

Bristol City Council
Minutes of the Resources Scrutiny Commission

19 December 2016 at 9.30 am



Members Present:-

Councillors: Graham Morris (Chair), Stephen Clarke (Vice-Chair), Donald Alexander, Geoff Gollop, Tim Kent, Afzal Shah, Jo Sergeant and Sultan Khan

Officers in Attendance:-

Anna Klonowski (Interim Strategic Director - Resources), Richard Billingham (Service Director HR), Denise Murray (Service Director Finance), Nancy Rollason (Service Manager Legal), Martin Smith (Revenues Manager), Kevin Smith (Debt Management Group Leader), Tracy Mathews (Performance Improvement Advisor), Johanna Holmes (Policy Advisor - Scrutiny) and Louise deCordova (Democratic Services Officer)

1. Welcome, Introductions and Safety Information

The Chair led welcome and introductions.

2. Apologies for Absence

Apologies were received from Cllr Brook (Cllr Khan attended in substitute), Cllr Clark and Cllr Godwin (Cllr Sergeant attended in substitute).

3. Declarations of Interest

There were none declared.

4. Minutes of the Previous Meeting

The Commission resolved:

To agree the minutes of the last meeting as a correct record.

5. Action Sheet



An updated action sheet was circulated by the Scrutiny Policy Advisor. The Commission noted the progress of actions from the previous meeting.

In discussion and in response to Members questions, the following points were raised:

Property disposal

- a. Officers provided an update on value of the receipts from properties that had been released for sale. It was noted that at the time of the estimated valuations the property market had been depressed and therefore each sale had exceeded original forecast and reflected the current property market. The value had been transferred to the People Directorate. It was noted that the Park View business case was still to be updated.

Procurement Contracts

- b. Officers to provide additional detail including the value of each contract and the length of contract terms. **Action: Netta Meadows**
- c. Members commented that SME local spend appeared to be quite low and that it would be useful to have historical perspective to compare the data.
- d. Cllr Shah had been asked by the Mayor to look at ways to increase the use of SMEs in Council procurement. Some initiatives under consideration included action to reduce any artificial barriers to local SMEs applying for opportunities, such as increased transparency and improved communication about tendering processes, better use of the Council website and organisation of a biannual seminar for SMEs.
- e. Members considered that not many SMES were aware of the ProContract online system which informed subscribers about all of the Council's procurement opportunities. Members agreed that it would be useful to have a guide on the Council website which provided detailed support for suppliers on how to trade with the council.
- f. It was noted that research by FSB had shown that other cities were interested in following the Bristol Pound model. Members asked whether there was potential to use the Bristol Pound as a metric to score suppliers during the tendering process. **Action: Alison Slade**
- g. Cllr Clarke declared an interest as Director of the Bristol Pound.
- h. Members commented that the Social Value Act lays the groundwork to develop a strategy for dealing with local SMES which is beneficial to Bristol, and provides the ability to safeguard the local economy by using suppliers that employed a local workforce or contracted to local businesses and which would ensure a better deal for council tax payers. Members considered that the Council should have the ability to use supplier data to understand whether they were based



locally for example in the greater Bristol or West of England areas and therefore more likely to employ people who lived in Bristol.

- i. It was confirmed that the current SME categories were detailed in the Social Value Toolkit. Members asked whether the current procurement data set could be made accessible to all members and tracked over time. **Action: Alison Slade.**
- j. Members sought clarity over how contracts were awarded with regards to large contracts and whether going after economies of scale could be a false economy that consequently excluded local suppliers. It was suggested that that using local SMEs for services such as grounds maintenance could offer a more nuanced service and better value for money.
- k. Members raised concerns that contracts to larger providers have resulted in work being sub contracted to third parties outside of Bristol which are then unaccountable and cited the Warm-up Bristol scheme as an example.

6. Chair's Business

There was none.

7. Public Forum

There was none received.

8. Work Programme

The Commission noted the updates to the work programme.

- a. In response to Members questions officers confirmed the Council's budget was scrutinised by Overview and Scrutiny before the financial reports went to Full Council. Resources Scrutiny was solely focussed on financial extracts relating to the Resources directorate.
- b. Members questioned whether there was an opportunity to campaign government to look again into the level of compensation provided in the Revenue Support Grant with reference to students. Officers confirmed that payment is currently received for waste collection in halls of residence but not in houses of multiple occupancy. **Action: Officers**

9. Debt Collection (Presentation)

The Commission considered a presentation from the Service Director, Citizen Services presented by Martin Smith. The presentation set out the current position and future strategy for Debt Management model used in the Council and provided an analysis of options for future models being explored.



