Bristol City Council

Minutes of the Extraordinary Overview and Scrutiny Management Board

8 December 2016 at 13.30pm

DISCLAIMER
The attached Minutes are DRAFT. Whilst every effort has been made to ensure the accuracy of the information and statements and decisions recorded in them, their status will remain that of a draft until such time as they are confirmed as a correct record at the subsequent meeting

Members Present:-
Councillors: Charlie Bolton, Nicola Bowden-Jones ,Tom Brook, Jude English, Geoff Gollop, Gill Kirk, Brenda Massey, Olly Mead, Gary Hopkins (for Anthony Negus) and Steve Pearce

Officers in Attendance:-
Stephen Hughes, Interim Chief Executive, Anna Klonowski, Interim Strategic Director - Business Change, Denise Murray, Section 151 Officer, Nancy Rollason, Service Manager Legal, Andrea Dell, Service Manager, Policy, Research and Scrutiny, Lucy Fleming Scrutiny Co-ordinator, Allison Taylor, Democratic Services

1. Welcome, Introductions and Safety Information

The Chair welcomed all members to the meeting and explained the evacuation procedure in the event of an emergency.

2. Apologies for absence.

No apologies received.

3. Declarations of Interest

There were no declarations of interest.

At this point, the Chair, with the agreement of the Board, amended the order of the agenda. He also took the opportunity to welcome the recently appointed Section 151 Officer, Denise Murray.

4. Urgent Business.

The Board considered the following three reports in advance of their consideration at Full Council on 13 December 2016. The following comments were made and were conveyed to Full Council.

Approval of Council Tax Base 2017/18.

This year the Council Tax Base is set at £124,083 which is a significant increase from last year. The unprecedented increase is due to growth in the city but also the reduction in the Council Tax Support Scheme. This is a sound figure based on a number of assumptions detailed in the report. The factual figure was provided by the Valuation Office in October. Estimating the number of students was difficult as they were 100% discounted. Lots of additional student housing was being provided as there's been an influx of students into the City Centre and Bristol generally, which was significant.

The following points arose from discussion:-

1. A Councillor observed that the Council used to get compensation for students but if that had disappeared it would have quite an effect on the Council budget;
2. The surplus and deficit calculations had not been calculated yet as they were not due until early 2017 ;
3. The issue of students was particularly relevant as a large development of student accommodation had been approved at Temple Meads, which meant less revenue going through. It was important to know the impact of this. He asked that additional information be provided in relation to student Council Tax exemptions and for information comparing previous council tax base forecasts against actuals;
4. A Councillor who represented the ward with the largest number of students stated that the cost of students was effectively a loss to the Council. Three storey houses in his ward would become HMOs and displace people paying resident rates; The Chair observed that the issue of affordable housing for those who most needed it was a cross- departmental scrutiny issue which should be considered by the Cabinet;
5. The Interim Chief Executive stated that the figure of £9m could not be considered a loss to the Council. Any change to student discounts would require an amendment to government legislation;
6. The Chair referred to the reduction in benefit claimants and asked whether there was a presumption that there would be a permanent reduction in claimants and if so how was it possible to protect against financial challenges. There was a real contingent risk that if benefit claimants increased one year the Council could find it had a deficit when it had budgeted for a surplus. The Section 151 Officer acknowledged that this area was always volatile. Assumptions were trend informed and a range of scenarios had been modelled to arrive at prudent and robust assumptions.

Capital Receipts Flexibility.

This was a Cabinet referral to Full Council detailing the recent change in legislation that allowed Capital Receipts to fund revenue transformational change. This strategy would enable the release of up to £5.3m from revenue reserves that could be used to partly mitigate the 2016/17 budget pressures.

The following points arose from discussion:-

1. This was a one-off payment to bolster revenue. The MTFP had earmarked reserves so this would not impact on revenue. The funding was mitigated as it was anticipated to be a one off;
2. This could not be used for the combined authority as it was not yet in existence.

Review of Minimum Revenue Provision (MRP) Policy.

This was a referral from Cabinet to Full Council detailing the re-profiling of debt to better reflect the life of assets and which would provide significant savings to the Council's revenue fund. This would allow the debt to be repaid in 50 years.

The following points arose from discussion:-

1. The debt was still managed separately, the MRP impacted on the revenue account. This was an accounting adjustment by aligning the amount of money set aside to the lifecycle of the asset;
2. The Chair expressed concern that this was effectively depreciation and future adults would have to pay. The Section 151 Officer replied this was prudent accounting as with current arrangements the Council would never repay that debt.

RESOLVED –

1. that the reports be noted;
2. that the additional information requested in relation to the Approval of the Council Tax Base report be provided in advance of Full Council.

4. Minutes of Meeting held on 3 November 2016

These were approved as a correct record.

RESOLVED – that the minutes be agreed as a correct record and signed by the Chair.

5. Action Sheet of 3 November 2016

Actions carried out were noted.

6. Chair's Business.

None.

7. Public Forum.

None.

8. Increasing Business Efficiency.

The Interim Strategic Director – Business Change introduced the report detailing the efficiency savings that are proposed as part of the budget setting process for 2017 – 2022. The information was complimentary to the Draft Corporate Strategy 2017-2022, Business Plan 2017/18 and Medium Term Financial Plan 2017/18 – 2021/22.

