

# Resources Policy Development and Scrutiny Panel

**Date: Tuesday, 6th November, 2018**  
**Time: 4.30 pm**  
**Venue: Guildhall**

Councillors: Sarah Bevan (Chair), Lisa O'Brien, Jasper Becker, Joe Rayment,  
Andrew Furse, Sally Davis and David Veale

Chief Executive and other appropriate officers  
Press and Public  
All Councillors



## NOTES:

1. **Inspection of Papers:** Papers are available for inspection as follows:

Council's website: <https://democracy.bathnes.gov.uk/ieDocHome.aspx?bcr=1>

Paper copies are available for inspection at the **Public Access points:-** Reception: Civic Centre - Keynsham, Guildhall - Bath, The Hollies - Midsomer Norton. Bath Central and Midsomer Norton public libraries.

2. **Details of decisions taken at this meeting** can be found in the minutes which will be circulated with the agenda for the next meeting. In the meantime, details can be obtained by contacting as above.

3. **Recording at Meetings:-**

The Openness of Local Government Bodies Regulations 2014 now allows filming and recording by anyone attending a meeting. This is not within the Council's control.

Some of our meetings are webcast. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed. If you would prefer not to be filmed for the webcast, please make yourself known to the camera operators.

To comply with the Data Protection Act 1998, we require the consent of parents or guardians before filming children or young people. For more information, please speak to the camera operator.

The Council will broadcast the images and sound live via the internet [www.bathnes.gov.uk/webcast](http://www.bathnes.gov.uk/webcast) The Council may also use the images/sound recordings on its social media site or share with other organisations, such as broadcasters.

4. **Public Speaking at Meetings**

The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group. They may also ask a question to which a written answer will be given. **Advance notice is required not less than two full working days before the meeting. This means that for meetings held on Thursdays notice must be received in Democratic Services by 5.00pm the previous Monday.** Further details of the scheme:

<https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=12942>

5. **Emergency Evacuation Procedure**

When the continuous alarm sounds, you must evacuate the building by one of the designated exits and proceed to the named assembly point. The designated exits are signposted. Arrangements are in place for the safe evacuation of disabled people.

6. **Supplementary information for meetings**

Additional information and Protocols and procedures relating to meetings

<https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13505>

## **Resources Policy Development and Scrutiny Panel - Tuesday, 6th November, 2018**

**at 4.30 pm in the Guildhall**

### **A G E N D A**

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out under Note 6.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

4. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

(a) The agenda item number in which they have an interest to declare.

(b) The nature of their interest.

(c) Whether their interest is **a disclosable pecuniary interest** *or* an **other interest**,  
(as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests)

Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of his staff before the meeting to expedite dealing with the item during the meeting.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

6. ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

At the time of publication no notifications had been received.

7. MINUTES (Pages 5 - 8)

8. PROTOCOL ON COUNCIL COMPANY GOVERNANCE (Pages 9 - 10)

A report on 'Council Company Governance Update' is attached. There will also be a presentation at the meeting.

*Please note this report is also on the agenda for the 8<sup>th</sup> November Council meeting.*

9. CABINET MEMBER UPDATE

The Cabinet Member will update the Panel on any relevant issues. Panel members may ask questions on the update provided.

10. PANEL WORKPLAN (Pages 11 - 14)

This report presents the latest workplan for the Panel. Any suggestions for further items or amendments to the current programme will be logged and scheduled in consultation with the Panel's Chair and supporting officers.

The Committee Administrator for this meeting is Michaela Gay who can be contacted on 01225 394411.

**BATH AND NORTH EAST SOMERSET**

**RESOURCES POLICY DEVELOPMENT AND SCRUTINY PANEL**

Wednesday, 12th September, 2018

**Present:-** Councillors Sarah Bevan (Chair), Lisa O'Brien, Jasper Becker, Joe Rayment, Andrew Furse, David Veale and Sally Davis

**Also in attendance:**

**13 WELCOME AND INTRODUCTIONS**

The Chairman welcomed everyone to the meeting.

**14 EMERGENCY EVACUATION PROCEDURE**

The Chairman drew attention to the emergency evacuation procedure.

**15 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

There were none.

**16 DECLARATIONS OF INTEREST**

Councillor Charles Gerrish, Cabinet Member for Finance and Efficiency declared a non pecuniary interest as a Director of ADL (Item 8). He informed the Panel that, based on the advice of the Monitoring Officer, he is able to present the accounts as shown in Item 8.

Councillor Andy Furse declared a non pecuniary interest in Item 9 as a Governor at Bath College.

**17 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN**

There was none.

**18 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING**

There were none.

**19 MINUTES - 16TH MAY 2018**

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chairman.

**20 UPDATE ON ACCOUNTS OF THE COUNCIL'S PROPERTY COMPANY (ADL)**

The Cabinet Member for Finance and Efficiency introduced the report which outlined the annual accounts of Aequus Developments Limited (ADL), Aequus Construction Limited (ACL) and he gave a verbal update on the annual accounts of Bath Tourism Plus (BTP).

### ADL

The Cabinet Member explained that there were 22 units of accommodation and that the void rate was 3% which was below normal expectations. He added that the units were let at an acceptable and commercial level.

