



Finance and Corporate Services Scrutiny Board (1)

Time and Date

2.00 pm on Monday, 14th December, 2020

Place

This meeting will be held remotely. The meeting can be viewed live by pasting this link into your browser:

<https://youtu.be/qGd63ZWwoGs>

Public Business**1. Apologies and Substitutions****2. Declarations of Interest****3. Minutes**

(a) To agree the minutes of the meeting held on 14 October 2020 (Pages 3 - 6)

(b) Matters Arising

4. Medium Term Financial Strategy 2021-22 to 2023-24 (Pages 7 - 18)

Briefing note

5. Reserve Balances (Pages 19 - 28)

Briefing note

6. Work Programme and Outstanding Issues (Pages 29 - 32)

Report of the Scrutiny Co-ordinator

7. 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

Julie Newman, Director of Law and Governance, Council House Coventry

Friday, 4 December 2020

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://moderngov.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 F Abbott, R Auluck, J Blundell, R Brown (By Invitation), B Gittins, G Hayre, T Khan, R Lakha, J O'Boyle (By Invitation), T Sawdon and R Singh (Chair)

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

Telephone: (024) 7683 3166

e-mail: carolyn.sinclair@coventry.gov.uk

Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held
at 10.00 am on Wednesday, 14 October 2020

Present:

Members: Councillor R Singh (Chair)
Councillor F Abbott
Councillor J Blundell
Councillor B Gittins
Councillor G Hayre
Councillor R Lakha
Councillor T Sawdon

Other Members: Councillor R Brown, Cabinet Member for Finance and
Corporate Services
Councillor P Hetherton, Cabinet Member for City Services

Employees: D Ashmore, Director of Housing and Transformation
V Castree, Law and Governance
B Hastie, Director of Finance and Corporate Resources
P Jennings, Finance and Corporate Resources
R Moon, Director of Property Services and Development
J Newman, Director of Law and Governance
C Sinclair, Law and Governance

Apologies: Councillor R Auluck

Public Business

6. Declarations of Interest

There were no declarations of interest.

7. Minutes

The Minutes of the meeting held on 9 September 2020 were agreed as a true record.

Matter Arising:

Further to Minute 3 (New ways of working), the Board received an update on the re-opening of Friargate. Friargate was now open to staff who wished to return to the office. Current use was low. The situation would be kept under review and any changes would be reported to the Board.

8. Financial Position as a Result of COVID-19

The Board received a detailed presentation together with a briefing note which reviewed the financial position of the Council as a result of the impact of the COVID-19 pandemic.

Key aspects included:

- Some elements of the financial impact would not crystallise for some time (e.g. the impact on Business Rates).
- It was difficult to separate some of the Covid impacts from the Council's underlying position (e.g. the number and cost of looked after children).
- The world continued to be affected markedly significantly by COVID-19 and the financial affects remain fluid and subject to future events.

The briefing note covered the following areas

- The 2019/20 Outturn position.
- 2020/21 Quarter 1 financial reporting.
- Latest Covid Impact within the September return to Government.
- Business Grants
- Impact of the national funding position.
- 2021/22 Financial Issues and Strategy

Following consideration of the presentation and briefing note, the Board asked questions and received a response on a number of issues including:

- Potential consequences of a Section 114 Notice
- How lost income could be managed (for example car park revenue)
- Assurances that grants had been distributed fairly and could be easily accessed by users
- Savings in relation to digitalisation
- A breakdown of expenditure in respect of the £300k spend on culture.

RESOLVED that the Board note the update on the current financial position as a result of COVID-19 and requested that Officers provide an update on digitalisation and place-based working in due course.

9. **Feedback from Member Survey (New Ways of Working)**

The Board received a presentation which summarised the data from the Survey of Elected Members.

There had been a 57% response rate to the survey and the analysis was currently being evaluated to consider possible packages of support. The data indicated a varied and diverse set of requirements.

The presentation also included details of the Digital First Programme which provided support to accelerate the delivery of the Digital Strategy, which included supporting Members in their role.

The digital offer for members included a tailored mobile phone offer and support including enabling Members support to remote control/assist members using PCs, training, a Member hotline for ICT issues and virtual meetings. The future offer included a Member App and casework tools.

Arising from a discussion on Member training and in the context of an increasing use of online data, the Cabinet Member for Strategic Finance and Resources referred to the importance of focusing on GDPR training for Members.

RESOLVED that the Board note the content of the presentation and request Officers to provide the Board with details of the timeline for Member 1:1 training at the earliest opportunity.

10. Work Programme and Outstanding Issues

The Board noted the Work Programme noted with the following updates:

- There would be a change to the date of the November meeting to allow consideration of the MTFS as the timetable for this had been delayed due to COVID-19.
- Reserves would be considered at the January 2021 meeting.

11. Any other items of Public Business

There were no other items of public business.

(Meeting closed at 12.00 pm)

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To: Finance and Corporate Services Scrutiny Board (1)

Date: 14th December 2020

Subject: Medium Term Financial Strategy 2021/22 to 2023/24

1 Purpose of the Note

- 1.1 The Scrutiny Board 1 work programme includes an item to review the Council's Medium Term Financial Strategy and a draft Strategy has been provided in an Appendix to this report to provide this opportunity to Scrutiny Board. The Strategy has been delayed this year as a result of the Covid pandemic and the ongoing medium uncertainty in relation to Local Government finance. The intention is that following comments from Scrutiny Board 1, the final Strategy will be approved as part of the overall Budget Report in February.

2 Recommendations

Members of Scrutiny Board are recommended to:

- 2.1 Note the contents of the presentation and the attached Medium Term Financial Strategy.
- 2.2 Identify any recommendations for the Cabinet Member (Strategic Finance and Resources)

3 Information/Background

- 3.1 The attached Medium Term Financial Strategy (MTFS) is the base on which the revenue budget and capital programmes are built, including the policy assumptions and financial management framework which underpin these.
- 3.2 Nationally, local authorities face acute financial pressures as a result of longer-term reductions in government financial support, exacerbated by the effects of Covid-19, both on businesses and directly on local authority income and expenditure levels. In addition, local authorities must plan in an environment of great uncertainty, for example about the future course of any recessionary dip, the impact of Covid-19 and the UK's future relationship with the EU. The recent Government Spending Review primarily covers only one year rather a multi-year period.
- 3.3 Locally, government funding of the Council is c£120m less in 2020/21 than in 2010/11. Against this backdrop the starting point for the Council has been a large 3-year budget gap of £19m rising to £38 by 2023/24 as at February 2020 (an accumulated three-year shortfall of £88m).
- 3.4 Despite unprecedented government support in response to Covid-19, huge financial challenges remain as a result of the pandemic, both in terms of the financial pressures that the Council is facing and the wider impact across the city.
- 3.5 The financial position, will be set out in further detail in the Pre-Budget report, and is updated from the February 2020 starting position as follows:

