

Bristol City Council

Minutes of the Resources Scrutiny Commission

1 December 2022 at 5.00 pm



Members Present:-

Councillors: Geoff Gollop (Chair), Mark Bradshaw, Martin Fodor, John Goulandris, Gary Hopkins and Tim Rippington

1 Welcome, Introductions and Safety Information

The Chair welcomed all attendees to the meeting and explained the emergency evacuation procedure.

2 Apologies for Absence

It was noted that apologies for absence had been received from Cllrs Mack, Goodman and Makawi. It was further noted that Cllr Dyer was attending the meeting as a substitute for Cllr Makawi.

3 Declarations of Interest

There were no declarations of interest.

4 Minutes of the Previous Meeting

The Commission **RESOLVED:**

That the minutes of the meetings of the Resources Scrutiny Commission held on 25 January 2022 and 1 February 2022 be confirmed as a correct record.

5 Chair's Business

The Chair thanked officers for the comprehensive detail included within the reports submitted to this meeting.



The Chair advised that on this occasion, due to pressure of business and available time, the Quarter 1 performance report (agenda item 13) and the Quarter 2 Corporate Risk Management report (agenda item 14) would not be discussed in detail at this meeting. Members were though invited to submit any specific questions or comments on these items via email to the Scrutiny Co-ordinator; responses to any questions would then be co-ordinated as necessary and sent to members.

6 Public Forum

Public statements:

It was noted that public statements had been received as follows:

1. Suzanne Audrey - topic: Quarter 1 Performance report – Freedom of Information requests
2. David Redgewell - topic: Budget 2023/24

Public questions:

It was noted that the following public questions had been received (written replies had been circulated and published in advance of the meeting):

Q1. & 2. - Suzanne Audrey - topic: Quarter 1 Performance report – Freedom of Information requests.

Whilst noting the written replies to these questions, Suzanne Audrey suggested that it would be helpful for further information to be available about the Council's process in relation to freedom of information requests. Following discussion, it was agreed that the Commission should ask the Freedom of Information team to produce a summary of the Council's freedom of information process together with an overview of numbers of requests received and most frequent subjects or types of information requested.

7 Annual Business Report

The Commission considered the 2022-2023 annual business report.

The Commission **RESOLVED**:

1. To note the Commission's terms of reference.
2. To note the Chair and Vice-Chair appointments for the 2022-2023 municipal year.
3. To note the membership of the Commission for the 2022-2023 municipal year.
4. To confirm the Commission's 2022-2023 meeting dates.

8 Collection Fund Surplus/Deficit Report

The Commission considered and discussed the 2022/23 Collection Fund surplus / deficit report.

Summary of main points raised:



1. It was noted that the report would be submitted to the Cabinet on 6 December and to the Full Council on 10 January.
2. It was noted that for the financial year ending 31 March 2023, officers were forecasting a surplus of £1.038m for the council tax element of the Collection Fund. After taking account of balances brought forward in the Collection Fund and also the final year of spreading 2020/21 additional losses attributable to Covid-19, this increased to a surplus of £1.960m. Under current arrangements, this would feed into next year's budget and be distributed in 2023/24. The proposal was that the surplus would be shared between the Council, the Police and Crime Commissioner for Avon and Somerset and the Avon Fire and Rescue Service in proportion to their 2022/23 precepts on the Collection Fund.
3. In response to a question from Cllr Fodor, it was noted that the business rate relief / discount offered through the enterprise zone to businesses relocating to the zone was nearing the end of its 5 year timeline / limit.
4. In response to a point raised by Cllr Bradshaw, it was noted that it was too early to assess the potential impact from the business rates revaluation due in 2023.
5. The Chair commented that he was reassured by the fact that a Collection Fund surplus was being maintained. He was aware that during the previous national economic recession of 2008-09, the then equivalent of the Resources Scrutiny Commission had received regular updates on collection rates and suggested that, given the current economic situation, it would be appropriate for this Commission to be kept informed of the position if / as information became available as the next financial year progressed.
6. Members requested further information be provided about how council tax

The Commission **RESOLVED:**

- To note the report and the above information/points.

9 Council Tax Base Report

The Commission considered and discussed a report providing an update on the Council Tax Base report due to be submitted to the Cabinet on 6 December and to the Full Council on 10 January.

Summary of main points raised:

1. Cllr Rippington queried whether any data was available on the impact of the previous 2008-09 economic recession as it might be useful to have a comparator in relation to the year ahead. In discussion, it was noted that whilst any available data could be examined, care would need to be taken in drawing comparisons between the economic situation of 2008-09 and the present day. It was also important to bear in mind that Bristol's Council Tax Reduction Scheme (established in 2013) had not been in place during the previous recession.



