



Agenda Item no. 4

Bristol City Council Minutes of Business Change and Resources Scrutiny Commission

Monday 19 October 2015 at 9.30 am

Members Present:-

Councillor Lovell	Councillor Mead	Councillor Windows	Councillor Clarke
Councillor Brain	Councillor Weston	Councillor Malnick	Councillor Kent
Councillor Rylatt			

Also in attendance:- Councillor Gollop (Deputy Mayor)

Key officers in attendance:-

Max Wide - Strategic Director, Business Change
Paul Arrigoni - Service Director (Business Change and ICT)
Peter Gillett - Service Director (Finance)
Tara Dillon - Service Manager, Programme Management Office
Robert Woollatt - Service Manager, Corporate Finance
Tony Whitlock - Principal Accountant
Jayne Mills - Research and Statistics Specialist
Lucy Fleming - Policy Co-ordinator (Scrutiny)
Sarah Wilson - Directorate Leadership Team Business Support Manager
Louise deCordova - Democratic Services

31. Apologies for Absence, substitutions and introductions (agenda item no.1)

None.

32. Public forum (agenda item no.2)

None received.

In discussion, the following was noted:

- a. The Strategic Director raised the subject of Scrutiny working with Democratic Services to generate interest and raise the level of public forum activity and engagement. The Chair was supportive of any

measure that officers could take to increase accessibility and engagement of the public with the work of the Commission.

- b. Noted that the name of the Commission did not make it easy for citizens to identify with the breadth of subject matter which was the focus of the Commission.
- c. Agreed that engagement with Communications and Marketing and the Public Relations teams could usefully increase the profile of the Commission's work
- d. Members suggested that the front page of the new Council website was an opportunity to publicise the invitation for citizens to get involved around specific subjects, for example: Income Generation and Budget Scrutiny.

RESOLVED:-

- (i) Scrutiny to work with Democratic Services to increase the level of public forum activity /engagement for the Commission piloted around a. Budget Scrutiny Sessions in December and January 2016 and b. the work around Income Generation which is planned for spring 2016.**

33. Declarations of interest (agenda item no.3)

None declared.

34. Minutes – 28 September 2015 (agenda item no.4)

The Minutes of the Business Change Resources Scrutiny Commission meeting on 28 September were agreed as a correct record.

In discussion, the following was noted:

- a. The budget amendment update report provided to the Mayor and Party Group Leaders to be shared with Commission Members.
- b. Requested that future Social Value updates include reflections on Bristol's response to current or impending legislative changes and consideration of how other Local Authorities are responding to and implementing new Social Value legislation.

RESOLVED:-

- (i) To agree the Minutes**
- (ii) To take forward the actions resulting from the discussion that followed**

35. Action Sheet (Agenda item no.5)

Progress was noted on actions agreed at the meeting 28 September.

RESOLVED:-

(i) to note the progress on actions to date.

36. Whipping (agenda item no.6)

None reported.

37. Chair's business (agenda item no.7)

None declared.

38. Scrutiny Work Programme (agenda item no.8)

The Commission noted the updates to the work programme for the year.

- a. Income Generation update added to the November meeting.
- b. Second budget scrutiny session planned for Monday 4 January 2016 5pm to 8pm.

RESOLVED:-

(i) To note the updates to the Scrutiny Work Programme

39. Budget Process and Assumptions 2016-2017 (agenda item no.9)

The Commission received a presentation from Peter Gillett, Service Director, Finance and his team. The presentation covered progress to date, a review of 2016/17 budget process – including the impact of legislation/national issues, assumptions included and an update on City demographics. In discussion, the following was noted:

- a. The budget for 2016/17 is the third of final year of the approved three-year budget/financial framework. Only changes to the key assumptions would be included. A comprehensive review of the medium term financial strategy will be carried out in summer 2016 – to establish a new four-year budget framework, informed by the detail arising from the comprehensive spending review and aligned to Mayoral terms.
- b. The session was based on reviewing the key assumptions underlying the 2016/17 budget and any potential changes. The only changes that are anticipated to the existing approvals will be any updates or changes to those assumptions.

- c. It was confirmed that whilst members approve the overall annual budget envelope, the Mayor is able to allocate sums within that overall approval level. The annual legal requirements are to approve the council tax base, set the level of council tax, to approve the prudential indicators.
- d. Confirmed that revised Equalities Impact Assessments would be required for the next Medium Term Financial Strategy to understand and respond to the impact of key demographic trends on future service demand.
- e. Noted that legislation will often create extra responsibility for Local Authorities but not necessarily make any provision for additional funds to manage this. Members noted the importance of maintaining risk registers and retaining financial ability to respond to unforeseen circumstances - for example due to contractors' lack of business continuity. It was noted that the council should continue to maintain a prudent approach to the management reserves noting the need to supplement them, given the future uncertainties with financial settlements, etc.
- f. It is anticipated that the Chancellor's Autumn Statement and Comprehensive Spending review announcements would be made on 25 November 2015. This will be followed by the local government financial settlement in mid-December.
- g. The 2016/17 budget assumptions are based on a 25% reduction in Revenue Support Grant. Commission members discussed the changes to business rates with 100% local retention being phased in while 'core grant' will be phased out over the next four years. There may also be some additional responsibilities passed to local government as part of these changes.
- h. With reference to collection performance, officers confirmed that last year resulted in a 98% collection rate worth £95m against a budgeted 97.5%, however, it was necessary to make provision in the collection fund for potential business rates appeals of £17.6m – which resulted in a year end deficit on the business rates collection fund of £9.5m.
- i. Officers confirmed that a review of the council tax collection fund is currently underway. It was noted however that going forward, it will be essential to consider the collection funds for business rates and council tax together, to ensure that any flexibility to council tax collection can support the impact of any business rates appeals.
- j. It was clarified that consultation with the business sector will commence on 23 November 2015.
- k. Members suggested that in future, the net effect on household income could be more clearly presented if the impact of welfare reform alongside the impact of future changes to the National Living Wage were considered in the round.

- l. In relation to a query on the use of current demand modelling to identify future pressures in Adult Social care and Children's Services, officers confirmed that leadership within the People Directorate was working with the Early Intervention Foundation to explore mechanisms to ease the tension between provision of their statutory functions and the need to invest in early intervention work to signpost troubled families and appropriate client groups to other services before they reach crisis point. Agreed that this was a particularly challenging area of work, and identified that there was a future role for the Commission to encourage and review targeting of early intervention work and prevention measures.
- m. Members sought clarification on timescales for the current demand for primary school places to impact secondary provision. It was confirmed that the impact would be felt in 2018-19 against capital spend rather than the 2016/17 revenue budget and this would be picked up as part of the 2016 update to the Medium Term Financial Strategy. Detailed modelling had already been carried out by the People Directorate.
- n. Members commented that a 1% decrease over 4 years in the social housing rented sector would have a significant impact on the City and the Housing Revenue Account. The potential impact of Right to Buy incentives may impact this further. Implementation dates on the new right to buy scheme had not yet been confirmed by government. Members requested an update on the actual expected financial impact for Bristol when this is known and acknowledged that this would be explored further during the budget scrutiny sessions.
- o. Members noted the increasing pressure on the pension fund with the additional £5.4m included in the MTFS, representing approximately 1% of the total pay bill. Officers explained the current proposals being consulted upon by central government relating to the establishment of larger, regional pension/investment funds. Once these new arrangements are clear, members requested an update on these new arrangements, when finalised.
- p. Officers advised that the level of Reserves should not dip below current levels and that it would be prudent to supplement them further in order to mitigate against future developments such as recent contractor failures which would result in unplanned use of reserves.
- q. Members noted the key demographics issues and requested that the in the identified growth of Bristol 2001-2011, figures were presented alongside the percentage equivalent, to add context. Clarification sought on Bristol Productivity which appeared to be decreasing versus West of England Productivity which appeared to be on the rise. Request for officers to provide more information analysis on the productivity of the unitary authority versus regional results.
- r. Members agreed that the session had been very positive with a slide by slide question and analysis providing a clear explanation of current assumptions and potential areas of change. Members also appreciated

the advance circulation of the slides, given the level of information provided.

- s. The Chair requested that acronyms are not used in reports in order to increase accessibility to the information provided, without the need for additional clarification being sought.

RESOLVED:-

- (i) **To note the Budget presentation and the points and actions raised in discussion that followed.**

40. Single change programme (agenda item no.10)

The Strategic Director presented the report. In discussion, the following was noted:

- a. Noted that the 'Assisted Digital' initiative continued the Council's work to make digital services available to those that can use them. This includes supporting people (citizens) to develop the skills they need to access services digitally. Services will be fully user tested and refined with feedback.
- b. Members queried whether Assisted Digital had been considered in libraries. Acknowledged that there may be potential to explore this further as part of the Citizen Service Point strategy. Officers to check the viability of a pilot to test this.
- c. Acknowledged that there will always be a percentage of citizens that are unable to access services through digital channels.
- d. The Council was investing in the professional development of service managers to increase the capacity of the Council for business change and service redesign, through the Applied Programme. This would have additional benefits of freeing up Service Directors to focus on future challenges and opportunities.
- e. It was acknowledged that the Council would yield diminishing returns on the current level of investment in the drive for efficiency 'doing things better'. And would need to focus on doing things differently, for example through partnership, income generation, exploitation of assets and intervention in new markets such as the energy market.
- f. There will be future opportunities to share data with public sector partners, particularly when agencies are serving the same citizens. Bringing data sets together to enable smarter joint decision making.
- g. Next steps will look at how to incentivise online services so that it becomes advantageous for citizens to interact with the Council digitally, with the ability to rate and comment on the service.

- h. Accepted that e-tendering is a good idea, officers to encourage feedback from smaller organisations on the new systems and processes.
- i. Concerns were raised regarding plans for smaller facilities management contracts to be bundled into larger contracts. Officers to connect this work with the existing Social Value Policy and Toolkit. Confirmed that social value was being considered as part of the facilities management contract review.

RESOLVED:-

- (i) To note the report and the points and actions raised in discussion that followed.**

Date of Next Meeting: Monday 16 November 2015, 9.30am

(Meeting ended at 12.30 pm)

CHAIR