	2021/22 £m	2022/23 £m	2023/24 £m
Carried Forward from 2020/21 – Feb 2020	19.1	30.8	37.8
Changes including savings and pressures	(12.9)	(13.0)	(13.5)
Total Budget Deficit/(Surplus)	6.2	17.8	24.3

- 3.6 The 2020/21 financial forecast at quarter 2 is for a net overspend of £3.5m, taking into account the impact of Covid-19, and prior to the implementation of measures to balance spend to budget as at the year end. Significant pressures exist across several areas including children's services, waste and highways and transport including car parking income.
- 3.7 The Council has revenue reserve balances of £89.9m; £32.9m of capital reserves earmarked to fund major capital schemes, and £21.3m of reserve balances belonging to or earmarked to support schools. Scrutiny Board 1 will receive a note on reserves to be considered alongside this one.
- 3.8 The Council's substantial 4-year capital programme of £470m is funded in the main by grant (£321m) and prudential borrowing (£122m), across a number of areas including regeneration, transport and infrastructure, housing and investment in school buildings.
- 3.9 The MTFS document attached incorporates the strategic policy assumptions and a financial management framework which underpin the Strategy.

Name Michael Rennie
Job Title Lead Accountant (Business Partner)
Contact Details 02476 972628 michael.rennie@coventry.gov.uk

Appendix: Draft Medium Term Financial Strategy: 2021/20 – 2023/24

Introduction

This Medium Term Financial Strategy (MTFS) sets out the financial planning foundations that support the setting of the Council's revenue and capital budgets, including the policy assumptions and financial management framework that underpin the strategy.

National Context

Local authorities continue to face severe financial pressures. In recent years the National Audit Office has reported that local authorities have faced significant central government funding cuts of nearly 50% since 2010/11, which at a time of increasing service demand, particularly in the social care sphere, mean that many authorities are using reserves to fund services in a way that is financially unsustainable.

Both Covid-19 and the potential for the UK to exit the EU transition period without an agreement create great uncertainty and pose significant risks for the public finances, through the resultant impact on business downsizing or closures, unemployment levels, revenues and the demand for services. The Council, in common with many other local authorities, is now facing downward pressure across several sources of revenue, including business rates, council tax and income from areas such as car parking. A number of local authorities are facing financial crises, with S114 reports having been issued in recent years as some authorities struggle to set balanced budgets, with insufficient reserves to manage the transition to greater financial stability.

Economic uncertainty about the length and depth of any recessionary dip, how the UK economy comes out of it and how public finances are rebuilt at a national level, will impact on local authorities for many years to come. It is notable that the recent Government Spending Review primarily covers only one year rather a multi-year period. With the delay in business rates reform and the fair funding review and with the fragmentation of funding through the expansion of Covid-19 and other grants, the uncertainty is increased further.

The Local Dimension

In order to ensure that Council financial plans are robust in the medium term the Council's MTFS continues to be intended to cover a 3 year period. The starting point for the Council is that it faces a large budget gap across the planning period, with "starting gap" of £19m in 2021/22 rising to £38m by 2022/23, a total gap of £88m over the 3 years from 2021/22 set out in February 2020.

From a resource perspective Coventry has faced significant reductions over the last decade with like for like core government funding being c£120m less in 2020/21 than in 2010/11. Within this environment of downward pressure on resources, the Council has delivered very significant savings and identified other sources of income in order to balance its overall budget. Reserves have continued to provide a one-off resource to meet investment needs.

Against this backdrop local government has had to manage impact of Covid-19. Whilst the Council has received unprecedented Government support for general expenditure and income pressures totalling £33m, local authorities remain vulnerable to further shortfalls between Government funding and the costs that they have incurred or the income that they have lost. In response to Covid-19, the Council has provided appropriate support to local citizens, service users, businesses ratepayers and suppliers, including the passing on of specific ringfenced funding to Business Ratepayers (in the form of rates relief and business grants) and recipients of Council Tax support, together with being actively involved in a wide range of other measures

in relation to controlling Covid-19 and managing the social, environmental and economic impacts.

Apart from the financial pressures that all public bodies face, there are a range of developments set out below, which impact on the City Council:

- The importance of the West Midlands Combined Authority (WMCA) as a route to maximising investment in Coventry to drive growth and more efficiently co-ordinate services across the sub-region. Of the WMCA's planned contribution of £438m to the Council's capital programme, some £193m has been agreed in principle only, effectively being dependent on future WMCA resourcing decisions. The precise arrangements and processes through which WMCA programmes are financed, through for example any potential Council Tax levy or Business Rates supplement, are yet to be determined. Consequently, the significance of the programmes and the associated resourcing streams mean that these areas continue to represent a financial risk to the authority over the MTFS period.
- The operation of integrated social care and health services within the Better Care Fund, now within the context of Sustainability and Transformation Plans across the health sector. This area continues to operate within a very dynamic environment with expanding adult social care user numbers and increasingly complex care packages. Alongside this, the Government has operated a series of short-term grant funding streams for social care ahead of the much-delayed Adult Social Care Green Paper. There is no indication at present of how this funding will be organised beyond 2021/22.
- Commercialisation continues to be important for the financial sustainability of the authority, both in terms of expanding and cementing a broad income base. The economic impact of Covid-19 and the recent changes governing the Public Works Loan Board create greater challenges for commercialisation, but opportunities will still exist either through investment or doing things differently. Nevertheless, the economic climate with inevitably mean that the consolidation and support of existing commercial ventures will be the priority.
- The critical importance of regeneration together with economic support and growth, particularly in the light of the potential changes to business rates and the impact of Covid-19. The Government has trailed its Shared Prosperity Fund as a replacement for European Union grant funding for (largely) capital projects but it is too early to determine the degree to which this will replace the level of European grant funding that the Council has achieved in recent years.
- The city's large population growth and the consequent demographic and socio-economic trends are causing increases in demand or expenditure pressures in areas such as social care and waste disposal. The costs of housing homeless individuals and families has been a very significant additional cost pressure and has represented one of the most challenging recent financial developments to face the Council. There are now signs that measures the Council has put in place to provide accommodation for homeless individuals and families are beginning to mitigate these pressures and their financial effects.
- The continued difficult economic circumstances for many resulting from trends including changes to the Government's welfare reforms have affected the number of people seeking to access local government and voluntary sector services. In addition, the early signs of economic downturn in late 2019 plus the catalyst for further financial distress caused by COVID-19 has seen an increase in Council Tax Support claimants after several years of falling numbers which will inevitably add to this service pressure.

- The schools sector continues to be fragmented across maintained, academy and free school provision. This has changed the face of local education provision with the reduced role of councils putting more pressure on the remaining rump of local authority education services and finances.
- Whilst the city will benefit significantly from being the 2021 City of Culture this will inevitably now occur through an adapted programme taking into account Covid-19 which has already caused the Programme to shift from the 2021 calendar year to one starting in the Spring of 2021 and finishing 12 months later. The Council has identified resources to support the City of Culture Trust and to cover additional pressure on its own services whilst also agreeing to be the accountable body for a largely grant funded programme of capital expenditure. The longevity and extent of Covid will determine the extent to which the programme of events can return to some degree of normality.

