



Agenda Item no: 4

Bristol City Council Minutes of Business Change and Resources

Scrutiny Commission

15 December 2014 at 9 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 (A)	Councillor Hiscott (A) Councillor Weston (P)	Councillor Malnick (P)

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

Other key members in attendance:- Councillor Gollop Deputy Mayor, Councillor Cook Assistant Mayor, Councillor Alexander Chair of People Scrutiny Commission.

Key officers in attendance: - Max Wide Strategic Director Business Change, Paul Arrigoni Service Director Business Change, Peter Gillett Service Director Finance, Richard Billingham Service Director HR, Lucy Murray-Brown Service Director Integrated Customer Service, Sanjay Prashar Service Director Legal, Rob Woolatt Service Manager Corporate Finance, Janet Ditte Service Manager Finance Business Support, Karen Blong Scrutiny, Steve Gregory Democratic Services.

1. Apologies for Absence

Apologies were received from Councillors Hiscott, Kent and Lucas.

2. (i) Public forum

Subject	Author of statement	No.
Resourcing Minor Traffic Schemes for Henleaze, Stoke Bishop & Westbury-on-Trym Neighbourhood Partnership	Alan Aburrow (Ward Representative for W-o-T)	1

The Commission considered the above statement which drew attention to a growing concern within the Henleaze, Stoke Bishop & Westbury-on-Trym Neighbourhood Partnership that whilst the Partnership had a devolved annual budget for minor traffic schemes there were insufficient resources available within the Council's highway team to deliver the identified schemes.

The Commission was asked to support allocation of resources to enable the schemes to be brought to fruition.

The Commission noted that this matter affected all Neighbourhood Partnerships across the City. It was agreed that the Service Director (Finance) write to the Strategic Director (Place), and copy in the Chair of Place Scrutiny Commission, to resolve this issue and report back to the Business Change & Resources Scrutiny Commission at its 5 January 2015 meeting.

2 (ii) Response to a public forum statement considered at 17 November 2014 meeting - Welfare Reform 2013 Under Occupancy Charge

The Chair confirmed that this was an initial response to the queries raised in the public forum statement at the last meeting with a view to considering whether it was necessary to scrutinise this matter further. The original statement author felt that more detail was needed.

It was agreed that the Service Director Integrated Customer Service and Service Director (Finance) look at comparisons with other local authorities, both core cities and rural councils, and bring a report to the 16 March meeting for further consideration by the Commission.

3. Declarations of interest

None received.

4. Minutes

The Minutes of the Business Change & Resources Scrutiny Commission meeting on 17 November 2014 were agreed as a correct record and signed by the Chair subject to the point being further emphasised that the Commission noted that with regard to work place stress there had been a large increase in the percentage of people taking up the Employee Assistance Programme due to work related issues, and particularly issues related to 'role', 'change' and 'demands'. The Commission asked for regular figures on EAP take up to come to future sessions as an information item.

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 Budget

The Commission received presentations from the Strategic Director People and Strategic Director Business Change. 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*).

People

The Strategic Director for People set out the contents of the presentation which encompassed –

- An overview of the People budget;
- The budget journey and current trends;
- Gave a summary of savings achieved;
- Outlined current issues and challenges;

The key areas of spend were identified as –

Strategic Commissioning, Care Provision, Social Care Adults, Children & Family Support, Education & Skills, Dedicated Schools Grant, Housing Solutions, Management & Project Management Support.

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

Social Care Adults

- The largest area of expenditure was Social Care Adults which, due to austerity measures, had a reducing year on year net budget with further reductions being made as part of the Mayor's three year budget plan. Despite Bristol City Council being at about average spend per head of population, when compared with core cities, the current budget forecast for the 2014/15 financial year, was leading to a projected spend above the budget allocation.

The Commission was advised that this situation was not unique to Bristol and that considerable work was underway to bring spending pressures down. Measures to achieve this included better prediction of spend pressures and early intervention methods. It was also noted that spending pressures were exacerbated by a real increase in demand for services, due to population expansion, in the context of an increasingly ageing population;

- Methods to achieve cost reductions were being considered and one example of this was to bring the hourly rate of care provision in Bristol in line with other local authorities as currently the Council was paying above the average amount;
- The recent budget autumn statement had not been particularly helpful for local authorities trying to provide quality care;

Savings summary-Adults

- Savings had primarily been achieved by closing care homes but this had to be considered in the context of the need to continue to 'buy in' care services;
- Work would continue with the Council's external consultants to make further savings;

