

BATH AND NORTH EAST SOMERSET

RESOURCES POLICY DEVELOPMENT AND SCRUTINY PANEL

Monday, 5th February, 2018

Present:- Councillors Sarah Bevan (Chair), Lisa O'Brien, Jasper Becker, Joe Rayment, Andrew Furse, Patrick Anketell-Jones and Sally Davis

46 WELCOME AND INTRODUCTIONS

The Chairman welcomed everyone to the meeting. She welcomed Councillor Lisa O'Brien as the new Vice Chair of the Panel and Councillor Sally Davis as a new Panel member.

The Chair thanked Councillor Colin Barrett for his long standing contribution to the Panel.

46 WELCOME AND INTRODUCTIONS

The Chairman welcomed everyone to the meeting. She welcomed Councillor Lisa O'Brien as the new Vice Chair of the Panel and Councillor Sally Davis as a new Panel member.

The Chair thanked Councillor Colin Barrett for his long standing contribution to the Panel.

47 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure.

48 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were none

49 DECLARATIONS OF INTEREST

Councillor Joe Rayment stated that he worked for DHL.

Councillor Andy Furse stated that he is the Vice Chair of Governors at Bath College.

50 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

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

There were none.

52 MINUTES - 22ND NOVEMBER 2017

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

53 BUDGET AND COUNCIL TAX 2018/19 AND FINANCIAL OUTLOOK

The Strategic Director for Resources, Andrew Pate introduced the report, he explained that the Panel should take an overview across the Council and pointed to the recommendations on page 5 of the agenda papers. Donna Parham, Divisional Director for Business Support (Director of Finance) gave a detailed explanation of the tables contained within the report.

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

Councillor O'Brien pointed to the shortfalls in achieving the budget targets in the current year and asked what was in place to rigorously monitor this in the future. The Cabinet Member for Finance and Efficiency, Councillor Charles Gerrish explained that a very thorough piece of work had taken place which has resulted in the rebasing of the figures for 2018/19, an example was the total rebasing of the HR budget. In previous years it had been easier to compensate from other budgets but that flexibility no longer existed. He further explained that the Cabinet will require routine monitoring of all services particularly where there is a high spend or risk, there will also be reporting by exception. The Strategic Director added that the HR review and restructure had corrected a legacy budget issue.

Councillor Furse asked about the £3.4m over budget and the Cabinet Member explained that this was the figure at the end of December, it is the net figure.

Councillor Rayment asked the following questions:

- 1) The profit share agreement for the Thermae Spa, and any possible lease extension agreement, is proposed to be delegated to the Chief Executive. Will there be any further opportunity for this to undergo democratic scrutiny, and what form would that take? (e.g. will this be open to call-in?)
- 3) The release of Leading Change Together Programme funding is proposed to be delegated to the Chief Executive. As this funding will facilitate a significant restructure of the Council and the loss of 300 FTE staff posts, will there be any further opportunity for this to undergo democratic scrutiny, and what form would that take? (e.g. will this be open to call-in?)
- 4) How do the Cabinet define the various terms used to describe the services that will be unaffected by the reduction in staff numbers? (i.e. 'front line services', 'key front line services', 'critical services' and 'critical functions and services for vulnerable people')
- 5) Has the Cabinet had any assurance from the Government that failure to utilise fully the permitted Council Tax rise of 3% (without referendum) will not impact

negatively on any of the Cabinet's proposals for how to raise further revenue (e.g. a 'tourist tax') which require Government policy changes?

6) The papers identify 'changes to Government policy that affects future funding' as a likely risk with a potentially high impact. What information has been used to inform this?

The Cabinet Member stated that he would respond in more detail to some of these questions after the meeting. Regarding questions 5 the Cabinet Member explained that there have been recent discussions with Government around their support for new and different forms of revenue to help make the Council more self-sufficient, that the Government had welcomed the Council's constructive approach, and had not raised any issues about planned Council Tax increases.

Councillor Furse asked about the Thermae Spa and why the formula was so complex. The Cabinet Member explained that the renegotiation of the deal will be of benefit to the Council and there was to be independent valuation advice to support any lease extension. Councillor Furse asked why the lease was being extended to 50 years with YTL. The Strategic Director explained that the existing arrangement with YTL needed to be simplified and refreshed which is positive for the Council, with improved profit share, and regarding the lease extension he explained this can only be for the parties to the agreement, that no third party can come to the table at present but the extension enables the business to grow which is an opportunity for YTL and the Council. The Cabinet Member said he would be taking further professional advice on any lease extension and would, before the Council meeting, consider the decision making approach.

