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Agenda Item no: 4

Bristol City Council
Minutes of Business Change and Resources
Scrutiny Commission
14th August 2014 at 9.30 am

Members Present:-

Labour	Liberal Democrat	Conservative	Green
Councillor Brain (P) Councillor Breckels (P) Councillor Mead (P) Councillor Rylatt (P)	Councillor Campion-Smith (P) Councillor Kent (P)	Councillor Hiscott (P) Councillor Weston (P)	Councillor Malnick (P)

(P) – denotes present; (A) denotes absent

Key officers in attendance:- Nicola Yates City Director, Paul Arrigoni Service Director Business Change, Peter Gillett Service Director Finance, Lucy Fleming Scrutiny Co-ordinator, Steve Gregory Democratic Services.

1. Confirmation of Chair

The Commission noted that, at its meeting on 10th June 2014, full Council appointed Councillor Tim Malnick as Chair of the Business Change and Resources Scrutiny Commission for the 2014/15 Municipal Year.

2. Election of Vice Chair

Councillor Campion-Smith was elected as Vice Chair for the 2014/15 Municipal Year.

3. Apologies for Absence

Apologies were received from Councillor Gollop (Deputy Mayor) and Max Wide, Strategic Director Business Change.

4. Membership of the Commission

Membership, as appointed by the City Council on 10 June 2014 to serve on the Business Change and Resources Scrutiny Commission for the 2014/15 Municipal Year, was noted.

5. Public forum

A statement and questions from Councillor Stone in relation to Bristol East Pool was received by the Commission.

The Commission requested the Service Director (Finance) to co-ordinate a response to Councillor Stone's statement and questions and inform Commission Members accordingly.

6. Declarations of interest

None declared.

7. Minutes

The Minutes of the Resources Scrutiny Commission meeting on 11th April 2014 were agreed as a correct record and signed by the Chair.

8. Whipping

None declared.

9. Chair's business

The Chair on behalf of the Commission gave its best wishes to Max Wide during his absence.

10. Business Change and Resources Scrutiny Commission Annual Business Report

The Commission considered a report of the Democratic Services Officer (agenda item 10) which set out the Commission's Annual Business for 2014/15.

Resolved-

(I) That the Commission's Terms of Reference as set out in the report be noted;

(ii) That the meeting dates and times for the Commission in 2014/15 be confirmed as set out below, with all meetings to commence at 9.30 am:

2014	2015
15 September	12 January
13 October	16 February
17 November	16 March
15 December	13 April

The Commission agreed that the dates might be subject to change depending on its business requirements and that an additional meeting might be required for budget scrutiny in December.

(iii) That the Work Programme for 2014/15 as set out in the updated appendix to the report which was circulated at the meeting (*copy held in the Minute Book*).

11. Business Change & Resources: Overview & Implications for Scrutiny

The City Director, gave a presentation in respect of the work of the Commission for the 2014/15 municipal year emphasising that:-

- the Council was going through a major transformation programme to make it a 'fit for purpose' efficient and effective modern Council;
- The Single Change Programme was at the core of this approach and the Business Change Directorate had been established to ensure that the programme was delivered and fully supported;
- The role of the Commission was therefore to focus, not just on conventional resource issues, but more importantly to scrutinise the delivery of the Council's Single Change Programme.

Resolved- that the presentation be noted.

12. Introduction to the Work Programme & Working Principles

The Chair set out a broad vision for the work of the Commission emphasising the two core threads relating to scrutiny of the Council's Budget and the Single Change Programme. It was anticipated that additional time would be given for scrutiny of the Budget in October, particularly budget and MTFP assumptions, and that scrutiny of the Single Change Programme would be interspersed at regular intervals in the delivery process. It was also considered that key capital projects would be scrutinised for example the Arena and ELENA possibly in September.

After the Budget was approved it was proposed that the Commission scrutinise other areas of the Single Change Programme such as Partnership working relationships and the Procurement process.

