

**Question: CS11.01**

**Cabinet – 14<sup>th</sup> July 2020**

**Re: Agenda item 11 – City Leap Procurement**

**Statement submitted by: Councillor Geoff Gollop**

There is a responsibility on the Mayor and the Council as a whole to ensure clarity and transparency on all things, but particularly when there is a high level of public interest and concern, This applies particularly to City Leap and Bristol Energy. I know how much care and attention goes in to preparing answers for questions at Cabinet, which leaves me concerned when the answers are changed after they have been given in public.

At the June cabinet meeting The Mayor answered my questions on City Leap by confirming that “Bristol Energy had received £1.2m for innovation services for the City Leap program, on the energy service and a number of energy innovation projects” part of which went to fund the first EY report into Bristol Energy. You also advised me that “the second EY report into Bristol Energy cost the Local Authority Four Hundred and Forty Thousand Pounds and it was funded from within the Bristol Energy agreed funding envelope” You confirmed that figure by repeating it in answer to my supplementary, but by the next morning I had an email correction telling me the figure was significantly less at £145K.

This cabinet paper shows total procurement costs for City Leap of £6.5m, but amounts paid out in May alone raise more questions than they answer( attached for information). Under the description City Leap Prospectus, EY were paid 4 amounts totalling £531,504. If that was netted down for 20% VAT it comes to £442,920. A figure which is remarkably close to Marvin’s first answer of £440k. One of the figures paid to EY was a payment for £145,000 also coded to the prospectus, but exactly the figure that Marvin said was the revised cost of the second EY report.

It is difficult to have any confidence in the figures when there is so much contradictory evidence already in the public domain.

Also included in the payments for May was a figure of £224,400 paid to Bristol Energy for the prospectus, described as “Unallocated Budget Amendments”. At OSM we were told this was a posting error but received no explanation of why this amount was paid to Bristol Energy.

This information is publicly available, but it appears that there is an unacceptably casual attitude to information that is provided.

It is difficult to tell whether the Council paid EY £440,00 for the BE report or whether it was £145,000. If the lower figure we need a detailed explanation of why the Council paid the amount when the Mayor said the Energy Company paid it out of its own resources. If these payments to EY were all for City Leap, why were they billing for work at a time when the report tells us procurement was suspended. Professional

Service firms bill the moment their work is complete not months after that tranche of work was finished.

The confusion continues because the payment of £224k to Bristol energy is also far from clear. There were no budget amendments to be allocated to either Bristol Energy or City Leap.

I find myself questioning why none of this adds up to a truthful explanation. Please use the response to questions on this issue to provide a full and credible explanation of what has happened.