

Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held
at 10.00 am on Wednesday, 13 November 2019

Present:

Members: Councillor R Singh (Chair)
Councillor F Abbott
Councillor R Brown
Councillor B Gittins
Councillor R Lakha
Councillor T Sawdon

Other Members: Councillor J Mutton, Cabinet Member for Strategic Finance
and Resources

Employees:

People: D Ashmore, A Bellingeri, M Greenwood, G Griffiths, D Horton-
Rayner

Place: V Castree, B Hastie, P Jennings, C Sinclair

Apologies: Councillor S Bains and J Blundell

Public Business

13. Declarations of Interest

There were no declarations of interest.

14. Minutes

The Minutes of the meeting held on 18 September 2019 were signed as a true record. There were no matters arising.

15. Digital First Programme

The Board considered a briefing note which provided an overview of the Council's Digital First Programme. The Programme aimed to accelerate the delivery of the Council's agreed Digital Strategy with a focus on: improving the customer experience; the digital service offer for residents; driving efficiencies and increasing revenue. The programme would ensure that technology and digital capacity was a key enabler across the organisation in delivering the objectives of the One Coventry Council Plan and Medium Term Financial Strategy.

The Digital First Programme would report to the One Coventry Change Board and the Senior Management Board (SMB), with overview from Scrutiny Board 1.

The briefing note and presentation set out the themes of the Digital Strategy and what it covered, the Local Digital Declaration which committed the City Council to

designing a service to best meet the needs of the citizens, challenging the technology market, protecting citizens' privacy and security and delivering value for money.

Digital successes to date were highlighted in the briefing note including data on the take-up of online digital service by residents and details of the internal infrastructure for supporting the workforce.

The Board discussed a number of issues and raised the following for consideration with regards to future development of the Digital First Programme and reporting:

- That progress on digital work be tracked and monitored using key performance indicators.
- That the workforce has the support and technology training to update and maintain their digital working skills.
- That, when there are technical issues that interrupt online services, users can see the status on the screen.
- That members and staff are notified at the earliest opportunity when new services go live.

RESOLVED that the Board note and welcome progress on the Digital First Programme and recommend the following to the Cabinet Member for Strategic Finance and Resources:

- (a) That the Cabinet Member seeks assurance from housing partners that they make every effort to ensure there are maximum opportunities for all homes to benefit from the roll out of fibre broadband across the City**
- (b) That the programme highlights the importance of digital inclusion.**

16. Work Programme and Outstanding Issues

In noting the work programme, the Board agreed that 'Workforce Analytics' and 'Coventry City Council Apprenticeships' be scheduled for the next meeting to be held on 15 January 2020.

17. Medium Term Financial Strategy 2020-2023

The Board considered a report of the Director of Finance and Corporate Services presenting the Medium Term Financial Strategy (MTFS) for adoption by the City Council. The previous strategy was approved in October 2018. The Strategy set out the financial planning foundations that support the Council's vision and priorities and the financial and policy context for the Council's forthcoming Budget process. Cabinet would consider proposals within the Pre-Budget Report in November and the final Budget Setting Report would be brought to Cabinet and Council in February 2020.

The national funding background to the MTFS was that the Council was currently within the final year (2019/20) of a four-year funding settlement from Government. A major upheaval in the funding arrangements for all councils that had been signalled for the period from 2020/21 onwards had now been postponed until 2021/22 at the earliest. The Pre-Budget report that would be considered by

Cabinet alongside this one set out the impact of the one-year settlement proposed for 2020/21. Current medium-term estimates were still based on assumptions of local authorities continuing to face significant financial pressures.

The national political environment was subject to much fluidity and uncertainty, resulting from deliberations over the UK's exit from the European Union and the dynamic political situation that has flowed from this. The likelihood or otherwise of the Government's ability or intention to adhere to its fiscal rule (that borrowing should remain below 2% of Gross Domestic Product) has been widely questioned by commentators. The short-term impact of this was some short-term additional funding for local government but with no guarantee that this would continue beyond 2020/21. Therefore, concern remained that the pressure on public finances would not ease in a sustained way and that real reductions in available revenue resources and spending levels were likely to continue.

On a local level, the Council continued to be faced with challenging conditions affected by shortfalls in achievement of a small number of existing savings plans and financial pressures in particular within services for children, housing and homelessness. Although the Council had some ambitious Capital Programme plans, the scale and pace of these represented a significant challenge in terms of the Council's ability to deliver them to the required timescales and within its existing project capacity. In addition, the elements of the Programme that were funded by future West Midlands Combined Authority grant approvals would not be able to proceed until resourcing for these grants has been secured through the WMCA.

The Council would need to maintain dynamic financial models that take account of changes in its medium-term budget position and ongoing re-evaluation of its Capital Programme. This may include adopting some measures which had a shorter-term focus or which re-evaluated the Council's approach to financial risk. These would be set out fully at the point of decision making.

The report summarised the key national and local contexts that framed the Strategy.

Whilst acknowledging that there were factors outside of the City Council's control, the Board questioned the officers on aspects of the report including the importance of the West Midlands Combined Authority (WMCA) contribution of £434m, the £203m that had been agreed in principle and the potential financial risk as no settlement figure had been received from Central Government.

In response to a question and subsequent discussion about the forecast revenue bottom line deficit of 16.7m for 2020/21, the Cabinet Member confirmed that Reserves would not be used to fund ongoing revenue spend.

RESOLVED that the Scrutiny Board support the Medium Term Financial Strategy whilst recognising that there were limitations on the accuracy of the figures due to factors outside of the City Council.

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

There were no other items of public business.

(Meeting closed at 12.20 pm)