running through until December 2020.
- 4.2 Progress against this strategy will be monitored by Audit and Procurement Committee and the Cabinet Member for Strategic Resources and Finance once a year as a minimum.

5. Comments from Executive Director, Resources

- 5.1 Financial implications
Following the recommended Sub Regional Procurement Strategy should help deliver value for money in all Council purchases, in line with the Council's core aims.
- 5.2 Legal implications
Following the recommended Sub Regional Procurement Strategy will help to ensure that procurement activity is carried out within the appropriate legislative framework.

6. Other implications

6.1 How will this contribute to the Council's priorities? www.coventry.gov.uk/councilplan

Delivery against the four themes of the Sub Regional Procurement Strategy i.e. Making Savings, Supporting Local Economies, Demonstrating Leadership and Modernisation will contribute to all of the Council's core aims. Spending our money well through effective procurement is fundamental to achieving organisational success and supporting prosperity across the city.

6.2 How is risk being managed?

Following the Sub Regional Procurement Strategy will help to mitigate procurement risk

6.3 What is the impact on the organisation?

The Sub Regional Procurement Strategy impacts on the whole organisation whenever money is spent. Following the principles set out in the strategy will help achieve value for money whilst supporting the local economy where possible.

6.4 Equalities / EIA

Procurement processes that will be used to deliver against the Sub Regional Procurement strategy have been designed to fulfil the Public Sector Equality Duty. Working with commissioning colleagues, consultation will be undertaken on changes to service specifications as required.

6.5 Implications for (or impact on) the environment

Economic, environmental and social value issues have been considered under the Supporting Local Economy theme of the Sub Regional Procurement Strategy

6.6 Implications for partner organisations?

The Sub Regional Procurement Strategy has been developed with Solihull MBC and Warwickshire CC. It has been written at a high enough level for other authorities to be able to adopt, supported by local delivery plans which will take local policy direction and need into consideration.

Report author:

Name and job title:

Liz Welton, Assistant Director, Procurement

Directorate:

Resources

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Enquiries should be directed to the above person.

| Contributor/approver name | Title | Directorate or organisation | Date doc sent out | Date response received or approved |
|--|---|------------------------------------|--------------------------|---|
| Contributors: | | | | |
| Lara Knight | Governance Services Co-ordinator | Resources | 29/9/15 | 1/10/15 |
| | | | | |
| Other members | | | | |
| | | | | |
| Names of approvers for submission: (officers and members) | | | | |
| Finance: Rachel Sugars | Finance Manager | Resources | 17.09.15 | 29.09.15 |
| Legal: Helen Lynch | Place and Regulatory Team Manager, Legal Services | Resources | 17.09.15 | 30.09.15 |
| Director: Chris West | Executive Director Resources | Resources | 26.08.15 | 14.09.15 |
| Members: Damian Gannon | Cabinet Member Strategic Finance and Resources | | 26.08.15 | 14.09.15 |
| | | | | |
| | | | | |

This report is published on the council's website:

www.coventry.gov.uk/councilmeetings

PROC2s Reporting Process - June 2014 onwards

| Description | Contract Value | Annual Value | People Panel Date | Place Panel Date | Resources Panel Date | Procurement Board Date | Audit & Proc. Committee Date | Cabinet Date | Comments |
|--|----------------|--------------|-------------------|------------------|----------------------|------------------------|------------------------------|--------------|--|
| Adult Social Care Citizen Portal | £63,000 | | | | | 16-Dec-14 | 16-Feb-15 | | |
| Banking Services 4 | £900,000 | £180,000 | | | | 01-Jul-15 | 07-Jul-15 | 03-Aug-15 | |
| Bulky Waste Collection Service | £140,000 | £35,000 | | 28-Aug-14 | | | | 01-Sep-14 | |
| Castle Wood 2 Classroom Expansion 1 | £450,000 | £450,000 | | 16-Jul-14 | | | | 01-Aug-14 | |
| CCTV for Drainage | £1,000,000 | | | 21-Jul-15 | | | 11-Aug-15 | 26-Oct-15 | |
| City Centre Sports and Public Leisure Facility Development | £33,600,000 | £1,500,000 | | Board Only | | | 09-Sep-14 | 05-Aug-14 | |
| Cleaning and Janitorial Supplies 1 | £240,000 | £60,000 | | | 21-Oct-14 | | | 01-Nov-14 | |
| Clinical Waste Collection & Disposal 2 | £700,000 | £175,000 | | 28-Apr-15 | | | | 22-Jun-15 | |
| Coombe Park Hotel - Replacement Parking Solution | £174,000 | £130,000 | | 27-Jan-15 | | | | 01-Mar-15 | |
| Corporate Appointment Booking Solution 1 | £900,000 | £50,000 | | | 18-Nov-14 | | | 01-Feb-15 | |
| Coventry Christmas Lights | £180,000 | £60,000 | | 23-Jun-15 | | | | 22-Jun-15 | |
| Coventry Station Access Works - Tunnel | £2,000,000 | £200,000 | | 24-Feb-15 | | 17-Mar-15 | 22-Jun-15 | 03-Mar-15 | |
| Coventry Station Masterplan - Common Safety Method Regulations (CSM) and Railways Interoperability Regulations (RIR) Provision | £150,000 | £150,000 | | 23-Jun-15 | | | | 22-Jun-15 | |
| Coventry Station Masterplan - Footbridge & Canopies GRIP 4 | £400,000 | £400,000 | | 23-Jun-15 | | 07-Jul-15 | 22-Jun-15 | | |
| Coventry Station Masterplan - NUCLE 1.2 GRIP 4 | £1,560,000 | £1,560,000 | | 23-Jun-15 | | 07-Jul-15 | 22-Jun-15 | 03-Mar-15 | |
| Coventry Station Masterplan - Project Management 1 | £220,000 | | | 18-Jun-14 | | | | 01-Jul-14 | |
| Coventry Station Masterplan - Rocket Public House Demolition | £100,000 | £100,000 | | 24-Mar-15 | | | | 22-Jun-15 | |
| Eburne Neighbourhood Offices Annexe Demolition | £120,000 | £120,000 | | 23-Jun-15 | | | | 22-Jun-15 | |
| Ending FGM in Coventry 1 | £150,000 | £75,000 | 16-Dec-14 | | | | | 01-Feb-15 | |
| Energy - Gas and Electricity | £20,000,000 | £7,290,000 | | | 25-Feb-15 | 17-Mar-15 | 22-Jun-15 | See comment | Report not taken during purdah. Due to long lead in time for the contract this will be included in the Procurement annual performance report |
| Enforcement Agencies | £120,000 | £30,000 | | | 18-Nov-14 | 17-Mar-15 | 01-Feb-15 | | |
| E-Post Solutions | £196,000 | £196,000 | | | 28-Jan-15 | | | 01-Feb-15 | |
| Fleet Replacement Vehicle Programme for 2015 - 2016 | £630,000 | £630,000 | | 21-Jul-15 | | 11-Aug-15 | 26-Oct-15 | | |
| Foleshill Leisure Centre - Demolition - Contractor Appointment 1 | £200,000 | £200,000 | | 18-Jun-14 | | | | 01-Jul-14 | |
| Fostering Advice & Mediation Service 1 | £39,000 | £13,000 | 15-Jul-14 | | | | | 01-Aug-14 | |
| Framework Agreement for the Supply of Materials and Associated Services | £570,000 | £570,000 | | 19-Nov-14 | | | | | |
| Framework for the Supply, Planting and Associated Works for Tree Pits and Planters | £130,000 | £32,000 | | 24-Mar-15 | | | | 22-Jun-15 | |
| Ground Asset Disposals 1 | £142,000 | £142,000 | | 28-Aug-14 | | | | 01-Sep-14 | |
| Health & Wellbeing Service 1 | £640,000 | £320,000 | 15-Jul-14 | | | | | 01-Aug-14 | |
| Highways Maintenance Contract - HMC 2016 | £30,000,000 | £3,000,000 | | 24-Mar-15 | | 07-Apr-15 | 22-Jun-15 | See comment | Report not taken to Cabinet during purdah. Report will be taken once the tender outcome is known |
| Highways Material Supplies | £18,000,000 | £3,250,000 | | 18-Aug-15 | | 08-Sep-15 | 26-Oct-15 | 06-Oct-15 | |
| HIV testing, HIV and TB Support, Sex Worker Support | £407,829 | £202,846 | 24-Sep-15 | | | | | 26-Oct-15 | |
| HIV, Tuberculosis & Hepatitis Community Engagement Programme | £125,000 | £50,000 | 21-May-15 | | | | | 22-Jun-15 | |
| Hollyfast Primary School Annexe Building Demolition | £100,000 | £100,000 | | 23-Jun-15 | | | | 22-Jun-15 | |
| Hosted Data Services | £121,000 | £48,000 | | | 20-May-15 | | | 22-Jun-15 | |
| Insurance Services 2 | £2,940,000 | £980,000 | | | 01-Jul-15 | 07-Jul-15 | 22-Jun-15 | | |
| Internet Service Provision (Janet) | £287,000 | £80,000 | | | 01-May-15 | | | 22-Jun-15 | |
| Interpretation and Translation Services | £220,000 | £110,000 | 26-Mar-15 | | | | | 22-Jun-15 | |
| Keeping Coventry Warm 2 | £300,000 | £100,000 | 15-Jul-14 | | | | | 01-Aug-14 | |
| Kickstart Supply & Installation of AV Equipment & Associated Hardware 1 | £600,000 | £100,000 | | | 16-Dec-14 | | | 01-Feb-15 | |
| Kickstart: Proposed Contact Centre & Customer Service Centre - Contractor 1 | £2,623,000 | £1,000,000 | | 17-Sep-14 | | 14-Oct-14 | 01-Nov-14 | 04-Nov-14 | |
| Maintenance & Repair of Passenger/Goods Lifts to Include Service Lifts and Public Access Lifts 3 | £600,000 | £150,000 | | 19-Nov-14 | | | | 01-Feb-15 | |
| Maintenance of Synthetic Sports Pitches and Children's Playground Surfaces | £64,000 | £16,000 | | 22-Oct-14 | | | | 01-Nov-14 | |
| Making Every Contact Count | £180,000 | £60,000 | 24-Sep-15 | | | | | 26-Oct-15 | |
| Market Way and Arcade Rooftop Car Park Surface Repairs - Contractor Appointment | £75,000 | £75,000 | | 22-Sep-15 | | | | 26-Oct-15 | |
| Materials Recycling Facility (MRF) | £845,800 | | | | Board Only | 07-Apr-15 | 22-Jun-15 | | |
| Minor Highways Structures | £1,600,000 | £400,000 | | 28-Apr-15 | | 12-May-15 | 22-Jun-15 | | |
| Miscellaneous Items - One-Stop-Shop | £240,000 | £60,000 | | | 16-Dec-14 | | | 01-Feb-15 | |
| Mobile Telephony | £380,000 | £190,000 | | | 15-Jul-14 | | | 01-Aug-14 | |
| Multi-Disciplinary Consultancy | £3,200,000 | £800,000 | | | 15-Jul-14 | 09-Sep-14 | 01-Oct-14 | | |
| Parkgate Primary School and Foxford Secondary School Partial Roofing Replacement | £244,000 | £244,000 | | 22-Sep-15 | | | | 26-Oct-15 | |
| Planning Instruction - Elms Field Farm | £70,000 | £70,000 | | 23-Jun-15 | | | | 22-Jun-15 | |
| Post Adoption Support Fund (Adoption Support Fund) | £100,000 | £50,000 | 02-Jul-15 | | | | | 22-Jun-15 | |
| Provision of Support & Counselling for Women & Girls who have Experienced Sexual Violence & Abuse-CRASAC 3 | £404,000 | £202,000 | 21-Oct-14 | | | | | 01-Nov-14 | |
| Public Realm Phase 3a Programme or Works | £11,100,000 | £11,110,000 | | Board Only | | 07-Apr-15 | 22-Jun-15 | 03-Mar-15 | |
| Re:Fit Framework - Energy Performance Contract for Coventry Public Sector Buildings | £1,000,000 | £1,000,000 | | 28-Aug-14 | | 09-Sep-14 | 01-Oct-14 | 04-Nov-14 | |
| Section 106 Play and Park Improvements | £237,150 | £237,150 | | 19-Nov-14 | | 09-Dec-14 | 01-Feb-15 | | |
| Server Maintenance 3 | £150,000 | £25,000 | | | 18-Nov-14 | | | 01-Feb-15 | |
| Signage | | £100,000 | | 22-Oct-14 | | | | 01-Nov-14 | |
| Supervised Child Contact 5 | £762,000 | £381,000 | 21-May-15 | | | 09-Jun-15 | 22-Jun-15 | | |
| Supply of Skips | £150,000 | £75,000 | | 18-Aug-15 | | | | 26-Oct-15 | |
| Supply, Planting, Maintenance and Watering of Seasonal Bedding, Containers and Floral Features | £300,000 | £40,000 | | 22-Sep-15 | | | | 26-Oct-15 | |
| Targeted Services to Support Young People 16-19 (up to 25 SEND) to Participate in Education or Training | £1,600,000 | £800,000 | 20-Aug-15 | | | 08-Sep-15 | 26-Oct-15 | | |
| Telecare Service 2 | £1,659,000 | £475,000 | 17-Jun-14 | | | 08-Jul-14 | 01-Aug-14 | | |
| The Supply of Meat and Meat Products 2 | £574,000 | £144,000 | | 17-Sep-14 | | | | 01-Oct-14 | |
| Urban Forestry (previously Arboricultural Services) | £1,300,000 | £265,000 | | 22-Sep-15 | | 13-Oct-15 | 14-Dec-15 | | |
| West Midlands Framework Agreement for the Provision of Independent Residential Care Services 1 | £16,000,000 | £4,000,000 | 15-Jul-14 | | | 12-Aug-14 | 01-Sep-14 | See comment | Need to tighten processes to ensure that reports are still taken when other authorities are tendering on our behalf |
| Workplaces on the Move | £150,000 | £150,000 | 26-Mar-15 | | | | 22-Jun-15 | | |

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1. Introduction

Across the three upper tier authorities within the Coventry, Solihull, Warwickshire (CSW) sub-region, the Councils spend approximately £883m each year on bought in goods, services and works. Spending this money well through effective procurement is fundamental to achieving organisational success for the three authorities and supporting prosperity across the sub-region. The Councils have formally recognised by the signing of a Memorandum of Understanding on 02/03/2012 that working together on procurement can contribute to a wide range of socio-economic benefits including a successful local economy, a thriving voluntary sector, community empowerment, equality, consideration for the environment and value for money.

