

BRISTOL CITY COUNCIL

**MINUTES OF A MEETING OF THE
RESOURCES SCRUTINY COMMISSION
HELD ON 20TH JULY 2012 AT 9.30 AM**

- P Councillor Brain (in the Chair)
- P Councillor Gollop (arrived at 9.40am)
- P Councillor Hassell
- P Councillor Naysmith (left at 10.50am)
- A Councillor Rayner
- P Councillor Watson
- P Councillor Wright (arrived at 9.35am)

Also present:

Councillor Jon Rogers, Executive Member for Resources, and Councillor Sean Emmett, Assistant Cabinet Member for the Budget.

RC

16.7/12

APOLOGIES FOR ABSENCES, SUBSTITUTIONS AND INTRODUCTIONS

Apologies for absence were received from Councillor Rayner and introductions were made.

RC

17.7/12

PUBLIC FORUM

One item of public forum business regarding the withdrawal of the Mobile Library Service was received and a copy placed in the minute book. Members agreed that the Quality of Life Scrutiny Commission was the most appropriate place to hear the resident's concerns and it was noted that a similar statement would be submitted to that Commission at the next meeting. Members did, however, request that officers prepare a brief information report about the costings in relation to the Mobile Library Service, which was to be added to the agenda for the next meeting.

RESOLVED - that an information report detailing costings in relation to the Mobile

Library Service be added to the work programme for the next meeting.

**RC
18.7/12 DECLARATIONS OF INTEREST**

Councillors Rogers and Gollup both declared an interest in respect of agenda item no. 8 – Review of the Budget Scrutiny Process – because they were potential candidates in the forthcoming Mayoral election.

**RC
19.7/12 WHIPPING**

No whipping was declared.

**RC
20.7/12 MINUTES - RESOURCES SCRUTINY COMMISSION - 22ND
JUNE 2012**

RESOLVED - that the minutes of the meeting of the Resources Scrutiny Commission held on 22nd June 2012 be confirmed as a correct record and signed by the Chair.

**RC
21.7/12 CHAIR'S BUSINESS**

There was no Chair's business.

**RC
22.7/12 WORK PROGRAMME 2012/13**

Members noted the updated work programme. It was agreed that it was unnecessary to arrange joint scrutiny of the Bus Rapid Transit project with the Sustainable Development and Transport Scrutiny Commission because both bodies had different areas of responsibility.

It was requested that briefing meetings for the lead Members be reinstated for the remainder of 2012/13.

The Commission agreed that the meeting scheduled to take place on 16th November 2012 would be moved to October 2012 in view of the Mayoral election.

It was confirmed that an interim update report regarding the City Deal would be provided for consideration at the Commission's meeting on 21st September 2012.

- RESOLVED -**
- 1) That the work programme for 2012/13 be noted; and**
 - 2) That the meeting scheduled to take place on 16th November 2012 be moved to October 2012; and**
 - 3) That an interim report regarding the City Deal be provided for consideration at the Commission's meeting on 21st September 2012.**

RC

23.7/12

REVIEW OF THE BUDGET SCRUTINY PROCESS

The Commission received a verbal update regarding the review of the budget scrutiny process. During the introduction from the Strategic Director – Corporate Resources the following points were made;

- Consideration would need to be given to the best way to approach the budget scrutiny process for 2013/14 in view of the Mayoral election and changes to local government funding arrangements.
- From April 2013 the local authority's funding would be calculated based on business growth within the city. Full details would not be available until later in the year, but the changes were viewed as a positive development for Bristol.
- Funding generated by excess growth would be used to meet the cost of ongoing service pressures across the City Council.

