



Bristol City Council

Minutes of Business Change and Resources Scrutiny Commission

Monday 14 March 2016 at 9.30am

Members Present:-

Councillor Lovell (Chair)	Councillor Weston	Councillor Malnick (Vice Chair)
Councillor Mead	Councillor Rylatt	Councillor Clarke

Apologies:-

Councillor Brain, Councillor Windows, Councillor Kent

Also in attendance:- Councillor Gollop (Deputy Mayor)

Key officers in attendance Business Change:-

Max Wide - Strategic Director
Patsy Mellor - Service Director, Integrated Customer Service
Lucy Murray Brown - Programme co-Director, Workplace Programme
Janet Ditte - Service Manager, Finance Business Support
Sarah Wilson - Directorate Leadership Team Operations Manager
Johanna Holmes - Policy Advisor (Scrutiny)
Louise deCordova - Democratic Services

79. Apologies for absence, substitutions and introductions (Agenda Item 1)

Apologies were received from Councillors: Mark Brain, Chris Windows and Tim Kent.

80. Public forum (Agenda Item 2)

None received.

81. Declarations of interest (Agenda Item 3)

None declared.

82. Minutes – 15 February 2016 (Agenda Item 4)

Resolved:-

To agree the Minutes of the Business Change Resources Scrutiny Commission meeting as a correct record subject to the following clarification at minute 78. para k. Amend the wording to say;

- a. Of the percentage of people who disagreed with the 10% social value threshold, how many respondents supported i) a higher or ii) a lower percentage?

83. Action Sheet – 15 February 2016 (Agenda Item 5)

Progress was noted on actions agreed at the meeting.

- a. The Commission discussed the suitability of a quarterly performance monitoring report, of Bristol Companies', being brought to Business Change Scrutiny. Members suggested that a watching brief could form part of regular performance updates.
- b. Officers expressed concern that, as the governance and reporting arrangements surrounding this had been extensively agreed with the Overview and Scrutiny Management Board, there was likelihood of duplication of scrutiny without the governance to support it.
- c. It was generally agreed that Overview and Scrutiny was the right Committee to have oversight over this, but some expressed concern regarding the tension between commercial sensitivity and democratic transparency.
- d. Members suggested that Overview and Scrutiny reports, could be shared with Business Change, and any concerns could be fed back through the Overview and Scrutiny Management Board. Officers to consider reporting arrangements that could reasonably include Business Change, including the format and identification of pathways for escalation. **Action: Max Wide/Johanna Holmes**

84. Chair's business (Agenda Item 6)

None reported.

85. Income Generation (Agenda Item 7)

The Strategic Director, Business Change introduced the discussion paper, Generating Income: Principles, performance and possibilities.

The following points were noted:

- a. The Council was not yet fully geared up for commercial trading but had pockets of excellence in the organisation which could be usefully shared.
- b. The Energy company was an example of robust business planning, however there were other examples of traded services within the Council where a more

robust approach to commercial trading and income generation opportunities was required.

- c. Traded Services Financial Performance 2014/15 identified net expenditure of £478k under the heading 'Management and Other'. Members asked for this to be clearly defined. **Action Max Wide**
- d. Members sought clarification over membership of the Shareholder Group and the Holding Company. The Shareholder Group included the Mayor, Cabinet, Chair of the Overview and Scrutiny Management Board. The Holding Company included the Strategic Director Business Change, the City Director the Chair of each company and 2 x independent members. As the potential for additional companies increased then the Council would retain an inbuilt majority.
- e. The Holding Company had a role to agree and oversee the company business plans and other commercial opportunities, as well as enforce trading standards and ethical operation.
- f. Bristol is Open was a partnership with the University of Bristol, to bring together the Council's fibre ring (hardware) and the university's super computers (software), to create an experimental platform. The use of which could be sold to others for high speed data visualisation and research. A further 100km of hardware had been discovered but required investment to go live.
- g. There was acknowledgement of the tension between, how management could balance the need to i) prioritise and make resource efficiencies and ii) enable space for staff to innovate and allow for risk and failure.
- h. The Council was building the capability and capacity of staff in Business Change to improve commercial skills and tools, to spot new opportunities and develop them, maximise cross Council opportunities and increase expertise around risk management.
- i. The Bristol companies were each very different businesses requiring very different management approaches. For example the Waste company was more familiar ground, with the budget now ringfenced to develop its service offer. A lower risk, incremental model. Energy was new expertise that needed to be developed by the Council moving into an existing market.
- j. Bristol is Open was in effect a start-up business in a developmental arena, which had the potential to contribute far more, through a high risk high reward model. The Council did not have enough capital to exploit this on its own or absorb all the risk, but recognised that it could be a catalyst to invite multinational companies in to take advantage of the opportunity, mitigating or sharing risk with other organisations.

