

Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held
at 9.30 am on Wednesday, 11 November 2015

Present:

Members: Councillor J Mutton (Chair)
Councillor J Blundell
Councillor G Duggins
Councillor R Lakha
Councillor M Mutton
Councillor T Sawdon
Councillor D Welsh

Employees:

People: R. Evans, J. Moore, H. Thornton
Resources: V. Castree, G. Cowley, B. Hastie, P. Jennings, B. Strain, C. Sinclair, L. Welton

Apologies: Councillor S Bains, D Chater and T Skipper

Public Business

Note: Agenda items 7 to 12 were deferred to the 6 January 2016 meeting to allow members to attend a Remembrance Day service

18. Declarations of Interest

There were no declarations of interest.

19. Minutes

The minutes of the meeting held on 2 September 2015 were signed as a true record. There were no matters arising.

20. Sub Regional Procurement Strategy 2015 - 2020

The Board considered a report of the Executive Director of Resources which set out the Sub Regional Procurement Strategy 2015-2020. The report would be considered by the Cabinet Member for Strategic Finance and Resources on 7 December 2015.

Through the shared procurement service, Coventry CC, Solihull MBC and Warwickshire CC agreed the first Sub-Regional Procurement Strategy in June 2010 which ran for 5 years expiring in June 2015. The report detailed the proposals for the revised Sub Regional Procurement Strategy 2015 - 2020.

In July 2014, the LGA published the National Procurement Strategy (NPS) giving local authorities a structure for the outcomes that need to be achieved to deliver

procurement good practice, based around the following four themes: Making Savings, Supporting Local Economies, Demonstrating Leadership and Modernisation.

The revised Sub Regional Strategy 2015 – 2020 has been based around the NPS themes and priorities for local government. Across the three upper tier authorities within the Coventry, Solihull, Warwickshire (CSW) sub-region, the Councils spend approximately £883m each year on bought in goods, services and works. Spending this money well through effective procurement is fundamental to achieving organisational success for the three authorities and supporting prosperity across the sub-region.

Members questioned officers on aspects of the report and whilst broadly supporting the Strategy, expressed some concern regarding the length of time of the Strategy bearing in mind timescales around the Combined Authority.

RESOLVED that the Scrutiny Board recommend to the Cabinet Member for Strategic Finance and Resources, that the Sub Regional Procurement Strategy is flexible to recognise evolving working arrangements between Authorities and Partners over the five year span of the Strategy.

21. **Medium Term Financial Strategy 2016-19**

The Board considered the Medium Term Financial Strategy (MTFS) for 2016-2019 for adoption by the City Council. The previous strategy was approved in November 2014. The Strategy set out the financial planning foundations that supported the Council's vision and priorities and leads to the setting of the Council's revenue and capital budgets. The Strategy would be considered at the same meeting of Cabinet as the Council's Pre-Budget Report set out the work undertaken in preparation for 2016/17 and future years' revenue budgets and capital programme.

The Government's July 2015 Summer Budget announced a further period of public sector spending reductions over the course of the new Parliament and this provided a key backdrop to the Council's medium term financial position. However, further detail on the local future years funding position would not be clarified until after the results of the forthcoming Spending Review, due to be published on 25 November and the Local Government Finance Settlement expected in late December. The high likelihood was that these would confirm continued cuts in Revenue Support Grant for local government on a trajectory which was broadly consistent with cuts made since 2010. Therefore, the fundamental factor shaping the City Council's MTFS continued to be one of unprecedented financial pressure leading to further significant reductions in spending levels that are likely to continue in the period up to 2020 and possibly beyond. If the current pattern of local government funding continued, this indicates that, in real terms, for every £10 of net budget the Council had available in 2010/11 it has just over £7 now and will have nearer £5 in 2024/25.

The national and local contexts that frame this Strategy were detailed in the report. In addition, on 13th October 2015 the Council took an in-principle decision to join with other councils across the region to form a West Midlands Combined Authority (WMCA) - a statutory body to facilitate collaboration and joint working between

local authorities to improve economic development, regeneration and transport in the area. The precise structure, functions and financial arrangements of the authority continued to be developed at this time. In particular, it was possible that a Devolution Deal will be struck between WMCA and Government, seeing additional delegations and devolution of power and resources to the West Midlands. It was too early to predict the financial implications of this for the City, and the impact on the MTFS.

These factors represented a combination of reducing resources, challenging underlying economic and demographic conditions, increased demand, a heightened need to improve the quality of services and new challenges represented by government reform and local structural and governance relationships. In these circumstances it was crucial that the Council's financial strategy was both robust and flexible. This would provide the financial foundations required to ensure that Council services were fit for purpose to protect the most vulnerable as well as providing decent core services for every citizen in the city. In support of these aims, the City Councils strategic financial approach to the demands were fully detailed in the report.

The Board discussed aspects of the report, in particular costs relating to agency staff/consultants and in this regard, further detail was requested by the Board.

The Board also discussed the work of the Reserves and Underspends Working Group and agreed that their findings be taken into account by the Cabinet when considering the report.

RESOLVED that the Board recommend that Cabinet consider incorporating the findings and recommendations of the Reserves and Underspends Working Group into the Medium Term Financial Strategy to address part of the budget shortfall for 2016/17.

22. **Public Consultation - Local Tax Support Scheme**

Further to Minute 13/15, the Board considered a briefing note with information on the likely impact on residents in respect of the proposed changes to the Local Council Tax Support Scheme. The document included a factsheet on Council Tax Support and Welfare Reform, a summary of responses to council tax support consultation and the council tax enforcement policy from April 2016.

The Board questioned officers on the report. Arising from discussion, Members asked for further details in respect of the response from the Citizens Advice Bureau. Their comments as front line advisors to the public would help the Board better understand current issues.

The Board discussed at length their concerns regarding the impact on residents in light of other spending cuts and changes to benefits. Following discussion they agreed to recommend that Cabinet revisit other options to make the necessary savings so as to protect the most vulnerable in the City. In addition, Members asked that, if timescales allowed, the EIA and wider impacts of welfare reform come back to the Board. However it was noted that this would also be considered by Council on 12 January 2016.

RESOLVED that the Board recommend to Cabinet that it be mindful of Council policy to protect the most vulnerable in the City and to consider other options to achieve the required savings.

23. Treasury Management

This item was deferred to the meeting to be held on 6 January 2016.

24. Capital Programme Funding

This item was deferred to the meeting to be held on 6 January 2016.

25. Public Health Ringfenced Grant

This item was deferred to the meeting to be held on 6 January 2016.

26. Outstanding Issues Report

This item was deferred to the meeting to be held on 6 January 2016.

27. Work Programme 2014-15

This item was deferred to the meeting to be held on 6 January 2016.

(Meeting closed at 10.35 am)