

# Bristol City Council

## Minutes of the Resources Scrutiny Commission

18 September 2019 at 4.00 pm



### Members Present:-

**Councillors:** Stephen Clarke (Chair), Mark Brain (Vice-Chair), Donald Alexander, Afzal Shah, Mhairi Threlfall, Graham Morris, Sultan Khan and Clive Stevens

### 1. Welcome, Introductions and Safety Information (4pm)

Councillor Clarke welcomed everyone to the meeting.

### 2. Annual Business Report

The Scrutiny Advisor opened the Resources Scrutiny Commission Annual General Meeting (AGM) and explained that the Commission Members were required to elect a Chair and Vice Chair of the Commission for the municipal year. The following was agreed by Members of the Commission

Chair of the Commission – Cllr Stephen Clarke

- Nominated by – Cllr Afzal Shah
- Seconded by – Cllr Graham Morris

Vice Chair of the Commission – Cllr Mark Brain

- Nominated by – Cllr Clive Stevens
- Seconded – Cllr Don Alexander

At this point the newly elected Chair thanked the other Members and asked everyone in the room to introduce themselves.

### 3. Apologies for Absence

Apologies were received from Cllr John Goulandris, Cllr Margaret Hickman and Mike Jackson - Executive Director of Resources and Head of Paid Services.



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#### **4. Declarations of Interest**

The points were raised by Members:

- Cllr Threlfall: is a Director of Bristol Is Open
- Cllr Stevens; Regional Community Bank Item: is member of the RSA (Royal Society for the encouragement of Arts, Manufactures and Commerce). Two of the companies listed in the paper are customers of his business.
- Cllr Clarke – said he was involved in early discussion about the Regional Community Bank and is involved in the Bristol Pound

#### **5. Minutes of the Previous Meeting and Action Sheet**

Item: Commercialisation and Innovation

- Councillor Stevens asked for clarification in the minutes about what the term “washing its own face” meant with regards to Bristol Harbour. It was clarified that this meant that it was not bringing in enough income to cover its own costs or break even.

Members agreed the previous minutes as a correct record of the 28th February 2019 meeting.

#### **6. Work Programme**

A Member asked about the relationship between Resources Scrutiny and the HR Committee. The Chair said there was quite an overlap but it was partly being dealt with by him attending HR Committee meetings as well. It was understood that Scrutiny focused more on the performance side of things but he would discuss where items should go to with the Chair if and when necessary so as to avoid any duplication.

The work programme was noted.

#### **7. Chair's Business**

None on this occasion.

#### **8. Public Forum**

No Public Forum received.

#### **9. Commercialisation and Innovation (4.20pm)**



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The Director of Commercialisation, Citizens and Shareholder Liaison introduced the report and gave a short presentation (slides to be published with the minutes). It was stated there was a Commercialisation and Innovation Working Group Away Day on 7<sup>th</sup> August where a Commercialisation Programme was endorsed for the period 2019 – 2022. The following points were also highlighted:

- The first major project selected to focus on was the Harbour Review and working towards the Harbour becoming cost neutral in future.
- The Harbour has an aging infrastructure and needed investment but there are however a number of medium term projects such as new pontoons which will also help to increase revenue.
- Part of the process will be to review the harbour 'provision'
- Some of the work could attract external funding, supported by the Commercialisation Development Team Bidding and Funding Analyst to secure any such available funding as the council doesn't have a consistently strong track record on this.
- Perennial issues of culture change: there are some officers who still continue to want to do things in a certain way and are resistant to change. And some officers are just not commercially minded. There's also the need to make efficiency savings. It would appear surprisingly often that officers don't know about in-house services that are available and we therefore need to make sure they are using the resources the Council already has.
- The previous Harbour Revision Order was produced in 1998.
- The launch of the Harbour Strategy would tie in with the 50<sup>th</sup> Anniversary of the Harbour Festival in 2021.
- The focus throughout much of the work will be on 'stakeholder engagement'. The Neighbourhoods and Communities Team are now part of the Commercialisation, Citizens and Shareholder Liaison Division which will enable more meaningful community engagement on projects.

The following points were raised and questions asked:

- A Member stated they agreed with projects being staff-led, this it was said was important. But she was interested in how this linked to jobs and how the community engagement aspect was brought into 'business as usual'. So often the council brought in consultants and then tried to retro-fit instead of doing it this way. The Director responded that part of her role was to embed certain principles within the council. She said she wanted staff to learn and retain the required skills. Undertaking peer-led work provides the opportunity to 'hand-hold' and so isn't quite so scary for people, as well as helping to build individual and team confidence.
- A Member said he'd received complaints from residents who say that they haven't been consulted about recent activity in the Harbour. He asked if residents would be part of the consultation process. The Director responded that yes that was definitely the case but that recent works related to addressing an identified need to bring in some new facilities. There is now a dedicated email address for people to link in if people provide their contact details.
- It was asked if / where 'social value' was factored in this? The Director confirmed it was a certainly an important factor and the right officers were involved to ensure that it was properly reflected.
- It was said that Bristol City Council is a very powerful local brand and people look toward the local authority and gravitate toward it but was there also a strategy for attracting customers? The Director



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responded that it depended which service they were talking about but she used the example of the Translation Service which provides a robust and good service. An effective pricing strategy was important - a brand could be devalued by making it too cheap. The Member used Bristol Waste as an example and said it had potential to expand into commercial waste collections. He said that businesses were asking about it all the time. So the communication was important because opportunities existed to exploit markets because the Council was a trusted brand.

