

DISCLAIMER

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BRISTOL CITY COUNCIL

**MINUTES OF A MEETING OF THE
RESOURCES SCRUTINY COMMISSION
HELD ON 27th NOVEMBER 2013 AT 9.30 AM**

P Councillor Hopkins (in the Chair)
P Councillor Brain
A Councillor Emmett
P Councillor Khan
P Councillor Naysmith
P Councillor Watson
P Councillor Weston
P Councillor Wright

Also in attendance:

Councillor Gollop, Deputy Mayor

RSC

70.11/13 APOLOGIES FOR ABSENCE, SUBSTITUTIONS AND INTRODUCTIONS

Apologies were received from Councillor Emmett.

RSC

71.11/13 PUBLIC FORUM

The Commission received two statements, a copy of the Statements are held on public record in the Minute Book. The Commission also received a set of questions from Bristol Foundation Housing Residents Association (BFHRA). The questions and associated answers provided by officers not the committee, are, in accordance with the Council's Standing Order CMR 9.8, as set out below –

- BFH is potentially one of the most scrutinised charity in Bristol due to a 40-month appeal process culminating in two tribunal settlements (2009 and 2011) with the council. Is the committee aware that BFH produced all documents required by the council's legal team to reach settlement?

Q 1: Can the committee inform BFH what more additional documents are required?

All exempt housing providers are scrutinised by the council because we have to make sure public funds are being properly used. BFH is the largest and most costly provider in Bristol, with a complex case load. It is expected that a charity costing taxpayers up to £1.8m per year and catering to vulnerable customers is scrutinised properly. It is scrutinised in proportion to those risks. BFH did provide very brief statements with claims for benefit stating support was provided. The review concluded that for 79% of residents BFH were not providing the support they were stating. BFH therefore, in a large number of cases were in breach of the clause stating they would provide support, and it is compliance with this clause that allowed EA payments. It should also be noted that the agreement simply set out what the benefit regulations allowed, the agreement does not act outside of the regulations, it clarifies what was needed to satisfy the regulations.

- BFH tenants interviewed have said they were asked more about the relationship between the charity, BFH, and the landlord, C&C, than about their own support needs.

Q 2: Who commissioned the review and were questions about BFH's landlord part of the commissioning brief?

The review was undertaken by the Housing Benefits department as part of an examination of all exempt accommodation providers across the city, to ensure that public funds were and are being properly spent. The purpose of the review was to assess whether exempt accommodation claims are valid and proportionate, and are in line with legislative requirements.

BFH employed only one person (the chief executive), and all staff and buildings were (and still are) provided by the landlord on a service level agreement. It is inevitable that questions about the services and accommodation provided would therefore be about the landlord as they were the provider of those services and accommodation. It would be useful to know which tenants have stated this fact and the record of the interviews can be checked. BFH were the last organisation to be reviewed by the Council and the same set of forms and questions were used for the previous providers.

- Despite the review containing confidential information such as addresses of hostels, as well as incorrect and unsubstantiated information, the review was released to the press – before being shown to the residents who were asking for it, or the charity. It is incorrect to conclude that the administrator would have shown it to the charity, because the administrator was requested by the council not to show it to a third party. The administrator wrote to Julia James on 6 September: "(the review) was sent to me on strict understanding it would not be disclosed to any third party."

Q 3: Who authorised the review to be released to the press on the 18 September?

Whilst a charity is in administration, the administrator is the charity. Therefore once the administrator had the report (2nd September), the charity had it, because the administrator is the charity. The report was also given to the residents association by email and copies given at a meeting held with residents.

The Council disputes that the review is incorrect or has unsubstantiated information.

The report was issued to the press by the Press Office on 18th September in response to incorrect information released to the media about Bristol City Council and BFH.

- On 12 November, the Bristol Post reported: "After falling into administration the organisation has now had £3.1 million of its debts written off by its founder and main benefactor, Connolly and Callahan, who said the charity is now "healthy again"."

Q 4: Is the committee aware that C&C is a key benefactor to the charity, and would it welcome further evidence of this fact?

The Council has been advised that debts have been written off by C&C but have not been given papers either by the charity or the administrators post administration demonstrating how the new charity will be financially viable going forward. Papers have been requested from BFH's solicitors. If the trustees would like to provide them direct that would be helpful. The Council has already asked to meet with the new trustees (and a meeting has been arranged for early December) to discuss the charity and its future plans.

In accordance with the Council's Standing Order CMR 9.7 a supplementary question was asked -

Question : Why was an Independent Officer not used for the review process?

Answer : Following the usual protocol, Supporting People Officers (who are internal to the Council) carried out the review.