13. Budget Process: Previous Performance and Timings & Contract for 2014/15

The Service Director (Finance) gave a presentation (*full copy held in the Minute Book*) about the Council's three year budget process 2014/15 to 2016/17 highlighting the following points: –

- What had gone well/what could have been better and progress made during 2014/15;
- Further improvements regarding areas that could have performed better that were already underway to continue the ethos of firm financial control;
- Timetable for the 2015/16 budget;
- Role of scrutiny in the budget process regarding the review of key assumptions underlying the budget in respect of the Council Tax base, business rate/council tax collection levels, impact of financial pressures and changes to capital funding/schemes compared to previously approved programmes.

The Commission asked questions about the process and the following comments were made and points clarified –

- The three year plan could be affected by unforeseen events and therefore it was important to acknowledge the possibility that it might need to be varied;
- The Plan was subject to extensive consultation to reduce the risk of variance however if any was identified it would need to be scrutinised;
- The Plan was not the same as the Annual Budget which could be amended by Councillors, draft figures/assumptions remained open to scrutiny;
- It was considered that October this year would be the most appropriate moment to scrutinise the draft budget proposals;
- Potential loss of income from business rate appeals had been included in budget assumptions for the three year plan;
- There were some uncertainties expressed regarding the impact of budget reductions in particular service areas so it was important that budget information provided clarity and context to enable effective scrutiny;
- Any changes to the 2015/16 budget would be subject to further consultation;
- Financial reserves of the Council had been improved however it was considered prudent to continue to pursue proposed savings as reserves were a 'one off' resource that would need to be put back if used for spending. There was also a significant uncertainty about future budget reductions;
- The Commission noted that level of reserves was an Audit Committee issue and impact on spending was a policy issue however it was

considered that this aspect needed to be clarified in respect of appropriate scrutiny.

- A final up to date version of the 2014/5 budget would be completed and put on the Council's website;
- An update would be given at the September meeting about timings and best practice format for final publication of next year's budget.

Resolved- that the presentation and the points made be noted.

14. Single Change Programme

The Service Director, ICT & Business Change gave a presentation (*full copy held in the Minute Book*) about the Council's Single Change Programme. It was emphasised that the Change Programme had two steps.

Step 1 was efficiency driven, focused on a rationalisation and simplification of current operations to drive down costs. Common systems and ways of working would give the stability needed to enable future progress.

Step 2 would be outcome driven, focused on addressing more effective working with partners, reducing demand, optimising the use of public sector resources and delivering sustainability.

Governance of the process was managed closely by the Change Board, with monthly reporting to the Assistant Mayor, six monthly progress reports on spend and benefits delivery reporting to the Cabinet and it was also proposed to progress report to the Business Change & Resources Scrutiny Commission on a six monthly basis on spend and benefits delivery (to be agreed).

The Commission asked questions about the process and the following comments were made and points clarified –

- Redundant posts via voluntary severance had not been re-advertised, where advertisements for new posts had taken place in specific areas these positions were of a significantly different nature and required new skills and/or qualifications;
- There had been approximately 800 redundancies of which approximately twelve were compulsory;
- With regard to the reduction in the number of council owned buildings and the impact that might have for public access, the Commission were assured that solutions to this were being considered as part of the council's wider asset management strategy and a report on this would be brought to the Commission;
- Reduction of external consultants to reduce costs was being addressed wherever possible by fixed terms contracts and the skilling up of Service Managers to maintain the best possible change expertise, however, there would be occasions when the Council would not have the necessary internal skills in house, or it would not be viable to

employ them, that contract staff would offer the best value solution for the Council.

- Improving the quality and flexibility of service issues were important benefits, even when there might be no direct financial saving and it was confirmed that processes were already in place to address this through service redesign projects;
- Procurement processes were also changing and it was anticipated that a number of 'quick wins' would be achieved in this area;
- For future reporting on projects the Commission was agreed that it would be helpful to receive regular progress reports interspersed within the Cabinet cycle of meetings to enable it to consider issues as they progressed and enable comments to be made at the appropriate time;
- It was anticipated that the Commission would have an in-depth scrutiny into the Single Change Programme at its November meeting.

Resolved- that the presentation and the points made be noted.

(Meeting ended at 12.20 pm)

CHAIR