

Coventry City Council
Minutes of the Meeting of Cabinet held at 10.00 am on Tuesday, 25 February 2025

Present:

Cabinet Members: Councillor G Duggins (Chair)
Councillor A S Khan (Deputy Chair)
Councillor R Brown
Councillor K Caan
Councillor P Hetherton
Councillor J O'Boyle
Councillor P Seaman

Non-Voting Deputy
Cabinet Members: Councillor S Agboola
Councillor P Akhtar
Councillor G Hayre
Councillor S Nazir
Councillor D Toulson

Non-Voting Opposition
Members: Councillor S Gray (Substitute for Councillor Reeves)
Councillor P Male
Councillor G Ridley

Other Non-Voting
Members: Councillor R Lakha
Councillor G Lloyd

Employees
(by Service area):

Chief Executive J Nugent (Chief Executive)

Finance B Hastie (Director of Finance and Resources – Section 151
Officer), P Helm

Law and Governance J Newman (Director of Law and Governance), M Salmon,
A Veness

Apologies: Councillor N Akhtar
Councillor L Bigham
Councillor E Reeves

Public Business

67. Declarations of Interest

There were no disclosable pecuniary interests.

68. **Minutes**

The minutes of the meeting held on 11th February 2025 were agreed and signed as a true record. There were no matters arising.

69. **Council Tax Setting 2025/26**

Cabinet considered a report of the Director of Finance and Resources (Section 151 Officer), which would also be considered by Council at its meeting on 25th February 2025, that calculated the Council Tax level for 2025/26 and made appropriate recommendations to Council, consistent with the Budget Report 2025/26.

The report recommends a 4.9% increase in the City's Council Tax. Some figures and information, shaded grey in the report, were provisional due to precepts not having been confirmed at the time of publication. These figures were confirmed as final at the meeting and confirmed as accurate.

The report incorporated the impact of the Council's gross expenditure and the level of income it would receive through Business Rates, grants, and fees and charges. This resulted in a Council Tax requirement, as the amount that its expenditure exceeded all other sources of income.

The report included a calculation of the Band D Council Tax that would be needed to generate this Council Tax requirement, based on the City's approved Council Tax base. The 2025/26 Band D Council Tax that was calculated through this process had increased by £99.11 from the 2024/25 level.

Each year the Government determined the maximum Council Tax increases that local authorities could set without triggering a referendum. For 2025/26, Coventry City Council's Council Tax must be below 5%, comprising a 2% precept for expenditure on adult social care and a maximum of 3% for other expenditure. The recommendations within the Budget Report 2025/26 were based on a proposed increase in Council Tax of 4.9%, incorporating a core Council Tax rise of 2.9% and a 2% Adult Social Care Precept.

Members noted that the recommendations followed the structure of resolutions drawn up by the Chartered Institute of Public Finance and Accountancy, to ensure that legal requirements were fully adhered to in setting the tax. As a consequence, the wording of the proposed resolutions was necessarily complex.

RESOLVED that Cabinet recommended to Council the approval of recommendations (1) to (5) below, to:

(1) To note the following Council Tax base amounts for the year 2025/26, as approved by Cabinet on 7 January 2025, in accordance with Regulations made under Section 31B of the Local Government Finance Act 1992 ("the Act"):

- a) 90,062.6 being the amount calculated by the Council as its Council Tax base for the year for the whole Council area;**

b)	Allesley	451.3
	Finham	1,585.7
	Keresley	616.3

being the amounts calculated by the Council as its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

(2) That the following amounts be now calculated by the Council for the year 2025/26 in accordance with Sections 31A, 31B and 34 to 36 of the Act:

(a) £961,854,567 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils (Gross Expenditure and reserves required to be raised for estimated future expenditure);

(b) £772,363,707 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(3) of the Act. (Gross Income including reserves to be used to meet the Gross Expenditure but excluding Council Tax income);

(c) £189,490,860 being the amount by which the aggregate at (2)(a) above exceeds the aggregate at (2)(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year;

(d) £2,103.99
$$\frac{(2)(c)}{(1)(a)} = \frac{£189,490,860}{90,062.6}$$

being the amount at (2)(c) above divided by the amount at (1)(a) above, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. (Average Council Tax at Band D for the City including Parish Precepts).