2. Scope of the Strategy

This is an over-arching strategy that seeks to clarify the strategic direction for procurement across the sub region whilst allowing for more localised delivery plans within each of the three authorities to meet specific need.

Procurement is an essential element of cost effective and efficient services. It impacts on Members, the Chief Executive, the Corporate Leadership Team, staff, the public, suppliers and partners.

A clear, comprehensive and effective procurement strategy is crucial to ensuring that good value services are provided whilst driving change and continuous improvement.

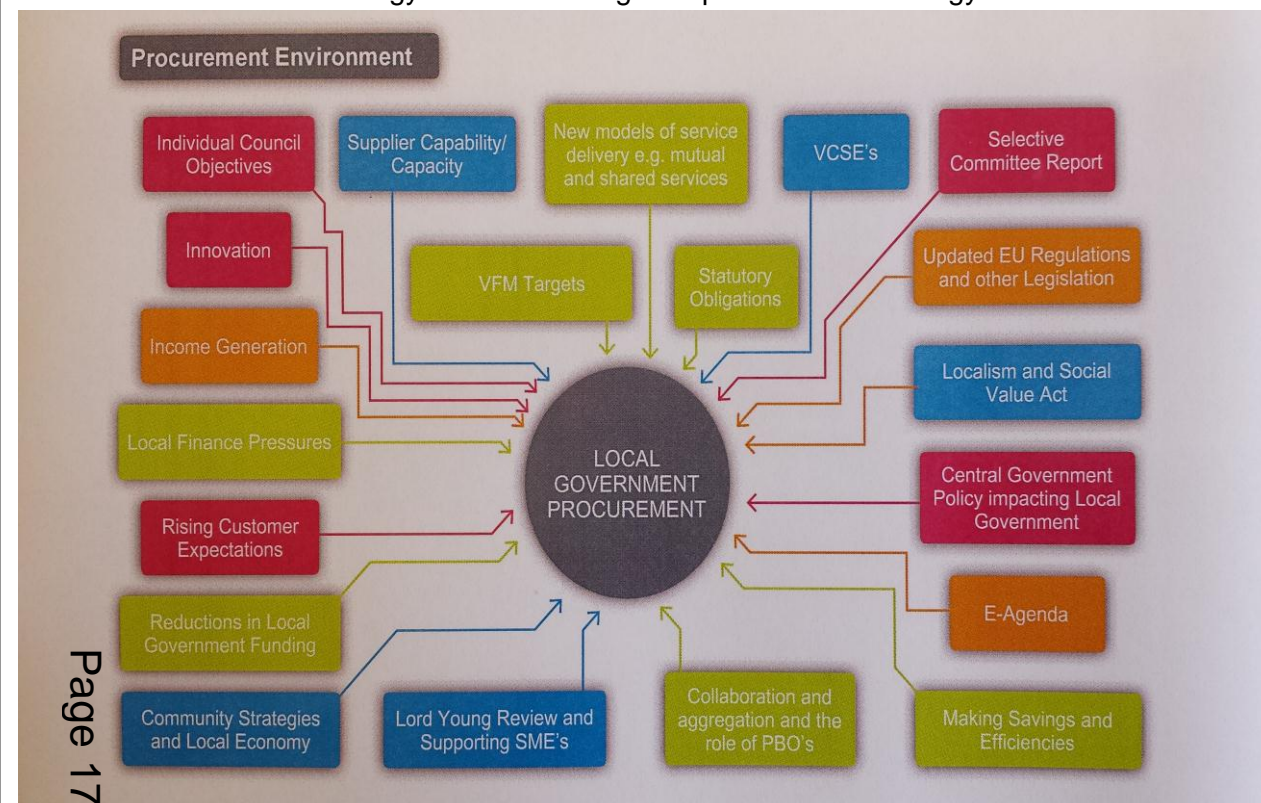
For the purpose of this strategy the procurement process has been defined as:

“The whole process of acquisition from third parties which covers goods, services and works. The process spans the whole life cycle from initial concept and definition of business need to commercial contract management and the effective management of markets, through to the end of the useful life of an asset or end of services contract. It involves options appraisals and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances”

3. National Context

In July 2014 the Local Government Association launched a National Procurement Strategy (NPS) for Local Government after a period of consultation with Chief Executives, Heads of Procurement and central government.

It describes the procurement policy landscape in 2014 which is represented by the diagram below. This illustrates the major policy related developments which form the context for the National Procurement Strategy and the sub regional procurement strategy.



To facilitate the delivery of effective procurement in the above policy context, the NPS 2014 has been structured around 4 key themes.

4. National Procurement Strategy themes

1 Making Savings

NPS Priorities: Category management, partnering and collaboration, contract and supplier management, performance and transparency, risk and fraud management, demand management

2 Supporting Local Economies

NPS Priorities: Improving access for SME's and VCSE's, Economic, environmental and social value

3 Demonstrating Leadership

NPS Priorities: Single cohesive voice, commitment from the top, procurement training, commissioning

4 Modernisation

NPS Priorities: Commercialisation and income generation, supplier innovation, EU Directives, using technology

5. The Legislative Framework within which we procure

All of the above needs to be delivered within a legislative framework which is significant and complicated. The Public Contract Regulations 2015 (PCRs) enact the 2014 EU Directive (2014/24/EU) into UK law and lay out in detail how public procurement must be undertaken across all of the member states within the European Union.

Examples of other law impacting procurement are: Public Services (Social Value) Act 2012, Competition Act 1998, Localism Act 2011 Freedom of information Act 2000, Equality Act 2010.

6. Procurement Structure within the Sub Region

The Shared Procurement Strategy and Joint Savings Plan, to which CCC, SMBC and WCC have signed up to since 2010 has generated savings from a number of collaborative exercises e.g. food, highways, agency staff and fostering. The sub-regional focus for procurement has been reconfirmed by Chief Executives and Leaders of each authority in 2015. This will support the further development of intelligent strategic procurement across the sub region leading to the delivery of savings and efficiencies in line with national austerity measures whilst using procurement power wisely to deliver the required economic growth in our local communities.

The operating model for the shared procurement service is that each authority retains its own procurement team with identified category leads in particular authorities. This means that where contracts are shared, one category manager lets the contract on behalf of all participating authorities.

7. Governance

The shared procurement service is governed by the Shared Service Directors group: Executive Director Resources, Coventry, Director for Resources, Solihull and Strategic Director for Resources, Warwickshire, which meets quarterly. The Procurement Management Team, with representatives from all upper tier authorities and a Districts' representative meets monthly and monitors performance against a set of agreed key performance indicators.

8. Our Vision is: Working together to enhance lives within communities

The challenges ahead are to:

- understand future demand for service provision through engagement
- understand markets and identify procurement excellence that will enhance lives
- work with partners to enhance lives
- place social and economic regeneration and the environment at the heart of procurement
- shape markets to be able to procure from a diverse and competitive mixed economy of suppliers including minority businesses, voluntary and community sector groups , small businesses and social enterprises
- support Members' leadership to embed procurement excellence into the culture of the Council
- innovate through the identification of appropriate service delivery options
- drive down procurement costs
- minimise exposure to risk
- make procurement a key management activity, delivering projects through multifunctional teams
- Equip staff with the right skills and training to deliver excellence
- use procurement processes and in particular e-procurement to support organisational and behavioural change
- be customer focussed using internal consultation and involvement to support service outcomes and improve performance
- comply with legislation relating to procurement activity, e.g. Public Contract Regulations, Freedom of Information Act
- Work sub regionally in line with the Memorandum of Understanding
- Work with regional and national Public Bodies to benefit from economies of scale and shared expertise

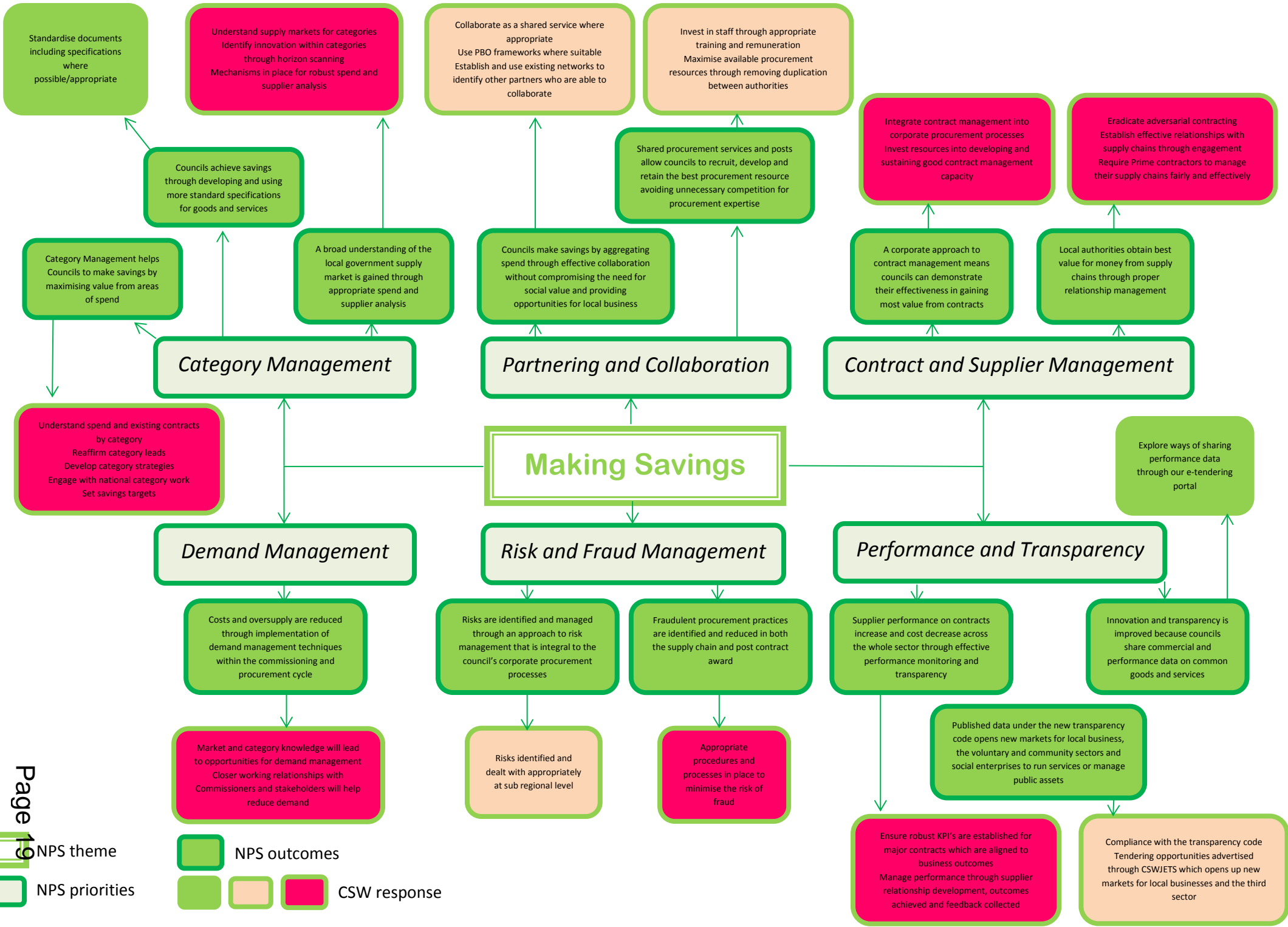
This vision is in line with the strategic direction of each participating authority and therefore will help deliver Council strategy, policies and plans.

9. NPS outcomes and CSW delivery

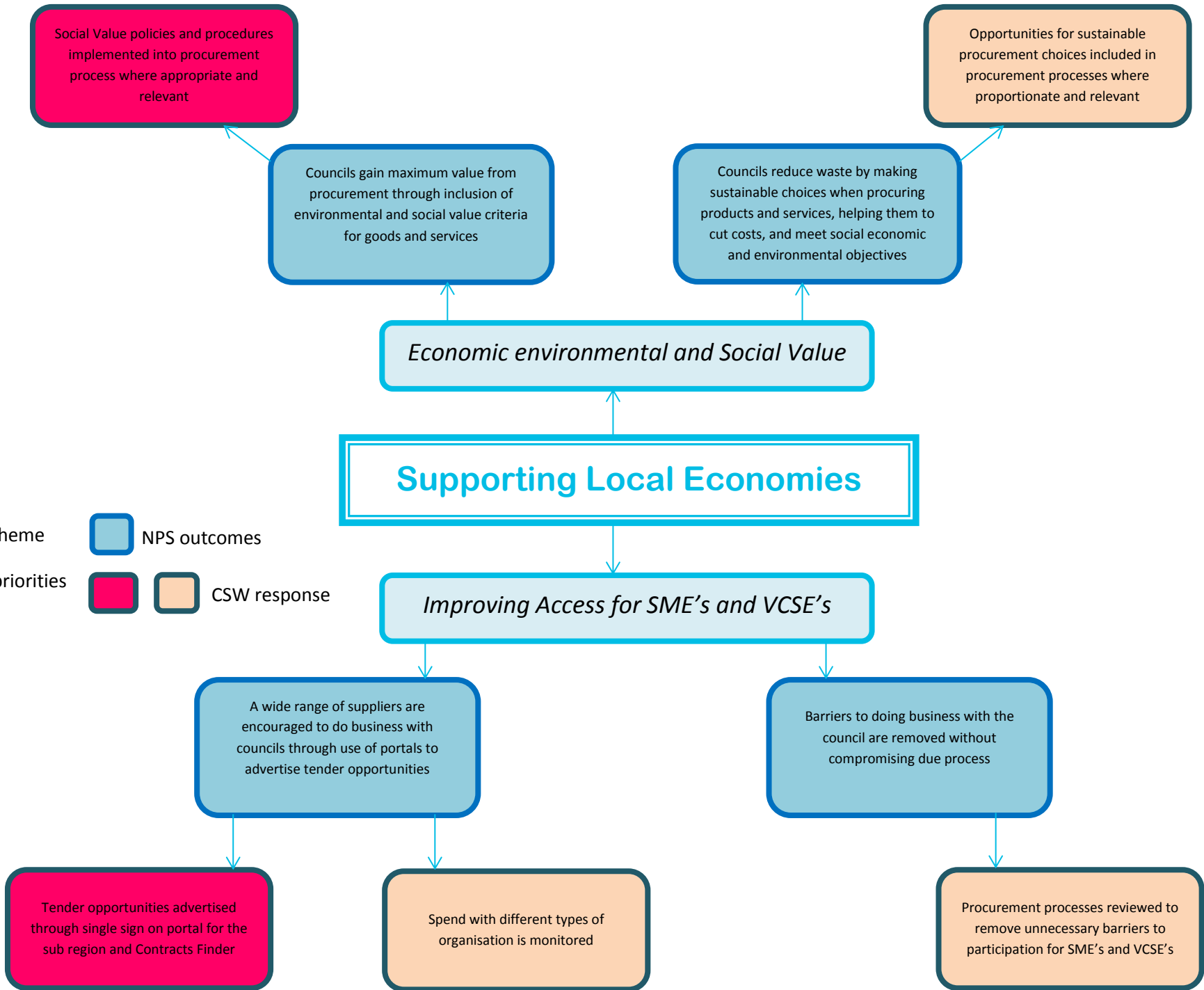
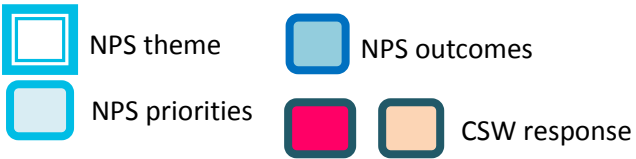
The most effective way to meet the procurement requirements in the national and local contexts is to base the Sub Regional Procurement Strategy on the key themes of the National Procurement Strategy. This will demonstrate effective procurement delivery in line with the national strategic direction whilst meeting local ambition and needs.

