

Overview & Scrutiny Management Board (OSMB) statement to 7 March 2023 Cabinet, submitted on behalf of all OSMB members

Company Business Plans – Goram Homes, Bristol Holding, and Bristol Waste

OSMB held a public meeting on 14 February 2023 to consider the Company Business Plans prior to their submission to Cabinet for approval. While originally intended to consider the Business Plans for Goram Homes, Bristol Holding and Bristol Waste, the Bristol Waste Business Plan was delayed and could not be presented at this meeting. Instead, an additional meeting was scheduled for 3 March.

Goram Homes Business Plan:

1. Members welcomed the presentation of the Goram Homes 2023/24 Business Plan, including an overview of the 2023 pipeline. It was noted that forecasting had been made with a 'pessimistic' view in order to demonstrate a prudent approach.
2. Members raised concerns over how the management of risk was reflected in the Business Plan. While it was noted that a high-level view of risk had been taken and risk assessments of each project were not included in the plan, it was felt that greater reflection and transparency around risk was required, particularly with acknowledgment or reference to:
 - a. The impact of inflation on the construction industry as a whole.
 - b. The potential impact of a fall in the housing market, and the specific vulnerability of new builds to this.
 - c. The lack of information around risk before specific risks had 'crystallised'.
 - d. The higher risk to a company with a smaller number of pipelines where delays or setbacks to one project would have a greater impact.
3. In many of the above cases, Bristol City Council or Goram Homes officers were able to provide further information, assurances, and mitigations. However, concerns remained around ensuring that risk is laid out in a clear and accessible way.

Bristol Holding Ltd Business Plan:

1. Members welcomed the Bristol Holding Business Plan for 2023/24, noting the assumption of moving towards a heavily reduced function, and the potential transfer to a shell company.
2. The necessity of maintaining the risk assurance overview was highlighted as a key issue and a number of concerns related to this change were raised:

- a. It was recommended that the Committee Model Working Group involve Bristol Holding in programming in to the workstream the democratic oversight and constitutional arrangements of external companies. It will be necessary to establish who the 'shareholder' is and how they are provided with assurance.
- b. It was suggested that the Audit Committee consider whether upskilling of capacity and knowledge base would be required in order to take on work as a result of changes to Bristol Holding, potentially through a sub-board or cross-party working group.
- c. Consideration should be given to whether elected members should be more directly involved in the future; some targeted training would be necessary.
- d. Depending on the future model, regular stages for project reviews, particularly for Goram Homes, by Council or Scrutiny, should be built in.

Bristol Waste Business Plan:

1. Concern was expressed that this Business Plan had not been available for publication with the other Business Plans suitably ahead of the 14 February OSMB nor the subsequently scheduled 27 February OSMB. It was disappointing that the 27 February meeting had to be cancelled and (given the timing of the Cabinet decision) rescheduled at short notice for 3 March. The 3 March date was not convenient for some members, who had to make substitution arrangements. Whilst this situation was unsatisfactory, members were nevertheless grateful for the background briefing session provided by Bristol Waste representatives on 27 February. Members also appreciated the openness shown by Bristol Waste representatives in responding to questions at both the 27 February briefing and the 3 March OSMB. Members were also in receipt of Bristol Waste's 2021/22 audited statutory accounts.
2. Whilst noting the process followed in relation to communications around the recent departure of the Bristol Waste interim Managing Director and establishment of new interim company management arrangements, members nevertheless felt it would have been appropriate for clear information to have been communicated to the full OSMB membership on this matter at an earlier point. Members noted that the recruitment process for a permanent Managing Director is underway and that it is anticipated that the new appointee will be in post by the summer. This clearly will be a critical appointment.
3. Members noted that a one-year Business Plan for Bristol Waste Company has been produced, which is a departure from the usual five-year period. There were concerns about the impact this could have on local residents due to uncertainty about services they will receive in the future. Members felt there was insufficient early communication with them about the issues that led to the production of a one-year plan.

Members also have difficulty in reconciling a one-year Business Plan with the recognised need to take forward longer term improvements, including plans for workforce development so that the company has the skills and expertise needed to operate effectively as a 'Teckal' company.

Members noted and welcomed the commitment given by Bristol Waste to move forward as quickly as possible with the development of the longer-term Business Plan, recognising that in planning service changes (for example, in relation to developing the food waste collection further), significant 'lead-in' times need to be factored in. Members recommend that Bristol Waste work with councillors on a cross-party basis to keep them updated about the future plans so that members are in an informed position to assist in shaping services. Members also noted that the Communities Scrutiny Commission is likely to see this as a key element of their 2023/24 work programme.

Members noted and welcomed a commitment given by Bristol Waste that they will provide advance information to and engage with ward councillors once proposed changes to street cleansing arrangements are finalised.

4. A point was raised about Bristol Waste realising more commercial income and investing in skills and equipment to make this more likely. Members noted confirmation from Bristol Waste representatives that the commercial business activities of the company were a useful source of income and currently provide a satisfactory rate of return.

5. Noting decisions taken by the Full Council in determining the Council's 2023/24 budget, reassurances were sought about the work being done to support and improve recycling in a range of categories. In particular, members were interested in the impact of the introduction of a booking system at the waste re-use and recycling centres. It was noted that the frequency and tonnage of fly tipping has not increased following the introduction of the booking system and that Bristol Waste is confident that the proposed reduction in operating hours at the centres will not impact residents or recycling rates; this situation will though need to be monitored closely.

6. Members are also concerned that current services must be monitored effectively – it was flagged, for example, that the online service for ordering new bins, recycling boxes and lids is not currently available to residents (it was noted also that Bristol Waste would investigate this as a matter of urgency).

Members noted that a commitment has been given to free replacement bins being provided in circumstances where bins are damaged by crews; but also noted that a delivery charge will be in place. Again, members feel this ongoing situation should be monitored and kept under review as necessary.

7. Confirmation was sought about the arrangements for Bristol Waste's external auditors to sign off the company accounts in light of the one-year Business Plan. Members were advised that Bristol Waste officers are confident about the Company's current resilience and that, for audit purposes, it will be regarded as a 'going concern'.

8. Members noted that (although the individual level of detail is not set out in the plan) each of the actions included in the Business Plan have been assigned an 'owner'.

9. Cabinet are asked to additionally note that during the exempt section of the 3 March meeting, a number of questions were asked and responded to in connection with risk issues and also to clarify some points of financial detail.

Cllr Tony Dyer

Chair of OSMB on behalf of all OSMB members