

Bristol City Council
Minutes of the Resources Scrutiny Commission

18 December 2019 at 3.00 pm



Members Present:-

Councillors: Stephen Clarke (Chair), Donald Alexander, Margaret Hickman, John Goulandris and Clive Stevens

1. Welcome, Introductions and Safety Information

The Chair led welcome and introductions.

Also present: Councillor Steve Pearce – Cabinet Member for Waste, Commercialisation and Regulatory Services

Officers Present: Denise Murray – Director of Finance, Michael Pilcher - Chief Accountant, Tian Ze Hao, Senior Finance Business Partner – Strategic & Financial Management, Tim Potter – Council Tax, Group Leader, Steve Sandercock - Interim Head of Procurement, Martin Smith - Head of Revenues

2. Apologies for Absence

Apologies were received Councillors Afzal Shah and Sultan Khan

3. Declarations of Interest

There were no declarations of interest.

4. Minutes of the Previous Meeting

It was suggested that the text under Item 10. Financial Task and Finish Group - Stage 1 Report was amended to read as follows:



'It was highlighted that there is a proposal to limit the long-term total of capital investment so that financing costs were held at or below 10% of the General Fund income. The effect of which needs to be better understood and if implemented could force quite rigorous prioritisation and tough decisions.

The Director of Finance responded to the point Cllr Stevens made about the 10% being attributed to the cost of financing and it not being intended to destabilise the programme i.e. it is the cost of borrowing. Officers said that the 10% figure was a 'guide' which the Council are moving towards. Officers were conscious the actual figure was gradually creeping up and they were keeping an eye on it.

It was questioned whether the balance of capital spend (10% invest to save, 15% invest to maintain and 75% invest for growth) was right, especially the invest to save as that is what brings efficiencies to the General Fund items such as Adult Social Care and Care in the Community.

The Director of Finance said it was a mixed and balance programme and is moving on the right trajectory. Also, officers had completed a benchmarked exercise against other local authority's (LA) programmes on 'invest to save' initiatives and they varied greatly. The national average is 4% but for Core Cities it is much higher. For example Birmingham is 13% which makes it difficult to compare like for like. However, it was highlighted that this was not intended to set the direction of travel as such. In fact if anything it was the invest to maintain (infrastructure) that is low with some local authorities (LA) up to 25%.

The remainder of the minutes of the last meeting were agreed as a correct record.

5. Action Sheet

The Committee noted the progress of actions from the previous meeting.

The Members asked why they had received another Corporate Risk Report rather than a more tailored directorate report. Officers said that the Directorate based reports would be available in early 2020.

6. Chair's Business

None

7. Public Forum

No Public Forum received.

8. Work Programme

The work programme was noted.



9. Contract Management

The Interim Head of Procurement introduced the report and explained that it was to provide Members with an update on activity to make improvements to the Council's overall approach to contract management. He said that the Council had an electronic tendering system known as Due North in place. This system was well known and well used by other local authorities (LAs). It includes a contract register and documents can be up-loaded directly to it. However it was said to be a rather rudimentary depository. For example it didn't include a number of features such 'key contract milestones' and its functionality as a system wasn't as good as was required. Officers referred to point 2.13 of the report that described how many other LAs used the Due North system.

Officers said there were plans in place to review the system and build in functionality and there was a cultural push within the organisation to improve on the current situation.

Members asked the following questions:

- It was said that the information provided hadn't really explained where they expected to be in 3 months' time. There would be review in spring but what did that really mean?
 - Officers said that by that point they will have calculated the required functionality of a system and will then make recommendations about which system to purchase.
- It was asked if other LAs were using this system and were audited internally would their results be the same as this Council's were.
 - Officers said it was unlikely they would be dissimilar because it is not a whole system answer to contract management.
- Was it worth considering plans for economy of scale with other LAs?
 - Yes officers said they there was a South West Procurement Board with whom this would be discussed.
- Could the Council write the new software and earn income from letting others use it?
 - Officers referred to 2.10 of the published report and the complexities of the software.

A brief discussion was had about how key dates were diarised. Officers said that often they had to be done manually. One Member said there was possibly some confusion about whether the Council's Internal Audit Team understood this was being done and they may have assumed this wasn't been being done.

The Director of Finance added that they also needed to be satisfied that any new system solution would be compliant with the IT Transformation Plan (ITTP) and will align to other solutions and 'key performance Indicator' (KPI) monitoring. These things all needed to be in order before it can it move forward.