The attached charts show CSW's response to the NPS themes, priorities and outcomes. Individual authorities may choose to implement some or all of the CSW responses depending on local priorities. CSW responses have been RAG rated to indicate importance with red, amber, green representing high, medium and low importance.

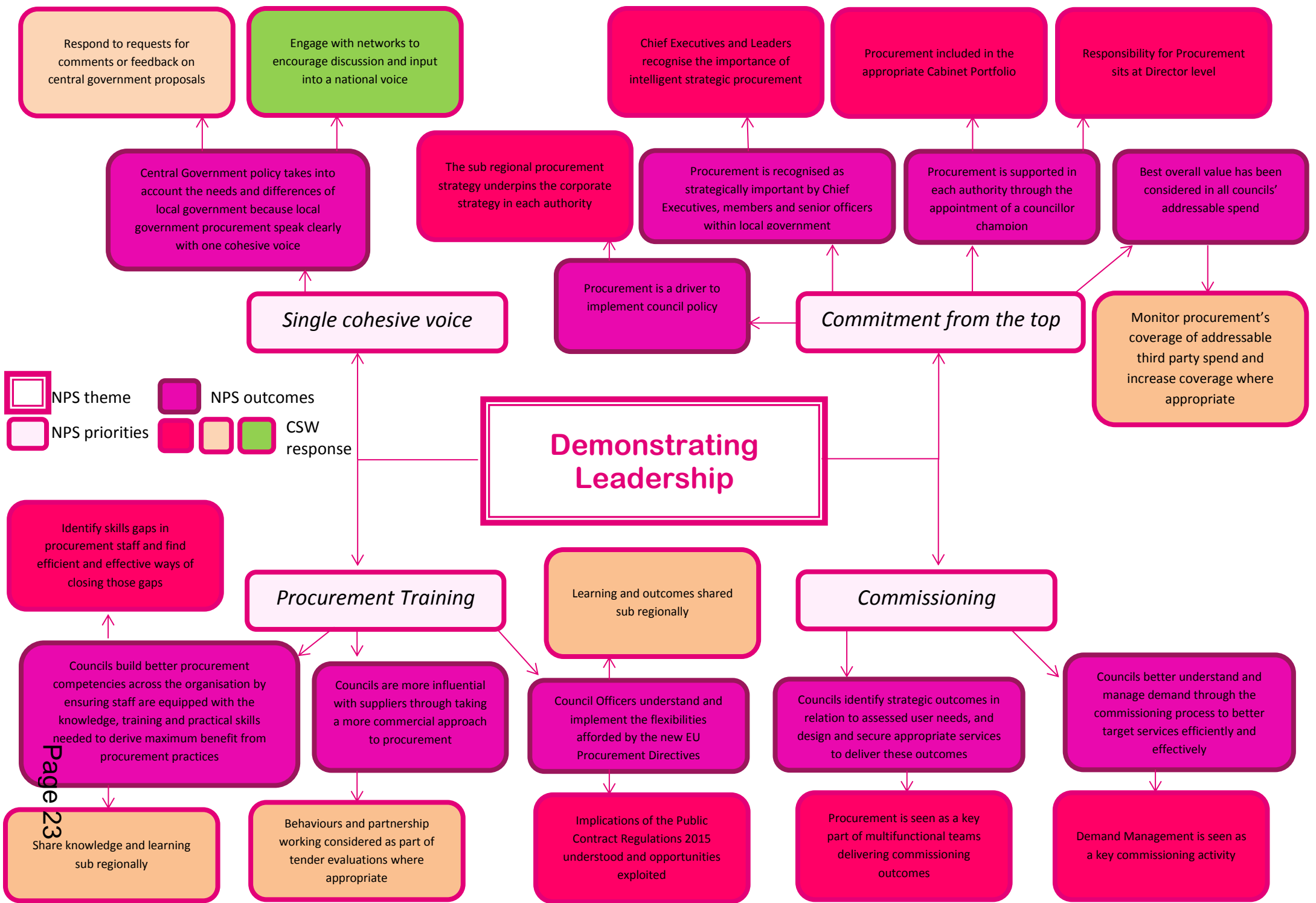
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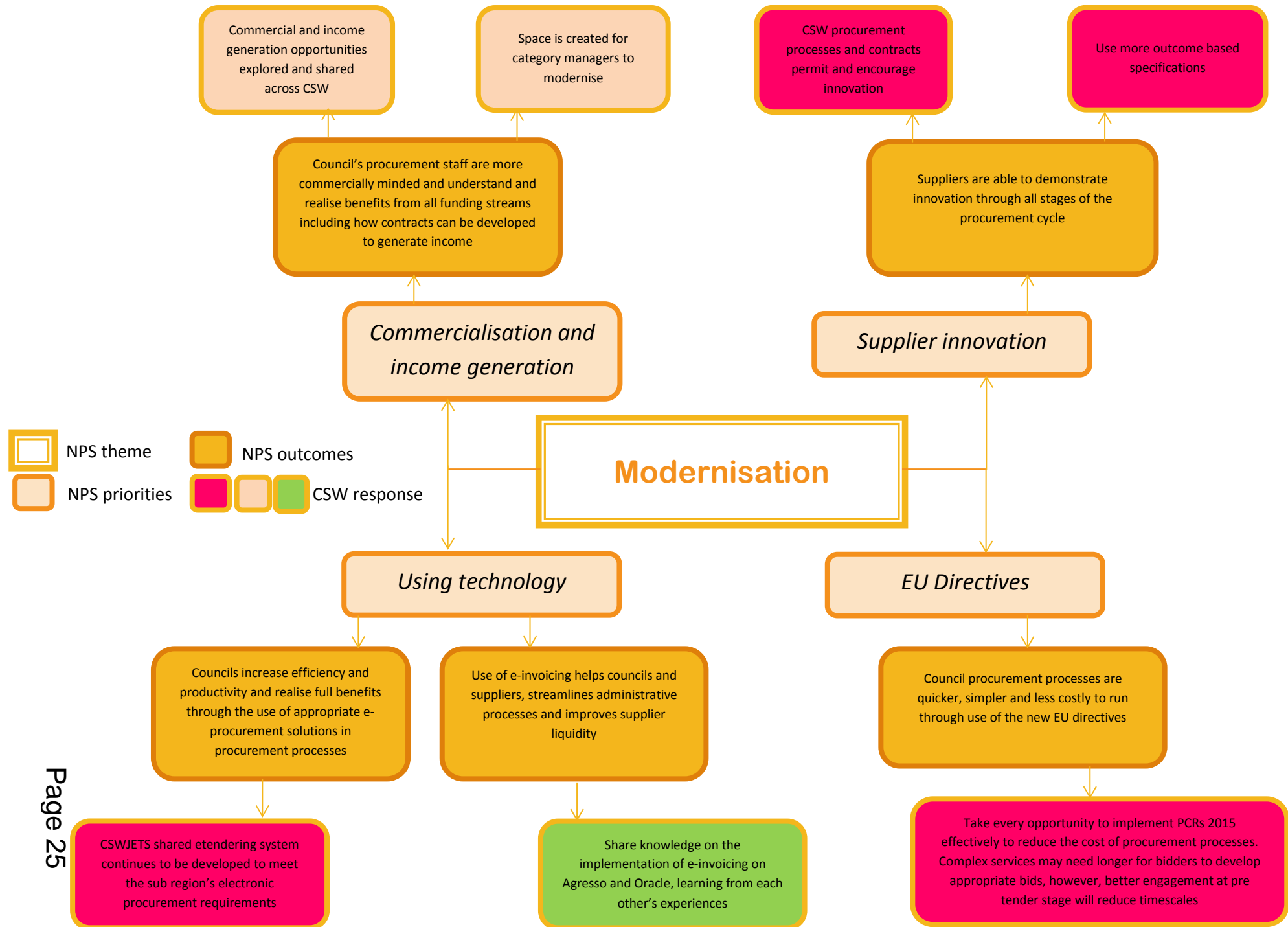
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Finance and Corporate Services Scrutiny Board (1)
Cabinet
Council

11th November 2015
24th November 2015
1st December 2015

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor Gannon

Director Approving Submission of the report:

Executive Director Resources

Ward(s) affected: All

Title:

Medium Term Financial Strategy 2016-19

Is this a key decision?

Yes

Cabinet and subsequently Council are being recommended to approve the Medium Term Financial Strategy for 2016-2019 which involves financial implications in excess of £1m

Executive Summary:

This report presents a Medium Term Financial Strategy (MTFS) for 2016-2019 for adoption by the City Council. The previous strategy was approved in November 2014. This Strategy sets out the financial planning foundations that support the Council's vision and priorities and leads to the setting of the Council's revenue and capital budgets. The Strategy will be considered at the same meeting of Cabinet alongside the Council's Pre-Budget Report that sets out the work undertaken in preparation for the 2016/17 and future years' revenue budgets and capital programme.

The Government's July 2015 Summer Budget announced a further period of public sector spending reductions over the course of the new Parliament and this provides a key backdrop to the Council's medium term financial position. However, further detail on the local future years funding position will not be clarified until after the results of the forthcoming Spending Review, due to be published on 25 November and the Local Government Finance Settlement expected in late December. The high likelihood is that these will confirm continued cuts in Revenue Support Grant for local government on a trajectory which is broadly consistent with cuts made since 2010. Therefore, the fundamental factor shaping the City Council's MTFS continues to be one of

unprecedented financial pressure leading to further significant reductions in spending levels that are likely to continue in the period up to 2020 and possibly beyond. Indeed, if the current pattern of local government funding continues, this indicates that in real terms, for every £10 of net budget the Council had available in 2010/11 it has just over £7 now and will have nearer £5 in 2024/25.

In summary, the national and local contexts that frame this Strategy include:

- A paramount need to protect the most vulnerable people in the city including children at risk, children and young people in care, victims of domestic abuse and vulnerable adults and older people;
- Year-on-year 10% headline cuts to Government resources and a move towards greater complexity and ring-fencing in areas such as social care, health and regeneration;
- Fast population growth causing greater demand or expenditure pressures in areas such as housing, social care and waste disposal;
- An increasing Council focus on promoting growth in the local economy
- Changes to the national frameworks for delivering social care, including where this interacts with the health sector, driven through the Care Act and the Better Care Fund.
- The impact of continued difficult economic circumstances for many, affecting both the number of people seeking support from Council services and the financial performance of the Council's income based services;
- Upward pressure on Pension Fund contributions, in particular to fund pension past service deficits;
- Management of responsibilities in the areas of Business Rates and Council Tax Support that carry with them the risk of significant financial volatility;
- Business Rates and Council Tax income plus locally generated rents, fees and charges becoming an increasing proportion of the Council's funding as government grant falls. Government plans have been announced which are intended to allow councils to retain 100% of Business Rates income before the end of the current Parliament
- The transfer of schools to Academy status putting increasing pressure on the Council's core education functions and other services that trade with the city's schools.
- More complex service delivery models across the Council driven by the need to modernise and rationalise services and work in tandem with partners and neighbouring authorities.
- Continued expectations on the Council to maintain service levels and standards across the full range of core services despite the financial challenges;

In addition, on 13th October 2015 the Council took an in-principle decision to join with other councils across the region to form a West Midlands Combined Authority (WMCA) - a statutory body to facilitate collaboration and joint working between local authorities to improve economic development, regeneration and transport in the area. The precise structure, functions and financial arrangements of the authority continue to be developed at this time. In particular, it is possible that a Devolution Deal will be struck between WMCA and Government, seeing additional delegations and devolution of power and resources to the West Midlands. It is too early to predict the financial implications of this for the City, and the impact on the MTFs.

Taken together, these factors represent a combination of reducing resources, challenging underlying economic and demographic conditions, increased demand, a heightened need to improve the quality of services and new challenges represented by government reform and local structural and governance relationships. In these circumstances it is crucial that the Council's financial strategy is both robust and flexible. This will provide the financial foundations required to ensure that Council services are fit for purpose to protect the most vulnerable as well as providing decent core services for every citizen in the city.

