

FULL COUNCIL BUDGET MEETING – 20 FEBRUARY 2024

RESOURCES SCRUTINY COMMISSION COMMENTS ON 2024/25 BUDGET PROPOSALS

INTRODUCTION

The Finance Task Group met on regular occasions from late summer 2023 and onwards through the autumn/winter to receive detailed briefings as the 2024/25 budget preparation progressed.

The administration's budget consultation proposals, and progress on the 'top 4' transformation programmes (Adult Social Care; 'Our Families' (Children and Education); the Council's property estate; and Temporary Accommodation) were scrutinised in detail at two public sessions of the Resources Scrutiny Commission held on 8 and 15 December.

Following the Cabinet's approval of the Mayor's budget proposals on 23 January, the Resources Scrutiny Commission met over two sessions held respectively on 30 January and 1 February to scrutinise the budget proposals and to ask questions of Cabinet members and officers. The relevant sections of these meetings were also attended by members of other scrutiny commissions and members of the Overview and Scrutiny Management Board.

Members welcome the involvement and openness from Cabinet members and officers at our meetings. We wish to specifically thank Denise Murray, Director: Finance and all the officers who supported the extensive series of Finance Task Group meetings, and also Stephen Peacock, Chief Executive, Executive Directors and Service Directors who attended the public meetings of the Resources Scrutiny Commission and responded to our questions. We would also particularly like to place on record our appreciation of Councillor Craig Cheney's approach in terms of the openness and transparency of information provided throughout the Finance Task Group's work and interrogation of the budget detail, and we extend our thanks also to him and other Cabinet members for attending our public meetings.

The comments set out below have been agreed by all parties that serve on and attended the Resources Scrutiny Commission budget scrutiny sessions. They are intended to be taken into account by the wider Council membership when considering the budget at the Full Council budget meeting on 20 February. The detailed minutes of the Part 1 (30 January) and Part 2 (1 February) budget scrutiny sessions are enclosed respectively as Appendix A and Appendix B.

RESOURCES SCRUTINY COMMISSION

SUMMARY OF KEY COMMENTS ON 2024/25 BUDGET PROPOSALS

A. General comments

1. Overview

As in recent years, the ongoing scale of the very significant budgetary challenges that continue to be faced by the Council, and the need to balance the budget within this context, is recognised.

As per our discussions on 15 December, we note the ongoing critical importance of the Council delivering the 'top 4' transformation programme, both in terms of delivering required savings and the culture changes that we need to make to support a sustainable future for Council services. Ongoing, robust tracking of savings and delivery of the wider programmes through public committee reporting will continue to be essential.

With the imminent move to the committee governance system, the Resources Scrutiny Commission has probably now held its last public meeting. We will though be arranging an additional meeting of the Finance Task Group in early-mid March. The purpose of this meeting will be to flag financial and resources issues that we feel are likely to require early consideration by the new policy committees (to be established under the Council's committee governance system) in setting their work programmes for 2024/25. Some of these issues were identified through our discussions on 30 January and 1 February and are referred to below.

2. Budget consultation and public engagement

We note that the level of public forum business and public responses to the 2024/25 budget consultation and subsequent budget proposals has been disappointingly low compared to previous years. This may be explained in part by the fact that there are proportionally fewer changes than usual included in the Mayor's budget proposals this year. We would, however, stress the ongoing desirability of engaging the public more comprehensively and effectively as the Council's budget proposals are developed in future years.

We would suggest that in the next year, the new Strategy and Resources Committee should consider carefully the detail around how budget consultations/proposals/reports are produced, in terms of content, narrative and the display of financial detail, with a view to making the content as public friendly as possible. This will also of course likely be helpful to the new intake of councillors following the forthcoming May election.

B. Growth and Regeneration directorate - proposed budget

1. Clean Air Zone (CAZ) – income and forecasts, and future implications

Resources Scrutiny members submitted a number of detailed written questions in advance of our public meeting, including questions about CAZ income and forecasts. We were provided with written responses - these are set out in full, for the public record, as part of the minutes of the 30 January session (see Appendix A).

We are mindful of the comments about CAZ as submitted by the Overview and Scrutiny Management Board (OSMB) to the Cabinet on 23 January. In particular, we support the concern raised by OSMB that there could be a financial issue in future years if the Council becomes reliant on the income from the CAZ, given that the scheme is only anticipated to run in the short to medium term.

2. Waste services

We raised a particular question about how much loss it is anticipated Bristol Waste Company (BWC) will make in 2024/25 and whether this will be covered by anticipated reserves. In response to our question, we note the clarification received that BWC is in the process of finalising their 2024/25 Business Plan, which is due to be published in mid-February and that the Cabinet budget report (Appendix 9) includes an allocation of £3.9m of growth for 2024/25 to meet inflation and additional service costs; and that more generally, in relation to any further gains/losses that may materialise: planned gains/losses above the agreed uplift will be addressed via BWC movement to/from reserves; unplanned gains/losses in year attributed to the waste area of the business will be managed through the contract pay mechanism with a proportional share between BWC and the Council.

3. Transport levy to the Combined Authority and resourcing bus services

Resources Scrutiny members engaged in a detailed discussion about this issue, particularly in relation to implications for the funding of bus services across the West of England region.

We note that the levy charge for Bristol in 2024/25 remains at £10.235 m. Given the ongoing city and regional issue around the resourcing of bus service provision, we have some concern that the levy has not been uplifted in recent years at least to take account of inflation.

We also note that a limited increase in the levy of approx. £1.5m is planned for future years, and that it is evident that concerns remain in terms of Combined Authority capacity to deliver outcomes and secure value for money through their bus service decisions. We also note that all of the unitary authorities will likely face challenges in meeting the cost of an increased levy in future years.

Notwithstanding the above points, we suggest that initiating inter-authority discussions around the funding of bus services (and potential consequent implications for the transport levy) should be considered as an early priority by the relevant policy committee(s) in summer 2024, with any outcomes from this potentially feeding into 2025/26 (and beyond) budget prioritisation. We also note the wider issue that ensuring improved bus provision and patronage is a key factor in terms of the Council's and region's net zero ambitions. We

feel that meaningful public engagement is also required given the concerns expressed region-wide by councillors and residents about accessing bus services; this engagement should include seeking views about the levy. We note that the Combined Authority is in the process of establishing a citizens' panel drawn from residents across the region to seek further insight around the issues/challenges of bus service provision and the prioritisation of available resources. In our view, it will be important to take the opportunity to build on this engagement through inter-authority discussions.

