

Overview and Scrutiny Management Board Agenda



Date: Monday, 8 April 2024

Time: 5.30 pm

Venue: The Chamber - City Hall, College Green,
Bristol, BS1 5TR

Distribution:

Councillors: Tony Dyer (Chair), Mark Bradshaw (Vice-Chair), Geoff Gollop, Brenda Massey, David Wilcox, Martin Fodor, Steve Smith, Christine Townsend, Andrew Brown, Steve Pearce, Kerry Bailes, Sarah Classick, Katja Hornchen, Sharon Scott, Lisa Stone, Mark Weston and Tim Wye

Issued by: Lucy Fleming, Democratic Services

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E-mail: scrutiny@bristol.gov.uk

Date: Wednesday, 27 March 2024



Agenda

1. Welcome, Introductions and Safety Information

(Pages 4 - 6)

2. Apologies for absence.

3. Declarations of Interest

To note any declarations of interest from the Councillors. They are asked to indicate the relevant agenda item, the nature of the interest and in particular whether it is a **disclosable pecuniary interest**.

Any declarations of interest made at the meeting which is not on the register of interests should be notified to the Monitoring Officer for inclusion.

4. Minutes of the previous meeting.

(Pages 7 - 16)

5. Chair's Business

To note any announcements from the Chair

6. Public Forum

Up to 30 minutes is allowed for this item

Any member of the public or Councillor may participate in Public Forum. The detailed arrangements for so doing are set out in the Public Information Sheet at the back of this agenda. Public Forum items should be emailed to scrutiny@bristol.gov.uk and please note that the following deadlines will apply in relation to this meeting:-

Questions - Written questions must be received 3 clear working days prior to the meeting. For this meeting, this means that your question(s) must be received in this office at the latest by 5pm on **Tuesday 2nd April**.

Petitions and Statements - Petitions and statements must be received on the working day prior to the meeting. For this meeting this means that your submission must be received in this office at the latest by 12.00 noon on **Friday 5th April**.



7. Safety Valve Programme - 5 March 2024 Cabinet Report

(Pages 17 - 23)

**8. Safety Valve Programme - Capital Funding - 9 April 2024
Cabinet Report**

To follow. This report will be made available after publication of the agenda and papers for the Cabinet 9th April 2024 meeting, which will be published here:

[Cabinet 9th April 2024](#)



Public Information Sheet

Inspection of Papers - Local Government (Access to Information) Act 1985

You can find papers for all our meetings on our website at www.bristol.gov.uk.

Public meetings

Public meetings including Cabinet, Full Council, regulatory meetings (where planning and licensing decisions are made) and scrutiny will now be held at City Hall.

Members of the press and public who plan to attend City Hall are advised that you may be asked to watch the meeting on a screen in another room should the numbers attending exceed the maximum occupancy of the meeting venue.

COVID-19 Prevention Measures at City Hall (from March 2022)

When attending a meeting at City Hall, the following COVID-19 prevention guidance is advised:

- promotion of good hand hygiene: washing and disinfecting hands frequently
- while face coverings are no longer mandatory, we will continue to recommend their use in venues and workplaces with limited ventilation or large groups of people.
- although legal restrictions have been removed, we should continue to be mindful of others as we navigate this next phase of the pandemic.

COVID-19 Safety Measures for Attendance at Council Meetings (from March 2022)

Government advice remains that anyone testing positive for COVID-19 should self-isolate for 10 days (unless they receive two negative lateral flow tests on consecutive days from day five).

We therefore request that no one attends a Council Meeting if they:

- are suffering from symptoms of COVID-19 or
- have tested positive for COVID-19

Other formats and languages and assistance for those with hearing impairment

You can get committee papers in other formats (e.g. large print, audio tape, braille etc) or in community languages by contacting the Democratic Services Officer. Please give as much notice as possible. We cannot guarantee re-formatting or translation of papers before the date of a particular meeting.

Committee rooms are fitted with induction loops to assist people with hearing impairment. If you require any assistance with this please speak to the Democratic Services Officer.



Public Forum

Members of the public may make a written statement ask a question or present a petition to most meetings. Your statement or question will be sent to the Committee Members and will be published on the Council's website before the meeting. Please send it to scrutiny@bristol.gov.uk.