Councillor O'Brien asked if the full amount budgeted for the refurbishment of Lewis House was needed. The Cabinet Member explained that there was a significant shortage of commercial office space in Bath so there is a high demand. He explained that this plan is clearly influenced by the evolution of staff changes – it was logical that if there were 300 less staff then less office space would be needed and it was easier to let office space in Bath rather than Keynsham. He stated that no decisions had been made yet and the sum was provisional.

Councillor Furse asked about the £14m in flexible receipts – the Cabinet Member explained that Riverside in Keynsham had been sold to ADL and many of the receipts were similar in nature.

Annex 1

Councillor Rayment asked (question 7) that if growth of £420,000, reduced by savings of £301,000, has been identified for Information Technology revenue spent in 2018/19. What has caused such a significant planned growth in spend in 2018/19, especially considering the proposed shrinking of the workforce? The Cabinet Member stated that he would give a written reply.

Councillor Rayment also asked the following questions:

15) What are the individual savings included under the 'Community Safety and Engagement' line in the Transformation & Customer Services portfolio?

16) What is the potential impact of the savings to the Student Community Partnership?

17) How will support for the Student Community Partnership continue?

18) What is the potential impact of the savings to Prevent training?

19) How will support for Prevent training continue?

20) What is the potential impact of the savings to match funding initiatives?

21) How will support for match funding initiatives continue?

22) What is the potential impact of the savings to Workers Challenge Groups?

23) How will support for Workers Challenge Groups continue?

24) What is the potential impact of the savings to Domestic Homicide Reviews?

25) How will support for Domestic Homicide Reviews continue?

The Strategic Director stated that there was a lot of detail in the questions from Councillor Rayment and that the Cabinet Members can provide more detailed responses after the meeting.

Regarding questions 22 & 23, the Cabinet Member explained that the total actual spend on Workers Challenge Groups has been only £250. He added that support would continue through other in house budgets.

Regarding question 15, Councillor Karen Warrington – Cabinet Member for Transformation and Customer Services explained that this refers to the proposed restructuring of the management team and savings will come from new ways of working including centralising services and use of digital by choice, so the service impacts will be minimal.

Regarding questions 16 and 17 on Student Community Partnerships, Councillor Gerrish explained that the £5k figure represents the current Council contribution to the overall budget, the remainder being contributed by the Universities.

Regarding questions 18 and 19 on Prevent, Councillor Gerrish explained that there would be no impact on Prevent training initiatives.

Regarding questions 24 & 25 on Domestic Homicide Reviews, Councillor Gerrish explained that the current budget is £15k and the proposal is to reduce this to £11k and then £7k and the savings will be achieved through a new framework for buy-in support for DHR's and also seeking to recoup costs of reviews from partner agencies.

Councillor Furse asked about Transport and Parking Services which is flagged as a high level risk. Councillor Gerrish explained that this was high risk when the report

was drafted but since then, the Parking Strategy had brought in a different way of doing things such as the restructured charging formula which had been recently announced.

Annex 3

Councillor Rayment asked the following questions:

26) The equality impact review has 'highlighted those proposals with the potential to have the most significant impacts upon service users'. Is this approach consistent with our obligations under The Equality Act 2010? Should not all savings proposals be assessed, as even a proposal to save a small amount of money with little potential impact on service users will still be unlawful if it discriminates against an individual because of protected characteristics?

27) Should not potential impacts on staff have also been assessed under the equality impact review, not just service users?

28) The potential equality impacts of the savings in the 'Transport – Moving People from A to B' line includes that there 'may be issues moving some users from dedicated buses or taxis onto community transport which may impact on some vulnerable users'. However, the potential mitigation for this says that 'there may be alternative options available such as community transport'. How are these reconciled?

29) The savings in the Director of Public Health Award 'could lead to knock on costs and increased demand in the future'. What assessment has been made of the scale and timescales of these?

The Cabinet Member Councillor Gerrish explained that on issues of equalities he acts on advice from professionals. He further explained that the details shown in Annex 3 are a summation of the work done, not the total. He explained that he would send written replies to the above questions.