The following points arose from discussion:-

1. The Interim Chief Executive stated that the freeze on spending was an unprecedented action and was a consequence of the extreme financial pressure the Council was faced with. Savings had been made with one off contributions but there was a need to protect reserves as departmental spending had not decreased. The Council was now at a point where the 'easy things' had been done and members would need to make difficult choices in the context of the legislative framework. Officers would be able to provide a range of options for balancing the budget but members may not be happy with the decisions they had to make. The budget would be balanced through continued savings and through protecting reserves. Spending was not frozen for matters of health and safety and where Managers could demonstrate a pragmatic need to spend;
2. The Interim Strategic Director – Business Change stated that the Leadership Team had been open and transparent to members regarding the challenges faced and the Transformation Programme proposed, and whilst the programme had not yet been fully documented, all measures taken would satisfy the Council's external auditors;
3. A Councillor expressed great concern at the level of savings expected to come from the People budget. He asked that the surplus from parking revenues be kept in the transport field and not redistributed. He noted the proposal to remove the 30 minutes free parking rule and believed this would damage the ongoing process of RPZ as this concession had made the current schemes palatable for a lot of people. He believed the £675,000 proposed savings was based on spaces being occupied all of the time and a parking attendant being there and was not therefore a viable figure. With respect to Housing Services, he suggested that the only way the service could be turned around was to move it into the Private Sector where efficiencies could be achieved. He noted in particular that other, smaller Councils with retained stock had made those efficiencies. The analysis had not made in-roads into landlord Services. In response, he was informed that it was a legal obligation to spend income generated from parking services on transport matters. The Mayor had made a statement on the 30 minute parking rule and this was read out to the Board.

The Interim Chief Executive agreed that more work was needed on Housing Services' efficiencies, particularly the management of facilities. A revamped business plan was proposed for next year;

4. A Councillor observed that the freezing of wellbeing budgets for Neighbourhood Partnerships would have a huge knock-on effect for small organisations reliant upon grants;
5. A Councillor was very concerned regarding the freeze and could not see how it would save a huge amount of money. He expressed particular concern regarding the CIL money raised for parks from affordable housing. It was unfair to freeze this and also bad for business. It was better to allow CIL money to be spent and give the parks staff useful work to carry out. In response, the Interim Chief Executive advised this point would be taken into account as part of the Parks Management consultation process and would be evaluated before recommendations were produced. Parks staff were clear that incidental spending to keep them occupied would continue. Advice was currently being sought regarding the use of CIL but it was a non-ringfenced grant and therefore was capable of being spent on a variety of things. The Section 151 Officer added that books would be balanced 'in year'. There was an imperative to have a sustainable budget going forward and the freeze on spending was a temporary one in order to gain a clear view. An exception could be made if it could clearly be demonstrated that the spend was grant funded;
6. A Councillor expressed her surprise that the spending freeze had not come sooner to encourage staff to be more prudent. She was concerned with the manner with which the spending freeze had been communicated and would have preferred an e-mail providing greater detail. The Interim Chief Executive agreed that delivery of the information could have been handled more effectively and apologised for the oversight;
7. A Councillor observed that NPs (Neighbourhood Partnerships) were partly through a cycle regarding their wellbeing spends and asked whether there was any flexibility for these grants to be honoured. The Interim Chief Executive confirmed that the purpose of the freeze was to reduce spending not to defer it as that would not produce the savings required. The future of the funding would be a political decision. The Chair expressed concern as a spending 'freeze' suggested a deferral. There was real engagement with wellbeing grants and this was being removed without consultation. It was noted that individually the grants were small but in total they were significant as they amounted to £700,000; The Interim Chief Executive noted the concerns and agreed to discuss the matter with the Mayor and Cabinet;
8. Members were asked for their ideas to make additional savings.
9. The Interim Chief Executive stated that no firm decisions had been made about which savings would go forward into the budget proposals and consultation findings would inform the outcome. It was agreed that the first cut of consultation responses would be circulated to members. The responses would then be summarised by themes and be publically available;
10. The Chair, in summary, noted that it would be prudent to hold another Extraordinary OSMB after Cabinet dispatch of papers for its January meeting but before Budget Full Council. It was agreed to circulate the consultation papers for Cabinet on 24 January to all Members. He thanked staff for the huge amount of work undertaken in putting the information together.

RESOLVED – that the Board notes the contents of the report.

9. Democratic Engagement Select Committee – Terms of Reference.

The report set out the draft Terms of Reference and the legal and resource implications of the proposed Select Committee.

The following points arose:-

1. A Councillor suggested that the Council could put 'How to' videos on its website regarding ways to engage ie. Public Forum at Regulatory Committees;
2. Engagement could be daunting for the public and this would make the process easier;
3. Best practice from other democratic organisations should be considered;
4. The frequency of meetings should be considered.

RESOLVED –

1. That the draft Terms of Reference be amended following the comments from Members;
2. That updates from the Select Committee will be provided to OSMB

10. Scrutiny Resolution and Full Council Motion Tracker.

It was agreed that the tracker be updated to track outcomes on Inquiry Days and Select Committees.

RESOLVED – that the report be noted.

11. Mayor's Forward Plan.

RESOLVED – That the Forward Plan be noted.

12. Scrutiny Work Programme – 2016/17.

It was noted that a Scrutiny Chair's meeting had recently concluded that scrutiny was not working as effectively as it had previously. It was agreed that policy development was far more constructive and of greater interest to the public than pre decision Scrutiny. And that a paper of options would be brought to the OSM meeting on 9th February 2017.

It was also agreed to establish whether the Neighbourhoods Scrutiny Commission had given consideration to the Local Housing Company Business Plan.

RESOLVED – that the current Work Programme be noted.

14. Date of Next Meeting.

5 January 2017 at 2pm.

The Meeting ended at 4.35 pm.

CHAIR _____