

Bristol City Council

Minutes of the Resources Scrutiny Commission



30 January 2024 at 4.00 pm

(Part 1 of meeting: scrutiny of 2024/25 budget proposals)

Resources Scrutiny Commission members present:

Cllr Geoff Gollop, Chair, Cllr Heather Mack, Vice-Chair, Cllr Martin Fodor, Cllr John Goulandris, Cllr Gary Hopkins, Cllr Patrick McAllister, Cllr Tim Rippington

Growth and Regeneration Scrutiny Commission members present:

Cllr David Wilcox, Cllr Emma Edwards

Communities Scrutiny Commission member present:

Cllr Barry Parsons

Overview and Scrutiny Management Board members present:

Cllr Tony Dyer, Cllr Andrew Brown

Cabinet members in attendance:

Cllr Craig Cheney, Deputy Mayor for City Economy, Finance and Performance

Cllr Don Alexander, Cabinet member for Transport

Cllr Tom Renhard, Cabinet member for Housing Delivery and Homelessness

Cllr Kye Dudd, Cabinet member for Housing Services and Energy

Cllr Marley Bennett, Cabinet member for Waste, Climate, Ecology and Just Transition

Cllr Ellie King, Cabinet member for Public Health and Communities

Officers in attendance:

Stephen Peacock, Chief Executive

Denise Murray, Director: Finance

Jon Clayton, Finance Business Partner

John Smith, Executive Director: Growth and Regeneration

Alex Hearn, Director: Economy of Place

Pete Anderson, Director: Property, Assets and Infrastructure

Shaun Taylor, Head of Traffic and Highways Maintenance

Richard James, Interim Head of Business Development (Housing and Landlord Services)

Ben Hegarty, Finance Business Partner

Steph Griffin, Director: Workforce and Change

Tim Borrett, Director: Policy, Strategy and Digital

Ian Hird, Scrutiny Advisor



24 Welcome, introductions and safety information

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

25 Apologies for absence and substitutions

Apologies for absence had been received as follows:
Cllr Bradshaw, Resources Scrutiny Commission
Cllr Quartley, Growth and Regeneration Scrutiny Commission
Tim O’Gara, Director: Legal and Democratic Services

26 Declarations of Interest

There were no declarations of interest.

27 Minutes of previous meeting

The minutes of the meeting of the Resources Scrutiny Commission held on 8 December 2023 (part 1 of the meeting) and 15 December 2023 (part 2 of the meeting) were confirmed as a correct record.

28 Chair's business

The Chair suggested, and it was agreed that an additional meeting of the Finance Task Group would be arranged for early-mid March. The purpose of this meeting would be to draw up comments on/flag financial processes/issues that it was suggested should be the subject of early consideration by the new policy committees to be established under the Council’s committee governance model that would take effect from May 2024.

29 Public Forum

The Chair advised that two public statements had been received for this meeting; no public forum questions had been submitted.

With reference also to a pre-notified member question (see page 9 below), the Chair commented that the level of public forum business and public responses to the 2024/25 budget consultation and subsequent budget proposals was disappointingly low compared to previous years. It was noted that this might be



explained in part by the fact that there were proportionally fewer changes than usual included in the Mayor's budget proposals this year.

In discussion, the Chair stressed the ongoing desirability of engaging the public more comprehensively and effectively as the Council's budget proposals are developed. He suggested that one issue that could usefully be flagged by the Commission/Finance Task Group, in advance of the new committee governance model taking effect, was that the new Strategy and Resources Committee should consider carefully how budget consultations/ proposals/reports are produced in future, in terms of content, narrative and the display of financial detail, with a view to making the content as public friendly as possible.

The Commission then received public forum statements as follows:

1. Gordon Richardson, David Redgewell and Ian Beckey: transport budgets, including transport levy to the West of England Combined Authority.

David Redgewell was in attendance at the meeting and presented this statement.

2. Ian Quaife on behalf of Bristol Older People's Forum: Clean Air Zone funds/bus service funding.

David Redgewell was in attendance at the meeting and presented this statement on behalf of Bristol Older People's Forum.