### Panel members made the following points and asked the following questions:

Councillor Furse asked why there were only 2 Directors on ACL when there were 6 on ADL. The Cabinet Member explained that in reality both are run as one company with ACL being the construction element.

Councillor Furse asked what 'relatively affordable' meant. The Cabinet Member explained that a lot of thought had gone in to pitching this at a level which is right for the city while not being too high or significantly undercutting other landlords.

Councillor Furse asked what was meant by 'streamline the refurbishment process' (page 18 of the report). The Cabinet member stated that he would ask officers to brief the Panel on the details at a later date. Councillor O'Brien suggested that officers could give more details on this at the Council meeting to be held the following day (13<sup>th</sup> September 2018).

Councillor Furse asked what 'administrative expenses' were (page 32 of the report). The Cabinet Member explained that this did include the cost of the officer's time.

Councillor Rayment asked if any modelling had been done around letting at different levels. The Cabinet Member explained that certain groups had been targeted such as young professionals as this was where there had been an identified shortfall in available property. He explained that the low void rate showed that the level was pitched correctly.

Councillor Rayment asked if there were any plans to let at a social level. The Cabinet Member explained that the direction of travel was developing sites for new builds where the Council's requirements for social housing will be met.

### ACL

The Cabinet Member explained that ACL is the construction company and is in its first year. ACL was currently converting 95 flats in Keynsham.

### Panel members made the following points and asked the following questions:

Councillor O'Brien asked how many flats are for sale and how many for rent and at what level. She also asked about the level of risk involved. The Cabinet Member explained that the final breakdown (for sale/rent) is yet to be determined and that the

objective was to be a good but not greedy landlord. He added that the risk would be if sales or rentals were not achieved but that so far there had been over 200 expressions of interest.

Councillor Davis asked if landlords will be prevented from making multiple purchases for 'buy to let' schemes. The Cabinet Member explained that every effort is being made to prevent multiple purchases but it is more difficult to prevent individual purchases. The Panel asked that a prevention of 'buy to let' purchases be written into the particulars (see resolution 1 below).

## BTP

The Cabinet Member gave a short verbal update explaining that the information that will be presented to Council on 13<sup>th</sup> September 2018 details the un-audited figures for a previous period of BTP where the management was not appointed by the Council. The Panel wished to recommend that Council request the audited accounts of BTP at a future meeting (see resolution 2 below).

The Panel **RESOLVED** to recommend the following to Council:

1. Regarding properties developed by ACL, the Panel noted that multiple purchases were being prevented but recommended that single purchase 'buy to let' is also prevented and that this be written into the particulars/contract of properties.
2. Regarding BTP (Bath Tourism Plus) annual accounts, the Panel noted that the update to Council contained figures from the previous management of BTP and recommended that the Council note them but request that the audited accounts be submitted to a future meeting.

## **21 UPDATE ON FINAL FIGURES FOR THE FINANCIAL YEAR**

The Cabinet Member for Finance and Efficiency introduced the report which presented the revenue and capital outturn for 2017/18, he explained the reasons for overspends in some areas. He further explained that the figures for the first quarter of this year were considered at the Cabinet meeting last week.

Panel members made the following points and asked the following questions:

Councillor Furse asked if capital receipts were used to fund severance costs. The Cabinet Member confirmed that capital receipts were used following a change in legislation in 2017 which empowered Council's to do this.

Councillor Rayment stated that there was a pattern in the budget in that the Young People and Families Service often have an overspend and Heritage Services often have an underspend, he asked why some budget lines seem set up to fail. The Cabinet Member explained that overspend in areas such as children being taken into care and associated court costs is often unplanned so it is hard to set an exact budget, an informed judgement must be made. Regarding Heritage Services, the Cabinet Member explained that it would be rash to assume maximum return as often events can mean numbers are down.

Councillor O'Brien asked to what extent are the corporate reserves under threat. The Cabinet Member explained that some reserves are earmarked for particular things and that the general reserve is at a level recommended by financial advisors.

## 22 CABINET MEMBER UPDATE

The Cabinet Member for Finance and Efficiency, Councillor Charles Gerrish updated the Panel on the following:

- Interim figures have been reported to Cabinet and he continues to work with officers to address the current financial pressures.
- There has been an urgent decision to acquire 2 properties which will lead to extra revenue.
- An issue regarding a national chain is being addressed.
- There is a submission to Government asking that the authority become self-sustaining.
- The administration continues to press Government for a change of mind regarding a Tourism Levy as it is believed that Bath has a special case as an international visitor attraction.

## 23 PANEL WORKPLAN

The Panel noted the workplan with the following change:

- The unscheduled item on the Panel workplan 'Council Company Governance Update' be brought to the November meeting of the Panel and the date set to fall before the Council meeting. *The Democratic Services Officer will arrange and publish a new date for the November Panel meeting.*

The meeting ended at 5.55 pm

Chair(person) .....

Date Confirmed and Signed .....

