

Coventry City Council
Minutes of the Meeting of Cabinet held at 10.00 am on Tuesday, 20 February 2024

Present:

Members: Councillor G Duggins (Chair)
Councillor R Brown
Councillor K Caan
Councillor P Hetherton
Councillor J O'Boyle
Councillor K Sandhu
Councillor P Seaman
Councillor D Welsh

Non-Voting Deputy
Cabinet Members: Councillor S Agboola
Councillor P Akhtar
Councillor G Lloyd
Councillor S Nazir

Non-Voting Opposition
Members: Councillor P Male

Other Non-Voting
Members: Councillor R Lakha
Councillor C E Thomas

Employees (by Service Area):

Finance B Hastie (Director of Finance and Resources), P Baggott,
P Helm, T Pinks

Law and Governance J Newman (Director of Law and Governance), T Robinson,
M Salmon

Apologies: Councillor N Akhtar
Councillor A Jobbar
Councillor C Miks
Councillor Ridley

Public Business

76. Declarations of Interest

There were no disclosable pecuniary interests.

77. Council Tax Setting Report 2024/25

Cabinet considered a report of the Director of Finance and Resources (Section 151 Officer), which would also be considered by Council at its meeting on 20th

February 2024, that calculated the Council Tax level for 2024/25 and made appropriate recommendations to Council, consistent with the Budget Report 2024/25. The report recommended a 4.9% increase in the City's Council Tax. Some figures and information, shaded grey in the report, were provisional due to precepts not having been confirmed at the time of publication. These figures were confirmed as final at the meeting and confirmed as accurate.

The report incorporated the impact of the Council's gross expenditure and the level of income it would receive through Business Rates, grants, and fees and charges. This resulted in a Council Tax requirement, as the amount that its expenditure exceeded all other sources of income.

The report included a calculation of the Band D Council Tax that would be needed to generate this Council Tax requirement, based on the City's approved Council Tax base. The 2024/25 Band D Council Tax that was calculated through this process had increased by £94.44 from the 2022/23 level.

Each year the Government determined the maximum Council Tax increases that local authorities could set without triggering a referendum. For 2024/25 the Secretary of State had published a report which proposed that the rise in Coventry City Council's Council Tax must be below 5% in 2024/25 to avoid triggering a referendum, comprising a 2% precept for expenditure on adult social care and a maximum of 3% for other expenditure. At the time of writing the Secretary of State's report was subject to parliamentary approval. The recommendations within the Budget Report 2024/25 were based on a proposed increase in Council Tax of 4.9%, incorporating a core Council Tax rise of 2.9% and a 2% Adult Social Care Precept.

Members noted that the recommendations followed the structure of resolutions drawn up by the Chartered Institute of Public Finance and Accountancy, to ensure that legal requirements were fully adhered to in setting the tax. As a consequence, the wording of the proposed resolutions was necessarily complex.

RESOLVED that, the Cabinet recommend that Council:

(1) Notes the following Council Tax base amounts for the year 2024/25, as approved by Cabinet on 9 January 2024, in accordance with Regulations made under Section 31B of the Local Government Finance Act 1992 ("the Act"):

a) 87,734.0 being the amount calculated by the Council as its Council Tax base for the year for the whole Council area;

b) Allesley	403.7
Finham	1,564.8
Keresley	561.8

being the amounts calculated by the Council as its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

(2) That the following amounts be now calculated by the Council for the year 2024/25 in accordance with Sections 31A, 31B and 34 to 36 of the Act:

(a) £867,820,927 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils (*Gross Expenditure and reserves required to be raised for estimated future expenditure*);

(b) £691,923,346 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(3) of the Act. (*Gross Income including reserves to be used to meet the Gross Expenditure but excluding Council Tax income*);

(c) £175,897,581 being the amount by which the aggregate at (2)(a) above exceeds the aggregate at (2)(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year;

(d) £2,004.90
$$\frac{(2)(c)}{(1)(a)} = \frac{£175,897,581}{87,734}$$

being the amount at (2)(c) above divided by the amount at (1)(a) above, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. (*Average Council Tax at Band D for the City including Parish Precepts*).

