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Agenda Item 4b

Bristol City Council

Minutes of Business Change and Resources Scrutiny Commission

Monday 4 January 2016 at 4.00pm

Members Present:-

Councillor Lovell (Chair)	Councillor Holland	Councillor Hickman	Councillor Malnick (Vice Chair)
Councillor Brain	Councillor Weston	Councillor Clarke	Councillor Kent
Councillor Mead			

Apologies:-

Councillor Windows, Councillor Rylatt

Also in attendance:- Councillor Gollop (Deputy Mayor)

Key officers in attendance Business Change:-

Max Wide - Strategic Director, Business Change
Patsy Mellor - Service Director (Integrated Customer Service)
Janet Ditte - Service Manager (Finance Business Support)
Sarah Wilson – Directorate Leadership Team Operations Manager
Lucy Fleming - Policy Co-ordinator (Scrutiny)
Louise deCordova - Democratic Services

Key officers in attendance People:-

John Readman - Strategic Director, People

Key officers in attendance Neighbourhoods:-

Alison Comley - Strategic Director, Neighbourhoods
Robin Poole - Business Partner, Finance

Key officers in attendance Place:-

Barra Mac Ruairi - Strategic Director, Place
Tian Ze Hao - Business Partner, Finance

61. Apologies for absence, substitutions and introductions (Agenda Item 1)

Apologies were received from Cllr. Windows (Cllr Hickman as substitute) and Cllr Rylatt (Cllr Holland as substitute).

62. Public forum (Agenda Item 2)

None received.

63. Declarations of interest (Agenda Item 3)

None declared.

64. Whipping (Agenda Item 4)

None reported.

65. Chair's business (Agenda Item 5)

None reported.

66. Scrutiny of 2016/17 Budget (Agenda Item 6)

The Commission was joined by members of the People, Neighbourhoods and Place Scrutiny Commissions.

Arrangements for 2016/17 budget consultation report

- a. Officers confirmed the arrangements outlined in the report, previously tabled at the 14 December budget scrutiny meeting, and referred members to the Proposed Savings Plan for year three of the Medium Term Financial Strategy and the Indicative Budgets by directorate and service following the Local Government Settlement.
- b. Members expressed satisfaction that the information provided was in the public domain, and enabled them to drill down into the detail.

Cabinet Paper (Agenda Item 6.1)

Members referred to the information contained in the Cabinet paper and the following points were raised in discussion:

- c. Members debated extensively regarding the need for clarity from the Mayor and Cabinet regarding any Council Tax increases and discussed concerns around how any increase might adversely impact citizens or serve to tackle the gap in adult social care funding.

- d. The Deputy Mayor confirmed that the Mayor had set an increase of around 2% Council Tax and was not intending to raise that commitment to 4%, which was an option promoted by national Government. This remained consistent with the original budget consultation.
- e. Members raised concerns that the Mayor may struggle to hit a balanced budget if he chose not to raise the additional Social Care funding through Council Tax increases.
- f. Members agreed that if any further Council Tax increase was determined, then as much notice as possible should be given to the public.
- g. Members discussed whether to write as a Commission regarding the points raised in discussion, but there was no clear consensus. The Chair stated that Party Groups would need to consider whether to put forward their own amendments.

Capital Programme for 2016/17

- h. Members sought clarification regarding the funding of Bristol East swimming pool funding from Sports Bristol.
- i. Members sought clarification for the delay in the rail plan moving from Tier 1- Approved Programme to Tier 2- Projects in Development.
- j. Officers advised that the Henbury Loop had gone to the Joint Transport Board in July as part of Phase 2-Metrowest for discussion at the Scrutiny Joint Transport Board in September. Officers were now seeking to procure additional support to look at station improvements. Members requested that train station improvements should be accessible and work for all Bristol citizens.
- k. Members were concerned that the Household Waste Recycling Centre had moved from Tier 1 to Tier 2. Officers advised that Neighbourhood Scrutiny Commission were looking closely at a developing strategy for Waste and Resources for Bristol.

People Directorate budget scrutiny (Agenda Item 6.2)

The Commission received a verbal update from the People Directorate. The following points were noted as part of the discussion.

- a. Officers highlighted that whilst the Children's centres budget was reducing by circa £300k, this was able to be taken out safely by tightening up on costs and without reducing the frontline service.
- b. Trading with Schools was generating £14m and there was potential to generate a further £400k.

- c. Members questioned whether it was considered that all schools would move to academies and whether this was resulting in increased costs to the Authority. Officers confirmed that academies were not being subsidised by the Authority but commercial contracts in relation to the academy model were generating a profit to the Authority.
- d. Members asked whether there were home-care price savings and how savings could be made if service provision was not being cut. Officers confirmed that they had some control over market quality. Members questioned how Social Care could be funded without the 2% precept. Officers confirmed that there would be significant work to do to manage service provision, with or without the precept. Members questioned how savings were being made on demand led services such as residential care. Officers confirmed that this was as a result of strategic re-commissioning of residential care and through maximising independence models of care.
- e. Members questioned how the hourly rate in home care had been cut. Officers confirmed that costs had been reduced by zoning the city so that the need for travel across the city had been reduced.
- f. Members raised concern that a reshaping of the Crime and Misuse Budget would mean a reduction in access to help. Officers reassured Members that there would be no reduction in access, by reducing the officer team and re-contracting services.