4. Temporary Accommodation

Resources Scrutiny members note that the emergency key decision approval required in respect of the Barton House evacuation has resulted in a total spend of up to £5.3m to support the temporary accommodation needs of Barton House residents. This inevitably adds to the pressure within the Housing Revenue Account.

We also note the ongoing severe pressure on the Temporary Accommodation service. We are generally supportive of the actions being taken forward through the Temporary Accommodation transformation programme.

5. Allotment fees and charges

Resources Scrutiny members note that recent public consultations have been hosted on the Ask Bristol consultation/engagement website, including consulting on proposed increases to allotment rents, which were last reviewed in 2018. We note that the key rationale for proposing increased allotment fees and charges is to fund an improved service, that no final decision has been taken by the administration, and that the Communities Scrutiny Commission will shortly be scrutinising the consultation outcomes.

[Note: members have noted that, since our meeting, the administration has indicated that a number of other changes to allotment arrangements that were included in the consultation will not be taken forward at the present time, although our understanding is that the Cabinet will receive a report on allotment fees and charges at their 5 March meeting]

C. Housing Revenue Account (HRA) - proposed budget

Resources Scrutiny members note that there is significant pressure on the 2024/25 HRA budget and 30 year business plan and that the proposed plan (as approved by the Cabinet on 23 January for submission to the Full Council budget meeting) includes cost mitigations to ensure compliance against the Council's Interest Cover Ratio requirement.

We note also that a careful review has been undertaken of HRA repairs and maintenance budgets and that some of next year's required cost reductions to achieve a compliant plan will be achieved through re-profiling some planned maintenance works over a number of years; we welcome the fact that this will not involve any delay to urgent work or health and safety related programmes.

We note and generally support taking forward work as proposed to improve efficiency, noting that one key aspect of this will be to prioritise a further reduction in void property turn-around times to bring void performance in line with the sector benchmark.

We further note that, taking account of Interest Cover Ratio requirements, revenue spend has been carefully scrutinised through this latest update of the Business Plan with a view to raising the ambition within the HRA capital programme. A careful balance will need to be maintained between capital and revenue spend. We note the increased ambition within the HRA capital programme but would flag that as the authority moves into the new committee governance model, it will be imperative to ensure that effective monitoring and oversight of delivery against the programme is maintained throughout 2024/25 through a combination of reporting through the relevant policy committee(s) and the Audit Committee.

D. Capital Programme - proposed budget

In line with the above comments on the HRA capital programme, members are supportive of the ambition of the wider capital programme. However, in light of past performance in terms of delivery of the programme, close monitoring will be required, led by the relevant new policy committees. We note that the engagement of strategic partners will be important in assisting improved delivery and that there will be a need to maintain a close eye on market capacity, and procurement and wider organisational capability, so that the implementation of the schedule of planned capital investment is appropriately supported and resourced.

As per our comments in relation to last year's budget, Resources Scrutiny members continue to encourage an emphasis on pursuing 'investing to save' proposals, with a view to generating sustainable, longer-term savings; we acknowledge that such work will need to be properly resourced to enable opportunities to be fully realised. Risk management is also an area where there will be a need to ensure there is ongoing, strong officer capacity accompanied by appropriate guidance/training.

E. Resources Directorate - proposed budget

In terms of future financial reporting, we note that directorate budgets will be maintained, e.g. for benchmarking purposes. We strongly support the proposal that each policy committee will receive regular, tailored budget monitor reports with the Strategy and Resources Committee maintaining an oversight role.

F. Children and Education directorate - proposed budget

1. Foster care

Resources Scrutiny members generally welcome the action being taken to invest in and improve foster care. We note that actions being taken forward include:

- a drive to recruit significantly more foster carers, and where appropriate to consider additional, innovative approaches, e.g. in some cases, providing financial assistance to foster carers/prospective adopters to enable a home extension or provide suitable aids and adaptations, or in some cases resource the provision of a larger vehicle, where it is clear that long-term value for money and additional foster care through that additional investment can be assured.

- participating in the regional foster care hub as part of a programme of offering holistic support to foster carers.
- new campaigns to encourage the recruitment of new foster carers and action to support potential new foster carers as they progress on their care 'journey' beyond the initial inquiry stage.

2. Children's home placements

Resources Scrutiny members welcome the fact that action that will continue to be taken to develop the in-house, local placement offer, including 'investing to save' opportunities to increase capacity and provide more local children's homes to reduce reliance on more expensive 'out-of-area' placements, noting that the children's home model is now based primarily on small-scale settings, i.e. no more than 1-3 children per home.

We also note that encouraging progress has been made by Adult Social Care in forecasting service demand. We suggest that, whilst accepting the inherent difficulty in accurately forecasting future demand for children's services, all possible action should be explored around any opportunities that arise for investment in robust forecast modelling, to try to improve predictions around demand and assist the planning of future services. Any improvements to forecast modelling (including tracking market issues and national trends) will also be key to developing an evidence base to support requests for additional government or other funding.

Given that 'out of area' costs are an issue across a wide number of councils, there could be scope for working more closely with a number of south west authorities (i.e. including and beyond the West of England region's geography/footprint) around exploring the co-development of a joint commissioning/brokerage approach to increasing the supply of specialist children's and adult placements. Such an approach could potentially 'get ahead' of the current market around this provision although it is noted that taking forward this approach, if feasible, will also require properly resourced delivery capacity. We suggest that this could be usefully flagged as an issue to be considered by the relevant policy committees under the committee governance system.

3. Home to School transport

Resources Scrutiny members note the need to reduce the escalation of costs associated with Home to School transport, noting also that the Home to School transport service remains under significant pressure from the increase in the proportion of children with Education Health and Care Plans (EHCPs) needing travel support, together with issues around limited local capacity and increasing supplier costs, and the costs of 'out of area' journeys.

We also note that in light of the need to secure savings and reduce costs, a key decision report is now scheduled for the 5 March Cabinet proposing Home to School transport policy changes. We understand these changes will look to support more independent travel for young people where this is appropriate and are generally supportive of this, on the assumption that the aim of the policy change is to deliver the required savings whilst also providing a service that is in the best interests of the children and young people concerned.

