



Notice of Meeting of

SCRUTINY COMMITTEE - COMMUNITIES

Wednesday, 11 December 2024 at 10.00 am

**John Meikle Room, The Deane House,
Belvedere Road, Taunton TA1 1HE**

To: The members of the Scrutiny Committee - Communities

Chair: Councillor Gwil Wren
Vice-chair: Councillor Dawn Johnson

Councillor Suria Aujla	Councillor Simon Coles
Councillor Lance Duddridge	Councillor Pauline Ham
Councillor Susannah Hart	Councillor Andy Kendall
Councillor Marcus Kravis	Councillor Kathy Pearce
Councillor Tom Power	Councillor Hazel Prior-Sankey
Councillor Wes Read	

For further information about the meeting, including how to join the meeting virtually, please contact Rebecca Dunstan democraticservicesteam@somerset.gov.uk.

All members of the public are welcome to attend our meetings and ask questions or make a statement **by giving advance notice** in writing or by e-mail to the Monitoring Officer at email: democraticservicesteam@somerset.gov.uk by **5pm on Thursday, 5 December 2024**.

This meeting will be open to the public and press, subject to the passing of any resolution under the Local Government Act 1972, Schedule 12A: Access to Information.

The meeting will be webcast and an audio recording made.

Issued by (the Proper Officer) on Tuesday, 3 December 2024

AGENDA

Scrutiny Committee - Communities - 10.00 am Wednesday, 11 December 2024

Public Guidance Notes contained in Agenda Annexe (Pages 5 - 6)

Click here to join the online meeting (Pages 7 - 8)

Link below to join the online meeting

1 Apologies for Absence

To receive any apologies for absence.

2 Minutes from the Previous Meeting - 30 October 2024 (Pages 9 - 16)

Resolved that the minutes of the Scrutiny Committee – Communities held on 30 October 2024 be confirmed as a correct record.

3 Declarations of Interest

To receive and note any declarations of interests in respect of any matters included on the agenda for consideration at this meeting.

(The other registrable interests of Councillors of Somerset Council, arising from membership of City, Town or Parish Councils and other Local Authorities will automatically be recorded in the minutes: [City, Town & Parish Twin Hatters - Somerset Councillors 2023](#))

4 Public Question Time

The Chair to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public who have submitted any questions or statements, please note, a three minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue.

We are now live webcasting most of our committee meetings and you are welcome to view and listen to the discussion. The link to each webcast will be available on the meeting webpage, please see details under 'click here to join online meeting'.

5 Work Programme (Pages 17 - 18)

To discuss the work programme.

To assist the discussion, the following documents are attached:-

-) The Committee's work programme
-) The Committee's outcome tracker

Please use the following links to view the latest Somerset Council Forward Plans and Executive Forward Plan of planned key decisions that have been published on the Council's website:

[Somerset Council Forward Plans](#)

[Somerset Council Executive Forward Plan](#)

6 Month 6 Budget Monitoring Report (Pages 19 - 28)

To receive the report

7 HRA Q2 Budget Monitoring Report (Pages 29 - 40)

To receive the report

8 Housing Development Team (Pages 41 - 48)

To receive the report.

9 Devolution Update (Pages 49 - 62)

To receive the presentation.

10 Transformation Update

To receive the verbal update.

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Guidance notes for the meeting

Council Public Meetings

The legislation that governs Council meetings requires that committee meetings are held face-to-face. The requirement is for members of the committee and key supporting officers (report authors and statutory officers) to attend in person, along with some provision for any public speakers. Provision will be made wherever possible for those who do not need to attend in person including the public and press who wish to view the meeting to be able to do so virtually.

Inspection of Papers

Any person wishing to inspect minutes, reports, or the background papers for any item on the agenda should contact Democratic Services at

democraticserviceteam@somerset.gov.uk or telephone 01823 357628.

They can also be accessed via the council's website on [Committee structure - Modern Council \(somerset.gov.uk\)](#)

Members' Code of Conduct requirements

When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: Honesty; Integrity; Selflessness; Objectivity; Accountability; Openness; Leadership. The Code of Conduct can be viewed at: [Code of Conduct](#)

Minutes of the Meeting

Details of the issues discussed, and recommendations made at the meeting will be set out in the minutes, which the Committee will be asked to approve as a correct record at its next meeting.

Public Question Time

If you wish to speak or ask a question about any matter on the Committee's agenda please contact Democratic Services by 5pm providing 3 clear working days before the meeting. (for example, for a meeting being held on a Wednesday, the deadline will be 5pm on the Thursday prior to the meeting) Email

democraticserviceteam@somerset.gov.uk or telephone 01823 357628.

Members of public wishing to speak or ask a question will need to attend in person or if unable can submit their question or statement in writing for an officer to read out, or alternatively can attend the meeting online.

A 20-minute time slot for Public Question Time will be set aside near the beginning of the meeting, after the minutes of the previous meeting have been agreed. Each speaker will have 3 minutes to address the committee.

You must direct your questions and comments through the Chair. You may not take a direct part in the debate. The Chair will decide when public participation is to finish. If an item on the agenda is contentious, with many people wishing to attend the meeting or if multiple speakers wish to ask questions that are similar to others, a representative will need to be nominated to present the views of a group.

Meeting Etiquette for participants

Only speak when invited to do so by the Chair.

Mute your microphone when you are not talking.

Switch off video if you are not speaking.

Speak clearly (if you are not using video then please state your name)

If you're referring to a specific page, mention the page number.

There is a facility in Microsoft Teams under the ellipsis button called turn on live captions which provides subtitles on the screen.

Exclusion of Press & Public

If when considering an item on the agenda, the Committee may consider it appropriate to pass a resolution under Section 100A (4) Schedule 12A of the Local Government Act 1972 that the press and public be excluded from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, as defined under the terms of the Act.

If there are members of the public and press listening to the open part of the meeting, then the Democratic Services Officer will, at the appropriate time, ask participants to leave the meeting when any exempt or confidential information is about to be discussed.

Recording of meetings

The Council supports the principles of openness and transparency. It allows filming, recording, and taking photographs at its meetings that are open to the public - providing this is done in a non-disruptive manner. Members of the public may use Facebook and Twitter or other forms of social media to report on proceedings. No filming or recording may take place when the press and public are excluded for that part of the meeting.

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Minutes of a Meeting of the Scrutiny Committee - Communities held in the John Meikle Room, The Deane House, Belvedere Road, Taunton TA1 1HE, on Wednesday, 30 October 2024 at 10.00 am

Present:

Cllr Gwil Wren (Chair)

Cllr Dawn Denton
Cllr Pauline Ham
Cllr Kathy Pearce
Cllr Wes Read
Cllr Connor Payne

Cllr Lance Duddridge
Cllr Susannah Hart
Cllr Hazel Prior-Sankey
Cllr Marcus Kravis

Other Members present remotely:

Cllr Andy Dingwall
Cllr Sue Osborne
Cllr Rob Reed
Cllr Mike Rigby
Cllr Sarah Wakefield

Cllr Liz Leyshon
Cllr Leigh Redman
Cllr Bill Revans
Cllr Claire Sully

64 Apologies for Absence - Agenda Item 1

Apologies were received from Councillors Dawn Johnson, Simon Coles, and Andy Kendall.

65 Minutes from the Previous Meeting - 09 September 2024 - Agenda Item 2

The minutes were approved subject to the following amendments: that Cllr Dingwall's query about the HRA accounts be added to the forward plan, that Cllr Denton's attendance be amended to present remotely.

66 Declarations of Interest - Agenda Item 3

No additional interest, new or updated declarations of interest were made at the meeting.

67 Public Question Time - Agenda Item 4

Nick Hall spoke in a personal capacity on the issue of regulating Glastonbury Festival. He raised concerns about breach of noise limits on Thursday and Friday

night curfews, the noise of helicopters transporting people to the festival, the need for additional resources to prevent nuisances with offsite campsites and events.

He proposed a fit-for-purpose community consultation model and asked that the Scrutiny Committee guide the process to put relationships with Glastonbury Festival Events Limited on a stronger footing.

The response given at the meeting was that there were no breaches in the license conditions with overnight noise and that there was adequate monitoring; that the number of noise complaints in 2024 had reduced from 41 (2023) to 11; that helicopters are regulated by the civil aviation authority; that extra resource was put in place to monitor off-site campsites; that there is an existing community engagement and feedback process that Parish Councillors, members of the public, and Somerset Council employees attend.

68 Work Programme - Agenda Item 5

It was requested that a progress report on Towns Fund Project across the county be added to the work programme.

It was stated that there needs to be a better understanding of HRA (both capital and general fund) and where it best lives within the council and when it is going to come to the committee. It was clarified that HRA will stay under Communities but General Fund Housing would be moving to Adults Services.

There was a request for an update on the visit to the CCTV service control room.

The Chair went over the items to come to the next few meetings.

69 Leisure Operators - Agenda Item 6

Robert Candlin, Centre Manager, and Matt Wickham, Chief Operating Officer, gave a presentation on the South Somerset contract with Freedom Leisure. They explained that they were a not-for-profit leisure trust operating since 2002 and took over facilities in South Somerset in April 2021; that they operate four sites in the area; the four objectives of the organisation; the strengths, opportunities, weaknesses and challenges in South Somerset; the development works completed at three of the centres; the services they offer.

