

**Council – 3<sup>rd</sup> December 2013**

**Recommendation from Cabinet  
19<sup>th</sup> November 2013**

**Coventry City Council**

**Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 19 November 2013**

Present:

Cabinet Members: Councillor A Lucas (Chair)  
Councillor D Chater  
Councillor G Duggins  
Councillor D Gannon  
Councillor A Gingell  
Councillor L Kelly  
Councillor A Khan  
Councillor R Lancaster  
Councillor E Ruane  
Councillor P Townshend

Deputy Cabinet Members Councillor Caan  
Councillor Howells

Non-Voting Opposition Councillor A Andrews  
Members:

Other Members: Councillors F Abbott, C Fletcher, P Hetherton and S Thomas

Employees (by Directorate):

Chief Executive's M Reeves (Chief Executive), F Collingham, J Forde

People B Walsh (Executive Director), R Baker, P Fahy, M Godfrey,  
K Ireland, A Maqsood, A Parks, M Watson

Place M Yardley (Executive Director), R Moon, A Williams

Resources C West (Executive Director), L Commane, C Forde,  
P Jennings, L Knight, A West

Apologies: Councillor J Blundell and D Kershaw

## RECOMMENDATION

### Public Business

#### 77. **Medium Term Financial Strategy**

The Cabinet considered a report of the Executive Director, Resources, which set out the Medium Term Financial Strategy (MTFS) 2014-2017, for adoption by the Council.

The report had previously been considered by the Finance and Corporate Services Scrutiny Board (1) at their meeting held on 7<sup>th</sup> October 2013. The Board had recommended that the risk register attached to the Strategy be updated to reflect the current situation regarding risk, before the report be considered by Council. A copy of the revised risk register was also circulated to the Cabinet.

The MTFS underpinned the medium term policy and financial planning process that was fundamental to setting the Council's revenue and capital budgets. It was noted that, following the Strategy's consideration by Council, the subsequent Cabinet meeting would consider the Pre-Budget report that would set out the work undertaken in preparation for the 2014/15 and future years' revenue budget and capital programme.

Notwithstanding the emergence in recent months of some early signs of national economic recovery, the Government's June Spending Round announcement confirmed continuing large cuts to local government resources. Therefore, the fundamental factor shaping the Council's MTFS continued to be one of unprecedented financial pressure leading to significant reductions in spending levels that were likely to continue in the period up to 2020, and possibly beyond. Indeed, if the current pattern of local government funding continued, this indicated that in real terms for every £10 of net budget the Council had available in 2010/11, it had less than £9 now and would have nearer £6 in 2024/25.

The report provided a summary of the national and local context that framed the strategy, which represented a combination of reducing resources, challenging underlying economic conditions, increased demand in some areas, a heightened need to improve the quality of service in others and new challenges represented by government reform. In these circumstances, it was crucial that the Council's financial strategy was both robust and flexible. This would provide the financial foundations to support work to ensure that the Council services were fit for purpose to protect the most vulnerable, as well as providing decent core services for every citizen in the City.

Based on initial estimates of both future funding settlements and known or expected future spending pressures, the Council's indicative financial position moving into 2014/15 budget setting showed a major funding gap increasing to £58m in 2016/17. This picture would be refined as the Council moved into Budget Setting, but gave a clear indication of the massive financial challenges. The position would become yet more acute in the period beyond this MTFS based on ministerial announcements about continued spending cuts.

**RESOLVED that the Cabinet:-**

- (1) Agree the recommendations from the Finance and Corporate Services Scrutiny Board (1).**
- (2) Recommend that the Council approve the Medium Term Financial Strategy.**