

Cabinet

Supplementary Information



Date: Tuesday, 14 July 2020

Time: 4.00 pm

Venue: Virtual Meeting - Zoom Committee Meeting
with Public Access via YouTube

5. Matters referred to the Mayor for reconsideration by a scrutiny commission or by Full Council

(subject to a maximum of three items)

(Pages 2 - 7)

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OSMB Referral to the Cabinet Meeting on 14th July 2020

At the OSMB meeting on 8th July Members 2020 agreed to refer the following comments and information to Cabinet;

Chairs' Business

OSMB has agreed to establish a number of short life Task Groups in order to assist with the Council's response to the Covid-19 pandemic. Each of the titles can be found below, but additional details are set out in Appendix A. It's anticipated that the Groups will complete their work in the coming months, and Members look forward to submitting their findings to Cabinet in due course.

- Growth and Regeneration: Emergency Active Travel Fund
- Resources: Finance
- Communities: Volunteer Network Response
- People: Safeguarding Vulnerable Children
- Health: Impact of Covid on Planned Healthcare

City Leap

Members note that City Leap is an innovative project to attract investment into energy systems over the next 10 years, which has attracted significant international interest, and will assist with post-pandemic recovery. The Board is very supportive of the City Leap Scheme and fully recognises the importance of ensuring the initiative progresses.

The Board understands that the procurement exercise for City Leap has been paused and that the paper before Cabinet at the meeting on 14th July is seeking approval to resume the process. Members would like to advise Cabinet that whilst there is cross party support for City Leap they would like to better understand the reasons for the delay around the procurement and to be assured that this will not have a negative impact on potential bidders. In view of this Members have requested that additional information be provided in a report to either OSMB or the Resources Scrutiny Commission, noting that it will most likely need to be shared on a confidential basis.

Council Tax Reduction Scheme

Members agree that the Council Tax Reduction scheme should continue, particularly as it will be vital to support those experiencing financial difficulties relating to the pandemic. However, they do not believe that the Cabinet report is sufficiently comprehensive and therefore there was limited information publically available to justify ongoing support. In view of this Members have asked that a report setting out full details be provided to OSMB or the Resources Scrutiny Commission in the autumn, when the financial situation will hopefully be clearer.

Finance Working Group – Update

Cabinet are asked to note the report at Appendix B, which has been prepared by the Finance Working Group.

Members believe the Task Group process is working very efficiently, and would like to thank the Executive for their willingness to share information, which will ensure that all findings are robust and

fully informed. It is hoped that this collaborative approach to Scrutiny will be rolled out more widely going forwards.

The Working Group also wish to thank Denise Murray, Director of Finance; Michael Pilcher, Chief Accountant; and Tian Ze Hao, Senior Finance Business Partner, for all their support.

Appendix A – Scrutiny Task Groups

Appendix B – Report from the Budget Working Group

Scrutiny Working Groups 2020

Topic	Main aims and Objectives of the Working Group	Chair & Scrutiny Commission
<p>Emergency Active Travel Fund</p>	<p>In reaction to the coronavirus pandemic, the Department for Transport's (DfT) fast-tracked statutory guidance stated local authorities 'in areas with high levels of public transport use should take measures to reallocate road space to people walking and cycling'. Funding has now been allocated in order to undertake this work in the following way:</p> <ol style="list-style-type: none"> 1. tranche 1 supports the installation of temporary projects for the COVID-19 pandemic 2. tranche 2 the creation of longer-term projects <p>BCC Transport Officers will provide Scrutiny Members with detailed information on the tranche 1 temporary projects. The Members will deliberate the schemes and provide feedback to officers on the potential merits and /or drawbacks of the schemes and make recommendations about potential longer term projects. The focus of the scrutiny being on 'strategy and delivery'.</p> <p>Please note: the Scrutiny Members are meeting later this week to firm up the details of the work.</p>	<p>Councillor O'Rourke – Growth and Regeneration Scrutiny Commission</p>
<p>Finance Task Group</p>	<p>The Group Members are currently meeting with Finance Officers to understand the estimated financial impact of the COVID 19 pandemic on the Council's finances and provide feedback on the proposed mitigating actions for 2020/21 and beyond.</p> <p>The Group's work is separated into 2 stages:</p> <ol style="list-style-type: none"> 1. Current Financial Situation and 2020/2021 Budget (3 meetings have already taken place) 2. Preparation for 2021/2022 Council Budget and revised Medium Term Financial Plan (No. of meetings TBC but will begin again at the end of July) 	<p>Councillor Clarke – Resources Scrutiny Commission</p>
<p>Volunteer Network Response</p>	<p>Councillors have expressed thanks to the many Bristol residents who have volunteered their time, effort and resources to support their communities during the Covid 19 pandemic and lockdown. An opportunity to learn from this work has been identified with an aim to strengthen communities for the future. This Working Group proposes to examine the work undertaken by both Council led initiatives and local mutual aid groups, the interface between the two, and what can be learnt from the current crisis.</p> <p>Please note: the Scrutiny Members are meeting later this week to firm up the details of the work.</p>	<p>Councillor Negus – Communities Scrutiny Commission</p>
<p>Health Working Group</p>	<p>The Health Scrutiny Working Group will conduct policy review and development of how the NHS manages increased waiting lists within the context of Covid-19 response and recovery planning in Bristol. Lockdown has affected timely access to planned secondary health care. Working practices across the health care system have changed, and Members would like to reflect on and investigate how these may negatively and positively affect future access.</p> <p>Lockdown has led to delayed procedures, with increased waiting lists.</p>	<p>Councillor Massey – Health Scrutiny Commission</p>

