

**Bristol City Council
Minutes of Business Change and Resources
Scrutiny Commission**

5 January 2015 at 5 pm

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 (A) Councillor Weston (P)	Councillor Malnick (P)

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

**Other key members in attendance:- Councillor Cook Assistant Mayor,
Councillor Lucas Cabinet Advisor, Councillor Pearce.**

**Key officers in attendance: - Max Wide Strategic Director Business Change,
Barra Mac Ruairi Strategic Director Place, Alison Comely Strategic Director
Neighbourhoods, Nicky Debbage Service Manager Strategy Planning
Governance, Peter Gillett Service Director Finance, Rob Woolatt Service
Manager Corporate Finance, Janet Ditte Service Manager Finance Business
Support, Kevin Buckerfield Finance Business Partner, Lucy Fleming Scrutiny,
Steve Gregory Democratic Services.**

1. Apologies for Absence

Apologies were received from Councillor Hiscott and Councillor Gollop Deputy Mayor.

2. (i) Public forum

None received.

3. Declarations of interest

None received.

4. Minutes

The Minutes of the Business Change & Resources Scrutiny Commission meeting on 15 December 2014 were agreed as a correct record and signed by the Chair subject to the wording in Minute No.7 Business Change item (4th bullet point) being amended to read 'and the next MTFS period might require

a further estimated £49m saving' for 2014/15-2016/17 and the word 'external' replace the word 'central' (10th bullet point).

Action sheet

The Commission noted the current status of the actions that had been taken or remained to be completed. The Action sheet to be amended accordingly.

5. Whipping

None declared.

6. Chair's business

None reported.

7. Scrutiny of 2015/16 Revenue Budget

The Commission received presentations from the Strategic Director Place and the Strategic Director Neighbourhoods. A set of pre-scrutiny questions and answers were also circulated to Members prior to the meeting (*The presentation material/Q&A are held on the Minute Book by the Democratic Services Team*).

(i) Place

The Strategic Director for Place set out the contents of the presentation which encompassed-

- A strategic overview of the Council's net revenue budget and the context of the Place budget within that;
- Revisions to the Council's net revenue budget;
- The Place net revenue budget for 2014/15;
- Income forecasts for Place 2014/15 and the importance of income streams for the Directorate's work;
- The impact of the restructuring program on the Place directorate;
- Mayoral savings proposals for the Place Directorate 2014/15 to 2016/17;
- Capital program overview;
- Revenue and Capital budget pressures;
- Actions to mitigate budget pressures.

The key areas of spend were –

Planning, Transport, Energy, Property (includes Harbour, Fleet & FM) and the Economy (includes Culture & Events).

The Commission then debated the key areas and the following points were made/clarified and requests for further information made –

- Capital underspend of £7.1m was due to delays in getting projects started due to extended dialogue with central government. Details of this to be provided for the Capital scrutiny meeting on 12 January;
- Concern expressed about level of Arts Council funding received for the City and differences amongst different cultural hubs. Bristol recognised as a key cultural hub in the south west of England but less funding than London. A briefing note to be provided showing comparisons with core cities and other key cultural hubs;
- Recruitment of staff and salary levels was cited as a short term problem and some positions might need to be purchased from private sector consultants/agencies with regard to specific capital projects;
- A discussion relating to budget reductions and their effects on public transport particularly on bus services/concessionary fares. Details to be provided by the Service Director for Transport;
- A discussion took place on the effects of concessionary fares cap on community groups, community rail partnerships and whether the cap was actually achieved. Details to be provided to the Commission as soon as possible;
- For comparison purposes the Commission asked for details in respect of the Mayor's travel budget and, if possible, for previous Council Leaders, recognising that many visits are externally funded.
- The Planning service was experiencing pressures arising from increased levels of planning applications received - in an environment of reducing staff levels. The Commission expressed its thanks to the planning team and praised the quality of its work despite the pressures the team experiences;
- It was recognised that the Place directorate played a key role in securing external income and income growth and that it was important that new methods of raising income streams by being more entrepreneurial/commercial were pursued. It was considered that this would be a medium term objective and whilst important to the future direction of the Directorate assurances were given that the process would still have to have regard to the democratic process;
- With regard to the bus subsidy budget, feedback was requested regarding how this was used and what was considered, particularly with regard to profitable bus routes.

