

BATH AND NORTH EAST SOMERSET

MINUTES OF CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL MEETING

Tuesday, 30th June, 2020

Present:- **Councillors** Paul Myers, Winston Duguid, Mark Elliott, Andrew Furse, Hal MacFie, Alastair Singleton, Shaun Hughes, Karen Warrington and Lucy Hodge

Also in attendance: Will Godfrey (Chief Executive), Andy Rothery (Director of Finance & Section 151 Officer) and Maria Lucas (Director of Legal & Democratic Services)

1 WELCOME AND INTRODUCTIONS

The Chairman welcomed Panel members and officers who were attending the meeting via Zoom and members of the public viewing on YouTube.

He explained that two other councillors were present as they had been invited to attend the meeting, namely Councillor Vic Pritchard (Chair of the Children, Adults, Health & Wellbeing Panel) and Councillor Karen Walker (Chair of the Climate Emergency and Sustainability Panel). He added that these councillors were not eligible to vote as part of the Panel.

He added that also present were Will Godfrey – Chief Executive, Andy Rothery – Director of Finance & Section 151 Officer, Maria Lucas - Director of Legal & Democratic Services and Mark Durnford – Democratic Services Officer.

He announced that the meeting was being held under The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020. He stated that the Council had agreed a protocol to cover virtual meetings and that this meeting would operate in line with that protocol. He explained that the meeting had the same status and validity as a meeting held in the Guildhall.

2 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were none.

3 DECLARATIONS OF INTEREST

There were none.

4 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

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

David Redgewell, South West Transport Network made a statement to the Panel. A copy of it can be found on the Panel's Minute Book and as an online appendix to these minutes, a summary is set out below.

With the tourist industry reopening in Bath, Somerset and the Bristol city region - please will Banes and WECA mayoral transport authority protect bus stops especially around public houses and restaurants, especially with tables and chairs outside and take account of public transport users and those with disabilities.

I am concerned about the control of areas around the public transport interchange in Dorchester Street and Brunel Square. We welcome the social distancing measures in Bath bus and railway station and bus stops and the return of National Express Coach services and priority for disabled passengers where social distancing is very important.

On public transport we are still concerned about the WECA mayoral transport authority, not restarting bus services on routes out of Banes.

We would like to understand why WECA failed to bid for rural bus service grants, especially with the need to improve public transport in rural areas in North East Somerset. and South Gloucestershire.

We are very concerned about the lack of progress in North Somerset Council joining the West of England Combined Authority. For the mayoral election in 2021 if First cannot provide these services then why can't small bus operators under contract to the WECA mayoral transport authority or sub-contracted by First Group.

On railways we welcome the train service extension to Westbury via Keynsham, Oldfield Park, Bath Spa, Freshford, Avoncliffe, Bradford on Avon, Trowbridge, and Westbury.

In social distancing measures, for outdoor table service in the street. especially in Bath we also welcome the review of public toilets in Bath and North East Somerset but would like to see public toilets at Avon Street coach station.

We are unhappy WECA did not bid for rural bus grants. We still need to see the Transport Board meeting in public like all other combined authorities.

We support the closure of Keynsham High street for social distancing, providing that bus facilities are provided toward Bath in Ashton Way with waiting shelters.

The Chairman thanked him for his statement on behalf of the Panel.

6 MINUTES - 27TH MAY 2020

The Panel confirmed the minutes of the previous meeting as a true record.

7 CABINET MEMBER UPDATE

Councillor Richard Samuel, Cabinet Member for Resources addressed the Panel.

- He informed the Panel that Mandy Bishop, Director of Environment Services had been assigned with carrying out the review of Property Services following the two Call-ins determined by the Panel earlier in the year. He said that the findings of the review would be brought back to the Panel.
- He stated that the Cabinet were expecting reports on Treasury Management Outturn Report 2019/20, Revenue & Capital Outturn 2019/20 and Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2020 to June 2020 to their meeting in July. He added that a balanced budget was expected to be delivered for 2019/20.

Councillor Winston Duguid for some further information in relation to the review of Property Services.

Councillor Samuel replied that prior to lockdown an external advisor had nearly been appointed, but then further discussions took place with the Chief Executive that resulted in the appointment that has been made. He said that he expected Mandy to provide an external perspective from outside of the team being reviewed.

The Chief Executive added that Mandy has vast experience from a number of previous roles and that the Council were also mindful of the costs that would have come with an external appointment.

The Chairman asked if an update on the two most recent Call-ins could be given to the next meeting of the Panel.

Councillor Samuel agreed and said initially that in relation to Grosvenor House that the timescale had changed due to it being used to accommodate a number of rough sleepers since the outbreak of Covid-19.

The Chairman thanked him for his update on behalf of the Panel.

8 CHAIRS & VICE CHAIRS TASK & FINISH GROUP FEEDBACK - COVID-19 POSITION STATEMENT

The Chairman introduced this item to the Panel. He thanked those that took part in the meeting and the production of the report and said that he felt the process had been very good. He explained that the report had been previously circulated as part the agenda for the Council meeting that took place on June 16th 2020.

