

BRISTOL CITY COUNCIL

**MINUTES OF A MEETING OF THE
RESOURCES SCRUTINY COMMISSION
HELD ON 6TH JANUARY 2014 AT 6 PM**

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

Also in attendance :

Councillor Gollop
Councillor Cook
Councillor Green

**RSC
92.1/14 APOLOGIES FOR ABSENCES, SUBSTITUTIONS AND
INTRODUCTIONS**

Apologies were received from Councillor Khan, Councillor Jenny Smith substituted.

**RSC
93.1/14 PUBLIC FORUM**

None.

**RSC
94.1/14 DECLARATIONS OF INTEREST**

None.

**RSC
95.1/14 WHIPPING**

None.

RSC
96.1/14

**MINUTES – RESOURCES SCRUTINY COMMISSION – 13TH
DECEMBER 2013**

RESOLVED - that the Minutes of the meeting of the Resources Scrutiny Commission held on 13th December 2013 be confirmed as a correct record and signed by the Chair.

RSC
97.1/14

CHAIR’S BUSINESS

None.

RSC
98.1/14

WORK PROGRAMME

Arts funding to be included on the Work Programme after the Neighbourhood Commission had considered it.

Meeting on 24 January, 2014 to go ahead and work programme to be updated accordingly.

RESOLVED -

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

RSC
99.1/14

GREEN DEAL AND ENERGY COMPANY OBLIGATION

The Commission considered a report of Commercial Director, Energy (agenda item no. 8) seeking support for the approval regarding the procurement of a Green Deal Provider partner and separately, the appointment of an Energy Company Obligation (ECO) funding partner, to support the Council in the delivery of energy efficiency measures within its social housing stock and private sector housing stock.

The Commission supported the objectives of the Green Deal project and considered the following points in relation to it –

- Alternatives to cavity wall insulation were being proactively explored for solid wall housing stock where this was

financially viable. An audit of work in this regard was being done to update the database of work completed;

- Risk management measures were in place but it was emphasised that two risks remained prominent namely failure to ensure adequate procurement and reputational damage associated with the City's Green Capital aspirations. Reputational aspects were thought to be controllable.
- Recent announcements by the Prime Minister with regard to proposed changes to the ECO regime had created some uncertainty but were considered unlikely to affect the project up to 2017;
- There were over one hundred Green Deal Providers and at least two were within the City of Bristol;
- With regard to progress to date Bristol was about in the middle;
- Prioritising work was planned by using a housing stock model which helped to identify housing most in need. The Chair asked to see the Plan and the justifications within it;
Action : Commercial Director, Energy to provide information
- Quality of Solar Panels was managed by considering a number of factors such as rate of degradation, output and predicted life span. This was backed up with adequate insurance cover;
- Procedures were being worked up regarding payment for work done in relation to quality of work. A detailed report would be made in March, 2014 about this.

RESOLVED -

- (1) that the appointment of a Green Deal Provider partner or partners – duration four years – via an EU compliant procedure process be supported;**
- (2) that the Council entering into an arrangement(s) of up to 4 years with Energy Company Obligation (ECO) funding partner be supported; and**
- (3) that delegated authority being given to the Commercial Director – Energy in consultation with –**
 - a. the assistant Mayor for Low Carbon and Energy;**
 - b. the Deputy Mayor for Finance;**
 - c. the Service Director for Finance;**

- d. the Service Director for Legal Services; and
- e. the Service Director for Landlord Services,

be supported;

- f. that the negotiating and signing of the necessary contracts to maximise -
 - the update of Green Deal measures in the private housing sector; and
 - the amount of ECO funding available for both the Council's social housing stock and the private sector housing stock;

be supported.

RSC

100.1/14

PRESENTATION – LOCAL GOVERNMENT SETTLEMENT AND UPDATED DRAFT CAPITAL PROGRAMME

The Commission received a presentation from the Interim Service Director, Finance (agenda item no. 9) on –

- (i) the impact of the Local Government Settlement, following the Chancellor's Autumn Statement and its impact on the Council's budget assumptions; and
- (ii) the updated Capital Programme for the Commission's further review.

