

**Coventry City Council**  
**Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held**  
**at 10.00 am on Monday, 14 April 2014**

Present:

Members: Councillor R Sandy (Chair)  
Councillor D Chater  
Councillor J Clifford (Substitute for Councillor Akhtar)  
Councillor R Lakha  
Councillor J Mutton (Substitute for Councillor Miks)  
Councillor T Sawdon  
Councillor T Skipper

Employees:

P Jennings, Resources Directorate  
A Simpson, People Directorate  
S Symonds, Resources Directorate  
A West, Resources Directorate

Apologies: Councillors F Abbott, N Akhtar, D Kershaw, C Miks and  
H S Sehmi

## **Public Business**

### **54. Declarations of Interest**

There were no disclosable pecuniary or other relevant interests declared.

### **55. Minutes**

The minutes of the meeting held on 3 March 2014 were signed as a true record. Further to minute 48 headed "Report Back from CIPFA Conference July 2013" a note had been circulated by Councillors Gannon and Blundell, the Members who had attended. In regard to minute 49 headed "Strategic Property Review and Council Move to Friargate" it was confirmed that officers had discussed with the Leader the principle of holding a seminar/workshop for all members to deliberate member involvement in driving the Project Kickstart agenda forwards, and were organising the event for the new municipal year.

### **56. 2014/15 Capital Programme Overview**

The Board received a presentation of the Finance Manager, Corporate Finance, which gave an overview of the 2014/15 Capital Programme. It was reported that this was the largest programme in a generation and had bucked recent trends in terms of size. It was a mix of European, Government and local drivers. The programme was dominated by grant, the vast majority of which was ring-fenced (European) or specifically targeted (schools and highways), and borrowing. Local authorities could make prudent decisions to borrow within the criteria of the Prudential Code for Capital Finance in Local Authorities.

Funding was obtained from a variety of sources: specific grant £91m (64%), prudential borrowing £40m - (28%), revenue £9m (6%) and capital receipts £1m (1%). The greatest sector of Capital Programme spend was on Regeneration and Business at £37m (26%), followed by Highways at £38m (27%), schools at £36m (£25%), NUCKLE at £11m (8%) and ICT at £9m (6%). The remaining 8% comprised a variety of smaller projects.

Capital receipts had provided previous flexibility, although receipts had reduced as the stock of saleable assets had diminished. Future programmes would depend on new parliamentary spending decisions. In the meantime, the Council would need to continue to make grant bids, whilst recognising that the availability of resources was decreasing. Additionally, self-funding schemes and opportunities would rely on an acceptable mix of risk and return, with close scrutiny of the overall borrowing and debt repayment levels.

The Board were concerned to have in place the appropriate checks and balances to ensure probity in managing the programme efficiently and effectively. They questioned current guidance around Section 106 funding and the risks with the specific grants and loans outlined in the presentation. They were reminded that recent changes to the Constitution introduced responsibility on Members to oversee the grant processes and on finance officers to ensure that appropriate checks and tests on the implications of borrowing were carried out within service departments.

In considering the financial implications of the various areas of spend within the programme, the Board was concerned about robust management of risk thresholds for the Coventry Investment Fund, including impacts on revenue spend, and asked for further investigation and information to come back to a future meeting.

The Board also sought clarification on the availability of any grant funding or financial support available to the Council in relation to numbers of students to offset their exemption from paying Council Tax.

**RESOLVED that:**

- a) A report on the management of risk thresholds for the Coventry Investment Fund to be brought to a future meeting of the Board.**
- b) A briefing note on availability of any grant funding or financial support available to the Council in relation to numbers of students to offset their exemption from paying Council Tax to be circulated to the Board**

**57. Schools Basic Needs Capital Programme**

The Board received a briefing note of the Capital and Strategic Planning Manager and the Finance Manager, Corporate Finance, which provided an update on issues relating to the Council's Schools Capital Programme, including an update on proposed reductions to the Council's Schools Basic Needs Capital Programme.

The Council's main priority remained the provision of additional primary school places in response to the on-going increase in early years numbers. As these

pupils moved into the secondary phase from 2018/19 there would be an increased need for additional secondary places. The Council had been allocated no Basic Need funding for either 2015/16 or 2016/17. Although the situation was being challenged, there would be a significant impact on the deliverables within the programme over the next five years. There was limited scope for new capital schemes, and, therefore, reduced options for filling the gap caused by the withdrawal of Basic Needs funding.

Officers had already commenced informal challenges to the decision to withdraw funding and would continue efforts to address the situation during the coming year. The Board noted the report and thanked officers for work being done to address the funding issues.

**58. Review of 2013/14 Scrutiny Activity**

In reflecting on the work programme for the year, the Board agreed that outstanding items should be prioritised and that items concerning the Capital Programme and Coventry Investment Fund (CIF) should be included for the coming year.

**59. Work Programme 2013-14**

The Board had completed its scheduled list of business and agreed to review the scheduling of outstanding items. See minute 58 above.

**60. Outstanding Issues Report**

All outstanding issues had been included in the Work Programme. Minute 59 above refers.

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

There were no additional items of public business

**62. Meeting Evaluation**

The Board did not consider meeting evaluation due to time constraints.

(Meeting closed at 11.55 am)