

Bristol City Council

Minutes of the Overview and Scrutiny Management Board



12 February 2024 at 2.00 pm

Overview and Scrutiny Management Board members present:

Cllr Tony Dyer, Chair, Cllr Mark Bradshaw, Vice-Chair, Cllr Andrew Brown, Cllr Martin Fodor, Cllr Geoff Gollop, Cllr Brenda Massey, Cllr Steve Pearce, Cllr Steve Smith, Cllr Christine Townsend, Cllr David Wilcox

Cabinet members in attendance:

Cllr Craig Cheney, Deputy Mayor for City Economy, Finance and Performance
Cllr Don Alexander, Cabinet member for Transport

Officers in attendance:

Stephen Peacock, Chief Executive
Pete Anderson, Director: Property, Assets and Infrastructure
Lucy Fleming, Head of Democratic Engagement
Helen Davis, Shareholder Liaison Manager

Also in attendance re: agenda item 11:

Bristol Holding Limited:

Chris Smith, Group Finance Director

Goram Homes Limited:

Andrew Martyn-Jones, Board member and Chair of Audit and Risk Committee
Stephen Baker, Managing Director
Chris Arnold, Chief Finance Officer
Christiana Makariou, Development Director
Vikki McCann-Rogers, Head of Communications

Bristol Waste Company Limited:

Andrew Pollard, Chair
Dave Knight, Managing Director
Gary Phillips, Finance Director
Hannah Sturman, Director of Transformation & Stakeholder Relations



1 Welcome, Introductions and Safety Information

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

2 Apologies for absence.

None.

3 Declarations of Interest

It was noted that Cllr Pearce had previously served as a non-executive director of Bristol Waste Company.

4 Minutes of the previous meeting.

The minutes of the meetings of the Overview and Scrutiny Management Board held on 4 December 2023 and 18 January 2024 were confirmed as a correct record.

In response to a question, officers agreed to check (in relation to the 18 January meeting) that all the requested follow-up information requested by members in relation to the discussion on the Clean Air Zone (forecast and income) had been circulated.

5 Chair's Business

The Chair commented that given the impending move to the new committee governance system, today's meeting was almost certainly the last public meeting of the Overview and Scrutiny Management Board (OSMB). The Chair advised that he wished to place on record his thanks to members of OSMB, the Chief Executive and senior officers, and the Head of Democratic Engagement and Scrutiny team for all their work in supporting the Board. He also thanked the Chief Executive and Cabinet members for their ongoing regular attendance at OSMB meetings.

6 Public Forum

The Board noted that one public forum statement had been received for this meeting, as follows:
Statement from David Redgewell - subject: Grosvenor Hotel demolition and related issues.



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

In response to questions on this matter, the Chief Executive clarified that the Grosvenor Hotel building and the work in question were the responsibility of the building owner. The contractors on site were therefore working for the building owner, not the City Council. The contractors had confirmed to the Council's building enforcement team that the work was scheduled to continue. As part of the work, the building owner was required to make the site safe, including the nearby highway, cycle and walking paths. The Council was working hard to ensure that the building owner met their lawful responsibilities; the Council's understanding was that the required work would be completed by the end of March to enable the opening of the walkway and the highway/transport interchange. The building owner was under a legal duty to do this, and if there was non-compliance, the Council would take the appropriate escalation action.

7 Work Programme

The Board noted the work programme update.

8 Mayor's Forward Plan - Standing Item

The Board noted that the most recent update to the Mayor's Forward Plan had been published on 5 February.

Points raised/noted in discussion:

- a. It was noted with concern that no information had been included in this latest Forward Plan update of any key decisions beyond the 5 March Cabinet; no key decisions were currently listed for the final Cabinet meeting in April.
- b. Concern was also expressed that, via the 5 February update, 21 new key decision items had been added to the Forward Plan, thus only meeting the minimum requirement in terms of giving at least 28 calendar days' public notice of a key decision. It was suggested by a member that the authority was departing significantly from best practice with regard to advance notice of key decisions. It was further suggested that in terms of the new committee governance system, each policy committee should maintain a 12 month 'forward look' in terms of their individual forward plans; it would be important for draft forward plans, populated as far as possible with details of anticipated key decisions, to be made available to policy committee Chairs in May, as soon as possible after their appointment.
- c. Taking account of the above, the Chair commented that it was also noted that forward plan processes were being built into the committee governance model.