We note that this will see a move towards provision that involves some shared journeys where appropriate rather than tailored individual journey packages.

4. Dedicated Schools Grant (DSG) budget proposals 2024/25

Resources Scrutiny members note that in light of the ongoing seriousness of the DSG deficit, especially in relation to the High Needs Block, an updated DSG management plan is in place setting out detailed mitigations. We are aware that in reviewing and updating the DSG management plan, great care was taken to first assess the full impact of the unmitigated position in terms of the impact of the deficit. We note that a new team is now in place to oversee the delivery of the management plan and mitigations but that moreover delivery of the plan requires transformational culture change and will only succeed through a 'one council' approach and effective partnership work with the Department for Education and partners across the schools and education landscape.

Council members will recall that we flagged our concerns last year about the impact of very substantial pressures and significant challenges in the Early Years and High Needs blocks and how these can be sustainably resolved, the extent to which reserves are being used and the high ongoing risk for the Council. It is a measure of the ongoing seriousness of the situation that the Finance Task Group has received three detailed briefings on the DSG situation and management/mitigation plans as our work has progressed this year.

We feel that under the committee governance system, it will be critical to ensure ongoing focus on and close monitoring of the delivery of the DSG management plan/mitigations through the Children and Young People Committee and the Strategy and Resources Committee. In effect, this can be seen as the Council's fifth major transformation programme. Delivery on this is a whole council issue and the investment underpinning the plan must deliver the required, improved outcomes. It is critical to note that if the DSG mitigation measures were to fail, the Council will bear responsibility for both current and historic deficit.

5. Maintained nursery school deficits

Resources Scrutiny members note the ongoing significant financial challenges that continue to be faced by maintained nursery schools, with 11 out of 12 in deficit. We note that work is taking place through the Early Years service with nursery school leaders and governors to support the development of their deficit management plans, with the aim of trying to make this provision sustainable whilst also ensuring that deficits steadily reduce and are ultimately eliminated. The situation remains very challenging and we note also that the Bristol Schools Forum has raised wider concerns about the need to secure increased long-term financial uplift in terms of resourcing early years provision.

6. School deficits

We have identified that the authority needs to be aware of and mitigate the financial risk/cost to the authority in relation to local authority maintained schools with deficits who may be subject to future academisation.

G. Adult and Communities directorate – proposed budget

1. Public Health budget

Resources Scrutiny members note the position in relation to the Public Health budget, noting that the Public Health grant is ring-fenced and operated on the principle of self-funding. We appreciate that careful consideration is given to ensuring that the grant is operated strictly in line with government guidance and auditing requirements.

2. Adult Social Care

Resources Scrutiny members note that Adult Social Care continues to face significant demand and resource challenges in meeting care and support needs, with a provider sustainability issue from rising costs, significant inflationary pressures, and workforce pressures. We also note, however, that encouraging progress has been made by the directorate in terms of forecasting service demand.

As reported in detail at our 15 December meeting, we note that Adult Social Care is continuing to implement its service transformation programme with the aim of improving service delivery and, in the longer term, creating a more sustainable financial position for the service. We note that through the transformation programme, there is increased confidence around improved performance in achieving savings in comparison with previous years. Whilst pressures remain (including workforce challenges), we welcome the fact that a trajectory of improvement is in place in terms of bringing spend closer to national benchmarks in terms of unit costs and that bringing better systems into place is helping the service to deal more effectively with demand.

Councillor Geoff Gollop

Chair, Resources Scrutiny Commission (on behalf of members of the Commission)

APPENDICES:

Appendix A: Minutes of the Resources Scrutiny Commission - Budget Scrutiny meeting – Part 1, 30 January 2024

Appendix B: Minutes of the Resources Scrutiny Commission - Budget Scrutiny meeting – Part 2, 1 February 2024

Bristol City Council

Minutes of the Resources Scrutiny Commission



30 January 2024 at 4.00 pm

(Part 1 of meeting: scrutiny of 2024/25 budget proposals)

Resources Scrutiny Commission members present:

Cllr Geoff Gollop, Chair, Cllr Heather Mack, Vice-Chair, Cllr Martin Fodor, Cllr John Goulandris, Cllr Gary Hopkins, Cllr Patrick McAllister, Cllr Tim Rippington

Growth and Regeneration Scrutiny Commission members present:

Cllr David Wilcox, Cllr Emma Edwards

Communities Scrutiny Commission member present:

Cllr Barry Parsons

Overview and Scrutiny Management Board members present:

Cllr Tony Dyer, Cllr Andrew Brown

Cabinet members in attendance:

Cllr Craig Cheney, Deputy Mayor for City Economy, Finance and Performance

Cllr Don Alexander, Cabinet member for Transport

Cllr Tom Renhard, Cabinet member for Housing Delivery and Homelessness

Cllr Kye Dudd, Cabinet member for Housing Services and Energy

Cllr Marley Bennett, Cabinet member for Waste, Climate, Ecology and Just Transition

Cllr Ellie King, Cabinet member for Public Health and Communities

Officers in attendance:

Stephen Peacock, Chief Executive

Denise Murray, Director: Finance

Jon Clayton, Finance Business Partner

John Smith, Executive Director: Growth and Regeneration

Alex Hearn, Director: Economy of Place

Pete Anderson, Director: Property, Assets and Infrastructure

Shaun Taylor, Head of Traffic and Highways Maintenance

Richard James, Interim Head of Business Development (Housing and Landlord Services)

Ben Hegarty, Finance Business Partner

Steph Griffin, Director: Workforce and Change

Tim Borrett, Director: Policy, Strategy and Digital

Ian Hird, Scrutiny Advisor



24 Welcome, introductions and safety information

The Chair welcomed all attendees to the meeting and explained the emergency evacuation procedure.

25 Apologies for absence and substitutions

Apologies for absence had been received as follows:

Cllr Bradshaw, Resources Scrutiny Commission

Cllr Quartley, Growth and Regeneration Scrutiny Commission

Tim O’Gara, Director: Legal and Democratic Services

26 Declarations of Interest

There were no declarations of interest.

27 Minutes of previous meeting

The minutes of the meeting of the Resources Scrutiny Commission held on 8 December 2023 (part 1 of the meeting) and 15 December 2023 (part 2 of the meeting) were confirmed as a correct record.