The Commission discussed the Capital Programme first.

Capital Programme update 2014/15 – 2016/17

An updated draft Capital Programme document was circulated to Members.

Points discussed, noted and considered –

- Questions asked at the last meeting in relation to the Capital Programme not yet answered. The Interim Service Director, Finance explained answers had been provided and assured Members these would be distributed the next day;

- Some allocated money appeared to be 'lost' with regard to the East Bristol Pool and Third Household Waste Recycling Centre. The Commission were informed that the money had been reallocated following the Mayor's decision to defer financing of these two schemes however it was noted that revenue funding of £20k had been provided in 2013/14 for the development of options for the schemes and that this had been enhanced to £250k following an amendment to the budget. Part capital funding equating to £3.6m remained and could still be included in the 2013/14 budget;
- There was a £27m shortfall in the Schools Building Programme post 2017/18;
- An apparent reduction in the Rail Stations Improvement Programme related to the phasing of the project and was not a real reduction;
- Devolved Neighbourhood Partnerships would include transport projects although not shown in the original draft plan;
- Implementation of a number of minor traffic schemes had been delayed due to significant staff shortages;
- Funding for Investing in Bristol eg Parks and Transport schemes would be rolled forward from 2013/14. Following on from this point the Commission felt that there was a need to be clear about these and other capital projects and how much funding would be available. The Interim Service Director, Finance agreed to provide an information pack about this to all members of the Commission;

Action : Interim Service Director, Finance

- Capital projects listed in Tier 1 were projects approved by the Mayor with the support of the Cabinet and those in Tiers 2 & 3 were aspirational. It was within the remit of the Commission to propose changes to the list for further consideration;
- The Commission expressed serious concern about the apparent lack of transparency and referred to an Audit comment that had been made about this;
- Concern was expressed regarding aspirational projects reaching fruition if no funding was available to progress them;
- *Councillor Emmett felt that the Council was missing an opportunity with regard to Rail Investment and asked that his concern be formally recorded;*
- The draft Capital Programme document should have a much clearer narrative for improved public consumption;

Action : Interim Service Director, Finance.

Local Government Settlement, following the Chancellor's Autumn Statement and its impact on the Council's budget assumptions.

The Interim Service Director, Finance gave a short presentation emphasising that the settlement was provisional as it was still out for public consultation. It would not be confirmed until the end of January, 2014.

Points discussed, noted and considered –

- There would be a small annual gain of £1.0m in 2014/15 and 2015/16 from the distribution of funds previously held back by the Government;
 - There was an extra £4.6m from the New Homes Bonus (£0.6m per annum from increased growth and £4.0m from the reversal of the CSR announcement to top-slice NHB allocations for LEPs);
 - Possibility of an extra £1.9m of grant each year if the Council opted for a council tax freeze. However this would only partly compensate for the reduction in council tax income of £3.1m, i.e. the net cost of adopting the council tax freeze would be £1.2m per annum;
 - The Government could only give commitment until 2015/16 and not for the full three year period pending the general election;
 - The Chancellors new year statement strongly indicated that there would be no changes to the Government's overall approach to public sector funding;
 - Any changes to the settlement could not be considered by Cabinet as it was meeting on the 16 January to approve the budget for Council on 18 February. Changes had been delegated to the Interim Service Director, Finance. Following a request from Members the Interim Service Director, Finance agreed to confirm any changes in writing as soon as they were available. Also a schedule to highlight implications to be circulated prior to that;
- Action : Interim Service Director, Finance**
- Surpluses from the Collection Fund could not be relied upon as it was possible that rates might fall with the ongoing austerity measures;
 - Acknowledged that any budget surpluses should be considered for adding to the Council's contingency fund.

RESOLVED -

that the presentations, comments and actions be noted.

(The meeting ended at 8.40 pm)

CHAIR