30 Scrutiny of 2024/25 budget proposals - part 1

The Commission considered the following aspects of the 2024/25 budget proposals as approved at the Cabinet meeting held on 23 January 2024:

1. Growth and Regeneration directorate - proposed budget
2. Housing Revenue Account - proposed budget
3. Capital Programme - proposed budget
4. Resources Directorate - proposed budget

1. GROWTH AND REGENERATION DIRECTORATE - PROPOSED BUDGET

a. Commission members had submitted a number of pre-notified questions in advance of the meeting. The responses to these questions were noted as follows:

1. **Waste:** How much loss is it anticipated Bristol Waste will make in 2024/25? Will this be covered by anticipated reserves?

Response: Bristol Waste Company (BWC) is in the process of finalising the 2024/25 Business Plan which is due to be published in mid-February. You will note from the council's budget report (Appendix 9) that £3.9m of growth has been allocated for 2024/25 to meet inflation and additional service costs. More generally, in relation to any further gains/losses that may materialise: planned gains/losses above the agreed uplift will be addressed via BWC movement to/from reserves; unplanned gains/losses in year



attributed to the waste area of the business are managed through the contract pay mechanism with a proportional share between BWC and the council.

2. Transport: Under the Growth and Regeneration budget, there is reference to the scooter money as an income. I thought that income belonged to WECA, not to Bristol. Can you clarify please?

Response: The contract for Tier has been procured by the Combined Authority on behalf of the three (unitary authority) highway authorities. There is an in-principle agreement between the Combined Authority and the highway authorities that some of the revenue derived from the contract can be allocated for the purposes of maintenance.

3. Clean Air Zone (CAZ):

a. The Cabinet report indicates a £26m income generation. Can we see a balance sheet for the CAZ?

Response: A balance sheet is not currently available for this programme of activity, however the net forecasted income and proposed areas of spend is outlined in the table provided separately (to Overview and Scrutiny Management Board and Resources Scrutiny Commission members).

b. How much cash has been received, how much is outstanding debt and how has bad debt provision been made against that?

Response: From October 2022 to the end of November 2023, the Council collected £31,248,000. At the end of each financial year, we will analyse the outstanding debt in each month and apply an expected percentage collection rate to each month. We collect a very high percentage of the most recently issued debt and a very low percentage of the oldest debt. This is the methodology we have used for many years for various Penalty Charge Notices with percentages constantly being revised as a result of experience. As the Clean Air Zone is a new scheme, we were particularly prudent at the end of 2022-23 and assumed that our collection rate would be half that of other schemes.

c. There is nowhere that summarises how this money will be spent. I have picked up £10.3m for transport levy, £2.3m for road repairs and £350k for local transport schemes.

How much else of the CAZ is allocated within the budget?

Is the balance carried forward as a reserve or as a creditor?

Where will it be held on the balance sheet and how much is that balance estimated to be at 31st March 2024?

How much was held at 31st March 2023 and where was it held in the balance sheet?

Response: The table supplied (on CAZ forecast income) should address how the money is to be spent. The income collected is held in a reserve to be drawn down to meet costs. As the table lays out, we held £7m on 31 March 2023 having collected that amount and not yet begun delivering transport projects. On 31 March 2024 we expect to hold £25.1m. That is based on the Council receiving an additional £34m in 2023-24 but spending £15.9m.



d. How much income will be brought into account for the period from inception to 31st March 2024 and how is that split between financial years?

Response: We are forecasting to collect £41m by 31 March 2024. That is split £7m in 2022-23 and £34m in 2023-24.

4. Parking: Can we have clarity on the projected budget for managing parking and where the surplus would be spent, based on modelling the outcomes of the proposed permit charges and what these might yield in future years?

Response: The projected budgets for managing parking are not being changed and there is not expected to be any additional surplus income as a result of the proposed changes. Parking budgets are currently running at a deficit due to the ongoing reduction of parking usage during and since Covid and any additional income will help to offset this deficit.

5. Parks and Green Spaces: Can we have clarity on budget [income and expenditure; capital and revenue] for parks and green spaces, cemeteries and crematoria, and allotments service – disaggregated for each service and based on modelled outcomes for proposed new charges and fees [e.g. proposals for new fees and charges for the allotments service].

