

Bristol City Council

Minutes of the Resources Scrutiny Commission

1 November 2021 at 4.00 pm



Members Present:-

Heather Mack (Vice-Chair), Geoff Gollop (Chair), Mark Bradshaw, Andrew Brown, Martin Fodor, Zoe Goodman, John Goulandris and Mohamed Makawi

1 Welcome, Introductions and Safety Information

The Chair welcomed everyone to the meeting.

It was noted that the Public Forum questions had not been published due to problems accessing the Modern.Gov system. However, Members had received a copy via email and printed copies were available.

2 Apologies for Absence

Apologies for absence were received from:

- Mike Jackson - Chief Executive
- Councillor Tim Rippington

3 Declarations of Interest

There were no declarations of interest.

4 Minutes of the Previous Meeting

The Committee Resolved:-

- (i) To agree the minutes of the last meeting as a correct record.

5 Chair's Business



The Chair noted that agenda items 11: Procurement discussion, 12: Quarter 1 Risk Report & 13: Quarter 1 Performance Report would commence directly after item 7: Annual Business Report to avoid officers staying later than necessary.

6 Public Forum

Two Public Forum questions were received from Suzanne Audrey regarding the Quarterly Performance Report which can be found here [[Public Forum](#)]. Suzanne was in attendance and asked the following supplementary questions:

Suzanne asked why there was such a drastic drop in the council's target from 90% to 70% for the number of Freedom of Information (FOI) requests responded to within 20 working days.

The Strategic Intelligence & Performance Advisor noted that the higher target of 90% had never been achieved and that targets should be stretching but also achievable.

Suzanne stated that the target in 2018 was set at 70% which was exceeded so why is the target the same 3 years later.

The Strategic Intelligence & Performance Advisor noted that there was a pressure on resource in the service but if targets were met this year then it would increase for the following year.

The Chair agreed that targets should be set so that they are achievable and that this would be taken on board.

Four Public Forum questions were received from Clive Stevens regarding the Council Tax Reduction Scheme (CTRS) which can be found here [[Public Forum](#)]. Clive was in attendance and asked the following two supplementary questions:

1. Clive asked how Scrutiny could engage with suggestions for administrative improvements for the following year.

The Director for Finance noted that the Council Tax Reduction Scheme (CTRS) was scheduled for a more in-depth deep dive later within the scrutiny work programme and that Members would have an opportunity as part of that review to feed in comments.

2. Clive asked officers about the use of the word 'generous' in the reply to his question 5. He highlighted people on low average wages and thousands of people who are stuck in 'benefit traps' and asked if they still thought it was generous. In his view the Council should drop the taper from 20% to 15% because currently if people earn more from working extra hours, they just pay more.

Officers said that this was inaccurate language and that there was no bias involved, it sought to capture the fact that 77% of people who get their council tax reduced get a 100% reduction.

The Chair agreed that 'generosity' was not the correct word to use and thanked Clive for raising it.

7 Annual Business Report

The Scrutiny Coordinator spoke to the report and highlighted the key information.

It was noted that exact meeting dates were not yet confirmed so the report included rough timescales.

Resolved that;

- The Scrutiny Commission's Terms of Reference be noted;
- The Chair and Vice-Chair for the 2021/2022 municipal year be noted;



- The Membership of the Commission for the 2021/2022 municipal year be noted;
- The Commission's meeting dates for 2021/2022 be noted;
- The Commission's Task and Finish Groups for 2021/2022 be noted.

8 Quarter 1 Risk Report

The Risk & Insurance Officer introduced the Resources Directorate Risk Report.

It was highlighted as per the report that there were: 10 high threat risks, 1 medium threat risk and 3 high opportunity risks.

The Chair asked why loans to trading companies were deteriorating risks. The Director for Finance advised that the council's position had not changed and noted that the council now review the companies' risks and risk scoring and where appropriate converting them into the council's scoring matrix, which resulted in a revised score for this quarter. The Chair said this was reassuring to know.

