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The attached minutes are DRAFT minutes. Whilst every effort has been made to ensure the accuracy of the information, statements and decisions recorded in them, their status will remain that of a draft until such time as they are confirmed as a correct record at the subsequent meeting.

BRISTOL CITY COUNCIL

MINUTES OF A MEETING OF THE
RESOURCES SCRUTINY COMMISSION
HELD ON 22ND FEBRUARY 2013 AT 9.30 AM

P Councillor Abraham
A Councillor Brain
P Councillor Hassell
P Councillor Hopkins (in the Chair)
P Councillor Naysmith
P Councillor Wright
A Councillor *Vacancy*

RC
113.2/13 APPOINTMENT OF CHAIR

RESOLVED - that the appointment of Councillor Hopkins as Chair of the Resources Scrutiny Commission for the remainder of the municipal year 2012-13 be noted.

RC
114.2/13 MEMBERSHIP OF COMMISSION

RESOLVED - that the changes to the membership of the Resources Scrutiny Commission for the remainder of the 2012-13 municipal year, as set out on the front sheet of the agenda, be noted.

RC
115.2/13 APOLOGIES FOR ABSENCES, SUBSTITUTIONS AND RESIGNATIONS

Apologies were received from Councillor Mark Brain, Councillor Mahmadur Khan substituted. Apologies also received from the Deputy Mayor, Councillor Geoff Gollop.

RC
116.2/13 PUBLIC FORUM

Members of the Committee had received two public forum statements in advance of the meeting. (*A copy of the Public Forum submissions are held in the Minute Book*).

**RC
117.2/13 DECLARATIONS OF INTEREST**

None declared.

**RC
118.2/13 WHIPPING**

None declared.

**RC
119.2/13 MINUTES - RESOURCES (BUDGET) SCRUTINY COMMISSION
- 14TH JANUARY 2013**

RESOLVED - that the Minutes of the Resources (Budget) Scrutiny Commission meeting held on 14th January, 2013 be confirmed as a correct record and signed by the Chair, subject to the figure of £2m being inserted on line 3 of item headed '10 (ii) Health & Social Care' (*Minute No. 1.1/12 refers on p.6 of Minutes*).

**RC
120.2/13 MINUTES - RESOURCES (BUDGET) SCRUTINY COMMISSION
- 16TH JANUARY 2013**

RESOLVED - that the Minutes of the Resources (Budget) Scrutiny Commission meeting held on 16th January, 2013 be confirmed as a correct record and signed by the Chair.

**RC
121.2/13 MINUTES - RESOURCES (BUDGET) SCRUTINY COMMISSION
- 21ST JANUARY 2013**

RESOLVED - that the Minutes of the Resources (Budget) Scrutiny Commission meeting held on 21st January, 2013 be confirmed as a correct record and signed by the Chair, subject to -
Minute No. 97.1/12 –

(i) (6th bullet point) Councillors Hassell and Naysmith emphasised their extreme

concern about the potential loss of paper bus timetables and their view that these were a necessary part of the service. The Commission endorsed their comments;

(ii) (9th bullet point) Councillor Hassell said that an action point should have been included in respect of a formal risk assessment regarding the proposed changes to the BRT route so that subsequent reports could be made to both Resources and SD&T Scrutiny Commissions. The Commission endorsed this.

RC

**122.2/13 MINUTES - RESOURCES SCRUTINY COMMISSION
– 25th JANUARY 2013**

RESOLVED - that the Minutes of the Resources Scrutiny Commission meeting held on 25th January, 2013 be confirmed as a correct record and signed by the Chair, subject to clarification on Minute No. 108.1/13 that 2nd paragraph should say ‘...a presentation would be given to the Commission about Treasury Management and further training could be arranged if necessary.’

RC

123.2/13 CHAIR’S BUSINESS

Councillor Hopkins explained that he had asked for papers, as listed below, to be circulated to Members of the Commission to enable discussion about specific issues which he wanted to raise. These matters would be dealt with under agenda item 12, Medium Term Financial Strategy.