9 Minutes from the WECA Overview and Scrutiny Committee - for information (standing item)

Noting that minutes of the WECA Overview and Scrutiny Committee had been submitted to OSMB for information since the inception of WECA, it was suggested that it would be important to identify which committee(s) would be most appropriately placed to receive them under the committee governance system. It was noted also that the Audit Committee had suggested that it would be appropriate for it to receive the minutes of the WECA Audit Committee for information in future.

10 Q3 2023-24 Corporate Risk Report

The Board noted the Quarter 3 corporate risk report for 2023/24.

Points raised/noted in discussion:

- a. Risk ref: CRR58 (Failure to maintain and replace the highway and traffic assets may lead to future budget shocks and potential injuries to the public): A query was raised by a member as to why this risk, which now had a risk score of 21, had been escalated to the Corporate Risk Register whilst other risks with the same score had not been similarly escalated. It was noted that a response would be supplied to this query.
- b. Risk CRR 55 (Children placed in unregistered provision may be at risk): It was noted that members of the Audit Committee had raised concern around this risk and would be looking at it in more detail at their next meeting.

There was a discussion in connection with this risk. It was noted that action was being taken as a key priority to increase sufficiency of children's home provision within the city, noting also that the delivery of this would help secure better outcomes for the children concerned in local provision whilst also being more financially sustainable for the Council.

11 Bristol Holding Limited Group Company Business Plans 2024/25

The Board considered a report setting out three company business plans that would be considered by the Cabinet on 5 March 2024 for approval, as follows:

- a. Bristol Holding Limited
- b. Goram Homes Limited
- c. Bristol Waste Company Limited

a. Bristol Holding Limited (BHL) Business Plan

The Group Finance Director, Bristol Holding Limited presented the BHL Business Plan.



Points highlighted included:

1. The business plan had been compiled following the sale of Bristol Heat Networks Ltd earlier last year. The plan was therefore based for the 2024/25 year ahead on operating with two subsidiaries in the Group, Bristol Waste Company Limited, and Goram Homes Limited. There was no assumption at this stage of any change in the company portfolio.

2. The business plan had been prepared on the basis of the following assumptions:

- * That BHL would continue in its present form for another fiscal year to March 2025.
- * That following the outcome of the independent Shareholder advisor review, and the subsequent management action plan, the Council would determine to support 'Holdco' functions in its transition role as providing assurance to the Shareholder.

3. BHL had reduced in scale in the last 18 months and now presented an agile but focused and value-for-money operation.

Summary of points raised/noted in discussion:

1. It was clarified that BHL had no active role in relation to Bristol City Leap, which had its own governance structure.

2. It was noted that BHL's key strategic objectives included the retention of the objectives of providing effective commercial, financial and risk assurance to the Shareholder in the operation of its wholly owned companies; and to ensure strategic alignment between Bristol City Council corporate aims, objectives and values, and those of its wholly owned companies, including their commercial objectives. It was also noted that the intention was that BHL would continue its assurance role to the Shareholder as the new committee governance system bedded in. From May 2024, the Council's Chief Executive would formally be the Shareholder although it was anticipated that the relevant policy committee Chair would have an appropriate degree of involvement.

3. Some questions were raised about the approx. £300k cost associated with BHL for 2024/25, and whether this would continue to represent value for money for the Council. It was noted that most of the costs involved with the assurance role would need to be incurred in any event; for example, approx. one-third of the costs involved were attributable to external audit costs. It was clarified that every effort had been made to minimise costs and that the recharge costs to subsidiaries were indicative at this stage. It was also noted that the future role of BHL would be reviewed as the 2024/25 year progressed.

b. Goram Homes Limited Business Plan

Representatives of Goram Homes Limited presented the Goram Homes Limited Business Plan.

