

# Overview and Scrutiny Management Board

## 13<sup>th</sup> March 2017



**Report of:** Andrea Dell, Statutory Scrutiny Officer

**Title:** Independent Review of Bristol City Council's Financial Deficit in 2016/17

**Ward:** City Wide

**Officer Presenting Report:** Anna Klonowski, Chief Executive and Denise Murray, Section 151 Officer

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### Recommendation

That Members consider and comment on the attached Independent Review of Bristol City Council's Financial Deficit in 2016/17.

### Background

In 2016/17 Bristol City Council needed to make additional savings of around £30m. Following his election in May 2016, Mayor Marvin Rees commissioned an independent report to understand how the council had arrived at this position and to make recommendations of moving forward.



## **Summary of Findings**

The report finds that the underlying financial pressures were not of the council's own making. Mr Bundred cites large cuts to government grant income, legislative changes and the increasing cost and unavoidable demand for council services.

The report also says that there has been a collective failure of leadership in achieving past savings and in how the council managed the process. It notes that many improvements have been made in the past six months and that people can be confident in the council's proposed budget plans for 2017/18, but highlights a number of serious issues.

It acknowledges that the council has more recently taken many steps to put things right, with regular and stronger financial reporting, more involvement of elected members and changes in senior management. This includes recruiting a new permanent Director of Finance and making them a full member of the council's Senior Leadership Team.

Mr Bundred's report concludes with 12 formal recommendations across a broad range of topics. They include strengthening the council's Finance department, improving the council's approach to writing reports and business cases, managing documents and making specific departments accountable for savings.

Also listed are the need to improve management culture over the next three to five years, keep backbench and opposition councillors better informed, and maintain more frequent financial reporting to Cabinet, something which has been a regular feature during the past financial year.

## **Next Steps**

The Mayor has welcomed the report and confirmed that all of Mr Bundred's recommendations will be acted upon. He has also requested that the Local Government Association undertake a further review in order to increase understanding about how the overspend happened and identify any additional actions that may be necessary to safeguard against similar issues in the future.

The Council's Section 151 Officer is leading on the council's response to the report which will incorporate the actions from the follow-up review.

## **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

Background Papers: None.

Appendix A – Independent Review of Bristol City Council's Financial Deficit in 2016/17 – Executive Summary

Appendix B - Independent Review of Bristol City Council's Financial Deficit in 2016/17 – Main Report