Also noted was the Devolved Contract Management Function; there were areas of Good Practice and areas of improvement to be made too. However, it was important not to move away from the good practice that was already in place.



Members asked about BREXIT and EU procurement regulations. Officers said that when it happened the only initial change will be that the Council registers and posts on a UK based portal and not EU portal.

Members asked to be kept informed of further developments and thanked the officers for their time and said they appreciated the enormity of the task ahead.

ACTION: Members to be kept informed of further developments.

10 Students and University Buildings

Officers explained that they had returned to the Scrutiny Commission to respond to questions posed at a previous Resources Scrutiny meeting on 31 October 2019 and provide Members with further information. Members were then briefly taken through the main points in the published report.

Officers said there had been a trend of businesses turning buildings into Student accommodation but more recently there has also been a trend of converting 'business rated' properties (offices) into student accommodation. An example highlighted was Brunel House opposite City Hall which was previously office space and was converted into 28 Cluster flats and 41 self-contained studio apartments in 2018.

Officers confirmed that they do send bills to businesses and universities for the summer periods for empty accommodation.

Members asked if this was done by pro rata. Officers confirmed it was. Members also wanted to know if the situation was being monitored and Officers also confirmed that it was yes. The Council audit all exemptions every year including all single persons and every single property. There had been some difficulties with the University of West England and GDPR but every certificate was still checked.

Members said they were keen to know more about exemptions. Officers said that the University of Bristol had been billed £6.2m on their buildings but the 80% exemption for 'Charitable Status' meant that it actually paid £1.1m.

The Orangery in Clifton was highlighted as a good example because it is used frequently during the summer months as a private hire venue. Also Hawthorns Café where officers said in theory the Council could have received an additional £6,000 in business rates from the University.

Members asked if a thorough benchmarking exercise had been carried out. Officers said yes it had been and added that they are very thorough on all exemptions on properties. This was a lot of work to get it all exactly right and they are audited on it afterwards as well.

The Members all agreed that this had been a very clear report. Members expressed frustrated that it wasn't possible to collect the full amount from the universities instead of the discounted rate.



It was agreed by all the Commission Members present that the charitable status of universities needed to be reconsidered. As Members now understood it, universities operated more like business now rather than charities. There was full cross-party agreement on this point.

Members also highlighted the extra public services such as waste collection required throughout the city due to the high numbers of students.

The Members recommended that there was a need to lobby the Government on this point. It was also discussed how the Commission could get this subject on the Core Cities agenda, if it wasn't already.

The Commission Resolved to undertake the following actions:

- The Mayor should be presented with the same report as the Commission had received.
- The Chair would also send a precis of Members views on the key issues that need to be considered at wider or level, such as the charitable status of Universities.
- To find out if this subject is being looked at by Core Cities.

11 Report from Scrutiny Financial Task & Finish Group

The Chair of the Scrutiny 'Financial Task and Finish Group' summarised the main points in the published report.

- The shortage of care workers in Adult Social Care (ASC) was seen as a key issue because it was said to be causing delays in moving people out of hospital and into home care. Cllr Stevens said the Council had previously looked at setting up its own agency and suggested this could still be a potential be a way forward.
- Adult Social Care 18-64 years old: it was recommended that a Scrutiny Task and & Finish Group should be set up in the next municipal year to consider some the main issues. **ACTION: Scrutiny Advisor to add this to a list of potential scrutiny items for 2020-2021.**
- Costs are continually increasing.
- There is a need for more in-house foster carers.
- Staff shortages in many different areas are causing further problems.
- The Finance Task & Finish Group was reported to have spent more time looking at education related finances this year.
- The High Needs Budget has borrowed-forward £2.4m and it will be paid back over a period of time.

Comments from the Commission included the following:

- Foster carers' shortage – a Member highlighted an issue she understood with regards to the Somalian community not being able to foster children easily because they don't often have spare bedrooms and the guidelines say that to foster you must have one. This it was said was a national issue that needed to be addressed because it caused a lot of stress to families when children were often fostered outside of their community. Members said that they would raise this with People



Scrutiny Commission so that they were also aware of the issue. **ACTION: For this issue to be highlighted with the People Scrutiny Commission.**