28 Chair's business

The Chair suggested, and it was agreed that an additional meeting of the Finance Task Group would be arranged for early-mid March. The purpose of this meeting would be to draw up comments on/flag financial processes/issues that it was suggested should be the subject of early consideration by the new policy committees to be established under the Council’s committee governance model that would take effect from May 2024.

29 Public Forum

The Chair advised that two public statements had been received for this meeting; no public forum questions had been submitted.

With reference also to a pre-notified member question (see page 9 below), the Chair commented that the level of public forum business and public responses to the 2024/25 budget consultation and subsequent budget proposals was disappointingly low compared to previous years. It was noted that this might be



explained in part by the fact that there were proportionally fewer changes than usual included in the Mayor's budget proposals this year.

In discussion, the Chair stressed the ongoing desirability of engaging the public more comprehensively and effectively as the Council's budget proposals are developed. He suggested that one issue that could usefully be flagged by the Commission/Finance Task Group, in advance of the new committee governance model taking effect, was that the new Strategy and Resources Committee should consider carefully how budget consultations/ proposals/reports are produced in future, in terms of content, narrative and the display of financial detail, with a view to making the content as public friendly as possible.

The Commission then received public forum statements as follows:

1. Gordon Richardson, David Redgewell and Ian Beckey: transport budgets, including transport levy to the West of England Combined Authority.

David Redgewell was in attendance at the meeting and presented this statement.

2. Ian Quaife on behalf of Bristol Older People's Forum: Clean Air Zone funds/bus service funding.

David Redgewell was in attendance at the meeting and presented this statement on behalf of Bristol Older People's Forum.

30 Scrutiny of 2024/25 budget proposals - part 1

The Commission considered the following aspects of the 2024/25 budget proposals as approved at the Cabinet meeting held on 23 January 2024:

1. Growth and Regeneration directorate - proposed budget
2. Housing Revenue Account - proposed budget
3. Capital Programme - proposed budget
4. Resources Directorate - proposed budget

1. GROWTH AND REGENERATION DIRECTORATE - PROPOSED BUDGET

a. Commission members had submitted a number of pre-notified questions in advance of the meeting. The responses to these questions were noted as follows:

1. **Waste:** How much loss is it anticipated Bristol Waste will make in 2024/25? Will this be covered by anticipated reserves?

Response: Bristol Waste Company (BWC) is in the process of finalising the 2024/25 Business Plan which is due to be published in mid-February. You will note from the council's budget report (Appendix 9) that £3.9m of growth has been allocated for 2024/25 to meet inflation and additional service costs. More generally, in relation to any further gains/losses that may materialise: planned gains/losses above the agreed uplift will be addressed via BWC movement to/from reserves; unplanned gains/losses in year



attributed to the waste area of the business are managed through the contract pay mechanism with a proportional share between BWC and the council.

2. Transport: Under the Growth and Regeneration budget, there is reference to the scooter money as an income. I thought that income belonged to WECA, not to Bristol. Can you clarify please?

Response: The contract for Tier has been procured by the Combined Authority on behalf of the three (unitary authority) highway authorities. There is an in-principle agreement between the Combined Authority and the highway authorities that some of the revenue derived from the contract can be allocated for the purposes of maintenance.

3. Clean Air Zone (CAZ):

a. The Cabinet report indicates a £26m income generation. Can we see a balance sheet for the CAZ?

Response: A balance sheet is not currently available for this programme of activity, however the net forecasted income and proposed areas of spend is outlined in the table provided separately (to Overview and Scrutiny Management Board and Resources Scrutiny Commission members).

b. How much cash has been received, how much is outstanding debt and how has bad debt provision been made against that?

Response: From October 2022 to the end of November 2023, the Council collected £31,248,000. At the end of each financial year, we will analyse the outstanding debt in each month and apply an expected percentage collection rate to each month. We collect a very high percentage of the most recently issued debt and a very low percentage of the oldest debt. This is the methodology we have used for many years for various Penalty Charge Notices with percentages constantly being revised as a result of experience. As the Clean Air Zone is a new scheme, we were particularly prudent at the end of 2022-23 and assumed that our collection rate would be half that of other schemes.

c. There is nowhere that summarises how this money will be spent. I have picked up £10.3m for transport levy, £2.3m for road repairs and £350k for local transport schemes.

How much else of the CAZ is allocated within the budget?

Is the balance carried forward as a reserve or as a creditor?

Where will it be held on the balance sheet and how much is that balance estimated to be at 31st March 2024?

How much was held at 31st March 2023 and where was it held in the balance sheet?

Response: The table supplied (on CAZ forecast income) should address how the money is to be spent. The income collected is held in a reserve to be drawn down to meet costs. As the table lays out, we held £7m on 31 March 2023 having collected that amount and not yet begun delivering transport projects. On 31 March 2024 we expect to hold £25.1m. That is based on the Council receiving an additional £34m in 2023-24 but spending £15.9m.



d. How much income will be brought into account for the period from inception to 31st March 2024 and how is that split between financial years?

Response: We are forecasting to collect £41m by 31 March 2024. That is split £7m in 2022-23 and £34m in 2023-24.

4. Parking: Can we have clarity on the projected budget for managing parking and where the surplus would be spent, based on modelling the outcomes of the proposed permit charges and what these might yield in future years?

Response: The projected budgets for managing parking are not being changed and there is not expected to be any additional surplus income as a result of the proposed changes. Parking budgets are currently running at a deficit due to the ongoing reduction of parking usage during and since Covid and any additional income will help to offset this deficit.

5. Parks and Green Spaces: Can we have clarity on budget [income and expenditure; capital and revenue] for parks and green spaces, cemeteries and crematoria, and allotments service – disaggregated for each service and based on modelled outcomes for proposed new charges and fees [e.g. proposals for new fees and charges for the allotments service].

Response: Expenditure/income figures (2024/25 revenue budget):

Parks and Green Spaces - Revenue Budget 24/25		£000s
Allotments	Expenditure	191
	Income	- 337
Cemeteries and Crematoria	Expenditure	2,113
	Income	- 4,513
Parks	Expenditure	12,533
	Income	-8,480
General Fund Contribution		1,507

In relation to the allotment cost centre: the budget set will not reflect the true costs of operating the service, as some costs such as some staffing costs, will sit in other budget headings and overhead costs will not be included until they are apportioned at the end of the financial year.