Members considered the information provided and asked for additional details in number of areas. The key points that arose during the associated discussion were as follows;

- The Government would reassess Bristol City Council's baseline funding levels in December 2012, following publication of the new census data. This would set the baseline figure for future years and it would not be revised in line with inflation.
- It was agreed that future budget proposal reports would present data more consistently to enable Members to draw clearer comparisons.
- Members requested that in the future more time be allocated to the preparation of the Resources Scrutiny Commission's final budget report because previous reports had lacked sufficient detail.
- It was vital for all Mayoral candidates to be treated fairly in the elections process, which would include accessing information about the City Council's financial position. Officers confirmed that budget briefings for all Mayoral candidates would take place from September 2012 onwards.
- The City Council had an excellent track record for preparing the budget in a robust and transparent way. Standards should not suffer because of changes to the political environment.
- Consideration would need to be given to the consultation period for the budget, but it might not be practical to bring it forward because preparation of the figures would depend on various factors, including the amount received as part of the City Deal.
- The Equalities Impact Assessments (EQIAs) in relation to the budget were a statutory requirement. The budget-setting timetable would need to include sufficient time for the EQIAs to be completed, which was a complex process.
- In light of the political sensitivities surrounding budget setting it would be advantageous if there was cross party commitment to working together to secure the best outcomes.

It was agreed that the Chair, Councillor Brain, would write to the Leader on behalf of the Commission to share Members' concerns about the budget setting process for 2012/13 and to ask that consideration be given to how to maintain transparency and fairness in the light of the evolving political context.

RESOLVED - that the Chair write to the Leader of the Council to share the Commission's

**concerns about the budget setting
process for 2012/13.**

RC

24.7/12

**LOCAL COUNCIL TAX SUPPORT SCHEME AND TECHNICAL
REFORMS OF COUNCIL TAX**

The Commission considered a report of the Service Director, Integrated Customer Services (agenda item no. 9) considering and approving proposals regarding:-

- (1) The introduction of changes to some existing Council Tax discounts/exemptions arising from new legislation for Technical Reforms of Council Tax, and the use of this new income; and
- (2) The options for public consultation to establish a Local Council Tax Support scheme by 1st April 2013.

Officers provided an introduction to the report, drawing Members' attention to the key issues to be considered and also the proposed options that could be found on page 24 of the accompanying papers.

Members commented on the information provided and asked for further clarification in a number of areas. The discussion could be summarised as follows;

- Bristol City Council had challenged the Council Tax changes because in real terms it equated to a reduction of around 16%, but the financial deal was unlikely to change.
- The planned changes to Council Tax benefit would not affect those in receipt of the single persons' discount of 25%. There was consensus that decisions about Council Tax discounts should be made at local level and it was agreed that the Chair would write to the party leaders to invite them to lobby the Secretary of State for Communities and Local Government regarding that point.
- Some local authorities were optimistic that the reduction in Council Tax funding could be met by increasing the contributions in relation to second/empty homes. This approach was not being taken in Bristol as it was suspected that property owners were likely to change their behaviour to avoid paying higher taxes.

- The Elected Mayor would have their own views about the best way to proceed in light of the planned changes to Council Tax benefit, but in the meantime the City Council had a duty to consult residents and make them aware of how they were likely to be affected by the proposals.
- If Bristol City Council were to meet the Council Tax shortfall it would cost around £4.25M. It would be difficult to raise the full amount by increasing payments across the board because of the 3% cap on Council Tax increases (particularly because a 2.5% increase in Council Tax in 2013/14 was anticipated). The City Council could only exceed the 3% cap if residents supported the proposal in a referendum, which seemed an unlikely outcome.
- The impact on Bristol City Council's budget could worsen if the economy continued to deteriorate. It would be necessary to review the number of claimants on a regular basis.
- The option to apply a premium to empty homes should be encouraged in light of the shortage of housing within the city and because reducing the number of empty homes would in turn increase the overall Council Tax income. However, removal of the incentive to encourage property owners to declare empty homes had other implications.
- Options 2a and 2b would lead to the City Council having to issue (and possibly chase), bills for small amounts to around 20,000 households. The cost implications of this approach would need to be carefully weighed up.

RESOLVED - that the Chair write to the party leaders to request that they lobby the Secretary of State for Communities and Local Government for the power to make the decision about single persons' Council Tax discount at local level.

