

Overview and Scrutiny Management Board Supplementary Information



Date: Wednesday, 24 February 2021

Time: 12.30 pm

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

4. Minutes of the previous meeting

- 25th January 2021

(Pages 2 - 8)

Issued by: Dan Berlin, Scrutiny Advisor

City Hall, Bristol, BS1 9NE

Tel: 0117 3525232

E-mail: democratic.services@bristol.gov.uk

Date: Tuesday, 23 February 2021



Bristol City Council
Minutes of the Overview and Scrutiny Management
Board



25 January 2021 at 6.00 pm

Members Present:-

Councillors: Geoff Gollop (Chair), Celia Phipps (Vice-Chair), Stephen Clarke, Claire Hiscott, Brenda Massey, Anthony Negus, Paula O'Rourke and Jo Sergeant

Also in Attendance:-

Councillor Craig Cheney, Deputy Mayor with responsibility for Finance, Governance and Performance, Councillor Helen Holland, Cabinet Member with responsibility for Adult Social Care

1. Welcome, Introductions and Safety Information

The Chair welcomed the attendees. The meeting was conducted via video conference.

2. Apologies for absence

Apologies were received from Councillors Brain and Whittle.

3. Declarations of Interest

No declarations were made.

4. Minutes of the previous meeting

The minutes of the previous meeting held on 30th November 2020 were approved as a correct record.

RESOLVED; That the minutes of 30th November 2020 be approved as a correct record.



5. Chair's Business

The representatives of Bristol companies were welcomed. The aim of the meeting was to consider the Company Business Plans of Goram Homes, Bristol Waste Company and Bristol Holdings. Part of the discussion was anticipated to be commercially sensitive and therefore confidential but the Chair aimed to keep as much of the meeting public as possible with confidential questions to be addressed during the exempt session.

The Chair recommended that Members review the Grant Thornton report in regard to recommendations made around governance. The Chair proposed holding discussions with the Head of Legal Services and the Director for Legal and Democratic Services regarding how the Grant Thornton report should be progressed, to be reported back to the OSMB leads. This was agreed.

RESOLVED; That the Chair of OSMB hold discussions with Officers to consider the most appropriate method of Scrutiny for the Grant Thornton report, to be reported to the OSMB leads.

6. Public Forum

Public Forum questions and statements were published prior to the meeting and can be viewed [here](#).

Suzanne Audrey asked a Public Forum question and received a written response from the Shareholder Liaison Manager.

The Shareholder Liaison Manager clarified that the answer was drafted based on a number of the recommendations contained within the Grant Thornton report, particularly around the improvement of transparency around decisions.

Suzanne Audrey asked as a supplementary question how confident OSMB Members felt in the Scrutiny of items held in exempt session. The Chair elaborated that Members are only able to Scrutinise the items they were aware of, but that the written answer provided gave some recognition that work was taking place to make improvements.

David Redgewell provided a Public Forum Statement on the Scrutiny of WECA. This was noted by the commission and directed to Councillor Cheney as a representative of Cabinet.

RESOLVED; That the Public Forum be noted.



7. Covid-19 Update (For Information)

The Covid-19 statistics were noted, with thanks extended to staff who continued to work under difficult circumstances

8. Bristol Holding Group Business Plans 2021-2022

Bristol Holdings Co.

The Executive Chair of Bristol Holdings Co. provided an overview of Bristol Holdings and the company business plans. Inroads had been made into the objectives that were outlined the previous year, but the national effect of Covid-19 had naturally had an impact. Further detail on this was contained within the papers.

A significant part of the previous year was spent supporting the consultancy around and sale of Bristol Energy, as well as some other unplanned challenges. The 2020/21 year was referred to as the 'transition' year, while the 2021/22 business plan focused on growth. Key elements included a focus on supporting the governance review, developing the risk management framework, and to keep close to the final elements of the Bristol Energy 2020 sale and liquidation.

The planned growth was contained in the subsidiaries and Bristol Holdings aimed to work closely with the individual companies. It was important for growth that further business should be brought in to the holding group model.

The business plan contained within the papers was a 'snapshot in time'. The risks as listed were primarily around the loss of income from Bristol Energy, and the impact on confidence in the operating model.

Members were invited to ask questions.

Members noted that Bristol Holdings stated that they were pleased with the good work achieved around scrutiny and oversight, and asked the Executive Chair to elaborate. While the Executive Chair stated the Chief Executive of Bristol City Council would be in a better position to comment on performance, he agreed that the work conducted was of a good quality. The Chief Executive confirmed that Bristol Holdings had performed well in challenging times, particularly around the sale of Bristol Energy.

Members stated they found it difficult to fully understand the role of Bristol Holdings and the interface with Bristol City Council. This was recognised by Officers and had been discussed with the Board. Communication and clarity on this was a priority for the future.

Member asked around the timescale for the governance review recommended by the Grant Thornton report. Recommendations from this were to be combined with input from shareholders, with an aim to be in place no later than October 2021.



The risk around exploring growth and finding cost efficiencies at the same time was noted. An open understanding of where the risk lay would be required. Officers confirmed it would be important not to separate reduction of cost from growth. Prioritising transparency would also bring challenges, as outlined in the Grant Thornton report, and there was a rigorous process in place to ensure that only commercially sensitive information was protected.

The Chief Executive and Chair of OSMB reiterated their support of the work of Bristol Holdings which had relieved pressures on Officers and brought added value.