Following a question from the Chair the Commission were assured by the representative from BFH that they were pursuing the proper processes with regard to their Appeal. The Chair emphasised that any scrutiny of the case could only take place after the formal appeal process had been completed.

A Member felt that scrutiny of the process could also involve the Audit Committee and it was agreed that the subject of Exempt Accommodation would be considered at a Joint Audit/Resources agenda setting meeting to be held in the near future.

At the request of the BFH representative the Chair agreed they could write to the chairs of the Resources Scrutiny Commission and Audit Committee.

RSC

72.11/13 DECLARATIONS OF INTEREST

None declared.

RSC

73.11/13 WHIPPING

None declared.

RSC

74.11/13 MINUTES – RESOURCES SCRUTINY COMMISSION – 18TH OCTOBER 2013

RESOLVED - that the Minutes of the meeting of the Resources Scrutiny Commission held on 18th October, 2013 be confirmed as a correct record and signed by the Chair.

RSC

75.11/13 CHAIR'S BUSINESS

The Chair expressed concern about the lack of information provided to date with regard to detailed budget proposals in some areas, particularly in relation to capital projects. Some of the information was clear but other areas eg, Parks, the information appeared unclear or contradictory and when questions had been asked for clarification information remained unavailable. It was considered essential, that if proper scrutiny of the budget proposals was to take place, that this needed to be addressed.

The Interim Service Director, Finance explained that the purpose of this meeting was to consider how the draft budget had been constructed, and the broad principles that lay behind it, with regard to achieving the financial savings that had to be made. A detailed breakdown would be available to members once the areas that

were of concern had been identified. These matters could then be scrutinised fully at the 13 December, 2013 meeting.

The Commission were reminded that the budget consultation period ended on 30 December so if members wished to take the opportunity to influence the budget a formal input would be necessary by or before that date.

It was then suggested and agreed that the Chair make a statement on behalf of the Commission regarding its views on the budget consultation process. A draft would be circulated, by the Chair, to members for agreement. The Chair emphasised that if collective agreement could not be obtained then the statement would not be made.

RSC 76.11/13 WORK PROGRAMME

Changes were made as below -

The 6 January, 2014 meeting was reinstated;

The 13 December, 2013 meeting would now commence at 9 am and be for the whole day to allow for full consideration of budget issues;

Outcome Performance - First Half 2013/14 report would not be considered at the 13 December meeting and would go to the 24 January meeting instead.

RESOLVED - that, subject to the above, the Work Programme be noted.

RSC 77.11/13 2014/15 BUDGET PROPOSALS

The Commission considered a report of the Interim Service Director, Finance (agenda item no. 8) seeking the Commissions views on the proposed budget for 2014/15. A presentation was also given.

During discussion of this item the following points were raised/highlighted –

- costs relating to private finance initiative projects would have a significant impact on the revenue budget over the three year spending period;
- it was essential that a robust financial reserve was maintained and the Commission were assured that proactive measures would be taken to achieve this;
- the £90M target savings that had to be made over the next three years could be up or down by £5M depending on a variety of factors such as capital receipts and returns on investments;
- it was potentially possible that the full £90M saving might not be necessary and within the next six months a clearer picture would emerge when more information was available, in the meantime the cautious 'middle of the road' approach would be maintained;
- another potential impact was appeals against rateable value in relation to business rates. A worst case scenario would have a significant impact on the revenue budget.

The Commission welcomed the information provided but asked that more detailed information be provided for the meeting on 13 December, 2013. To identify specific areas of concern the Chair suggested that members submit relevant questions to the Interim Service Director, Finance via the Clerk of the Scrutiny Commission to coordinate the information. The Interim Service Director, Finance also agreed to supply members with a full information pack giving detail on the budget proposals

RESOLVED –

That the report be noted and that the Interim Service Director, Finance provide all necessary budget information, including further requests from Members after this meeting via questions submitted, for the 13 December, 2013 meeting.

RSC

78.11/13

TREASURY MANAGEMENT MID YEAR REPORT 2013/14

The Commission considered a report of the Strategic Director, Neighbourhoods (agenda item no. 9) seeking the views of the Commission in respect of the Treasury Management Midyear report for 2013/14.

In response to questions asked about capital projects not being brought to fruition, despite being fully funded, the Interim Service Director, Finance agreed to raise this at the next Capital Project Board meeting on 29 November to clarify the reasons behind the apparent delay and report back to the Commission.

RESOLVED –

That the report be noted and that a further report about the progress of Capital Projects be brought back to the Commission.

**RSC
79.11/13 URGENT BUSINESS**

None.

**RSC
80.11/13 DATE OF NEXT MEETING**

The next meeting of the Resources Scrutiny Commission will be held on 13 December, 2013 at 9 am.

(The meeting ended at 12.05 pm)

CHAIR