Business Change Directorate budget scrutiny

The commission received a verbal update from the Business Change Directorate. The following points were noted as part of the discussion.

- a. ICT sourcing programme was a move to cloud based storage through a Bristol based and localised service, focused on quality.
- b. People Programme savings were the result of a renegotiation of Bristol Contract overtime working.
- c. The workplace programme had closed and there was an increase in income generation with Business Change services being sold to others.
- d. Service redesign was working to reduce non-essential human contact.
- e. Members expressed satisfaction that Democratic Services and Policy areas had not been cut and cited examples of value added policy work especially around Scrutiny Inquiry Days.
- f. Officers clarified that Neighbourhoods had incurred legal costs, but that these had been accounted for within the legal budgets of other Directorates.

- g. Members cited concerns from citizens that services such as road sweeping were only being provided to those who complained via the customer service desk and Members were concerned that this may affect the way in which resources were being balanced across the city. Officers advised that the redesign strategy was for channel shift which had demonstrated an increase in satisfaction. For example: removing the 'voicemail jail' through the Citizen Service Strategy. The Authority had plans to submit an application for the British Standard and would only get the award if proven that standards of communication and expectation had been met.
- h. The Deputy Mayor stated that the Benefits Service was a powerful example of an area which had seen significant improvement as part of the Citizen Service Strategy. Officers confirmed that technology was making it easier for students and for tracking benefits claims. Members commended officers that for the first time in a significant period, there was no backlog of claims.

Neighbourhoods budget scrutiny presentation (Agenda Item 6.3)

The Commission received a presentation from the Neighbourhoods Directorate. (attached as Appendix A) The following points were noted as part of the discussion.

Neighbourhoods Service Overview

- a. There were four main service areas, Environment & Leisure (Clean and Green), Housing Delivery (HRA), Neighbourhoods and Communities and Public Health. A key Service Manager vacancy had been filled by Gillian Douglas to cover clean and green services and Sport Services had moved across into Public Health.

Revenue Budget 2015/16

- b. Officers confirmed an in-year reduction for the Public Health (Ring Fenced Grant) announced by the chancellor. This was calculated through a formula related to a percentage of the national budget and was audited annually. The sports budget would sit alongside as a separate budget.
- c. Members questioned whether the reduction would affect individuals. Officers confirmed that the impact was currently being managed with the use of Reserves. Officers advised that a lot of preventative work happened Public Health and they were now working with Ernst and Young to understand where this investment was being realised.
- d. Members questioned how Neighbourhood Partnerships would be funded. Officers advised that there was no planned change to existing arrangements. Currently a budget was applied on a per member basis which made the funding equitable. **Action: Alison Comley to confirm**

Medium Term Financial Strategy Budget Reductions

- e. The reduction of £500k within Environment and Leisure was confirmed as the development of a single service for grounds maintenance to start operating from April 2016. £592k within Neighbourhoods and Communities was confirmed as the result of the libraries review.
- f. Officers advised that there was a debate to be had within neighbourhoods, to clarify what the priorities were for each Neighbourhood Partnership.
- g. Members raised concerns that libraries were not accessible and if not modernised and improved would wither on the vine. Officers confirmed that there was a vision in terms of a broad offer and a local offer and Neighbourhoods Scrutiny were able to see real time information on the impact of investment in computers and technology. A conversation had begun regarding the delivery of other services within the library buildings. Officers were working with Learning City to improve community resources and to target them where needed. The Council's Lone Working Policy had proved to be a challenge in some areas, for example in Avonmouth and Officers were scoping opportunities to meet those challenges. It was understood that the Human Resources Committee may look at the Lone Working Policy.
- h. Members expressed concern that the Library Consultation may have resulted in wasted resources and missed opportunities. Members expressed additional concern regards unplanned closures and the lack of use of volunteers in libraries. Officers confirmed that the use of volunteers could not replace paid staff. Officers advised that up-to-date information was regularly shared with Neighbourhoods Scrutiny which might be useful all Members. **Action: Allison Comley to circulate current library information.**
- i. Officers confirmed that the Sports budget was not being reduced.
- j. Members were concerned that the Public Health grant was being used to plug gaps that were not directly related to the public health work for example, food safety. Officers confirmed that Department for Health budget accounting mechanism was open and transparent using £1M out of £34M to deliver a very ambitious public health programme which did need to have a mind-set of plugging gaps.
- k. Members advised that in some areas of the city there was little evidence of a joined up waste service. Citing examples where residents needed to report fly tipping after bin lorries had already been operating in an area. Officers confirmed that Bristol Waste Company was working to create more joined up waste services across the city.