There are a number of local factors that provide a solid foundation on which the city can build towards sustainable economic growth: two major universities; excellent transport infrastructure links; pockets of highly innovative businesses; significant infrastructure and connectivity investment including Friargate, Coventry station and very light rail project. Furthermore, major events such as, UK City of Culture 2021 and the Commonwealth Games 2022 are key to improving the attractiveness and desirability of the city as a venue.

However, significant challenges do exist for the city. Both the level of disposable household income and unemployment are higher than the national average, with the former higher than the West Midlands average, whilst inequalities in healthy life expectancy exist between areas of the city and homelessness continues as a problem. These are set out in full within the Council's Annual Plan Performance Report 2019/20 and improvement in these and other measures will continue to be the focus of activity across Council services.

Resource and Planning Position

The starting point for the Council's MTFs is the forecast multi-year **revenue programme** set out in the 2020/21 Budget Report in February 2020. Whilst the 2020/21 financial year was balanced, the current planning process starts with significant forecast deficits from 2021/22:

	2021/22 £000	2022/23 £000	2023/24 £000
Position Carried Forward from 2020/21	19.1	30.8	37.8
Total Resources Change	(13.2)	(21.7)	(17.9)
Total Non-Achieved Savings	1.0	0.7	0.7
Total Expenditure Pressures	10.4	8.8	7.8
Total Income Pressures	4.5	4.8	2.6
Total Directorate and Technical Savings	(6.4)	(6.5)	(7.6)
Total Reserve Contributions	(9.2)	1.0	1.0
Total Budget Deficit/(Surplus)	6.2	17.8	24.3

The Pre-Budget Report, which will be considered by Cabinet in December 2020, sets out the detailed financial position over the next 3 years, including emerging pressures and the non-delivery of programmed savings, together with potential technical savings to partially offset

the impact of these. At quarter 2 the forecast outturn for 2020/21 was a net overspend of £3.5m, taking into account the impact of Covid-19, and prior to the implementation of measures to balance spend to budget as at the year end. Significant pressures exist across several areas including children's services, adult social care, waste and highways and transport including car parking income.

The current **capital programme** approved in February 2020 includes the following expenditure profile:

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Capital Programme Spend	173.0	172.8	60.5	64.2

This programme provides for several large investment schemes including the Coventry Station Masterplan, a second Friargate building, regionally significant infrastructure schemes through the UK Central Connectivity programme, housing infrastructure, public realm, as well as investment in school buildings and business development. Of the total 4 year planned capital spend, £321m is resourced by grant, including significant sums through the WMCA, and £122m by prudential borrowing.

The level of prudential borrowing funding has increased in recent years, as significant sums have been invested through the capital programme. Whilst the authority has usually been able to cashflow investment through temporarily using other balances, for example grant monies received up-front prior to spend, this is very unlikely to be the case in future. External borrowing will increasingly be required in line with the underlying Capital Programme. The short term/long term mix of any borrowing will be determined by the Council's cashflow needs and the interest rate environment.

The Council has significant reserves including **revenue reserve balances** of £89.9m; £32.9m of **capital reserves** earmarked to fund major capital schemes, and £21.3m of reserve balances belonging to or earmarked to support **schools**. The Council's reserves are reviewed in order to assess their adequacy for current known liabilities and approved policy commitments, with the objective of releasing reserves where they can be better used to drive efficiencies and service improvement or support policy priorities. The make-up of the Council's reserves as at 31st March 2020 was:

Table 2 Summary of Reserve Movements in 2019/20

	Balance at 31st £000	(Increase)/ Decrease	Balance at 31st March £000
General Fund Balance	(10,277)	0	(10,277)
Adult Social Care	(3,534)	521	(3,013)
Public Health	(788)	(568)	(1,356)
Troubled Families	(1,095)	594	(501)
Leisure Development	(1,334)	510	(824)
Kickstart Project	(1,278)	1,278	0
City of Culture	(4,750)	750	(4,000)

Potential Loss of Business Rates Income	(7,735)	0	(7,735)
Early Retirement and Voluntary Redundancy	(10,070)	747	(9,323)
Covid-19 Government Funding	0	(7,558)	(7,558)
Reset and Recovery	0	(5,467)	(5,467)
Commercial Developments	(4,000)	(419)	(4,419)
Insurance Fund	(1,698)	977	(721)
Management of Capital	(5,399)	(165)	(5,564)
Private Finance Initiatives	(10,169)	702	(9,467)
Other Directorate	(9,489)	(1,799)	(11,288)
Other Directorate funded by Grant	(1,564)	502	(1,062)
Other Corporate	(8,589)	1,243	(7,346)
Total Council Revenue Reserves	(81,769)	(8,152)	(89,921)
<u>Council Capital Reserves</u>			
Useable Capital Receipts Reserve	(21,467)	(9,632)	(31,099)
Capital Grant Unapplied Account	(1,894)	60	(1,834)
Total Council Capital Reserves	(23,361)	(9,572)	(32,933)
<u>School Reserves</u>			
Schools (specific to individual schools)	(20,308)	2,301	(18,007)
Schools (related to expenditure retained centrally)	(6,084)	2,786	(3,298)
Total Schools Reserves	(26,392)	5,087	(21,305)
Total Reserves	(131,522)	(12,637)	(144,159)

One Coventry Council Plan

The MTFS rests on the principles, visions and priorities set out for the City within the One Coventry Council Plan 2016-2024, which was revised in September 2018. In summary these are:

- Globally Connected;
- Locally Committed;
- Delivering our Priorities with Fewer Resources.

The full plan is available on the Council's website or via the following link: [One Coventry Council Plan 2016-2024](#)

The plan is currently being refreshed in order to address the challenges that have emerged as a result of Covid-19, and to fast track the development of measures to address these through the mobilisation of strategic change programmes. The emerging priorities are to secure economic growth, together with addressing both mental health and domestic abuse issues.

Strategic Policy Assumptions

The One Coventry approach is central to the achievement of the aims set out in the Council Plan, by focusing on the way in which the Council and its employees work, both within the organisation and collaboratively more widely, in order to improve services and make the biggest possible positive impact on people's lives.

This incorporates a Transformation Programme to help identify savings that can deliver a balanced budget over the medium term. The programme is being developed to enable the Council to: optimise income collection, maximise the use of our assets, reduce operational costs and exploring new delivery mechanisms; deliver the Council's Digital Strategy through a more integrated, primarily digital, and cost effective operating model; making better use of our operational property to help deliver local services; improve our organisational design and culture to support effective and efficient ways of working; and work with partners and communities to build capacity and make the most effective use of city-wide resources

The Council's Budget plans for 2021/22 contain a short-term tactical approach consistent with the period covered by the Government's Spending Round and taking into account the lack of information on the future for local government finance. This includes the identification of technical savings within corporately held budget areas and reserve contributions to manage one-off pressures.