The following requirements apply:

- The statement is received no later than **12.00 noon on the working day before the meeting** and is about a matter which is the responsibility of the committee concerned.
- The question is received no later than **5pm three clear working days before the meeting**.

Any statement submitted should be no longer than one side of A4 paper. If the statement is longer than this, then for reasons of cost, it may be that only the first sheet will be copied and made available at the meeting. For copyright reasons, we are unable to reproduce or publish newspaper or magazine articles that may be attached to statements.

By participating in public forum business, we will assume that you have consented to your name and the details of your submission being recorded and circulated to the Committee and published within the minutes. Your statement or question will also be made available to the public via publication on the Council's website and may be provided upon request in response to Freedom of Information Act requests in the future.

We will try to remove personal and identifiable information. However, because of time constraints we cannot guarantee this, and you may therefore wish to consider if your statement contains information that you would prefer not to be in the public domain. Other committee papers may be placed on the council's website and information within them may be searchable on the internet.

During the meeting:

- Public Forum is normally one of the first items on the agenda, although statements and petitions that relate to specific items on the agenda may be taken just before the item concerned.
- There will be no debate on statements or petitions.
- The Chair will call each submission in turn. When you are invited to speak, please make sure that your presentation focuses on the key issues that you would like Members to consider. This will have the greatest impact.
- Your time allocation may have to be strictly limited if there are a lot of submissions. **This may be as short as one minute.**
- If there are a large number of submissions on one matter a representative may be requested to speak on the groups behalf.
- If you do not attend or speak at the meeting at which your public forum submission is being taken your statement will be noted by Members.
- Under our security arrangements, please note that members of the public (and bags) may be searched. This may apply in the interests of helping to ensure a safe meeting environment for all attending.



- As part of the drive to reduce single-use plastics in council-owned buildings, please bring your own water bottle in order to fill up from the water dispenser.

For further information about procedure rules please refer to our Constitution <https://www.bristol.gov.uk/how-council-decisions-are-made/constitution>

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The privacy notice for Democratic Services can be viewed at www.bristol.gov.uk/about-our-website/privacy-and-processing-notice-for-resource-services



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 _____



Overview and Scrutiny Management Board

8th April 2024



Title: Safety Valve Programme – 5th March 2024 Cabinet Report

Summary:

This paper was received by Cabinet on 5th March 2024 and has been provided to the Overview and Scrutiny Management Board to provide context and details of the Safety Valve Programme.

This report and related appendices can be found with the agenda and papers for the Cabinet meeting here: [Cabinet 5th March 2024](#)



Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 05 March 2024

TITLE	Safety Valve Programme		
Ward(s)	All		
Author: Reena Bhogal-Welsh	Job title: Director of Education and Skills		
Cabinet lead: Cllr Craig, Cabinet Member for Children’s Services, Education and Equalities Cllr Cheney, Cabinet Member for City Economy Finance & Performance	Executive Director lead: Stephen Peacock, Chief Executive Officer Hannah Woodhouse, Executive Director for Childrens and Education Denise Murray, Finance Director, and Section 151 Officer		
Proposal origin: Other			
Decision maker: Cabinet Member Decision forum: Cabinet			
Purpose of Report: The Department for Education (DfE) invited Bristol City Council to participate in its Safety Valve intervention programme to address historic deficits within the Dedicated Schools Grant (DSG) High Needs Block (HNB) and reach an in-year balance to ensure ongoing sustainability. This report sets out the proposal from the DfE to part extinguish the cumulative deficit arising from existing and forecast overspends on High Needs Funding for services to children and young people with Special Educational Needs and Disabilities (SEND). The report also sets out the requirements the Council must meet to receive this funding and seeks approval to enter into a Safety Valve Agreement with the DfE.			
Evidence Base: <ol style="list-style-type: none"> 1. The Dedicated Schools Grant (DSG) is a ring-fenced grant which local authorities receive and manage, which is split into four blocks: Schools, High Needs, Early Years, and Central School Services. The majority of the grant is paid to schools and other settings to provide education services. The High Needs Block primarily funds services for pupils with SEND. The DSG conditions of grant require that any local authority with an overall deficit on its DSG account at the end of the financial year, must present a DSG Deficit Management Plan (DMP) to the DfE that identifies how that local authority will manage their future DSG spend. 2. The Children and Families Act 2014 brought in reforms aimed to link support for children and young people with SEND aged 0-25 across education, health care, and social care. This was clearest in the introduction of Education, Health, and Care Plans (EHCP), which replaced the previous system of ‘statements’ of SEN. Separately, changes were also made to funding for schools with pupils with ‘High Needs’, through a national funding formula. 3. The recovery of the DSG deficit is fundamental to ensuring continued support is available to meet the needs of children and young people and ensure the best possible outcomes for all are successfully achieved. 4. In the last few years across the country there has been a rise in the number of children identified as having 			