The Panel **RESOLVED** to approve the report prior to the Cabinet debating it at their meeting on the 2nd July.

9 COVID-19 2020/21 FINANCIAL RECOVERY PLAN

The Chief Executive introduced this report to the Panel. He stated that the Plan was the culmination of two months of focussed work. He explained that due to the pandemic there had been an increase to the Council's expenditure and a significant decrease to its income.

He said that alongside dealing with the impact of the pandemic the Council obviously has a responsibility to look after its finances. He added that if a second spike were to occur then it was likely that new advice would need to be submitted to the Cabinet alongside a new plan. He stated it was important to update Councillors and members of the public as much as possible.

The Director of Finance & S151 Officer highlighted the following points from within the report.

- As a result of Covid-19 the 2020/21 revenue budget has an unprecedented challenge from loss of commercial income resulting in a forecast deficit before mitigations and government grant of **£42.13m**. The full implementation of the financial recovery plans (**£20.7m**) and use of unrestricted Covid-19 grant (**£10m**) will result in a projected deficit of **£11.43m** which will need to be funded from the use of reserves.
- The adverse impact on the Council's revenue budget has arisen from the urgent actions required to comply with the government lockdown which included the closure of the Roman Baths. To give context the income from our Heritage and Parking Services for April and May was £0.259m compared to £5.866m for the same period last year, a reduction of £5.607m; this equates to a loss of £91,918 a day which is required to fund Council Services. This alongside expenditure pressures which include supplier relief such as supporting the social care market and new unplanned expenditure, for example the sourcing of Personal Protective Equipment (PPE).
- The plans set out in this paper require use of the Council's Corporate reserves held for financial planning and risk. The forecast **£11.43m** deficit after revenue mitigations and government Covid-19 revenue grants will require **£2.43m** use of Revenue Budget Contingency and **£4m** of the Financial Planning reserve. The remainder will require **£5m** drawdown of the general un-earmarked reserves leaving the Council's balance at **7.2%**, this is a satisfactory balance that is over 2% higher than the average general unearmarked reserves held in B&NES nearest neighbours Unitary Authority group.
- The Capital Programme has been reviewed to revise scheme delivery timetable's considering Covid-19, alongside identifying schemes that can be rephased to create a one-off revenue saving through reduced borrowing costs. The review has been led by the Capital Strategy Group and identified **c£3m** of in year revenue savings, whilst ensuring high profile and priority schemes are continued.
- The initial forecast for potential impact on the income from Council Tax due to the impacts of Covid-19 affecting resident's ability to pay and the increase in

the number of Local Council Tax Support Scheme (LCTSS) claimants is £6 million. The forecast is based on reductions of around 10% in Council Tax income per month for the first quarter of 2020/21 and then for a gradual monthly improvement until returning to near normal levels by January 2021. Initial assessments of the income levels during the first two months of this financial year, when compared to payment rates for the same periods in 2019/20, shows a reduction of c8% in April, improving to c6% by the end of May.

- The Council has approximately 3,062 eligible businesses in the Bath and North East Somerset area and has redeployed staff from non-critical service areas to assist with processing applications for business support grants. The number of grants processed as at 21st June 2020 was 2,929 with 80 either being processed or waiting for a claim to be submitted, this indicates around 97% of eligible cases have been processed.

Councillor Karen Walker asked with regard to the recovery of overspends within the following year, how would that be possible with less income?

The Director of Finance & S151 Officer replied that as much in year action will be undertaken as possible and that reserves accounts for the true deficit. He added that he was not anticipating any further overspend and if possible reserves would be replaced in year. He explained that discussions were ongoing with MHCLG with regard to the Council's future level of income loss.

Councillor Walker asked if consideration had yet been given to further funds required if a further outbreak occurred.

The Chief Executive replied that this Plan was the first step in the recovery process and should a second wave occur that would be an entirely different situation.

The Chairman commented that in his opinion the risk assessment does not push the boundaries and therefore the Plan does not feel very resilient.

The Chief Executive replied that a great deal of thought had been put into the Plan and that B&NES was ahead of most councils on this matter. He said that he felt that additional funding would come from the Government. He stated that a package of savings have been identified and that he was comfortable with the programme that has been set out.

Councillor Alistair Singleton asked for confirmation of when the Council's revenue needs to be recognised.

The Director of Finance & S151 Officer replied that revenue needs to be recognised in year and that the collection fund should ideally not show as a deficit.

The Chairman asked if Commercial Estate business tenants were expected to pay the balance of their rent within the current financial year.

The Director of Finance & S151 Officer replied that a deferral of payments has been agreed until the latter stages of this financial year.

Councillor Andrew Furse asked how our status compares with our neighbouring authorities.

The Director of Finance & S151 Officer replied that in terms of South West Unitary Authorities they have different reserve levels set as that is a percentage of their net budget.

Councillor Furse asked about the financial profile of the Council moving forward.