One of the unseen impacts of Covid has been the delay the work programmes under way to identify opportunities within the transformation themes above that will identify longer-term savings. As a result, no savings are being built into the 2021/22 Budget but are

The engagement in partnership working is central to the delivery of the One Coventry Council Plan and the MTFS, through: -

- The Council's membership of the West Midlands Combined Authority providing the opportunity to maximise investment in the city and work more efficiently across the region;
- Integrated working of Health and Social Care through the Better Care Fund;
- Partnership with various stakeholders such as the Coventry and Warwickshire Local Enterprise Partnership in driving economic growth;
- Engaging voluntary bodies in order to develop alternative delivery models to enable local services to be delivered at a reduced cost.

Consistent with the One Coventry Commercialisation workstream, the Council will seek to maximise income through several routes:

- maintaining the Council's default position that fees and charges should increase annually in line with inflation;
- identifying opportunities to commercialise existing activities or identify new activities that are consistent with a commercial approach.
- 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.

As part of Covid-19 support which it is now expected will continue to some degree into 2021/22, grant allocations provided by Government will be used either:

- to put in place programmes or specific measures specified by Government within its grant determinations or;
- to manage pressures from the additional expenditure incurred and income lost as a result of COVID-19 and/or to balance the overall bottom line as appropriate.

The Council will continue to seek opportunities to make investments in a selective manner in commercial ventures to secure a financial return and achieve service policy objectives where consistent with its priorities, the One Coventry Council Plan and the Commercial Investment Strategy. Such investment, for example in the further development of Friargate and the Materials Recycling Facility, will potentially include property schemes, share purchase and the provision of loans to external organisations, and will usually be designed to meet both service and financial objectives. This is likely to entail providing further investment to existing ventures for the purposes of both expansion and consolidation.

The capital programme will continue to be resourced from several sources including prudential borrowing, capital receipts and grant. The Council will seek to restrict the revenue funding of capital to on-going programmes of expenditure.

Given the level of capital programme, the Council is more likely to need to borrow for capital investment than it has in recent times. When borrowing, the Council will look beyond the traditional source of the Public Works Loans Board (PWLb), in order to minimise financing costs. Although PWLB borrowing rates were increased in 2019 as 1% was added to the margin applied nationally, this has now been reversed, significantly lowering PWLB rates. However, in order to limit the extent of local authority commercial investments, the government has now prevented authorities taking out PWLB borrowing where an authority plans to make any investment “primarily for yield”, regardless of how the investment is resourced. The full implications of this, including any policy impact will be considered in the 2021/22 Budget Report and Treasury Management Strategy but the starting point will be a pause on any further commercial investment until an appropriate medium term investment and borrowing strategy has been identified which best meets the Council’s needs within the new treasury environment.

Through the Local Plan, the Council is seeking to take the city forward by working closely with its neighbours and partners. In order to drive further growth, the plan identifies land to satisfy the demand for homes, community and commercial uses, as well as addressing the need for digital connectivity and the right infrastructure.

The Council is obliged to work towards ensuring that its pension liabilities within the West Midlands Pension Fund are funded. The Council’s level of funding last reported was at 98% which is much improved of the previous position. Its contributions to the pension fund stand at 22.9% in 2020/21 as a proportion of the superannuable payroll. As an alternative to making monthly payments, in order to efficiently manage the burden of contributions, an upfront payment of £97.8m was made in 2020/21 to cover the next 3 years. The Council will continue to 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 maintaining sustainability and affordability in relation to the Council’s overall financial position.

Strategic Financial Management Framework

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

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), with Corporate Leadership Team overseeing transformation programmes, quarterly monitoring and development of Budget proposals;

- A framework founded on delegation and clear accountability, with budgets managed by the designated budget holder, reported through Service Management Teams, Strategic Management Board, 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 and programme delivery;
- Where feasible, 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, considering the overall level of risk faced by an organisation of the City Council's size.

The Council's initial Budget proposals for 2021/22 contain a higher than usual level of reserve contributions. This reflects the extra-ordinary circumstances that have arisen as a result of Covid. Nevertheless, these proposals have been formulated in a way that complies with the reserves' strategy outlined above.

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

- The Council's funding level for 2021/22 has been set out indicatively by the Government's one-year Spending Round. Beyond that, the initial forecast builds in some reductions in resource levels over the remaining years of the medium-term plan;
- As a technical assumption, Council Tax increases of just under 2% per annum and no further Social Care precept increases beyond 2021/22. This will be subject to political debate and decision as well as any changes at a national level;
- Increases in pay budgets of 2% per annum beyond the local government pay freeze announced for 2021/22. This area will be kept under close review and it is expected that the Council will continue to reflect sector agreed pay awards;
- 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.
- Planning based on the underlying Council Tax-Base growing at 0.8% 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 will continue to be reviewed annually in detail as part of the MTFS, taking into account any impact of changes in: the capital programme, cash-flow forecasts, the level of provision to repay debt through Minimum Revenue Provision (MRP) and forecast interest rates. 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;
- 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 assessed by the Director of Finance. Actual

increases in fees and charges will depend upon local factors such as the need to generate enough 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 the reduced purchasing requirements of some services will deliver savings equivalent to the cost of inflation. Several 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.

DRAFT

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To: Finance and Corporate Services Scrutiny Board (1)

Date: 14th December 2020

Subject: Reserve Balances

1 Purpose of the Note

- 1.1 The Scrutiny Board 1 work programme include an item to review the position in relation to the Council reserve balances. Information has been provided in an Appendix to this report which shows balances for each individual reserve areas over a three-year period. These are listed in the size of the balance in April 2020 (largest first) within categories. In addition, a brief description has been provided for each balance.

2 Recommendations

Members of Scrutiny Board are recommended to:

- 2.1 Note the contents of the presentation and the detailed reserves listing.
- 2.2 Identify any recommendations for the Cabinet Member (Strategic Finance and Resources)

3 Information/Background

- 3.1 The Councils total level of non-schools revenue reserves stood at £89.9m at 31st March 2020 and capital reserve were £32.9m. The Council is also required to account for £21.2m of reserve balances that belong to the city's schools or are funded from Dedicated Schools Grant and are therefore ring-fenced for schools' usage.
- 3.2 There are several reserve balances that warrant initial coverage due to their value.
- Reserve to fund Early Retirement and Voluntary redundancy costs resulting from programmes to deliver the staffing savings required to balance the budget. This stands at £9.3m currently.
 - A further £9.6m of reserve are held to manage the cashflow requirements of the financial models for the Council's 3 Private Finance Initiative schemes. These reserves will be used (and the balance will fluctuate) over the 25 year plus lifetimes of the schemes. As part of 2016/17 Budget Setting a decision was taken to utilise £1m per annum for the next ten years or so years before then repaying these amounts over the remainder of the schemes' lifetimes.
 - Capital receipts (proceeds from the sale of capital assets) have been generated in recent years and these amounted to £31m at the end of 2019/20. These receipts have been programmed to fund several developments over the coming period include the Council's investment in the Friargate Joint Venture, and the capital investment for the City of Culture programme.
 - There is a reserve to manage Business Rates volatility under the existing Business Rates Retention which is in place currently.

