

Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held
at 2.00 pm on Wednesday, 7 September 2016

Present:

Members: Councillor L Kelly (Chair)
 Councillor S Bains
 Councillor J Lepoidevin
 Councillor J McNicholas
 Councillor G Ridley
 Councillor R Singh
 Councillor T Skipper

Other Members Present: Councillor Brown

Employees:

Place: S Weir

Resources: V Castree, B Hastie, P Jennings, U Patel,

Apologies: Councillor J Mutton and Councillor Sawdon

Public Business

13. Declarations of Interest

There were no declarations of interest.

14. Minutes

The minutes of the meeting held on 6 July 2016 were signed as a true record.

15. Medium Term Financial Strategy 2017-20 and Efficiency Plan

The Scrutiny Board considered the Medium Term Financial Strategy (MTFS), incorporating an Efficiency Plan for 2017-2020 for adoption by the City Council. The previous strategy was approved in December 2015. The Strategy sets out the financial planning foundations that would support the Council's vision and priorities and leads to the setting of the Council's revenue and capital budget. The Council's pre-budget report would be considered in November 2016, followed by the budget setting report in February 2017.

The Government would commit to 4 year funding settlements to local authorities in order to encourage efficiency savings. To qualify, each local authority would need to produce an Efficiency Plan setting out how the authority intended to increase efficiency over the planning period.

Local authorities would continue to face severe financial pressures for the foreseeable future in what were very uncertain times. Although the previous government policy of targeting a budget surplus by 2020 had been dropped,

following the EU referendum, the downgrading of growth forecasts indicated that the severe financial pressures on public finances would continue. The fundamental factor shaping the City Council's MTF5 remained that of unprecedented financial pressure leading to further significant reductions in spending levels that were likely to continue in the period up to at least 2020.

The national and local contexts that framed this Strategy were detailed in the report. These factors taken together, represented 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 was crucial that the Council's financial strategy was both robust and flexible, thus providing the financial foundations required to ensure that Council services were fit for purpose to protect the most vulnerable as well as providing decent core service for every citizen in the city.

The Board discussed aspects of the report, in particular the level of Council's reserve balances indicated in the report and requested that an explanation of what the reserves were be included in the report before being submitted to Cabinet and Council for consideration.

The Board also discussed the member led review of the Council's budget that was being undertaken with the aim of challenging existing budget levels and enquired why the Board was not involved with this. It was reported that the Cabinet Member for Strategic Finance and Resources had decided to do this as part of his roles and responsibilities and the report would be amended to reflect this.

The Board requested that the pension deficit figures be circulated to Members for information.

RESOLVED that the Board's comments detailed above be incorporated into the report prior to its submission to Cabinet.

16. Funding currently received by the Council from the EU Resources and New Projects Team, August 2017

The Board considered a briefing note which provided information on the funding currently received by the Council from the EU Resources and New Projects Team. It was reported that Coventry had successfully attracted EU funding over the years and the Council had played an important role in bidding for and managing these funds on behalf of the City. The principal sources of EU funding are the European Structural Investment Funds which consists of two large programmes - the European Regional Development Fund (ERDF) and the European Social Fund (ESF).

The Government had now formally announced that it would continue to provide funding for ERDF and ESF projects as long as they were contracted before the Autumn Budget Statement which was usually in late November. This should apply to all the current Coventry City Council projects and considerably reduces the risk to the various services that rely on this source of funding.

The briefing note explained that ERDF provided funding for economic development activities in areas of relative deprivation. In November 2015, the City Council submitted bids for 4 ERDF projects – SME Growth Programme, Low Carbon Programme, Innovative Coventry & Warwickshire and ERDF Technical Assistance. Information on these projects and their current status was detailed in the briefing note.

The ESF funding helped to provide people with employment opportunities. The City Council were currently running two ESF projects, ambition Coventry and ESF Technical Assistance which are due to run until December 2018. The project details were outlined in the briefing note.

The Board discussed the development and renewal projects that had received EU funding within the City and requested further information on the amount of funding received by the City.

RESOLVED that information on the amount of EU funding received by the City be circulated to the Board for information.

17. **Outstanding Issues Report**

There were no outstanding issues.

18. **Work Programme**

The 2016/17 Work Programme was noted and members were reminded that reserves within the budget would to be discussed in greater detail at the October meeting.

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

There were no other items of public business.

(Meeting closed at 3.15 pm)