Response: Expenditure/income figures (2024/25 revenue budget):

Parks and Green Spaces - Revenue Budget 24/25		£000s
Allotments	Expenditure	191
	Income	- 337
Cemeteries and Crematoria	Expenditure	2,113
	Income	- 4,513
Parks	Expenditure	12,533
	Income	-8,480
General Fund Contribution		1,507

In relation to the allotment cost centre: the budget set will not reflect the true costs of operating the service, as some costs such as some staffing costs, will sit in other budget headings and overhead costs will not be included until they are apportioned at the end of the financial year.

Ref	Scheme	2024/25 £000s
NH02	Investment in parks and green spaces	2,263
NH02A	Investment in parks sports outdoor equipment & facility improvements	2,078



NH03	Cemeteries & crematoria investment	830
Parks capital total		5,171

b. Summary of main points raised/noted in subsequent discussion:

1. Transport and highways maintenance budgets

It was confirmed that officers were continually exploring opportunities around securing additional external funding. Significant funding had been secured, for example through the City Region Sustainable Transport Settlement funds administered by the Combined Authority and the related maintenance challenge fund.

2. Parks

It was confirmed that work was ongoing (including work undertaken through a dedicated post) in terms of developing new commercial/funding opportunities and income streams for parks.

3. Transport levy to the Combined Authority

There was a discussion about this issue, particularly in relation to implications for the funding of bus services across the West of England region:

a. It was noted that the levy charge for Bristol in 2024/25 remained at £10.235 m.

b. Given the ongoing city and regional issue around the resourcing of bus service provision, some concern was expressed that the levy had not been uplifted in recent years at least to take account of inflation.

c. It was noted that a limited increase in the levy of approx. £1.5m was planned for future years, but that concerns remained in terms of Combined Authority capacity to deliver outcomes and secure value for money through their bus service decisions; governance and transparency around Combined Authority decision taking remained an issue. It was also noted that all of the unitary authorities would likely face challenges in meeting the cost of an increased levy.

d. Notwithstanding the above points, it was suggested that initiating inter-authority discussions around funding bus services (and potential consequent implications for the transport levy) should be considered as an early priority for the relevant policy committee(s) in summer 2024, with any outcomes from this potentially feeding into 2025/26 (and beyond) budget prioritisation. It was suggested that meaningful public engagement was also required given the concerns expressed region-wide by councillors and residents about accessing bus services; this engagement should include seeking views about the levy. It was noted that the Combined Authority was in the process of establishing a citizens' panel drawn from residents from across the region to seek further insight around the issues/challenges of bus service provision and the prioritisation of available resources.

e. The Deputy Mayor for City Economy, Finance and Performance commented that if a future decision was taken to increase the levy, it was important to note that this would need to be accompanied by a decision about how Bristol's proportionate increased contribution would be funded.



4. Community Infrastructure Levy (CIL)

It was confirmed that table 27 and the related detail as included in the Cabinet budget report set out the latest summary position in terms of the expected allocation of strategic CIL. A thorough review of the capital programme undertaken during the last year had included an assessment of existing council funded (prudential borrowing and capital receipts) schemes which could utilise strategic CIL.

5. Temporary Accommodation

It was noted that an emergency key decision approval had been required in respect of the Barton House evacuation, resulting in a total spend of up to £5.3m to support the temporary accommodation needs of Barton House residents. This inevitably added to the pressure within the Housing Revenue Account. It was noted that there was also severe pressure on the Temporary Accommodation service. The Cabinet member for Housing Delivery and Homelessness pointed out that the key challenges being tackled through the Temporary Accommodation transformation programme included the significant increase in demand for Temporary Accommodation (which was a national issue) and the annual subsidy loss (estimated to total approx. 13m in 2023/24); also the added context of the situation in relation to 'Section 21' evictions. The Council was taking all action possible to tackle a situation in relation to homelessness/demand for Temporary Accommodation which was beyond its direct control.