Points highlighted included:



1. Key objective 1: Move at pace to increase the supply of new homes built each year across Bristol including high levels of affordable housing provision. Information/detail was outlined on anticipated progress in 2024/25, and on prioritised sites for 2024/25 and future pipeline sites.
2. Key objective 2: Build sustainable homes that have a net positive effect on the environment and increase biodiversity. Information/detail was outlined on sustainable homes targets for 2024/25.
3. Key objective 3: Build homes and spaces that create inclusive communities where people can thrive. Information/detail was outlined on key targets for 2024/25, including customer satisfaction targets and the aim to generate £30k social value per completed home.
4. Key objective 4: Provide a commercial return to our Shareholder and meet the highest standards of social and environmental accountability. It was highlighted that developments were principally structured through joint venture partnerships with homebuilders, and with both investment and financing shared; also, that the partnership would generate profit for Goram Homes once all homes were sold on a development, with the Council deciding how the profit was utilised.
5. Risk management: Details of risk management around each of the 4 key objectives were highlighted.

Summary of points raised/noted in discussion:

1. It was confirmed that Goram Homes were committed to working in partnership with the Council and other partners to deliver affordable housing, in line with the affordable housing ambitions contained in the Bristol Local Plan. Goram's new housing development pipeline totalled around 3,000 homes across 13 sites to be built in the coming years, around half as affordable housing.
2. It was clarified that Goram was willing to work in partnership with neighbouring local authorities to deliver housing outside Bristol's geographic area, although care needed to be taken not to breach their procurement status.
3. In response to a question about the commitment to generate £30k social value per completed home, the Goram Homes Managing Director advised that further detail or a briefing on the metrics behind this calculation could be made available to any OSMB member on request.
4. In terms of Goram's sustainable homes ambitions, it was confirmed that the target, in terms of homes to be submitted for planning permission in 2024/25, was to achieve a biodiversity net gain over and above local and national policy, which was set at 10%. Where possible a 'stretch' target of up to 20% would be set.
5. In response to a question, it was confirmed that whilst, through the Business Plan, Goram aimed to ultimately deliver approx. 3000 homes overall, with reasonable certainty that in 2024/25, 660 homes would be on site and in progress, it was not possible at this point to identify a specific end date for the delivery of the 3000 home target, as the detail around later stages of phasing development was not settled at this point in time.



6. In terms of delivering sustainable homes, Goram's commitment to aim for EPC A, i.e. the most efficient energy rating for a new home, was welcomed. In terms of risk management around sustainable homes development, it was noted that Goram would only select partners who could deliver the required standards; the requirement to deliver was entrenched in legal agreements with partners.

7. There was a discussion around the degree to which new homes provided through Goram were accessible to disabled people who were wheelchair users. It was confirmed that as a developer, Goram was principally developing homes around the standards set out in local planning policy. In response to suggestions from some members that much more ambition needed to be shown around this, the Goram Homes Managing Director commented that care also needed to be taken to avoid a situation where 'generic' adapted homes were built to a common standard but without being designed or suitable for any individual in particular; however, it was accepted that there were opportunities to deliver more accessible housing and Goram were open to a dialogue with the Council about designing in more bespoke housing at an early stage in the development process and working collectively so that the right properties were adapted in the right way for the right people.

8. It was noted that within the next year, 3 sites (Novers Hill, the former St Ursula's school site and The Grove car park) were being prioritised by Goram in 2024/25 for planning submissions. In respect of the former St Ursula's school site, it was clarified that early engagement was taking place, including liaison with ward councillors and with a company currently leasing the newer part of the site.

9. In response to a question on the balance sheet, the Goram Homes Chief Finance Officer confirmed that the £80k figure for bank and cash assets in 2024/25 was a reasonable assumption, reflecting the overall prudent approach to financial modelling.

10. In relation to the 'move at pace' objective, the Goram Homes Managing Director confirmed that, in his view, effective joint work was taking place with the Council to bring forward and progress development sites as quickly as possible.

11. A comment was raised by a member that whilst the business plan presented clear information about objectives to be taken forward, the plan did not contain detailed information about anticipated project completion dates and the financial figures and assumptions underpinning the plan. This made it very difficult for OSMB to offer a full opinion and an informed comment on the business plan. It was suggested that at this point next year, the relevant policy committee (under the committee governance system) would need to receive much fuller financial detail. It was noted that the aim this year had been to produce a transparent document that was public-friendly; it was confirmed that fuller financial detail could be made available for inspection by OSMB members and had been shared with the Shareholder.

c. Bristol Waste Company Limited - Business Plan

Representatives of Bristol Waste Company Limited presented the Bristol Waste Company Limited Business Plan.



