

BATH AND NORTH EAST SOMERSET

CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL

Tuesday, 24th September, 2019

Present:- Councillors Paul Myers (Chair), Winston Duguid (Vice-Chair), Mark Elliott, Andrew Furse, Hal MacFie, Manda Rigby, Shaun Hughes and Karen Warrington

Cabinet Member for Resources: Councillor Richard Samuel

Also in attendance: Maria Lucas (Director of Legal and Democratic), Andy Rothery (Head of Management Accounts), Cherry Bennett (Director of Human Resources & Organisational Development) and Martin Shields (Corporate Director)

11 WELCOME AND INTRODUCTIONS

The Chairman welcomed everyone to the meeting and members of the Panel introduced themselves.

12 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure.

13 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillor Alastair Singleton had sent his apologies to the Panel.

14 DECLARATIONS OF INTEREST

There were none.

15 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

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

There were none.

17 MINUTES - 15TH JULY 2019

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

18 CABINET MEMBER UPDATE

The Cabinet Member for Resources, Councillor Richard Samuel addressed the Panel. He said that a number of the reports on the agenda relate to his current work stream, so he would speak prior to them being debated.

He stated that work was ongoing to include proposals from the election manifesto in the new Corporate Plan.

He said that the Council owns over 1,000 properties and that work in this area would be a major initiative for the Council in the coming years.

19 REVENUE AND CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS - APRIL 2019 TO JULY 2019

Councillor Richard Samuel introduced this report to the Panel, reminding them that it had been subject to discussion at the Cabinet meeting held on 12th September 2019.

He said that the figures were not encouraging as significant pressure remains regarding Children's Services, in particular around Looked After Children and those with Special Educational Needs & Disabilities.

He informed the Panel that there was currently a £1m shortfall in income from the Commercial Estate due to a slowing down of high street retail income.

He stated that Community Services were £0.42m under budget due to a favourable variance from strong visitor performance in the first quarter of the year in the Roman Baths and that both admission and retail income performed above budget expectations.

He said that the capital budget is currently showing an expected under budget position of £30.5m mainly due to re-phasing of Bath Quays and ACL/ADL loan drawdowns into future financial years to reflect revised project spend profiles.

He added that flood defence work was ongoing at Bath Quays South and 50% complete. With regard to Bath Quays North he explained that land assembly was ongoing and encouraged members to find out more details about the project.

The Head of Management Accounts said that void rates within the Commercial Estate had decreased, but that a yield challenge still remained. He added that the current year-end forecast is an over budget position of £1.68m, which equates to 0.59% of gross budgeted spend (excluding Schools) and that mitigation is being assessed.

Councillor Winston Duguid said that he was concerned for the coming 2-4 years of the Council and asked if valuation of the Commercial Estate took place regularly.

Councillor Richard Samuel replied that the estate had been built up over many years and said that land owned by the Council could be more profitable for both the

community and the Council if planning consent were gained for specific projects. He added that he was willing to bring more information to the Panel on this matter.

The Chairman agreed that this could be considered as a future workplan item. He added that he was concerned about the health of the whole Council retail estate and asked if management of the estate had been addressed.

Councillor Samuel replied that this had not yet been addressed, but that there would be a budget line that states better utilisation of the Council's assets.

Councillor Hal Macfie commented that Keynsham Town Councillors have been discussing the Riverside development with officers in Property Services and asked if units were proving difficult to sell would a lower rate be considered.

Councillor Samuel replied that in principle this would be considered, but that there was not a clear policy on this currently. He gave an example of two empty units in Walcot Street that were unlettable due to persistent damp and an odd layout and that decisions on these and similar sites would need to be taken as whether to renovate fully or consider actions to lead to a short term use.

Councillor Karen Warrington said that she was concerned that if further voluntary redundancies took place it would lead to a loss of skills within the Council and asked that proper assessments and mitigation are carried out.

Councillor Samuel replied that he would hope to avoid further redundancies as much as possible as staff are the Council's most important resource. He added that Directors have until the end of the month to submit their forthcoming plans.

Councillor Andrew Furse raised an issue that he had recently been made aware of with regard to the Council Tax card payments system not working within the Keynsham One Stop Shop.

Councillor Samuel said that he would look into the matter.

The Panel **RESOLVED** to note the Revenue & Capital Budget Monitoring report.

20 MEDIUM TERM FINANCIAL STRATEGY & CORPORATE PLAN UPDATE

Councillor Richard Samuel introduced this report to the Panel. He said that one of the main tasks in the coming months was shaping our manifesto commitments into a new corporate plan for the Council and that work is underway to cost these commitments.

