

BATH AND NORTH EAST SOMERSET

MINUTES OF CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL MEETING

Monday, 11th July, 2022

Present:- **Councillors** Winston Duguid, Mark Elliott, Andrew Furse, Lucy Hodge, Sally Davis, Duncan Hounsell (in place of Alastair Singleton) and Colin Blackburn (in place of Shaun Hughes)

Apologies for absence: Councillors: Karen Warrington and Hal MacFie

1 WELCOME AND INTRODUCTION

The Chair welcomed everyone to the meeting.

2 EMERGENCY EVACUATION PROCEDURE

The Chair drew attention to the emergency evacuation procedure.

3 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillor Warrington sent her apologies.

Councillor Hughes sent his apologies and was substituted by Councillor Blackburn

Councillor Singleton sent his apologies and was substituted by Councillor Hounsell

Councillor MacFie sent his apologies.

4 DECLARATIONS OF INTEREST

There were none.

5 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

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

David Redgewell sent a statement to the Panel regarding transport issues.

7 MINUTES

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

8 CABINET MEMBER UPDATE

The Cabinet Member for Adults and Council House Building, Councillor Tom Davies gave an update to the Panel which covered the following:

- The outturn for the last financial year shows £4million ahead of budget. This is being utilized for two reserve funds (Park and Ride contract and Energy Inflation Risk Reserve Account).
- The first quarter of this year trends identified are: broadly tracking on budget except for a £2.3million overspend in Children's Services. There will be a report to Informal Cabinet in August.
- Treasury Management Report is being reported to Cabinet – all as expected.

Panel Members asked the following questions:

Councillor Duguid asked for reassurance regarding inflation. The Cabinet Member explained that when the budget was prepared in December, the prevailing rate of inflation was high, although not as high as now. He reassured the Panel that this had been considered and factored in.

Councillor Furse asked the following questions (*Cabinet member response shown in italics*):

- Savings in staff costs (staff in the planning department in particular) are not always good news due to the resultant pressures on remaining staff. *The Cabinet Member explained that the budget was in place for staffing and there is no intention to save money in this area – the issue is the difficulty in recruitment.*
- The car parking income is good but the Council's ambition is to have less cars in the city centre to reduce the impact on air quality. *The Cabinet Member explained that levels had come up quicker than expected.*
- Can we think of clever solutions to save energy eg. Traffic lights use. *The Cabinet member explained that more are being changed to LED lights which hopefully reduces energy costs.*

9 UPDATED CORPORATE RISK REGISTER

Jeff Wring, Service Director One West, introduced the report.

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

Councillor Hodge asked about the risks involved in staff retention and recruitment (workforce resilience). She stated that the workforce had undergone a huge change with the move to 'work from home' and hybrid working. This will have had an impact, some departments still do not know how they will work. The officer explained that offices have now reopened so things should be a bit more settled. There are 'hard to fill' posts in any organisation. The officer explained that a risk receives focus if it is medium or high, it only comes off the risk register if it is low.

Councillor Blackburn asked at what point do we acknowledge that we are no longer a premier league employer? People leave for other jobs in the industry and this should be reflected in the risk register. The officer explained that BANES is a good employer, there is good feedback. A lot of people may be moving to work from home jobs for companies in London, there has been a lot of movement but this will settle down. People do value work life balance and value doing jobs that 'give back'.

Councillor Blackburn asked about the staffing costs regarding the 'ring of steel' manned barriers and also how much people are being put off cycling in the centre. The officer stated that he did not have a detailed answer and that this was part of a wider conversation.

Councillor Hounsell stated that there are only 2 enforcement officers in BANES which impacts on remaining staff. He asked if we head hunted staff. The officer explained that traditional recruitment is rare now, we use social media, LinkedIn and careers fairs.

Councillor Duguid commented that the information is not as stark as when you have the numbers, it is missing quantification. The officer stated that this was a good point but that this was only part of the puzzle.

10 PROCUREMENT POLICY ANNUAL UPDATE

Richard Howroyd, Head of Strategic Procurement & Commissioning, introduced the item and gave a presentation which covered the following:

- Strategic Procurement – updates today
- Procurement Commissioning and Strategy
- A reminder – What do we spend our money on?
- Procurement Risks – State of the Market
- Investing in People – Changes to the Team
- Carbon Net Zero
- Modern slavery/labour issues
- Social Value
- Contract Management
- New Requirements – Contracts pipeline
- Review and update of processes
- Fit for purpose information (internal)
- Fit for purpose information (external)
- Going forward
- Strategic Procurement Team

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

Councillor Furse referred to the vacancy of 'Contracts Manager Resources' and stated that, since the shift to commissioning, contracts management has become a skill in its own right. The officer explained that a lot of effort goes into training, central government is helping with this.