- A brief discussion took place about the pros and cons of the Council running its own agency of care workers. It was said that the Council pays £18 per hour to the agencies and yet the actual carers get about £9 per-hour. It was said that recruitment and retention of staff had been problematic. It was recommended that whatever happened there was need to change employment contracts for care workers as the current arrangements did not work well for the carers or those they were caring for. Officers said they were working with agencies to try and encourage them to pay a 'salary wage' and provide better working Terms & Conditions.
- A Member from the Finance Task and Finish Group highlighted the positive changes to adult social care provision in some areas such Wigan and Tameside. A potential pilot area in Bristol for similar types of changes is Avonmouth and Lawrence Weston. It was said there are some successes stories around the country and Members were advised to look at the Kings Fund website. It was also highlighted that the Tameside model was once almost the same as Bristol's model of care and it was hoped that Bristol would return to be being as good as it was before.
- The Cabinet Member for Waste, Commercialisation and Regulatory Services confirmed that BCC officers had previously looked at setting up their own agency as part of commercialisation and innovation work that was being undertaken. He said it was possible they would to look at this again. **Cllr Pearce agreed to raise this on behalf of the Scrutiny Commission.**
- Cllr Stevens made a request that Cabinet Members consider this report at their forthcoming away day. Those present said they would see if that was possible.
- A short discussion about 'open-book pricing' was had. The Chair asked about how open the Council was compared to businesses with regards to their pricing structures. Finance officers said that they were now working with providers on pricing structures and looking at why some of the costs were set so high. Last year they had set a Bristol pricing rate.

The Chair thanked the Task and Finish Group for their good work.

12 Agile Working and ICT Report

Cllr Stevens introduced the short report which was jointly from the Director of Digital Transformation who unfortunately couldn't attend the meeting. The purpose of the report was to provide some information into the current situation. The agile working project in Adult Social Care (ASC) aim is to enable social workers to update client information onto the council system wherever they are situated without needing to return to the office and therefore save a considerable amount of time and resources.

The following points were highlighted:



- 2 years ago this project was part of the Strengthening Families Programme. Then it was part of the Future State Assessment (FSA) Programme and now it is part of the IT Transformation Programme (ITTP).
- The project had previously begun to be tested but at the time it was reported that an aspect of the security was not robust enough and was not GDPR compliant.
- Officers are understood to have said that the project will happen quicker now that it has been included in the ITTP. It had been acknowledged that some time had been lost but officers were keen to point out that funding had not been spent unnecessarily.
- Officers had suggested bringing this under ITTP so that it would also be part of the new 'cloud' system. However, officers still needed to work closer with ASC workers to ensure that their needs and all the other aspects of the project are defined properly. Officers agreed that it was necessary to sit down with user groups and go through all their requirements so that everything could then be coordinated with service providers. It was reaffirmed that increasing the speed of the way people could work could save a lot of money, free up hospital beds and help people in to residential care faster where needed. It was pointed out that this was at a cost to the Council but that the savings would inevitably be made by the NHS.

The Commission Members raised the following points:

- Officers needed to keep talking to the end users to ensure it really worked because in their view projects such as this are not often enough user-led.
- Slight concern was raised about this project being subsumed into a much larger project. It was hoped that the money had been ring-fenced. Officers said that was about deliverability not projects losing budgets.
- Some Members were slightly uneasy that Cllr Stevens had become a sort of go-between ASC and IT officers.
- The other Members of the Commission thanked Cllr Stevens for his diligence. It was agreed by all that he had worked over and above the usual work of a councillor on this project and thanked him for that. It was agreed that officers would be asked to provide a further up-date on the status of the project in due course.

13 Finance Monitoring Report (Period 7) - TO NOTE

The item was 'to note', however Members made the following points:

- Members suggested an exercise should be undertaken to find out if there are underspends elsewhere in budgets to help bring down the figures to a balance budget.
- Members said that the People Directorate figures suggested there was an underspend in Adult Social Care; was this related to buildings and planning issues? Officers said that Members needed to ask specific questions either at a People Scrutiny Commission Meeting or the budget scrutiny meeting in February.
- It was asked what had happened with regards to the vehicle fleet replacement project. **ACTION: an up-date on the contract in view of the pending clean air legislation (planned spend and what has already been spent). Information to be circulated to Members.**



14 Performance Report Quarter 2 - TO NOTE

The Chair highlighted the text in the published paper and said he would like officers to elaborate at the next opportunity: *The difference in performance against target and that of the direction of travel can in part be attributed to the stretching nature of the targets set.*

ACTION: Scrutiny Officer to send the report and appendices to the Commission. Any questions can be forwarded to officers for a reply.

15 Commercialisation and Innovation Update Report - FOR INFORMATION

- 3.2. Pipeline: the Commission said that they would like to see this at the next opportunity

CHAIR _____

