

Coventry City Council
Minutes of the Meeting of Cabinet held at 2.00 pm on Tuesday, 14 February 2023

Present:

Members: Councillor G Duggins (Chair)
Councillor AS Khan (Deputy Chair)
Councillor R Brown
Councillor K Caan
Councillor Hetherton
Councillor M Mutton
Councillor J O'Boyle
Councillor K Sandhu
Councillor P Seaman
Councillor D Welsh

Non-Voting Deputy
Cabinet Members:

Councillor P Akhtar
Councillor G Hayre
Councillor G Lloyd

Non-Voting Opposition
Members:

Councillor G Ridley
Councillor P Male

Other Non-Voting Members:

Councillor N Akhtar
Councillor J Clifford
Councillor R Lakha

Employees (by Service):

Interim Chief Executives B Hastie (Interim Chief Executive (Section 151 Officer),
K Nelson (Interim Chief Executive (Chief Partnerships Officer))

Business, Investment
And Culture

D Hope, K Mawby

Finance

P Jennings

Law and Governance

J Newman (Chief Legal Officer), M Salmon

Transportation and
Highways

S Evans, J Seddon

Apologies:

Councillor B Gittins
Councillor R Singh

Public Business

87. Declarations of Interest

There were no disclosable pecuniary interests.

88. Minutes

The minutes of the meeting held on 11th January 2023 were agreed and signed as a true record. There were no matters arising.

89. Medium Term Financial Strategy 2023-2026

The Cabinet considered a report of the Interim Chief Executive (Section 151 Officer) that presented a Medium-Term Financial Strategy (MTFS) for adoption by the City Council. The previous strategy was approved in January 2022 (min 52/21 referred). The Strategy, which was included in full as a separate Appendix to the report, set out the financial and policy context for the Council's medium-term financial plans.

The report had been considered by the Scrutiny Co-ordination Committee at their meeting on 8th February 2023 (their minute 38/22 referred) and a Briefing Note setting out a recommendation from the Committee that indicated that the Committee supported the Medium-Term Financial Strategy 2023-2026 and recommended that the Cabinet recommended to Council the approval of the Strategy as the basis of its medium-term financial planning process, was circulated. The report would also be considered at the meeting of Council on 21st February 2023.

Cabinet considered separately the detailed proposals for 2023/24 within the Pre-Budget Report in December 2022 (minute 64/22 referred) which included the best estimate of the Council's three-year settlement financial position available at that time. The final Budget Setting Report would be brought to Cabinet and Council in February 2023.

The national funding background had been set out in the Autumn Statement published by the Government in November 2022 with further detail included in the 2023/24 Provisional Local Government Finance Settlement on 19th December 2022. This confirmed the position that there would be no structural changes to the funding arrangements in the coming financial year.

The Council's existing financial position had been characterised by several fundamental financial challenges including a long period which saw the real value of Government financial settlements reduce, an increase in the demand for services such as social care and the emergence of inflationary pressure on a wide range of costs. In response the Council had been able to balance its budget through the receipt of significant time-limited Government grant allocations and approval of maximum permitted Council Tax rises. The Council still faced significant budget gaps in the medium-term and one of the purposes of the MTFS was to set out the Council's approach to managing this position. Notwithstanding, the Council would need to maintain dynamic financial models that took account of

changes in its medium-term budget position and ongoing re-evaluation of its Capital Programme. These would be set out fully at the point of decision making.

The Strategy had at its heart the need to deliver the priorities set out in the One Coventry Council Plan with a paramount need to protect the most vulnerable people in the city and deliver expectations on the Council to maintain service levels and standards across a wide range of core services.

Taken together, these factors represented a combination of limited resources, challenging underlying economic and demographic conditions, increased demand, pressure to sustain 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 good quality core services for every citizen in the city in line with the Council's aspiration to deliver its One Coventry Plan.

RESOLVED that the Cabinet:

(1) Approves the recommendation from the Scrutiny Co-ordination Committee; and

(2) Recommends that Council approves the Strategy as the basis of its medium-term financial planning process.