Councillor Rayment asked if everything had been assessed in terms of equalities and then only where there were potential impacts, they were shown in the papers. Samantha Jones, Inclusive Communities Manager explained that report authors needed to have due regard of the effects on vulnerable people and as elected members, the Panel must have due regard for those with protected characteristics and also a duty to foster good relations – this must be thoroughly considered and the Panel must decide if the scrutiny process is robust enough. David Trethewey, Divisional Director Strategy and Performance explained that some items have detailed assessment at this stage and others will have equalities assessments at the next stage of implementation. The Strategic Director explained that there are opportunities at later stages to give more thought to this and the budget report is not the end of considerations regarding equalities.

Councillor Rayment asked about the staffing changes and if there will be a democratic input into this. The Strategic Director explained that workforce planning is delegated to the Head of Paid Service but this Panel has an item on this at its next meeting.

Councillor Rayment asked about assessments in terms of staff (question 27 above). The Divisional Director for Strategy and Performance explained that there is an existing organisational change policy which includes equalities issues.

Councillor Anketell-Jones asked if the Council was involved in procuring assistive health technology. Mike Bowden Strategic Director for People and Communities explained that, regarding health and social care, we had not been at the forefront but there was scope for invest to save, an example is personal alarms which benefits individuals as well as saving money.

Councillor O'Brien pointed to page 93/94 'Community Support Service' and 'Front Door Reviews' and highlighted the challenge of getting detailed evidence when dealing with people with learning difficulties or dementia. She urged caution as people could be less supported under the guise of developing independence.

Annex 5 (i)

Councillor Furse (page 19 paragraph 2.2.16) asked if all provision at Midland Road recycling will move and if there would be mini sites. The Cabinet Member explained that a feasibility study was being carried out.

Councillor Furse asked about the nursery improvements in Royal Victoria Park (RVP) (paragraph 2.2.6), the Cabinet Member explained that there was now a strategy to increase the use of RVP.

Councillor Rayment asked about Affordable Housing (paragraph 3.1.8) and if this would be at the LHA rate or below. The Cabinet Member explained that the statutory definition of 'affordable housing' is used here. The Strategic Director for Place explained that Government funding was being targeted, she explained that each site is looked at and if housing is not going to be truly affordable, it could be re-directed to other sites.

Councillor Rayment asked what the definition of 'young' is regarding affordable housing, the Cabinet Member stated that he would report back on the answer.

Annex 7

Councillor Rayment asked why the timeline for decision making on the budget is set up to build in risks. The Cabinet Member explained that the process of setting the budget was part of a substantial programme including parishes, fire and police authorities, the Council is not in isolation – this has led to the formal budget date. The monitoring officer advice was the same as in previous years.

The Strategic Director for Resources reflected that the Panel have looked at the Budget Report and highlighted a number of issues, he asked if they had any recommendations to the Cabinet.

It was noted that the Cabinet Member Councillor Gerrish undertook to review the decision making procedure on the Thermae Spa lease extension (discussed above) before the Council meeting on 13th February 2018.

Following a proposal from Councillor Rayment, seconded by Councillor Furse, it was **RESOLVED** that the Panel request the Cabinet Member for Finance and Efficiency, Councillor Charles Gerrish to review the proposed use of delegated powers of the Chief Executive and S151 officer with regard to recommendations **c)**, **f)** and **h)** in the Cabinet Report* (shown below in italics) with a view to increasing the level of democratic involvement.

(4 voted for, 2 against, 0 abstentions and 1 member did not vote)

**The Cabinet report recommendations referred in the resolution above are:*

c) That the TDC (Thermae Spa) Profit Share arrangement and possible lease extension is renegotiated, subject to appropriate consents and the final decision delegated to the Chief Executive in consultation with the S151 Officer and Leader of the Council.

f) That the release of reserves, including the Invest to Save Reserve is delegated to the Council's S151 Officer in consultation with the Portfolio Holder for Finance and Efficiency and the Chief Executive

h) The Efficiency Strategy attached at Annex 4 and delegation of the Leading Together Change Programme funding of £2.0m to the Chief Executive in consultation with the Leader of the Council.

(Report to Cabinet 7th February 2018 'Revenue and Capital Budget 2018/19)

54 COUNCIL OPERATION PLAN

The Chair explained that both the Cabinet Member for Finance and Efficiency, Councillor Charles Gerrish and the Cabinet Member for Transformation and Customer Service Councillor Karen Warrington were present to answer questions from Panel members. The Chair also stressed the importance of the Panel focusing on items within their remit (pages 33-35).