6. Allotments fees and charges/rule changes

There was a discussion about the current situation on these proposed changes:

- a. It was noted that recent public consultations had been hosted on the Ask Bristol consultation/engagement website. It was noted that the proposals included increasing allotment rents, which had last been reviewed in 2018.
- b. There was discussion about some of the comments raised through the consultation about changes to rules governing the operation of allotments. It was noted that the consultation responses would be assessed in the next few weeks ahead of a report potentially being submitted to the 5 March Cabinet (the Food Growing and Allotments Strategy forming part of the wider Parks and Green Spaces Strategy).
- c. It was noted that at this point, no decisions had been taken by the administration and that following on from the public consultations, the Cabinet Member for Public Health and Communities and relevant officers were due to attend a workshop with allotment tenants and stakeholders on 5 February. It was noted that the key rationale for proposing increased allotment fees and charges was to fund an improved service.

7. Residents parking

A member referred to the 23 January Cabinet decision to approve changes following a review of the Council's Resident Parking Schemes. This had included a decision to triple the cost of a first permit from £56 to £178. Whilst noting that the rationale for this decision took into account the value of road space and the increasing need to support other transport modes, a concern locally was that the sharp cost increase could lead to some car-owning residents not purchasing permits and then parking elsewhere, thus creating issues around additional car parking pressures in streets which had no parking restrictions



which were located within close proximity to a residents parking scheme. The Deputy Mayor for City Economy, Finance and Performance suggested that the issue of potential shifting of parking problems between areas had been a point of concern since the original inception of residents parking schemes.

2. HOUSING REVENUE ACCOUNT (HRA) - PROPOSED BUDGET

a. Commission members had submitted a pre-notified question in advance of the meeting. The response to this question was noted as follows:

Question: **Housing Revenue Account:** Is the anticipated surplus this year the figure after the Barton House additional spend is included?

Response: For 2023/24, as at Period 9, the Council is anticipating a £2.1m overspend (funded by the Housing Revenue Account (HRA) reserves). This will include activity associated with Barton House. The HRA is self-financing and as such income collected is also utilised to fund elements of the capital programme and as can be seen in the table within the report, after allowing for additional cost such as interest payable and capital expenditure, the HRA Budget Proposals 2024/25 lay out a balanced budget.

b. Summary of main points raised/noted in subsequent discussion:

1. It was noted that there was significant pressure on the 2024/25 budget and 30 year business plan. The proposed plan (as approved by the Cabinet on 23 January for submission to the Full Council budget meeting) included cost mitigations to ensure compliance against the Council's Interest Cover Ratio requirement.
2. It was noted that a careful review had been undertaken of HRA repairs and maintenance budgets. Some of the next year's required cost reductions to achieve a compliant plan would be achieved through re-profiling some planned maintenance works over a number of years; this would not include any delay to urgent work or health and safety related programmes.
3. It was noted that taking forward work to improve efficiency would also be prioritised; one key aspect of this would be to prioritise a further reduction in void property turn-around times to bring void performance in line with the sector benchmark.
4. It was noted that the 2024/25 HRA 30-year business plan would be reviewed and monitored in year and refreshed annually, to allow for 'horizon scanning' and the identification and mitigation of risks over the short, medium and long term.
5. It was clarified that it was anticipated that the Local Crisis and Prevention Fund to support economically vulnerable households in the most need would be fully utilised.



6. It was clarified that the HRA Business Plan included a prudent assumption of a 5% pay uplift (the actual figure would be confirmed, and the Business Plan adjusted accordingly once the 2024/25 pay settlement was known).

7. It was clarified that, taking account of Interest Cover Ratio requirements, revenue spend had been carefully scrutinised through this latest update of the Business Plan with a view to raising the ambition within the HRA capital programme. It was noted that a careful balance needed to be maintained between capital and revenue spend; in the next year, there would be a particular focus on increasing property acquisitions. Capital programme delivery and any slippage would be monitored closely, noting that most 2024/25 housing development schemes would largely already be either on site and/or under contract.

8. Members noted the ambition within the HRA capital programme but flagged that as the authority moved into the new committee governance model, it would be imperative to ensure that effective monitoring and oversight of delivery against the programme was maintained throughout 2024/25 through a combination of the relevant policy committee(s) and the Audit Committee.

