

Bristol City Council

Minutes of the Overview and Scrutiny Management Board Meetings



3rd September 2019

Members of the Overview and Scrutiny Management Board Present (in full or part); Councillors Don Alexander, Charlie Bolton (substituting for Paula O'Rourke), Tom Brook, Stephen Clarke, Geoff Gollop (Chair,) Gary Hopkins, Claire Hiscott, Carole Johnson, Olly Mead (substituting for Jo Sergeant) Celia Phipps and Estella Tincknell.

Other Members present (in full or part); Councillors Nicola Beech, Craig Cheney and Paul Smith.

1. Welcome

The Chair welcomed all attendees to the meeting.

2. Apologies for Absence and Substitutions

It was noted that Cllr Mead was subbing for Councillor Sergeant and Councillor Bolton for Councillor O'Rourke. Councillors Alexander and Tincknell advised they would be leaving early.

3. Declarations of Interest

None received.

4. Minutes of the Previous Meeting

The minutes from the following meetings were approved as a correct record;

12th April 18

18th June 18

Call in Sub Committee - 26th June 18

5. Chair's Business

The Chair advised that parts of the meeting relating to Bristol Energy, the Arena and the Companies would be held in exempt session.

The Board agreed that a statement to Cabinet would be submitted setting out their ongoing concerns in relation to the population of the Forward Plan. Details as follows;



- *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.*

RESOLVED; that the comments set out above be referred to the Cabinet for consideration at their meeting on 4th September 18.

6. Public Forum

The following public forum was received and a copy placed in the minute book;

No.	Name	Agenda Item
1.	Arena Island Limited	9 - Arena Update Report
2.	Stephen Leyland	9 - Arena Update Report

7. Exclusion of Press and Public

RESOLVED;

That under s.100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of schedule 12A of the Act.

8. Bristol Energy Operational Plan

Members received an introductory presentation setting out details of the Operational Plan for Bristol Energy, following which they went on to consider the information provided and ask for additional details in a number of areas. It was agreed that the following comments would be referred to Cabinet for consideration at their meeting on 4th September 18;

- *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, 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. In the same way 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 expressed the view that the situation was sufficiently serious that there was a need for regular briefings on the position of the Energy Company. Members welcomed the officer proposal that Party Group Leaders should be briefed regularly and would suggest a 6 monthly update to scrutiny.*

RESOLVED; that the comments set out above be referred to the Cabinet for consideration at their meeting on 4th September 18.

9. Arena Update Report

Members welcomed representatives from Arena Island Limited who provided a summary of their public forum statement and went on to answer questions from Members. Following the discussion, Members agreed that statement below would be referred to Cabinet for consideration at their meeting on 4th September 18;

- *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.*



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- *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.*

RESOLVED; that the comments set out above be referred to the Cabinet for consideration at their meeting on 4th September 18.

10. Creation of a Housing Company – for Information Only

See minute relating to Item 11 – Companies Governance Review.

11. Companies Governance Review Action Plan – for Information Only

Members agreed that the following comments in relation to the Companies Governance Review and Housing Company be submitted to Cabinet for consideration at their meeting on 4th September 18;

- *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.*

RESOLVED; that the comments set out above be referred to the Cabinet for consideration at their meeting on 4th September 18.

12. Work Programme

The Work Programme was noted.

The meeting ended at 17.40



CHAIR _____