In discussion and in response to Members questions the following points were raised:

- a. Members sought clarification of how some debt was arising in the first place. It was understood that resources had been deployed to reduce processing times for housing benefits claims and therefore Housing benefits overpayments were cause for concern. Was there anything that could be done to reduce the benefits overpayments outstanding? Could the same resource be deployed to address this? Officers to look into this and provide a response. **Action: Martin Smith**
- b. Members asked for additional detail within the council tax domestic rate and non-domestic rate annual debts to confirm the proportion covered by direct debit payments. **Action: Martin Smith**
- c. Officers gave a summary of the debt collection process which was laid out in regulation for local taxation. It was noted that the cost of collection was added to the original debt. Officers also confirmed that the Department for Work and Pensions (DWP) FERIS (Fraud and Error Reduction Incentive) scheme funding to local authorities has enabled the Council to identify housing benefit overpayments at an earlier date. Officers to provide more information. **Action: Martin Smith**
- d. Officers to circulate a draft copy of the Fair Debt policy to Members. **Action: Martin Smith**
- e. Officers to provide an indication of the sources which made up the Sundry debtors £122m figure as it would be helpful to understand how much included social care costs, how much was normal trading debtors and how much was one-off or exceptional items. **Action: Martin Smith /Finance officers**
- f. Officers confirmed that they were currently unable to analyse the number of Council tax debtors within 30 days as there was not enough resource to process the response within the timescale. In chasing outstanding payments officers would select 25-50 % of the wards and process in batches.
- g. In house enforcement - Officers to report to Scrutiny when next steps are known, after the business case has been presented to the mayor. **Action: Martin Smith**

The Commission resolved:

To note the presentation, and the comments and actions arising.

10. Business Change Period 6 Finance (report)

The Commission considered a report from the Interim Service Director, Finance. The report set out the relevant Business Change/Resources extracts taken from the Period 6 Finance Report that went to Cabinet on 6th December 2016 and focused on significant variances to meeting the budget in 2016/17.

In discussion and in response to Members questions the following points were raised:



- a. The Commission noted that the Service Director Finance and Section 151 Officer Denise Murray was in post; and noted that Richard Billingham would be leaving the organisation at the end of January with an Interim Service Director of Human Resources, Nicky Beardmore recruited to the post.

Capital Disposals

- b. It was noted that an officer led Capital Board would provide guidance for future capital disposals and prioritise a review of the way capital spend was managed and monitored, this would require a closer relationship between the finance and property services teams to have robust management of Capital disposals.

Agency Spend

- c. It was confirmed that there were 12 agency staff in Resources Directorate including interim senior posts. For the period 8 report officers to review within each of teams how many covering interim roles and how many contingent roles. **Action: Anna Klonowski**
- d. Officers confirmed that £100k previously forecast related to an expected cost of agency staff within the software development service until the end of financial year. After subsequent review and detailed work this had been adjusted downwards and would be reversed out in period 8.

Property Portfolio

- e. A member referred to a Property Portfolio presentation at Place Scrutiny on 8 December and asked whether the strategy for managing the Council's £200m property portfolio and analysis of the opportunities to maximise potential yield, should be a subject of interest for Resources Scrutiny. It was agreed that this should be raised as a matter of concern to the Overview and Scrutiny Commission. **Action: Johanna Holmes/Chair**

Voluntary Severance

- f. It was confirmed that 308 staff had been released under voluntary severance resulting in savings of £9.3M to date. The previous estimate of 1000 equivalent FTE had been required in order to state the maximum number of staff that could have been affected when publishing statutory the s108 Notice.

Income Generation

- g. It was noted that the remit of the Directors Working Group was to work through corporate proposals, taking account of known risks to validate savings for income generation as part of budget process and provide assurance on robustness of what is being proposed. The Chief Executive had asked each Strategic Director to assume a coordinating role in own areas of income



generation. In addition, Cllr Pearce had been talking to members and working up suggestions and ideas. Members to feed further ideas and suggestions through OSM or direct to the Service Director Finance or the Interim Director Resources. **Action: Members**

Members ICT

- h. It was noted that Members should return any ICT equipment that was not being used as these may have licence fees attached. **Action: Members**

The Commission resolved:

To note the report, and the comments and actions arising.

11 Quarter 2 Performance Report for Resources Directorate (Report)

The Commission considered a report from the Performance Improvement Advisor. The report set out the existing performance indicators already reported to Business Change DLT. All indicators aimed to show the progress made to supporting the delivery of the Corporate Plan 2014/17.

In discussion and in response to Members questions the following points were raised:

BU355 Percentage of invoices paid on time (BCC)

- a. It was confirmed that the definition of invoices paid on time had changed mid-year. Members raised concern that this may either adversely affect SMEs or result in late payment fees.

BU115 Customer satisfaction (%) with ICT service desk

- b. Members commented that interactions with ICT Service desk had been good.

Legal services

- c. It was confirmed that the Bristol Waste and Energy companies did not have an obligation to use the Council's legal services. Bristol Companies work currently accounted for 58% of Legal Services income.
- d. It was agreed that much of the data included within the current report format was detailed management information. Officers to provide a condensed report for Resources Scrutiny which included a chart of all income for ease of comparison and some analysis of key indicators which identified chargeable and non-chargeable hours and how these were being used efficiently to generate income. **Action: Shahzia Daya**

The Commission resolved:



To note the report and the comments and actions arising.

Meeting ended at 12.00 pm

CHAIR _____