(ii) Neighbourhoods

The Strategic Director for Neighbourhoods set out the contents of the presentation which encompassed-

- Revenue budget overview;
- Budget saving proposals 2014/15 to 2016/17;
- Revenue budget monitoring 2014/15;
- Key budget issues.

The Commission then debated the key areas and the following points were made/clarified and requests for further information made –

- Comparisons between collection of waste charges and cost associated with fly tipping was requested and if possible to include comparisons with other councils. The Strategic Director for Neighbourhoods agreed to this but explained it would not be possible to get comparison information with other councils by the next meeting of the Commission on 12 January;
- Proposed budget reduction to the library service of £1.1m was not scheduled until the third year of the MTFs. As a result of the 'Libraries for the Future' consultation, financial savings may be found from another source. It was acknowledged that the Council was required to provide a statutory core library service;
- Proposed budget reduction to the Noise pollution team was hoped to be mitigated by the proposed merging of regulatory function teams and associated skilling up of staff where required. This aspect would be subject to scrutiny by the Neighbourhoods Scrutiny Commission;
- The proposed £1m spend on libraries, funded from the £3.9m identified budget surplus, was aimed at funding one-off costs to support anticipated changes in the service resulting from the 'Libraries for the Future' consultation process;
- Proposals to reduce the Parks and Estates maintenance budget by £0.5m were aimed at achieving efficiencies. Negotiations were ongoing about how this would work in practice. Neighbourhood Partnerships were being actively included in the process with regard to their input. Some members were concerned how this would work and asked for feedback including the proportion of the £0.5m reduction which related to reducing management costs;
- Pest Control service increased charges, more information requested in respect of HRA funding;
- Feedback on the proposed changes to the Equalities & Cohesion team and its transfer from Neighbourhoods to Business Change was requested;
- More emphasis required to highlight the £600k subsidy for Leisure & Sports to show the longer term plan to achieve better financial gains.

(iii) Housing Revenue Account (HRA)

The Strategic Director for Neighbourhoods set out the contents of the presentation which showed how the HRA was funded, what the money was spent on and the HRA's relationship with the General Fund and encompassed-

- The HRA ring-fence;
- Self-financing status following the Localism Act 2011;
- The 30 year business plan;
- HRA assumptions;
- Draft rent/budget proposals;

- Capital investment.

The Commission expressed its thanks about the level of detail in the HRA material as circulated.

The Commission then debated the key areas and the following points were made/clarified –

- Housing stock increase over the 30 year business plan period could not match the loss rate through the 'Right to buy scheme' as this was tightly controlled by central government legislation. It was also noted that when a home was sold there was a corresponding reduction in rental income to the Council;
- Loss of income through voids was exacerbated by a recruitment and retention issues with qualified surveyors and a revised minimum standard for re-let properties;
- A range of measures to increase the number of qualified surveyors were being considered including remuneration rates and apprentice schemes;
- The delay in delivering the capital investment programme had led to a budget surplus for 2014/15. The delay had largely been due to procurement issues which have since been resolved and the capital investment programme for 2015/16 will be rescheduled accordingly;
- Capital receipts from 'Right to buy' scheme could be used to build new homes but there were strict rules about how they could be used and for a new home only 30% could be used;
- The contribution of HRA funds to the Council's revenue budget was very restricted with a range of checks and balances to ensure firm control;
- Apparent increase in HRA management costs related to proposed increase of staff to raise the Council's standards in accordance with benchmark standards within the social housing sector;
- The debt cap was an absolute figure for each HRA set by central government and was not subject to change. It was considered that the Government might take into account individual circumstances in specific circumstances.

8. Work Programme

Budgetary aspects for specific projects relating to the ELENA project to be included on the Work Programme.

Resolved – that, subject to the above, the Work Programme be noted.

(Meeting ended at 8.05 pm)

CHAIR