With regards to the Council's Translation Service it was asked if the Council ever asks employees which other languages they speak as it could be useful to know this. The Director agreed that it was an interesting thought, but expressed a degree of caution: different levels of fluency were required for activities such as jobs and health care.

## **10 Financial Debt and Arrears across the Council (4.40pm)**

The Director of Finance introduced the item and explained that officers had undertaken a 'deep dive' into this subject by doing a whole systems approach. She thanked colleagues who were present at the meeting for their work producing the report. It was said this was the first time they had captured all the different streams of debt together in one place in this way.

Finance officers introduced themselves and said that they were making progress to ensure business efficiencies were made in respect of sundry debt. Members asked the following questions

- Members asked about the £8.8m showing on the Overpaid Housing Benefit and asked how the situation had arisen. The Director of Finance said that there were a number of different reasons for the figure and gave some examples of how the situation arises and explained how it works. One of which relates to administration changes and then the issues in how it's recovered for example from a landlord. The Director said that the information was a current position in time and that the Council will get some of it back from the Department of Work and Pensions (DWP) but not all of it. She added that there is an age related debt summary because everything had an age profile too.
- A Member asked about margins of error and highlighted her own experience of a miscalculation of council tax and ongoing issues with it and rented accommodation. Officers said issues had been raised with the online forms. The move out dates weren't always correct and they recognised there was sometimes a problem with the dates when tenancies ended. The Member said there were gaps in the system and so if these problems arose people received large bills that are very difficult to resolve and they are chased for bills they aren't liable for. Apart from this being very hard on people it's a waste of Council time and resources she said. Officers said that sometimes they have three different dates to go by which can cause issues. Members asked officers to consider different ways to do this to help prevent it happening. It was agreed that the officer and the Member would continue this conversation outside of the meeting.



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- A brief discussion took place about whether debt (particularly in Adult Social Care p45) that's over 4 years old would be written off. Officers confirmed that it had not been written off no. They said some of it related to probate and legal action which quite often took long periods to resolve.
  - A question was asked about business rates collection figures. One Members said that colleagues of his say they aren't accurate enough, especially small businesses and ask if it could somehow be simplified? Officers agreed this was a valid point. But it was said that the responsibility of this sits with Central Government. Local Authorities have been waiting for a number of years for a review and re-set. They said they had been told this would not now not happen until next year. So, until the review takes place they have to operate within the parameters the Government has previously set. The Member said that people think that it's all set by local government. It was said there are officers that go out and advise small business but they said they do recognise that the system is creaking yes.
  - The Chair asked how Bristol City Council compares with other local authorities levels of debt. Officers said they didn't know. It was asked if other local authorities published this information? It was said they publish the figures for council tax and business rates collected but no other information, so there wasn't really anything to compare with. But they would take look into it.

The Commission thanked Officers for producing the report and attending the meeting.

## 11 Finance Monitoring Report P4 (5.10pm)

The Director of Finance introduced the item and provided members with an overview of the report content (Members had received the 3<sup>rd</sup> September 2019 Cabinet Report).

- Officers highlighted a potential risk of overspend from the General Fund services of £2.8m for 19/20. There were still challenges in some areas, especially facilities management. Other areas earmarked for possible additional reserve funding were cyber security risk, ethical debt approach, Bristol Pound and the Avon Mutual Fund.
- A Member queried the £5m figure against the PE06b Adult Social Care line (P4 of the report / p87 of reports pack). He said that he'd expected the figure to read as £6m rather than £5m after a budget amendment he'd proposed was accepted in February 2019. Clarification about that figure was requested and the Director of Finance said she would look into it and report back. **ACTION: clarification requested about the £5m PE06b Adult Social Care figure.**
- Members asked for more information about the (PE06b) Adult Social Care line (p5 of report / p87 in pack) and what progress had been made on this project. Members said that the success of this piece of work which would enable mobile working in Adult Social Care (ASC) was integral to making large financial savings. **ACTION: an up-date to be provided about what progress has been made on the ASC mobile working project**



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- A Member asked about the number of late payments of invoices showing and what the targets were for improving these figures. Officers said that this figure has historically been poor but the figure for invoices being paid within 30 days was now up to 80%. Members asked whether these were medium size businesses or small businesses but this wasn't known. Officers said invoices sometimes spend too long going round the building meaning they are dealt with later than they should be and therefore paid late. They agreed the system needed to be refined and a whole suite of measures added for this indicator.