He stated that any help the Panel can provide as part of this process will be welcome.

He said that in terms of capital we need to ensure that the Council can afford to run the same level of capital programme as in the past. He explained that capital projects are funded either by use of external grant, receipts from asset sales, or by borrowing and that the latter has a direct implication for revenue spending.

He informed the Panel that a review of all current capital schemes will be carried out to assess their desirability and affordability, and prioritise those that meet our stated corporate priorities.

He stated that the 100% business rate retention scheme was set to continue instead of a proposed 75% retention scheme and that this would benefit the Council by £3.6m.

The Head of Management Accounts said that prudent projections have been made within the MTFs and that the majority of grant funding is only applicable to one year

Councillor Winston Duguid said that he could see that an emphasis had been made within the documents on savings, but said that he would like to see more detail on possible income streams. He asked if any thoughts had been given on a possible 'Tourist Tax', regulations relating to AirBnB or the Council's relationship with the universities.

Councillor Samuel replied that national legislation is required to introduce a 'Tourism Levy' and was aware that other Local Authorities across the country were considering this, in particular Edinburgh City Council. He added that the Government has currently ruled out such measures being introduced.

He said that the universities do contribute towards an annual clear up across the City, but of course there is the fact that the Council has an exemption scheme for students in relation to paying Council Tax.

Councillor Andrew Furse commented that it was important for the Council to have enough incoming funds to pay off capital. He said that the Council must be careful in terms of borrowing despite the current low interest rates. He added that he queried the re-phasing decision in relation to Bath Quays.

Councillor Samuel replied that the intention is to take a measured approach between borrowing in the current market climate and the utilisation of internal cash flow wherever possible. He acknowledged that income to the Council was not always sufficient.

The Chair stated that all members of the Council were accountable through the budget setting process and that public services need maintaining as well as providing residents and visitors with experiences across the authority.

Councillor Furse stated it was important for the Council to communicate its proposals and decisions with the public. He asked what impact the Joint Spatial Strategy will have on the MTFs.

The Head of Management Accounts replied that in terms of Council Tax it was complicated to model future years projections, however current performance on the collection fund is improving year on year in line with each year's budget projection. He added that there is a risk to the Council if the building of homes or development of businesses slows down and that these factors are closely monitored.

The Panel **RESOLVED** to note the Medium Term Financial Strategy & Corporate Plan Update.

21 PEOPLE STRATEGY

The Director of Human Resources & Organisational Development gave a presentation to the Panel to introduce this item, a summary is set out below.

Outcomes

- To feedback on the 2019 Workforce Planning discussions that took place across all service areas and to identify the key themes, opportunities and challenges this presents
- To introduce the People Strategy 2019-2023 and obtain feedback from Members and set out next steps

Workforce planning: What's happened so far?

- Scrutiny Panel in March 2018 supported approach to workforce planning aligned to organisational service plans
- Discussions with 26 Directors/Heads of Service and HR Business Partners between Jan and March 2019 (42 questions in 7 sections)

Workforce Planning discussions 2019

1. Recruitment and retention
2. Capacity and demand
3. Apprenticeships, Graduate Interns and Project Search
4. Career progression and development
5. Equality & Diversity
6. Health, Safety & Wellbeing
7. Service restructure & redesign

Apprenticeships, Graduate Interns and Project Search

- 92 apprentices
- Spending our apprenticeship levy
- Continuation with Project Search sponsorship and coaching
- 1st MBA cohort with Bath Spa Uni. Another about to start and one planned for February. LGV driver apprenticeship about to come online

People Strategy 2019 – 2023: Enabling our people to be their best

5 key priority areas linked to Corporate Priorities:

1. Attraction, retention and workforce planning
 - Establish employer brand
 - Modernisation of our recruitment processes

- Modernisation of our pay, grading and reward mechanisms
 - Employ more from local schools and colleges
2. Employee engagement and performance
- Ensure good quality performance development conversations take place on a regular basis and are measured
 - Listen to our staff on a more regular basis
 - Refresh staff worker challenge groups
3. Talent and development
- Enhance and embed the @mybest programme to create defined career pathways for all
 - Develop the succession plan for the organisation, identifying talent and creating opportunities internally where possible
4. Improving How We Work
- Recognise and design the differences required to deliver services in new and different models
 - Deliver the collaborative Improving How We Work Programme (including digital and flexible working programmes, corporate travel and future offices)
5. Health, Safety & Wellbeing
- Develop a mental health strategy and action plan
 - Wellbeing activities maximised
 - Risk assessment audit project about to launch

Next steps

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| • | September | Corporate Scrutiny |
| • | October | Cabinet decision |
| • | November | Launch |
| • | Jan onwards | People Strategy Steering Group |

Councillor Karen Warrington said that she liked the Strategy and found it easy to read. She asked if a skills gap analysis would be carried out should further voluntary redundancies be required. She also asked to see timescales included in the strategy.

