

Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held
at 2.00 pm on Wednesday, 19 October 2016

Present:

Members: Councillor L Kelly (Chair)
Councillor S Bains
Councillor J Lepoidevin
Councillor J McNicholas
Councillor G Ridley
Councillor T Sawdon
Councillor R Singh
Councillor T Skipper
Councillor R Thay

Employees:

Resources: V. Castree, B. Hastie, P. Jennings, C. Sinclair

Apologies: Councillor J Mutton (Cabinet Member for Strategic Finance and Resources)

Public Business

20. Declarations of Interest

There were no declarations of interest.

21. Minutes

The minutes of the meeting held on 7 September 2016 were signed as a true record. There were no matters arising.

22. Reserve Balances

The Board considered a briefing note which contained information as requested in relation to the Council's reserve balances. Balances for each individual reserve area over a three year period were appended to the briefing note.

The Council's total level of non-schools reserves stood at £69.6m at 31st March. The Council was also required to account for £25.8m of reserve balances that belonged to the city's schools (£20m) or were funded from Dedicated Schools Grant and were therefore ring-fenced for schools usage (£5.8m).

In recent years the Council had implemented programmes of Early Retirement and Voluntary Redundancy to deliver the staffing savings required to balance the budget. A report to Cabinet in November 2015 identified the funding set aside for this purpose to cover future years including reserves of £12.5m. This balance was identified and earmarked as part of the 2015/16 Outturn process.

A further £11.8m of reserves had been held to manage the cash-flow requirements of the financial models for the Council's three Private Finance Initiative schemes.

These reserves would be used over the 25 year plus lifetimes of the schemes. As part of 2016/17 Budget Setting a decision was taken to utilise £1m per annum for the next ten or so years before then repaying these amounts over the remainder of the schemes' lifetime.

Capital receipts (proceeds from the sale of capital assets) were generated in 2015/16 to the value of £6.7m. These receipts were in excess of the amount needed to fund the Capital Programme and were therefore available to the Council to apply to newly identified purposes. Proposals would come forward for the use of these resources as part of the forthcoming Budget Setting process.

Capital Grant resources of £5.7m had been carried forward as reserve balances. These represented income received ahead of the need to spend them. However, the resources would be required to fund the Council's existing expenditure plans and therefore these resources were committed.

At the end of 2015/16 the Council received £4.4m in dividends from its shareholding in Birmingham Airport. Proposals were likely to come forward for the use of these resources as part of the forthcoming Budget Setting process.

The Board went through the reserves list line by line and asked officers to clarify which were 'earmarked', 'un-earmarked' or 'committed'. Following this, it was agreed that the document be re-ordered to group the categories together to make it clear to the reader which resources were available and which were committed.

In noting the document, the Board made the following suggestions:

- That officers give consideration to consolidating some categories, for example 'European elections' and 'PCC elections' had been categorised separately, so it was suggested they could be combined.
- That officers clarify within the document which headings were committed to capital projects and which were committed to revenue projects.

23. **Outstanding Issues Report**

There were no outstanding issues.

24. **Work Programme**

In noting the work programme, the Board agreed that:

- ER/VR be included on the agenda for the 29 March 2017 meeting
- 'Operational property and spending' be added to the work programme

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

There were no other items of business.

(Meeting closed at 4.00 pm)