

## Statement 1 – Cllr Geoff Gollop

I have a significant number of issues regarding the financial statements (item 10) and the Annual Governance Statement (item 11) and I list these below

### Pension Deficit

The biggest liability for the Council is the pension fund deficit. During the year, the accounts show this increased by £134m to £1.128b. The covering report says markets were lower than at the end of 19/20, but in the period under report the FTSE 100 Index rose by 15% and the All-share index by 23.3%. However, the explanation on page 58 cover report or page 81 of the pack is even more confusing, as the fall in bond yields would affect the income of the fund if it was buying new issues, but would not affect the income from existing fixed rate investments. The narrative appears to be confusing.

It is difficult to understand the investment strategy of the fund managers. The management of the fund seems a high risk and yet the issue is not mentioned in the Annual Governance Statement or referred to other than a factual record in the financial statements,

Audit Committee might ask who is responsible for managing the Council's Pension Investments and how are they held to account. Is the Council getting appropriate advice and if the advice is brought about as a result of regulatory requirements are we lobbying for change?

### Bristol Energy

I continue to remain concerned about disclosures relating to BE2020, formally Bristol Energy (referred to as BE)

We know that a liquidator was appointed on 30th June because of the public filing at Companies House. We also know that the liquidation is voluntary which by definition means that is a solvent liquidation which in turn means the Council has paid enough to settle all creditors and the liquidator's fees.

The accounts tell us that the Council had invested £37m into BE and that the investment is now fully impaired. The accounts also tell us that an additional provision against the investment was made in this financial year of £3.7m. They also tell us that the interest receivable has been written off. However, in spite of my requests in terms of the last 2 years financial accounts, there is still no note summarising the total loss through the Bristol Energy debacle.

I urge Grant Thornton to note that there is strong member and public interest in quantifying the full extent of the total loss to the council tax payer/council and that a full explanatory and quantitative note should be necessary to ensure the accounts provide a true and fair view

### City Leap

The Council is assuming City Leap will deliver a major contribution to carbon neutrality for the City, but apart from necessary disclosure of the payments to the programme manager,

and the subsidiary companies set up for the project, there is no reference to City Leap or heat networks in the accounts or in the governance report.

Given the size of the potential project, its importance to the city and the amounts of money spent on salaries and consultants, I would hope to see an explanation of the amount spent on this project, and an explanation of whether it has been capitalised or written off to Revenue.

There is still no clarity on the Governance of the project and how decisions taken by the Joint Venture Partner will be monitored and scrutinised by the City Council. This is a major concern and should be referred to in the AGS.

### Scrutiny

I have a very serious concern about paragraph 3.6 of the Annual Governance Statement. The paragraph implies that scrutiny looks at decisions made by cabinet.

For the whole of the last Financial Year, I and the other scrutiny commission chairs were repeatedly engaging with the head of the executive office to improve the Mayor's forward plan. However, we were often given only 4 weeks notice of an item coming to cabinet (with no detail), and were only ever allowed to see reports, at best, 5 working days before the cabinet meeting, which meant that informed scrutiny on most issues was impossible. It is certainly inappropriate to suggest that Scrutiny can provide a check and balance on the executive when it is not given sufficient notice to consider topics with proper public notice.

There are many more issues of concern but I recognise that I have already taken too much time, but I very much hope members will have time to discuss fees paid to consultants-page 51 of the accounts (114 of the pack), risks relating to Bristol Heat Network, the carrying value of investment properties and the Arena Island claim note 40 page 171 of the pack