During the discussion, the following points were raised and responded to:

- It can be difficult to book into classes as they are full
 - We are always looking at the programme and how we can make improvements and add additional classes.
- How does membership compare to pre-pandemic?
 - There isn't data available on that as we weren't operating in South Somerset prior to the pandemic.
- In leisure demand can be inelastic. How does that impact pricing? How do you get over being fully booked and deterring walk-ins?
 - Main cost is staffing as everything gets more expensive, price is the only thing we can control.

- We don't have bookings on our lane swimming, you can walk-in.
- A large amount of money has gone to decarbonisation. Can you explain that?
 - This is government funding, supported by South Somerset District Council and then Somerset Council. Projects should have been finished 18 months ago, still not finished but almost there. Majority of the funding was central government, one of our objectives is sustainability and environmental.
- What are the issues with staffing? Is it turnover, short-term contracts, recruitment?
 - It is a challenge – the biggest challenge is the margins, a lot of staff are on minimum wage so the budget has a big impact on us. We struggle with getting people into the industry and keeping them. We lose a lot of people to emergency services, we are looking at our training. We want to find people who give back to our community.
- Are there any demographics you haven't been able to reach?
 - There is still work to do with the older population. We have to look at the demographics of each town we operate in and understand the needs and what we are missing.
- One of the challenges is a leak – who is responsible for the leak?
 - We believe it is the council, it is being invested currently.
- Why are opening hours at the Chard facility limited?
 - We do need to look at that – opening hours are dictated with planning. Since we merged with 1610 there is another site in Chard so members will have access to both with varying hours.

The Chair thanked the presenters.

Mark Washington, Contract Manager and Adam Mundy, Regional Contract Activity & Wellbeing Manager then gave a presentation on Everyone Active. They explained that Everyone Active operates 5 centres in Somerset; they are a large national operator; there are challenges with recruitment and retention; they use a health and wellbeing framework; they are working towards Carbon Net Zero; Vivary Golf Course and Adventure Centre have had a very good year; the '4Cs' strategy of Communities, Colleagues, Carbon Reduction, and Commercial Delivery; the social value impact; the wider engagement work they do with SASP and the NHS.

During the discussion, the following points were raised and responded to:

- There have been complaints about the showers at Blackbrook, have they been addressed?
 - The showers have been fixed.
- Can people go without booking, is it possible to get a paper timetable and pay in cash, is it accessible for people who can't or won't book?
 - We prefer not to print paper timetables but may be able to photocopy the laminated copy at reception. Blackbrook are cashless but Taunton School do take cash.
- What is the benefit of the partnership with the Cricket Club?
 - There is brand awareness, player engagement, and support for walking cricket. It helps to raise awareness locally – team building can take place at high ropes. It is early in the partnership and hard to quantify benefits.
- The age demographics are quite young – how are you attracting people in

their 50s?

- With our programmes we have a good full range of coverage. The aquatic side might not be for everyone.
- Interested in social value with the aging population. Would love to see figures about what social value could be in West Somerset
 - Not sure if social value figures can be done speculatively, but we can take that away.

There was then a more general discussion about leisure operators:

- Only two operators have come to the committee today, did we ask all operators to attend?
 - In the east we have landlord/tenant arrangements rather than the contracts we have in South and West. We are currently starting a procurement exercise in the North, a contract ending in September 2025. Once we know who the operator will be then we will likely invite them along, but at the moment there isn't a contractual agreement.
- Can we ask if there is peer collaboration across providers so that there is equality of services to all of our communities?
 - There is a problem of inheriting four different systems from districts. We can take that away and look at that.

70 Month 5 Budget Monitoring report - Agenda Item 7

Kerry Hepple, Service Manager Management Accounting, gave a presentation on the Communities Revenue Budget. She highlighted the overall Month 5 picture for the whole council, the overspends in Climate and Place, that the Council would need the corporate contingency of £6m, that Communities has a forecasted underspend of £0.447m, that this was a favourable movement due to £1.2m underspend in the Leisure budget, and that Regs and Ops have reduced the predicted overspend by £0.269m.

During the discussion, the following points were raised and responded to:

- Why are the areas in red overspent?
 - It is difficult to manage overspends in coroners and mortuary – charges have been increased.
 - CCTV is funded by Town and Parish Councils but some cameras have needed upgrading and this has generated extra costs.
 - For RLNI provision on beaches, due to poor weather income from car parks has reduced.
 - There have been contract costs for public conveniences and devolution.
- We have no control over what the coroner asks for.
 - Yes, the costs are around post-mortems, the coroner will request a certain number. The price per post-mortem has gone up considerably over the last 18 months. We are trying to get a bereavement system that works for all.
- Cultural services - there has been an underspend in leisure services, is that because of contract issues?
 - Budgets have been brought together with items we no longer need.
- Cultural services – with devolution to Yeovil Town Council, we don't have an

indication in the report on whether the impact will be positive or negative or what order of magnitude we will see.

- We are still working through that – there are complications with some services.
- Underachievement in bereavement – does this mean not as much income as expected? What's driving it?
 - There is a competitive market, there are some private services and we have to match costs. The busiest time of year is yet to come. We are always looking at making systems more efficient and hoping for improvement in crematoriums.
- Are we devolving services without being aware of financial benefit to the council?
 - No, that is not the case.
- Of the six items under housing, how many of these have moved to adults? Need to detail this in the new structure.
 - HRA is staying within Communities.

71 Digital Switch over for the Lifeline Service. - Agenda Item 8

Gareth Denslow, Service Manager Digital & Strategy, and Richard Burge, Strategic Manager Commercial Workforce & Quality, gave a presentation that provided an update on the digital Switchover of Lifeline Machines across the country. They explained that these were community lifelines for 13,000 customers, the need to switch from analogue to digital and to mitigate risk to customers once analogue phone lines are no longer in operation, the timeline of the project and progress so far.

During the discussion, the following points were raised and responded to:

- Will the change create a better system going forward?
 - Yes, the new digital equipment allows us to do a lot more remotely. It will reduce travelling costs as we can program remotely. The equipment has a long lifespan as well.
- Old copper wires worked with power cuts, in Westonzoyland there are many power cuts and limited phone signal. What processes are in place during a power cut?
 - All equipment has a battery backup as well as the option of a simcard. The unit would still run in a power outage. If aerials go down, it still works as it is a different mobile signal that doesn't use as much bandwidth. We also have aerial boosters.
- Are people who need a system required to have broadband? A lot of older people don't use wi-fi, don't have a laptop.
 - It's not required to have broadband, just a telephone line, which will be replaced by a new digital phoneline. Increasingly there are people who only have mobile phones but that's where the simcard mentioned comes in.

72 Glastonbury Festival Debrief - Agenda Item 9

Dave Coles, Head of Regulatory Services, gave a presentation that provided a

debrief on the Glastonbury Festival regulatory work. He explained: the licensing objectives, the pre-event licensing work, and the multi-agency work around the festival; the efficiency savings this year in reduced staffing and vehicle costs of £17,000 and £6,400 respectively, a 41% saving on 2023 costs; an overview of the work of other teams such as traffic management, parking enforcement, communications, public health, and emergency planning.

During the discussion, the following points were raised:

- Why were there more arrivals than departures by train?
 - Not aware of why.
- Regarding costs, what other staff time?
 - The pre-festival work can't be changed as it needs to be safe.
- Can the statutory license fee be changed?
 - No. Highways have a separate agreement outside the license, that work is fully covered by GFEL.
- Are there going to be issues next year after the restructure?
 - Still working through the structures but we aim to ensure the appropriate monitoring is undertaken at this event.
- Could noise complaints have gone down because people expect noise with the festival?
 - There is a complaints process, we can't know why people aren't complaining. There are ample routes for people to make complaints.
- Regarding the volume of helicopters, can we suggest a solution with the CAA and find another safe landing point nearby to avoid near the housing?
 - Glastonbury Festival are looking at how they can reduce the impact of helicopters, but there is not much that can be done from a licensing perspective.
 - May be able to look into that separately from a planning perspective.
- There are complaints about extra traffic from parish councils. How can parish councils get in touch with the organisers and can the organisers come to parish councils to take them on board?
 - GFEL do visit the parish councils and take on board the concerns they have. If they want to contact us directly they absolutely can and we will look into anything not taken on board by festivals. We don't have the capacity to visit every parish council affects but we are happy to listen to any concerns.
 - The best contact would be through Bev Norman or trafficmanagement@somerset.gov.uk
- The restructure timeline puts us not having the structures set until February/March. Does that create a risk for this process for the 2025 music festival and are there any mitigations?
 - There is minimal risk. Don't want to comment on restructuring at this meeting. Whatever the outcome we will ensure measures are in place.
- How are officers interacting with local Members? Where is the process for working with us?
 - A fair reflection. We need to do more, we will arrange a meeting at the right time to feed it in, early in the new year.
- One of the objectives is protection of children from harm, would be interested to understand how we do this. Would be happy to receive a written response.
 - Will take this offline.

The Chair concluded the discussion and said he would write to Sarah Dowden, Service Director for Regulatory and Operations, and Dave Coles, Head of Regulatory Services, to understand the difference of opinion with noise complaints, ensuring appropriate teams are on site after transformation, ensuring continuous improvement, investigating the planning status of the site, and ensuring local community and local Member involvement.