special educational needs and disabilities and Bristol is no exception. Funding has not kept pace with the rise in demand and two thirds of local authorities have deficits in their DSG grant budget as a result of High Needs cost pressures. Whilst in general there is strong evidence that most children with SEND should remain in mainstream schools for as long as possible, more children have been assessed as needing EHCPs in mainstream schools and some children will require specialist placements. Both have risen over time. This has created pressure on specialist places and on top up funding for EHCPs by schools which has in turn led to a HND building up.

5. On 18 July 2023, the Council was invited by the DfE to apply for the Safety Valve Programme. The programme is designed to assist Local Authorities with significant pressures on their DSG to accelerate SEND reforms. The Safety Valve Programme supersedes the current Delivering Better Value in SEND (DBV) Programme.
6. Local Authorities on the Safety Valve Programme are expected to ensure that in-year spend is brought in line with in-year grant funding over a planned period and to ultimately eliminate any accumulated deficit in their DSG reserve.
7. Following the invitation to join the Safety Valve Programme the Council entered a development period with DfE advisors who worked with us to provide a robust and deliverable DSG DMP and the underpinning financial modelling. On completion of this process the Council's Safety Valve application was formally submitted to the DfE on 12 January 2024 following engagement with Cabinet Board and the Council's Finance Scrutiny Task Group. The submission was supported by the Chief Executive, the Director Education and Skills and the Council's Section 151 Officer.
8. The DMP summarises the key priorities and deliverables building on the Bristol's SEND Written Statement of Action, the Our Families Transformation Programme and the DBV in SEND programme. It not only identifies the areas for improvement but also articulates the associated cost pressures, for example inflation. System-wide culture change is ongoing and focuses on an end-to-end reform from early identification and intervention through to statutory support. The work to date is built on a strong model of partnership working and shared outcomes across education, health, care and third sector organisations, and will ensure improvements are aligned and integrated models for working are maximised.
9. If the proposal submitted to the DfE is accepted, the Council must undertake all necessary means to reach a positive in-year balance on its DSG account as a minimum by the end of 2028/29 and in each subsequent year thereafter.
10. If the Council enters into the Safety Valve agreement the DfE has agreed to pay to the authority an additional £53m of DSG. This funding will be paid in instalments and subject to continued satisfactory progress. This additional funding can only be applied to reduce the deficit on the DSG reserve.
11. In addition to the Safety Valve Programme application outlined above, the Council was also invited to apply for additional High Needs Capital Allocation (HNCA) funding to support mitigations within Safety Valve Programme. If successful, these capital funds must be used for developments that are in addition to those already planned and/or in progress.
12. On 5 January 2024 Bristol City Council applied for capital funding of £28.2m, which will be key in delivering the Council's improvement ambitions. If successful (still to be determined) £13.2m of this funding is earmarked for the redevelopment of Claremont Special School. This fills a funding gap and builds on previously secured Cabinet approval to rebuild and extend the building in July 2019 subject to full funding being secured.
13. It is proposed that the remaining £15m will be used to support education settings to develop more inclusive spaces. If successful the funding will be allocated as part of a grants programme where schools can apply for funding to deliver minor works, such as opening cramped spaces, improving natural light and outdoor spaces, or investing in resource bases or hybrid learning spaces. Working in this way will support the Council's aim of

supporting schools to find solutions to inclusion problems and in turn build relationships between the Council and schools.

