

Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held
at 10.00 am on Wednesday, 1 December 2021

Present:

Members: Councillor R Singh (Chair)
Councillor B Gittins
Councillor A Hopkins
Councillor R Lakha
Councillor T Sawdon

Other Members: Councillor R Brown, Cabinet Member for Strategic Finance
and Resources

Employees:

V Castree, Law and Governance
B Hastie, Director of Finance
P Jennings, Finance
C Sinclair, Law and Governance

Apologies: Councillor J Blundell, K Maton and B Mosterman

Public Business

20. Declarations of Interest

There were no declarations of interest.

21. Minutes

The Minutes of the meeting held on 13 October 2021 were signed as a true record. There were no matters arising.

22. Medium Term Financial Strategy 2022-25

The Board considered a report of the Director of Finance which presented the Medium Term Financial Strategy (MTFS) for adoption by the City Council. The previous strategy had been approved as part of the 2021/22 Budget Report in February 2021. The Strategy set out the financial planning foundations that supported the Council's vision and priorities and the financial and policy context for the Council's current Budget process. Cabinet would consider proposals within the Pre-Budget Report at their meeting on 14 December and the final Budget Setting Report would be brought to Cabinet and Council in February 2022.

The executive summary detailed the national funding background to the MTFS and indicated that the Council will 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. These will be set out fully at the point of decision making.

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

- A paramount need to protect the most vulnerable people in the city;
- Expectations on the Council to maintain service levels and standards across a wide range of core services, in part redefined within an updated set of policy priorities;
- A comparatively high rate of local population growth causing greater demand and expenditure pressures in areas such as social care, waste disposal and housing;
- Any growth in the level of government resources within a revised local government funding framework being absorbed by spending demands, especially within social care sectors;
- A Business Rates retention system emphasising the continued importance of promoting growth in the local economy;
- A very large Capital Programme which defines the Council's aspirational outlook, but which establishes a major programming and logistical challenge in order to deliver it.

Taken together, these factors represented a combination of limited resources, challenging underlying economic and demographic conditions, increased demand, pressure to sustain 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. This would provide the financial foundations required to ensure that Council services were fit for purpose to protect the most vulnerable as well as providing good core services for every citizen in the city.

The report also stated that the MTFS rested on the principles, visions and priorities set out for the City within the One Coventry Council Plan 2016-2024, which was currently being refreshed via a process that should be concluded in the first half of 2022. This would include a revised set of corporate priorities and performance measures. The MTFS would need to ensure through appropriate resource allocation decisions that it supports this plan once it has been established, alongside the fundamental aims of delivering a balanced budget and enabling the Council to fulfil its statutory duties.

The Board questioned Officers and received responses on a number of matters raised in the briefing note and Officer's presentation including:

- The financial assumptions in respect of pay budgets
- The role of the West Midlands Combined Authority in maximising investment in the City to maximise growth and co-ordinate services across the sub-region
- Council revenue reserves for Adult Social Care
- The importance of Councillors being kept updated on any emerging risks in detail to allow early scrutiny.
- Format of reports
- Engagement in partnership working including better communication with the Voluntary Sector

- Greater public visibility needed in respect of the transformation programme and budget limitations.

RESOLVED that the Board note the Medium Term Financial Strategy 2022-25 report and recommend to the Cabinet Member for Strategic Finance and Resources:

- **That progress against the transformation programme be heightened by regular reporting to Members.**
- **That reports should be both detailed in content and presented in an easy to understand format.**
- **That information on both the Transformation Programme and budget limitations are communicated to the public.**
- **That communication with voluntary bodies and community sector organisations is improved.**

23. **Financial Impact of COVID-19**

The Board considered a briefing note which provided an update on the financial impacts on the Council resulting from the COVID-19 pandemic.

The details were in the context of:

- The difficulty in separating accurately the impact of Covid from the state of the Council's underlying position (e.g. the number and cost of looked after children).
- The country continues to be affected markedly by COVID-19 and the financial affects remain fluid and subject to future events.

The briefing note considered the following:

- Overall level of 2021/22 Covid funding
- Latest Covid Impact within the September return to Government.
- 2021/22 Quarter 2 financial reporting.
- Business Grants
- Potential medium-term budget impacts

The Board questioned Officers and received responses on a number of matters raised in the briefing note and Officer's presentation including:

- Potential impact of the new Omicron variant
- Impact on car park revenue and underused workplaces due to more staff working from home
- Ensuring data on Government funding and how it's used to be communicated to residents

Following discussion around the wide-ranging effects arising from the ongoing pandemic, the Board asked that a report be brought to a future meeting to further scrutinise the impact this had on working practices.

RESOLVED that the Board receive a briefing note at the earliest opportunity on 'New Ways of Working' to include the operation and impact of the flexible working policy.

24. Work Programme and Outstanding Issues

The Board noted the Work Programme which would be updated to include a report on New Ways of Working (Minute 23 above refers)

25. Any other items of Public Business

There were no other items of public business.

(Meeting closed at 12.00 pm)