	<p>Members would like to reflect on and investigate how delayed access to planned secondary health care has affected people, how service users are being supported, and how the increased waiting lists are being managed; and whether new ways of working can be utilised during the recovery and into the future to mitigate barriers to timely and required planned secondary health care access.</p> <p>Members will be informed by expertise, experience and insight from a wide range of witnesses via online evidence sessions and written submissions.</p>	
<p>Safeguarding vulnerable children within the context of Covid-19 response and recovery planning.</p>	<p>The People Scrutiny Working Group will conduct policy review and development of safeguarding vulnerable children within the context of Covid-19 response and recovery planning.</p> <p>Lockdown has increased risk of hidden harm with less contact with organisations/agencies and reduced availability of safe spaces. Lockdown also increased the risk of families disengaging with support.</p> <p>Members would like to reflect on and investigate how different working practices and methods have impacted identification of risk, vulnerable children and families, and safeguarding need; and how children and families have been supported. Lessons learnt can be utilised for preventative work coming out of lockdown and to build resilience for the future.</p> <p>Members will be informed by expertise, experience and insight from a wide range of witnesses via online evidence sessions and written submissions.</p>	<p>Councillor Hiscott – People Scrutiny Commission</p>

The Financial Impact of COVID-19 on BCC.
Initial Report to OSMB of Finance Scrutiny Task and Finish Group ('the group').

The group consists of the following members: Don Alexander, Stephen Clarke (Chair), Margaret Hickman, Tim Kent, Afzal Shah, Mark Weston and Mhairi Threlfall. Geoff Gollop as chair of OSMB is an observer.

Officers assisting included Denise Murray, Michael Pilcher, Tian Ze Hao, Lucy Fleming, Bronwen Falconer, Dan Berlin and Jo Holmes.

The groups had two tasks; to look at the MTFP and the 21/22 budget and (more urgently) to look at the impact of COVID 19 on the finances of BCC. The Medium Term Financial Plan and 21/22 budget will be considered in meetings starting at the end of July 2020 (dates tbc) but the group have met three times (18 June, 23rd June and 7th July) to discuss the impact of COVID on the council's finances.

They have been assisted by very clear presentations and Q&A from officers in what has been a rapidly moving situation with numerous changing parameters. The group wish to record their thanks to the officers for their help.

The impact of the pandemic consists of two broad areas; extra 'response expenditure' and income loss. Response expenditure consist of items such as workforce pressures, additional social care demand, help to rough-sleepers, additional expenditure on waste and the provision of PPE. Income loss includes losses of income streams such as parking and other services fees, commercial losses from rental properties and reduced collection rates of Business Rates and Council Tax. Business Rates and Council Tax losses mainly have an impact from a budgetary point of view on the 21/22 budget but all items also have a cash flow implication for this year. The financial losses are likely to have an ongoing impact for the next 4-5 years.

The government have funded various grants to local councils and re-profiled the payment of certain payments due to them but there still remains a significant 'gap' between the amounts currently offered to BCC and the losses that are likely to be incurred. The group have been informed of various mitigating actions that can be taken to fill this gap and these are discussed below.

The position has been improved by an additional amount of funding and other fiscal measures promised by government in the last week but a gap still remains. In summary the figures are:

1. This year.
 - a. The budgetary impact of COVID on the General Fund for 20/21 is currently estimated to be £68.1m (made up of £34.7m response expenditure and £34.4m income loss).
 - b. The Government have provided funding of £55.4m.
 - c. Therefore the residual shortfall on the General Fund is £12.7m
 - d. There is also a loss from the HRA of £5m.
2. 2021/22
 - a. The estimated budgetary impact for next year (21/22) is £32.9m.

3. Proposals to mitigate the £12.7m shortfall.
 - i. £1.7m income from the furlough scheme received for BCC staff.
 - ii. £5.7m Capital financing changes (restructuring and slippage).
 - iii. £3.1m. Use of general reserves.
 - iv. £2.15m. Use of resilience reserve.Total £12.7m

Note that the drawdown of the general reserve still leaves £20m in the fund so within our policy guidelines.

Central Government have also promised further help:

- 75% of losses for sales fees and charges beyond a 5% reduction.
- phased repayment of collection fund deficits over three years.
- a commitment to determine what support is needed regarding ‘irrecoverable tax income’

Outstanding issues still to be agreed include:

- Methodology of distribution of most recent grant between councils.
- Planned support needs to be for five years not three.
- Lack of support for ‘commercial income’.
- Position with HRA.
- Position with PFI contracts.
- Likely increase in claimants of the Council Tax Reduction Scheme.
- Business Rates reset and 100% pilot scheme.
- New Homes Bonus.

Cllr. Stephen Clarke
Chair of Budget Task and Finish Group
7 July 2020.