(e) £51,447 being the aggregate amount of all special items referred to in Section 34(1) of the Act. (*Parish Precepts*);

(f) £2,004.31
$$= (2)(d) - \frac{(2)(e)}{(1)(a)} = £2,004.90 - \frac{£51,447}{87,734.0}$$

being the amount at (2)(d) above, less the result given by dividing the amount at (2)(e) above by the amounts at (1)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of the area to which no special item relates. (*Council Tax at Band D for the City excluding Parish Precepts*);

(g)

Coventry (unparished area)	£2,004.31
Allesley	£2,046.16
Finham	£2,017.93
Keresley	£2,027.86

being the amounts given by adding to the amount at (2)(f) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (1)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate. (*Council Taxes at Band D for the City and Parish*).

h)

Valuation Band	Parts to which no special item relates	Parish of Allesley	Parish of Finham	Parish of Keresley
	£	£	£	£
A	1,336.21	1,364.11	1,345.29	1,351.91
B	1,558.91	1,591.46	1,569.50	1,577.23
C	1,781.61	1,818.81	1,793.72	1,802.54
D	2,004.31	2,046.16	2,017.93	2,027.86
E	2,449.71	2,500.86	2,466.36	2,478.49
F	2,895.11	2,955.56	2,914.78	2,929.13
G	3,340.52	3,410.27	3,363.22	3,379.77
H	4,008.62	4,092.32	4,035.86	4,055.72

being the amounts given by multiplying the amounts at (2)(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands.

(3) To note that for the year 2024/25 the Police and Crime Commissioner for the West Midlands and West Midlands Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwelling shown below:

Valuation Band	Police and Crime Commissioner for the West Midlands	West Midlands Fire Authority
	£	£
A	143.70	50.13
B	167.65	58.49
C	191.60	66.84
D	215.55	75.20
E	263.45	91.91
F	311.35	108.62
G	359.25	125.33
H	431.10	150.40

- (4) That having calculated the aggregate in each case of the amounts at (2)(h) and (3) above, the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the following amounts as the amounts of Council Tax for the year 2024/25 for each part of its area and for each of the categories of dwellings shown below:

Valuation Band	Parts to which no special item relates	Parish of Allesley	Parish of Finham	Parish of Keresley
	£	£	£	£
A	1,530.04	1,557.94	1,539.12	1,545.74
B	1,785.05	1,817.60	1,795.64	1,803.37
C	2,040.05	2,077.25	2,052.16	2,060.98
D	2,295.06	2,336.91	2,308.68	2,318.61
E	2,805.07	2,856.22	2,821.72	2,833.85
F	3,315.08	3,375.53	3,334.75	3,349.10
G	3,825.10	3,894.85	3,847.80	3,864.35
H	4,590.12	4,673.82	4,617.36	4,637.22

- (5) That the Council determines that its relevant basic amount of Council Tax for 2024/25 is not excessive in accordance with the principles set out in the Secretary of State's report, under Sections 52ZC and 52ZD of the Act.

78. Budget Report 2024/25

The Cabinet considered a report of the Director of Finance and Resources (Section 151 Officer), which would also be considered by Council at its meeting on 20th February 2024, that followed on from the Pre-Budget Report approved by Cabinet on 12th December 2023 (minute 50/23 referred) which had since been subject to a period of public consultation. The proposals within the report would now form the basis of the Council's final revenue and capital budget for 2024/25 incorporating the following details:

- Gross budgeted spend of £867.8m (£55.8m or 7% higher than 2023/24).
- Net budgeted spend of £277.5m (£17.0m or 7% higher than 2023/24) funded from Council Tax and Business Rates less a tariff payment of £22.2m due to the Government.
- A Council Tax Requirement of £175.9m (£11.5m or 7% higher than 2023/24), reflecting a City Council Tax increase of 4.9% detailed in the separate Council Tax Setting report on today's agenda.
- A number of new expenditure pressures, policy proposals and technical savings proposals.
- A Capital Strategy including a Capital Programme of £157.5m including expenditure funded by Prudential Borrowing of £41m.
- An updated Treasury Management Strategy, Capital Strategy, and a Commercial Investments Strategy.