Ref	Scheme	2024/25 £000s
NH02	Investment in parks and green spaces	2,263
NH02A	Investment in parks sports outdoor equipment & facility improvements	2,078



NH03	Cemeteries & crematoria investment	830
Parks capital total		5,171

b. Summary of main points raised/noted in subsequent discussion:

1. Transport and highways maintenance budgets

It was confirmed that officers were continually exploring opportunities around securing additional external funding. Significant funding had been secured, for example through the City Region Sustainable Transport Settlement funds administered by the Combined Authority and the related maintenance challenge fund.

2. Parks

It was confirmed that work was ongoing (including work undertaken through a dedicated post) in terms of developing new commercial/funding opportunities and income streams for parks.

3. Transport levy to the Combined Authority

There was a discussion about this issue, particularly in relation to implications for the funding of bus services across the West of England region:

a. It was noted that the levy charge for Bristol in 2024/25 remained at £10.235 m.

b. Given the ongoing city and regional issue around the resourcing of bus service provision, some concern was expressed that the levy had not been uplifted in recent years at least to take account of inflation.

c. It was noted that a limited increase in the levy of approx. £1.5m was planned for future years, but that concerns remained in terms of Combined Authority capacity to deliver outcomes and secure value for money through their bus service decisions; governance and transparency around Combined Authority decision taking remained an issue. It was also noted that all of the unitary authorities would likely face challenges in meeting the cost of an increased levy.

d. Notwithstanding the above points, it was suggested that initiating inter-authority discussions around funding bus services (and potential consequent implications for the transport levy) should be considered as an early priority for the relevant policy committee(s) in summer 2024, with any outcomes from this potentially feeding into 2025/26 (and beyond) budget prioritisation. It was suggested that meaningful public engagement was also required given the concerns expressed region-wide by councillors and residents about accessing bus services; this engagement should include seeking views about the levy. It was noted that the Combined Authority was in the process of establishing a citizens' panel drawn from residents from across the region to seek further insight around the issues/challenges of bus service provision and the prioritisation of available resources.

e. The Deputy Mayor for City Economy, Finance and Performance commented that if a future decision was taken to increase the levy, it was important to note that this would need to be accompanied by a decision about how Bristol's proportionate increased contribution would be funded.



4. Community Infrastructure Levy (CIL)

It was confirmed that table 27 and the related detail as included in the Cabinet budget report set out the latest summary position in terms of the expected allocation of strategic CIL. A thorough review of the capital programme undertaken during the last year had included an assessment of existing council funded (prudential borrowing and capital receipts) schemes which could utilise strategic CIL.

5. Temporary Accommodation

It was noted that an emergency key decision approval had been required in respect of the Barton House evacuation, resulting in a total spend of up to £5.3m to support the temporary accommodation needs of Barton House residents. This inevitably added to the pressure within the Housing Revenue Account. It was noted that there was also severe pressure on the Temporary Accommodation service. The Cabinet member for Housing Delivery and Homelessness pointed out that the key challenges being tackled through the Temporary Accommodation transformation programme included the significant increase in demand for Temporary Accommodation (which was a national issue) and the annual subsidy loss (estimated to total approx. 13m in 2023/24); also the added context of the situation in relation to 'Section 21' evictions. The Council was taking all action possible to tackle a situation in relation to homelessness/demand for Temporary Accommodation which was beyond its direct control.

6. Allotments fees and charges/rule changes

There was a discussion about the current situation on these proposed changes:

- a. It was noted that recent public consultations had been hosted on the Ask Bristol consultation/engagement website. It was noted that the proposals included increasing allotment rents, which had last been reviewed in 2018.
- b. There was discussion about some of the comments raised through the consultation about changes to rules governing the operation of allotments. It was noted that the consultation responses would be assessed in the next few weeks ahead of a report potentially being submitted to the 5 March Cabinet (the Food Growing and Allotments Strategy forming part of the wider Parks and Green Spaces Strategy).
- c. It was noted that at this point, no decisions had been taken by the administration and that following on from the public consultations, the Cabinet Member for Public Health and Communities and relevant officers were due to attend a workshop with allotment tenants and stakeholders on 5 February. It was noted that the key rationale for proposing increased allotment fees and charges was to fund an improved service.

7. Residents parking

A member referred to the 23 January Cabinet decision to approve changes following a review of the Council's Resident Parking Schemes. This had included a decision to triple the cost of a first permit from £56 to £178. Whilst noting that the rationale for this decision took into account the value of road space and the increasing need to support other transport modes, a concern locally was that the sharp cost increase could lead to some car-owning residents not purchasing permits and then parking elsewhere, thus creating issues around additional car parking pressures in streets which had no parking restrictions



which were located within close proximity to a residents parking scheme. The Deputy Mayor for City Economy, Finance and Performance suggested that the issue of potential shifting of parking problems between areas had been a point of concern since the original inception of residents parking schemes.

2. HOUSING REVENUE ACCOUNT (HRA) - PROPOSED BUDGET

a. Commission members had submitted a pre-notified question in advance of the meeting. The response to this question was noted as follows:

Question: **Housing Revenue Account:** Is the anticipated surplus this year the figure after the Barton House additional spend is included?

Response: For 2023/24, as at Period 9, the Council is anticipating a £2.1m overspend (funded by the Housing Revenue Account (HRA) reserves). This will include activity associated with Barton House. The HRA is self-financing and as such income collected is also utilised to fund elements of the capital programme and as can be seen in the table within the report, after allowing for additional cost such as interest payable and capital expenditure, the HRA Budget Proposals 2024/25 lay out a balanced budget.

b. Summary of main points raised/noted in subsequent discussion:

1. It was noted that there was significant pressure on the 2024/25 budget and 30 year business plan. The proposed plan (as approved by the Cabinet on 23 January for submission to the Full Council budget meeting) included cost mitigations to ensure compliance against the Council's Interest Cover Ratio requirement.
2. It was noted that a careful review had been undertaken of HRA repairs and maintenance budgets. Some of the next year's required cost reductions to achieve a compliant plan would be achieved through re-profiling some planned maintenance works over a number of years; this would not include any delay to urgent work or health and safety related programmes.
3. It was noted that taking forward work to improve efficiency would also be prioritised; one key aspect of this would be to prioritise a further reduction in void property turn-around times to bring void performance in line with the sector benchmark.
4. It was noted that the 2024/25 HRA 30-year business plan would be reviewed and monitored in year and refreshed annually, to allow for 'horizon scanning' and the identification and mitigation of risks over the short, medium and long term.
5. It was clarified that it was anticipated that the Local Crisis and Prevention Fund to support economically vulnerable households in the most need would be fully utilised.