Name **Helen Williamson**
Job Title **Lead Accountant (Capital)**
Contact Details **024 7697 2631 helen.williamson@coventry.gov.uk**

Reserves Analysis 2019/20

Title	Description	Apr-18	Apr-19	Movement	Apr-20
<u>Non-Grant Funded Revenue</u>					
General Fund Balance	The General Fund is held to manage unforeseen risks to the Council's overall financial position. Any in-year overspend at the whole-Council level would be funded by this reserve.	(4,701,931)	(10,277,193)	0	(10,277,193)
Private Finance Initiative	Resources earmarked to support the Caludon Castle, New Homes For Old and Street Lighting PFI schemes over a 25 year period subject to the individual decisions to establish each of these schemes. The schemes' financial models show how these reserves will be utilised over time. 2016/17 Budget Setting approved the cash-flowed use of this reserve to support the Council's overall budget at £1m per year to be repaid from the mid 2020s which is reflected here.	(10,909,110)	(10,297,237)	709,612	(9,587,625)
Pension Strain	Funding for early retirement and voluntary redundancy established as part of Staffing Reductions Consultation Report - Council 9th September 2015 and further contribution agreed as part of the 2018/19 Outturn Report to Cabinet.	(8,260,627)	(10,070,111)	746,848	(9,323,263)
Corporate General Fund	Approved balance set aside for the Coventry & Warwickshire Growth Hub, supporting major project spend, funding the International Children's Games and repaying health contributions. Remaining balance of £6m not currently earmarked but will be expected to help fund a range of current known and potential Council commitments including City Centre South.	(5,593,820)	(8,804,316)	623,000	(8,181,316)
Business Rates	Budgeted contributions set aside as future protection against Business Rates volatility. Recent significant appeals continue to justify a significant balance being maintained whilst the economic uncertainty introduced by Covid may lead to the Council needing to draw on this reserve in 2021/22.	(3,414,396)	(7,735,088)	0	(7,735,088)
COVID-19	The unused amount of Tranche 1 of Covid emergency funding provided by Government in 2019/20. This is earmarked to support the 2020/21 budgetary position alongside subsequent tranches provided during the current year.		0	(7,558,000)	(7,558,000)
Corporate - Capital	Resources earmarked to support approved corporate Capital Programme and transformation projects including the ICT Capital Programme (£1.2m), Superfast Broadband (£1m), Woodlands School (£1m), Far Gosford Street/Canley/NDC regeneration (£0.8m) and Highways investment carry forward (£0.3m).	(6,332,568)	(5,399,035)	(164,801)	(5,563,836)
Reset Recovery	Revenue budgetary underspend at 2019/20 outturn earmarked to support the Council's reset and recovery following Covid. The budgetary position in either 2020/21 or 2021/22 may require this reserve to be utilised to underpin the Council's financial position.			(5,467,000)	(5,467,000)
City of Culture	Cabinet approved allocations to support the 2021 UK City of Culture, in addition £200k match funding for the Herbert Art Gallery and Museum.	(4,750,000)	(4,750,000)	550,000	(4,200,000)
Commercial Developments	Agreed as part of the 2018/19 Financial Outturn Report to support the Council's commercial development projects.	0	(4,000,000)	250,000	(3,750,000)
City of Culture Trust & Biggest Weekend	Resources rolled forward for City of Culture readiness spend.	0	(252,000)	(1,590,271)	(1,842,271)
Property Fund - Future Repairs and Maintenance	A property fund to ensure maintenance costs expected to increase in years 5-10 are not a burden on annual budgets		0	(1,377,507)	(1,377,507)
Commercial Property (exceptional items)	£500k general sinking fund, £320k slippage in major building and R&M work.	(312,000)	(820,000)	(246,850)	(1,066,850)
Insurance recharges	This reserve has traditionally provided financial security for insurance claims that may have occurred but have not yet known about. However, it is currently funding the pressure within the Insurance Service caused primarily by loss of income from schools (academies), increased premiums and greater successful claims levels. The balance will be exhausted in either 2020/21 or 2021/22.	(1,595,899)	(1,698,437)	976,657	(721,780)

Title	Description	Apr-18	Apr-19	Movement	Apr-20
Sports Organisations	Initially set up to provide cashflow support to Coventry Sport Trust (Fairfax Street), now earmarked for wider sports portfolio inc investment in Gym equipment at Moat House Leisure Centre, set up costs for CCDLF and opportunities to reduce Prudential Borrowing costs.	(1,598,814)	(1,278,689)	733,683	(545,006)
Sports and Leisure	Required to pay Warwick University for Athletics track works as legally required under a lease agreement between the 2 parties and funding for management arrangements at Moat house		0	(318,915)	(318,915)
Transformation Programme Office	This balance is held to fund the short term cost of external consultants or employ temporary posts to support transformational activity. The £313K comprises £126K from the original £300K reserve established at the end of 2015/16 following a budget reduction of £400k to the transformation team and £186K from professional fees not utilised during 2019/20, to be used to support delivery of the council's medium term financial strategy and transformation programme.	(267,415)	(193,934)	(118,998)	(312,932)
People Directorate Programme Team	This balance represents the Transition Fund established as part of the Connecting Communities Programme, with a clear process of applications and award to organisations.	(368,034)	(273,329)	10,828	(262,502)
External Funding and Business Development Team	Reserves earmarked together with core revenue as match funding to lever in new grant.	(158,870)	(278,404)	35,535	(242,869)
Corporate Property Management	Slippage on large value repairs and maintenance projects.	0	(253,825)	33,825	(220,000)
PC Replacement Programme	This represents the smoothing reserve used to manage the rolling corporate programme of laptop & PC replacement. The £164K specifically relates to laptops due to be received during 2019/20 but which were delayed to 2020/21 due to Covid-19. The related underspend in 2019/20 has been carried forwards to reduce the pressure in 2020/21. The drawdown of this reserve is included in the 2020/21 Quarter 1 forecast.	(450,000)	0	(219,124)	(219,124)
Coventry City Centre Regeneration	City Centre South Project resources. Original decision awarded £880k to deliver CCS Cabinet approval. There is potential to draw down future development costs from the CA allocation however this balance needed to de-risk any ineligible project development costs	(175,958)	(180,087)	(30,176)	(210,263)
Business Services	Balance has been committed to fund a number of projects: •Replacement Payment Kiosks in the Customer Service Centre •Replacement Print Room equipment •Transformational activity to support digitalisation of services in Customer Services Centre as part of transforming Customer & Business Services	(175,000)	(175,000)	0	(175,000)
COVID-19 Implications	To fund Covid19 Related pressures within Community Development Service and expected costs of employing subcontractors to cover staff holiday post COVID.		0	(133,338)	(133,338)
S4G - skills for growth programme	To be drawn down into revenue to support the programme.	(105,040)	(105,040)	0	(105,040)
General Events	Amount approved as part of 2015/16 Budget Setting to support capacity building in the cultural sector. Resources will be fully utilised in 18/19 as the city readies itself for the City of Culture and also against the cost of the rising cost of Godiva festival. Residual amount (£100k) to be paid back to corporate budgets.	(128,574)	(100,000)	0	(100,000)
Development Services	Funding set for Holy Trinity Roof Repairs	0	(100,000)	0	(100,000)
Community Small Grants	Community Small Grants Scheme: To fund grants scheduled for approval in 2019/20 but not formally approved until 2020/21 due to Covid and also award of Covid19 related grants.		0	(72,317)	(72,317)
Outdoor Education Centre	Contribution towards the 50th Anniversary capital redevelopment to reduce level of borrowing in future years.	(46,991)	(63,313)	(7,782)	(71,094)
Theatres and Public Entertainment	Funding for Albany Theatre review and Coventry Music proposed move to Drapers Hall		0	(57,091)	(57,091)
Central Family Hub	Troubled families funds available: Looking to use this to support one off pressures in recovery plan, so will be fully utilised in 2020/21.	0	(268,604)	212,610	(55,994)