The financial position in this Budget Report was based on the Final 2024/25 Local Government Finance Settlement published on 5th February 2024. Whilst the Government had provided an additional £3.2m of social care grant for 2024/25, the Settlement represented an ongoing net reduction in resources compared to the

Pre-Budget report of c£2.1m per annum. The position after 2024/25 remained uncertain as the Government's spending plans were effectively the second year of a 2-year settlement, and the final year of the 5-year Comprehensive Spending Review. This therefore provided no certainty or stability for local government finances beyond 2024/25. Reviews in relation to the local government financial allocation model and Business Rates retention would not now happen in this parliament and would therefore need to be a focus of attention for the new government, following the general election expected later in 2024. As a result, it was impossible to provide a robust medium term financial forecast at this stage and the Council had instead made some planning estimates for future years. Initial assumptions indicated a strong likelihood that there would be a substantial gap for the periods following 2024/25. The view of the Director of Finance and Resources (Section 151 Officer) was that the Council should be planning for such a position.

The Pre-Budget Report was based on an increase in Council Tax of 4.9% and this position had been maintained for the final proposals in the report. This incorporated an increase of 2.9%, which was within the Government's limit of 3% above which a referendum would need to be held plus a further 2% Adult Social Care (ASC) Precept in line with Government expectations. The precept was essential to enable councils including Coventry to manage increases in the costs of care. In total, the rise in Council Tax bills would be the equivalent of around £1.60 a week for a typical Coventry household including the expected rises in the precepts for Police and Fire.

The Council had closed the significant financial gap for 2024/25 which it had at the start of the Budget process. Measures to achieving this included the identification of additional Council Tax resources, a range of technical adjustments and newly identified cost savings or income streams. All these proposals were set out in detail in Appendix 2 of the report. Where these were different to the proposals that were included in the Pre-Budget Report, this had been indicated within Appendix 2 and shown in tables 2 and 3 within section 2.2 of the report. There were no new service savings required (over and above those set out in the pre-budget report) as a result of this budget report.

The proposals did not provide the Council with a balanced budget beyond 2024/25. The Council's current medium term bottom line incorporated a combination of future inflationary and service pressures and the fall-out of uncertain specific grant resources. Some of the future funding assumptions were speculative at this stage and would be revised towards the end of 2024 as any changes to local government finance resulting from the 2025/26 Settlement were made known. The initial approach would however be dictated by an intention to review and update technical information as it became available to the Council and to identify further efficiencies from, or generate further income within, Council services. Through 2024, the Council would continue to refine and implement a programme of activity designed to review how best to deliver its services, improve integration between some of them and optimise the effectiveness of others.

Whatever the future holds for national changes to local government finance in the next parliament, the Council remained committed to maintaining, and where possible strengthening its own financial self-sustainability and the need to support the vibrancy and growth of the city. Over the coming year the Council would continue to consider investment in activities that strengthened its existing financial

interests and those of the city, within the restrictions imposed by Government in relation to access to borrowing from the Public Works Loans Board. The Council's view was that a positive and ambitious strategy was preferable to a more passive approach which would leave the Council more vulnerable to central government policy and the wider pressures on local government services.

The Council's Medium Term Financial Strategy (MTFS), included as Appendix 1 to the report, set out the financial planning foundations that supported the setting of the Council's revenue and capital budgets, including the policy assumptions and financial management framework that underpinned the strategy. The purpose of the MTFS was to describe the environment within which the Council operated and bring together resource and cost projections to explain how the Council planned to address its funding gap, whilst retaining focus on its strategic priorities.