(The meeting ended at 12.16 pm)

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CHAIR

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Scrutiny Communities Work Programme 2024-2025

Meeting date	Agenda item	Officer name/Job title	Service Area
Wednesday 11 th December 2024 at 10am- Deane House	Month 6 Budget update	Christian Evans/Kerry Louise Hepple	
	HRA Q2 Budget Monitoring Report	Kerry Prisco	
	Housing Development Team	Chris Hall	
	Devolution -Update	Jonathan Stevens	
	Transformation update	Chris Hall	
22 January 2025 at 10am in Deane House	Month 7 Budget update	Christian Evans/Kerry Louise Hepple	
	Customer Service Annual Report	Sarah Dowden/ Sharon Jones	
	Environmental Health	Sarah Dowden	
	HRA Performance (finance/property)	Simon Lewis Ian Candlish	
12 March 2025 at 10am Deane House	Open Spaces	Sarah Dowden	
	CCTV update	Sarah Dowden	

Forward Plan Items from the 24/25 Budget:

- Quarterly updates on devolution progression and delivery of various communities services and assets to Parish and Town councils

- Quarterly updates on the progression and delivery of income generation proposals with relevant Parish and Town councils to deliver the target value to avoid cessation of the CCTV service
- Quarterly updates on the delivery of the devolution of specific assets to Yeovil Town Council regarding CMS020 – Yeovil Recreation Centre, CMS022 – Octagon Theatre , CMS 038 – Westlands Entertainment Venue.

Items to be added:

- Devolution Service Level Agreements
- Joint with Climate & Place – Glastonbury Festival - Wash Up Session
- Visit to CCTV site Bridgwater (Outside of the meeting)
- Octagon update
- Invite Andy Sully Chair of HMAAC to attend a future meeting

Scrutiny Report

Scrutiny Committee: Communities
Meeting Date – 11th December 2024



2024/25 General Fund Budget Monitoring Report Communities – Quarter 2 to end of September 2024

Chair of Committee: Cllr Gwil Wren

Executive Member(s): Cllr Federica Smith-Roberts

Local Member(s) and Division(s) affected: All

Executive Director: Maria G Christofi -Interim Chief Finance Officer (S151)

Executive Summary

This report is the General Fund Revenue Budget Monitoring Report for Communities up to and including September 2024 – Quarter 2.

The full General Fund Revenue Monitoring Report was presented to Corporate and Resources Scrutiny Committee on Monday 25th November 2024, and Executive on Monday 2nd December 2024.

Recommendations:

Scrutiny is asked to consider the following:

1.	If there are any general comments or observations that they would wish to consider making to the Executive on the report.
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2.	If the actions set out in the report are appropriate and if there are any further actions that scrutiny would wish to include in the report.
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Report Author: Christian Evans, Head of Business Partnering

Contact Details: Christian.evans@somerset.gov.uk

Main report and supporting information.

Background and purpose of report

1. There are no implications from this report. Scrutiny Members are asked to note the information and recommend any actions to Executive Committee

2024/25 Community Services as at the end of September 2024 (Quarter 2)

- 2024/25 net budget £34.416m, forecast underspend of £1.572m, an increase of £1.125m from Month 5.
- 2023/24 net budget £37.4m, outturn underspend of £3.9m

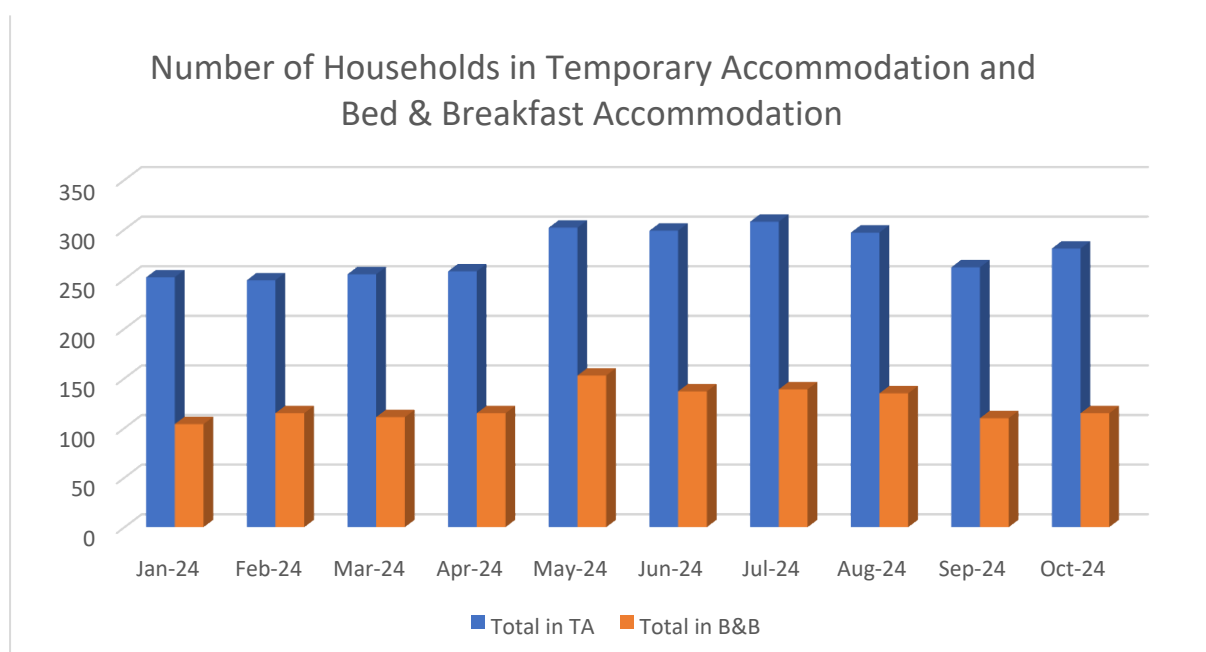
Service Area	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Month 6 Variance £m	Overspend / (Underspend)	RAG Status	Ongoing Pressure £m	One-off Pressures £m	Movement From Month 5 £m
Housing										
Service Director - Housing	0.146	-	0.146	0.114	(0.032)	Underspend	Green	-	-	(0.032)
Housing Strategy	0.407	(0.285)	0.122	0.242	0.120	Overspend	Red	-	0.120	(0.001)
Housing Options	10.828	(5.545)	5.283	5.679	0.396	Overspend	Red	-	0.396	0.396
Housing Enabling	0.682	(0.143)	0.539	0.438	(0.101)	Underspend	Green	-	-	(0.002)
Private Sector Support/ DFG's (SIP)	1.353	(0.823)	0.530	0.169	(0.361)	Underspend	Green	-	-	(0.361)
Displaced Person Service	1.069	(1.069)	-	-	-	On-budget	Green	-	-	-
sub total	14.485	(7.865)	6.620	6.642	0.022	Overspend	Amber	-	0.516	(0.000)
Customer Services										
Customer Services	6.619	(0.721)	5.898	5.898	-	On-budget	Green	-	-	-
Somerset Lifeline	2.237	(2.600)	(0.363)	(0.363)	-	On-budget	Green	-	-	-
sub total	8.856	(3.321)	5.535	5.535	-	On-budget	Green	-	-	-
Cultural Services										
Service Director - Cultural Services	0.146	-	0.146	0.146	-	On-budget	Green	-	-	-
Library Service	4.954	(0.738)	4.216	4.216	-	On-budget	Green	-	-	-
Heritage Service	1.749	-	1.749	1.749	-	On-budget	Green	-	-	-
Leisure - Sports Centre	2.864	(0.494)	2.370	1.170	(1.200)	Underspend	Green	-	-	-
Museums	0.050	(0.003)	0.047	0.010	(0.037)	Underspend	Green	-	-	(0.037)
Theatres	2.587	(1.975)	0.612	0.612	-	On-budget	Green	-	-	-
Visitor Centres	0.262	(0.404)	(0.142)	(0.142)	-	On-budget	Green	0.114	-	-
Tourism	0.111	(0.010)	0.101	0.024	(0.077)	Underspend	Green	-	-	(0.077)
(wellbeing) Community Grants	0.021	(0.001)	0.020	0.020	-	On-budget	Green	-	-	-
sub total	12.744	(3.625)	9.119	7.805	(1.314)	Underspend	Green	0.114	-	(0.114)
Regulatory & Operational Services										
Registration	1.985	(2.047)	(0.062)	(0.062)	(0.000)	Overachievement	Green	-	-	(0.000)
Environmental Health	4.516	(0.328)	4.188	3.955	(0.233)	Underspend	Green	-	-	(0.290)
Bereavement Services	1.035	(2.444)	(1.409)	(1.401)	0.008	Underachievement	Amber	-	0.008	(0.004)
Harbours	0.066	(0.028)	0.038	0.037	(0.001)	Underspend	Green	-	-	-
Ports	0.230	(0.148)	0.082	0.022	(0.060)	Underspend	Green	-	-	(0.060)
Street Cleansing	5.764	(0.872)	4.892	4.532	(0.360)	Underspend	Green	-	-	(0.437)
Open Spaces	5.879	(2.542)	3.337	3.557	0.220	Overspend	Red	-	0.220	(0.185)
Public Conveniences	0.558	(0.474)	0.084	0.092	0.008	Overspend	Red	-	0.008	-
(wellbeing) Community Safety	0.012	-	0.012	0.005	(0.007)	Underspend	Green	-	-	(0.006)
CCTV	0.841	(0.594)	0.247	0.288	0.041	Overspend	Red	-	0.041	-
Licensing	0.759	(1.058)	(0.299)	(0.367)	(0.068)	Overachievement	Green	-	-	(0.069)
Resorts	0.388	(0.204)	0.184	0.240	0.056	Overspend	Red	-	0.056	0.013
Coroners	1.344	-	1.344	1.464	0.120	Overspend	Red	-	0.120	-
Operational Support	0.689	(0.103)	0.586	0.586	-	On-budget	Green	-	-	-
Scientific Services	0.437	(0.414)	0.023	0.024	0.001	Overspend	Amber	-	0.001	0.017
Markets	0.230	(0.335)	(0.105)	(0.110)	(0.005)	Overachievement	Green	-	-	0.010
sub total	24.733	(11.591)	13.142	12.862	(0.280)	Underspend	Green	-	0.454	(1.011)
Community Services Total	60.818	(26.402)	34.416	32.844	(1.572)	Underspend	Green	0.114	0.970	(1.125)