(e) £51,386 being the aggregate amount of all special items referred to in Section 34(1) of the Act. (Parish Precepts);

(f) £2,103.42
$$= (2)(d) - \frac{(2)(e)}{(1)(a)} = £2,103.99 - \frac{£51,386}{90,062.6}$$

being the amount at (2)(d) above, less the result given by dividing the amount at (2)(e) above by the amounts at (1)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of the area to which no special item relates. (Council Tax at Band D for the City excluding Parish Precepts);

g)

Coventry (unparished area)	£2,103.42
Allesley	£2,140.85
Finham	£2,116.96
Keresley	£2,124.55

being the amounts given by adding to the amount at (2)(f) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (1)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate. (Council Taxes at Band D for the City and Parish).

h)

Valuation Band	Parts to which no special item relates	Parish of Allesley	Parish of Finham	Parish of Keresley
	£	£	£	£
A	1,402.28	1,427.23	1,411.31	1,416.37
B	1,635.99	1,665.10	1,646.52	1,652.42
C	1,869.71	1,902.98	1,881.75	1,888.49
D	2,103.42	2,140.85	2,116.96	2,124.55
E	2,570.85	2,616.60	2,587.40	2,596.68
F	3,038.27	3,092.34	3,057.83	3,068.79
G	3,505.70	3,568.08	3,528.27	3,540.92
H	4,206.84	4,281.70	4,233.92	4,249.10

being the amounts given by multiplying the amounts at (2)(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands.

(3) To note that for the year 2025/26 the Police and Crime Commissioner for the West Midlands and West Midlands Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwelling shown below:

Valuation Band	Police and Crime Commissioner for the West Midlands	West Midlands Fire Authority
	£	£
A	153.00	53.46
B	178.50	62.37
C	204.00	71.28
D	229.50	80.19
E	280.50	98.01
F	331.50	115.83
G	382.50	133.65
H	459.00	160.38

(4) That having calculated the aggregate in each case of the amounts at (2)(h) and (3) above, the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the following amounts as the amounts of Council Tax for the year 2025/26 for each part of its area and for each of the categories of dwellings shown below:

Valuation Band	Parts to which no special item relates	Parish of Allesley	Parish of Finham	Parish of Keresley
	£	£	£	£
A	1,608.74	1,633.69	1,617.77	1,622.83
B	1,876.86	1,905.97	1,887.39	1,893.29
C	2,144.99	2,178.26	2,157.03	2,163.77
D	2,413.11	2,450.54	2,426.65	2,434.24
E	2,949.36	2,995.11	2,965.91	2,975.19
F	3,485.60	3,539.67	3,505.16	3,516.12
G	4,021.85	4,084.23	4,044.42	4,057.07
H	4,826.22	4,901.08	4,853.30	4,868.48

(5) That the Council determines that its relevant basic amount of Council Tax for 2025/26 is not excessive in accordance with the principles set out in the Secretary of State's report, under Sections 52ZC and 52ZD of the Act.

70. Budget Report 2025/26

Cabinet considered a report of the Director of Finance and Resources (Section 151 Officer), which would also be considered at the meeting of Council on 25th February 2025, that followed on from the Pre-Budget Report approved by Cabinet on 10th December 2024 (minute 44/24 referred) which had since been subject to a period of public consultation. The proposals within the report would now form the basis of the Council's final revenue and capital budget for 2025/26 incorporating the following details:

- Gross budgeted spend of £961.9m (£94.0m or 11% higher than 2024/25).
- Net budgeted spend of £296.7m (£19.3m or 7% higher than 2024/25) funded from Council Tax and Business Rates less a tariff payment of £22.2m due to the Government.

- A Council Tax Requirement of £189.5m (£13.6m or 8% higher than 2024/25), reflecting a City Council Tax increase of 4.9% detailed in the separate Council Tax Setting report on today's agenda.
- A number of new expenditure pressures, policy proposals and technical savings proposals.
- A Capital Strategy including a Capital Programme of £171.6m including expenditure funded by Prudential Borrowing of £55.3m.
- An updated Treasury Management Strategy, Capital Strategy, and a Commercial Investments Strategy.

The financial position in this Budget Report was based on the Final 2025/26 Local Government Finance Settlement published on 3rd February 2025. This settlement still only provided a one-year focus for 2025-26 with no detail for local government finances beyond this. However, in response to significant lobbying by Local Government, it was now being recognised that the current methodology and much of the data that fed into it was out of date and therefore, the Government have begun a consultation process into Local Authority Funding Reform, with the intention that a new system, intended to reflect need, could be implemented from 2026/27.

In advance of this reform the 2025/26 Local Government Finance Settlement had addressed some of the disparity in the current system with new grants including the new one-off Recovery Grant (£9.6m), targeted towards areas with greater need and demand for services, and the new Childrens Social Care Prevention Grant (£2.2m), distributed through a new children's needs-based formula which estimated the need for Childrens Social Care Services. Coventry also received an additional £6.2m Social Care Grant. Compared to the assumptions within the pre-budget report, this represented an additional £10.5m of resources in the settlement.

With the promise of funding reform, it was difficult to provide a robust medium term financial forecast at this stage and the Council had instead made some planning estimates for future years. Initial assumptions recognise the likelihood that gaps would remain for the periods following 2025/26. The view of the Director of Finance and Resources (Section 151 Officer) was that the Council should be planning for such a position.