Title	Description	Apr-18	Apr-19	Movement	Apr-20
SEN and Disability Information and Advice Support Service	This resource is ring-fenced as part of the contract with the Council for Disabled Children (CDC) to support the Information, Advice & Support Service (IASS) to enable it to fulfil its duties outlined in the Children & Families Act 2014. We have agreed with CDC that the resource will continue to fund the additional staffing costs currently in place for 2020/21.	(9,748)	(11,029)	(14,071)	(25,100)
Planning Policy	Remaining balance committed and will be fully used.	(75,000)	(17,397)	0	(17,397)
Resources Mgt Team & Overheads	Using this underspend, and some currently unused staff hours, we were able to secure the post in the short term for an additional year, whilst the LA agreed that it is an important post to continue in the longer term in light of the wider responsibilities brought about by the 2014 act towards children & young people.	(2,155)	(2,155)	0	(2,155)
Taxi Licensing	Ringfenced Account - legal requirement. Licenses are planned to increase to recoup this debit balance.	(32,557)	5,170	8,149	13,319
Coventry Sports Trust	Negative reserve, due to be repaid from Sports funding model at the rate of £65,000 pa - Cabinet 19th July 2011 refers	295,000	230,000	(65,000)	165,000
Elections	Smoothing Reserve to manage volatility of Elections costs which vary with fallow year and with timing of grant funded national elections. Previously separate reserves for PCC and European elections. All now merged into this reserve.	(400,715)	(183,611)	348,899	165,288
Kickstart Project	Majority transferred to corporate balances in 18/19. Balance of c£1.2m earmarked as sinking fund for periodic lifecycle costs of One Friargate following £250k annual lifecycle budget being taken as MTFS saving	(5,067,507)	(1,277,507)	1,277,507	0
Corporate Adult Social Care	Planned underspend of 2018/19 Adult Social Care resources applied as a contribution from reserves in 2019/20'	0	(1,000,000)	1,000,000	0
Sustainability & Low Carbon Team	Earmarked to pump prime the funding of staff costs which will be used as match funding for grant income generation and selling business sustain services, which will help achieve the service MTFS commercialisation targets	(127,658)	(117,413)	117,413	0
The Employment Support Service (TESS)	N/A - Nil Balance	(208,375)	(89,375)	89,375	0
Arts Development and Support	Commitment to undertake work in 18/19 and 19/20.	0	(25,000)	25,000	0
West Minister Road Car park	Funding set aside as part of the legal agreement to compensate loss of income while Coventry Station Masterplan Construction works are completed	0	(23,583)	23,583	0
Policy Contingency	Grant for the Coventry Jesus Centre	0	(15,000)	15,000	0
		(54,973,762)	(69,900,542)	(9,653,716)	(79,554,259)
<u>Capital</u>					
Useable Capital Receipts Reserve	Receipts generated over recent years plus projection for this year, held for future Capital Programme investments/acquisition including: purchase of income earning assets to deliver revenue budget targets (£24m); Friargate hotel site (£4.5m); City of Culture Readiness (£4.2m); revenue budget support (£3m); Duplex Loan Fund (£1.6m); and Charterhouse funding (£1.3m).	(23,977,836)	(21,467,391)	(9,631,949)	(31,099,340)
Capital Grants Unapplied Account	Grant funding received in advance of spend, whereby there are no specific grant conditons to spend in the year. The funding reflects the decision made as part of the Council's Corporate Capital Programme.	(7,179,261)	(1,893,788)	60,149	(1,833,639)
		(31,157,097)	(23,361,179)	(9,571,800)	(32,932,979)
<u>Grant Funded Revenue</u>					