9 Quarter 1 Performance Report

The Strategic Intelligence & Performance Advisor introduced the report and highlighted the key points in the report. It was noted that the council is below target on Council Tax Collections.

A discussion ensued around the Council Tax Collections and officers noted that the Council was still below target in the Quarter 2 Performance Report. It was advised that this was due to the impact of Covid-19 and as this was only Q2 the situation may improve throughout the year.

10 Procurement - Discussion Item

The Strategic Supplier Relations Manager presented the procurement item.

It was noted that the Contract Management Framework was emerging which would consist of:

- A contract classification tool consisting of 26 questions to assess contracts.
- A contract management handbook which outlines the roles and responsibilities and note the process, document in draft.
- A task and activities schedule which lists tasks to be completed in the procurement process.
- A new contract management system currently being developed with council partners which aims to improve the process for procurement officers.

It was noted that the system was currently in a pilot stage within the Housing, ICT and Highways Maintenance services until December 2021. It was expected to reach all other teams by March 2022 with training to follow once sign-off was obtained by Corporate Leadership Board (CLB) in February 2022. There were concerns round contract extensions and a Member asked if procurement officers would also be exploring opportunities for local contracts. It was advised that currently there was no system that collated data around all contract extensions, but the new contract register could show this information and allow colleagues opportunities to review. It was noted that this was not directly in scope of the original proposal but was very important so would be under review. Also, that the team would try and simplify the process for smaller, local organisations.



A Member asked about the stages for ensuring standards were met and it was advised that the new system would centrally flag if a provider fails to meet the key performance standards within agreed timescales so they can be held to account and it was currently expected to be in place by January 2022. There was some concern around the resource for the monitoring of contracts and it was advised that the Contract Management Team consisted of 6 people which was a new resource, and that the new system would have a Red, Amber, Green (RAG) rating function to allow easier monitoring of contracts. It also was noted that the Social Value Portal had been commissioned to support colleagues with contract monitoring in relation to Social Value commitments.

Members said they had concerns around situations where contracts come to an end but end up being extended. It was suggested that opportunities were being missed and the Council may not be getting the best value for money. Members asked what steps were being taken to ensure this information is captured in future.

It was advised that the new system would give automated prompts when contracts were coming to an end. Also, that the team were currently carrying out a data cleanse exercise. It was noted that when the system goes live, it would have detail on historical contracts as well as new ones and the prompts would be programmed in.

A Member noted that in previous years, they were advised that a new supplier relationship management system would provide automated prompts on contract status, but this was never the case and asked if there was confidence in the new system providing this. The Strategic Supplier Relations Manager advised that the Council's contract information was currently spread over various systems whereas, the new system would be a single centralised contract register and therefore, is expected to provide automated prompts.

It was suggested that officers report back to Scrutiny in 2022 with an updated report and feedback on the implementation of the new system.

Resolved; That an updated report on the Contract Management Framework be provided in 2022.

11 Council Tax Reduction Scheme (Cabinet Report)

The Chair introduced the next item by providing some context for those present. He stated that the Council Tax Reduction Scheme (CTRS) needed to be considered early enough in the year to enable time for public consultation should it be required.

The Head of Benefits stated that there were no proposed changes for the next year but asked Members to highlight if there was anything else that they felt should be considered.

The Head of Benefits went on to state that the scheme costs for 2021/22 were estimated to be £45.6m. This is based on an increase in Council Tax of 1.99% (and in line with the Council's Medium Term Financial Plan). The scheme currently supports 35,000 low-income households in Bristol with some of those being pensioners.

A Commission Member said he was pleased that there wouldn't be a debate on whether the Council should have the scheme in place as it supports the poorest people in Bristol. He was however interested in future decisions and the cumulative impact it has on the whole Council. He said it needed to be fully understood what role the scheme plays. Adding that the pandemic has put people under huge financial pressure and there was a need to understand true impacts. Officers said that the scheme reduces the need for people to apply for to the local crisis prevention fund. It was difficult to quantify but looking at



levels of deprivation by ward there were fewer people applying for the scheme that would likely to have been the case if this was not in place.