The Chief Executive replied that this financial year was now being assessed and that this issue would be picked up in the next Medium Term Financial Plan / Budget. He added that B&NES was more exposed to income funding than any other Local Authority and that this was why it had been necessary to hold a higher level of reserves.

Councillor Winston Duguid asked if the Council's auditors had given a view on the Plan.

The Director of Finance & S151 Officer replied that the Plan had been shared with Grant Thornton and they had given their approval.

Councillor Hal MacFie asked if consideration had been given to opening further recycling centres.

The Chief Executive replied that operational matters such as this are being kept under constant review.

Councillor Shaun Hughes asked if any further information could be given regarding the £2.84m salary budget savings.

The Chief Executive replied that out of a £250m controllable spend, £82m was in relation to staffing. He said that a dialogue had taken place between the unions and staff with regard to holding vacancies open for a period of time, staff working reduced hours and staff purchasing extra leave. He stated that he was fairly confident the Council would secure the level of savings identified.

The Chairman commented that he felt that the Plan was based on normality returning and that he was worried that visitors to the area would not return straight away. He added that the Plan focussed too much on the short term and needed further content and asked the Cabinet to consider what actions would be required if a further spike occurred.

Councillor Lucy Hodge commented that in her opinion the Plan lacked details in some areas and that she hoped that the vacant posts would not compromise service delivery.

Councillor Karen Warrington asked for the Cabinet to outline their assumptions regarding the future, especially in relation to income and scenarios for the impact of a second spike.

Councillor Hal MacFie stated that he had read that a second spike could possibly come to fruition in October. He also spoke of the potential for an increase in unemployment and claims for Universal Credit when furloughing ends.

Councillor Winston Duguid said that he would expect some elements of the Plan to change but that he supported it in general terms.

Councillor Shaun Hughes stated that he was concerned with the impact the virus was having on tourism, retail, pubs, bars and restaurants and that a second wave would be very detrimental to these businesses. He questioned whether there would be enough resources locally to enforce the restrictions when these establishments were to open again in early July.

The Chairman said that he was not looking to be critical but wanted to be able to reassure the public on what could happen and the resilience of the Plan.

Councillor Vic Pritchard queried whether the Council should consider becoming a smaller organisation and therefore reduce some of its normal activity.

Councillor Mark Elliott challenged that view and said that he wouldn't want the Council to reduce its activity. He said that he would like to see it try to raise money differently and to not be timid in its approach.

Councillor Richard Samuel, Cabinet Member for Resources said that he felt that the debate by the Panel had gone in the wrong direction as this was an in year report to deal with the crisis. He commented that he didn't believe that income figures would return to normal for a number of years. He said that figures relating to Parking could return more quickly with people likely to rely less on public transport.

He said that Heritage income could take 12 months to return to previous figures due to social distancing measures and that income to the Commercial Estate could take up to five years to return to previous levels.

He stated that the Council would have to take some decisions very soon about the ownership of some of its properties. He added that plans for the future will follow as this process concludes and that he expected other factors, some unknown, to emerge.

The Chairman thanked him for his comments and said that a transcript or similar of what he had said would have been welcome within the report and have satisfied a number of his concerns. He asked if that were possible to be added as a commentary when presented to the Cabinet.

Councillor Samuel replied that he would address these points when presenting the report to the Cabinet.

The Panel **RESOLVED** that it;

- (i) Commends the overall shape of the recovery plan, given the balance shown between the use of reserves, assumptions over Government funding and reduction in spending.

- (ii) Asks the Cabinet to consider the implications on the Council's Commercial Estate business tenants with regard to the timing of seeking rent arrears to be paid by the end of the year.
- (iii) Asks the Cabinet to review parking charges whilst being mindful of Climate Emergency issues.
- (iv) Asks the Cabinet to directly reference the points raised by the Cabinet Member for Resources, Councillor Richard Samuel during the debate in relation to the Council's future plans / assumptions. In particular;
 - Income levels to the Council that it has grown to rely on will not return by next year.
 - Parking income may return sooner as people are likely to be less reliant on public transport.
 - Heritage income will not return to its previous levels for some time due to the likelihood of some form of social distancing being in place over the next twelve months.
 - The Commercial Estate may take around five years to return to its previous levels of income.

10 PANEL WORKPLAN

The Chairman introduced this item to the Panel. He explained that earlier in the afternoon he had met with the Vice-Chair and the Director of Finance & S151 Officer to discuss future items.

He said that they planned to theme the next three meetings as follows:

- July - Assessment of the Councils Business Income (Identifying where we are now)
- September - Focus on Customer Service feedback and the Procurement Strategy (Where does the Council want to be?)
- November - Commercial Estate plans / Budget structure including year on year figures (How do we get there?)

He also asked for the Panel to be updated on the two recent Call-ins at their July meeting.

Councillor Andy Furse asked if the Panel could receive a Capital Programme Update in July.

Councillor Karen Warrington asked if the People Strategy could be added to the workplan as an item for the future.

The Panel **RESOLVED** to note the requests that had been made.

The meeting ended at 7.00pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services