90. **2022/23 Third Quarter Financial Monitoring Report (to December 2022)**

The Cabinet considered a report of the Interim Chief Executive (Section 151 Officer), which would also be considered at the meeting of Audit and Procurement Committee on 20th March 2023, that advised Cabinet of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of December 2022. The headline revenue forecast for 2022/23 was for net expenditure to be £8.5m over budget. At the same point in 2021/22 there was a projected overspend of £2.5m. Appendices to the report provided: Revenue Position - Detailed Directorate breakdown of forecast outturn position; Capital Programme - Analysis of Budget/Technical Changes; Capital Programme - Analysis of Rescheduling; and Prudential Indicators.

The Council continued to face budget pressures due to increased volumes and higher costs of placements within Children's Services and costs incurred due to the previous refuse drivers' industrial dispute within Streetscene and Regulatory Services. A range of other smaller but still significant overspends were also being reported in several other services including Business, Investment and Culture, Transportation and Highways and Finance.

As reported at Quarter 2 (minute 65/22 referred), significant additional costs were also being faced due to inflationary pressures affecting the Council, with the approved local government pay award and costs affecting contracts for energy and social care amongst others. The in-year and ongoing impact of these inflationary pressures was a serious factor affecting the Council's ability to manage its budgetary position.

The Council's capital spending was projected to be £159.5m and included major schemes progressing across the city. The size of the programme and the nature of the projects within it continued to be fundamental to the Council's role within the city. There was limited evidence that inflationary pressures referenced above were affecting capital projects this year and the assumption was that stand-alone projects that were already in-progress would be delivered as planned. It was more likely that future projects that had not yet started might need to be re-evaluated to determine their deliverability within previously defined financial budgets.

The Council's services had moved to a business-as-usual position with activity and impacts arising from the Covid pandemic having reduced significantly. Some pockets of service activity continued to be affected but this was not resulting in a large financial cost. The Council did not expect to receive any Government support linked to Covid within the 2022/23 financial year.

The emerging inflationary risks facing the Council and the wider local government sector had renewed the imperative to maintain financial discipline and prioritise the Council's medium-term financial position. This would be a key focus of the Council's activities over the remainder of the year and several key measures were set out in Section 5 of the report to help minimise the size of any budgetary overspend.

RESOLVED that the Cabinet:

- 1) Approves the Council's revenue monitoring position.**
- 2) Approves the revised forecast capital outturn position for the year of £159.5m incorporating: £4.1m net increase in spending relating to approved/technical changes and £10.4m of net rescheduling of expenditure into future years.**

91. Electric Vehicle Charging Infrastructure - Procurement

The Cabinet considered a report of the Director of Transportation and Highways, which would also be considered at the meeting of Council on 21st March 2023, that sought approval to make bid submissions to the Office for Zero Emission Vehicles (OZEV) for up to £5m from the funding portfolio set aside to facilitate rollout of electric vehicle charging units and associated infrastructure.

This investment would enable the Council to further enhance charging facilities in Coventry and maintain its position as the best city in the UK in which to own an electric vehicle. The Council had already secured £2.8 million funding from OZEV between 2019 and 2022 under the Electric Vehicle Charging Infrastructure funding initiative ("EVCI"), leading to a network of 568 chargers, with a further 157 being operational by January 2023, taking the total to 721 chargers capable of charging 959 electric vehicles at any one time. This represented the largest network of any city outside London.

To deliver this network, Coventry City Council had so far entered into two Contracts to provide, install, maintain, and operate charge points under the EVCI scheme. However, the Council had now reached the maximum expenditure

permitted under the current contracts, meaning it was necessary to procure another electric vehicle charge point supplier.

The Council published a tender on 22 November 2022 to procure a charge point operator to deliver further residential charge points across the city via a concession contract to ensure readiness where the Council was successful in securing further funding from OZEV.

RESOLVED that the Cabinet recommends that Council:

- 1) Delegates authority to the Director of Transportation and Highways, following consultation with the Cabinet Member for City Services and the Cabinet Member for Jobs, Regeneration and Climate Change, to submit bids to OZEV for up to £5m EVCI funding and, if successful, to finalise the terms of, and enter into, the relevant legal agreements (including the procured concession agreement) as well as any associated documents deemed necessary.**
- 2) Delegates authority to the Director of Transportation and Highways, following consultation with the Ward Members and Cabinet Member for City Services and the Cabinet Member for Jobs, Regeneration and Climate Change, to approve charging point locations across the City.**
- 3) Agrees to add any successful funding bids up to £5million to the Council's capital programme.**

92. Coventry UK Shared Prosperity Fund 2023-2025

The Cabinet considered a report of the Director of Business, Investment and Culture, which would also be considered at the meeting of Council on 21st March 2023, that sought approval to accept West Midlands Combined Authority's (WMCA) allocation to Coventry of up to £11.3m of the UK Shared Prosperity Fund (UKSPF).

