

Bristol City Council
Minutes of the Overview and Scrutiny
Management Board



5 December 2022 at 1.30 pm

Members Present:-

Councillors: Tony Dyer (Chair), Mark Bradshaw (Vice-Chair), Geoff Gollop, Tim Kent, Brenda Massey, Barry Parsons and David Wilcox

1 Welcome, Introductions and Safety Information

The Chair welcomed the Members and attendees, including representatives from Ameresco. Housekeeping information was shared.

2 Apologies for absence

Apologies were received from Councillor Graham Morris.

3 Declarations of Interest

No declarations were received.

4 Minutes of the previous meeting

The minutes were agreed as an accurate record.

Resolved; that the minutes of the meeting dated 27th October 2022 be approved.

5 Chair's Business

No business was noted.

6 Public Forum



Public Forum questions and statements can be viewed [here](#).

David Redgewell submitted two Public Forum questions regarding the 2023-24 budget proposals. Written responses were provided. A Public Forum statement on this issue was also presented to OSMB.

Suzanne Audrey submitted two Public Forum questions regarding the City Leap Partnership. Written responses were provided. A supplementary question was raised highlighting that concerns remained over the risk and querying whether the Risk Register could be made available in redacted form. The Team Manager – Commercial and Governance responded that this had been considered but the relevant information was commercially sensitive and could not be released to the public. A Member supported the concerns raised and requested Officers consider publication where possible.

Councillor Martin Fodor submitted two Public Forum questions regarding the City Leap Partnership. Written responses were provided. A supplementary question was raised following question 5 asking how the ambition of the recommendations from the Citizens Assembly could be translated into the relevant business plan. The Cabinet Member for Climate, Ecology, Energy, and Waste responded confirming that the project as it exists is extremely ambitious within the funding available.

Resolved; That OSMB note the Public Forum.

7 Cabinet report - City Leap Energy Partnership

The Director for Property, Assets and Infrastructure delivered a presentation on the City Leap Energy Partnership which included the commitment to social value principles, the work undertaken to bring the project to the mobilisation stage, and the timeline for anticipated work. Representatives from Ameresco and Vattenfall were present to discuss key points relating to the business plan and Heat Networks.

A Member asked how the £424million figure for investment was to be broken down between Heat Networks and other efficiency measures. The Director for Ameresco Ltd clarified that this figure had been raised to closer to £600million, approximately split halfway between Heat Networks and low carbon infrastructure projects.

A Member queried the cost and expected CO² output of the proposed strategic heat main running from Avonmouth to Old Market. The Strategy Director for Vattenfall Heat stated that future work on viability was planned as a major infrastructure project with plans to access other sources of clean heat.

A Member asked about the protections for customers in terms of price and consistency of service, considering that a 'heat monopoly' would be in place. The Strategy Director for Vattenfall stated that with the progression of the Energy Bill through Government it was expected that heat would become a regulated industry with Ofgem in the position of regulator; this would provide the framework for ensuring consistency for customers. It was noted that public trust was a key component of the venture, with



commitments around how pricing would be set made through customer supply agreements. Protections for vulnerable customers would also be in place.

A concern was raised that appointing a Council Officer as one of the Directors of City Leap could lead to potential conflicts of interest. In previous circumstances backbench Councillors had been appointed to these roles, and a Member suggested that this route be considered.

It was confirmed that the 'Golden' or special share retained by Bristol City Council would fall away once Ofgem was to be appointed. A Member noted that the 'special share' included strong guarantees, and asked Officers to consider how these guarantees would be maintained once the special shares were ended. It was clarified that the special share had been put in place to address the current lack of regulation in the industry. Once Ofgem are in place as a national regulator they are likely to have more wide-ranging powers in terms of guarantees and enforcement.

A Member asked how procurement oversight would be maintained given that the entities in the joint venture were not governed by public procurement law around local jobs. Officers stated that Key Performance Indicators for social value delivery were included in the concession agreement with enforceable consequences.

A Member raised concern that more information was needed to fully assess the viability of City Leap noting there had been some delays in sharing details with Scrutiny. Areas where additional details were required included the cost of legal and accountancy fees, the allowance for inflation against the figure of £424million for investment, the FTE proportion and location of the '1000 jobs' figure, and general concerns around assurance and oversight.