**Prepared by Democratic Services**



Bath & North East Somerset Council		
MEETING	Resources Policy Development & Scrutiny Panel	
MEETING DATE:	6 <sup>th</sup> November 2018	
TITLE:	Protocol on Council Company Governance	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Report to 8 <sup>th</sup> November 2018 Council on ‘Protocol on Council Company Governance’.		

## **1 THE ISSUE**

- 1.1 The report to Council sets out the progress made on implementing the decisions of Council on 14th September 2017 relating to the governance arrangements for local authority trading companies.

## **2 RECOMMENDATION**

The Panel is asked to;

- 2.1 Note the proposed amendments to the Protocol for Governance Arrangements of Local Authority Trading Companies and make any required recommendations.

## **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 There are no direct resource implications.

## **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 These are set out in the Council report.

## **5 THE REPORT**

- 5.1 On 14th September 2017 Council resolved to agree the proposed protocol for the governance of local authority companies and requested Cabinet to

incorporate recommendations by the Resources PDS Panel to the proposed governance structure as follows:

- (1) that regular performance reports be brought to the relevant scrutiny panel or committee on a 6 monthly basis on all commercial activity;
- (2) that the principle of a clear distinction between the role of Cabinet and the role of the board/company be established within a reasonable period of time; and
- (3) that legal advice as to how and when a greater scrutiny mechanism can be achieved for decisions made by, or in consultation with, the Leader in his or her role as shareholder is obtained.

5.2 The Council report sets out the approach and actions necessary to comply with the Council resolution.

## **6 RATIONALE**

6.1 The separation of roles and scrutiny arrangements proposed in the report will provide the necessary transparency and democratic oversight of arrangements for the Council's local authority trading companies, whilst ensuring that the Council's decision making as Local Authority and shareholder is efficient and effective.

## **7 OTHER OPTIONS CONSIDERED**

7.1 None.

## **8 CONSULTATION**

8.1 The Council's S.151 Officer, Commercial Director and Monitoring Officer have each been consulted upon the arrangements proposed.

## **9 RISK MANAGEMENT**

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

<b>Contact person</b>	<i>Maria Lucas, Director of Legal &amp; Democratic Services and Monitoring Officer Tel: 01225 395171</i>
<b>Background papers</b>	
<b>Please contact the report author if you need to access this report in an alternative format</b>	

## RESOURCES PDS FORWARD PLAN

This Forward Plan lists all the items coming to the Panel over the next few months.

Inevitably, some of the published information may change; Government guidance recognises that the plan is a best assessment, at the time of publication, of anticipated decision making. The online Forward Plan is updated regularly and can be seen on the Council's website at:

<http://democracy.bathnes.gov.uk/mgPlansHome.aspx?bcr=1>

The Forward Plan demonstrates the Council's commitment to openness and participation in decision making. It assists the Panel in planning their input to policy formulation and development, and in reviewing the work of the Cabinet.

*Should you wish to make representations, please contact the report author or, Democratic Services (01225 394411). A formal agenda will be issued 5 clear working days before the meeting.*

*Agenda papers can be inspected on the Council's website and at the Guildhall (Bath), Hollies (Midsomer Norton), Civic Centre (Keynsham) and at Bath Central, and Midsomer Norton public libraries.*

Ref Date	Decision Maker/s	Title	Report Author Contact	Director Lead
<b>6TH NOVEMBER 2018</b>				
6 Nov 2018 8 Nov 2018	<b>Resources PDS</b>  <b>Council</b>	<b>Protocol on Council Company Governance</b>	Maria Lucas Tel: 01225 395171	Director Legal & Democratic
6 Nov 2018 8 Nov 2018	<b>Resources PDS</b>  <b>Council</b>	<b>Bath Tourism Plus Accounts</b>	Tim Richens  John Wilkinson Tel: 01225 477468  Tel: 01225 396593	Director Commercial
<b>28TH NOVEMBER 2018</b>				
28 Nov 2018	<b>Resources PDS</b>	<b>Update on Restructuring and Member Development Programme</b>	Cherry Bennett, Ticki Toogood Tel: 01225 47 7203,	Director Partnership & Corporate Services
28 Nov 2018	<b>Resources PDS</b>	<b>Budget and Financial Plans</b>	Donna Parham Tel: 0122539	Director Finance - Section 151 Officer
28 Nov 2018	<b>Resources PDS</b>	<b>Demonstration of Council Website</b>	David Trethewey Tel: 01225 396353	Director Partnership & Corporate Services
<b>4TH FEBRUARY 2019</b>				
		<b>Budget Report</b>		

Ref Date	Decision Maker/s	Title	Report Author Contact	Director Lead
<b>27TH MARCH 2019</b>				
<b>ITEMS TO BE SCHEDULED</b>				
	<b>Resources PDS</b>	<b>Local Government Funding Changes</b>	Donna Parham Tel: 0122539	Director Finance - Section 151 Officer
	<b>Resources PDS</b>	<b>People Strategy (March 2019)</b>	Cherry Bennett Tel: 01225 47 7203	Director Partnership & Corporate Services
The Forward Plan is administered by <b>DEMOCRATIC SERVICES</b> : Michaela Gay 01225 394411 Democratic_Services@bathnes.gov.uk				

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