Jacobs Recycling report;
Capital Programme Cross Party Working Group 2.2.13;
Speedwell Pool Business Plan;
Information re Swimming Pools;
Cabinet report School Organisation Strategy 27.9.12;
School Organisation Document.

RC

124.2/13 WORK PROGRAMME 2012/13

The Chair suggested that inquiries be made to relevant officers regarding the outstanding items on the Work Programme and that informal discussion take place as soon as possible to prioritise these.

RESOLVED - that the Work Programme for 2012/13 be noted.

RC

125.2/13 TREASURY MANAGEMENT

The Commission received a presentation on the Council's Treasury Management Strategy explaining that in accordance with CIPFA Code of Practice (2001) its purpose was the Management of the Council's cash flow, banking, money/capital market transactions and the effective management of risks associated with those activities and the pursuit of optimum performance consistent with those risks. *(A copy of the presentation is held on the Minute Book for public record).*

During the presentation Members questions were asked and answers given on specific points of interest.

RC

126.2/13 FOURTH REVENUE BUDGET MONITOR 2012/13

The Commission considered a report of the Service Director Finance (agenda item no. 11) giving the results of the latest monitor of the Revenue Budget based on expenditure to the end of November, 2012 and that expenditure to the end of November, 2012 was currently projected to achieve an underspend of £1.8m.

Points arising from discussion –

- With regard to deregulated tenancies, and the potential risk associated with cases not yet in payment, it was agreed that the Commission look at this after the position on appeals became clearer and the benchmark work with other authorities gave a clearer perspective;
- Concern expressed that the projected underspend of £1.8m for 2012/13 relied on using contingency funds and one off

resourcing. It was emphasised by Councillor Hassell that contingency should, ideally, never need to be drawn on.

RESOLVED - that the spending projections for all Directorates based on expenditure to the end of November, 2012 be noted and that the need to continue action to contain spending within budgets be endorsed.

RC

127.2/13 MEDIUM TERM FINANCIAL STRATEGY

The Commission considered a report of the Service Director Finance (agenda item no. 12) setting out the principles and current direction of the Council's medium term financial strategy. Tracey Morgan Service, Director for Environment & Leisure and Craig Bolt, Service Director for Resource Planning and Performance also attended for this item.

Points arising from discussion on the substantive report –

- Councillor Hopkins expressed concern about high salary and related pension costs, acknowledged that grading structures were part of a national agreement and could not be opted out of at the current time. Councillor Hopkins specifically referred to cost of pensions for highly paid employees and whilst acknowledging the overall position felt that there was some room for movement;
- No additional prudential borrowing was proposed as this would put greater pressure on the revenue budget from increased spending on interest payments;
- Concern was expressed by Councillor Hopkins that less prudential borrowing could lead to less spending on infrastructure which, if Bristol fell behind in this type of investment, might deter business from coming to the City. Councillor Hopkins was advised that the Council could challenge this point and could decide to invest more in infrastructure and save money elsewhere;
- Councillor Hassell asked how 'zero based budgeting' would work. Councillor Abraham advised that this type of budgeting was based on needs and benefits rather than historic spending patterns;
- Councillor Hassell felt that statutory requirements needed to be considered and that more information was required from the Census 2011 eg, demographic changes. Interim Strategic Director for Corporate Services advised that

statutory requirements were not always clearly defined so that this would need to be more accurately defined in the future utilising a variety of input eg, challenging ways of doing things, seeking expert opinion, feedback from service users.

Issues for discussion in relation to the papers circulated by Councillor Hopkins as referred to under Chair's business –

HWRC Recycling Centre

The Commission were reminded that Bristol had two recycling centres, however the current centres were located in the north and centre of the city whilst the south of the city (which contained approximately a third of Bristol's population) was without a facility close by. A third recycling centre had been proposed for the Hartcliffe and Withywood area however, recently, a cross party Working Group had recommended that the scheme should be deferred and a report back to the Resources Scrutiny Commission be submitted, including a review of costing and funding, within the next 12 months.