6. It was clarified that the HRA Business Plan included a prudent assumption of a 5% pay uplift (the actual figure would be confirmed, and the Business Plan adjusted accordingly once the 2024/25 pay settlement was known).

7. It was clarified that, taking account of Interest Cover Ratio requirements, revenue spend had been carefully scrutinised through this latest update of the Business Plan with a view to raising the ambition within the HRA capital programme. It was noted that a careful balance needed to be maintained between capital and revenue spend; in the next year, there would be a particular focus on increasing property acquisitions. Capital programme delivery and any slippage would be monitored closely, noting that most 2024/25 housing development schemes would largely already be either on site and/or under contract.

8. Members noted the ambition within the HRA capital programme but flagged that as the authority moved into the new committee governance model, it would be imperative to ensure that effective monitoring and oversight of delivery against the programme was maintained throughout 2024/25 through a combination of the relevant policy committee(s) and the Audit Committee.

3. CAPITAL PROGRAMME - PROPOSED BUDGET

Summary of main points raised/noted:

1. Bristol Operations Centre phase 2 (ref. NH06A):

It was clarified that this was 'cross-charged' expenditure, i.e. not direct expenditure.

2. Vehicle fleet replacement programme (ref PL27):

It was noted that whilst there was a planned allocation of £1,208,000 in 2024/25, there was no allocation for the subsequent 4 financial years up to 2028/29. It was clarified that it was anticipated that the expenditure in the next year would be linked in with City Leap plans and that a range of ways of funding required fleet replacement expenditure in subsequent years would be explored.

3. Capital programme delivery (including HRA capital programme):

As per the above comments on the HRA capital programme, members were supportive of the ambition of the wider capital programme. However, in light of past performance in terms of delivery of the programme, members agreed that close monitoring will be required, led by the relevant new policy committees under the committee governance system. It was noted that the engagement of strategic partners will be important in assisting improved delivery, and that there will be a need to maintain a close eye on market capacity, and procurement and wider organisational capability, so that the implementation of the schedule of planned capital investment is appropriately supported and resourced.

4. RESOURCES DIRECTORATE - PROPOSED BUDGET

a. Commission members had submitted two pre-notified questions in advance of the meeting. The responses to these questions were noted as follows:



1. Consultation: My ward (Westbury-on-Trym & Henleaze) had the highest response to the consultation, 90 respondents, just over 5%. Is this satisfactory?

Response: The Budget 2024/25 consultation received 122 responses from Westbury-on-Trym & Henleaze ward. This is 60 respondents per 10,000 residents, the third highest response rate from Bristol wards. (Response rates are reported as responses per 10,000 residents in each ward. This is to enable comparison of response rates between wards with different population sizes.) Significant efforts are made to engage citizens from less-heard groups and communities, taking into account the requirement to be proportionate in the spending of public funds. Communications to encourage participation in the Budget 2024/25 consultation included, but were not limited to:

- emails to 134,997 users of the online Council Tax account system on in November 2023 with two follow-up emails in December 2023
- emails to over 300 community-based organisations and organisers
- paper copies in libraries
- Easy Read and British Sign Language versions
- Social media promotion, including and paid social media targeted at areas with lower response rates.

Recognising that response rates may not match the geographic and demographic profile of the city, responses to key survey questions (views on the preferred level of Council Tax and Social Care Precept) were compared for areas of high, medium and low deprivation (ten deprivation deciles) to explore if views differ for people in different circumstances who might be differently affected by the budget.

In response to a follow-up question at the meeting, it was confirmed that whilst a larger response rate across the city would clearly have been desirable, the number of responses received was sufficient to enable robust statistical analysis.

2. At what point will the budgets be represented by policy committee, i.e. aligned with the new policy committees that will take effect from May?

Response: The Policy Committees will all function within the council's agreed budget framework and reports to committees will identify the financial considerations that a committee will need to consider when it makes decisions. Budget monitoring will take place in each of the policy committees in respect of the service budgets that are relevant to each committee and a mapping exercise will be undertaken to facilitate this, with the Strategy and Resources Committee having an overview of all service budgets.

In response to a follow-up question at the meeting, it was confirmed that directorate-based budgets would be retained, to assist budget monitoring and for benchmarking purposes.

b. Summary of main points raised/noted in subsequent discussion:

1. It was clarified that whilst a £50k saving was included in relation to Democratic Engagement, an appropriate degree of growth (£300k) had been proposed in recognition of staffing requirements for the committee governance model.



2. It was clarified that whilst a £425k saving (staffing and activities) was included in relation to the Mayor's Office, growth of £100k was proposed for staffing of the Council Leader's Office.

3. In response to a question, it was noted that, as per the 5 December Cabinet report, consultants had been engaged to comprehensively review the Council's fees and charges, including those applicable to the Register Office. This review had included market comparisons.

At the conclusion of the discussion, the meeting was adjourned at 6.20 p.m.

CHAIR _____



Bristol City Council

Minutes of the Resources Scrutiny Commission



1 February 2024 at 4.00 pm

(Part 2 of meeting: scrutiny of 2024/25 budget proposals)

Resources Scrutiny Commission members present:

CLr Geoff Gollop, Chair, CLr Heather Mack, Vice-Chair, CLr Mark Bradshaw, CLr Martin Fodor
CLr John Goulondris, CLr Patrick McAllister

People Scrutiny Commission members present:

CLr Christine Townsend, CLr Kerry Bailes, CLr Brenda Massey, CLr Tim Wye

Overview and Scrutiny Management Board members present:

CLr Andrew Brown

Cabinet members in attendance:

CLr Asher Craig, Deputy Mayor for Children's Services, Education and Equalities
CLr Helen Holland, Cabinet Member for Adult Social Care and Integrated Care System

Officers in attendance:

Denise Murray, Director: Finance
Sarah Chodkiewicz Head of Finance Management
Reena Bhogal-Welsh, Director: Education and Skills
Fiona Tudge, Director: Children, Families and Safer Communities
Hugh Evans, Executive Director: Adult and Communities
Christina Gray, Director: Communities and Public Health
Ian Hird, Scrutiny Advisor

The meeting (part 1 of the meeting having been adjourned at 6.20 pm on 30 January 2024) reconvened at 4.00 p.m.

