

SWT Community Scrutiny Committee - 24 November 2021

Present: Councillor Libby Lisgo (Chair)

Councillors Dave Mansell, Simon Coles, Steve Griffiths, Dawn Johnson, Mark Lithgow, Janet Lloyd, Andy Pritchard, Vivienne Stock-Williams, Ray Tully, Sarah Wakefield, John Hassall and Loretta Whetlor

Officers: Sam Murrell, Jessica Kemmish, Emily Collacott, James Barraah, Christopher Brown, Kerry Prisco, Andrew Pritchard

Also Present: Councillors Fran Smith (Via Zoom as Portfolio Holder for Housing)

(The meeting commenced at 6.24 pm)

49. Apologies

Apologies were received from Councillors John Hunt, Richard Lees and Andy Milne.

Councillor Loretta Whetlor attended as a substitute for Councillor John Hunt. Councillor John Hassall attended as a substitute for Councillor Richard Lees.

50. Minutes of the previous meeting of the Community Scrutiny Committee

It was resolved that an amendment to the minutes of the meeting held on 28th October should be made to note Councillor Stock-Williams' apologies for that meeting.

The Community Scrutiny Committee resolved to approve the minutes of the previous meeting subject to the amendment above.

51. Declarations of Interest

Members present at the meeting declared the following personal interests in their capacity as a Councillor or Clerk of a County, Town or Parish Council or any other Local Authority:-

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr S Coles	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr D Johnson	All Items	SCC	Personal	Spoke and Voted
Cllr L Lisgo	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr M Lithgow	All Items	Wellington	Personal	Spoke and Voted
Cllr J Lloyd	All Items	Wellington & Sampford Arundel	Personal	Spoke and Voted

Cllr D Mansell	All Items	Wiveliscombe	Personal	Spoke and Voted
Cllr F Smith	All Items	Taunton Charter Trustee	Personal	Spoke
Cllr V Stock-Williams	All Items	Wellington	Personal	Spoke and Voted
Cllr R Tully	All Items	West Monkton	Personal	Spoke and Voted
Cllr L Whetlor	All Items	Watchet	Personal	Spoke and Voted

52. **Public Participation**

There was no public participation.

53. **Community Scrutiny Request/Recommendation Trackers**

The Chair noted the request/recommendation tracker.

54. **Community Scrutiny Forward Plan**

The Chair noted the Community Scrutiny Forward Plan.

55. **Executive and Full Council Forward Plans**

The Chair noted the Executive and Full Council Forward Plans.

56. **2021/22 Housing Revenue Account Financial Monitoring as at Quarter 2 (30 September 2021)**

The portfolio holder for Housing introduced the report and raised the below points.

- Raised that the report provided an update on the projected financial position of the HRA and was based on information officers received by the end of September 2021.
- Raised that the revenue account was under significant pressure. Covid has caused pressures and the revenue account was operating in an environment of economic recovery.
- Raised that the costs of delivering core services were increasing due to material increases, staffing, compliance and servicing. The impact of this could also be seen in the wider sector.
- Raised that there was confidence reserves will cover new in year pressures and the current forecast outturn headroom position has been reduced.
- Raised that the HRA had managed well in the past and seen forecasts change from one quarter to the next. The HRA had a robust business plan and officers were working through options to ensure outturn would be close to or on budget.

The Director for Housing and Communities gave a further introduction to the report and raised the below points.

- The HRA was facing a very difficult period. Cost escalation had been significant, and the operating environment was challenging with competing demands and pressures.
- An overspend was projected for the current financial year as the report showed but it was anticipated that the overspend could be contained to a reasonable extent in the current year but the future impact of this would be challenging.
- The housing service had duties and responsibilities to its tenants and most services were not discretionary so options for cost control were and would continue to be limited.
- Raised that some cost pressures had been mitigated through capitalising some works into the capital programme.
- Raised that a significant amount of compliance work had been done this year to catch up with compliance works. The requirements for compliance had become more rigorous following the Grenfell tragedy, causing an increased workload.
- We have had pressures on staffing as for some compliance activities increased checks are needed, for example to fire doors.
- We have had difficulties filling vacancies and the agency market has been challenging due to local factors such as Hinkley as well as national pressures due to the current employment market.
- We have planned to regularise some of the earmarked reserves we have in the business. Minimum reserves levels have been maintained, but the margins have become tighter.

The Community Scrutiny Committee debated the report. During the debate the following points were raised.

- It was questioned why in one area of the report the budget forecast was an overspend and elsewhere in the report it was an underspend. It was answered by officers that one figure related to the revenue account position and the other related to capital.
- It was questioned whether the disruption caused by Covid to revenue works had been caught up with. Officers responded that the impact of Covid was that repairs were not reported which resulted in a backlog. We were not resourced to deal with a backlog, so we hired a contractor to assist with the repairs. Officers were looking to gain more contractors, but contractors were also under pressure. Procurement during Covid was also not possible so this caused a delay to capital contracts.
- An explanation of the cause of the overspends in maintenance and compliance was requested. Officers responded that prices of some materials have increased due to reduced availability. Some compliance activity had been budgeted for but the work to catch up had resulted in the overspend. The need to be more rigorous and to complete more remedial works had also contributed.