14. The cost of delivering the Safety Valve Programme has been forecast as £1.2m in 2024/25 and £4.3m over the six-year life of the programme to 2029/30. Delivery costs will be funded out of the Council's planned contribution to the Safety Valve Programme through the General Fund as outlined in the Council budget agreed at Full Council on 28/02/2024.
15. Children and young people with SEND deserve to have better experiences to enrich their lives. SEND reform is best achieved by listening to young people, parents and carers and partners to rapidly implement an effective plan, whilst creating a sustainable financial future. The Council will work collaboratively across all phases: from Early Years through to Post – 16 and then into adulthood to ensure early systematic identification of need, effective use of resources for children and young people in mainstream and specialist settings and equitable outcomes for families.
16. A new city-wide SEND Inclusion Strategy will be a means to ensure there is commitment to addressing the high needs deficit. Reform and improvement to services will enable successful collaboration and innovation to change the future of SEND for the benefit of all Children and Young People.

Financial Implications

17. The Council is not able to subsidise activity funded by the DSG without the explicit permission of the Secretary of State. Therefore, there is a pressing need to ensure that DSG expenditure is brought within the grant funding made available.
18. Currently a "statutory override" is in place, which means that DSG deficits can be ring fenced away from core Council budgets and do not have to be cash backed. This override is currently due to remain in place until 31 March 2026 but is not guaranteed to be in place beyond that date.
19. If the Council chooses not to accept the Safety Valve proposal it would need to have an alternative funded plan in place to repay expenditure already incurred and the accumulated DSG deficit reserve at the point at which the Statutory Override expired (estimated to be £96.0m by March 2026), and for each of the subsequent financial years until an annual balance can be achieved (a further £15.2m by March 2029). This would either be through large scale reductions in the services funded from the DSG, which would not be in the best interests of children or the wider sustainability of the education system (and probably would not be feasible), or through significant reductions in General Fund spend (17% of the Council's net service budget) to pay for the whole deficit.
20. As per the Council's Safety Valve submission, it is expected that any Safety Valve agreement will include the following financial and monitoring commitments:
 - The DfE will make available an additional £53m of DSG allocation payable over the next six years which is only to be allocated to reduce the accumulated deficit on the Council's DSG reserve.
 - The Council will contribute up to £46.5m from its own resources with £42.8m of this amount to be allocated to reduce the accumulated deficit on the DSG reserve and £3.7m to provide additional funding for the associated costs in delivering the programme of change. This is included in the 2024/25 Budget agreed by Full Council at the meeting on 28th February 2024, and further details relating to each of the associated funds, source and funding and reserves required to ensure the Council's resilience throughout this period, will be provided when presenting subsequent report with the actual Safety Valve agreement.
 - Subject to annual approval at Schools Forum, a transfer from the Schools Block to the High Needs Block of 0.5% will also be required in each of the first five years of the agreement. This is projected to average £1.8m per annum and total of £9.1m over the five years.

- The Council will undertake not to exceed maximum levels of deficit on its cumulative DSG reserve (before any additional DSG allocation) at the end of each of the seven financial years 2023/24 through to 2029/30. This is to be achieved by reaching and sustaining an in-year balance on the Council's DSG account by 2028/29.
- The Council will have to meet prescribed DfE monitoring arrangements which will involve submitting comprehensive monitoring reports to DfE on at least a tri-annual basis but also a commitment to make them immediately aware of any unforeseen difficulties or impacts of carrying out the agreement, or any significant risks to reaching the agreed financial position as soon as they arise.

Cabinet Member/Officer Recommendations:

That Cabinet:

1. Approve the principles and mitigations (Appendix A1) that will form the basis of the Safety Valve agreement between the Council and the Department for Education including the allocation of general fund resources as approved in the Council's 2024/25 budget on 28 February 2024.
2. Approve, if the DfE accept the proposal, entering into the Safety Valve Agreement between Bristol City Council and the Department for Education.
3. Authorise the Chief Executive, S151 Officer and the Executive Director Children and Education in consultation with the Mayor, Deputy Mayors and Cabinet Members for Children's Services, Education and Equalities and Cabinet member for Finance, Governance, Property and Culture to take all steps required to enter the Safety Valve Agreement and resolve any minor technical issues to the text, which do not materially alter the substance of the Agreement.
4. Endorse the application for, and subsequent acceptance of, additional DSG funding of £53.0 million in relation to the Safety Valve Programme.
5. Note the bid for additional High Need Capital Allocation funding of £28.2 million submitted on 5 January 2024 and if successful, a further report will be brought to Cabinet in April to seek approval to accept and spend this funding.
6. Authorise the Director of Education and Skills and Director of Finance, in consultation with Cabinet Member for Children's Services, Education and Equalities to approve revenue funding and to take all steps required to deliver the Safety Valve Programme including procuring and awarding and extending/varying contracts which may be over the key decision threshold.
7. Authorise the Head of Strategic Procurement & Supplier Relations to approve appropriate procurement routes to market where these are not yet fully defined in this report, or if changes to procurement routes are subsequently required.