31 Welcome, introductions and safety information

The Chair welcomed all attendees to part 2 of this meeting.

Apologies for absence had been received as follows:

CLr Tim Ripington, Resources Scrutiny Commission



Cllr Gary Hopkins, Resources Scrutiny Commission
Cllr Katja Hornchen, People Scrutiny Commission
Cllr Craig Cheney, Deputy Mayor for City Economy, Finance and Performance
Cllr Ellie King, Cabinet member - Public Health and Communities
Stephen Peacock, Chief Executive
Vanessa Wilson, Director: Children and Education Transformation

32 Scrutiny of 2024/25 budget proposals - part 2

The Commission considered the following aspects of 2024/25 budget proposals as approved at the Cabinet meeting held on 23 January 2024:

1. Children and Education directorate - proposed budget
2. Adult and Communities Directorate - proposed budget

1. CHILDREN AND EDUCATION DIRECTORATE - PROPOSED BUDGET

a. Commission members had submitted a pre-notified question in advance of the meeting. The response to this question was noted as follows:

Question: The supplementary estimate shows further deterioration from £11m at the end of October to aim at the middle of January. Does this all relate to DSG and the special needs block? Does it represent providing for the shortfall because of the pending statutory overdraft or is it something else?

Response: The supplementary estimate does not relate in any part to the DSG or the special needs (high needs) block. The supplementary estimate is to offset the Q3/P8 £18.5m pressure forecast that is General Fund and relates to pressure in Childrens Social Care placements and in Home to School Transport.

b. Summary of main points raised/noted in subsequent discussion:

1. Foster care

- a. There was a discussion during which members generally welcomed the action being taken to invest in and improve foster care. It was noted that actions being taken forward included:
- a drive to recruit significantly more foster carers, and where appropriate to consider additional, innovative approaches, e.g. in some cases, providing financial assistance to foster carers/prospective adopters to enable a home extension or provide suitable aids and adaptations, or in some cases resource the provision of a larger vehicle, where it was clear that long-term value for money and additional foster care through that additional investment could be assured.
 - participating in the regional foster care hub as part of a programme of offering holistic support to foster carers.
 - new campaigns to encourage the recruitment of new foster carers and action to support potential new foster carers as they progressed on their care 'journey' beyond the initial inquiry stage, and participation in the south west fostering retention and recruitment hub project.



b. It was noted that independent fostering agencies faced similar challenges around recruitment.

c. It was noted that individual councillors can have an important role in participating in any local foster carer recruitment campaigns.

2. Children's home placements

a. There was a discussion about the action that will continue to be taken to develop the in-house, local placement offer, including 'investing to save' opportunities to increase capacity and provide more local children's homes to reduce reliance on more expensive 'out-of-area' placements, noting that the children's home model is now based primarily on small-scale settings, i.e. no more than 1-3 children per home.

It was noted that:

- Demand for children's home placements continues to outstrip supply.

- Through the Council's Property Transformation Programme, property assets were notified to the Children's Services team as they became available in order that an assessment could be made about the potential to develop a pipeline of converting/re-purposing suitable Council owned properties.

b. It was noted that there was a market issue in Bristol as a number of providers regarded property prices in the city as very challenging.

c. It was noted that the membership of the Corporate Parenting Panel had been reviewed in the last year. It was suggested that it would be particularly important to engage with the new councillor intake after the forthcoming May 2024 elections so that all councillors were aware of the full scope of the Council's corporate parenting responsibilities.

d. In response to a question, it was noted that the Council had also grown and enhanced its kinship carer offer.

e. In further discussion, and noting that encouraging progress had been made by Adult Social Care in forecasting service demand, it was suggested that whilst accepting the inherent difficulty in accurately forecasting future demand for children's services, all possible action should be explored around any opportunities that arise for investment in robust forecast modelling, to try to improve predictions around demand and assist the planning of future services. In relation to Children's Services, it was noted that forecast graphs were produced currently in terms of examining different demand scenarios, and that the needs of children with complex needs and the cost of placements was also closely tracked. It was noted that improved forecast modelling (including tracking market issues and national trends) would also be key to developing an evidence base that would support requests for additional government or other funding.

f. In further discussion, it was suggested that given that 'out of area' costs were an issue across a wide number of councils, there could be scope for working more closely with a number of south west authorities (i.e. including and beyond the West of England region's geography/footprint) around exploring the co-development of a joint commissioning/brokerage approach to increase the supply of specialist children's and adult placements. Such an approach, if feasible, could potentially 'get ahead' of the



current market around this provision although it was noted that taking forward this work would also require properly resourced delivery capacity. It was suggested that this could be usefully flagged as an issue to be considered by the relevant policy committees under the committee governance system.

3. Recruitment and retention of staff

In terms of recruitment and retention of staff, it was noted that action was being taken to review the advertising of vacancies and to re-evaluate and implement revised salaries of certain key posts (subject to final confirmation), mindful of the market rate and competitive salaries offered by nearby authorities for similar jobs.

4. Home to School transport

There was a discussion around the need to reduce the escalation of costs associated with Home to School transport:

a. It was noted that the Home to School transport service remained under significant pressure from the increase in the proportion of children with Education Health and Care Plans (EHCPs) needing travel support, together with issues around limited local capacity and increasing supplier costs, and the costs of 'out of area' journeys.

b. In light of the need to secure savings and reduce costs, it was noted that a key decision report was being scheduled for the 5 March Cabinet proposing Home to School transport policy changes. These changes would look to support more independent travel for young people where this was appropriate. The aim of the policy changes was to deliver the required savings whilst also providing a service that was in the best interests of the children and young people concerned. It was noted that this would see a move towards provision that involved some shared journeys where appropriate rather than tailored individual journey packages.

5. Education Health and Care Plans (EHCPs) – legal challenges and mediation

There was a discussion around the Council's approach to legal challenges to decisions taken in relation to EHCPs:

a. It was clarified that, mindful of the Council's overall resource position, very careful legal due diligence was carried out in considering how to appropriately respond to legal challenges to the ECHP process. Where necessary, lawyers would be engaged for particular cases but, wherever possible, mediation was offered and used to try to resolve cases. Mediation could, for example, help to resolve communication issues in some cases.

b. The Deputy Mayor for Children's Services, Education and Equalities advised that the most effective way in the longer term to reduce the need for mediation and litigation in relation to EHCPs would be to invest in growing and sustaining Special Educational Needs provision across mainstream school settings so that the city's overall education provision was more inclusive.