Capital Programme and HRA Budget Proposals 2016/17

- l. Environment and Leisure had a clear programme of work arising from Section 106 money.
- m. Members asked about the timetable for modular housing. Officers advised that they were working on an action plan developed from the Council's Housing Strategy for all housing.
- n. Members were concerned that the Council had been slow to mobilise new build housing and questioned the best way forward to increase momentum. The plan to build 34 homes this year and 43 next year seemed too few, especially in light of Officers estimate that around 225 Council homes would be sold. Cllr Lovell made specific reference to a stalled housing development in Filwood. The Deputy Mayor requested more information about the site. **Action: Scrutiny/Cllr Lovell**
- o. There was broad agreement amongst Members that solutions were needed to enable building of more social housing and that this differed from affordable housing. Members questioned whether there was scope for inter- authority collaboration on social housing across the region. Officers advised that the West of England authorities were working together to prepare a Joint Spatial Plan. This included a plan to build over 80,000 homes, which would be challenging given the need to identify distribution of development and land allocations. The Local Enterprise Partnership housing market review had commitment to deliver more, faster and sought to deliver returns on investment.
- p. Members understood that Officers were looking at the best ways to intervene in the housing market, and find ways to create funding for social housing. Members questioned whether the obstacles were more about caps against borrowing or about the need for policy change within the organisation. Officers advised that they were investigating self-financing options for investing in the Council's existing properties and new build.
- q. Members made reference to Birmingham Council building homes at scale and suggested that there may be opportunities for small organisations to build on smaller plots of land which may not be of interest to large commercial developers. It was noted that a site visit to Birmingham would shortly be taking place.
- r. Some Members felt a debate was required on the Council's role as landlord. Whether to prioritise investment in maintenance of existing housing stock or build more housing, it was not clear how the current business case stacks up.
- s. Members suggested that there was an opportunity to zone the council's housing stock in order to negotiate reduced insurance costs for leaseholders and the city.

Place Directorate budget scrutiny presentation (Agenda Item 6.4)

The Commission received a presentation from the Place Directorate. (Attached as Appendix B) The following points were noted as part of the discussion.

Place Baseline 2015/16

- a. Key challenges included: knowledge lost through voluntary severance, competition for skills in the market place, the requirement to be sustainable with less money, ensuring a return on investment with the Energy Company, and a proper return for insurance, how to prioritise and drive more efficiency, develop more profit through development, for example, through new housing and maintaining an aging Victorian infrastructure in the city.
- b. Members referred to a £10M property savings target by March 2017. Officers confirmed that this had been an over optimistic projection. In taking stock of the Authority's property portfolio, it was recognised that most buildings owned by the Authority were operational and not easily contractible. For example, of the Council's 800 properties, 218 were schools, 103 were dwellings outside of the Housing Revenue Account, 76 were youth clubs, and many of the remainder were libraries. In addition, there was a question over how to get the best return from facilities management for the Council's property portfolio and whether the Council was best placed to deliver these services. **Action: Barra Mac Ruairi provide detail regarding the previous and revised property targets for members.**
- c. Members referred to the 15/16 Capital Programme and requested more detail regarding the £43m to be allocated (Grant/Prudential Borrowing/Reserves) **Action: Barra Mac Ruairi to provide information to Members**

Income Generation Opportunities

- d. Officers explained that asset optimisation involved management of a smaller council estate, facilities management and investment properties. There was a current rental income of £28m from 3000 leases and a need to think more in terms of long term benefits from investments, to maximise the capital value versus the collection of peppercorn rents. A property board had been set up with the leadership team to enable a coordinated approach for the utilisation of public assets.
- e. Members asked whether this strategy could work with the Social Value and Community Asset Policies. Members were hoping to receive an overview and gap analysis with an idea of the level of subsidy required to maintain voluntary and community groups on peppercorn rents. **Action: Barra Mac Ruairi to provide an overview for Members**
- f. Members agreed that there was more work to do to understand how to unlock commercial values in sites.

- g. Officers briefly discussed the difficulties of balancing the need to retain short-term technical expertise for specific projects and the ability to retain long-term expertise in a commercial market place. There was a need to provide vision, leadership, stability and development for staff. Colleague development plans would build a generic set of skills and reward technical as well as management skills. Members referred to the Place Pay Budget Baseline 15/16 and asked for confirmation of the cost of agency staff. **Action: Barra Mac Ruairi to confirm the cost of agency staff**
- h. Members requested more information regarding the flooding infrastructure. Officers confirmed that research was being carried out into how a barrage might work for the city. **Action: Barra Mac Ruairi to provide an overview of current plans**
- i. Officers confirmed that Metrobus was currently on budget despite the impact of the unexpected level of protest that the scheme had attracted.

Resolved:-

- (i) To note the People and Business Change updates.**
- (ii) To note the Neighbourhoods and Place Directorate presentations**
- (iii) To progress and respond to actions as stated above**

The Deputy Mayor thanked Janet Ditte, Robert Woollatt and Finance Business Partners for their hard work to respond to the requests from Scrutiny within challenging timescales.

Members were thanked for a positive and constructive process and were reminded that they could contact the Deputy Mayor direct with questions and queries, and he would work with finance officers to engage and respond to reasonable requests for the remainder of this process.

Date of Next Meeting: Monday, 14 February 2016, 9.30am

(Meeting ended at 8.05 pm)

CHAIR