The Chair asked if there was any evidence that showed how that money had an impact on the local economy as this economic justification would help in future.

Finance Officers said they didn't collect that exact type of information but said they could look into this and speak to colleagues in Economic Development. The Director of Finance agreed that they would give it some thought and see whether it would be possible to look at spending behaviours and patterns in the areas of deprivation to gain a fuller picture. But that more in-depth work and research was needed to understand the full benefits and they would need to commission a piece of research work to provide this. The Vice-Chair of the Commission asked if that was to happen, would there be an opportunity to scrutinise and look at the scope of information that was required before-hand. Officers said yes, they would be happy to do that.

A Member enquired about the chart at the top of page 5 of the Report and asked how much evidence there was for each of those points? Officers said that there wasn't sufficient data to support all points but more targeted, work could still be carried out. The Members suggested that if all the advantages in the chart could be justified the scheme should be continued.

Members thanked officers for the report.

12 Budget Monitoring Outturn Report P6 (Cabinet Report)

The Director of Finance introduced the Budget Monitoring Outturn - Period 6 Report. It was noted that for the purpose of this meeting the report was the Resources Directorate section only of the overarching report. It was highlighted that there was a forecasted overspend of £3m. The Director clarified that Covid and non-Covid related pressures are captured separately and that there were currently 1.3m of non-covid related pressures.

There were a number of departmental areas where there were significant overspends such as digital transformation and that there were some efficiency savings that were also currently at risk.

Covid and non-Covid provision has been made in the budget for additional expenditure and income losses which are anticipated to occur against base budgets.

The Capital Programme was said to be on track.

Within the Savings schedule the Common Activities project was reporting at risk, however it was expected to make partial savings in year with alternative mitigations and full savings next year.

A Member said that the comments about efficiency saving were expected. But did this conflict with what was in the Medium-Term Financial Plan (MTFP)?

Officers said that Covid and non-Covid pressures were separated. In the areas of pressure some are so challenging that they will continue this year and next for example Adult Social Care. There is likely to be some one-off relief measures needed and provisions in this case. The Council has some Government Covid relief Funding but this was a one-off and some of these pressures are reoccurring ones as outlined in the MTFP.

A Member asked about the underspend in the Housing Revenue Account (HRA) and whether that was down to Covid or was that a broader issue?

Officers said they didn't have the specific figures or detail about the HRA to-hand but some delays to the programme were attributed to Covid and associated delays on the maintenance programme.



13 Finance Task and Finish Group Update

The Finance Task Group's draft for submission to the 2nd November 2021, Cabinet Meeting; Agenda Item 10. Medium Term Financial Plan/Capital Strategy had been published for Members to comment on at this meeting before it was submitted.

The Chair clarified that the Task Group was a cross-party group of Members and that if the Commission agreed the report contents and any amendments it would be submitted to Cabinet the following day.

A Member said they thought the report was comprehensive and endorsed the comment on commercialisation although he wasn't sure if commercialisation was the right word to use. As council budgets are very stretched and this is about improving services his view was that this should still be on the Council's agenda and it was his view that this could be expressed in an even stronger way.

The Chair agreed and said that the Council sometimes didn't know how much it cost to provide a service and whether what it charges residents was value for money. He said that the previous Member Working Group had looked at case studies where officers didn't have the full information. It was also possible for the Commission to include commercial service delivery on their Work Programme if required.

The above Member suggested the Commission could offer support in looking at how this can be revised and reviewed and agreed that it was about improving service delivery and not always about how much was charged or savings that could be made.

The Chair agreed and suggested the report should refer to 'alternative service delivery'.

Further questions and points raised by Members were as follows:

- Was there an increase in the Councils reserves from current 9% to 10% next year?
 - Officers said no this was a misunderstanding of the figures and that the additionality being referred to was earmarked for specific new investments, project support or services if they were taken forward as they would require some initial investment.
- Could the Council still afford its statutory responsibilities and could the earmarked reserves be released?
 - Officers said the Council must have reserves and not all of those outlined are useable. The final proposals will come through as part of budget process. The figures give an indication of the emerging pressures and what is required to set a balanced budget and ensure sustainability. Reserves must not fall below a level required to meet our liabilities or like any business we would in effect be bankrupt. The MTFP at this point shows what funding is required to meet these pressures and the budget process will identify what is affordable.
- Which earmarked reserves are being increased and was this the £5m increase? Reserves are to cover potential risk and are set aside for projects that have been identified. But how is the decision taken to provide earmarked reserves and when?
 - Officers said there wasn't a detailed breakdown in the meeting paper. But the Capital Strategy states there should be a feasibility fund (revenue source) prior to an approved business case for Capital and the other example given was the Councils Transformation Programme. Decisions will be taken in the budget.



- A Member asked about the feasibility funding and if it is used and then funding is found, was it then reimbursed?
 - If the project went into Capital Programme then there would be option to reimburse yes.
- Another Member commented that the process sounded like the basis of a revolving loan fund. I.e., money gets put in, saved and then you can put back into a programme. It was understandable not all funding will be returned. But not maintaining assets meant the Council was always looking for ways to replace the funding. He said he was raising this with Cabinet. He also added that the Council could be separately reporting carbon reduction budgets, saying that they interact but are not always well connected. Other local authorities have done the modelling and assessment.
 - The Director of Finance said that this is difficult to achieve but if the Member could point them in direction of local authorities that have done this, they could review them.
- Some councils were said to imbedding this into their budgets but the Local Government Information Unit (LGIU) was said to be supporting this way of working and have the necessary information.

- The Chair concurred that with regards to climate related issues and mitigating the effects of the climate emergency, he had no knowledge of what percentages of projects fell into that category. He had not expected this information to emerge straight away but highlighted the importance of understanding how projects fall into those categories.

Officers said that with regards to the Capital Strategy, governance processes were being enhanced. There was a potential development pool for approved capital projects but prior to this more work will be done at an earlier mandate stage to look at potential funding streams and risks etc. The Feasibility Fund will be utilised for this so that risks such as carbon footprints are much better understood and before decisions are made by Cabinet.

The Chair said it would be useful to have an idea of what percentage of projects falls into those categories and would be good to get some additional understanding and an indicative figure. Officers said this was an evolving piece of work and once concluded could seek to present this information going forwards.

The Chair asked the other Commission Members if, bar the amendment the wording on commercialisation, they were happy to submit the report to the Cabinet meeting? The Commission Members all agreed the contents of the report for submission.

The Chair said that Finance Officers had done an excellent job in presenting information to Members, and he wanted to convey his thanks to them.

The Vice-Chair of the Commission expressed their thanks to the Chair for drafting the report.

Resolved: that the Finance Task Group's Report be submitted to the 2nd November Cabinet Meeting.



14 Work Programme

The Chair stated that the dates for Commission's budget scrutiny meetings had not yet been set but the meetings would be after the Cabinet budget meeting in January and before budget Full Council in February.

Budget scrutiny was likely to be over two meetings and the timing was important, so as to allow Members enough time to prepare comments on the proposed budget after it had been published. The Chair suggested an extra informal or Finance Task Group meeting in January for Members to identify questions that need to be asked ahead of budget scrutiny and to allow officers time to prepare written responses. It was said that Members would prioritise which areas should be focussed on and the Finance Task Group would recommend which areas the Commission should look at in detail.

The Director of Finance said that during December they would receive the provisional 'local government finance settlement' for 2022-23 and this would provide a strong indication of any changes. She also asked Members to allow at least a couple of days to get answers to the questions they required written responses to ahead of the budget scrutiny meeting.

Members agreed the outline process for budget scrutiny meetings.