6. Dedicated Schools Grant (DSG) budget proposals 2024/25

There was a discussion around the DSG budget proposals for 2024/25:



a. Members noted that in light of the ongoing seriousness of the DSG deficit (especially in relation to the High Needs Block), an updated DSG management plan was in place setting out detailed mitigations. In reviewing and updating the DSG management plan, great care had been taken to first assess the full impact of the unmitigated position in terms of the impact of the deficit. It was noted that a new team was now in place to oversee the delivery of the management plan and mitigations. Delivery of the plan required transformational culture change and could only succeed through a 'one council' approach and effective partnership work with the Department for Education and partners across the schools and education landscape.

b. Members agreed that under the committee management system, it would be critical to ensure ongoing focus on and close monitoring of the delivery of the DSG management plan/mitigations through the Children and Young People Committee and the Strategy and Resources Committee. In effect, this could be seen as the Council's fifth major transformation programme. The plan was considered to be robust by the Department for Education but delivery was a whole council issue. The investment underpinning the plan must deliver the required, improved outcomes.

c. A member drew attention to the following specific comment that was included within the Equality Impact Assessment of the 23 January Cabinet report on the 2024/25 DSG budget proposals:
'To note that in year 2024/2025, the position for the overall Dedicated Schools Grant (DSG) is a fair and consistent distribution of funding that is closely aligned to need and is essential to supporting opportunity for all children, irrespective of their background, ability and need.'

It was noted that officers would review this wording in terms of the report to be submitted to the budget Full Council meeting on 20 February, to indicate that this funding was aligned to need insofar as it was possible for the Council, at this time, to ensure this.

d. In response to a question, it was noted that the School Blocks funding formula was subject to final approval from the Education and Skills Funding Agency (ESFA). It was noted that the allocated Schools Block funding was distributed by ESFA.

7. Maintained nursery school deficits

There was a discussion about the ongoing significant financial challenges that continued to be faced by maintained nursery schools, where 11 out of 12 were in deficit:

a. Whilst noting the context that the maintained nursery schools served deprived communities in the city, it was also noted that the outstanding deficits must be paid back.

b. It was noted that work was taking place through the Early Years service with nursery school leaders and governors to support the development of their deficit management plans, with the aim of trying to make this provision sustainable whilst also ensuring that deficits were steadily reduced and ultimately eliminated. The situation remained very challenging and it was noted that the Bristol Schools Forum had raised wider concerns about the need to secure increased long-term financial uplift in terms of resourcing early years provision.



2. ADULT AND COMMUNITIES DIRECTORATE - PROPOSED BUDGET

1. Public Health budget

Members noted the position in relation to the Public Health budget, noting that the Public Health grant was ring-fenced and operated on the principle of self-funding. Careful consideration was given to ensuring that the grant was operated strictly in line with government guidance and auditing requirements – for example, a proportion of the grant was able to be allocated to support delivery of health and wellbeing programmes linked to the Joint Strategic Needs Assessment and community health development work; the allocation of these funds was strictly in adherence with the relevant guidance.

2. Adult Social Care

Summary of main points raised/noted:

- a. It was noted that Adult Social Care continued to face significant demand and resource challenges in meeting care and support needs, with a provider sustainability issue from rising costs, significant inflationary pressures, and workforce pressures. As discussed earlier at the meeting, it was also noted, however, that encouraging progress had been made by the directorate in terms of forecasting service demand.
- b. As reported in detail at the 15 December meeting, it was noted that Adult Social Care was continuing to implement its service transformation programme, with the aim of improving service delivery and, in the longer term, creating a more sustainable financial position for the service.
- c. It was noted that the budget included a £3.665m growth figure for Adult Social Care – this had been allocated in the context of anticipated budget pressures. Whilst the associated risk of this not meeting the actual demand for services had been flagged through the directorate's risk register, it was not considered necessary at this point for the risk to be logged in the corporate risk register.
- d. It was noted that Adult Social Care would undergo an inspection at a future point through the new Care Quality Commission inspection framework.
- e. It was noted that through the Adult Social Care transformation programme, there was increased confidence around improved performance in achieving savings in comparison with previous years. Whilst pressures remained (including workforce challenges), a trajectory of improvement was in place in terms of bringing spend closer to national benchmarks in terms of unit costs. Workstreams were being taken forward to ensure that the right and appropriate level of provision was provided for people with care needs in the right place, preferably in home/community settings where possible. In relation to complex care cases, additional capacity was now in place (including the use of trusted assessors through the voluntary, community and social enterprise sector) to assist hospital discharge. Individual care needs were also reviewed at a suitable point following hospital discharge to specifically avoid ongoing 'over prescription' of care support (and related costs); whilst short term intensive support might be required at first, this could often be reduced after a suitable period. It was noted that bringing better systems into place helped the service to deal more effectively with demand.



3. CONCLUDING COMMENTS

At the conclusion of the meeting, the Chair thanked members and officers for their attendance over both parts of this meeting.

It was noted that following the meeting, a report setting out comments from the Resources Scrutiny Commission would be drafted (the draft minutes would be appended to the report) and circulated to all Commission members for comment. Once finalised, the report would be published for inclusion with the agenda papers to be considered at the Full Council budget meeting on 20 February.

As agreed earlier at the meeting, an additional meeting of the Finance Task Group would be arranged for early-mid March. The purpose of this meeting would be to draw up comments on/flag financial processes/issues that it was suggested should be the subject of early consideration by the new policy committees to be established under the Council's committee governance system.

On behalf of the Commission, the Chair thanked Cllr Cheney, Deputy Mayor for City Economy, Finance and Performance and Denise Murray, Director: Finance for their help in assisting the work of the Finance Task Group and for the openness and transparency of information that had been provided throughout the Group's work and discussions.

On behalf of the Commission, the Chair also thanked Denise Murray for all her work and wider contribution to the Council and city, noting that she would be leaving the employment of the Council at the end of March.

Members also thanked Cllr Gollop for his work in chairing the Resources Scrutiny Commission and Finance Task Group.

The meeting closed at 6.33 p.m.

CHAIR _____