Title	Description	Apr-18	Apr-19	Movement	Apr-20
Joint Social Care and Health schemes funded through s256, Care Act Grant and Better Care Fund	The majority of this balance represents the iBCF resources that were reprofiled based on the Cabinet Report on 1/8/17 as well as an in year underspend of the grant. The resources are being used to resource in year pressures within ASC and are managed through the Adult Joint Commissioning Board as part of the pooled budget	(5,612,282)	(4,177,786)	592,162	(3,585,624)
Adult Ed Income including Grants/Fees	This reserve is made up of three elements, 16-19 Bursary (£137k), Innovation funding from WMCA (£108k) and Adult Skills (£800k). The year end for Adult Education is 31 July 2020. ESFA then undertake a review of delivery over the academic year and adjust resource accordingly. This can result in a clawback of resource, however it is anticipated that this will not take place this year due to Covid-19. The Bursary and Innovation elements are held for specific purposes and current budget plans for 2020/21 utilise £400K of the Adult Skills. It is recommended that the remaining is held in reserve to offset future funding risks.	(900,287)	(941,348)	(103,921)	(1,045,269)
Public Health Staffing & Overheads	The Public Health Reserves is made up of a number of different elements including balances held on behalf of the Clinical Commissioning Group, West Midlands Association of Directors of Public Health, MHCLG, NHSE and WMCA (£150k), match funding for other grants (£174k) and resources to fund specific areas of activity e.g. Lets Ride, Wellbeing for Life, Activity in Parks, HIV testing, Immunisations campaigns.	(604,933)	(787,616)	4,073	(783,543)
Air Quality Early Measures	Grant funding has been fully allocated, additional funds are being sought.	(551,472)	0	(641,115)	(641,115)
DFE - Troubled Families	£105k committed youth violence money to be carried forward. £470 troubled families reserved in response to grant risk is now available to draw down as grant is more secure. JG is looking to use this to support one off pressures in recovery plan, so will be fully utilised in 20/21 and 21/22 (added to 11107 reserve = £525k)	(485,724)	(871,212)	295,872	(575,340)
Connecting Communities	To continue funding specific Migration projects (EMAS & IGNITE). Grant received in advance so carried forward to when it will be needed.		0	(499,480)	(499,480)
Individual Electoral Registration	Additional costs of IER have been funded by the Cabinet Office, however it is unclear how long the additional funding will continue. A decision was made when IER was introduced to maintain a reserve to manage this uncertainty around future funding whilst additional costs are being incurred. If legislation is passed in the future that allows Coventry to reduce the costs, some of this reserve could be available for general reserves.	(341,542)	(466,230)	(28,361)	(494,591)
Our Future Workforce	This reserve contains the resources identified in the Cabinet Member for Strategic Finance and Resources report of 12th October 2017 to support the development and introduction of the workforce programme now detailed within the People Plan	0	(600,751)	150,000	(450,751)
CSW Sport - Management Costs	This balance is hosted account on behalf of 7 partners within Coventry Solihull and Warwickshire Sport. It is not City Council money.	(341,958)	(311,518)	8,439	(303,078)
Controlling Migration Fund	The Council was successful in a competitive funding bid to the Governments Controlling Migration Fund (CMF). 'Building Bridges' is a multi-agency project intended to support refugees and newly arrived communities and their integration into the City with a particular focus on employment support. Additionally the Council received £100,000 to support the appointment of two Local Authority Asylum Support Liaison Officers. The primary focus of these officers is to deliver a tailored support service for new refugees to facilitate their transition into mainstream society during their move on period by providing advice and information on essential services. Funds are required to be on hand to comply with the terms of the CMF grants and complete project delivery during 20/21.	(100,000)	(312,073)	18,063	(294,010)

Title	Description	Apr-18	Apr-19	Movement	Apr-20
Routes to Ambition	Surplus earned from programmes which is retained for the following reasons; transition from the closure of one grant programme to another without incurring additional closure / set up costs, required to support projects during start up and during full closure where ability to earn income is significantly curtailed, available to meet the costs of clawback - which may be substantial following Government or EU audit, required as levy funds for new investment where cash match must be provided, must be retained as a minimum until closure of current ESF round and all programmes are defrayed and audited	(30,023)	(190,023)	0	(190,023)
ESF Ambition Project - Project management team, provider payments and internal projects	Surplus earned from programmes which is retained for the following reasons; transition from the closure of one grant programme to another without incurring additional closure / set up costs, required to support projects during start up and during full closure where ability to earn income is significantly curtailed, available to meet the costs of clawback - which may be substantial following Government or EU audit, required as levy funds for new investment where cash match must be provided, must be retained as a minimum until closure of current ESF round and all programmes are defrayed and audited	(141,618)	(141,618)	0	(141,618)
Lifelong Links	This reserve relates to the delayed start of the project in 2017. Will be fully utilised within 202/21 as the extended finish date of the project is March21. There may be a small underspend left after in-year transfer due to COVID activity drop (approx £10k).	(451,838)	(139,264)	0	(139,264)
DFE Early Adopters grant	National Assessment and Accreditation System for social workers. Coventry's phase 2 will use this money in full in 20/21. Already included in Q2 forecast.	0	(198,600)	66,543	(132,057)
Migration Project B	£126K is required to be carried forward to allow delivery of the requirements of the education grant conditions for the Syrian Vulnerable Persons Resettlement Scheme and the Resettlement of Vulnerable Children's Scheme, for children arriving in the City since November 2017	(171,000)	(173,960)	47,423	(126,538)
Connect Me	Surplus earned from programmes which is retained for the following reasons; transition from the closure of one grant programme to another without incurring additional closure / set up costs, required to support projects during start up and during full closure where ability to earn income is significantly curtailed, available to meet the costs of clawback - which may be substantial following Government or EU audit, required as levy funds for new investment where cash match must be provided, must be retained as a minimum until closure of current ESF round and all programmes are defrayed and audited	(54,276)	(54,276)	(71,143)	(125,419)
SEN Reforms Grant	This includes the monies for SEND Reforms, and the money is being used to part fund the structure in the SEN statutory team and associated services. It also includes the West Midlands Regional monies for SEND, the spending plan is agreed on a regional basis. It also includes resource to improve pathways to employment for young people with SEND. This is specifically focusing on the development of supported internships. These grants ended in 2018/19 and it is expected that the residual balance will be used in 2020/21.	(721,570)	(408,642)	330,519	(78,123)
London Road Cemetery	National Heritage Grant Funding Carried Forwad	0	(78,258)	(10,466)	(88,724)
Looked After Children	The Children and Social Work Act 2017 amended the Children Act 1989 to introduce a new duty on local authorities to promote the education of certain previously looked-after children, including appointing an officer (commonly known as a Virtual School Head) to discharge this duty through the provision of information and advice to relevant parties supporting the education of those children. This duty came into force on 1 September 2018. The grant will be used to fund a new post to carry out these duties for 2 years.	0	(30,000)	(46,902)	(76,902)
Home Office-Proceeds of Crime Scheme	Match funding for PCC Grant	(60,958)	(60,958)	12,379	(48,579)
Independent Living and Practice Development	This is made up of 3 elements of funding received to support development of Social Workers as well as funding for part of a post. Funding has come from Cov Uni, BCF and Skills for Care	(42,064)	(33,901)	(10,446)	(44,347)
West Midlands Teaching Partnership (DFE)	Coventry City Council is leading this partnership and therefore holds the grant funding on behalf of all partners. This reserve is due to slippage or cancellation of events already included on grant submission form.		(19,533)	(22,292)	(41,825)