Points arising from discussion -

- The HWRC revenue costs were expected to be £0.5m pa but could rise to £0.75m pa and that subsequent estimates were much lower but were put to the review group very late;
- Recycling rates had increased since 2009 from 53% to 83% despite staff reductions;
- A report in 2009 considered outsourcing versus in house provision for the proposed HWRC. This aspect needed significant work to accurately assess costs;
- Opening times would need to be looked at including opening at weekends when demand was highest. Councillor Hopkins felt that it was necessary to open at weekends, when there were queues, and that it would be possible to reduce costs during the week daytime by cutting some of the hours when not busy;
- Councillor Hassell suggested that a new centre might take trade away from the existing centres, also fixed costs needed to be looked at regarding spare capacity which might give an opportunity to increase income;
- Councillor Hopkins referred to the Days Road site lease expiry in 2019 and suggested that the Council might be able to negotiate a better deal with a proposed new facility as a possibility;

- Dual use for the proposed site might reduce costs so would need to be considered;
- The report to Resources Scrutiny Commission giving detailed information would be ready by November, 2013 with interim reports on progress before then.

Bristol East Pool

Members were reminded that there was support for this project however, due to the lack of available revenue funding to cover estimated running costs of £200k pa and £350k pa borrowing costs it had been recommended that it be deferred, pending a review of costing and funding.

Points arising from discussion –

- Estimates of costs relating to leisure facilities were not always correct;
- Specific and detailed projections and actual outturns from Jubilee and Horfield showed a significant improvement when sites were co-located;
- Options regarding the Bristol East Pool would be considered over the next couple of months;
- Councillors Hassell and Wright emphasised that it was very important that the Bristol East Pool was built as facilities in that area were poor and there was a large demand for it. Councillor Hopkins agreed and said that it must happen;
- The Commission were reminded by officers that money spent on one facility could mean a subsidy being withdrawn from another facility;
- Councillors Hopkins and Naysmith felt that when using comparisons it was not fair to include Henbury Pool as Bristol East Pool site was not an internal site. The key point was that the ‘wet and dry’ facilities option should be pursued;
- Options and information about how the Bristol East Pool could be delivered would be presented to the Commission as soon as was practical.

Children & Young People’s Services

The Service Director Resource Planning and Performance (CYPS) outlined funding available. Headline data for Capital Projects was £261m over five years (to 2017). Funding currently available amounted to £114m comprising £80m from external grants, £20m from local borrowing and £14m from previous projects. Closing the funding gap was reliant upon the Council receiving funding

allocations until 2021 at an average of £15m per year, but having no growth requirements beyond 2017. Further complications could arise from further implementation of the James Review recommendations whereby the Council could lose direct control.

Points arising from discussion –

- Andalusia Academy was an independent school which had not cost anything directly to the Council and made provision for 300 places;
- Changed approach over last two years had led to ‘slippage’, next year there were 33 live projects costing up to £82m;
- Councillor Hopkins felt that there was ‘wiggle room’ for more spending to include HWRC and Bristol East Pool and this could come from CYPS capital savings. The Commission was advised that even if ‘slippage’ meant money had not been spent, it was still required as projects might be re-prioritised and if the funding was used for something else then a decision would need to be made on what was not to be funded.

RESOLVED - (i) that the Commission’s views on the principles and planning process for the Medium Term Financial Strategy be endorsed;

(ii) that the comments made regarding the HWRC, Bristol East Pool and CYPS be endorsed.

RC

128.2/13 DATE OF NEXT MEETING

The next meeting of the Resources Scrutiny Commission will be held on 12 April 2013 at 9.30 am.

CHAIR

(The meeting ended at 1.00 pm)