

Item 6

Report from Overview and Scrutiny Management

Members of OSM note the Mayors Forward Plan issued on 6 August 2018 and are disappointed that all 14 items scheduled for decision between 6th August and April next year are new, and due to be decided at the 4 September Cabinet meeting.

This clearly provides no opportunity for pre-decision scrutiny of the majority of these items, not least because the papers were not released until Council offices had closed on the Friday evening of the bank holiday weekend week before the Cabinet meeting, (meaning exempt papers were not available until after the bank holiday).

The Forward Plan should be a key part of the decision-making process and is fundamental to the checks and balances that form part of the governance of the Council.

This failure is not new, but is getting worse, in that there has never before been a Cabinet meeting where none of the items were on the Forward Plan 5 weeks before the meeting.

After the publication of the Forward Plan a further confidential item was added to the Cabinet agenda relating to Bristol Energy, even though the need for that item should have been known in advance.

Can I register the serious concern of OSM members and ask that urgent action is taken to improve the Forward Plan and Executive interaction with scrutiny.

As a result of the above, OSM was only able to include a very small number of items on its agenda and wishes to register the following comments.

Item 9

Arena Island

Members spent 10 hours scrutinising proposals as they stood in June 18. It is now apparent that the alternative mixed-use proposals must already have been available by that point, but they were kept under wraps until the day before September Cabinet papers were published. The detailed submission from our June meeting confirms that Members of all 4 parties voted by 10 votes to one for the Temple Meads site.

Members have had insufficient time to look at the Legal and General proposals in any detail, and we note that the Mayor plans to make this decision without any public consultation whatsoever as well as not allowing time for scrutiny.

More significantly many of the questions raised by OSM from its June meeting have not been answered and only been met with aggressive criticism and obfuscation.

Members raised specific concerns and agreed that these items should be referred to Cabinet.

Members were concerned about the employment of a consultant with a clearly conflicted involvement with projects close to the Filton location. *(Note – the Monitoring Officer has added that the relevant officer has confirmed that he hasn't previously been employed by YTL as was alleged in the press and during the OSM meeting).* They also raised issues around contracts of employees that allowed them to take information to new employers.

Members noted that the confidential briefing on potential claims provided insufficient information to form an opinion and would have expected a much more detailed and informed document to be available. (Although it appears that OSM has not seen the detailed information that has been seen by some local media).

Members would have expected to see in confidence a paper on the possible risk and potential cost of a judicial review. No such paper was available.

Members questioned whether these items were on the Corporate Risk Register and were surprised to be told that they were not but would be added very soon.

The Board expressed surprise that the Mayor had apparently not engaged with Arena Island Limited during the last year.

Item 19

Creation of a Housing Company

Item 21

Governance Review

OSM viewed the Companies Governance report and noted that significant improvements had been made since the initial report had been produced, but also noted that the ongoing performance was still not satisfactory.

OSM saw no evidence to suggest that the Council had identified a mechanism for managing and developing businesses or for making speedy commercial decisions.

OSM could see no financial logic in incorporating a housing company that is intended to be successful within Bristol Holdings.

Members were unanimous in welcoming all the aims and intentions of the proposed Housing Company and did not want that process slowed down at all, but also wanted to emphasise that unless the governance arrangements were much sharper and more agile than those currently in place the risks could be significant. Members wanted to see effective working governance processes established at the start that could allow commercial decisions to be made quickly whilst still being subject to the appropriate checks and balances.

Because of time constraints OSM did not have the ability to scrutinise the proposals adequately.

Public Summary - Item 22

Bristol Energy Operational Plan

OSM briefly reviewed the Bristol Energy Operating Plan.

Members noted that parent company guarantees were effectively underwriting the Energy Company. There was no presentation as to the likely pressures on borrowing between October and April (note: Peak trading exposure was incorporated in the report) nor was there any presentation of the latest management accounts or an indication of June, July and August customer numbers against budget, which would have indicated whether the current year budget is attainable. Similarly the comparisons of current year gross margins with forecast, month by month would have been a helpful indication of the companies direction of travel and members believe the Mayor should need assurances that the guarantees are funding working capital not losses.

OSM had insufficient notice of this item being considered and insufficient time to scrutinise this item for an opinion to be formed and does not believe there is sufficient information for the Mayor to determine whether it is financially prudent to continue with this level of financial support.

OSM was concerned that this significant decision had received no comments from the Independent Shareholders Advisors who were so important to the governance process and this was a serious omission.

Members were excited about the potential options arising from the City Leap prospectus and the expressions of interest received but were concerned at how the Council would turn those expressions into income flows.

Members expressed a high level of disappointment that the Council had not been able to award contracts to Bristol Energy.

Members welcomed the officer proposal that Party Group Leaders should be briefed regularly on the Energy Company and would suggest a 6 monthly update to scrutiny.