

Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held
at 2.00 pm on Wednesday, 29 March 2023

Present:

Members: Councillor R Auluck (Chair)
Councillor J Blundell
Councillor J Innes
Councillor R Lakha
Councillor J Lepoidevin
Councillor J McNicholas
Councillor T Sawdon

Other Members: Councillor R Brown, Cabinet Member for Strategic Finance and Resources

Employees:

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

Business, Investment & Culture D Nuttall, A Williams

Law and Governance: J Newman (Chief Legal Officer), V Castree, C Sinclair

In Attendance: D Burbidge (former Trustee of the City of Culture Trust)

Apologies: Councillor B Gittins, S Nazir and E Ruane
Councillor D Welsh, Cabinet Member for Housing and Communities
Councillor K Caan, Cabinet Member for Public Health and Sport and former Trustee of the City of Culture Trust

Public Business

35. Declarations of Interest

There were no declarations of interest.

36. City of Culture Trust - Background to Loan Decision

The Board considered a briefing note detailing background information in respect of the City Council granting a loan to the Coventry City of Culture Trust (“the Trust”).

In summary, on 4 October 2022 the Cabinet Member for Strategic Finance and Resources approved a loan from the Council up to a sum of £1m to Coventry the Trust on commercial terms. The loan was subsequently made later that month. On 2 February 2023 the Trust publicly announced that it was in a difficult financial

position with ongoing cashflow difficulties and on 28th February it confirmed that it was entering administration.

This course of events had raised questions about the Council's involvement in the financial affairs of the Trust and the decision to make the loan. The briefing note included some background to the Trust, including a brief financial history and initial analysis of the reasons for the Trust's financial problems. Amongst others it provided specific responses in the following areas:

- The context for the City Council providing the loan.
- The Trust financial history
- Loan decision background
- The Council's policy basis for making the loan.
- The due diligence undertaken prior to the loan being made.
- Trust financial difficulties
- Application of the Council loan
- Mitigation of the Council's financial position
- How the loan was used by the Trust.

It was noted that this didn't include answers any wider questions about the running of the Trust, for which the Council was not responsible.

The Board questioned Officers and received responses on a number of matters including:

- Reasons for the shortfall on the anticipated budget income identified in October 2022.
- Request for Trust Board minutes of meetings and reasons for the position taken by the Universities.
- Level of risk to the Trust if the loan was not made.
- The role of the Trust's Audit and Risk Committee leading up to the period of a worse than anticipated position becoming apparent in August 2022.
- Reasons for the cashflow crises given the Trust's successful record in attracting grants and other contributions.

The Board noted that in respect of the legacy phase, conversations on avenues and opportunities to explore were currently being undertaken with funders. The intention was to carry on working in partnership to continue the legacy and this was welcomed by the Board.

RESOLVED that the board note the contents of the briefing note and welcomed the ongoing work on a legacy programme.

37. **Responses to Finance and Corporate Services Scrutiny Board 1 Questions**

The Board considered a briefing note which set out responses received to questions from Members of the Board which had been raised in relation to the City of Culture Trust.

Former Trustees of the Trust had been invited to attend the meeting. A number had declined the invitation or not responded for a range of reasons.

Mr David Burbidge, former Trustee of the Trust, was welcomed to the meeting. Members paid tribute to Mr Burbidge for the work that he had done leading up to and during the Coventry City of Culture year.

The Board asked Mr Burbidge questions on a number of matters including:

- His view on the status of the Trust at the point he finished as he had planned to do.
- The legacy phase
- Relationships between Trust members and the Executive Board

In his closing comments, Mr Burbidge referred to the benefits which had been derived during the City of Culture year and the importance of continuing to promote the many positive benefits following the City of Culture year.

Following discussion, the Board requested the following information:

- A summary of responses received from those who had been invited to the meeting
- Further Information on the cost of the evaluation programme and the university contributions.
- A copy of the Trust's Monitoring and Evaluation Strategy

RESOLVED:

- 1. That the information contained within the briefing note and the submissions made at the meeting be noted**
- 2. To receive the additional information as detailed above**
- 3. To thank Mr David Burbidge for his attendance and his contribution to the meeting**

38. Work Programme and Outstanding Issues

The Work Programme was noted with a clarification following a question on the Annual Performance report on Coventry Municipal Holdings. Due to timing factors, the report had been considered by the Scrutiny Co-ordination Committee at their meeting on 19 October 2022. Future annual reports on holdings would be scheduled on the Scrutiny Board 1 work programme.

39. Any other items of Public Business

This, being the final Board meeting of the 2022/23 Municipal Year, Councillor J McNicholas thanked the Chair, Councillor R Auluck, for her work over the past year, and this was supported by the Board. Councillor R Auluck extended her thanks to Members of the Board for their attendance and contribution during the year and to Officers for their work in supporting the Board.

(Meeting closed at 4.05 pm)