Regarding Heat Networks, a Member noted that the report did not include details about how the transfer costs were reached. A starting point for valuation would have been expected considering the consultancy fees already paid. Further details about the financial aspects of the project would be helpful, including the impact of inflation, an assessment of the Council's investments to date, and how the losses for Bristol Heat Networks had been covered.

It was noted that the interim business plan had shown an increase from £22million to £77million for energy efficiency matters, and it was queried whether this was alongside the input from the HRA. It was clarified that the fund would enable the HRA to decarbonise at scale, but that external funding was also being sought through the Social Housing Decarbonisation Fund. For residents of private accommodation on a low income the Government's Home Upgrades Grant Scheme was being looked at as a source of funding. Projects were already being delivered through this scheme. For the 'able to pay' market, banks had been approached for low investment financing; a good return on investment was expected for homeowners.

Officers clarified the focus of the different funding strands.

- The £6million+ from crowd funding from residents focused on investment (and engagement) from residents.



- £1.5million over 5 years from the community energy development fund focused on development of community projects.
- £0.5million over 5 years from the innovation fund focused on decarbonisation research, linking with the Universities in the area.
- The £2.8million over 20 years from the community benefit fund focused on providing a return to the community depending on their needs.

A Member noted that some Bristol residents were willing and able to make investments / upgrades but lacked information about how to do so. It was suggested that this market could be a 'quick win'. The Director of Ameresco agreed with this and stated that guidance was being produced.

A Member noted an aspiration listed in the report to provide 158 low-income households with £2.8million of insulating and decarbonisation materials, which was 0.09% of housing stock. The Cabinet Member for Climate, Ecology, Waste and Energy noted that while this was a small proportion, the resourcing for this had been made available through funds that had been applied for and awarded. A report was expected to go to Cabinet in February 2023 setting out details for a second phase.

A Member noted the importance of the client function in holding private partners to account to ensure good value, and asked how it would be ensured that the client function would be robust and sufficiently resourced. Officers confirmed that appointments to these roles had already been made through targeted recruitment and internal appointments.

A Member noted that in the past, schemes to provide home adaptations had been impacted by the absence of suitable local tradespeople and skills. It was noted that plans were in place to meet demand in the future by recruitment and training.

A Member asked for a breakdown of the heat sources for the heat network. Officers confirmed that around 60% was expected to come from energy from waste plants in Avonmouth, with the rest from other low carbon sources.

OSMB Members were broadly supportive of the proposals in relation to City Leap and recognised the potential benefits to the city and its residents in delivering decarbonisation. However, in view of the complexity of the scheme and the associated investment they requested that the points discussed be submitted to Cabinet for consideration as plans progress.

Resolved; That OSMB submit a report summarising the discussion to the Cabinet held on 6 December 2022.

8 Resources Scrutiny Committee - Budget consultation update

A verbal update was received from the Chair of the Resources Scrutiny Commission following the extraordinary RSC meetings held on 22nd and 23rd November 2022 reviewing the budget consultation proposals.



It was estimated that around seven hours of discussion was held, with both the Chief Executive and all Cabinet Members present for their relevant sections. The challenging financial position of the Council was recognised in the sessions. Two further meetings were arranged for January and February 2023. It was felt that the inclusion of Scrutiny Members from other commissions had been successful so the invitation for the future meetings had been extended to them once again.

The budget proposals would continue to be discussed within the Finance Working Group.

The OSMB Chair noted that feedback from the public would also be fed into the consultation process. It was also noted that the draft Local Government Finance Settlement was anticipated in December 2022 so that by the time of the next meetings in 2023 the input from this should be known. The RSC Chair noted that with changes in Government the timeline may be too short for absolute clarity on this point, and anticipated it would take Officers some time to review the details.

OSMB noted the verbal update provided.

9 Climate Change Working Group scope / terms of reference

The Terms of Reference from the Climate Change Working Group was provided following discussion from the previous meeting. A Member noted that the scope appeared ambitious. It was recommended that the Chair of OSMB review this with the Climate Change Working Group in order to help prioritise. This was agreed.

Resolved; That the Climate Change Working Group Terms of Reference be approved, and; That the Chair of OSMB work with the Climate Change Working Group to provide support in prioritising the scope and actions.

10 Work Programme

The Scrutiny Work Programme was noted.

11 Mayor's Forward Plan - Standing Item

The Mayors Forward Plan as published on 7 November 2022 was noted.

Meeting ended at 3.10 pm