11 AEQUUS GROUP UPDATE

Tim Richens, Managing Director Aequus Group gave a presentation to the Panel which covered the following:

Andy Rothery, Chief Finance Officer (Section 151), and Simon Martin, Director of Regeneration and Housing, were also present to answer questions.

- Background
- 2020/21 Accounts
- Company Restructuring (1)
- Company Restructuring (2)
- Business Plan 2021/22 to 2023/24
- Key Achievements – March 2021
- Future Delivery Focus
- Climate Emergency
- Financial Returns and Dependencies
- Governance and Resourcing
- Delivery and Decision Making (1, 2 & 3)
- Company Performance 2021/22
- Company Updates – 2022-23

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

Councillor Blackburn asked, regarding the 40 rental properties, how many void properties have been repurposed and brought back on to the market. He commented that this is what ADL had been set up to do. The officer confirmed that all 40 properties had been brought back into use and explained that these are properties that were originally transferred under LSVT. After 15 years and only as they became vacant, they are then returned to the Council, most are in a poor condition and need to be refurbished/repurposed. He stated that ADL was set up to repurpose these ex-Curo properties. Councillor Furse explained that properties were in a poor condition and were coming back to BANES and sold back on to the market/private sector – there was a feeling that this was a loss of social properties, that is the history.

Councillor Blackburn referred to 117 Newbridge Hill and asked how comfortable the officer was that there was value for money regarding these units. The officer replied that any underspend is returned to the Council as overage. He explained that the Gross Profit of £350K before tax will contribute towards Shareholder dividend payments delivering the Council's £1M income target from Aequus

Councillor Blackburn asked how South Gloucestershire became involved in this as the original aim was to provide local properties. The officer explained that the business plan is approved by the shareholder (BANES), South Gloucestershire was brought in with the agreement of the shareholder. The Board of Aequus are responsible for running a successful business, the link with South Gloucestershire provides diversity and sustainability and means we are not reliant on a single source of development sites. Andy Rothery, Chief Finance Officer (Section 151), added that

ADL, as a limited company, is a tradable entity and well placed to fulfil this activity which benefits our neighbours and ourselves.

In response to a query from Councillor Blackburn, the officer explained that a number of local partners had approached Aequus to discuss potential developments but the partnership with South Gloucestershire developed which has afforded economies of scale/knowledge and delivery. No other partnerships are being worked on at the moment.

In response to a query from Councillor Duguid, the officer explained that all development profits on the South Gloucestershire site come to Aequus (and ultimately its shareholder BANES), South Gloucestershire gets the land value and a 50% share of any overage.

Councillor Blackburn asked what lessons had been learned regarding Sladebrook in terms of delivery. The officer explained that the low energy elements had been subject to an independent rating regarding energy and carbon. Any lessons arising from feedback during the ongoing two year defects period will be learned. The Association for Environment Conscious Building (AECB) standard was used for the Sladebrook Road development and has been adopted by Aequus as the standard for all their new homes developments.

Councillor Blackburn asked why properties in Keynsham did not get solar panels. Simon Martin responded that this was a BANES project and will be progressed in this financial year.

Councillor Elliott asked about staff TUPE and pension fund issues. The officer explained that staff were brought across on a TUPE transfer with rights to remain in the LGPS (Local Government Pension Scheme) with any liability at that time ultimately underwritten by the Council. The LGPS is also subject to triennial revaluations by the Fund's Actuary for the setting of the employer contribution rates payable by all scheme employers, including Aequus. It was explained that new employees are on the stakeholder money purchase scheme which does not give rise to any ongoing employer pension liability.

Councillor Elliot asked how remuneration is set. The officer explained that the Remuneration Policy was approved by the shareholder and is overseen by the Aequus Remuneration Committee. In response to a query from Councillor Blackburn, the officer explained that all bonus payments are agreed in accordance with the approved Remuneration Policy and applies to all Aequus staff.

The Cabinet Member for Council Housing, Councillor Tom Davies explained that the Council is often challenged on what it is doing regarding the housing crisis and through this Council owned company, we are delivering new homes and quality rental Council Housing, Aequus has facilitated our delivery.

It was RESOLVED that Councillor Duguid investigates a possible Task and Finish group (to involve Audit Committee representative/s) to look at the Council's wider approach to Housing Policy and Delivery, including via Aequus.

12 PANEL WORKPLAN

The Panel noted the future workplan.

The meeting ended at 6.22 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services