Members noted that Recommendation 11 of the Grant Thornton report was around training, and suggested that Members would benefit from a greater understanding of the various arrangements. It was suggested that briefings would be beneficial once governance was agreed. This had been previously noted and aimed to be included in Membership Induction work. It was agreed that the Shareholder Liaison team would develop a wiring diagram of the different companies and relationships.

Members noted an increased number of restricted papers over the past few years. Officers stated this was an expected outcome of venturing into the commercial market and emphasised that a lot of work had taken place to ensure that restrictions were applied only where required by legislation. The need for balance between the need to protect commercial interests against public accountability was discussed and this had also been raised in the Grant Thornton report. It was agreed that continued challenge was appropriate on this front, and the progress made was acknowledged.

Bristol Holdings Company is not simply an execution arm but also had oversight and a strict code of governance and legal responsibilities. This included professional challenge.

Members enquired why only some of the company accounts had been published with Companies House. It was confirmed that all plans were signed off and sent in November 2020, but publication by Companies House had been delayed and haphazard.

Members asked if further impairment would be required. This was confirmed; as of March 2020 the asset of £1.3million would need to be impaired as part of the 2021 accounts.

Members queried the viability of Bristol Holdings considering that Goram Homes would be paying out of a loss. Viability was a risk outlined in the risk register. More companies would enable the spread of costs, and other sustainable solutions were being looked into, including working with the Growth and Regeneration Directorate to look at alternative ways of doing business. Growing the company through additional companies would depend on the commercial opportunities that this would bring.

Members noted that the progress of Bristol Holdings Company had felt like a fast moving environment, and it had been difficult for Members to remain fully informed and up to date. Officers were looking in to providing more briefing sessions to support this.

Goram Homes



The Executive Chair of Bristol Holdings introduced the Goram Homes business plan as an excellent document covering projects and partnerships. It was noted that one risk outlined in the Risk Register had increased since the production of the document, and that this would be explained in more detail in the exempt session.

Members asked for clarification of the cash flow implications should pipeline 1 or 2 be delayed. Financial implications would be as a result of deferred activities and a 12 month delay was estimated to have an impact of £700 to £800k.

Members asked who was underwriting the risk of adjustment in housing market. Officers stated that Goram Homes was structured to operate with a secondary joint venture limited liability partnership sitting under it. This brought the two companies together and Goram Homes owned half of the secondary company. In a scenario involving a serious failure within the housing market this structure would contain the risk within the limited partnership. The cover paper from Finance provided some more details around this. While it would naturally be difficult to forecast, there is the benefit of Bristol being a dynamic city with a resilient market and risk was being mitigated through risk registers and modelling.

Members asked how and where lessons had been learned through the experience with Bristol Energy. Officers noted that the need to build confidence in the work and model was listed as a risk and a priority to achieve. The risk management framework helped to improve risk management, and good engagement had been maintained at the Board level.

It was noted that one of the aims of the Goram Homes project was around housing delivery, not just profitability. There was a balance between reducing sale prices while maintaining viability in the commercial model. It was recommended that this be emphasised in the business plan, and it was agreed that this would be added to Scrutiny comments to Cabinet.

Bristol Waste Company

The Executive Chair of Bristol Holdings introduced the Bristol Waste Company business plan, and thanked the Officers for their work in an exceptionally difficult year. This was a transparent business plan that was open about the challenges faced while remaining optimistic around future opportunities.

The impact of population growth and the effect of lockdown had meant an increase in household waste production. Despite this, BWC had successfully driven some efficiencies and improvement programmes. While not addressed in the papers there was an intention to pursue a partnership approach from year 2 onwards.

Members welcomed the report, and queried costs associated with the Hartcliffe recycling location and the professional services. The professional services referred to project management costs, while the costs of the Hartcliffe recycling plant also reflected disposal as well as labour and equipment – this cost would also have been in place in any other location, so was more reflective of a wider picture.

While the report did contain a reference to the social value added (circa £25million), it was recommended that the importance of this be emphasised.



It was queried if any 'spend to save' projects had been identified. The Avonmouth project would ultimately save money.

There was some discussion around the categorisation of exempt and non exempt items.

It was agreed that the Chair would prepare a statement to Cabinet based on the considerations discussed. This would include:

- A concern was expressed that the Budget and other key decisions were to be taken at same Cabinet meeting in light of the time and consideration required.
- Appreciation to be expressed to Bristol Holdings Company for their contribution in a difficult year
- A concern was raised about the viability of Bristol Holdings being dependent on loss-making Goram Homes.
- Members were particularly concerned around the need to clarify governance, as noted in the Grant Thornton report.
- It was recommended that the Goram Homes business plan should include a reference to the affordability of homes.
- A concern was raised over the ability of Goram Homes to deliver the pipeline as this was critical for viability.
- It was recommended that the Bristol Waste Company business plan emphasise the social value aspect of their work.

RESOLVED;

That a statement to Cabinet be prepared reflecting the OSMB comments on the company business plans; and

That the Shareholder Liaison team develop a wiring diagram of the different companies and relationships.

The public session was closed.

9. Exclusion of Press and Public

10 Bristol Waste Company Business Plan (Exempt)



This item was exempt from the public domain.

11 Mayor's Forward Plan - Standing Item

Item removed from agenda.

12 Minutes from the WECA Overview and Scrutiny Committee - Standing Item (For Information)

Item removed from agenda.

13 WECA Committee and WECA Joint Committee Forward Plan - Standing Item (For Information)

Item removed from agenda.

14 Work Programme

Item removed from agenda.

Meeting ended at 9.15 pm

CHAIR _____

