



Agenda Item No: 4

Bristol City Council Minutes of Business Change and Resources Scrutiny Commission

20 July 2015 at 12.00 am

Members Present:-

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

Also in attendance:- Councillor Gollop (Deputy Mayor)

Key officers in attendance:-

Patsy Mellor - Service Director (Integrated Customer Service)

Paul Arrigoni - Service Director (Business Change and ICT)

Peter Gillett - Service Director (Finance)

Richard Billingham, Service Director (Human Resources)

Kay Russell - Service Manager (Strategic Planning)

Ian McIntyre - Project Manager (Universal Credit)

Johanna Holmes - Policy Advisor (Scrutiny)

Louise deCordova - Democratic Services.

1. Confirmation of Chair

The Commission noted that, at its meeting on 26 May 2015, full Council appointed Councillor Jeff Lovell as Chair of the Business Change and Resources Scrutiny Commission for the 2015/16 Municipal Year.

2. Election of Vice Chair

Councillor Tim Malnick was elected as Vice Chair for the 2015/16 Municipal Year.

3. Membership of the Commission

Membership, as appointed by the City Council on 26 May 2015 to serve on the Business Change and Resources Scrutiny Commission for the 2015/16 Municipal Year, was noted.

4. Apologies for Absence, substitutions and introductions

Apologies were received from Councillor Windows and Councillor Kent.

5. Public forum

The following statements were received by the Commission and are held as a public record in the Minute Book.

Subject: Scrutiny Inquiry Day on *'Making our Money go Further – Social, Economic and Environmental Procurement'*.

Statement 1 – Dave Hunter

Statement 2 – Steve Woodcock, ACFA

Statement 3 – Voscur

The Chair invited Mark Hubbard, Voscur to speak to his statement.

Mark Hubbard asked the Commission to support the inclusion of Voscur's recent paper to the Council's Senior Leadership Team (SLT), including a draft action plan of solutions which addressed (i) commonly occurring barriers to voluntary organisations in procurement processes and (ii) the need to make the processes proportionate.

RESOLVED:-

(i) to note the contents of the three statements.

(ii) to support the inclusion of Voscur's recent paper to the Council's Senior Leadership Team (SLT).

6. Declarations of interest

Mark Brain declared an interest in the charity and voluntary organisation Hawksberry.

7. Minutes

The Minutes of the Business Change Resources Scrutiny Commission meeting on 16 March were agreed as a correct record, subject to clarification of the wording under item 8 of the Minutes regarding the Under Occupancy Charge. Tim Malnick to review with Officer Patsy Mellor.

8. Action Sheet

Progress was noted on actions agreed at the 16 March meeting. In addition the following Actions were discussed.

Action No.3 Avon Pension Fund.

A meeting had taken place, but the issue was not resolved. Max Wide suggested escalation. Members asked officers to follow this up as a matter of urgency, taking into consideration:

- Representation on the Police and Crime Panel be noted as a precedent
- 48% of the Pension fund should equate to 48% of the representation on the Board
- Other council's in the region may have a similar interest in increasing their representation
- Was part of an evolving range of wider complex discussions with West of England colleagues around governance in the region
- Opportunity cost of what could be achieved with the fund if used in a more creative way.

Action No.5 Neighbourhood Scrutiny Equalities and Cohesion Team SLT had met with Self Organised (equalities) Groups to discuss the current status of staff led groups the outcomes from the meeting were as follows:

- The name would change to Staff Led Equalities Groups to reflect staff as representatives of the organisation
- The significant contribution of staff groups would be recognised in the organisations structure
- The contribution of individual staff would be recognised through the appraisal process
- Strategic Directors were appointed as champions for the groups

Minutes of last meeting – Change Programme Monitor para 10a '*...housing advice teams could be placed in public libraries...*' to be added to the Action Sheet.

The Finance Director to review March Action Sheet and circulate an update to Members on outstanding items. It was agreed that the Action Sheet be reformatted to include start date and expected completion dates to enable ease of tracking items.

RESOLVED:-

- (i) to note the progress on actions to date. A further update to be circulated to Members to clarify outstanding items**
- (ii) That the Action Sheet is reformatted to include start and expected completion dates to enable ease of tracking items.**

9. Whipping

None reported.

10. Chair's business

None declared.

11. Business Change and Resources Scrutiny Commission Annual Business Report

The Commission considered a report of the Democratic Services Officer which set out the Commission's Annual Business for 2015/16.