2. A number of questions and queries were raised in relation to student exemptions, noting that students were entitled to an exemption from paying council tax if everyone occupying a property was a full-time student (alternatively, a discount may apply if some of the people occupying a property were full time students). It was agreed that a separate note should be prepared and circulated setting out the full detail of how council tax and related student exemptions are applied, in terms of both student halls of residence and student occupied properties.

3. It was noted that a wider consequence of the provision of more new student accommodation development in the city was (due to exemption) less council tax being applicable/collectable than would have been the case if sites were developed for alternative residential use.

4. Further to the discussion that had taken place at the detailed budget scrutiny sessions held on 22 and 23 November, Cllr Bradshaw stressed that developing a more targeted approach in relation to the Council Tax Reduction Scheme would need to be the subject of very detailed and careful consideration.

5. In response to an issue raised by Cllr Fodor about the likelihood of council tax arrears increasing in light of the economic situation / cost of living crisis, officers confirmed that the principles of ethical debt collection were being applied, as referenced more fully in the report providing an update on the Council's debt and arrears position (agenda item 11).

6. In response to a question from Cllr Dyer (noting that council tax bands were based on their value in April 1991), it was confirmed that there was a procedure through which residents could apply for their property banding to be reassessed.

7. Cllr Bradshaw noted that the 2023/24 in-year council tax collection rate target was set at 94%. Given the fact that the current year's collection rate was 92.67% and the ongoing impact of the national economic situation and cost of living crisis, he queried whether a target of 94% for the next financial year was realistic. In response, officers advised that setting this target was a difficult 'call' taking account of a number of factors; it was acknowledged that the target was challenging but it had also been set in the context of Bristol's core city comparators' targets and reflecting that, generally, collection rates were now nearing pre-pandemic levels. Cllr Hopkins commented that it was important to recognise that the cost of living crisis would most impact the poorest people in the city.

The Commission **RESOLVED:**

- That a note would be provided after the meeting about how council tax applies to student halls of residence and student occupied properties.
- To note the report and the above information.

10 Financial Update Reports

The Commission considered the Quarter 2 finance report (as submitted to the 4 October Cabinet) and the Period 7 finance report (as submitted to the 6 December Cabinet).



Summary of main points raised:

1. It was noted that key points highlighted in the Period 7 finance report included:

General Fund:

a. The General Fund was currently forecasting a risk adjusted overspend of £12.2m (2.8%) on the approved gross budget of £431.1m (an improvement of £0.1m) attributed to Adults and Children Social Care, Education and Skills - Home to School Transport and a delay in the reporting of expected vacancy freeze savings, all amounting to a new £1.6m pressure, offset however by a £1.7m improvement in the 2022/23 pay award position previously forecast.

2. The General Fund savings programme of £24.4m for 2022/23 as agreed by Council reported £4.6m (19%) at risk.

Ring-fenced accounts:

a. The Housing Revenue Account (HRA) was forecasting no material movement in adverse variance against its £112.6m net expenditure budget (forecast at P6 was £2.0m, 1.8%).

b. The Dedicated Schools Grant (DSG) net budget was forecasting no material movement in deficit against its £421.5m ring-fenced budget in-year (forecast at P6 was £19.9m, 4.7%) taking the total accumulated carry-forward opening deficit for 2023/24 to £44.6m.

c. The Public Health Grant allocation for 2022/23 was £34.6m and no variation was forecast.

Capital Programme:

a. The Capital Programme forecast variation was a net underspend of £7.3m (2.8%). This primarily comprised of a £5.7m underspend within the Growth and Regeneration directorate and a £1.7m underspend within the People directorate.

b. The total funding for heat networks was £53.4m. This comprised PWLB of £22.7m, grants of £22.5m and connection fees of £8.2m. The estimated funding requirement to 31 March 2023 was £26m of borrowing (£24m to 31 December 2022).

Pay award:

Agreement had been reached in early November on local government pay awards. The budget shortfall impact on the General Fund was £4.7m. The HRA, DSG and Public Health grant funded account would contain the impact of the pay award within their ring-fenced funds and their ring-fenced reserves.

2. Cllr Fodor drew attention to delays in delivery of elements of the capital programme, referring also to the impact of delays (resulting in associated local resident frustration) in implementing some relatively small schemes / projects in communities. The Chair reminded members that the Council's external auditor had previously raised issues about the Council's cycle of spend in relation to the capital programme, including concerns about the large amount / proportion of Q4 capital spend compared to the first 3 quarters. Cllr Dyer advised that the Audit Committee had also indicated concerns about aspects of the management of the capital programme, including the issue of the Council's capacity to deliver the programme.

In discussion, it was noted that a number of factors impacted on capital programme delivery, including the impact of increased costs of construction, general economic conditions and inflationary impacts. Capital programme governance arrangements were due to be reviewed. Careful assessment of project lead-



in /delivery timelines continued to be a key issue and as part of the review, further consideration may need to be given to delaying the start of or pausing particular capital projects.

3. In relation to the Housing Revenue Account (HRA), it was noted that there were particular issues around energy and insurance costs. It was noted that on 6 December, the Cabinet would be asked to note the emergency decision taken to approve the use of HRA reserves to enter into a contract for £2.0m to secure the service of a company or companies to carry out Waking Watch provision at the Council's high-rise blocks. This emergency action had been taken in light of a review of fire safety policies following two major fire incidents in Council high-rise blocks. The Chair suggested, and it was agreed, that the Commission wished to indicate its support for this emergency measure, given the health and safety considerations.

4. The Chair noted that as part of the Third Party Spend Savings Programme, it had been agreed the Council would stop paying for non-statutory or non-mandatory subscriptions. He suggested that it may be appropriate to consider introducing a related salary sacrifice arrangement to try to reduce the impact of this measure on relevant individual postholders.

The Commission **RESOLVED:**

- To note the reports and the above information.

11. Debt Position Across the Organisation

The Commission considered and discussed a report setting out an update on the Council's debt position and write-offs, and the ethical approach / steps being taken to address the position.

Summary of main points raised:

1. The Chair thanked officers for the comprehensive level of detail and information included in the report. He also commented though that in future reports, it would be additionally useful, in terms of the presentation of data, to look to show how the various individual debt collection rates look in proportion to the wider picture / level of total debt – given that perspective, members could gauge effectiveness and look to spot possible issues at an early stage so action could be taken before they escalated into potentially bigger problems.

2. In response to a point raised by Cllr Goulondris, it was confirmed that all possible steps were pursued to recover overpaid housing benefit, including seeking recovery from landlords where appropriate.

3. In response to a question from the Chair, it was noted that housing benefit processing times were now 15 days for a new claim and 11 days for a 'change in circumstances' claim. The Chair welcomed the sustained 'step change' that had been made in this area, commenting that approx. 10 years ago, housing benefit administration had been a major area of concern.



4. It was suggested that at an appropriate future point, data should be included in relation to clear air zone payments, as part of the assessment of its impact.

5. Cllr Bradshaw welcomed paras. 4.11 - 4.12 which indicated that sundry debt reporting was included in the monthly financial monitoring reports by service area and was now available on an 'as required' basis to budget holders; and that engagement with individual service areas was providing a focus on unpaid invoices within those areas. In discussion, it was noted that in line with the Corporate Debt Management Policy approved by the Cabinet, individual services were required generally to issue invoices as soon as this was practically possible, recognising the importance of 'early' / regular invoicing as a key tool in securing prompt payment. It was suggested that it may be helpful to consider providing a variance report for this area every 6 months.

The Commission **RESOLVED:**

- To note the report and the above information.
- That officers would provide the following further information after the meeting:
 - The number and value of annual bills for council tax and business rates
 - The number and value of invoices raised during period for Housing Benefit Overpayment / Overpaid housing Benefit
 - Number of invoices raised during period for Accounts Receivable (Sundry Debt)
 - Parking Services – percentage outstanding by year as a percentage of total debt
 - Parking Services – Clean Air Zone and Moving Traffic PCNs would be split in future reports
 - Map of PCNs issued by ward

12 Additional Budget Information

The Commission noted the following information:

1. The updated annual budget and capital programme had now been published, together with scrutiny engagement details.
2. A summary document from the Finance Task Group (summary of members' key points and observations) had also been published.

13 Performance Report - Quarter 1

As mentioned earlier at the meeting under Chair's business, it was noted that on this occasion, due to pressure of business and available time, the Quarter 1 performance report would not be discussed in detail at this meeting. Members were though invited to submit any specific questions or comments on these items via email to the Scrutiny Co-ordinator; responses to any questions would then be co-ordinated as necessary and sent to members.



14 Risk Report - Quarter 2

As mentioned earlier at the meeting under Chair's business, it was noted that on this occasion, due to pressure of business and available time, the Quarter 2 Corporate Risk Management report would not be discussed in detail at this meeting. Members were though invited to submit any specific questions or comments on these items via email to the Scrutiny Co-ordinator; responses to any questions would then be co-ordinated as necessary and sent to members.

15 Work Programme

The Commission noted the latest update of the work programme.

In discussion, members generally welcomed the approach that had been taken in organising the budget scrutiny meetings held on 22 and 23 November; it was suggested that on the next occasion when similar budget sessions needed to be arranged, it would be helpful, if possible, to avoid these sessions being held on consecutive days (whilst recognising that these sessions would need to be held in close succession).

Meeting ended at 7.25 pm

CHAIR _____