Corporate Strategy alignment:

This programme is well aligned to priorities for our Children and Young People set out within the Corporate Strategy,

CYP3: Equity in education.

Over the course of this Corporate Strategy, the Council expects SEND provision to continue improving by co-designing appropriate support with children and families to meet their needs. The Council want to create the right conditions that will enable more young people with SEND and from disadvantaged backgrounds to enter further education, employment, or training. Supporting children and young people to experience an inclusive education that meets their academic, health, social and emotional needs is a crucial step to entering employment and becoming independent and economically active within the city, which supports their lifelong wellbeing.

The Council's ambition is that children and young people have access to an education that develops their potential both in what they learn and who they become, so that they have skills for life and work. Additionally, an education that is inclusive and values diversity, and that provides opportunities where they learn from each other and benefit from understanding their different experiences is important. In achieving this, the Council will work both directly and with partners across the entire system to maximise opportunities for all. This includes access to further education, higher education, and other training providers to help people find pathways to employment; acknowledging and

building upon much existing work by the Council and partners in these sectors to address the educational disadvantage in the city.

City Benefits:

That funding which supports provision for pupils and students with SEND is spent in fair, transparent and sustainable way.

Consultation Details:

1. Audit Committee, 20/11/23
2. Cabinet Board, 08/01/24
3. Scrutiny - Finance Task Group, 23/11/23, 05/01/24
4. School’s Forum Meeting, 16/01/24
5. Cabinet member Briefings 01/03/24
6. Department for Education meetings, 31/08/23, 15/12/23, 05/01/24

Background Documents:

1. [DSG: conditions of grant 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/dsg-conditions-of-grant-2023-to-2024)
2. [Education Capital Programme – SEND Capital Proposals July 2019](#)

Revenue Cost	General Fund £46.5m Dedicated Schools Grant £53m Schools Block transfer £9m	Source of Revenue Funding	General Fund Dedicated Schools Grant
Capital Cost		Source of Capital Funding	
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input checked="" type="checkbox"/>	Saving Proposal <input checked="" type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice:
The financial implications are identified within this paper.

Finance Business Partner: Guy Marshall, Finance Business Partner, 1 March 2024

2. Legal Advice:
The application for funding does not raise any specific legal implications. The procurement process must be conducted in line with the 2015 Procurement Regulations and the Councils own procurement rules. Legal services will advise and assist officers with regard to the conduct of the procurement process and the resulting contractual arrangements.
The Public Sector Equality duty requires the decision maker to consider the need to promote equality for persons with “protected characteristics” and to have due regard to the need to i) eliminate discrimination, harassment, and victimisation; ii) advance equality of opportunity; and iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it.
The Equalities Impact Assessment is designed to assess whether there are any barriers in place that may prevent people with a protected characteristic using a service or benefiting from a policy. The decision maker must take into consideration the information in the assessment before taking the decision.

Legal Team Leader: Husinara Jones, Team Manager/Solicitor 1 March 2024

3. Implications on IT: I can see no implications on IT in regard to this activity.
IT Team Leader: Alex Simpson – Lead Enterprise Architect 4 March 2024
4. HR Advice: The report is seeking to provide Cabinet with sufficient information to endorse the application to Safety Valve Programme and delegation for the Director Education and Skills to spend the grant. This report has no significant HR issues arising from it for Bristol City Council employees
HR Partner: Lorna Laing - HR Business Partner 4 March 2024

EDM Sign-off	Hannah Woodhouse	01/03/2024
Cabinet Member sign-off	Cllr Craig & Cllr Cheney	01/03/2024
For Key Decisions - Mayor's Office sign-off	Mayor's Office	01/03/2024

Appendix A – Further essential background/detail on the proposal A1 – DSG Deficit Management Plan	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	No
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO