

Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held
at 2.00 pm on Wednesday, 17 July 2024

Present:

Members: Councillor A Jobbar (Chair)
Councillor J Blundell
Councillor L Kelly (substitute for Councillor Innes)
Councillor R Lakha
Councillor G Lewis
Councillor J McNicholas
Councillor D Toulson

Employees:

Finance: B Hastie
P Helm
T Pinks

Law and Governance: E Jones
C Sinclair

Apologies: Councillor J Innes, P Male and A Tucker

Public Business

1. Declarations of Interest

The Chair, Councillor Jobbar, declared a Pecuniary Interest in the matter referred to in Minute 41 below (Home to School Travel Assistance Task and Finish Group). He left the room during consideration of this matter.

2. Minutes

The Minutes of the meeting held on 21 March 2024 were agreed and signed as a true record. There were no matters arising.

3. CIPFA Financial Management Code

The Board considered a briefing note in respect of the CIPFA Finance Management (FM) Code which provided guidance and sustainable financial management in local authorities. By complying with the principles and standards within the code, local authorities would be able to demonstrate the foundations for strong financial sustainability.

CIPFA's Financial Management Code (FM Code) provided guidance for effective and sustainable financial management in local authorities, helping to provide a level of assurance that authorities were managing resources effectively.

The Code required authorities to demonstrate that the processes they had in place satisfied the principles of good financial management. It identified risks to financial sustainability and introduced a framework of assurance. Complying with the standards set out in the Code was the collective responsibility of elected members, together with the Chief Executive, Chief Finance Officer and their professional colleagues in the leadership team. Complying with the Code would help strengthen the framework that surrounded financial decision making.

The broad headings of the CIPFA FM Standards in the Code which local authorities should comply with were:

- Responsibilities of the CFO and Leadership Team
- Governance and Financial Management Style
- Long to Medium Term Financial Management
- The Annual Budget
- Stakeholder Engagement and Business Plans
- Monitoring Financial Performance
- External Financial Reporting

The first full year of compliance to the Code was 2021/22. As this was during the pandemic period, it was initially expected that the 'direction of travel' was positive. Last reported by Coventry to Finance & Corporate Services Scrutiny Board (1) in 2022, a strong 'direction' was reported. At the time, out of 17 standards, 14 were demonstrated as met (Green) with 3 rated as requiring improvement (amber) as follows:

- The leadership team was able to demonstrate that the services provided by the authority provide value for money
- The authority has carried out a credible and transparent financial resilience assessment
- The CFO has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the "Code of Practice on Local Authority Accounting

An updated review of the standards by Finance Officers on behalf of the Councils Leadership Team concluded that the City Council continued to be compliant with the vast majority of the standards expected of Local Authorities. This was demonstrated in the table at Appendix A of the briefing note which set out all the individual standards, and the measures in place to ensure robust standards of financial management. Out of the 17 standards, 14 continued to be fully met (Green) with 3 remaining as amber indicating that improvement was required. These were the same 3 as previously reported (above), and whilst improvements have already been made on each, more are considered required in order to be able to fully demonstrate delivery in full. Leadership Board is well aware of those matters of concern and as such, relevant actions have been identified to address these as well as other continuous improvement requirements to ensure ongoing compliance of other standards.

In overall terms however, the Council had satisfied CIPFA's requirement to demonstrate compliance with the Code.

It was proposed that the Council's compliance with the FM Code was, in future, reviewed annually and reported to Scrutiny as part of the Council's annual process to update its Annual Governance Statement process.

The Board questioned officers and the Cabinet Member on several points arising from the presentation including the following:

- In light of recent events leading to authorities issuing S114 notices, Members asked about this City Council's decision-making process in such an event. Members requested a briefing note explaining the procedure.
- In response to a question on property valuations, the Board noted that action was continuing to strengthen the core accounting and property valuation functions
- Expected data on KPI performance

RESOLVED that the Board:

- (a) Note the contents of the assessment of the Council's level of compliance with the CIPFA Financial Management Code included in Appendix A.**
- (b) Requested that a briefing note be drafted and circulated to Members explaining what the City Council's process would be in the event of issuing a Section 114 Notice.**

4. Home to School Travel Assistance - Task and Finish Group

The Board considered a briefing note which set out the background and scoping document in respect of establishing a Task and Finish Group to review the best value for Home-to-school Travel Assistance.

At its meeting on 21 March 2024, the Board considered an item on the establishment and use of the home-to-school taxi service and update on its review.

The current arrangements were tendered under a Public Contracts Regulations 2015 (as amended) compliant, open procedure, and commenced on 01 July 2018 for a term not to exceed ten years (up to 30 June 2028).

As a Dynamic Purchasing System (DPS), the arrangement allowed for providers to enter and leave the contractual arrangement during its term. There were currently 37 active providers on the DPS.

The briefing note, shared as part of the meeting set out how the arrangement worked, the role of the Passenger Transport Services (PTS) in reviewing applications, approving and amending routes, and issuing new calls for competition, together with issues currently being faced by the PTS including short-distance routes which were unattractive to providers and late or last-minute requests for transport.

There had been an increase of 26% in the number of children and young people being referred in the last five years, which has impacted on school taxi provision. PTS were currently seeking to bring the more expensive routes back in-house. The Board, at its meeting on 21 March, agreed to further explore the issues raised and establish a Task and Finish Group to ensure that the best value for the home-to-school taxi service was achieved.

Scrutiny members were therefore invited to be involved in the review of the Home-to-school Travel Assistance Package alongside officers to ensure that we achieve the best value for money.

It was anticipated that the task and finish group would meet for 2/3 times during the autumn with the intention of making recommendations to the Cabinet Member in the new year.

RESOLVED that the Board:

- (a) Agree to establish a Task and Finish Group to review the Home-to-school Travel Assistance Package as set out in the scoping document (attached as Appendix 1 of the briefing note)**
- (b) The following Members agreed to take part in the task and finish group:**
 - **Councillor J Blundell**
 - **Councillor L Kelly**
 - **Councillor L Lakha**
 - **Councillor J McNicholas**

(Note: As the Chair, Councillor Jobbar had declared an interest in this item and had removed himself from the meeting, Councillor L Kelly took the chair for consideration of this matter)

5. Work Programme and Outstanding Issues

In noting the Work Programme, the Board asked that, in respect of the item on 'Budget Consultation' that:

- That the Board have an opportunity to be involved in scrutinising the process undertaken at the pre-consultation stage
- That the pre-budget report be considered by the Board as soon as practicable after it had been presented to Cabinet on 10 December 2024

6. Any other items of Public Business

There were no other items of public business.

(Meeting closed at 2.50 pm)