The recommended Capital Programme proposals were a key part of the Council's approach and amounted to £157.5m in 2024/25. The proposals reflected the Council's ambitions for the city and included: extensive highways infrastructure works including specific schemes relating to continued delivery of the City Region Sustainable Transport Settlement (CRSTS) programme that included transport packages for the Foleshill and London Road corridor; moving towards Stage Gate 2 of the Very Light Rail project; the commencement of City Centre Cultural Gateway; progressing the City Centre South redevelopment; and the commencement of the Woodlands School project. Over the next 5 years the Capital Programme was estimated at a total of £405m as part of on-going investment delivered by and through the City Council.

The report detailed the annual Treasury Management Strategy, incorporating the Minimum Revenue Provision policy and the Commercial Investment Strategy. These covered the management of the Council's treasury and wider commercial investments, cash balances and borrowing requirements. These strategies and other relevant sections of this report reflected the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code and Prudential Code for Capital Finance, as well as statutory guidance on Minimum Revenue Provision (MRP) and Investments.

Appendix 9 of the report contained details of proposed changes to the Council Tax Support Scheme (CTSS). These had been modified from those included in the Pre-Budget Report following public consultation. The report requested approval for these changes to be implemented from 1st April 2024. The budgetary challenges faced by the Council for 2024/25 required the Council to review all areas of discretionary expenditure including the option to revise the amount of support provided through the CTSS for working age households.

RESOLVED that Cabinet recommends to Council the approval of recommendations 1) to 11) below:

- 1) Approve the Medium-Term Financial Strategy in Appendix 1 to this report, as the basis of its medium-term financial planning process.**

- 2) Approve the Budget proposals in Appendix 2, after due consideration of the consultation responses set out in Appendix 3 and the Equality Impact Assessment set out in Appendix 11 to 28 in relation to proposals to revise the Council Tax Support scheme.
- 3) Approve the total 2024/25 revenue budget of £870m in Table 1 and Appendix 5, established in line with a 4.9% City Council Tax increase and the Council Tax Requirement recommended in the Council Tax Setting Report considered on today's agenda.
- 4) Note the Director of Finance and Resources (Section 151 Officer) comments confirming the adequacy of reserves and robustness of the budget in Section 5.1.2 and 5.1.3.
- 5) Approve the Capital Strategy incorporating the Capital Programme of £157.5m for 2024/25 and the forward commitments arising from this programme totalling £405m between 2024/25 to 2028/29 detailed in Section 2.3 and Appendix 6.
- 6) Authorise in respect of food waste, the introduction of a separate weekly food waste collection to be implemented with effect from 1 April 2025 delivering the savings in Appendix 2 and detailed in Section 2.3.4, including:
 - the acceptance of the capital grant funding of £1.87m from the Department for Environment Food and Rural Affairs specifically for the delivery of a separate food waste collection, and
 - the addition of £1.87m grant funding to the capital programme in 24/25 to facilitate the necessary capital investment required to bring this recommendation into effect.
- 7) Approve the addition to the capital programme of a new capital scheme for Temporary Accommodation acquisition at a total cost of £1.5m funded from prudential borrowing to support the delivery of the saving line Increasing alternative Temporary Accommodation provisions in Appendix 2 - Budget Proposals and Financial Position and detailed in Section 2.3.5.
- 8) Approve the expansion of the existing Residential Children's Home Strategy scheme at a total cost of £1.4m funded from prudential borrowing to support the delivery of the saving line Expansion of Residential Strategy in Appendix 2 - Budget Proposals and Financial Position and detailed in Section 2.3.6.
- 9) Approve the Council's Treasury Management Strategy and Minimum Revenue Provision Statement for 2024/25 in Section 2.4 and the Prudential Indicators and limits described and detailed in Appendix 8, the Commercial Investment Strategy for 2024/25 in Section 2.5 and Appendix 7 and the Commercial Investment Indicators detailed in Appendix 8.

10) Consider and note the proposed changes to the Council Tax Support Scheme set out in Appendix 9 to the report, as a result of the consultation (Appendix 10) and the Equality Impact Assessment (Appendix 16).

11) Approve the implementation of the revised Council Tax Support scheme as laid out in Appendix 9a of this report with effect from 1st April 2024.

79. Outstanding Issues

There were no outstanding issues.

80. Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.

There were no other items of public business.

(Meeting closed at 10.05 am)