- It was questioned what would be done to bring the overspends back in line. Officers responded that they would try to reduce the level of overspend but it would not be possible to eliminate the overspend entirely so reserves would be used.
- It was questioned why there was not a financial benefit from the reduced work done during Covid. It was answered that the costs for repairs and maintenance had gone up due to cost escalation in terms of materials and staffing. There was also an under provision in the budget for repairs and maintenance last year, which was somewhat masked by Covid, but it was due to that under provision that the cost had gone up so much.
- It was asked what the potential implications of rising interest rates on interest payments and repayment of capital debts was. It was responded by officers that the Council's position was relatively secure in terms of fluctuations as most of the borrowing was on fixed rate terms and for the two sets of borrowing which were not on a fixed rate the interest rates were still low. In terms of treasury management and future borrowing needs officers are looking closely at the market.
- It was questioned whether the under recovery was still an improved position given that there is now a more proactive scheme of approaching people who began to get into debt areas quicker. Officers responded that the level of individual debts had been reduced to a much lower level and the debt was much more recent. Efforts were being made to fill voids as quickly as possible and it was hoped income would improve by the end of the year.
- It was questioned whether the Council was eligible for any government Covid grants to assist with the shortfall in income from meeting halls. It was responded that officer would look into this.
- It was asked what the Council's protection was if any of the contractors it had contracts with were to fold. It was responded by officers that there was insurance in place so that if a contractor were to fold the Council would have funds to get the contract back up and running. Officers also regularly monitor risk in relation to contracts and contractors.
- Supporting the Council's customers and tenants was encouraged.
- Concerns were raised about the delay to the North Taunton project and the need to progress this project ahead of unitary. It was responded by officers that the funds for North Taunton are set aside for the project and the project would be progressed.
- It was questioned about the possibility of turning vacant garages into homes and whether these sites have been looked at for this potential. It was responded by officers that possibilities for garage sites had been looked at but a range of factors, including garages having been sold within blocks and the condition of the garages can impact suitability for development.
- It was questioned about the earmarked reserves and a request to the Executive regarding returning funds from the earmark to general reserves. It was responded by officers that these funds were for a development pipeline and that this work has now been done. The funds would stay in the HRA but will no longer be earmarked.

- It was questioned about purchasing air source heat pumps given the expense of them. It was responded that air source heat pumps were better in terms of carbon emissions but are only in used in homes which were suitable. Some grant funding had also been used for installing them.
- It was questioned whether there was any information from government about the potential changes to fire safety regulations. It was responded by officers that there had been some indications from government about the changes and where possible officers had sought to act to prepare for those changes and future proof the service, for example by carrying out more rigorous fire risk assessments and increasing capacity to carry out more checks.
- The Chair on behalf of the committee asked that the committee's thanks be passed on to those in the housing teams for their work during the last year.

Community Scrutiny resolved to note the report.

57. **Draft 2022/23 Housing Revenue Account Budget Update**

The portfolio holder for Housing introduced the report and raised the below points.

- This report provided an update regarding budget setting for 2022/23, the latest MTFP and the 30-year business plan.
- The housing sector was experiencing a challenging period and the HRA continued to work with risk.
- The budget planning was ongoing and there would be pressures on the budget.
- A balanced budget would be put forward in the final budget in the new year.

The Director for Housing and Communities gave a further introduction to the report and raised the below points.

- It was raised that the projected gap had come down to £1.1m since the report was written. Balancing the budget remained challenging. Officers continued to work hard on solutions and there would be difficult decisions to make. Being as efficient as possible would be important.

The Community Scrutiny Committee debated the report. During the debate the following points were raised.

- It was recognised that balancing the budget would be a significant challenge but was necessary to give certainty to tenants and staff.
- It was raised that it was good that the budget gap had reduced since substantially since the report was written.

- It was noted that the largest pressure was in repairs and maintenance.
- The planned staff growth was questioned. It was responded by officers that this was due to some additional staff needed for compliance work and also the result of some of the salaries of staff not having been in line with national levels so there was a need to increase these salaries to be competitive. Only absolute essential requests for staff capacity had been implemented.
- It was questioned what the increase in radon cost was. It was responded by officers that radon was a compliance area. There were some areas where there was a higher risk of radon in some of the Council's properties. The increased radon cost would be a one-year cost for monitoring of radon levels. If the radon level was above the safe level, then there would then be some remediation work needed to increase ventilation.

Community Scrutiny resolved to note the report.

(The Meeting ended at 7.33 pm)