Community Services - key explanations, actions & mitigating controls

Housing

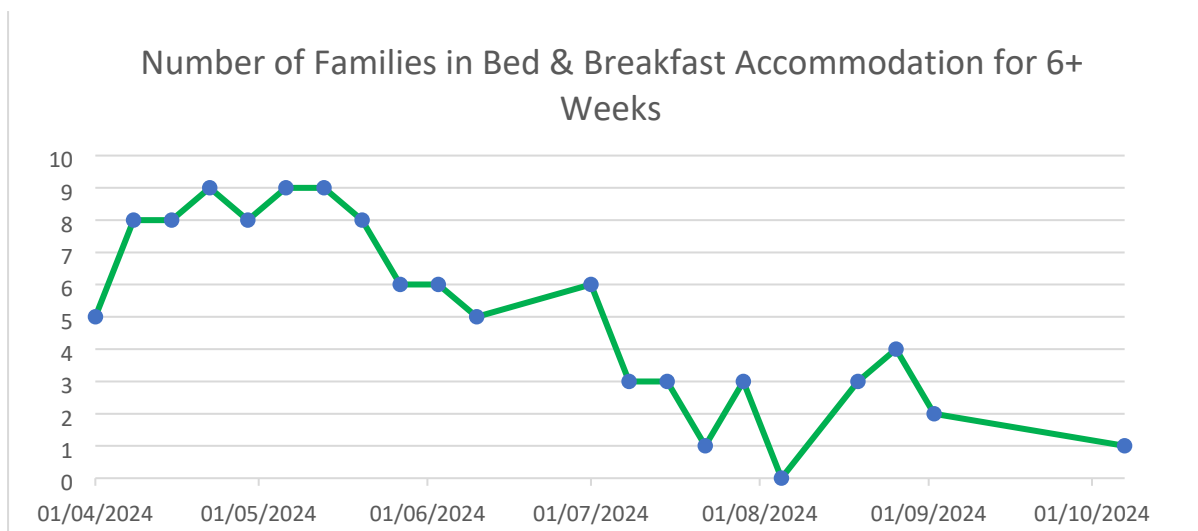
The General Fund Housing Service is currently forecasting a balanced outturn position for the 2024/25 financial year.

The Housing Options service has seen an increase in the numbers approaching the service and the number of cases which the Council has a responsibility to provide relief or main duty accommodation. This continued demand for temporary accommodation within the last nine months is demonstrated as follows:



Actions are being progressed by the service to mitigate the need for Bed & Breakfast accommodation, and we are striving towards reducing the necessity of temporary staffing following the restructure and streamlining processes within the service.

Despite seeing an increase in demand on Bed & Breakfast accommodation, the service is endeavouring to remove this as a long-term option for families, demonstrated as follows:



Total Housing Options service has a forecast overspend of £0.396m, this is an increase of £0.396m from Month 5. There are earmarked reserves ringfenced for this service area may offset additional pressures within 2024/25.

The Housing Enabling and Housing Director services are currently forecasting £0.216m savings on permanent staffing costs. This has offset pressures within the Housing Enabling and Housing Strategy services derived from unachievable historical income targets within both service areas.

Cultural Services

Cultural Services have a forecast underspend of £1.314m, this is an increase of £0.114m from Month 5.

Museums has a forecast underspend of £0.037m, this is an increase of £0.037m from Month 5. The service transferred as part of devolution, reconciliation of expenditure and income suggests a forecast underspend will be realised outturn.

Tourism has a forecast underspend of £0.077m, this is an increase of £0.077m from Month 5. The tourism centre for South Somerset closed at the end of March 2023. Work has been ongoing to understand if any further expenditure will emerge from this budget area.

Cultural Services have transferred some of its functions to Yeovil Town Council as part of the Yeovil Devolution package. It is therefore important to note that further analysis continues to understand the budgetary impact of the transfer. Work continues to understand the financial position, impact to operational changes and any risk associated with the deal, to ensure MTFP savings attributed to the budget are accurate. This may result in further savings being realised.

Regulatory & Operational Services

Regulatory & Operational Services are forecasting an underspend of £0.280m, an increase of £1.011m from Month 5.

Open spaces are forecasting an overspend of £0.220m, a decrease of £0.185m from Month 5. This is due to updated forecasts in salary costs and decrease in expenditure spend across the service.

Environmental Health is forecasting an underspend of £0.233m, a decrease of £0.290 from Month 5. Work has been undertaken to reconcile Salary budgets, actual spend and forecasts for the area.

Street Cleaning is forecasting an underspend of £0.360m, a decrease of £0.437m from Month 5. This is due to updated forecasts in salary costs and reducing spend within the service.

Performance of agreed savings proposals

Where savings are unachievable Community Services are exploring alternative savings or reducing expenditure to ensure that these are achieved. Finance will continue to work with the service to monitor all of the agreed savings' proposals closely.

Mitigating Actions

In-Year Mitigation Proposed	Quarter 2	Comments
	£m	
To be mitigated	0.022	
Housing	(0.022)	Housing is currently showing as overspending, it is felt that this will be absorbed by the service within future budget monitoring reports.

Background Papers

2. The information within this paper has been taken from the 2024-25 GF Revenue Budget Monitoring Executive Report – Month 6.

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**Communities Scrutiny Committee –
11th December 2024**

Budget Monitoring - Quarter 2 2024/25

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Somerset
Council

Communities Services Quarter 2 2024/25

Net budget of £34.416m
Underspend of £1.572m (4.6%)

- Housing
 - £0.022m Overspend
- Customer Services
 - On budget
- Cultural Services
 - £1.314m Underspend
- Regulations & Ops Services
 - £0.280m Underspend

Service Area	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Month 6 Variance £m	Overspend / (Underspend)	RAG Status	Ongoing Pressure £m	One-off Pressures £m	Movement From Month 5 £m
Housing										
Service Director - Housing	0.146	-	0.146	0.114	(0.032)	Underspend	Green	-	-	(0.032)
Housing Strategy	0.407	(0.285)	0.122	0.242	0.120	Overspend	Red	-	0.120	(0.001)
Housing Options	10.828	(5.545)	5.283	5.679	0.396	Overspend	Red	-	0.396	0.396
Housing Enabling	0.682	(0.143)	0.539	0.438	(0.101)	Underspend	Green	-	-	(0.002)
Private Sector Support/ DFG's (SIP)	1.353	(0.823)	0.530	0.169	(0.361)	Underspend	Green	-	-	(0.361)
Displaced Person Service	1.069	(1.069)	-	-	-	On-budget	Green	-	-	-
sub total	14.485	(7.865)	6.620	6.642	0.022	Overspend	Amber	-	0.516	(0.000)
Customer Services										
Customer Services	6.619	(0.721)	5.898	5.898	-	On-budget	Green	-	-	-
Somerset Lifeline	2.237	(2.600)	(0.363)	(0.363)	-	On-budget	Green	-	-	-
sub total	8.856	(3.321)	5.535	5.535	-	On-budget	Green	-	-	-
Cultural Services										
Service Director - Cultural Services	0.146	-	0.146	0.146	-	On-budget	Green	-	-	-
Library Service	4.954	(0.738)	4.216	4.216	-	On-budget	Green	-	-	-
Heritage Service	1.749	-	1.749	1.749	-	On-budget	Green	-	-	-
Leisure - Sports Centre	2.864	(0.494)	2.370	1.170	(1.200)	Underspend	Green	-	-	-
Museums	0.050	(0.003)	0.047	0.010	(0.037)	Underspend	Green	-	-	(0.037)
Theatres	2.587	(1.975)	0.612	0.612	-	On-budget	Green	-	-	-
Visitor Centres	0.262	(0.404)	(0.142)	(0.142)	-	On-budget	Green	0.114	-	-
Tourism	0.111	(0.010)	0.101	0.024	(0.077)	Underspend	Green	-	-	(0.077)
(wellbeing) Community Grants	0.021	(0.001)	0.020	0.020	-	On-budget	Green	-	-	-
sub total	12.744	(3.625)	9.119	7.805	(1.314)	Underspend	Green	0.114	-	(0.114)
Regulatory & Operational Services										
Registration	1.985	(2.047)	(0.062)	(0.062)	(0.000)	Overachievement	Green	-	-	(0.000)
Environmental Health	4.516	(0.328)	4.188	3.955	(0.233)	Underspend	Green	-	-	(0.290)
Bereavement Services	1.035	(2.444)	(1.409)	(1.401)	0.008	Underachievement	Amber	-	0.008	(0.004)
Harbours	0.066	(0.028)	0.038	0.037	(0.001)	Underspend	Green	-	-	-
Ports	0.230	(0.148)	0.082	0.022	(0.060)	Underspend	Green	-	-	(0.060)
Street Cleansing	5.764	(0.872)	4.892	4.532	(0.360)	Underspend	Green	-	-	(0.437)
Open Spaces	5.879	(2.542)	3.337	3.557	0.220	Overspend	Red	-	0.220	(0.185)
Public Conveniences	0.558	(0.474)	0.084	0.092	0.008	Overspend	Red	-	0.008	-
(wellbeing) Community Safety	0.012	-	0.012	0.005	(0.007)	Underspend	Green	-	-	(0.006)
CCTV	0.841	(0.594)	0.247	0.288	0.041	Overspend	Red	-	0.041	-
Licensing	0.759	(1.058)	(0.299)	(0.367)	(0.068)	Overachievement	Green	-	-	(0.069)
Resorts	0.388	(0.204)	0.184	0.240	0.056	Overspend	Red	-	0.056	0.013
Coroners	1.344	-	1.344	1.464	0.120	Overspend	Red	-	0.120	-
Operational Support	0.689	(0.103)	0.586	0.586	-	On-budget	Green	-	-	-
Scientific Services	0.437	(0.414)	0.023	0.024	0.001	Overspend	Amber	-	0.001	0.017
Markets	0.230	(0.335)	(0.105)	(0.110)	(0.005)	Overachievement	Green	-	-	0.010
sub total	24.733	(11.591)	13.142	12.862	(0.280)	Underspend	Green	-	0.454	(1.011)
Community Services Total	60.818	(26.402)	34.416	32.844	(1.572)	Underspend	Green	0.114	0.970	(1.125)