- k. It was generally agreed that there was some tension between transparency and scrutiny vs commerciality and that there was a need for increased speed in commercial decision making. The Council would need mature debate about how this was managed. The principles of recruiting the right expertise would go some way to enable confidence in the governance around commercial decision-making, alongside robust business planning and monitoring.
- l. Bristol's companies represented a growing market for Business Change services. There was a need to continue to move towards an efficient model of sufficient quality which could be sold to other local authorities and organisations. Communication internally would prove to the workforce that the move towards digitalisation and self-service was the quicker way to get things done.
- m. Members raised concern that the companies may be trying to do too much, and whether the focus should be to drive income or achieve something else. Opportunity costs evaporate quicker if not focused and maximised. Recognised that it was difficult to justify officers time without a return of social benefit.
- n. A councillor raised concern that the Members of the Holding Company retain a lot of responsibility, in a part-time capacity and whether this was sustainable given the risks. Consideration was being given to the possible recruitment of a Commercial Director funded through opportunities the post holder would need to develop.
- o. The Chair commented that the discussion document presented a good basis to develop either an Inquiry Day or Task and Finish Group/Working Group to look at cost neutral proposals for income generation. Members considered that an expert on risk management could be invited to support this. There was recognition of the difficulty in making long term projections, and the need to learn from others' success stories, citing the example of income generation work by Kent County Council.
- p. Other members commented that the Companies' governance arrangements should be shared with all Members ahead of any Inquiry Day to ensure that the event was able to focus on clear outcomes. **Action: Johanna Holmes**

Resolved:-

- (i) To note the report, discussion points and progress the actions arising.**

86. Paperless Meetings (Agenda Item 8)

The Programme co-Director, Workplace Programme introduced the report and provided an overview and update to Members on the plans for paperless Council meetings from May 2016; how the new technology would work in practice; and how the individual training and support, to be offered to all Councillors would be rolled

out. Members to be invited to a test day for the new hardware. **Action: Lucy Murray Brown.**

Resolved:-

(i) To note the report.

87. Under Occupancy Charge (Agenda Item 9)

The Service Director, Integrated Customer Service introduced the report and provided an update on the legal developments with reference to the Under Occupancy Charge. The Supreme Court had ruled that although discrimination had been found, the Department for Work and Pensions had mitigated for this through the application of Discretionary Housing Payments.

Resolved:-

(i) To note the report.

88. Quarter Three Financial Monitoring Report (Agenda Item 10)

The Service Manager Finance introduced the report, summarised the key details.

The following points were noted as part of the discussion:

- a. There was a budget pressure of £3.7m as at December 2015, however, it was anticipated that a balance budget would be achieved by quarter 4. Budget pressures to be offset by underspends in corporate areas and directorates had been directed to stop non-essential spend.
- b. The organisation was working towards better budget forecasting protocol and reporting to improve recognised timing issues.
- c. In delivery of the capital programme, there was a tension between use of cash reserves and borrowing at the right time to get the best interest rates.
- d. The Housing Revenue Account could be added to the Scrutiny Work Programme for next year, linked to quality of services standards for tenants and workforce concerns. **Action: Johanna Holmes**

Resolved:-

(i) To note the report and progress actions arising as stated above.

89. Quarter Three Performance (Agenda Item 11)

The Strategic Director, Business Change introduced the report and invited questions.

The following points were noted as part of the discussion:

BU227 - % Corporate FOI requests responded to within 20 working days

- a. Bristol was performing well in most areas in comparison to Core Cities, but less well in respect of response times to Freedom of Information Requests. Officers had made significant progress to date, to improve performance, through staff training and systems upgrades. It was possible that some data, with reference to the Council's responses to requests had not been fully captured. Councillors asked how many requests had been received per capita of population in comparison with Core Cities and whether the Council had received more requests than other Core Cities. Officers to confirm. **Action: Patsy Mellor**

BU011 – Percentage of financial audits concluding the level of control is acceptable or above

- b. Internal Audit was performing significantly below target. Councillors requested the reasons for this. **Action: Max Wide**

BCP182 – Number of working days lost due to sickness absence

- c. Councillors asked for further detail regarding Glasgow's performance which was significantly better than other Core Cities. **Action: Richard Billingham**

Resolved:-

- (i) **To note the report and progress actions arising as stated above.**

(Meeting ended at 12.10pm)

CHAIR