

**Council – 8th September 2020**  
**Recommendation from Cabinet**  
**21<sup>st</sup> July 2020**

**Coventry City Council**  
**Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 21<sup>st</sup> July 2020**  
**(This meeting was held remotely)**

Present:

Cabinet Members:

Councillor G Duggins (Chair)  
Councillor AS Khan (Deputy Chair)  
Councillor K Caan  
Councillor K Maton  
Councillor J Mutton  
Councillor M Mutton  
Councillor J O'Boyle  
Councillor P Hetherington  
Councillor T Khan

Non-Voting Deputy Cabinet  
Members:

Councillor P Akhtar  
Councillor G Lloyd  
Councillor D Welsh

Non-Voting Opposition  
Members:

Councillor A Andrews  
Councillor G Ridley

Other Non-Voting Members:

Councillor R Brown  
Councillor R Lakha  
Councillor C Miks  
Councillor R Singh

Employees (by Service):

Chief Executive

M Reeves (Chief Executive)

Deputy Chief Executive

G Quinton (Deputy Chief Executive)

Communications

D O'Shaughnessy

Law and Governance

J Newman (Director of Law and Governance), S Bennett,

G Holmes, M Salmon

Finance B Hastie (Director of Finance), P Jennings

Transportation and Highways C Knight, J Seddon

Apologies:  
Councillor R Ali  
Councillor B Gittins  
Councillor K Sandhu  
Councillor P Seaman  
Councillor C Thomas

## Public Business

### RECOMMENDATION

#### 71. Revenue and Capital Outturn 2019/2020

The Cabinet considered a report of the Director of Finance, that would also be considered by Council at their meeting on 8<sup>th</sup> September 2020 and the Audit and Procurement Committee at their meeting on 19<sup>th</sup> October 2020, that outlined the final revenue and capital outturn position for 2019/2020 and reviewed treasury management activity and 2019/2020 Prudential Indicators reported under the Prudential Code for Capital Finance.

The overall financial position included the following headline items:

- A balanced revenue position after a recommended £5.5m is set aside in reserves for the Council's reset and recovery following the Covid-19 outbreak.
- Capital Programme expenditure of £216m which represents the largest programme in the modern era.
- An increase in the level of Council revenue reserves from £82m to £90m including the Covid funding and the net underspend contribution.

Further detail included:

- A revenue overspend of £3.4m relating to housing and homelessness as a result of demand for temporary accommodation and the associated costs not recoverable from Housing Benefit.
- A revenue overspend of £2.5m across services for children and young people driven principally by the number and cost of children's placements.
- A net underspend across the rest of the Council and in particular a £12m position within central budgets resulting overwhelmingly from one-off circumstances.
- Identified expenditure and income loss related to the Covid-19 situation in March 2020 of £2.85m funded by Government emergency funding provided for this purpose.
- Receipt of overall Covid-19 funding of £10.4m of which £7.55m is proposed be set aside to deal with Covid costs in 2020/21.

The underlying revenue position had improved by £3.6m since Quarter 3 when an underspend of £1.9 was forecast. In particular, the overall underspend and the

improved position related to improvements within Contingency and Central budgets which were set out in the report. In overall terms the favourable outturn position shown must be put in the context of the Covid-19 crisis. The human and public health impacts of this have been widely reported and some of these could be expected to continue for the foreseeable future. Councils had been assessing the estimated additional costs and lost income that had already been incurred or were expected and this task was essential to inform the Government's pledge to ensure that such costs were fully funded.

Given the huge uncertainties, it was difficult to provide robust estimates of the forward looking financial impact on the Council although even with optimistic forecasts of the lifting of restrictions, the overall cost could exceed £30m. Notwithstanding early Government commitments, there had been subsequent indications that councils may be expected to 'share the burden' of these costs. On this basis it was important that the Council continued to maintain a strong financial position to protect itself from what could be a very challenging financial environment which would certainly be felt well beyond financial year 2020/21. The recommended proposals put forward through the Director of Finance, the Council's Section 151 officer, were reflected in the report recommendations and explained in section 5.1 of the report. Appendices to the report provided: a detailed breakdown of Directorate Revenue Variations; Capital Programme Changes and Analysis of Rescheduling; and Prudential Indicators.

The Cabinet thanked the Cabinet Member for Strategic Finance and Resources and the Director of Finance, the Finance Manager Corporate Finance, and Finance officers, for the work undertaken on the Council's financial management and welcomed the Council's financial position for 2019/2020.

The Cabinet agreed to:

- 1) Approve the setting aside of £5.5m (section 2.1 and Appendix 1 of the report) into a Reset and Recovery reserve available from the year-end revenue bottom line.
- 2) Approve the final capital expenditure and resourcing position (section 2.3 and Appendix 2 of the report), incorporating expenditure of £215.9m against a final budget of £235.1m; £19.0m expenditure rescheduled into 2020/21 and a net underspend £0.2m.
- 3) Approve the outturn Prudential Indicators position in section 2.4.4 and Appendix 3 to the report.
- 4) Recommend to the Council the approval of reserve contributions of £5.5m to a Reset and Recovery reserve and £7.55m to fund costs resulting directly from Covid-19.

**RESOLVED that the Council be recommended to approve reserve contributions of £5.5m to a Reset and Recovery reserve and £7.55m to fund costs resulting directly from Covid-19.**