Communities Services MTFP – Quarter 2 2024/25

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Service Area	Rolled Forward Savings from 2023/24 £m	New Savings for 2024/25 £m	Total Saving to be Delivered £m	Achieved £m	On-track £m	At Risk £m	Unachievable £m
Community Services	-	(2.866)	(2.866)	(0.115)	(2.412)	(0.225)	(0.114)
Percentage			100.00%	4.01%	84.16%	7.85%	3.98%
Number of savings			36	4	26	5	1

At Risk/Unachievable Savings

- 2 savings totalling £0.019m relates to Beach car parks
- 2 savings totalling £0.100m relates to Ground maintenance and street cleaning pressures
- 1 saving at risk relates to income generation within Lifeline
- 1 saving totalling £0.114 relates to a duplication of a funding agreement within the budget.

Work is continuing to ensure savings are being achieved, and if unachievable that mitigating actions are in place to ensure the service are within budget.

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Decision Report FP/24/06/27

Committee: Scrutiny / Executive
Meeting or Proposed Decision Date – 02
December 2024
Key Decision – Yes



2024/25 Housing Revenue Account (HRA) Revenue and Capital Budget Monitoring Report – Quarter 2 – End of September 2024

Chair of Committee: Cllr Bill Revans Leader of the Council and Lead Member for Governance & Communications

Executive Member(s): Cllr Liz Leyshon Deputy Leader of the Council and Lead Member for Finance, Procurement and Performance and Cllr Federica Smith-Roberts Lead Member for Communities, Housing Revenue Account, Culture and Equalities and Diversity

Local Member(s) and Division(s) affected: All

Executive Director: Maria G. Christofi Interim Chief Finance Officer (Section 151 Officer)

Executive Summary

1. This report is the Housing Revenue Account (HRA) Revenue and Capital Budget Monitoring Report for the end of September 2024, (Quarter 2).

Revenue

2. The last report the Executive received was for Quarter 1, as at the end of June 2024, which reported a forecast net overspend of £2.359m.
3. The Council is now **forecasting a revenue overspend of £1.717m** for 2024/25.
4. There has been a **decrease of £0.642m** in the revenue forecast overspend position of £2.359m reported for Quarter 1. The main movements are reported in the following areas:

Positive movements in forecast outturn

- Dwelling Rental Income - there is an **increase in the forecast of the recovery of income of £0.397m**, due to updated projections impacted by a reduction in the level of void properties.
- Repairs and Maintenance – there is a **reduction in the forecast outturn overspend of £0.243m**, due to updated projections reducing the forecast overspend on voids as well as underspends in general repairs mitigating part of the overspend.

5. Continued work to ensure that the assumptions within the forecast are relevant and robust continues with the Housing Management Team especially those areas where there is demand led budgets, and pressures.

Capital

6. The last report the Executive received was for Quarter 1, as at the end of June 2024, which reported that the forecast capital outturn was to budget.
7. The Housing Revenue Account (HRA) Capital Programme for 2024/25 onwards is £92.896m. At Quarter 1 the forecast spend for 2024/25 was £60.189m. For Quarter 2 this forecast has reduced by £4.743m to £55.446m, with slippage of £37.723m being requested and a forecast net overspend of £0.274m that will need to be mitigated.

Recommendations

8. That the Executive:
 - a) Notes the Housing Revenue Account **forecast overspend of £1.717m** for 2024/25, the mitigations actions in the report and the impact on the HRA General Fund Reserve of this overspend.
 - b) Agree to take further mitigating actions to pull back the forecast overspend for the next quarter and by outturn.
 - c) Notes the forecast outturn position of the Capital Programme of £55.172m for 2024/25.
 - d) Approve slippage of £37.723m into future years.
 - e) Notes the Capital virements in paragraph 27.

Reasons for Proposals

9. To ensure that the Council continues to work to a balanced revenue outturn that will not reduce reserves further and to maintain tight financial control over its budget.

Report Author: Kerry Prisco, Strategic Finance Business Partner
Contact Details: Kerry.prisco@somerset.gov.uk

Main report and supporting information

Background

10. The Housing Revenue Account (HRA) is a ring-fenced, self-financing, account used to manage the Council's housing stock, with the Council acting as the Landlord. This has been the case since April 2012 where, under the Localism Act 2011, the government abolished the national subsidy system (which required an annual payment from the HRA to Central Government) and introduced 'self-financing'. This new system enabled Councils to retain all rental income to fund the costs of managing and maintaining the housing stock, as well as meeting the interest payments and repayment of debt. As part of the self-financing agreement, Councils had to buy themselves out of the subsidy system by making a one-off payment to the Government. The debt taken in 2012 was a total of £133m; £85.198m for the Taunton Deane Borough Council legacy authority and £47.321m for the Sedgemoor District Council legacy authority.
11. Self-financing does bring financial benefits and more flexibility, especially since the borrowing cap was removed in October 2018, however the HRA is still heavily regulated. For example, rent increases are restricted by the Regulator of Social Housing's Rent Standard, there are specific regulations which govern eligible income and expenditure to prevent cross subsidy with the General Fund, as well as the decent homes standards that stipulate the conditions of properties.
12. Somerset Council has two landlord operating models which sit under one Housing Revenue Account. The two landlord operating models are an in-house service in the West, formerly Somerset West and Taunton (SWT), and Homes in Sedgemoor (HiS) which is an Arm's Length Management Organisation (ALMO) operating in the North, formerly Sedgemoor District Council (SDC). The combined total dwelling stock as at 1 April 2024 is 9,755 (5,709 for the inhouse service and 4,046 managed by HiS). In addition to this we have 599 leasehold properties (490 managed by the in-house service and 111 managed by HiS).

Purpose of Report

13. This report provides an update on the projected revenue and capital outturn position for the Council's Housing Revenue Account (HRA) at the end of September 2024, (Quarter 2).

HRA Revenue Budget 2024/25 Forecast Outturn

14. Full Council approved the 2024/25 budget in February 2024, and **Table 1** provides a summary of budget, forecast outturn, and variances as at the end of September 2024, (Quarter 2).
15. The current year end forecast outturn position for the HRA for 2024/25 is an overspend against budget of £1.717m.

Table 1: 2024/25 Budget Monitoring Report as at the end of September 2024 (Quarter 2)

	In-House	ALMO	Combined					
	Approved Budget	Approved Budget	Current Budget	Full Year Projection	Month 6 Variance	Overspend / (Underspend)	RAG Status	Movement From Month 3
	£m	£m	£m	£m	£m			£m
Income								
Dwelling Rents	(30.529)	(20.385)	(50.914)	(50.381)	0.534	Overspend	Red	(0.285)
Non Dwelling Rents	(0.735)	(0.602)	(1.336)	(1.262)	0.074	Overspend	Red	(0.009)
Charges for Services / Facilities	(1.955)	(1.625)	(3.580)	(3.571)	0.009	Overspend	Amber	(0.093)
Contribution Towards Expenditure	(0.258)	(1.230)	(1.488)	(1.498)	(0.009)	Underspend	Green	(0.010)
Government Grants	(0.046)	(0.026)	(0.072)	(0.072)	-	On-budget	Green	(0.001)
	(33.522)	(23.869)	(57.391)	(56.783)	0.608	Overspend	Red	(0.397)
Expenditure								
Repairs and Maintenance	9.571	5.107	14.678	15.879	1.201	Overspend	Red	(0.242)
Supervision and Management	5.552	5.108	10.660	10.183	(0.477)	Underspend	Green	(0.053)
Special Services	1.628	0.875	2.503	2.532	0.029	Overspend	Amber	0.006
Rents, Rates, Taxes and Other Charges	0.499	0.858	1.357	1.722	0.366	Overspend	Red	0.054
Central Recharges (to / from the General Fund)	2.966	0.470	3.436	3.427	(0.009)	Underspend	Green	(0.009)
	20.216	12.418	32.634	33.744	1.110	Overspend	Red	(0.244)
Other Operating Income and Expenditure								
Interest Payable	3.367	1.692	5.058	5.058	-	On-budget	Green	-
Interest Receivable	-	1.070	1.070	1.070	-	On-budget	Green	-
Change in Provision for Bad Debt	0.197	-	0.197	0.197	-	On-budget	Green	-
Depreciation	9.537	7.604	17.141	17.141	-	On-budget	Green	-
Capital Financing	-	-	-	-	-	On-budget	Green	-
Movement In Reserves	(0.864)	2.155	1.291	1.291	-	On-budget	Green	-
	12.236	12.521	24.757	24.757	-	On-budget	Green	-
Net Surplus(-) / Deficit for the Year	(1.070)	1.071	-	1.718	1.718	Overspend	Red	(0.641)

Key Variances and Movements

Income

16. **Dwelling Rent Income:** The combined budgeted income for 2024/25 is £50.914m, which reflects an assumption of an average 1.66% void loss for general, extra care and sheltered stock (with temporary accommodation at 25%), applying a 53-week year and forecast stock changes such as RTB Sales and new builds from social development schemes.