RESOLVED:-

- (i) To note the Commission's Terms of Reference as set out in the report.
- (ii) To confirm the meeting dates and times for the Commission in 2015/16 as set out below, with all meetings to commence at 9.30am:

2015	2016
28 September	18 January
19 October	15 February
16 November	14 March
14 December	18 April

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

12. Scrutiny Work Programme

The commission noted the work programme for the year. It was anticipated that additional time would be required for scrutiny of the Budget in December rather than January, particularly budget and Medium Term Financial Plan (MTFP) assumptions and to take account of the timing of final settlement figures from Central Government. It was suggested that February's items could move to January, although February dates could remain in the diary to enable some flexibility for emerging items. Financial outturn from 14/15 should be a September agenda item.

It was considered that the Budget Assumptions session in October may be a substantial item and therefore suggested that the Members workshop on Service Redesign could be more suitable for a later session in the work programme.

Consideration was given to a joint session with Place Scrutiny Commission in November on the Income Generation item. The Commission thought this should be led by Business Change. The Chair to have a discussion with the

Chair of Place Scrutiny Commission to consider the format this could take. The Leads to discuss the work programme timetable at the next planning meeting.

RESOLVED:-

(i) To note the Scrutiny Work Programme and suggested amendments

13. Universal Credit and Welfare Reform

The Strategic Director introduced the presentation outlining a key role of scrutiny to contribute to the mitigation planning as well as to recognise the expected impact to Council performance. The Universal Credit Project Manager gave a presentation (*full copy held in the Minute Book*)

In response to the presentation the following comments arose from the discussion: –

- a. Initial rollout November 2015 – March 2016 expected to affect circa 2,500 single, childless jobseekers. Benefit cap cases number circa 180 households in Bristol.
- b. There are around 35,000 claimants of out of work benefits, and there is some overlap with the housing benefit caseload. For new claims of Tax Credits it is estimated that households will lose £545 per annum where the family element is lost.
- c. Bristol City Council's Council Tax reduction (CTR) scheme currently capped at £4M, will need to be revisited with a new series of assumptions and remodelling to determine the implications
- d. Currently unable to know which tenants households are earning £30k outside of benefits systems – officers can check with housing teams what information is available and work with local employers to encourage communication and assistance for employees with low incomes. Expected increase in demand for services/advice but gaps in knowledge on who customers will be
- e. DWP to administer scheme, which will impact numbers of housing benefits staff (except under exempt accommodation which is outside the scope)
- f. Anticipated loss of housing stock as incentivised for tenants to purchase, nil funds available for building, less money in system for maintenance.
- g. What is the expected collection rate on £37M? currently unknown but will look at experience of others and ascertain what can be reasonably expected given the benchmarking activity

- h. Members suggestions welcomed regarding other groups or organisations that team could engage with on this subject eg Credit Union re *Jam Jar Account* and Housing Associations
- i. Agreed early communication and prevention work must be robust as people tended to approach loan sharks before organisations like Credit Union and then only approached the Council on reaching crisis point.
- j. If people are made homeless through the impact of this process the council will not deem them to have made themselves homeless and will have a duty to house them.
- k. Monthly payments in arrears will be a particular issue for vulnerable or dependent people and increase likelihood of homelessness as a result.
- l. Strict claimant commitments to find work were of particular concern and officers were working with the DWP to understand the impacts
- m. Role for scrutiny to help find solutions and increase communication and awareness
- n. There is a business case to invest and fund advice services now, to mitigate problems from reaching crisis stage, for example engaging with employers now to build in support for at risk employees
- o. Need to understand impact on next year's budget and on the Medium Term Financial Plan.
- p. An inquiry day may be useful later in the year to examine the challenges and find creative solutions through the normal budget processes. Not just managing current circumstances but creating opportunities to do things differently, to take people out of the cycle of benefits. For example, the Lewisham Retraining Programme.
- q. Concerns that Back to Work programmes generally don't work. This is an opportunity to speak to people seeking work, for their feedback and ideas for example at the local Job Centre. VOSCUR as a public facing service could be a potential source of feedback and ideas and could provide an advocate to the steering group for this purpose.

RESOLVED:

- (i) the presentation and the points made be noted and a rolling update be provided as details emerge throughout the year.**
- (ii) that there should be a general members briefing on this subject and information should be cascaded through Neighbourhood Partnerships and Neighbourhood Forums for maximum impact and early community engagement.**

(iii) that any potential Inquiry Day on this subject, later in the work programme or next municipal year, focus on finding creative solutions to mitigate the impacts

14. 'Making our Money go Further' – Social Value Report

The Vice Chair introduced the report (full copy held in the Minute Book) asking members to note the direction of travel:

- a. Move away from the focus of just spending less
- b. Focus on leveraging the most wider good for the city
- c. Linking with policy work on social value
- d. Looking at spend in the most flexible and creative way

The Service Manager, Strategic Planning presented the wider strategic context and timetable for next steps.

