

Bristol City Council

Minutes of the Place Scrutiny Commission

8 December 2016 at 9.30 am



Members Present:-

Councillors: Jude English (Chair), Tom Brook, Tony Carey, Paul Goggin, Sultan Khan, Steve Pearce, Jerome Thomas, Mark Wright, Chris Windows and Helen Holland

Officers in Attendance:-

Barra Mac Ruairi (Strategic Director - Place), Alistair Reid (Service Director - Economy), Bill Edrich (Service Director - Energy), Robert Orrett (Service Director Property), Bob Baber (Asset Strategy Manager), Johanna Holmes (Policy Advisor - Scrutiny) and Claudette Campbell (Democratic Services Officer)

1. Welcome, Introductions and Safety Information

The Chair welcomed all and led introductions.

2. Apologies for Absence and Substitutions

Apologies were received from Councillor Threlfall, Councillor Weston and Councillor Wellington. Councillor Windows attended to substitute for Councillor Weston. It was hoped that Councillor Bradley would substitute for Councillor Wellington but due to ill health sent her apologies.

3. Declarations of Interest

There were no declaration of interest.

4. Minutes of Previous Meeting and Ongoing Action Sheet

The minutes of the 17th November 2016 were agreed as a correct record.

With reference to the action sheet the following was noted:

- The Megabus issue would remain
- Confirmed that the letter to the Department of Transport had been sent



- Supported Buses – Action related to no.505 was in hand

5. Chair's Business

The Chair shared with Scrutiny Members details of a recent meeting with Scrutiny Chairs and Officers to start the process of reviewing the work undertaken by all 4 Scrutiny Commissions. The intention is to move away from the function of agreeing reports to working towards policy development. A number of suggestions had been made on different ways the commission could work for example working groups and cross party working groups on specific issues. The Chair invited members to make contact by email with any contributions to the ongoing discussion.

6. Public Forum

PQ01 Richard Walker – question on AVTM. Officers provided answers.

PS02 David Redgewell – Network Rail Electrification

7. Scrutiny Work Programme

Members noted the work programme and made the following comments:

- January 2017 – arrangements to be made for the attendance of the Cabinet Member for Finance
- North Fringe & CPNN – This item will move to the March agenda.
 - In order that the commission are clear on the questions to be addressed Cllr Weston and Windows would pull together a briefing paper. **Action: Cllr Weston and Windows**
 - Joint Spatial Plan work to be addressed by a small working group. **Action: Cllr Thomas**

8. Update on the Council's Property Portfolio

The Commission received a presentation from Robert Orrett, Service Director Property and Bob Baber, Asset Strategy Manager on the Council's property portfolio, the management of and future plans.

Highlights from the presentation;

- The City Council is the largest landowner in Bristol, including Social Housing and Highways.
- Land held by social housing and highways are managed by the respective departments with Property Services providing them with a valuation and support services.
- All the Council's property can be viewed on the following site – <http://maps.bristol.gov.uk/pinpoint/>
- An outline was given on how the Property Services Division was structured and the areas of work undertaken. The service responsibilities extended to security staff, cleaning and maintenance teams, management of the market and the harbour. In addition the Property Services operation is



concerned with buildings that deliver services such as libraries and public toilets, and also the Council's land and buildings held for investment and development purposes

- An explanation was provided on how the £3 million rental income was generated from the commercial property sector. In most cases, Bristol Council is the freehold landowner and entitled to a fee from commercial landlords who manage the properties which is received as income to the Council.
- The service worked hard to maximise the income or reduce the running costs of Council's assets by selling and/or rationalising them. The Property Service also maintains buildings that are in use; works with local community groups and partners to share or transfer property assets and also help identify future needs for property and solutions to fill gaps.
- For the Investment portfolio, the Service is reviewing the current holdings, with an objective to:
 - Grow short term rental income by £1.5 per annum
 - Develop a formal Property Investment Policy and seek Cabinet approval to implement
 - Review Estate Management best practice and support systems in line with new policy

The following was noted from the discussion that followed the presentation:

- a. Members were concerned that property service had not met the projected income and savings targets. Officers acknowledged that the Council's financial management system reports an under delivery against target. However, the way the income and savings are presented by the financial system do not reflect the total activity or savings. This is because not all asset rationalisation activity undertaken by Property Services is captured and credited to the headline property savings targets. For example, property disposals related to the Bristol Workplace Programme and property budgets held by other service departments do not count towards the Property Services savings targets. These savings are captured against other savings targets or initiatives outside of Property Services. The issue is known and work is underway with Financial Services and with the business change team to establish alternative means of accounting that properly represents the performance of the Property Services team in financial monitoring reports.
- b. The Property Service would continue to facilitate other directorate service areas achieve their ambitions from their property holdings but to avoid double counting these savings would not be shown against the Property Services targets.
- c. A question was posed on whether any consideration was given to using locally backed asset delivery vehicle agreements, which are joint ventures with commercial companies to delivery development. It was suggested that these might provide a potential means of allowing the Council to benefit from successful developments such as the Cabot Circus retail quarter.
- d. Officers advised the Commission that the Council already received substantial income from developers such as this that created Cabot Circus on Council owned land. For example, income to



the Council at Cabot is geared to the rental income that the developers received. Although Cabot is a valuable site, it had been impacted by the financial failure of the economy in recent years. Officers advised the Commission that commercial developers are able to manage risk in a way that the Council could not. The commercial sector is able to sell and reinvest at will to manage risk.

- e. Another example of a joint venture is the emerging development deal between the City Council and Bristol University at the Cattle Market. The site failed to attract any interest from developers and has been derelict for the last 18 years. The Council obtained a grant from the DCLG that allowed for the purchase of the site and preparation of the site for perspective developers. With the University now committed to the development and making significant investment the wider Temple Quarter and Arena area will also be impacted in a positive way.
- f. Members requested
 - 1. A list of buildings in Council Ownership.
 - 2. Details of Community Asset Transfer (CAT) Buildings
 - 3. Details of the rent charged and how that compared if the property was let in the commercial market.
 - 4. Advanced notice of any property transactions that might come to the attention of media.
 - i. **Action: Robert Orrett.**
- g. The Service Director advised that it was important for any information on the concessionary value of buildings let to Third Sector organisations to be considered alongside the community benefits delivered from the buildings.
- h. There was some uncertainty at the meeting about whether all Community Asset Transfers (CATs) were presented to Neighbourhood Partnerships for agreement before transfer.

Resolved: To note the presentation

9. Cabinet Member for Place Q&A Session

The Chair welcomed Councillor Helen Holland Cabinet Member for Place and invited questions from the commission.

- a. Community Asset Transfer (CAT) – The Cabinet Member provided background to the development of CAT schemes. Sharing that previously members worked to find a solution that would support local people manage community facilities. CAT's provide short-term licences to long leases at



reduced or minimal rents or preferential terms. When done well, CAT's can create lasting change in local neighbourhoods.

- b. Arena Development - summary of the answers provided by the Cabinet Member and Strategic Director for Place.
 - i. Confirmation provided that the Mayor is committed to the Arena. All were reminded that it is a complex project, impacted by its location on an elevated site, near a main highway, with the river and railway station, in close proximity. The Engineers engaged in this project must ensure that all aspects of the design reflect the complexity of the area.
 - ii. Officers acknowledge the negative impact on road users around the Temple Meads junction, because of the development to Cattle Market Rd and work relating to the Metrobus.
 - iii. Reassurance was given that the artists performing at the Arena would seek out venues with a 12,000 seater capacity. They differ from the artists performing at Colston Hall. The Colston Hall has a seating capacity of 1900, attracting a different calibre of artist. Going forward Bristol will attract performers and spin off productions from television shows that had previously bypassed Bristol going instead to Cardiff Arena.
 - iv. The Arena discussion would be scheduled for Spring 2017 for further information sharing. The DC Committee took a view that a solution was required on the issue of parking and the congested created by vehicles dropping off, family and friends attending performances. The intention is that at the time the Arena is programmed on the agenda these issues and others would have been worked through, allowing for an informed discussion on the whole development.
 - v. With reference to the Electrification of the rail lines project this was not viewed as a hindrance to development within the arena area.
- c. The question was posed on future development plans on completion of the Arena?
 - i. A number of areas could be considered such as St Philips near Feeder Road and the South Bristol area both have potential for wider growth.
- d. The question was posed on whether the City Council work effectively with other Landowners within the region?
 - i. The Government is currently undertaking a rationalisation of public estates. This provides the Council with an opportunity to work with Health Partners and Government estates that would provide advantageous to the City.
- e. The Cabinet Member was asked what caused the greatest stress?
 - i. Concern in respect of the budget position and delivering the vision for Place with resources that are restricted.
 - ii. The Strategic Director for Place shared that Officers involved in the delivery of City Wide development are few and any benchmarking exercise would show that comparative cities have a larger pool of officers undertaking similar work.