In support of these aims, the City Councils strategic financial approach to the demands that it faces includes:

- A fundamental commitment to protecting the city’s vulnerable children, adults and older people.
- Identifying unprecedented savings from new strategies incorporating Kickstart, the Customer Journey and Connecting Communities (formerly City Centre First).
- Integral to these new strategies, changing the relationship between the Council and its citizens reflecting the reality that the Council will provide a smaller range and lower level of services in new ways and out of far fewer locations.
- Leading the drive for economic growth and stimulating the local economy through a combination of the Coventry Investment Fund, externally funded Regional Growth Fund, Growing Places Fund and other Local Enterprise Partnership funding streams, the City Deal initiative and working up the possibility of a WMCA Devolution Deal that will drive economic and business rate growth;
- Moving the Council’s main customer facing and office based activities into the newly operational city centre Customer Services Centre and a purpose built office block within the forthcoming Friargate business district in order to regenerate the City, transform the Council and deliver savings.
- Transforming through digitally enabling Council services to deliver efficiencies, improved customer experience and to keep pace with modern ways of working.
- A new Workforce Strategy requiring a significantly smaller workforce working in flexible ways consistent with a modern organisation, ensuring that the Council has the talent in place necessary to deliver the challenging agenda that it faces.
- Doing things differently by considering alternative service delivery models and options for delivering service outcomes in different ways with less reliance on Council delivered services.
- Seeking to optimise the use of pooled or new funding available to support social care and health
- Providing the local planning and infrastructure environment to enable the level of housing growth required to match the growth in the city’s population
- Investing in the environmental elements that support the regeneration of the city including its public realm, the city’s highways network and its cultural and leisure offer to make Coventry an attractive place to live and work.

Based on initial estimates of future funding settlements, the City Council’s indicative financial position moving into the 2016/17 budget setting process shows a major funding gap increasing to £28m in 2018/19 as shown below. This gives a clear picture of the massive financial challenges faced by the Council. This financial position is developed further in the Pre-Budget Report being considered alongside this MTFs at the same Cabinet meeting and can be expected to become yet more acute in the period beyond this MTFs based on ministerial announcements about continued spending cuts.

| | 2016/17 £m | 2017/18 £m | 2018/19 £m |
|-----------------------------------|-----------------------|-----------------------|-----------------------|
| Revised Revenue Budget Gap | 13.1 | 15.8 | 28.0 |

Recommendations:

- (1) Finance and Corporate Services Scrutiny Board 1 is recommended to consider whether there are any comments/recommendations that they wish to make to Cabinet.

- (2) Cabinet is recommended to:
 - (a) Consider any recommendations from Scrutiny Board 1
 - (b) Agree the report and recommend that Council approve the Strategy.
- (3) Council is recommended to approve the Strategy as the basis of its medium term financial planning process.

List of Appendices included:

None

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

Yes

Finance and Corporate Services Scrutiny Board (1), 11th November 2015

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes

Council, 1st December 2015

Medium Term Financial Strategy 2016-19

1. Context (or Background)

1.1 Financial Background

- 1.1.1 This Strategy sets out the financial planning foundations that support the Council's vision and priorities and leads to the setting of the Council's revenue and capital budgets.
- 1.1.2 The Government spending review announced in July 2015 will be reported in detail as part of the Autumn Statement in late November, with the Local Government Settlement expected in December. However, it is clear that severe financial constraints will remain until at least 2019/20, when the Government has targeted a Budget surplus. The extension of the existing protection of Health, Education and Overseas Aid budgets to cover Defence as well, means that unprotected budgets including local government will need to find national savings of up to £20bn by 2018/19. Government have advised non protected Departments to plan for cuts of 25 to 40%. It can only be assumed that cuts to Local Government funding will be at the upper end of this range.
- 1.1.3 Resources available to Coventry have fallen by c£80m over a four year period to 2015/16, and its Settlement Funding Assessment could fall by a further amount in the region of £40m by 2018/19. Taken together, the austerity measures implemented by the Government will have led to cuts in Coventry's core government funding of approaching 55% over 7 years.
- 1.1.4 Local government has delivered significant savings in recent years and in broad terms the most straightforward savings have already been made. The continued downward pressure on public service resources will have significant future impacts on what councils do and how they do it. A need to radically reassess which services continue to be provided and their nature and scale is further accentuated by the ever increasing demand for services, particularly in the social care arena.

1.2 National Developments

- 1.2.1 Apart from the increasing financial pressures that all public bodies face, there is a range of national developments set out below, which impact on local authorities.
- 1.2.2 The establishment of Combined Authorities provides regions with the opportunity to use powers and resources devolved from government in order to develop services across a number of areas, including the transport, economic development and housing, as well as securing greater finance for localities. A total of 38 proposals have been submitted to government from across the country, including the West Midlands, of which Coventry forms part.
- 1.2.3 The Better Care Fund is now operating with the aim of integrating health and social care services in order to ensure that people receive improved, more personalised care services. From 2015/16 NHS and local government budgets totalling £5.3bn have been pooled between the local authorities and Clinical Commissioning Groups to deliver improved outcomes for citizens.
- 1.2.4 The Care Act represents the most significant reform of care and support in more than 60 years, putting people and their carers in greater control of their care and support. The main provisions were implemented on 1 April 2015. However, the "care cap" through

which the cost of care services to the individual were to be limited to £72k and the associated changes to the means test have now been postponed until 2020.

- 1.2.5 In the regeneration arena, a range of different funding streams, largely of a capital nature, have been made available on a sub-regional basis for local government and businesses to allocate through Local Enterprise Partnerships.
- 1.2.6 Economic growth has been an important part of the Government's financial recovery plans with the intention that tax revenues will recover to help bridge the national budget deficit. The current Business Rate regime whereby local government retains a share of local business rates growth ensures a direct link between growth and income for local authorities and government is now planning to extend this to cover 100% of Business Rates income although details of how and when this will operate remain unclear.
- 1.2.7 Population growth and demographic and socio-economic trends are causing increases in demand or expenditure pressures in areas such as housing, social care and waste disposal. There is a continued dialogue between national and local government on the need for a greater level of new housing building across the country. The ageing population represents an increasing pressure on social care services for older people whilst a range of other societal and health related trends has increased demand both in other adult social care services and in children's social care.
- 1.2.8 Notwithstanding the gradual economic recovery over the recent period, there are continued difficult economic circumstances for many, affecting the number of people seeking to access local government services and those provided by the voluntary sector, working in partnership with local councils. The Summer Budget included proposals for further welfare reform changes, the further impacts of which will be only become clear over time.
- 1.2.9 The schools sector continues to experience greater fragmentation with the move towards free schools and academy schools. The government has indicated that the drive towards schools becoming academies will continue, with the Prime Minister setting out his aspiration that every school should become an academy. This is changing the face of local education provision and reducing the role of councils as local education authorities, putting pressure on the remaining rump of local authority education services and budgets and balance sheets.
- 1.2.10 The Government continues to have a tight rein on the level of Council Tax increases nationally. Council Tax Freeze grants have been provided for authorities that have frozen tax rates whilst caps have been placed (equivalent to a 2% rise) on the level of increase that can be approved without the need for a local referendum.
- 1.2.11 National pension reforms have failed to address the long-term problems of public sector pensions, including the local government scheme. On a national basis, many local councils are likely to face massive increases in employer pension costs over the coming years at a time when budgets are under severe pressure from the reduced grant settlements referred to above.

1.3 The Local Economic and Financial Context

- 1.3.1 Coventry has significant potential for growth with two global universities, an unrivalled location, exceptional transport infrastructure links and a talent pool for employers to recruit across the region. The Centre for Cities 2015 review of the condition of UK cities presented an encouraging picture of the city's potential with above average growth (by size of city) in the number of business, jobs and housing stock. There is also significant

potential for the City to grow as part of a Devolution Deal and/or as a consequence of High Speed 2 rail link and the ancillary developments which are being planned and which lie within a few miles of the City. However, Coventry's economy is underperforming, in particular the City Centre, being reported previously as 47th in the UK list of shopping Centres despite being the 13th largest City. Coventry recognises the significant headroom for growth and is working hard to provide the economic stimuli it needs to address this.

- 1.3.2** The financial starting point for the Council's MTFS is the forecast position as at budget setting in February 2015, reflected in the table below with a budget gap rising to £28m. The Council's Pre-Budget Report which will be reported to Cabinet alongside this report will incorporate the revisions to this base position. These are likely to include the latest estimate of Government resources, the impact of lower financing costs due to reduced capital programme borrowing and an update on the Council's Council Tax and Business Rates resources. At the time of writing, it is expected that the balance of these changes will close the revenue gap for 2016/17 although it is fully expected that significant gaps will remain for future years.

| | 2016/17 £m | 2017/18 £m | 2018/19 £m |
|---|-----------------------|-----------------------|-----------------------|
| Revenue Gap per 2015/16 Budget (Feb 2015) | 13.1 | 15.8 | 28.0 |

The level and nature of activity within the Council's social care services is creating very large cost pressures whilst it also faces significant challenges in delivering the budgeted service and workforce transformation savings from Kickstart (including customer journey), Workforce Strategy, Connecting Communities and Doing Things Differently. These existing savings rise to £40.4m by 2017/18. Further work is on-going to establish the likely medium term implications of these issues and the strategies for addressing the budget challenges resulting from them. However, it is important to recognise that detailed plans do not yet exist for delivering all of the savings required. The Council needs to maintain a very clear focus on identifying and developing the specific transformation approaches that will be necessary to achieve existing targets in the MTFS and ensure that all the relevant stakeholders are involved in and have an opportunity to shape these approaches.

- 1.3.3** The current Capital Programme approved in February 2015 per the table below, provided for a number of large investment programmes across the city including the construction of the Council's Friargate office; Coventry Station Masterplan; Nucleo rail project; a new city centre leisure facility, as well as investment in school buildings and business development. The Programme will be updated as part of the 2016/17 Budget including an assessment of the sources of funding and the degree to which the Council will need to undertake borrowing to fund expenditure.

| | 2016/17 £m | 2017/18 £m | 2018/19 £m | 2019/20 £m |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Capital Programme Spend | 124.8 | 60.3 | 41.3 | 17.5 |

1.3.4 The Council's **reserve balances** (£84.5m as at 31st March 2015) have been reviewed recently as part of a joint officer/member working group which has assessed their adequacy for current known liabilities and approved policy commitments. As part of this exercise £5.2m of balances have been identified as being able to be freed up to contribute to the Council's corporate Budget Setting process, through the funding of employee severance costs which in-turn will facilitate the future transformation savings required. The Council's uncommitted working balance which stands currently at £5.2m (£7.3m at 31st March 2014), equivalent to 2.2% (2.8% at 31st March 2014) of the net revenue budget, is maintained to cover unforeseen financial problems. The review determined that this balance remains at an appropriate level.

2. Options Considered and Recommended Proposal

2.1 The remainder of the report contains the proposed Medium Term Financial Strategy. It is recommended that Cabinet and Council approve the Strategy subject to any comments or changes from Finance and Corporate Services Scrutiny Board. The Strategy is structured around three core elements:

- The Council Plan;
- Strategic Policy Assumptions within the MTFS;
- Strategic Financial Management Framework;

2.2 Council Plan

2.2.1 The MTFS rests on the principles, visions and priorities set out for the City within the Council Plan, which was revised in July 2015. In summary these are:

- Globally Connected: promoting the growth of a sustainable Coventry economy that benefits the city and making sure that residents share in the benefits;
- Locally Committed: improving the quality of life for Coventry people by working with local communities and especially for our most vulnerable residents;
- Delivering our Priorities with Fewer Resources:
 - Making the most of our assets;
 - With active citizens and strong and involved communities.

The full plan is available on the Council's website or via the following link: [Coventry Council Plan - July 2015](#)

2.2.2 In 2014 the Council received the 2014 Ofsted Inspection Report which assessed the Council's Children's Services as inadequate. Amongst other measures this has led to a need to increase capacity within the service to ensure appropriate caseload levels for social workers. In addition, there has been a very significant increase in the number of referrals to the Council's social care service causing a heightened focus on this area. Protection of these vulnerable children is the paramount policy priority for the Council and as part of 2015/16 Budget Setting the Council approved a very significant financial investment to ensure that the service is resourced to meet its immediate demands across the city. Over the medium term, it will be necessary to ensure that social care and early intervention services are delivered in a way that strikes an appropriate balance between service need and the achievement of value for money.

2.3 Strategic Policy Assumptions within the MTFS

- 2.3.1 The policy assumptions that will drive the Council's financial strategy are set out below.
- 2.3.2 The Council's transformation programme is now centred on four key overlapping strategies: **Kickstart**, incorporating **Customer Journey**; **Connecting Communities (formerly City Centre First)**; **Workforce Strategy** and **Doing Things Differently**. These strategies are aligned to and are being driven by an extensive rationalisation of the Council's office estate, investment in new technology to support agile working and an improved customer experience including a shift towards enabling the Council's customers to self-serve on line.
- 2.3.3 The **Kickstart and Customer Journey** projects will provide a platform for modernising the way the Council works and be a springboard for Council members and officers to operate in far more streamlined and cost effective ways. The Friargate business district regeneration project adjacent to Coventry railway station continues to advance. The replacement of the ring road junction and the construction of the first office building as the Council's office base provide a visible sign of the major change in the city. This regeneration project is critical for delivery of jobs and business rate growth for the City, to attract new businesses, boost confidence, to increase city centre footfall, to help facilitate the City Centre South development and to generate economic prosperity for the City.
- 2.3.4 In addition, the **Customer Journey** project will help to change the way that citizens access services, with decreasing dependence on face to face services except for the most vulnerable and increasing use of web-based solutions which are more convenient for many of the Council's customers. The establishment of the imminent Customer Services Centre in Broadgate House will provide a focus for customer contact within the city centre.
- 2.3.5 The Council's Connecting Communities programme savings target (formerly City Centre First) was established with the aim of rationalising the Council's suburban estate and delivering or co-ordinating a range of services from a smaller number of suburban hubs. Further work has continued to explore the best way of delivering the strategy and this will result in a forthcoming report recommending a series of proposals as a basis for consultation.
- 2.3.6 The Council's **Workforce Strategy** has already seen a number of actions put into practice including a voluntary redundancy programme within 2014/15, centralising the management of salary budgets and tight control over filling any vacant posts. Further work continues to consider the range of potential options on offer. This will include a further voluntary redundancy programme and other potential steps that could affect pay and conditions for Council employees. Any such changes will be subject to member approval and consultation with the Trades Unions.
- 2.3.7 **Doing Things Differently** incorporated a number of individual savings proposals, some of which began to introduce the concept of changing the Council's relationship with its citizens. This entails encouraging those who are able to, to do more for themselves so that the Council can focus its scarce resources on the most vulnerable citizens. In order to direct services to those in most need the Council, at a time of great financial pressure, will continue to engage in a conversation with the people of Coventry in order to manage down the demand for services. To achieve this, the Council will gain greater understanding of its communities and insight into what the different needs are across the city. This will put it in a stronger position to roll out new service delivery models and options for delivering service outcomes including co-designed services, social and mutual enterprises and Coventry citizens playing a greater role in the future of the City. In addition, the Council will engage in new ways of working across the City embracing digital platforms to reach new sections of the community.

- 2.3.8 The development of the **West Midlands Combined Authority** provides both the City and the region with a significant opportunity to secure greater devolved powers and resources, and create a structure that can help facilitate economic growth across the region and improve the degree of integration in other areas, specifically transport in the first instance.
- 2.3.9 Although the introduction of the cost cap under the Care Act has been postponed until 2020, a number of changes have now been implemented within care services. In particular, the Council will work co-operatively with the local (Coventry and Rugby) Clinical Commissioning Group, with the intention of improving personalised care for those in need. The integration of services and the pooling of resources within the Better Care Fund support this drive to improved services. However, the demand and associated cost pressures remain.
- 2.3.10 The Council continues to work with partner organisations to invest in the regeneration of the City and lead a drive for economic growth. Projects such as the Cathedral Lanes redevelopment and FARGO have been supported through the Coventry Investment Fund (CIF). The fund, has made available up to £50m to maximise business related capital investment and support growth initiatives. The CIF builds on the success of other externally funded programmes such as the Regional Growth Fund, Growing Places and the City Deal initiative, complementing existing funding streams and meeting the gap not addressed by these funds.
- 2.3.11 The Council will continue to consider the timing and options to proceed with plans for the City Centre South project, designed to regenerate a significant part of the city centre. The progression of the City Centre Leisure facility, further city centre Public Realm works and Friargate will complement any future City Centre South project, which will only go forward on the basis an improved retail offer based on a sustainable financial model.
- 2.3.12 On a case by case basis the Council will provide commercial loan finance to key organisations, such as Coombe Abbey Hotel, to give opportunities for important local businesses to develop and flourish. The starting point for this type of arrangement is that it will be no worse than cost neutral to the Council and that it will support the regeneration of the city and/or that it will protect the Council's financial or strategic interests.
- 2.3.13 Through the Local Plan the Council will work with its neighbours to secure the most appropriate and sustainable locations for housing growth across the housing market area. In order to facilitate the growth in the local population and housing stock, work will continue to invest in the city's highways network and local transport infrastructure which will help to ensure that Coventry both is, and is perceived to be, open for business. Investment will also continue in the making Coventry an attractive place to live and work, with further works on the city's public realm and local leisure facilities for instance. The Council will take advantage of opportunities offered by the Community Infrastructure Levy, chargeable on new developments, to support improvements in infrastructure to support growth within the city.
- 2.3.14 The 2015/16 approved capital programme includes £11m of funding from revenue resources of which over £6m is on-going. The need to identify one-off revenue resources to help support balancing the revenue budget has led to consideration of whether this approach remains appropriate or whether use of Prudential Borrowing could be used as an alternative. This would free up revenue, allowing resources to be directed towards making the savings required within the medium term revenue programme. The use of Prudential Borrowing would spread the cost impact over a number of years, better matching the period over which the capital assets are used. However, higher Prudential Borrowing would increase the Council's debt and the cost of interest over the longer term.

The Council's approach will be to continue to fund on-going programmes of capital spend in the areas of highways, property and ICT from on-going revenue sources. However, it will seek to minimise any further revenue funding of capital, in particular where the capital expenditure is of a one-off nature.

2.3.15 The Council funds its capital borrowing repayments by making an annual Minimum Revenue Provision (MRP) charge to revenue, in line with its MRP policy. The underlying requirement is that MRP should be at a prudent level. In the light of severe financial pressures many authorities are rescheduling MRP in order to reduce the short term revenue burden, but in a way that is prudent given the long term nature of local authority debt and assets. The Council will consider its MRP policy in order to ensure that it is both prudent and affordable. Any proposed changes to the policy, together with associated savings, will be brought forward for approval within the Budget Setting report.

2.3.16 The Council will continue to drive towards **Income Maximisation** through a number of routes:

- maintaining the Council's default position that **fees and charges** should increase annually in line with inflation;
- **generating capital receipts** where there is a clear business case for doing so by disposing of property and thereby providing funds for capital reinvestment in services, driving growth or making savings through the repayment of debt.

2.3.17 The Council is obliged to work towards ensuring that 100% of its pension liabilities within the West Midlands Pension Fund are funded. The current level of funding is at or around 70%. In the light of this the Council's contributions to the pension fund, in particular in relation to the costs of past service, are planned to increase very significantly up to 2016/17 and this increased cost is included within the Council's financial plans. The period from 2017/18 may see further pressure to increase contributions as a result of the forthcoming triennial review. The Council will work with the West Midlands Pension Fund to agree employer pension contributions that strike a balance between increasing the funding level over the long-term and being sustainable and affordable in relation to the Council's overall financial position.

2.3.18 Local authorities continue to be responsible for setting levels of **Council Tax Support**, but with a 10% reduction in resources. The financial risk therefore remains with local government. A public consultation exercise has just concluded on Council proposals to reduce the level of support and the results of this will be reflected in the Council Tax Support policy due to be approved by Council in January 2016.

2.4 Strategic Finance Management Framework

2.4.1 The Strategic Financial Management Framework encompasses the Council's strategic financial management processes and also the key financial assumptions on which the MTFS rests.

2.4.2 The **financial management processes** that underpin the MTFS are:-

- A corporate planning and monitoring process that considers capital and revenue together;
- Overall direction undertaken by Strategic Management Board (SMB);
- A framework founded on delegation and clear accountability, with budgets managed by the designated budget holder, reported through Directorate Management Teams, SMB, Cabinet and Audit and Procurement Committee;

- A drive to identify efficiencies and achievable savings to enable the Council to optimise delivery of its policy priorities
- Strong project management approaches, including a specific focus on cost control;
- The establishment of a balanced revenue budget and capital programme over the medium term planning period.
- The **management of reserves** in a way that supports the MTFS and the Council's priorities. In particular, the City Council's approach is based on:
 - A policy that reserves are not to be used to: (i) meet on-going expenditure or (ii) fund capital expenditure other than for mostly short life asset rolling programmes or in exceptional circumstances, for capital schemes of major importance;
 - The classification of reserves as a corporate resource, with Cabinet via Strategic Management Board considering the application of budgeted amounts unspent at year end;
 - Holding reserves for a clearly identifiable purpose. This will include protecting against known or potential liabilities, at a minimum level consistent with adequate coverage of those liabilities, taking into account the overall level of risk faced by an organisation of the City Council's size.

2.4.3 The key financial or technical assumptions that underpin the MTFS are:

- The Council will plan for Government grant settlements based on estimates informed by the outcome of the Government's July 2015 Spending Review and the local government sector's interpretations of the impact of this. Significant uncertainty remains about what this will mean in any great detail but it is clear that the Council will need to plan based on a continued downward trajectory of Government resources with a planning assumption of on-going reductions of c10%;
- As a technical assumption, Council Tax increases of just under 2% per annum will be built into the MTFS. This will be subject to political debate and decision as well as any changes in the Government's capping criteria and interaction with Council Tax Freeze Grant proposals;
- 1%pa pay awards will be assumed until 2019/20 in line with indicative Government announcements. Subsequent to its initial announcement of the 1% level the Government has indicated that it expects this to be the average rate of increase, with particular pay settlements potentially being either above or below this. This will be kept under close review;
- Business Rate income will be assumed to be inflated broadly in line with recent CPI inflation levels but flexed each year where shorter term inflation expectations dictate. In addition, the Council's local share of Business Rate growth has been built in equivalent to £1m in 2016/17. Further increases in future years will be subject to review during the Budget Setting process;
- Planning on the basis of the underlying Council Tax-Base growing at 0.6% per annum in line with historical trends but flexed each year where shorter term expectations dictate;
- The budget for the Council's Asset Management Revenue Account has been reviewed in detail, and this can allow resources to be released. This review has been based on a number of assumptions including: no new borrowing in the next 4 years, with cash needs being met from existing cash balances; capital expenditure being resourced from prudential borrowing consistent with that set out in the capital programme; and a gradual rise in interest rates over the planning period;

- Forward financial estimates will be guided by existing CPI inflation levels in line with practice adopted across a broad range of public sector areas. This will provide the financial planning benchmark for increases in fees and charges and any areas of expenditure subject to specific inflation requirements. Actual increases in fees and charges will depend upon local factors such as the need to generate sufficient income to meet the cost of trading services. The majority of non-employee based expenditure budgets will not be inflated – the assumption will be that continued procurement and commissioning work plus underlying efficiency savings and downsizing will deliver savings equivalent to the cost of inflation. A number of areas subject to external contracts are more likely to reflect inflation patterns dictated by pay inflation and this expectation will be built into Council budgets in the affected areas.
- The Council's Minimum Revenue Provision (MRP) policy will be based on an approach that is both prudent and affordable in a way that reflects the long term nature of local authority debt and assets.

3. Results of consultation undertaken

- 3.1 No consultation has been undertaken as part of the MTFs. The implementation of the Strategy through Budget Setting and other individual projects, programmes and initiatives will be accompanied by specific consultations as appropriate.

4. Timetable for implementing this decision

- 4.1 The MTFs will underpin the proposals and approaches that will be set out in the forthcoming Pre-Budget Report and will be implemented in parallel to the proposals for setting the 2016/17 Budget.

5. Comments from the Executive Director of Resources

5.1 Financial implications

The main body of this report is concerned wholly with financial matters. It is important that the assumptions and principles detailed in the Strategy are adopted in order for the City Council to be able to deliver balanced budgets over the medium term.

Taking into account both the strategic policy and financial management assumptions set out in the report, some revisions to the base position that have emerged since February and some initial estimates of savings that may derive from the strategies outlined in the report, a revised projected gap will be set out in the forthcoming Pre-Budget Report.

Moving into the 2016/17 Budget Setting process there is still a forecast gap rising to £28m in 2018/19 which is expected to rise in the years beyond that. Coventry faces the challenges and major policy choices faced by many other authorities in recent years. Specifically, the Council will need to decide which areas of service are open to review and which are to be outside of scope for savings. The greater the number of areas that are outside the scope for savings, the greater will be the impact on the remaining services. However, the size of the gap makes it inevitable that areas not previously considered will now need to be reviewed and some services will be delivered differently or quite possibly not at all.

5.2 Legal implications

The proposals in this report provide the foundations to allow the Council to meet its statutory obligations in relation to setting a balanced budget by mid-March each year, in accordance with Section 32 of the Local Government Finance Act 1992 and section 25 of the Local Government Act 2003.

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The Council will be faced with increasingly challenging resource constraints over the remainder of this decade. Over time the initial focus to identify savings options that are intended to have as little adverse impact as possible on services to the people of Coventry will inevitably give way in the future to service changes that will have a more marked effect on front-line services. Within these very difficult circumstances, the MTFs is closely aligned to the Council Plan priorities that are so critical to ensuring the city's success.

6.2 How is risk being managed?

Inability to deliver a balanced budget is one of the Council's key corporate risks. The proposals within this report are aimed at mitigating this risk by providing a robust platform from which to deliver balanced budgets. The Council's process for addressing risk is being reviewed currently.

6.3 What is the impact on the organisation?

The Council will need to make some decisions about which are its core priorities and which services it considers that it can no longer afford. It will also need to become more flexible about the mechanisms through which it delivers its services. In addition, the Council continues to use Early Retirement/Voluntary Redundancy opportunities as the key mechanism by which it is able to reduce staffing levels across the Council. It is anticipated that this mechanism will continue to be used and that the Council will continue to reduce employee numbers over the course of the Strategy.

6.4 Equalities / EIA

Equality impacts that flow from proposals within the Council's budget will be subject to assessment prior to the relevant decisions being taken. The forthcoming Pre-Budget Report will provide a further indication of how any equality issues will be managed.

6.5 Implications for (or impact on) the environment

No specific impact

6.6 Implications for partner organisations?

The Council's financial plans will have a significant impact upon the way in which it works with its partners over the coming years. The implications of these changes will become clear as individual changes are identified.

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Coventry City Council

Briefing note

To: Finance and Corporate Services Scrutiny Board (1)

Date: 11 November 2015

Subject: Public Consultation – Local Council Tax Support Scheme

1 Purpose of the Note

- 1.1 To provide Finance and Corporate Services Scrutiny Board with the additional information they requested on the likely impact on residents of the proposed changes to the Local Council Tax Support Scheme.

2 Recommendations

- 2.1 That Finance and Corporate Services Scrutiny Board consider the attached documents and make any comments to the Cabinet Member – Strategic Finance and Resources.

3 Information/Background

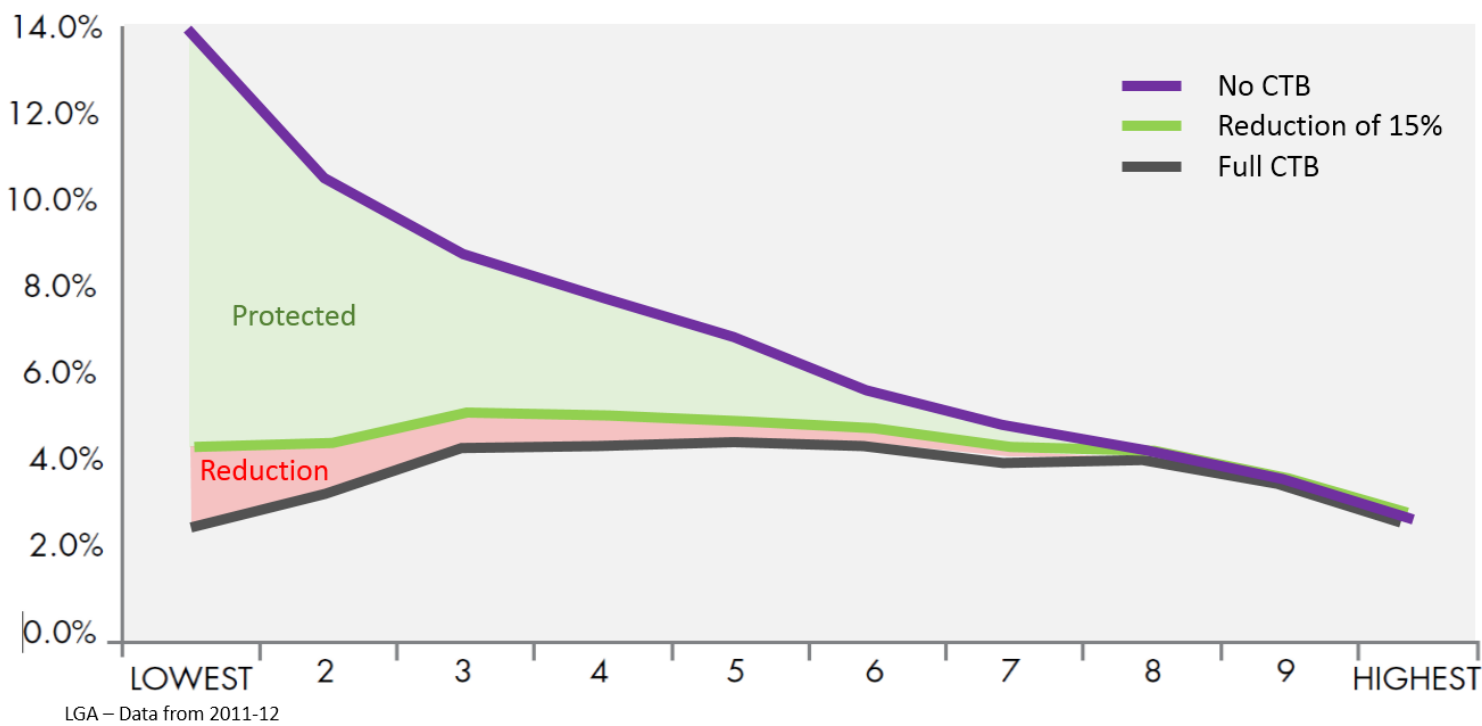
- 3.1 At their meeting on 2 September 2015, the Board considered the above item. However, Members requested additional information on the likely implications for those affected by the proposed changes before responding to the consultation.

This information is provided in the attached appendixes.

- a) Council Tax Support and Welfare Reform Factsheet
- b) Council tax support consultation – summary of responses
- c) Council Tax – enforcement policy from April 2016, and discretionary relief

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Council tax as a proportion of net household income after housing costs by income decile



120 homes with their benefit capped at £26,000 will see an average £2.89 a week reduction in their Council Tax Benefit (£150.28 a year)



2,035 under-occupied homes will see an average £2.61 a week reduction in their Council Tax Benefit (£135.72 a year)

Source: CCC September 2015

Impact of welfare reform on residents who are likely to claim Council Tax Benefit

Other Housing Benefit Changes

- 8,668 households**
LHA room rate change - £120 and £360 reduction a year
- 21 households**
Four bedroom cap - £947 reduction a year
- 219 households**
Abolishing the £15 excess - £780 reduction a year
- 698 households**
Extension of the shared room rate (under 35) - £1,392 reduction a year

DWP changes

- 3,528 people**
Estimated impact of Incapacity Benefit changes - £1,543 reduction a year
- 9,600 people**
Estimated impact of Employment and Support Allowance changes - £1,479 reduction a year
- 2,948 people**
Estimated impact of Disability Living Allowance changes - £3,640 reduction a year

Source: CCC estimates

Other Changes

- 1,900 households**
Non-dependant deductions - £1,121 reduction a year
- 28,500 households**
Tax credit - £812 reduction a year

Source: Sheffield Hallam

Total estimated loss

- £2.6 million**
Localisation of Council Tax Benefits
- £112 million**
Total estimated impact of pre-2015 cuts

Source: Sheffield Hallam

July 2015 Budget changes linked to those claiming CTB

- £26,000 to £20,000**
Further benefit cap reduction
- 18-21 years olds**
Housing benefit not paid automatically and a youth obligation that they 'earn or learn'

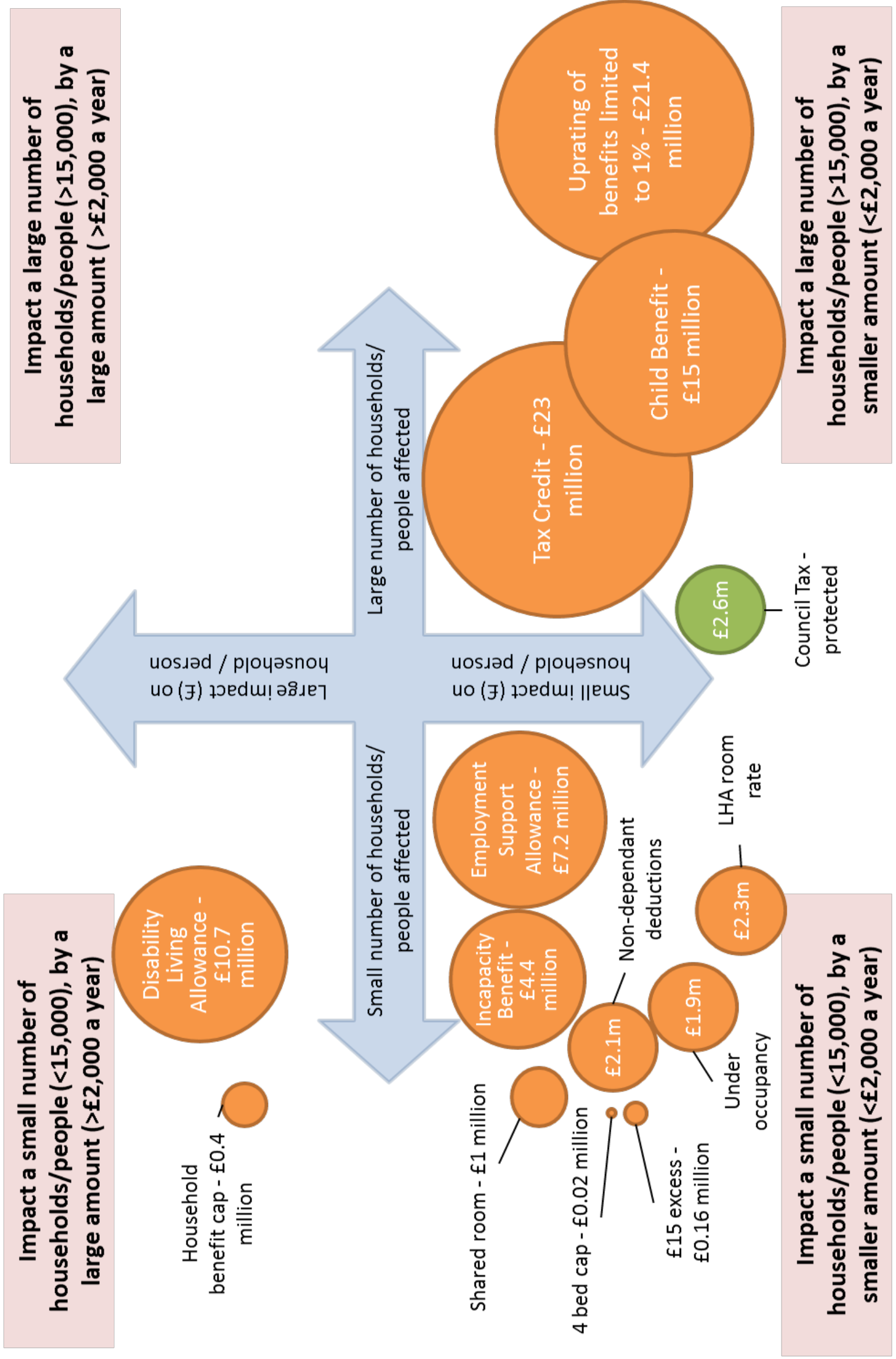
3,160 work-related ESA claimants
ESA claimants on work-related activity aligned with JSA rate - noted to be a 30% cut

Changes to Tax Credits
27,800 families in Coventry receiving an average £6,622 in CTC and WTC - IFS estimate the loss to be £1,000 a year to working people

Frozen
All working age benefits frozen

The Impact of Welfare Reform on Coventry

Note: size of the circle represents the impact on the economy





Coventry City Council

Briefing note

Revenues and Benefits Resources

To: Scrutiny Board 1

Date: 30 October 2015

From

Tim Savill

Telephone 02476 832607

Tim.savill@coventry.gov.uk

Subject: Council tax support consultation –
Summary of responses

Background

At the Scrutiny Board 1 meeting on 2 September 2015, members requested officers to:

- provide a further report at the next meeting before a decision is made to respond to the consultation, to include more details on the Equality Impact Assessment and likely implications for those affected.

A separate paper has been prepared on the wider impact of other welfare reforms (existing and future changes). This paper deals with the initial feedback from the council tax support consultation exercise.

The consultation explained the need to raise additional funds through a change to the council tax support scheme. This is a result of the many financial challenges facing the Council. The consultation explained some of the options considered, and the reasons for the preferred option of a 15% minimum contribution (to council tax) from all people across the City.

Council tax support consultation

The Council conducted a wide reaching public consultation on the proposed changes to the Councils' Council Tax Support Scheme. The consultation ran for 10 weeks, from 17th August 2015 to 26th October 2015. Members of the public could complete an on-line survey, request a hard copy of the survey, be assisted to complete the survey by telephone, or attend 'pop up shops' around the city where their views could be recorded.

Extensive efforts were made to promote the consultation. The Council sent individual letters to 20,331 working age people who are currently receiving help through the Council Tax Support Scheme. The letters informed them of the proposed changes and how they could take part in the consultation process. The consultation was also advertised on the Council's website, on social media, (twitter and facebook), in the local press, the INSITE publication and through posters and leaflets distributed in the City.

Two stakeholder events were held, where advice and support agencies, social landlords and other interested groups were invited to share their thoughts and feedback on the proposals.

Summary of Findings

A total of 421 surveys were submitted. The majority of respondents who completed the survey (400 individuals, 96.15 %) said they were responding as residents of Coventry. 14 responses, 3.37% selected 'other', including:

- Citizens Advice Bureau
- LA Employee / Welfare Benefits Advisor
- An individual who works in the city of Coventry, for an organisation which received part-funding from the City Council
- Relative of disabled resident
- Coventry Jesus Centre
- WM Housing
- Coventry Independent Advice Service

Nearly all the respondents were of working age with a gender balance of around 50/50. Just under a half of those that responded (45%) live in the lowest Council Tax Band, Band A. 8% live in Band E or above. Over half of the respondents (53%) currently receive full Council Tax Support, about 20% receiving a partial award. 24.5% do not receive any support. Of those who responded to the relevant questions, people identified themselves as:

- 28% disabled;
- 48% unemployed (although many people did not answer this question);
- 16% lone parents; and
- 21% with children.

The consultation only finished on 26th October, so there has been limited time for analysis. In terms of the feedback to our survey, the main responses are around:

- Affordability – over 150 people were concerned about their ability to pay the 15% contribution (around £2.50 to £3 per week).
- Impact on different groups of people – there was no clear view that the change would impact on one group more than another. However, the greatest concerns came from the potential impact on disabled people.
- There was a range of views about how to lessen the impact for people. Views included; a phased approach to reducing support, financial advice, charging additional council tax (to landlords of student properties) and wanting those with an ability to pay more – to pay more.
- Alternative suggestions (to the cut in support) included: reducing other council spending, a general objection to the cut in support, asking some people to pay more – as well as some people in agreement with the proposal.

Next steps

Full analysis of all the consultation responses (including the survey, stakeholder workshops and pop-up shops) will now take place and be included in the report to Cabinet and Council in January 2016.

Tim Savill, Head of Revenues and Benefits
30 October 2015



Coventry City Council

Briefing note

Date: 29 October 2015

To: Scrutiny Board 1

From: Tim Savill – Head of Revenues and Benefits

Subject: Council Tax – enforcement policy from April 2016, and discretionary relief

1 Purpose of the note is to:

1. Outline options for enforcing debts that may arise as a result of proposed reductions in council tax support from April 2016;
2. Outline the proposed content of a new discretionary council tax relief policy.

2 Background

The Council is consulting on proposals to reduce council tax support from April 2016. The proposed 15 per cent reduction would result in an average bill of approximately £150 per annum for people currently in receipt of full support (single people would receive a 25% reduction on this figure). Up to 20,000 people have therefore previously paid little or no council tax before. In considering the approach to collecting council tax from these people, the Council needs to consider a:

- proportionate approach – relative to the size of the debt;
- sympathetic approach – where people are vulnerable with difficult financial circumstances; and
- fair system – where all people across the City are dealt with equally in relation to their personal circumstances.

3 Current approach to deal with non-payment

If the Council decides to implement the proposed reduction we need to consider what enforcement action to take against people affected in the event that they fail to pay.

The current process is:

- A reminder letter is sent after 14 days.
- If no payment is made a court summons is issued after a further 14 days – at this point £81 costs are applied.

- The account is passed to an enforcement agent – a £75 fee is incurred (with additional costs potentially rising by a further £235).

If the Enforcement Agent cannot collect the debt the Council will consider committal action for any debt over £750 – at this point the Enforcement Agent fees of £310 are removed but the Council would claim costs for the Committal of £305.

4 Options

As part of the consultation the Council held a specific stakeholder engagement session to discuss enforcement options from April 2016. The session was attended by Coventry Law Centre and Coventry CAB.

It is important to note, that experience in other councils shows that most people (around 70%) are likely to comply with the new arrangements and pay their council tax in year. An eventual collection rate of around 90% is expected. Hence, the options considered are for a relatively small number of cases (but still possibly in the region of up to 6,000 per annum).