The Director of Human Resources & Organisational Development replied that 50% of services across the Council have training plans in place and that further work regarding skills was planned.

Councillor Andrew Furse asked if other Local Authorities were ahead of B&NES in terms of a total reward approach for staff.

The Director of Human Resources & Organisational Development replied that she felt that staff do currently receive benefits in a number of areas from the Council, including being part of its defined benefit pension scheme and from flexible working. She added that future work would seek as to how the Council can package, explain and market their offer better to new employees.

Councillor Furse asked if local schools and colleges were already involved in the apprenticeship scheme.

The Director of Human Resources & Organisational Development replied that Bath College was our current main apprentice provider and there was further work to be done to engage local schools to help recruit to hard to fill roles (as well as apprenticeships).

The Chairman asked if staff appraisals were being carried out.

The Director of Human Resources & Organisational Development replied that they were in the form of Performance Development Conversations (PDC) but that there was no data available to confirm numbers, frequency or quality of the conversations.

Councillor Hal MacFie asked if the number of apprentices in the Council could be increased.

The Director of Human Resources & Organisational Development replied that there is an aspiration to do so and that discussions were ongoing.

The Chairman, on behalf of the Panel thanked her for the presentation and the work carried out so far on the Strategy. He said that he would like the Panel to monitor its progress.

22 COUNCIL COMPANY ACCOUNTS 2018/19

The Corporate Director introduced this report to the Panel. He informed them that Tim Richens (ADL) and David Haywood (Visit Bath) were present should they have any specific questions.

He explained that the draft ADL and ACL Accounts were approved by the company Board on 6th June 2019 and the Shadow Holding Company Board on 19th June 2019. He added that they have been subject to independent audit by the appointed auditors, Monahans, and their report is included in both sets of accounts. He stated that the Audited Accounts were then approved by the company AGM (with the Leader as Shareholder) on 12th July 2019.

He said that the Visit Bath 2018/19 final accounts were approved by the Board on the 9th September 2019 and that they have been subject to independent audit by the appointed auditors, Moore Stephens.

Councillor Andrew Furse noted the £53k improvement on the prior year's accounts for Visit Bath.

David Haywood said that he believed that figures will improve again this coming year. He thanked Simon Addison and Andy Rothery from the Council for their work. He acknowledged that a substantial amount of money was still owed to the Council, but there was a commitment to this being repaid.

The Panel **RESOLVED** to;

- (i) Note the ADL 2018/19 year end audited accounts
- (ii) Note the ACL 2018/19 year end audited accounts
- (iii) Note the Visit Bath 2018/19 year end audited accounts

23 PROTOCOL ON COUNCIL COMPANY GOVERNANCE

The Corporate Director introduced this report to the Panel. He explained that they were receiving the report ahead of the Council meeting on 10th October.

He said that he was Chair of the current working group that had revised the arrangements that are being proposed.

He informed the Panel it is proposed that the current role of the Shadow Holding company is overseen by a client group consisting of Council officers closely connected with the subject matter of the type of trading the company intends to conduct. He added that the proposed new Shareholder Group would incorporate enhanced scrutiny arrangements by Group Leaders.

The Chair said that he welcomed the proposals as the structure will deliver additional scrutiny. He added that confidentiality is a key issue on these matters and the message must be clear to all those involved.

The Director for Legal & Democratic Services highlighted the following wording from the Terms of Reference.

The Cabinet will make decisions concerning companies in which the Council is or is proposed to become a shareholder. Information provided is commercially confidential to the Council companies and must be held in Strict Confidence and must not be divulged by the members in receipt of it save for the purpose for which it is disclosed.

The Panel **RESOLVED** to note the proposed amendments to the Protocol.

24 PANEL WORKPLAN

The Chair introduced this item. He reiterated his suggestion for the Panel to hold a workshop during October to discuss future work areas.

Councillor Karen Warrington proposed the following subjects for the workshop; Climate Change, Service Delivery, Property, People Strategy and Rates retention.

The Chair said that he would like consultations to be discussed so that they are timely and for Councillors and the public to be made aware of them.

Councillor Andrew Furse said it was also important to engage with Council staff and act upon issues they raise.

The Chair thanked members for their comments.

The meeting ended at 6.00 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services