17. The outturn position for dwelling rent income is an under recovery against budget of £0.534m for the in-house service which is in part due to timings of RTB sales and stock changes for social housing development schemes, as well as higher levels of voids for general needs stock and temporary accommodation stock than anticipated. The service has been actively reducing void levels which is evident in the void rates statistics and the updated projections improving by £0.285m since month 3. This also includes £0.144m write offs against the bad debt provision.

18. The forecast includes £0.144m of write offs during the first half of the year (£0.019m on current tenancies and £0.125m on former tenancies), as shown in the table below, of which 86% were for former tenant arrears and where recovery routes had been exhausted. The former tenant debt written off in Quarter 1 has occurred due to a recent review and consideration of significantly aged debt from former tenants and a decision to write this debt off as unrecoverable following extensive recovery activity.

Table 2: Write Offs during 2024/25

	Homes In Sedgemoor			In-House Service			
	Current	Former	Total	Current	Former	Total	TOTAL
	£m	£m	£m	£m	£m	£m	£m
Q1	-	0.007	0.007	0.006	0.098	0.104	0.111
Q2	0.001	0.005	0.005	0.013	0.015	0.028	0.033
Total	0.001	0.012	0.013	0.019	0.113	0.131	0.144

Expenditure

- 19. Repairs and Maintenance:** The forecast overspend of £1.200m relates to the void repairs service which is undertaken to ensure our Lettable Standard is met before reletting. This overspend is the net figure for repairs and maintenance and includes an overspend on voids that has been offset in part from an underspend of £0.309m in general repairs due to both forecast outturn projections on repair costs and vacancy savings. Both the voids and general repairs service is a very demand led and reactive service that has experienced increasing volumes of work compared to previous years. The void service has also seen an increase in the poor condition of properties being returned for reletting which increases the average void cost per property.
20. There are a number of activities being undertaken to seek to mitigate additional spend, including an in-house initiative called the "Leaving Well" scheme which aims to work with and support the tenants to leave their homes in a suitable manner to reduce the time and cost of work then required on void properties before reletting, a procurement exercise to test the market for external contractor support for void repairs, and a continued comprehensive review of budget cost allocation to ensure all works that can be appropriately capitalised are assigned to a capital budget. Whilst there is currently a forecast year-end overspend it is anticipated that once the focussed activity being undertaken as detailed above is completed this will reduce this figure.
- 21. Supervision and Management:** The forecast underspend of £0.477m has increased by £0.053m since Quarter 1 and relates to vacancies within a number of different teams including new roles within the new operating structure. The vacancies are a mixture of existing posts as well as posts that have been redesignated between teams as part of a reorganisation between the HRA Business Function area and the existing Property Services and Tenancy areas. There have been challenges recruiting to a number of posts, however these are now being progressed.
- 22. Rents, Rates, Taxes and Other Charges:** The forecast overspend of £0.365m has increased by £0.053m since Quarter 1. The overspend mainly relates to insurance premiums for 2024/25. To note that in preparation for the creation of the new Somerset Council, a procurement exercise was undertaken during 2022/23 to collectively insure the assets for the new council from 1 April 2023. As part of this process the insurers reviewed the risk profile of the Council and its asset holdings. In addition, inflation has increased the rebuild costs (with labour and raw materials

increasing in price). As a result the insurance premiums have increased significantly. Whilst the budget for 2024/25 was inflated in anticipation of an expected increase in cost this increase was not sufficient.

Mitigations

23. To pull back the revenue forecast overspends, to a balanced outturn, and protect the Council's Housing Revenue Account reserves position, the following elements of the budget are being reviewed:

- Volumes of void properties
- Average void turnaround times
- Expenditure incurred to bring void properties back to a Lettable Standard

HRA Capital Programme 2024/25 Forecast Outturn

24. The Housing Revenue Account (HRA) Capital Programme for 2024/25 onwards is £92.896m.

25. The Housing Revenue Account (HRA) Capital Programme for 2024/25 onwards is £92.896m. At Quarter 1 the forecast spend for 2024/25 was £60.189m. For Quarter 2 this forecast has reduced by £4.743m to £55.446m, with slippage of £37.723m being requested and a forecast net overspend of £0.274m that will need to be mitigated (please see **Appendix A**).

Table 3: Summary of HRA Capital Programme Approved Budget for 2024/25

	2024/25 Total Budget	Actual Spend YTD	Forecast Outturn	Slippage	Variance (Under) / Overspend
	£m	£m	£m	£m	£m
Majors & Improvements	40.241	8.221	36.230	3.579	(0.431)
Social Housing Development	52.655	11.510	19.216	34.144	0.705
Total	92.896	19.731	55.446	37.723	0.274

26. The HRA Capital Programme relates to in-year works and longer-term schemes that will be completed over the next six years. The original planned profiled spend and financing of the HRA Capital programme is shown within **Appendix B**.

27. The virements in the table below have been approved and are reflected in Appendix C.

Table 4: Capital Virements 2024/25

From / To	Project Code	Capital Scheme	Funding	£m
From	HR1508000	HRA North Taunton Phase E	Borrowing	(0.085)
From	HR1510000	HRA Oake	Borrowing	(0.900)
From	HR1514000	HRA Wordsworth Drive & Coleridge Road Flats	Borrowing	(0.020)
	TOTAL			(1.005)

To	HR1024000	HRA Energy Efficiency Works (ECO4)	Borrowing	0.050
To	HR1001000	HRA Major Repairs & Improvement	Borrowing	0.040
To	HR2500000	HRA Windmill Square	Borrowing	0.431
To	HR1012000	HRA Insulation	Borrowing	0.484
	TOTAL			1.005

28. To note that from the 1 April 2024, the percentage cost of a new home that local authorities can fund using Right to Buy receipts has increased again to 100% following an announcement on the 30 July 2024. The Autumn Budget 2024 proposes some significant changes on Right to Buy and further information will be provided once there is clarity on the changes to the legislation.

HRA Earmarked Reserves

29. The Housing Revenue Account (HRA) Earmarked Reserves at the beginning of 2024/25 totalled £0.209m, as shown in the table below. These have been carried forwards from Somerset West and Taunton. There were none held by Sedgemoor District Council.

30. Earmarked reserves are set aside for a specific purpose and are reviewed on a regular basis. These funds have been earmarked to be spent within this financial year.

Table 5: Earmarked Reserves Balances

Description	Opening Balance 01/04/2024 £m	Proposed Transfers £m	Forecast Balance 31/03/2025 £m
Hinkley – Community Grants	0.065	(0.065)	-
Climate Change Grant - Electric Vehicles	0.077	(0.077)	-
Hinkley – Home Moves Plus Grant	0.032	(0.032)	-
Tenant Satisfaction Grant	0.035	(0.035)	-
Total	0.209	-	-

HRA General Reserves

31. The Housing Revenue Account (HRA) General Reserves opening balance of £12.859m (subject to the completion of the external audit of the statutory financial statements for 2023/24) stands above the recommended minimum balance of £3.722m and provides ongoing financial resilience and mitigation for unbudgeted financial risks.
32. The recommended minimum balance for the combined HRA is £3.722m and this equates to approximately 6.5% of gross income and £382 per property.
33. As part of the budget setting proposals to Full Council on 20 February 2024, a contribution to reserves of £1.323m will be made to supplement general reserves. Further approved (or proposed) allocations to / from General Reserves are shown in the table below.

Table 6: HRA General Reserves Balance

	Approval	£m
Balance Brought Forward 1 April 2024		12.859
Budgeted Contribution to reserves	FC – Feb24	1.323
Current Balance		14.182
Forecast: 2024/25 Projected Overspend		(1.717)
Projected Balance 31 March 2025		12.465
Recommended Minimum Balance		3.722
Projected Balance above Minimum Reserve Balance		8.743

34. The current outturn position is forecast to be a net overspend of £1.717m. If the forecast outturn position does not improve, the deficit will reduce reserve balances to £12.465m, which is £8.743m above the recommended minimum balance of £3.722m.

Links to Council Plan and Medium-Term Financial Plan

35. The 2024/25 Budget for the HRA was approved by Full Council in February 2024 along with the updated Medium-Term Financial Plan (MTFP) and updated 30-Year Business Plan.

Other options considered

36. No other options were considered as continuing to monitor the budget on a monthly basis is considered best practice.

Key considerations for the Council

Scrutiny comments / recommendations:

37. This report will be considered by Corporate and Resources Scrutiny on 25 November 2024. A summary of the comments and recommendations discussed will be provided here (or a verbal update) for the Executive to consider on 2 December 2024.

Consultation and feedback

38. This report will be presented, for information purposes and discussion, to the Tenants Strategic Board on the 25 November 2024. A formal consultation is not required for this report.

Financial and Risk Implications

39. The HRA set a balanced budget for 2024/25 however areas of risk for the year will relate to **regulatory and compliance requirements**. There are seven big compliance areas - Gas, Electric, Water, Asbestos, Fire Safety, Lifts and Damp and Mould - and the regulations are continually being updated. For example, changes are expected during the year in relation to Fire Safety and Damp & Mould, and there are new national concerns with regards to Reinforced Autoclaved Aerated Concrete (RAAC), where the cost impact is unknown. Furthermore, the Social Housing (Regulation) Act 2023 places new emphasis on customer safety, quality of accommodation, engagement, communication and greater evidence of listening to our tenants. We have seen significant increases in our costs related to regulatory and compliance requirements and the risk remains high that further increases will come.

40. From an **operational perspective**, the challenge here relates to the levels of demand from our tenants for support and service, for example for debt and benefit advice, repairs and maintenance on their properties, and the number and condition of void properties. This is a very reactive service based on the needs of the tenants. Additionally, as other services face budget pressures (social care, police, ambulance, mental health services, addiction services etc) the levels of complexity and demand increases and can require additional cost and resource to service this and meet our tenancy management responsibilities.

41. There are risks associated with the **economic operating environment** and the positive or negative impact this may have on any variation from the forecasts assumed when setting the budget, for example the cost of borrowing for the refinancing of debt, pay awards, cost of materials and utilities, etc. We continue to work in a very buoyant market for skilled workforce and materials and cost pressures continue to present a challenge.

42. There are a number of operational risks already identified and are in the process of being transferred to Ideagen (which is the Councils performance and risk management system). The operational and financial risks will need to be reviewed by the new interim Service Director.

Legal and Procurement Implications

- There are no specific legal implications arising from this report.

HR / Workforce Implications

- There are no specific HR / Workforce implications arising from this report.

Equalities Implications

- There are no specific equalities implications arising from this report.

Community Safety Implications

- There are no community safety implications arising from this report.

Climate Change and Sustainability Implications

- There are no climate change and sustainability implications arising from this report.

Health and Safety Implications

- There are no health and safety implications arising from this report.

Health and Wellbeing Implications

- There are no health and wellbeing implications arising from this report.

Social Value

- There are no Social Value implications arising from this report.

Background Papers

- HRA Budget Setting Report 2024/25 – Full Council 20 February 2024
- HRA Outturn Report 2023/24 – Executive 5 August 2024

Appendices

Appendix A: HRA Capital Programme Outturn Forecast 2024/25
Appendix B: HRA Capital Programme Budget and Funding 2024/25

Appendix A: HRA Capital Programme Outturn Forecast 2024/25

HRA Capital Programme	Total Approved Budget	Budget as at Quarter 1	Actual Spend	Commitments	Forecast Outturn	Slippage	Forecast Outturn Variance	Additions / Deletions	Virements	Revised Budget as at Quarter 2
		£m	£m	£m	£m	£m	£m	£m	£m	£m
In-House Service										
Major Works	18.537	18.537	4.337	14.648	18.985	-	0.448	-	0.574	19.111
Fire Safety	4.975	4.975	0.106	1.290	1.396	3.579	-	-	-	1.396
Related Assets	0.400	0.400	0.007	0.393	0.400	-	-	-	-	0.400
Exceptional & Extensive	6.162	6.162	0.425	4.732	5.157	-	(1.005)	-	(1.005)	5.157
Vehicles	0.280	0.280	-	0.280	0.280	-	-	-	-	0.280
ICT & Transformation	0.083	0.083	0.115	(0.032)	0.083	-	-	-	-	0.083
Aids & Adaptations & DFGs	0.370	0.370	0.110	0.190	0.300	-	(0.070)	-	-	0.370
Sub-Total Majors & Improvements	30.807	30.807	5.099	21.501	26.600	3.579	(0.627)	-	(0.431)	26.797
Social Housing Development	44.730	14.839	9.828	5.011	14.839	-	-	-	-	14.839
Total In-House HRA	75.537	45.646	14.927	26.512	41.439	3.579	(0.627)	-	(0.431)	41.635
Homes In Sedgemoor (ALMO)										
Major Works	8.780	8.780	2.851	5.929	8.780	-	-	-	-	8.780
Fire Safety	0.263	0.263	-	0.263	0.263	-	-	-	-	0.263
Related Assets	-	-	-	-	-	-	-	-	-	-
Exceptional & Extensive	0.237	0.237	-	0.237	0.237	-	-	-	-	0.237
Vehicles	-	-	-	-	-	-	-	-	-	-
ICT & Transformation	-	-	-	-	-	-	-	-	-	-
Aids & Adaptations & DFGs	0.154	0.154	0.271	0.079	0.350	-	0.196	-	-	0.154
Sub-Total Majors & Improvements	9.433	9.433	3.122	6.508	9.630	-	0.196	-	0.000	9.433
Social Housing Development	7.925	5.110	1.681	2.696	4.377	1.438	0.705	-	0.431	4.103
Total ALMO HRA	17.358	14.543	4.803	9.204	14.007	1.438	0.901	-	0.431	13.537
Combined HRA										
Major Works	27.317	27.317	7.188	20.577	27.765	-	0.448	-	0.574	27.891
Fire Safety	5.238	5.238	0.106	1.553	1.659	3.579	-	-	-	1.659
Related Assets	0.400	0.400	0.007	0.393	0.400	-	-	-	-	0.400
Exceptional & Extensive	6.399	6.399	0.425	4.969	5.394	-	(1.005)	-	(1.005)	5.394
Vehicles	0.280	0.280	-	0.280	0.280	-	-	-	-	0.280
ICT & Transformation	0.083	0.083	0.115	(0.032)	0.083	-	-	-	-	0.083
Aids & Adaptations & DFGs	0.524	0.524	0.381	0.269	0.650	-	0.126	-	-	0.524
Sub-Total Majors & Improvements	40.241	40.241	8.221	28.009	36.230	3.579	(0.431)	-	(0.431)	36.230
Social Housing Development	52.655	19.949	11.510	7.706	19.216	1.438	0.705	-	0.431	18.942
Total Combined HRA	92.896	60.189	19.731	35.715	55.446	5.017	0.274	-	-	55.172

Appendix B: HRA Capital Programme Budget and Funding

HRA Capital Programme	Budget							Funding 2024/25				
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total	Capital Grant	Capital Receipts	Major Repairs Reserve	Borrowing	Total Funding
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
In-House Service												
Major Works	19.111	-	-	-	-	-	19.111	0.759	-	13.230	5.122	19.111
Fire Safety	1.396	3.579	-	-	-	-	4.975	-	-	-	1.396	1.396
Related Assets	0.400	-	-	-	-	-	0.400	-	-	0.400	-	0.400
Exceptional & Extensive	5.157	-	-	-	-	-	5.157	-	-	0.300	4.857	5.157
Vehicles	0.280	-	-	-	-	-	0.280	-	-	-	0.280	0.280
ICT & Transformation	0.083	-	-	-	-	-	0.083	-	-	-	0.083	0.083
Aids & Adaptations & DFGs	0.370	-	-	-	-	-	0.370	-	-	0.370	-	0.370
Sub-Total Majors & Improvements	26.797	3.579	-	-	-	-	30.376	0.759	-	14.300	11.738	26.796
Social Housing Development	14.839	16.427	11.528	1.880	0.052	0.005	44.730	4.908	7.693	-	2.238	14.839
Total In-House HRA	41.635	20.006	11.528	1.880	0.052	0.005	75.106	5.666	7.693	14.300	13.975	41.635
Homes In Sedgemoor (ALMO)												
Major Works	8.780	-	-	-	-	-	8.780	0.584	-	1.300	6.896	8.780
Fire Safety	0.263	-	-	-	-	-	0.263	-	-	-	0.263	0.263
Related Assets	-	-	-	-	-	-	-	-	-	-	-	-
Exceptional & Extensive	0.237	-	-	-	-	-	0.237	-	-	-	0.237	0.237
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
ICT & Transformation	-	-	-	-	-	-	-	-	-	-	-	-
Aids & Adaptations & DFGs	0.154	-	-	-	-	-	0.154	-	-	-	0.154	0.154
Sub-Total Majors & Improvements	9.433	-	-	-	-	-	9.433	0.584	-	1.300	7.549	9.434
Social Housing Development	4.103	4.253	-	-	-	-	8.356	0.986	0.269	-	2.848	4.103
Total ALMO HRA	13.537	4.253	-	-	-	-	17.790	1.570	0.269	1.300	10.398	13.537
Combined HRA												
Major Works	27.891	-	-	-	-	-	27.891	1.343	-	14.530	12.018	27.891
Fire Safety	1.659	3.579	-	-	-	-	5.238	-	-	-	1.659	1.659
Related Assets	0.400	-	-	-	-	-	0.400	-	-	0.400	-	0.400
Exceptional & Extensive	5.394	-	-	-	-	-	5.394	-	-	0.300	5.094	5.394
Vehicles	0.280	-	-	-	-	-	0.280	-	-	-	0.280	0.280
ICT & Transformation	0.083	-	-	-	-	-	0.083	-	-	-	0.083	0.083
Aids & Adaptations & DFGs	0.524	-	-	-	-	-	0.524	-	-	0.370	0.154	0.524
Sub-Total Majors & Improvements	36.230	3.579	-	-	-	-	39.809	1.343	-	15.600	19.287	36.230
Social Housing Development	18.942	20.680	11.528	1.880	0.052	0.005	53.086	5.894	7.963	-	5.086	18.942
Total Combined HRA	55.172	24.259	11.528	1.880	0.052	0.005	92.896	7.237	7.963	15.600	24.373	55.172