Current budget trends-Children

- Children's budget had a reducing net budget with further reductions being made as part of the Mayor's three year budget plan;
- The projected trend for 2014/15 was projected to have an overspend however the Council had done well by comparison with peer local authorities and having regard to the difficult austerity measures;
- The projected overspend should be zero by end of March 2015, as most savings were now in place, and children's centres had remained open;
- Social worker caseloads were higher than they were historically and this could lead to further stretching of resources leading potentially to increased risk of services failing. It was suggested that this aspect be further scrutinised by the People Scrutiny Commission. The Chair of People Scrutiny Commission (*present at the meeting*) undertook to raise this issue at the agenda planning meeting later in the day;
- In future local authorities would need to adopt 'clever' strategies to reduce children costs and this could include better prevention strategies such as increased sport provision, accessible/user friendly information about healthy diets and wider public health education measures;

Housing

- Increased need identified for and use of bed and breakfast accommodation;

- Cost of housing people in private rented bed and breakfast accommodation was high and alternatives could include increased provision of mortgage to rent schemes;
- Mortgage to rent schemes were in place but there was a low demand for them as the most common reason for homelessness related to private rented sector evictions and was between 40%-50% of cases, this was followed closely by family/relationship break up cases;
- One solution being provisionally considered was the Council becoming a more proactive participant in the housing rental market however this needed to be considered in the context of reducing budgets and that any spend on this would have to come from other budget sources;

Sport development

- Noted that within budget saving measures for sport development there was a proposed increase via the Mayoral Commission work. It was explained that the Council was exploring partnership working with other providers in the City which it was envisaged would bring real savings to the Council and enable sport development opportunities to be achieved.

General issues

- Spending shortfall could be 'matched' from centrally held funds, however this source of funding was kept under tight control to ensure that budget reduction measures were achieved;
- Extra income (eg council tax receipts) was not targeted to any area of expenditure but was allocated in accordance with the prudent financial planning measures already in place.

Following the debate members were invited to submit specific questions, outside of the meeting, to the Strategic Director People if they had any specific points requiring further clarification.

(At this point the meeting was adjourned for a short break @ 11.05 am)

Business Change

The Strategic Director for Business Change set out the contents of the presentation which encompassed –

- An overview of the Business Change budget;
- An approved budget 2014/15 to 2016/17;
- An MTFs service saving summary;

The key areas of spend were identified as –

Finance, Integrated Customer Services, Information & Communication Technology, Change programme, Human Resources, Legal services and Policy, Strategy & Resources.

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

- The Business Change Directorate had taken the largest proportional share of the budget reductions in line with the Mayor's aspiration to reduce 'back office' costs;
- Although it was appropriate to protect frontline spending, further reduction in 'back office' expenditure had its limitations in terms of the support it gave to front line services;
- It was envisaged that in future a significant proportion of support services would be automated and be accessed by front line service providers to reduce the need for manual interventions;
- A total of £64m had been saved in the three year MTFS plan for 2014/15 – 2016/17, and the next MTFS period would require a further £49m saving;
- Future support service provision could include shared or traded services;
- Better control of spending had been achieved through the introduction of the Pay Panel and Non Pay Panel and had resulted in significant savings;
- Some targeted savings were based on realistic assumptions as the Council did not have consistent bench marking information;
- Some anomalies had been identified with regard to anticipated savings and income streams due to recharging issues and former internal marketing systems;
- Business change measures were likely to continue indefinitely although provision would be provided at a significantly lower cost as options, such as sharing support services with other service providers, were explored;
- Skilling up of Service Managers would reduce dependency on central support services;
- Income streams that had not been realised would be matched by savings elsewhere to balance the budget;
- Income streams would be proactively explored to reduce the Council's dependency on Revenue Support Grant from central government.

Other budgets

The Commission was informed that the largest commitment related to debt financing. Spending pressures would only be covered if there was a definite and unavoidable issue. Debt had increased in recent years due to the funding of capital projects such as the Arena and Metrobus.

Members asked specific questions about debt finance and investment issues and it was agreed these would be answered outside of the meeting. The Chair

asked that further questions be collated and submitted by 10 am 18 December and fed through the Scrutiny Team.

8. Work Programme

Updates were –

- Agenda planning meeting for 15 December cancelled;
- Scheduled meeting for 12 January include scrutiny of the Capital Programme;
- The 5 January meeting commence at 5 pm instead of 9 am;
- When budget scrutiny was completed the Single Change Programme be looked at again and specifically focus on ethical income generation, involvement of citizens, early intervention strategies to reduce dependency on adult social care services, social & environmental procurement policies and future 'look' of the Council;
- Scrutiny of the ELENA project to be included in the Work Programme.

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

(Meeting ended at 12.35 pm)

CHAIR