The Pre-Budget Report was based on an increase in Council Tax of 4.9% and this position had been maintained for the final proposals in this report. This incorporated an increase of 2.9%, which was within the Government's limit of 3% above which a referendum would need to be held plus a further 2% Adult Social Care (ASC) Precept in line with Government expectations. The precept was essential to enable councils including Coventry to manage increases in the costs of care. In total, the rise in Council Tax bills would be the equivalent of around £1.72 a week for a typical Coventry household including the expected rises in the precepts for Police and Fire.

The Council had closed the significant financial gap for 2025/26 which it had at the start of the Budget process. Measures to achieving this included the identification of additional Council Tax resources, a range of technical adjustments and newly identified cost savings or income streams. All these proposals were set out in detail in Appendix 2 to the report. Where these were different to the proposals that

were included in the Pre-Budget Report, this had been indicated within Appendix 2 to the report and shown in tables 2 and 3 within section 2.2 of this report. Due to the additional resources received within the final settlement on 3rd February 2025, several savings options had been removed from the final budget proposals in response to consultation engagement and petitions heard by Members.

The proposals did not provide the Council with a balanced budget beyond 2025/26. The Council's current medium term bottom line incorporated a combination of future inflationary and service pressures and the fall-out of uncertain specific grant resources. Some of the future funding assumptions were speculative at this stage and would be revised towards the end of 2025 as any changes to local government finance resulting from the Local Authority Funding Reform consultation and 2026/27 Settlement were made known. The initial approach would however be dictated by an intention to review and update technical information as it became available to the Council and to identify further efficiencies from, or generate further income within, Council services. Through 2025, the Council would continue to refine and implement a programme of activity designed to review how best to deliver its services, improve integration between some of them and optimise the effectiveness of others.

The Council's Medium Term Financial Strategy (MTFS) included as Appendix 1 to the report, set out the financial planning foundations that supported the setting of the Council's revenue and capital budgets, including the policy assumptions and financial management framework that underpinned the strategy. The purpose of the MTFS was to describe the environment within which the Council operated and bring together resource and cost projections to explain how the Council planned to address its funding gap, whilst retaining focus on its strategic priorities.

The recommended Capital Programme proposals were a key part of the Council's approach and amounts to £171.6m in 2025/26. The proposals reflected the Council's ambitions for the city and included: extensive highways infrastructure works including specific schemes relating to continued delivery of the City Region Sustainable Transport Settlement (CRSTS) Programme that included transport packages for the Foleshill and London Road corridor; construction and operation of a 220m long single track demonstrator known as the Live Environment Construction Test (LECT); the continuation of City Centre Cultural Gateway; progressing the City Centre South redevelopment; and the delivery of the Woodlands School Project. Over the next 5 years the Capital Programme was estimated at a total of £510m as part of on-going investment delivered by and through the City Council.

This report detailed the annual Treasury Management Strategy, incorporating the Minimum Revenue Provision policy and the Commercial Investment Strategy. These covered the management of the Council's treasury and wider commercial investments, cash balances and borrowing requirements. These strategies and other relevant sections of this report reflected the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code and Prudential Code for Capital Finance, as well as statutory guidance on Minimum Revenue Provision (MRP) and Investments.

RESOLVED that Cabinet recommends to Council the approval of recommendations (1) to (7) below, to:

- (1) Approve the Medium-Term Financial Strategy in Appendix 1 to the report, as the basis of its medium-term financial planning process.**
- (2) Approve the Budget proposals in Appendix 2 to the report, after due consideration of the consultation responses set out in Appendix 7 and Appendix 8 to the report and the Equality Impact Assessment set out in Appendix 10 to 15.**
- (3) Approve the total gross 2025/26 revenue budget of £962m in Table 1 of the report and Appendix 3 to the report, established in line with a 4.9% City Council Tax increase and the Council Tax Requirement recommended in the Council Tax Setting Report considered on today's agenda.**
- (4) Note the Director of Finance and Resources (Section 151 Officer) comments confirming the adequacy of reserves and robustness of the budget in Section 5.1.2 and 5.1.3 of the report.**
- (5) Approve the Capital Strategy incorporating the Capital Programme of £171.6m for 2025/26 and the forward commitments arising from this programme totalling £510m between 2025/26 to 2029/30 detailed in Section 2.3 of the report and Appendix 4 to the report.**
- (6) Approve the addition to the capital programme of up to £1.1m grant funding from Arts Council England to contribute towards delivery of the City Centre Cultural Gateway scheme detailed in Section 2.3.4 of the report and Appendix 4 to the report.**
- (7) Approve the Council's Treasury Management Strategy and Minimum Revenue Provision Statement for 2025/26 in Section 2.4 of the report and the Prudential Indicators and limits described and detailed in Appendix 6 to the report, the Commercial Investment Strategy for 2025/26 in Section 2.5 of the report and Appendix 5 to the report and the Commercial Investment Indicators detailed in Appendix 6 to the report.**

71. Outstanding Issues

There were no outstanding issues.

72. 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: 10.02am)