3. CAPITAL PROGRAMME - PROPOSED BUDGET

Summary of main points raised/noted:

1. Bristol Operations Centre phase 2 (ref. NH06A):

It was clarified that this was 'cross-charged' expenditure, i.e. not direct expenditure.

2. Vehicle fleet replacement programme (ref PL27):

It was noted that whilst there was a planned allocation of £1,208,000 in 2024/25, there was no allocation for the subsequent 4 financial years up to 2028/29. It was clarified that it was anticipated that the expenditure in the next year would be linked in with City Leap plans and that a range of ways of funding required fleet replacement expenditure in subsequent years would be explored.

3. Capital programme delivery (including HRA capital programme):

As per the above comments on the HRA capital programme, members were supportive of the ambition of the wider capital programme. However, in light of past performance in terms of delivery of the programme, members agreed that close monitoring will be required, led by the relevant new policy committees under the committee governance system. It was noted that the engagement of strategic partners will be important in assisting improved delivery, and that there will be a need to maintain a close eye on market capacity, and procurement and wider organisational capability, so that the implementation of the schedule of planned capital investment is appropriately supported and resourced.

4. RESOURCES DIRECTORATE - PROPOSED BUDGET

a. Commission members had submitted two pre-notified questions in advance of the meeting. The responses to these questions were noted as follows:



1. Consultation: My ward (Westbury-on-Trym & Henleaze) had the highest response to the consultation, 90 respondents, just over 5%. Is this satisfactory?

Response: The Budget 2024/25 consultation received 122 responses from Westbury-on-Trym & Henleaze ward. This is 60 respondents per 10,000 residents, the third highest response rate from Bristol wards. (Response rates are reported as responses per 10,000 residents in each ward. This is to enable comparison of response rates between wards with different population sizes.) Significant efforts are made to engage citizens from less-heard groups and communities, taking into account the requirement to be proportionate in the spending of public funds. Communications to encourage participation in the Budget 2024/25 consultation included, but were not limited to:

- emails to 134,997 users of the online Council Tax account system on in November 2023 with two follow-up emails in December 2023
- emails to over 300 community-based organisations and organisers
- paper copies in libraries
- Easy Read and British Sign Language versions
- Social media promotion, including and paid social media targeted at areas with lower response rates.

Recognising that response rates may not match the geographic and demographic profile of the city, responses to key survey questions (views on the preferred level of Council Tax and Social Care Precept) were compared for areas of high, medium and low deprivation (ten deprivation deciles) to explore if views differ for people in different circumstances who might be differently affected by the budget.

In response to a follow-up question at the meeting, it was confirmed that whilst a larger response rate across the city would clearly have been desirable, the number of responses received was sufficient to enable robust statistical analysis.

2. At what point will the budgets be represented by policy committee, i.e. aligned with the new policy committees that will take effect from May?

Response: The Policy Committees will all function within the council's agreed budget framework and reports to committees will identify the financial considerations that a committee will need to consider when it makes decisions. Budget monitoring will take place in each of the policy committees in respect of the service budgets that are relevant to each committee and a mapping exercise will be undertaken to facilitate this, with the Strategy and Resources Committee having an overview of all service budgets.

In response to a follow-up question at the meeting, it was confirmed that directorate-based budgets would be retained, to assist budget monitoring and for benchmarking purposes.

b. Summary of main points raised/noted in subsequent discussion:

1. It was clarified that whilst a £50k saving was included in relation to Democratic Engagement, an appropriate degree of growth (£300k) had been proposed in recognition of staffing requirements for the committee governance model.



2. It was clarified that whilst a £425k saving (staffing and activities) was included in relation to the Mayor's Office, growth of £100k was proposed for staffing of the Council Leader's Office.

3. In response to a question, it was noted that, as per the 5 December Cabinet report, consultants had been engaged to comprehensively review the Council's fees and charges, including those applicable to the Register Office. This review had included market comparisons.

At the conclusion of the discussion, the meeting was adjourned at 6.20 p.m.

CHAIR _____