The Chair extended the Commission's thanks to the Cabinet Member for her attendance and contribution.

10 Place Financial Monitoring, Period 6 (extract from Cabinet Report)

The Commission received a report on Period 6 Finance Report and Members were invited to pose questions to the Strategic Director Place.

- a. The report provided detailed what would now be considered historical information with forecast in the coming Period 7 report showing an improvement. The department had a good understanding on the stretch required for 2020 and now noted the pressure for the property department at the right level. Income generation must be maintained to support all necessary services that in turn support the City infrastructure.
- b. Energy Company – Confirmation was provided that the loss detailed did not impact the department's revenue budget. The projections provided outlined a period of loss before breakeven is reached in 2019. The Company's Business Plan would be presented to OSM in January 2017 and members of the commission were invited to attend this meeting to receive a full overview of the Energy Company.
- c. Resident Parking Scheme Budget – Members sought clarity on possible surplus generated from the scheme and the use of this sum on projects such as improvement in air quality. Members were advised:
 - i. Income raised from off street parking was reinvested in the service.
 - ii. Any profits from the scheme went towards capital repayment, approx £6million was borrowed
 - iii. RPZ surplus were designated to repay the capital and the service was just breaking even
 - iv. Acknowledged that the way in which this was reported was complex
- d. Section 4.3 Table detailing actions taken to mitigate budget pressure, section 6 refers to a Director's Working Group looking at income generating opportunities. Members enquired whether there was resource to support this development.
 - i. Worked being done to look at services and determine the right level of service delivery to generate custom. Work continues to note assets and ways in which to maximise them. There is a need for staff to support this work and maximise opportunities but this is impacted by current economic climate. The Council although a business operation cannot operate freely in the same way that commercial business operate.
- e. Section 4.11 detailing historic pressure, the question was posed whether this would be written off.
 - i. The history surrounding this pressure would be worked through and understood, there would be no right off at this stage.



Resolved: To note the report

11 Q2 Performance Monitoring

The Commission received the report on Q2 Performance 2016/17 outturn from Strategic Director Place.

Members did not consider the report format to be user friendly and sought explanation on the colour scheme included.

The following were brought to Members attention:

- i. The concerns about delivering affordable housing.
- ii. The increase in those using the bus for journeys.
- iii. The impact the dip in tourism had on the attendance at the Museum and Art Gallery.

Resolved: To note the report

12 Directorate Risk Register

The Commission received the Directorate Risk Register from the Strategic Director Place.

- a. Members suggested the inclusion of the following to issues in the register; the spending freeze and potential reputational risk when residents noted lack of action or the addressing of issues; the impact arising from the ongoing roadworks in the Cattle Market area.
- b. It was explained that the department risk register fed into the corporate risk register with a number of risks moving across both areas. Mitigation of certain risk such as the HR risk and financial risk would be noted in the corporate register.
- c. Officers acknowledge that the report was not user friendly and modifications were required to the format.

Resolved: To Note the Report

Meeting ended at 12.40 pm

CHAIR _____