Some of the options considered for these debts (discussed at our meeting and being used by other authorities) include:

- **12 month grace period** – we could choose not take any enforcement action against CTS cases in the first 12 months of the scheme.

Whilst it would be possible to do, we need to consider how we deal with outstanding balances. We could either leave them to accumulate and consider enforcement action in the future as the debt rises year on year or we could write off the debt. Writing off the debt could encourage more people to avoid paying as it becomes clear that the Council will not take enforcement action – it also runs the risk of a two-tiered approach to collection. Many other people face difficulties paying their council tax.

- **Withdrawing costs** – we could agree to withdraw £81 court costs in certain CTS cases providing a payment arrangement was set up.

This would still enable the Council to take enforcement action (for example, an attachment of benefit).

- **Write off year end balances** – if people do make payments or we attached their benefit but at year end the payments have not covered the full charge then we could consider writing off any residual balances so they start the new council tax year without any legacy debt.

This would mean treating people on CTS differently to other non-payers.

- **Treat as a sundry debt** – some Enforcement companies will treat small balance accounts as sundry debts and therefore not apply the statutory charges normally incurred by council tax debts. This would avoid the customer incurring charges of

£75 rising to £310.

This would prevent the Council taking any further enforcement action on these debts. It is very likely that the debt would remain unpaid.

- **Compliance stage only** – there are two stages to the enforcement agent process – compliance stage incurs a £75 charge and Enforcement stage incurs a £235 charge. We could instruct enforcement agents not to progress to Enforcement stage on any CTS case.

As above this would prevent the Council taking any further enforcement action.

- **Hardship fund** – Some Councils have set up a specific hardship fund for people impacted by CTS reductions. The Council would need to ring-fence a budget to help those most severely impacted by the reduction.

This would add another layer of administration which depending on the level of demand may require additional resource. We would need to conduct financial assessments of people's income and expenditure to determine whether they would qualify. Many authorities who have implemented such funds have spent very little against the budget as they have set stringent qualifying criteria.

5 Discretionary Relief Policy

By way of further mitigation against the possible impact of a reduction in CTS, the Council will establish a formal section 13a discretionary relief policy.

Section 13A (1) (c) of the Local Government Finance Act 1992 gives billing authorities the power to award discretionary relief in appropriate cases. The draft policy attached details the circumstances in which the council would consider requests for discretionary relief. This policy would act as a safety net for people facing extreme financial hardship and could help to mitigate the most extreme impacts of any reduction in CTS. Again, the service would need to ring-fence some budget for this fund. Unlike a hardship fund, the Council is required to have a discretionary relief policy which would, in the most exceptional circumstances, enable us to assist people in extreme hardship but without creating a new layer of administration.

6 Political approval

The inception of a new discretionary relief policy is considered a key decision. If agreed, it is proposed that we include the new policy, along with any changes to enforcement measures, in the report which will go to Council to approve a CTS scheme from April 2016.

Tim Savill
Head of Revenues and Benefits

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Coventry City Council

Briefing note

To **Finance and Corporate Services Scrutiny Board 1**

Date 11th November

Subject **Treasury Management**

1 Purpose of the Note

- 1.1 This item has been included on the Scrutiny Board work programme with the aim of looking at the Council's treasury management activity including cash balances and approaches to borrowing.

2 Recommendations

- 2.1 Scrutiny Board 1 is requested to consider the contents of the note.

3 Information/Background

- 3.1 This note gives an outline of the Council's Treasury Management (TM) activity which the Council undertakes as a fundamental part of its financial activities. TM activity involves managing the Council's cash-flow, ensuring that it has sufficient cash to fund its expenditure. This is achieved through a combination of borrowing and investing. In recent years, the Council's activity has been confined largely to long-term borrowing and short-term investments.

Long-Term Activity – Borrowing

- 3.2 Long-Term borrowing is undertaken to ensure that the Council can finance its capital expenditure and is dictated largely by the extent to which it needs to borrow to do this. The Council's underlying need to borrow is calculated after taking into account other resources available to fund the Capital Programme (for example, capital receipts).
- 3.3 The Council's borrowing requirement at 31st March 2015 was £292m, made up from the following sources:

| Source of Borrowing | £m |
|-------------------------|-----|
| Public Works Loan Board | 221 |
| Market Loans | 59 |
| Stock Issue | 12 |

| | |
|--------------|------------|
| Total | 292 |
|--------------|------------|

- 3.4 The Public Works Loan Board (**PWLB**) is an agency of HM Treasury. The PWLB's function is to lend money to local authorities. The Council has a portfolio of loans that have been taken out over a number of years and are made on fixed rates. The average interest rate of these loans is 4.65% and the average duration until they need to be repaid is 27 years. If the Council were to repay any of these loans early in an effort to replace them with loans at lower rates it would be required to pay a premium. It is very rare for this premium to be sufficiently low to make early repayment worthwhile.
- 3.5 The Council's market loans have been taken out with banks and other financial institutions. The majority of these (£58m) are Lender Option, Borrower Option (LOBO) loans. LOBOs are a form of borrowing for which the lender has options to change the interest rate or to call-in the loans at specific points during the loan-term. These loans have a final maturity period (assuming no call-in) of between 39 and 62 years. There are three loan tranches operating at interest rates of between 3.90% and 4.75%. Some media reports this year have questioned whether these loans represent good value for money for local authorities. However, Coventry's interest rates are very much "in the pack" compared with the Council's other long-term loans and represent what we would consider to be reasonable rates in the context of local authority long-term borrowing. If any of the LOBOs were called by the lenders or if a higher rate was set by the banks, the Council could replace them with borrowing at broadly equivalent rates, potentially on the beneficial side depending on the term and the individual LOBO.
- 3.6 The Council's remaining £12m stock issue has a further 10 years to run and has an interest rate of 8.25% although it is important to consider this in the context of the prevailing interest environment. When the stock issue was taken out it was at a time when interest rates, including PWLB were much higher than they are now. The loan stock would have been taken out at a rate that was consistent with other rates available. A further factor was that Council borrowing was subject to more restrictions at that time and there were PWLB lending quotas for instance. This borrowing can sometimes be re-financed when market circumstances and those of the lender are favourable and this is reviewed periodically basis.
- 3.7 In recent years the Council has undertaken very little short-term borrowing. This occurs only when the Council has a very short-term cash-flow issue. The pattern of the Council's receipts and income (e.g. grant income) compared with its spending patterns (e.g. capital spending) has meant that it has been cash-rich over recent years, thus avoiding the need to borrow. This cash-rich position applies solely to the Council's treasury position, not its ability to fund its long-term budget.

Short-Term Activity - Investment

- 3.8 The Council undertakes temporary investment on a regular basis. Investments are made in line with the Council's Lending List – a list of those banking and government institutions that the Council's Investment Strategy allows us to invest cash balances with. The list is maintained in line with advice provided by our Treasury Management advisors (Arlingclose) which bases its judgement on information from credit rating agencies. This area of activity is monitored on a regular bases by the Audit and Procurement Committee.

3.9 The level of investment balances reported to the Audit & Procurement Committee in August stood at £150.7m. The breakdown of these balances is shown below.

| | £m |
|--------------------------|--------------|
| Bank Deposits | 80.9 |
| Local Authority Deposits | 0.0 |
| Money Market Funds | 24.3 |
| Long Term Investments | 23.7 |
| Corporate Bonds | 21.8 |
| Total | 150.7 |

3.10 Further description of the types of investment are provided below.

Bank deposits include: Temporary Loan Out (Deposit) – These are investments with a counterparty where the start date, maturity date, principal & interest rate is all agreed in advance and cannot be changed until maturity; Temporary Loan Out (Call Deposits) – These are investments with banks whereby the money is held by the bank for an indefinite amount of time until the Council chooses to have the money back with different accounts operating different notice periods, the longer the notice period, the higher the interest rate; Certificate of Deposit – These are similar investments to Temporary Loan Out (Deposits). However, there is a secondary market for them, meaning they can be sold before the maturity date for a profit or loss. This makes them more liquid.

Local Authority Deposits are investments between Councils where the start date, maturity rate, principal and interest rates are all agreed in advance.

Money Market Fund (MMF) Deposits – Funds whereby the authorities money is managed by an external fund manager. The Council invests in the fund along with several other organisations and money is pooled together & invested in a number of different counterparties. As the investments made by the fund manager vary daily, the rate of interest fluctuates daily. Money can be paid into and withdrawn instantly from these accounts & so they are used to manage the Council's day to day cash-flow.

Long-Term Investments include: Collective Investment Funds – Similar to MMF Deposits, these are investments whereby we give our money to a fund manager and they pool our money with other organisations to make investments on our behalf. The rate of interest is higher on these and tends to fluctuate more. As such these need to be viewed as long term investments in order to smooth out peaks & troughs, even though the Council can withdraw from these accounts with only a week's notice if required; Investment in a property portfolio - The rate of return tends to be higher on these investments but tend to fluctuate more and as such need to be viewed as long term investments in order to smooth out peaks and troughs. The Council can withdraw from these accounts at short notice if required.

Fixed (Corporate) Bonds – These are similar to Certificates of deposit in that maturity date and interest rates are agreed in advance & there is a secondary market to sell them if

required. However, whereas Certificates of Deposits are with banks, Fixed Bonds can be taken out with banks and private companies.

Paul Jennings, Resources Directorate
02476 833753



Coventry City Council

Briefing note

To **Finance and Corporate Services Scrutiny Board 1**

Date 11th November

Subject **Capital Programme Funding**

1 Purpose of the Note

- 1.1 This item has been included on the Scrutiny Board work programme with the aim of looking at how the Capital Programme is funded with specific attention on revenue funding within the Programme and the interaction between different funding streams.

2 Recommendations

- 2.1 Scrutiny Board 1 is requested to consider the contents of the note.

3 Information/Background

- 3.1 This note gives an outline of funding of the Council's 2016/17 approved Capital Programme. The types of funding are summarised below.

| Funding | 2015/16 £m |
|------------------------|-----------------------|
| Prudential Borrowing | 42.6 |
| Grants & Contributions | 62.7 |
| Capital Receipts | 1.1 |
| Revenue Contributions | 11.3 |
| Leasing | 0.2 |
| Total | 117.8 |

The largest element of the funding is derived from grants and contributions including European funded spend in relation to the Friargate Bridgedeck and city centre Public Realm works.

3.3 The revenue funding of £11m included within the programme incorporates £7m of funding from on-going revenue budgets with a further £2m one-off funding each for the Customer Service Centre and new city centre leisure facility. A broad breakdown of this for 2015/16 is shown below.

| | £m |
|------------------------------|------|
| Highways | 3.0 |
| Property | 2.8 |
| ICT | 1.3 |
| Customer Service Centre | 2.0 |
| City Centre Leisure Facility | 2.2 |
| Total | 11.3 |

3.4 An issue raised previously has related to whether the Council should fund these costs from capital resources and free up the revenue resourcing to support the Council’s revenue budget, either by reducing the need to make savings or by directing resources towards spending priorities. It is important to recognise that the Council does not have significant amounts of capital resources with which to replace revenue. Although the Council has used capital receipts for this purpose in the past, these are limited and the Council is already incorporating a range of capital receipts into the financial models for delivering the Property FSR and Friargate project. Other assets that the Council owns in the form of heritage assets, come with their own complications in terms of the impact of how their sale might be viewed by external agencies and whether the Council should continue to receive external arts grant funding.

3.5 The only other real alternative for funding capital is prudential borrowing which will result in interest costs being charged to revenue. If we were simply to borrow to fund the on-going elements of the revenue funded programme the annual borrowing costs would exceed the current annual revenue cost over the lifetime of the assets created as a result of interest costs incurred over and above the capital expenditure/repayment cost.

3.6 In general there is an argument for saying that the Council should not use revenue resources to fund capital expenditure. However, there are exceptions to this, such as:

- Where there are rolling programmes of expenditure that result mostly in short life assets – any borrowing to fund such assets would involve a build-up of debt for the City Council.
- Where there are opportunistic circumstances that arise, in particular where these require a funding solution to be identified quickly, for instance the new Customer Service Centre.

3.7 However, the starting position should be one of trying to maximise the degree to which capital spend is financed by capital resources. There are ways in which the Council can start to look at this. For instance, it may be possible to identify any specific instances where

projects offer a business case that justifies a prudential borrowing approach – in the current programme the Customer Service Centre provides such a case because it is part of an approach that will deliver long-term savings to the Council. Also, there may be some areas where a technical switch can be engineered to deliver an approach which enables better value for money to be achieved.

- 3.8 Recent discussions have been held resulting in a proposal to explore individual opportunities to use borrowing instead of revenue funding for one-off capital spend. This can happen in occasional circumstances for example in funding some schools based expenditure, where revenue funding has previously been set aside. If the Council were to take out long-term borrowing instead of revenue, this would allow the use of the revenue to offset ER/VR costs. This can be demonstrated to be a cost effective use of resources through the creation of long-term savings for the Council through reduced employee costs. It has been concluded that the Executive Director of Resources should use this mechanism as part of the financial outturn process, where a financial case exists to justify it. In addition, at this stage it is also proposed that the £2m revenue funding for the new Customer Centre should be replaced by borrowing and the revenue added to the ER/VR reserve.

Paul Jennings
Resources Directorate
02476 833753

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Briefing Paper

Name of Cabinet Member: Cllr J Mutton – Chair of Scrutiny Board 1

From: Director of Public Health & Director of Finance

Ward(s) affected: ALL

Title: Briefing Paper on the Public Health Ringfenced Grant

Transfer from the Primary Care Trust

In 2010 a series of White Papers were published regarding the future of Public Health services and proposing the transfer from the NHS to Local Authorities from April 2013. Over the two years prior to the transition a robust national assurance process was implemented, and in line with this, a number of financial returns based on expenditure within the NHS were submitted to the Department of Health. These returns were used to determine the ringfenced budget allocation from April 2013.

PCT budgets were incredibly complex and it was not an easy task to split out all public health expenditure, as some services and elements were embedded within other contract costs and it was therefore difficult to apportion costs. Only PCT expenditure could be accounted for in the returns, therefore, any public health services which were funded via Coventry Health Improvement Programme (CHIP) were excluded e.g Breastfeeding services.