Title	Description	Apr-18	Apr-19	Movement	Apr-20
Homelessness	Grant carry forward to pay for Housing Advisor contract.		0	(39,200)	(39,200)
Pension Costs (Grants)	Funding to offset future years staff liability costs for old Coventry Polytechnic.	0	(35,104)	3,637	(31,467)
Fuel Poverty Grant & DECC Fuel Poverty Project	Switch & Save initiative. Further activity planned	(27,385)	(27,385)	0	(27,385)
Recover of overpaid Salaries	To fund repayments to schools for salary overpayments in future year or to fund write offs if never repaid. Only due to schools when/if overpaid person repays.		(29,704)	14,081	(15,622)
Apprentice Strategy	Financial assistance to support any apprentice or young person on new Work Experience programme for school leavers that might need it. Funding any additional apprenticeship development or marketing above £1K budget		0	(12,500)	(12,500)
Exceed in Coventry	Surplus earned from programmes which is retained for the following reasons; transition from the closure of one grant programme to another without incurring additional closure / set up costs, required to support projects during start up and during full closure where ability to earn income is significantly curtailed, available to meet the costs of clawback - which may be substantial following Government or EU audit, required as levy funds for new investment where cash match must be provided, must be retained as a minimum until closure of current ESF round and all programmes are defrayed and audited	(10,769)	(10,769)	0	(10,769)
Community Safety	Grant carry forward from WMPCC		0	(7,175)	(7,175)
Trading Standards & Consumer Protection	To be moved into revenue 2019/20	(5,394)	(5,394)	0	(5,394)
Libraries	Grant received from Libraries Connected to fund projects associated with "Novels that Shaped our World". Money will be used for day-long events including commissioning artists and performers to develop creative and fun responses to the novel.		0	(1,000)	(1,000)
SALIX Project	Not City Council resources. A revolving fund to provide small energy saving initiatives funding with paybacks	(166,755)	9,020	2,559	11,580
Ministry of Justice Funding	Journal raised in error - has been moved to Business Rates in 2019/20	0	(133,339)	133,339	0
DEFRA Recycling Champions	Balance to be used to fund Waste Education Team in 19/20	(413,175)	(150,549)	150,549	0
European City of Sports	Activities including grants to small organisations, sports festivals etc. agreed to by members that exceed the annual budget.	0	(55,000)	55,000	0
Preventing Homelessness	This reserve holds the preventing homelessness grant which is being used to implement changes to Housing & Homelessness legislation	(555,187)	(927,728)	927,728	0
Children in Need Targetted Support	This reserve is due to a mismatch in the timing of grant payments versus profiled spend and will be cleared by the end of 2019/20	64,257	22,370	(22,370)	0
		(11,725,954)	(11,341,149)	1,295,997	(10,045,153)
Schools and Extended Learning Centre					
Schools (specific to individual schools and ELCs)	Dedicated Schools Grant Reserves owned and controlled by individual schools. Subject to existing legal framework for schools. Reported to Schools Forum.	(19,583,519)	(20,308,786)	2,419,027	(17,889,759)
Schools (related to expenditure retained centrally)	Dedicated Schools Grant Reserve central expenditure reserve. Grant must be used to support the Schools Budget as defined in the School and Early Years Finance Regulations. Usage is reported to and monitored by the Schools Forum.	(4,852,318)	(6,154,452)	2,785,850	(3,368,603)
SEN Alternative Provision (APB) - moved to Schools balances on this analysis	SEN Alternative Provision - part of schools balances	(205,593)	0	0	0

Title	Description	Apr-18	Apr-19	Movement	Apr-20
Extended Learning Centre	Dedicated Schools Grant Reserves owned and controlled by extended learning centres. Subject to existing legal framework for schools. Reported to Schools Forum.	0	(456,444)	205,848	(250,596)
Woodlands	Woodlands ongoing running costs of site		0	(118,785)	(118,785)
		(24,641,430)	(26,919,682)	5,291,940	(21,627,743)
		(122,498,242)	(131,522,553)	(12,637,580)	(144,160,133)

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Please see page 2 onwards for background to items

9 September 2020
- New Ways of Working
14 October 2020
- Financial position Post-Covid-19
- Outcome of Member Survey into New Ways of Working
- Reopening Friargate – Verbal Update
Monday 14th December @ 2pm
- Medium Term Financial Strategy 2021/22 to 2023/24
- Reserves Balances
20 January 2021
- HR Update
24 February 2021
- Digital First including Transformation
17 March 2021
- Commercialisation
24 March 2021 (Joint with SB3)
- Apprenticeship opportunities in Coventry
2020/2021
- Business Rates
- 2019-20 Capital Programme
- Social Value and Sustainability Policy
- Procurement Strategy

Date	Title	Detail	Cabinet Member/ Lead Officer
9 September 2020	- New Ways of Working	To consider new ways of working at CCC following acceleration of the programme post Covid-19. Customer Service Directorate, Children's Services and a range of directorates. Including training and development.	Cllr Brown/ Cllr Hetherton / Susanna Newing
14 October 2020	- Financial position Post-Covid-19	To scrutinise CCC's budgetary position in comparison to the planned 2020/21 budget, including what mitigations have taken place and additional funding received from Government; the impact on commercial investments; any savings made during the pandemic period and the impact on the 2021/22 budget process.	Cllr Brown/ Barry Hastie / Paul Jennings
	- Outcome of Member Survey into New Ways of Working	To receive an update of emerging themes from the Member Survey and next steps.	Julie Newman/ Cllr Hetherton/ Cllr Lloyd
	- Reopening Friargate – Verbal Update	Following their meeting on 9 th September, SB1 requested an update on the reopening of Friargate which was due to take place on 14 th September.	Richard Moon
Monday 14th December @ 2pm	- Medium Term Financial Strategy 2021/22 to 2023/24	To discuss the Council's Medium Term Financial Strategy prior to its approval through the political process. Please note the date of the meeting will move to enable SB1 to consider the MTFS before it goes to Cabinet. Normal reporting timescales have changed due to Covid-19.	Cllr Brown /Barry Hastie/ Paul Jennings
	- Reserves Balances	To receive an update on the position of Council Reserves and identify recommendations for the Cabinet Member.	Cllr Brown/ Paul Jennings
20 January 2021	- HR Update	To include the implementation of the Equality, Diversity and Inclusion Policy, One Coventry Values and an update on the People Plan.	Cllr Brown/ Sue Newing
24 February 2021	- Digital First including Transformation	To scrutinise the Council's Digital Transformation agenda, to include examples of successful transformation work. To include Digital Inclusion.	Cllr Hetherton / Paul Ward/ David Ashmore
17 March 2021	- Commercialisation	To look at opportunities to maximise income.	Cllr Brown/ Barrie Hastie

Date	Title	Detail	Cabinet Member/ Lead Officer
24 March 2021 (Joint with SB3)	- Apprenticeship opportunities in Coventry	To scrutinise the opportunities across the City with regards to apprenticeships. This includes the City Council and other Anchor institutions within the City.	Cllr Brown/ Cllr Maton/ Cllr O'Boyle/ Sue Newing/ Kirston Nelson/ Andy Williams
2020/2021	- Business Rates	To discuss any proposed changes to Business Rates when any new information becomes available.	Cllr Brown/ Paul Jennings
	- 2019-20 Capital Programme	For the Board to receive a written report on the Capital Programme.	Cllr Brown / Paul Jennings
	- Social Value and Sustainability Policy	Following the meeting on 4 th July, it was agreed to review the Social Value Policy. The new policy will be brought to SB1 for scrutiny.	Cllr Brown / Mick Burn
	- Procurement Strategy	The Procurement Strategy is being revised and this meeting will enable SB1 to input into its development before it is agreed by Cabinet/ Council.	Cllr Brown/ Mick Burn

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