The Strategic Director for Resources, Andrew Pate introduced the item and explained that other PDS Panels had scrutinized the items in their remits.

Councillor Warrington – Cabinet Member for Transformation and Customer Services introduced the key change proposals in her area (page 53)

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

Councillor Furse asked about the consolidation of marketing and communications. The Cabinet Member explained that this is about rationalisation as sometimes there are slightly different ways of working.

Councillor Rayment asked about the consolidation of performance and intelligence functions and whether this will work considering the need for specialist knowledge in some areas. The Divisional Director for Strategy and Performance reassured the Panel that there will be the right balance of skills and generic approach.

Councillor Gerrish, Cabinet Member for Finance and Efficiency introduced the key change proposals in his area (page 59) with comments on the following:

- Corporate Travel Plan – a pragmatic approach needed to improve the way staff to move around.
- School Support – most schools are now academies
- Traded Services – schools have been given notice that the Council will no longer provide school catering. There will be a saving for parents.
- Commercial Estate Income – continue to generate income by seeking acquisitions along with diversification of the estate.
- Corporate Estate & office accommodation – with the downsize in staffing, floors in Lewis House will be rented out.
- Management Arrangements and staffing – some changes take effect from April.
- Shared Services – moving further towards this, some services are already shared, for example with North Somerset for internal audit. There may be further opportunities in the future regarding Youth Offending Service and IT Services to Schools.
- Digital by Choice – it is recognised that people must still be able to use traditional methods of communication if they wish to.
- Property Company – (Councillor Gerrish stated that he is Chair of the property company ADL). He reported that the Council will continue to use ADL as a property company.

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

Councillor Anketell Jones asked if there should be a target set in terms of retail holdings as there are market changes in this area and this could affect the Commercial Estate income. The Cabinet Member explained that rigid criteria has not been set but disposals will be made where appropriate.

Councillor Rayment asked about staffing which he noted is delegated to the Head of Paid Service. He stated that 300 FTE staff are going and the report states that front line services will be protected – he asked if this was the end of the democratic process on this saving. The Cabinet Member explained that the changes and restructures will evolve, there will be reviews from the top down from April starting with senior management. Councillor Rayment stated that a fundamental change to the Council structure is a political decision although staffing is not, he asked if the new structure would be subject to the democratic process. The Chief Executive Ashley Ayre explained that senior members will be involved in the senior management restructuring. He explained that there is a Restructuring Implementation Committee (which includes Group Leaders) which meets this Friday for a briefing. There will also be a report to Council regarding the wider restructuring.

Councillor Rayment asked if 'Digital by Choice' means that the default option is digital. Councillor Gerrish stated that this is correct and the aim is to encourage use of digital but not force people.

Councillor Furse asked about catering and IT for schools and why there are different solutions for both. He added that the bar has been set high in the quality of school meals and he did not want this to change. The Cabinet Member explained that in terms of IT – the school buy services from the Council where we work with South Gloucestershire. In terms of catering – schools have been warned that the authority no longer provides the most cost effective meals as economies of scale have been lost. He added that schools can privately source this service and support has been provided to maintain the quality. Mike Bowden, Strategic Director for People and Communities added that nutritional standards will be considered by schools who had been advised so they can built this into contracts.

Councillor Becker asked why the Council was caught out on the unexpected spend in adult care. The Cabinet Member explained that a number of care homes closed which cost over £1m to rectify. There is a higher pension cost now due to the government pension scheme and there are now additional costs for sleeping charges for staff. Finally there is the demographic issue that people are living longer and the complexity and length of care increases. The Strategic Director for People and Communities explained that in terms of SEND – the change in legislation and funding arrangements have put more pressure on the local authority.

Councillor Furse asked why (page 41) statements had nearly doubled. The Strategic Director explained that this was because legislation had broadened the age range and also there was rising complexities in care.

55 CABINET MEMBER UPDATE

The Cabinet Member for Finance and Efficiency, Councillor Charles Gerrish stated that he had mainly been working on the Budget which had been reported to the Panel elsewhere on the agenda.

56 PANEL WORKPLAN

With the following amendments, the Panel noted the workplan:

- 'Update on demand for Printing, Catering and Cleaning services and future delivery options' to move to May 2018

The meeting ended at 7.00 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services