In April 2022, the UK Government launched its new UKSPF. A total of £2.6bn in funding was available until March 2025, and the allocation for the West Midlands was £88.4m. UKSPF would fund vital activities across three themes:

- People & Skills
- Communities & Place
- Local Business

UKSPF was intended to be the successor to the European Structural Funds which were currently used to fund Coventry's business support, employment, and skills activities. These EU funded schemes would come to a close during the second half of 2023, and it was therefore crucial for the city to get the right deal from UKSPF. The WMCA was the accountable body for UKSPF and had agreed high level priorities for the way in which the money would be used in the region, which the Council had been consulted on. Coventry's indicative allocation for funding was £11.3m, and the report sought authority to accept WMCA's UKSPF allocation for Coventry.

Using funding from the first two themes, Coventry was requesting UKSPF funding to establish a hub and spoke model to provide employment support across the city, with a particular focus on key areas of deprivation with target groups including those who are 50+ and unemployed, economically inactive and low paid women, ethnic minorities, those with disabilities and health conditions, those with multiple complex needs and young people who were NEET (not in employment, education or training). Support would be delivered through the Job Shop and in partnership with voluntary and community sector (VCS) organisations.

Under the Local Business theme, funding would be requested for a network of business advisors who would work with small and medium enterprises (SMEs), people starting new businesses and with social enterprises. These advisors would help business start, expand, take on new staff, develop new products or expand into new premises etc. This work would link to a pot of SME competitiveness grants which would provide funding for new building and equipment or for specialist advice to support growth and innovation. Funding would also be requested to build on the success of the Coventry and Warwickshire Green Business Programme by providing specialist decarbonisation advice to businesses including energy audits, again supported by a pot of grant funding. For businesses seeking private funding in the form of debt or equity, Investor Readiness training would be provided, likely as part of a West Midlands-wide programme.

The report requested authority to accept WMCA's allocation to Coventry of up to £11.3m of UKSPF money for these activities, and for delegated authority to enter into funding agreements. Delegated authority was also sought to contract with delivery partners where necessary in order to complete this work.

RESOLVED that the Cabinet:

- 1) Approves the acceptance of WMCA's UK Shared Prosperity Funding allocation to Coventry up to £2.5m**
- 2) Grants delegated authority to the Director for Business, Investment and Culture, following consultation with the Interim Chief Executive (Section 151 Officer), the Chief Legal Officer, and the relevant Cabinet Member(s), to undertake all necessary due diligence in relation to the funding allocation including the authority to enter into funding agreements with the WMCA.**
- 3) Grants delegated authority to the Director for Business, Investment and Culture, following consultation with the Interim Chief Executive (Section 151 Officer), the Chief Legal Officer, and the relevant Cabinet Member(s), to enter into back-to-back contracts with delivery partners as deemed necessary.**
- 4) Recommends that Council:**
 - a) Approves the acceptance of WMCA's Shared Prosperity Funding allocation to Coventry up to a further £8.8m, bringing the total to £11.3m**

- b) **Grants delegated authority to the Director for Business, Investment and Culture, following consultation with the Interim Chief Executive (Section 151 Officer), the Chief Legal Officer, and the relevant Cabinet Member(s), to undertake all necessary due diligence in relation to the funding allocation including the authority to enter into funding agreements with the WMCA.**
- c) **Grants delegated authority to the Director for Business, Investment and Culture, following consultation with the Interim Chief Executive (Section 151 Officer), the Chief Legal Officer, and the relevant Cabinet Member(s), to enter into back-to-back contracts with delivery partners as deemed necessary.**
- d) **Authorises use of the UK Shared Prosperity Funding 4% administration allocation to support the productive delivery and administration of the fund.**

93. **Outstanding Issues**

There were no outstanding issues.

94. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other items of public business.

(Meeting closed at 2.30 pm)