RC

25.7/12

FINANCE AND PERFORMANCE OUTTURN 2011/12

The Commission considered a report of the Service Director, Finance (agenda item no. 10) providing the Council's 2011/12 performance and financial outturn information.

Members noted that the finance and performance outturn for 2011/12 was generally good, particularly in view of significant changes experienced during this period such as enhanced

safeguarding requirements. Members expressed concern about the decreasing number of Black and Minority Ethnic employees, but they accepted that it was difficult for the local authority to proactively address the issue when limited recruitment was taking place.

RESOLVED - that the report be noted.

RC

26.7/12

CORPORATE PERFORMANCE MANAGEMENT FRAMEWORK

The Commission considered a report of the Service Director, Finance (agenda item no. 11) setting out proposed changes to the Corporate Performance Management Framework. Members generally supported the new style of reporting but were concerned about the reduced detail in some areas. The Commission were advised that the purpose of the score cards was to provide headline data in an accessible format and that detailed figures would be looked at in other forums.

RESOLVED - (1) that the proposed changes to the performance management, monitoring and reporting framework be noted; and

(2) that the revised Corporate Performance Management Strategy be agreed.

RC

27.7/12

FIRST REVENUE BUDGET MONITOR 2012/13

The Commission considered a report of the Service Director, Finance (agenda item no. 12) setting out the First Revenue Budget Monitor 2012/13. Members noted that current budgetary pressures presented a significant challenge, but accepted that management of the issues appeared to be satisfactory.

RESOLVED - that the First Revenue Budget Monitor 2012/13 report to 26th July 2012 Cabinet be noted.

RC

28.7/12

FIRST CAPITAL MONITOR 2012/13

The Commission considered a report of the Service Director, Finance (agenda item no. 13) setting out the First Capital Monitor 2012/13. The Commission was advised that capital spend within the city was continuing despite the impact of the recession. Increased demand for school places was currently being met, but population forecasts predicted that the trajectory would continue. Fewer parents were choosing the private sector following the improvement to educational standards within Bristol.

Members considered the information provided and asked for additional details in a number of areas. The salient points that arose during the ensuing discussion were as follows;

- Some schools that were currently being developed with local authority funding could become academies in the future, but Bristol City Council had no control over this.
- Interest rates were currently relatively low so longer term loans were on the whole more favourable.
- Discussions regarding the proposed Work Place Parking Levy were underway with local businesses. The charges would not be introduced until the Bristol Rapid Transport scheme had been implemented.
- Some contractors did not want to bid for work from Bristol City Council because they did not have sufficient capacity or were unable to meet the necessary health and safety and equalities requirements. This was one of the reasons why the capital programme tended to be underspent. Officers were looking into this area with a view to making the process more flexible.

RESOLVED - that the First Capital Monitor 2012/13 report to 26th July 2012 Cabinet be noted.

RC

29.7/12

TREASURY MANAGEMENT ANNUAL REPORT 2011/12

The Commission considered a report of the Service Director, Finance (agenda item no. 14) setting out the Treasury Management Annual Report 2011/12.

Members noted that Bristol City Council was working with the Icelandic banks to recoup all of its investments. A significant proportion had already been repaid.

It was agreed that officers would ensure that subsequent reports included more details of the maturity structure of the debt portfolio, including the amounts repaid beyond year 10, and also the indicative interest rate. It was also agreed that officers would provide the Commission with details of the risks associated with investments in various banks and building societies. Members felt it was important that they receive formal assurance on a range of matters, not just those relating to investment in the Icelandic banks.

Members queried whether the City Council were permitted to invest in Triodos (an ethical bank) and were advised that officers would look into the matter and report back.

RESOLVED - that the Treasury Management Annual Report 2011/12 report presented to 4th July 2012 Cabinet be noted.

**RC
30.7/12 URGENT BUSINESS**

There was no urgent business.

**RC
31.7/12 DATE OF NEXT MEETING**

RESOLVED - that the next meeting of the Resources Scrutiny Committee be held on 21st September 2012 at 9.30am.

(The meeting ended at 12.30pm)

CHAIR