Points highlighted included:

1. Governance improvements had been undertaken and there had been significant change in relation to the personnel/senior management of the company, including the appointment of a new Chair and new Managing Director.
2. The business plan (unlike last year's, which had covered a one year period) was a three year plan, 2024/55 – 2026/27.
3. Bristol was now the top English core city for recycling.
4. BWC was committed to working in partnership with the Council; this included helping Bristol deliver its carbon net zero and sustainability targets.
5. Through the Quality of Life survey, high levels of resident satisfaction had been recorded. Residents were more satisfied with BWC than with any other Council service.
6. BWC delivered substantial social value (£30m+) and was committed to community engagement (10,500 activities in the last year).
7. The 3 year plan aimed to achieve positive growth and to change the narrative around BWC's activities by:
 - being seen to improve the quality of people's lives in the city, i.e. more than just providing waste/cleaning services.
 - raising BWC's profile in the city.
 - further developing BWC's partnership with the Council, to include helping to develop the Council's waste strategy.

Summary of points raised/noted in discussion:

1. It was noted that the 2024/25 budget proposals (to be determined at the 20 February Full Council budget meeting) included an additional c.£4m allocation to support BWC in maintaining current service levels. BWC was forecast to make a loss of c.£2m this year; however, the loss in 2024/25 was projected to reduce to £0.8m. Losses should continue to reduce over the next two years before break-even point was achieved and it was projected that a small profit of £27,000 would be achieved in 2026/27.
2. It was confirmed that BWC's cash position was good, which had enabled, for example, investment in Avonmouth Household Reuse and Recycling Centre.
3. In response to a question, it was noted that the 'village' approach had been adopted over the last year in respect of street cleansing. The potential for extending the approach to other services could be explored.



4. It was noted that although high levels of satisfaction had been recorded through the Quality of Life survey, BWC recognised that particular issues around missed collections had occurred across 8 routes, which were linked to the reorganisation of collection routes. It was noted that these issues were being addressed; it was suggested that care should be taken to fully engage ward councillors in this process.
5. It was noted that through benchmarking analysis, it had been identified that BWC was providing the best value-for-money in relation to comparable cities and was providing the best recycling method.
6. It was noted that the 3 year timeline of the BWC business plan dovetailed with the end date of the current 10 year Council waste/recycling collection contract; the contract renewal was a matter for the Shareholder.
7. The £30m+ of social value generated by BWC was generally welcomed, noting that this included the refurbishment of approx. 3000 IT items in terms of tackling digital poverty, and 2,500 volunteer hours in Reuse shops. The community engagement and outreach work undertaken was welcomed. In response to a question, BWC representatives undertook to respond with further detail around the percentage impact of BWC spend on the local economy; it was emphasised that BWC was committed to local procurement where possible.
8. It was noted that the commercial/non-Teckal part of the business had delivered significant growth over the last three years and that a new and expanded sales team was now in place, supported by a full sales and marketing plan. It was suggested that the success of this team in maintaining this growth trajectory should be monitored closely.
9. It was noted that during the year ahead, BWC would need to work closely with the Shareholder around the nature of the service required post-2026, and the linked issue of new fleet procurement. The current fleet was approaching year 6 of an anticipated lifespan of 8 years, and the financial cost of increased maintenance requirements was an important issue for the business.
10. It was confirmed that the BWC Board took its responsibilities around health and safety with the utmost seriousness; health and safety reports were prepared for each Board meeting, with 'deep dive' reviews into particular areas also taking place at least twice a year.
11. In response to a question, it was confirmed that September-October 2024 was the likely delivery timescale for the new baler at Avonmouth.
12. A member suggested that the introduction of the charge for replacement blue collection bags could result in low-income households not ordering replacement bags; it was noted that this charge had been introduced through the approved Council budget and could not easily be reversed without impacting other budgets.
13. In response to a question about IT/device recycling, it was noted that whilst printers could not currently be recycled for reuse, the potential for this could be explored.



14. With reference to the new waste contract, a member expressed the view that in negotiating the new contract, it would be vital to ensure an outcome whereby the Council paid a fair rate for the service in order to maintain public satisfaction while still achieving value for money for the city's residents.

At the conclusion of the meeting, members noted that whilst this discussion had taken place in public session, an exempt appendix detailing certain commercially sensitive information in relation to BWC had formed part of the agenda papers circulated to OSMB members in advance of the meeting.

Meeting ended at 4.32 pm

CHAIR _____