Significant work was undertaken between Public Health and Council finance officers prior to the transfer to ensure that all costs were captured and that there was a robust understanding of public health expenditure and budgets. Prior to transfer, the Council also submitted a return providing assurance of the work that had been undertaken by the NHS and to confirm that they were supportive of the financial information that had been submitted to the Department of Health.

Quantum of transfer and how it matched liabilities

The City Council's first Public Health allocation (ringfenced grant), was announced on 10 January 2013. The grant is based on a formula which reflects deprivation, health need and key risk factors including obesity, alcohol usage, physical activity, smoking and sexually transmitted infections.

The allocation for 2013-14 was £17,832,000, which was a 10% increase from the baseline figures due to Coventry being 22% below the target figures based on the formula. The allocation for 2014-15 also rose by 10% and was £19,615,000. The increases in the allocation reflect the historical low levels of expenditure on public health locally and also the poor health status and health inequalities in the city which is reflected in poor performance, compared to other areas, in the Public Health Outcomes Framework.

The allocation for 2015/16 decreased by £200,000 and is £19,414,800. The reduction is due to a national adjustment (agreed locally), following agreement to transfer responsibility for the commissioning of TB services from the Local Authority to the Clinical Commissioning Group.

Overall, since 2013/14 there has been a 20% increase in public health funding for Coventry (compared to the initial baseline), and there are no concerns regarding the grant being able to meet the liabilities that were transferred over from the NHS. The additional funding has allowed the City Council to continue to deliver unfunded public health activity such as the CHIP programme.

Following transition, a number of issues were identified locally in relation to services having been transferred incorrectly to organisations and funding not being aligned correctly. Where possible, pragmatic local agreements have been made between organisations to ensure that responsibilities are correctly aligned going forwards. The transfer of responsibility of TB services is an example.

In October 2015, the responsibility for 0-5 public health commissioning will transfer to the Local Authority from NHS England. It has recently been announced that a further £2.8m (part year) will transfer during 2015/16 to support this work. Significant work has been undertaken during 2014/15 to ensure that the funding for this area of work is sufficient to cover the contractual responsibilities that will novate to the Council in October. Reports regarding this issue and the potential risks involved prior to the allocation publication were submitted to the Cabinet Member for Health and Adult Social Care during the year.

National Public Health Funding

As part of the Health and Social Care Act 2012, responsibility for commissioning Public Health services was split between NHSE (previously known as the NHS National Commissioning Board) and Local Authorities. Public Health England (PHE) also provide public health services. It was acknowledged at the time that the Department of Health spent approximately £5bn on public health services. The majority of the funding was already being spent by the existing National Bodies such as the Health Protection Agency. £2bn of this transferred to Local Authorities from PCTs with the remainder funding services in PHE and NHSE. All Local Authorities received an uplift in funding between 2.8% and 10% for both 2013/14 and 2014/15.

High level funding breakdown – Coventry Public Health Grant

The table below outlines the budget allocations for 2015/16 for the ringfenced grant (£19.4m) including the additional funding for 0-5 services (£2.8m part year 2015/16) due in October 2015, giving a total budget of £22.2m. The budgets that fund mandated public health services in wholly or in part are highlighted for information.

| 2015/16 | Budget £ | |
|--|-------------------|--|
| Alcohol & Drugs | 4,701,000 | |
| Community Safety/Domestic Violence | 393,000 | |
| Health Checks | 419,000 | Statutory service |
| Smoking/Tobacco Control | 1,279,000 | |
| Obesity/Physical Activity/ Be Active Be Healthy/Health Trainers | 1,099,000 | |
| Sports Development Team | 255,000 | |
| Cycle Coventry | 54,000 | |
| Workplace Health | 91,000 | |
| Mental Wellbeing | 113,000 | |
| Infant Mortality | 74,000 | |
| Breastfeeding | 146,000 | |
| Children 5-19 | 1,884,000 | Inc National Child Measurement Programme statutory service |
| Children 0-5 | 2,807,000 | Transfer from October 2015 – statutory service |
| Sexual Health | 4,243,000 | Statutory service |
| Health Protection | 241,000 | Statutory service |
| Dental Public Health | 112,000 | |
| Public Health Staffing | 1,408,000 | |
| Public Health Non Staff Costs | 891,000 | |
| Public Health Overheads | 246,000 | |
| Insight Team | 424,000 | Inc Public Health Core Offer statutory service |
| Insight Engagement | 240,000 | Inc Public Health Core Offer statutory service |
| Insight Intelligence | 102,000 | Inc Public Health Core Offer statutory service |
| PH Savings - 2015/16 Target | 1,000,000 | |
| | | |
| Total | 22,221,800 | |

How it compares nationally and how it has increased since 2013

For 2015/16 Coventry received a public health grant of £19.4m and will receive an additional allocation of £2.8m (part year funding), from October 2015 relating to the transition of 0-5 public health commissioning (Health Visiting and Family Nurse Partnership services) from NHS England to Local Authorities.

In 2013/14 Coventry was 22% below target allocation and so was therefore given the maximum uplift in public health expenditure for 2013/14 and 2014/15 (10% each year).

Key performance indicators and how we compare nationally

Public Health England have published a Health Profile for Coventry in June 2015 which outlines the health of the Coventry population in relation to England. A copy of the profile can be found using the following link.

<http://www.apho.org.uk/resource/item.aspx?RID=171737>

In the majority of public health indicators, Coventry performs below the England average. However, when we compare the same outcomes across areas of equal deprivation to Coventry. Coventry performs well in the majority of measures.

Proposed Reduction in Public Health Budget 2015/16

In early June 2015, the Chancellor of the Exchequer, George Osborne announced a £200m “non- NHS” budget saving, which is expected to result in an approximately 7 – 7.4% cut in the national public health ringfenced grant in year. For Coventry, this would equate to approximately £1.5m. A consultation on how this cut is to be implemented has just been launched and officers are currently working on a response to the consultation and an assessment of how this reduction can be managed.

Although it is badged as a “non-NHS” saving, a significant proportion of Public Health commissioned services are undertaken by NHS providers e.g. Coventry and Warwickshire Partnership NHS Trust and therefore the proposed saving will impact significantly on the NHS, both locally and nationally.

Barry Hastie
Heather Thornton
November 2015

Finance and Corporate Services Scrutiny Board (1) Work Programme 2015/16

| |
|---|
| 1 July 2015 |
| Customer Journey 2014/15 Revenues and Capital Outturn Report |
| 2 September 2015 |
| Council tax and Housing benefit support allocation Public Consultation – Local Council Tax Support Scheme Update on Coventry Investment Fund |
| 11 November 2015 |
| Treasury Management Funding of the Capital Programme Public Health Finance Sub Regional Procurement Strategy 2015-2020 Public Consultation – Local Council Tax Support Scheme Medium Term Financial Strategy |
| 6 January 2016 |
| Customer Journey Transformation Programme Progress Report Outcome of the additional investment into Children’s Services |
| 17 February 2016 |
| Strategic Property Review Council move to Friargate |
| 2 March 2016 |
| Procurement Strategy Social Value Policy |
| 27 April 2016 |
| Capital Programme Equalities in Employment |
| Dates to be determined |
| Reserves Visit – Tour of Customer Centre prior to opening – September dates to be advised |

| Date | Title | Detail | Cabinet Member/ Lead Officer | Source | Outcomes |
|------------------|--|---|---------------------------------|--------|----------|
| 1 July 2015 | Customer Journey | Contact Centre access and performance - Residents have raised concerns that they have been unable to access the contact centre without a lengthy wait on the phone and delays in responses to emailed queries. Members want to look at the performance figures for the Contact Centre and understand how customer demand is being managed and met. | Cllr Gannon/ Lisa Commane | | |
| 1 July 2015 | 2014/15 Revenues and Capital Outturn Report | Including reserves and underspends | Cllr Gannon | | |
| 2 September 2015 | Council tax and Housing benefit support allocation | To look at how the financial support is allocated to residents in need, including the subsidy of Council Tax. This includes discretionary payments. | Cllr Gannon/ Tim Savill | | |
| 2 September 2015 | Local Council Tax Support Scheme | The Council is consulting on proposed changes to the Council Tax Support Scheme. The Board will review the proposals and make any recommendations for consideration as part of the consultation process. | Cllr Gannon/ Tim Savill | | |
| 2 September 2015 | Collection of Council Tax – payment methods and impact on collection rates | Changes have been made to the way that Council Tax payments can be made by the public. This has been raised as an issue for those in certain areas of the City and the Board would like to discuss the rationale for these changes and the impact it has had on constituents. They would also like an indication as to how these changes have impacted on collection rates. | Lisa Commane/ Tim Savill | | |

| Date | Title | Detail | Cabinet Member/ Lead Officer | Source | Outcomes |
|------------------|--|---|---|------------------|----------|
| 2 September 2015 | Update on Coventry Investment Fund | To provide an update on spending from the CIF. To include governance and reporting arrangements for companies and other bodies in which the Council has a financial interest. | Cllr Gannon/ Andy Williams/ David Cockcroft | SB1 2014/15 | |
| 11 November 2015 | Treasury Management | To look at approaches to treasury management including cash balances and approaches to borrowing | Cllr Gannon/ Barrie Hastie | Informal meeting | |
| 11 November 2015 | Funding of the Capital Programme | To look at how the Capital Programme is funded and approaches to managing existing loans. | Cllr Gannon/ Barrie Hastie | Informal meeting | |
| 11 November 2015 | Public Health Finance | The Board have requested a short briefing on Public Health finance to understand the levels of funding the area has brought with them into the Council. | Cllr Gannon/ Barrie Hastie | Informal meeting | |
| 11 November 2015 | Sub Regional Procurement Strategy 2015-2020 | To approve the Sub Regional Procurement Strategy 2015-2020. This will be going to Cabinet Member on 26.11 so any comments and recommendations can be forwarded there. | Cllr Gannon/ Liz Welton | | |
| 11 November 2015 | Public Consultation – Local Council Tax Support Scheme | For the Board to feed into the consultation on changes to the Local Council Tax Support Scheme. | Tim Savill | | |
| 11 November 2015 | Medium Term Financial Strategy | For the Scrutiny Board to comment on, and make recommendations about, the MTFS before it goes to Cabinet. | Barry Hastie/ Paul Jennings | Annual Report | |
| 6 January 2016 | Transformation Programme Progress | To review progress on targets against the Transformation Programme | Cllr Gannon / Lisa Commane | Regular Review | |

| Date | Title | Detail | Cabinet Member/ Lead Officer | Source | Outcomes |
|------------------|---|---|--|---------------------------|----------|
| | Report | reported through budget monitoring reports, including performance against targets as set out in the Council Plan 2013/14 Performance Report | | | |
| 6 January 2016 | Customer Journey | To look at the progress being made with the customer journey and customer services performance. To include whether the savings anticipated in the MTFS through the changes to customer service, through Kickstart and the Customer Journey, are on track to be achieved. | Cllr Gannon/ Lisa Commane | Informal meeting | |
| 6 January 2016 | Outcome of the additional investment into Children's Services | To consider the outcome of the additional investment into Children's Services, | Cllr Gannon/ Cllr Ruane/ Barrie Hastie | Informal meeting | |
| 17 February 2016 | Strategic Property Review | To review progress on the Strategic Property Review and to consider the property assets held by the Council. | Cllr Gannon/ Nigel Clews, Lisa Commane | SB1 07/10/14 and 03/03/14 | |
| 17 February 2016 | Council move to Friargate | For the Board to scrutinise the Council move to Friargate which includes the finances of the move. This Board can also consider the workforce, IT and HR implications of the move if they choose. SB3 will pick up Friargate and its impact on economic development including an update on the number of new jobs being created. | Cllr Gannon/ Lisa Commane | Informal meeting | |
| 2 March 2016 | Procurement Strategy | To review the annual report on progress against the priorities in the procurement strategy. To find out how the joint arrangement with neighbouring authorities on | Liz Welton | Annual Review | |

| Date | Title | Detail | Cabinet Member/ Lead Officer | Source | Outcomes |
|---------------|--|--|---------------------------------|-----------------------|----------|
| | | procurement is resulting in efficiencies. | | | |
| 2 March 2016 | Social Value Policy | To review the impact of the Social Value Policy approved by the Cabinet Member Strategic Finance and Resources in January 2014. | Liz Welton | SB1 2014/15 | |
| 27 April 2016 | Capital Programme | An update on the Capital Programme to be provided in March/ April 2016. | Cllr Gannon/ Paul Jennings | Annual Item | |
| 27 April 2016 | Equalities in Employment | This item will look at the diversity of the Council's workforce and how the Council is encouraging a more diverse workforce which is representative of the local population. | Cllr Townshend/ Shokat Lal | Annual review – Sept? | |
| Briefing Note | Collection of Council Tax – payment methods and impact on collection rates | Changes have been made to the way that Council Tax payments can be made by the public. The Board was concerned to understand the rationale for these changes and the impact it has had on constituents. They would also like an indication as to how these changes have impacted on collection rates. A briefing note was circulated to the Board on 30 July; collection rates and impacts will be monitored throughout the year and will be brought to the Board should any concerns be identified. | Lisa Commane/ Tim Savill | | |
| TBC | Reserves | To look at Council reserves and how they are allocated and used. This item will be scheduled following the outcomes | Cllr Gannon/ Barrie Hastie | Informal meeting | |
| TBC | Visit – Tour of Customer Centre prior | Members have requested the opportunity to tour the customer | Lisa Commane | Agenda conference | |

| Date | Title | Detail | Cabinet Member/ Lead Officer | Source | Outcomes |
|---|--|---|---------------------------------|----------------|----------|
| | to opening | centre a couple of months prior to it opening. | | | |
| Performance Reports – only bring to board if issues of concern identified by Chair or Board Members | Half yearly reports on agency workers | A regular update on progress on reducing use of agency staff across the Council | Shokat Lal | Regular Review | |
| | Half yearly reports on sickness absence | A regular update on progress on reducing sickness absence across the Council | Shokat Lal | Regular Review | |
| | Half yearly report on Benefits Service Performance | A regular update on progress on performance in the benefits service. | Tim Savill | Regular Review | |
| | Half yearly report on Revenues Service performance | A regular update on progress on performance in the revenues service. | Jan Evans | Regular Review | |