

Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held
at 10.00 am on Monday, 3 November 2014

Present:

Members: Councillor R Sandy (Chair)
 Councillor R Brown
 Councillor J Clifford (Substitute for Councillor L Kelly)
 Councillor D Galliers
 Councillor M Hammon
 Councillor L Harvard
 Councillor R Lakha
 Councillor J Mutton
 Councillor T Sawdon

Employees:

G Collins, Place Directorate
P Jennings, Resources Directorate
K Larsen, Resources Directorate
S Nawaz, Place Directorate
M Rossi, Resources Directorate

Apologies: Councillor D Gannon and L Kelly

Public Business

14. Declarations of Interest

There were no disclosable pecuniary interests declared.

15. Minutes

The minutes of the Finance and Corporate Services Scrutiny Board (1) meeting held on 15th September 2014 were signed as a true record.

16. Medium Term Financial Strategy 2015-18

The Scrutiny Board considered a report of the Executive Director, Resources concerning the Medium Term Financial Strategy (MTFS). The report was also scheduled to be considered by Cabinet on 4th November 2014 and any recommendations made by the Scrutiny Board would be considered by Cabinet at this meeting.

The MTFS set out the financial planning foundations that supported the Council's vision and priorities and lead to the setting of the Council's revenue and capital budgets. Following the Strategy's consideration by Council, the subsequent meeting of Cabinet would consider the pre-budget report that would set out the work undertaken in preparation for the 2015/16 and future years' revenue budgets and capital programme.

Scrutiny Board Members asked questions about the levels of the Council's reserves over the last four years and how the growth in reserves could be reconciled with cuts in service areas. They were also interested in hearing if there were areas of the Council that consistently reported underspend. Members requested that details of underspend since 2010 be sent to Members of the Board for further consideration.

The Scrutiny Board discussed the use of the term "savings" and felt that "reductions in spending" would be a better way of expressing the situation. It was felt that it was a question of semantics and did not ask for any changes to be made to the MTFs.

Members discussed the Friargate Development and what the City Council was doing to promote growth in the City Centre. The Scrutiny Board also discussed the levels of Council Tax being raised through the building of new houses over the next few years. Members also felt the Strategy was too inward looking, and did not take into account external references, such as the Coventry and Warwickshire Local Enterprise Partnership.

RESOLVED, that the Scrutiny Board:

- 1. Endorsed the recommendations to Cabinet.**
- 2. Requested that details of underspend over the past four years be circulated to Members of the Board for further consideration.**

17. Ethical Investment

The Scrutiny Board considered a Briefing Note of the Executive Director, Resources concerning ethical investment. At their meeting on 15th September 2014 the Scrutiny Board sought further information in relation to ethical investment and examples of ethical investment policies adopted by local authorities.

The Board noted that the Council's Treasury Management activity involved investment in financial institutions rather than direct investment in types of companies. This meant that adoption of an ethical investment strategy would have no practical impact on the Council's investing activities.

RESOLVED, that the Scrutiny Board noted the contents of the briefing note.

18. Coventry Investment Fund

The Scrutiny Board considered a briefing note of the Executive Director, Place concerning the Coventry Investment Fund and how risk thresholds and revenue spend were managed as well as explaining the governance and reporting mechanisms.

The Coventry Investment Fund (CIF) operated as a revolving investment fund to enable commercial investment projects to take place that otherwise would not. The purpose of the Fund was 'to grow Coventry business rates and achieve economic benefits for its citizens'. The Fund could offer a range of investment types including loans, equity, rental guarantees and in exceptional circumstances

grants. It was also available for public sector infrastructure investment where such investment supports the purpose of the Fund.

The Scrutiny Board noted that the CIF budget was £50m and was financed from council borrowing which was planned as part of the Medium Term Financial Strategy and was drawn down as and when the CIF Board made investments.

The Scrutiny Board noted that £6.1m of the £50m had been earmarked for Council Schemes. Members questioned the length of time money was being borrowed for to businesses and noted that the typical time frame was two or three years. The minimum amount that could be borrowed was £100,000 and there was no maximum.

RESOLVED, that the Scrutiny Board noted the contents of the briefing note and did not make any recommendations to the Cabinet Member.

19. **Work Programme 2014-15**

The Scrutiny Board considered the work programme and noted that Customer Journey and Review of Guidelines for Revenue Enforcement would be considered at the next meeting on 15th December 2014.

20. **Meeting Evaluation**

The Scrutiny Board evaluated the meeting and their comments would be used to ensure the continued efficiency and effectiveness of future meetings.

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

There were no additional items of public business.

(Meeting closed at 12.00 pm)