## 12 Investment in Regional Community Bank and City Fund (5.20pm)

The Director for Finance provided members with a brief overview of the current situation. A report on the Community Bank had been presented to Cabinet in July (this paper was included in the Commissions meeting papers for information purposes). The Director made the following key points:

- The target of £550k of contributions to get past Round 1 had been reached. In fact £600k had been raised.
- A number of other local authorities had indicated an interest in contributing. This will be required to get through Round 2 which will require £2.0m worth of investment.
- A business plan was currently being drafted. BCC will be undertaking its own due diligence and sensitivity analysis on the business plan assumptions.
- Avon Mutual Community Bank Round Table was hosted by Bristol City Council (BCC). Feedback has been positive.
- The Director of Finance said she was leading on the procurement position and that she wanted to make sure the approach taken is the best one for the public sector.

The Chair said that he was very interested in this and hoped it would be effective in reducing the number of people who aren't able to open bank accounts. He said that lots of people in Bristol were being a refused banks account which in return was costing them a lot of money. He said he understood there were other banking models but this cross regional model looked promising.

A Member said they thought this sounded exciting and it seemed to have a lot of potential. She did however comment on the make-up of Avon Mutual's Board in the report and the apparent lack of diversity as there only appeared to be one woman listed. She highlighted the importance of diversity but also said people often trust people they can relate too. The Director of Finance thanks her for the comment and said it was timely as recruitment was about to take place.

A Member said that he had some further questions about the business model but he recognised they shouldn't really be directed towards the Director of BCC Finance and so asked who they should be sent to. The Director asked the Member to send her his questions in an email as this was related to due diligence. **ACTION: further questions about the business model to be forwarded to the Director of Finance**



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A Member said he thought it was correct that BCC lead on this in the South West and that the social value principles in investment were correct. The Director of Finance said she would welcome a wider session to further discuss the social value aspects of the bank.

The Chair asked all the Commission Members present if they agreed to support this investment. All the Members present said yes they did. The Chair asked that this agreement in principle be include in the minutes.

One Member highlighted that some religions prohibit gaining interest on their finances. It was asked if this was known and if the bank would be providing sharia compliant loans. The Director of Finance said she didn't know but would find out and report back: **ACTION: The Director of Finance agreed to find out whether the bank would offer religious compliant financing and report back.**

A Member said he'd like to understand more about the bank not refusing people accounts and which people were being referred to i.e. would the bank offer accounts to people who had previously been refused due to bankruptcy? The Chair responded that as he understood it, people with poor credit ratings are often refused bank accounts but a lot of those people will be able to have one of these accounts. The Director of Finance said there would be a 'lower threshold' put in place. It was clarified that this was about enabling more people to have current accounts and wasn't about getting people into debt. It was more about the principle of 'inclusion'. Members said they would like more clarification about this point. **ACTION: further information to be provided to Members about the 'lower threshold' for applicants.**

A Member asked about the relationship between the figure of 12,000 individuals who don't have a bank account and people who don't have a permanent address. Were these likely to be many of the same people? The Director said she would need to report back this. **ACTION: The Director of Finance to feedback to Members about whether there is a correlation between the figure of 12,000 individuals who don't have a bank account and people who don't have a permanent address.**

### 13 Performance Report Quarter 1 (5.35pm)

The Head of Insight, Performance & Intelligence introduced the report to Members. It was said that just under half of the indicators were above target and 9 out of 10 were doing better than they were 12 months ago.

The following points were discussed:

- Commercialisation: measures have been introduced, ideas were coming through and being progressed but were not ready to report back yet.
- Policy, Strategy and Performance: 39 % were above target and 15% were improving
- Legal & Democratic agency spend; Members were told this figure had improved.
- Workforce and Change; Reduce the average number of working days lost to sickness; it was said that a lot of work had gone into trying to reduce these figures and get them on target.



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- (BCP528 ) Increase the percentage of employment offers made to people living in the 10% most deprived areas; it was said that this indicator had real potential to help and re-focus parts the economy. Some Members wanted to know more about this indicator, for example what were the types of job offers being made? There was no indication of what level the jobs were i.e. were they managerial jobs or perhaps cleaners? Officers agreed this was a valid point as it wasn't clear what sort of job opportunities this referred to.

**ACTION: (BCP528) Officers to investigate if any further information is available about what types of job offers this indicator was referring to.**

#### **14 IT Transformation Programme - Exempt Item (5.50pm)**

The commission considered the progress of the IT Transformation Programme (ITTP) assisted by the independent consultant appointed for audit purposes by Bristol City Council. Concerns had previously been raised around some aspects of the project by both the consultant and a previous Resource Scrutiny meeting. Some of those concerns remain and therefore the Commission Members have decided to refer the matter to the Audit Committee for their consideration.

**CHAIR** \_\_\_\_\_