- a. To consult with people in local areas aiming to contribute to Local Area Community Plans
- b. To measure contracts with longer view lens, understanding the intangible social and environmental value and defining the financial benefit of wellbeing
- c. To build social value thinking into the Council's Resilient City programme and work with partners such as Bristol Aging Better
- d. For implementation in April 2016

The following questions and comments were noted from the discussion that followed:

- a. Was there an opportunity here for positive action for local employers in the South of the City? Need for careful tendering. For example, ensuring that local knowledge and local employment is written into the tendering process. Legal looking into what is possible within legislation.
- b. How will we know if we have succeeded or not? We need a system that does not allow us to lose the best and keep the worst suppliers or lose good local suppliers because of our procurement processes. Need leadership, discretion and interpretation in procurement to take reasonable risks.
- c. Concern that this report will not achieve anything. Neighbourhood Partnerships stuck with Council as a supplier. Small businesses may be put off by contracts due to woolly social value aspects. There is a lack of environmental focus to the report
- d. Don't think the report goes far enough to champion locally sourced goods and services from local business and smaller organisations, with local knowledge. Need local job creation, keeping procurement forms straightforward to apply. Possible to lot manage contracts by default to make them more accessible, regulations are not prescriptive in this area.

- e. The service director for business change ICT provided an example of the work being done to engage smaller suppliers in ongoing dialogue. Now have a minimum of 40% small, medium enterprise contracts (exceeding their target of 25%)

RESOLVED:-

- (i) **That the Commission agrees the final report and recommendations of the Scrutiny Inquiry Day 'Making our Money go Further' – Social, Economic and Environmental Procurement', and that the conclusions from the Inquiry Day will be used to inform the draft Social Value policy and toolkit, subject to increased emphasis being placed on:**

- **Targeting and working with local organisations and small, medium enterprises (SMEs)**
- **Procurement processes to include this as one of its central values.**

15. Quarter 4 Outturn Performance Report 2014/2015

The Commission received a report from the Strategic Director Business Change in respect of the Quarter 4 Outturn Performance report 2014/15.

16. Directorate Risk Register

The Commission received a report from the Strategic Director Business Change in respect of the Directorate Risk Register.

The Commission considered Items 15 and 16 together and the following points were made/clarified:-

- a. Ref. BU355. concern raised over the number of suppliers being paid on time and the impact this might have on local SMEs. The Council is conducting mandatory training for budget holders, which will continue alongside planned upgrades to ABW which will enable invoices to be paid in a timely manner. In addition an Operations Manager has been appointed and has been tasked to achieve this as a target for this time next year.
- b. Ref. BU171 – % procurement spend with Bristol 'Small and Medium sized Enterprises' (SMEs). Clarification sought as to whether this target was solely Bristol SMEs? Suggested there was a target set for this.
- c. Ref. BCP183 – Overall satisfaction with Council Services. Clarity sought over the reasoning for reducing the target here.
- d. Ref. BCP182 – Number of working days lost due to sickness absence. Request to change graphs to measure from zero value for clarity. Officer

explained that this is usually used where the percentage value is a small measure but the impact to the Council can be substantial. Officers to rethink the presentation of the graphs

- e. Ref. BU354 – Housing Benefit/Council Tax...real aim here to disincentivise fraud. Need more analysis on benchmarking to understand whether these results are high or low
- f. Clarity was sought over HR – DLT Measures. The Council had taken 25% out of the services. The call centre had taken on two qualified apprentices, who were being trained with the expectation that experience would improve performance. However it was felt that this measure should be moved to a quality measure rather than how quickly calls were answered.
- g. Risk 4. Change programme - £22M still unidentified savings – questioned the programmes mitigations – Members concerned that there is a risk of poorer or less creative decisions if not tackled or resolved early enough. Max Wide confirmed that the figure had been revised to £14m. Cohorts to the Applied Programme had been tasked with identifying savings in their directorates but there was still work to do.
- h. Risk 5. Bristol workplace. Confirmation of current position requested. A project manager had now been appointed to the City Hall. City Hall is the key to release Brunel House and the robust plan to scale down from 14 buildings
- i. Due to the number of critical risks in the report there was concern about the inability to distinguish between them easily according to the level of priority

RESOLVED:-

- (i) **To note the Business Change Outturn Performance Report for Quarter 4 of 2014/15. That future reports:**
 - **include Core City benchmarking**
 - **graphs to start at zero, using proportionate graphics to the item being measured.**
- (ii) **To note the Directorate Risk Register. That future reports:**
 - **rank the critical risks by number as well as colour.**

17. Any Other Business

Cllr Clarke notified Members of a workshop offered by the Centre for Local Economic Studies (CLES) named Local Multiplier 3 (LM3). A tool developed by the New Economics Foundation which measures and proves how effectively different parts of a local economy are working.

Cllr Clarke to circulate further information once a date had been confirmed.

(Meeting ended at 2.30 pm)
CHAIR