

Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held
at 2.00 pm on Wednesday, 15 February 2023

Present:

Members: Councillor C Miks (Chair for the meeting)
Councillor J Blundell
Councillor B Gittins
Councillor R Lakha
Councillor J Lepoidevin
Councillor C Miks
Councillor S Nazir
Councillor E Ruane
Councillor T Sawdon

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

Employees:

Law and Governance: G Holmes, C Sinclair

Finance: B Hastie, P Jennings, T Pinks

Apologies: Councillor R Auluck and J McNicholas

Public Business

24. Declarations of Interest

There were no declarations of interest.

25. Minutes

The Minutes of the meeting held on 11 January 2023 were signed as a true record.

Matter Arising

Minute 20 (ICT and Digital Update) - The Board noted that their recommendation relating to the Member Casework Tool had been sent to the Cabinet Member. The Scrutiny Co-ordinator agreed to report back on the response when received.

NB: Councillor E Ruane raised an item of urgent business at this point in respect of the City of Culture Trust finances, the detail of which is set out at Minute 29 below (Any Other Business).

26. Reserve Balances

The Board received a briefing note and presentation which detailed the position in relation to the Council reserve balances.

Information had been provided as an Appendix to the briefing note which showed balances for each individual reserve areas over a two-year period. These were listed in order of the size of the balance in April 2022 (largest first) within categories. In addition, a brief description had been provided for each balance for clarification.

The Council's total level of non-schools revenue reserves stood at £140.5m at 31 March 2022 and capital reserve were £36.7m. The Council was also required to account for £31.0m of reserve balances that belong to the city's schools or were funded from Dedicated Schools Grant and were therefore ring-fenced for schools' usage.

The Council's reserve balances included an extra-ordinary balance of £18.6m at the end of 2021/22. Government Covid Business Rates reliefs announced for 2021/22 had the effect of reducing the amount of Business Rates payable in-year causing a deficit within the Business Rates Collection Fund. Accounting rules mean that the corresponding grant (from Government) cannot be applied to the Collection Fund until 2022/23 and must be carried forward within General Fund reserves. This treatment will be common to all billing authorities across England. To ensure like for like comparisons this balance was treated as an extra-ordinary item.

There were several reserve balances that warranted initial coverage due to their value and these were detailed in the report summary.

The Board questioned Officers and received responses on a number of matters relating to the presentation including:

- In respect of the current waiting list for disabled facilities equipment, the Board requested that funds currently sitting in reserves balances be used to address the waiting list for Disabled Facilities Grant requests and agreed that this be recommended to the relevant Cabinet Members.
- Due to the increase in staff working from home, Members asked that a review of the Council estate be undertaken and requested that this be added to the work programme.

RESOLVED that the Board:

- (a) Note the contents of the presentation and the detailed reserves listing.**
- (b) Recommend that the Cabinet Member for Adult Services and the Cabinet Member for Strategic Finance and Resources were use the COVID19 Emergency Assistance and Clinically Extremely Vulnerable Grants reserve to reduce the waiting list currently for provision requested under the Disabled Facilities Grant.**

27. CIPFA Resilience Index

The Board received a briefing note and presentation which detailed the position in relation to the Chartered Institute of Public Finance and Accountancy (CIPFA) Resilience Index. The presentation showed the Council's relative performance or ranking in a series of risk categories defined within the index.

CIPFA produced the Resilience Index on an annual basis. The Index was a comparative analytical tool that was intended to be used by chief financial officers to support good financial management. The index showed a council's position on a range of measures associated with financial risk highlighting where additional scrutiny may be required. CIPFA put forward the indicators selected as having been informed by extensive financial resilience work undertaken by CIPFA, public consultation and technical stakeholder engagement.

Section 151 officers were invited to use the index for instance in setting out the proposed budget for the year, producing their medium-term financial strategy or for in preparing their statements of the robustness of the budget and the adequacy of reserves. The data for the resilience index is obtained from the Revenue Expenditure and Financing England Outturn Report 2021-22 ("RO Forms") and reflects figures submitted by Local Authorities to the Department for Levelling Up, Housing and Communities (DLUHC) as at 31 March 2022.

CIPFA recognised some limitations in the returns (e.g. reflecting the previous financial year) but justified it as being a consistent and transparent starting place for a discussion on financial resilience that can be tracked over time. The index was made up of a set of indicators which take publicly available data and compare similar authorities across a range of factors. There was no single overall indicator of financial risk, so the index instead highlights areas where additional scrutiny should take place in order to provide additional assurance.

The Board questioned Officers and received responses on matters relating to the presentation including a request from Members to receive additional information to show comparative data from Coventry's statistically nearest neighbours.

RESOLVED that the Board noted the contents of the briefing note and presentation.

28. Work Programme and Outstanding Issues

The Board noted the Work Programme with the inclusion of an additional item of a review of the Council's estate as set out in Minute 26 above.

There were no outstanding issues.

29. Any other items of Public Business

City of Culture Trust

Cllr E Ruane raised, as a matter of urgent business, his concern that this Board had not been briefed on the financial matters relating to the City of Culture Trust. Following discussion, the Board agreed that the matter should be the subject of an additional meeting.

RESOLVED that, in accordance with the Constitution, the Board would notify the Chief Legal Officer that they are calling for an additional meeting to seek to understand the financial position of the City of Culture Trust and the risk to public finances.

(Meeting closed at 3.40 pm)