Decision Report FP/24/06/27

Committee: Community Scrutiny

Meeting Date – 11th December 2024

Key Decision – No



**Somerset
Council**

Creation of a Single Housing Development Team for Somerset Council

Chair of Committee: Cllr Gwil Wren

Executive Member(s): Cllr Federica Smith-Roberts Lead Member for Communities, Housing Revenue Account, Culture and Equalities and Diversity

Local Member(s) and Division(s) affected: All in the Ex SDC and SWT areas

Executive Director: Chris Hall Executive Director Community Place & Economy

Executive Summary

1. Officers have been reviewing the options to meet the skills gap created by the loss of the Service Director for Housing earlier this year. The gaps that currently exists are line management responsibility for a specialist housing commissioning site development and construction team as well as knowledge of the bidding and business case process to government to secure the multi-million pound opportunities for external funding. We also have relationship management gaps with key partners including government departments and Homes England who are providers of those grants.
2. One option considered was to replace this role on a like for like basis, but it was felt this may create duplication across our inhouse Housing landlord service and Homes In Sedgemoor (HiS) our Arms Length Management Organisation (ALMO). Creating duplication ahead of the wider landlord options appraisal would be counterproductive
3. The proposal for Members is to create a single housing development team to deliver the current and future Somerset Council Housing Revenue Account development plans. It is further proposed that the team within HiS be expanded to include the whole of Somerset, with the in house team being moved under Transfer of Undertakings, Protection of Employment (TUPE) Regulations 2006 from Somerset Council to HiS. This will allow the resource and skills in HiS to be utilised for the benefit of the whole of Somerset.
4. This approach achieves the objectives of closing the skills gap without adding additional cost, by creating a single more resilient team whilst protecting the Council from redundancy costs.
5. The content of the development plan is not part of this paper, instead this is covered within the 30 year Housing Revenue Account Business Plan.
6. Reflecting that the geographical area historically covered by HiS would change, the HiS Board were asked to consider a name change. The Board were supportive of exploring a name change, and their proposal forms part of the recommendations

of this report. As the sole shareholder of Homes In Sedgemoor, the decision is for Somerset Council to make.

7. The name change proposed follows internal consultation with employees and the Board.
8. For clarity neither property ownership or tenancies are proposed to change under this proposal with all HRA properties continuing to be owned by Somerset Council.
9. The proposal to combine resources is specific to the development team and does not cover other aspects of the service.

Recommendations

10. That Scrutiny Committee provide their support to Executive on the following:
 - a) Accept the proposed name change from Homes In Sedgemoor to **AWAITING NAME verbal update will be provided to the committee.**
 - b) Approve the principle of TUPE transfer of the Somerset Council Development Team to Homes In Sedgemoor (**NEW NAME IF APPROVED ABOVE**), with the associated change to the Management Agreement, subject to formal HR consultation.

Reasons for Proposals

11. To close the skills gap without adding additional cost, and creating a single more resilient team whilst giving continuity of employment and terms and conditions to current employees.

Main report and supporting information

Background

12. The Housing Revenue Account (HRA) is a ring-fenced, self-financing, account used to manage the Council's housing stock, with the Council acting as the Landlord. The Development Teams exist in both of the landlord delivery models but could be brought together without the need for formal engagement with tenants as the bulk of their work is to create new properties prior to tenancies and occupation.
13. Somerset Council has two landlord operating models which sit under one Housing Revenue Account. The two landlord operating models are an in-house service in the West, formerly Somerset West and Taunton (SWT), and Homes in Sedgemoor (HiS) which is an Arm's Length Management Organisation (ALMO) operating in the North, formerly Sedgemoor District Council (SDC). The combined total dwelling stock as at 1 April 2024 is 9,755 (5,709 for the inhouse service and 4,046 managed by HiS). In addition to this we have 599 leasehold properties (490 managed by the in-house service and 111 managed by HiS).
14. The housing development teams deliver the purchase, regeneration, and construction of council housing stock owned by Somerset Council. This includes the current approved development programme and the pipeline of activity and opportunities. The latter requires considerable assessment of land, building and financial arrangements to develop opportunities into business cases that come forward for funding decisions by Somerset Council within the annual review of the HRA 30 year Business Plan.

Purpose of Report

15. To close the skills gap without adding additional cost and creating a single more resilient team whilst giving continuity of employment and terms and conditions to current employees.

Links to Council Plan and Medium-Term Financial Plan

16. The 2024/25 Budget for the HRA was approved by Full Council in February 2024 along with the updated Medium-Term Financial Plan (MTFP) and updated 30-Year Business Plan. This proposal seeks to prevent costs that may be duplicated in the current dual landlord model.

Other options considered

17. Consideration was given to recruiting to the skills and resource gap but this was felt to create avoidable cost to the HRA.
18. Further consideration was given to the single Development Team being hosted by Somerset Council's in house team, this was dismissed as it is this team where the skills gap exists.

Key considerations for the Council

Scrutiny comments / recommendations:

19. This report will be considered by Community Scrutiny Committee with a summary of the comments and recommendations discussed will be provided for the Executive to consider in January 2025.

Consultation and feedback

20. This report will be presented, for information purposes and discussion, to the Tenants Strategic Board on the 25 November 2024. A formal public / tenant consultation is not required for this development team change, but Homes In Sedgemoor will undertake engagement activity with their tenants regarding their proposed name change.

Financial and Risk Implications

21. Somerset Council will amend the funding agreement to reflect the employment responsibilities moving from Somerset Council to the ALMO (**insert name**). This has no negative impact on the HRA.

22. It might appear that the ALMO having control over the Development Team exposes Somerset Council to a greater level of financial risk, however all properties that bought or built by the Development Team remain in the ownership of Somerset Council. Expenditure by the Development Team is subject to Somerset Council approval within the HRA business plan and allocation within the capital programme. Additionally it is Somerset Council that will continue to raise the purchase orders for works as it does now.

23. The ALMO have also approve establishing a Development Sub Committee to bring additional oversight of the development programme. This subcommittee will then report to the Board of which we have three Somerset Council voting Members and one Co-opted Member.

24. In the event that the recommendations cannot be agreed Somerset Council risks not having the knowledge or skills to attract new funding to support current scheme or the development of new schemes, instead being reliant upon HRA borrowing alone and thus limiting the ability to buy or build new stock at the rate we would be able to in the event of greater external financial grants. External grants are also used for large scale capital improvement schemes to current stock and again this opportunity may be lost. Whilst we could seek the support of HiS for their profession advice, they would not be responsible for the delivery of any grants.

Legal and Procurement Implications

- There are no specific legal implications arising from this report beyond the need to follow due process in consulting and delivering the TUPE transfer.

HR / Workforce Implications

- The approval to combine the Development Teams, if given by Executive, is subject to consultation with those that would be subject to the transfer. This would be up to 9 people (7.91 FTE).
- It is proposed that the formal consultation process would commence during January and last 30 days.

Equalities Implications

- There are no identified specific equalities implications arising from this report for employees or for service users. The TUPE process will protect terms and conditions for employees.

Community Safety Implications

- There are no community safety implications arising from this report.

Climate Change and Sustainability Implications

- There are no climate change and sustainability implications arising from this report.

Health and Safety Implications

- There are no health and safety implications arising from this report.

Health and Wellbeing Implications

- There are no health and wellbeing implications arising from this report.

Social Value

- There are no Social Value implications arising from this report.

**Report assurance checklist ahead of report publication
(for Audit, Executive, Full Council and Scrutiny Committees)**

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	19/11/24
Finance & Procurement	Kerry Prisco	20/11/24
Workforce (*)	Dawn Bettridge	20/11/24
Asset Management (*)	Simon Lewis	18/11/24
Executive Director	Chris Hall	22/11/24
Executive Lead Member	Cllr Federica Smith-Roberts	21/11/24
Consulted:		
Local Division Members		
Opposition Spokesperson(s)	Cllr Mandy Chilcott Leader of Opposition Cllr Suria Aujla Opposition Member for Communities, Housing Revenue Account, Culture and Equalities and Diversity	22/11/24
Relevant Scrutiny Chair(s)	Cllr Gwil Wren, Chair - Scrutiny Communities Committee	27/11/24

Note:

Directors may nominate additional officers to act on their behalf

(*) – these areas only need to be consulted on proposals if the proposals have workforce or asset management implications

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Devolution Update

Operational & Regulatory Services

December 2024



Devolution Update June 2024 - Recap

Service Devolution - Operations

- Grounds maintenance including trees, hedges, shrub beds
- Open spaces
- Play areas
- Public toilets
- Street cleansing (road and pavement sweeping, bin emptying, fly tipping, graffiti removal)
- These are services, but there is an asset management crossover.

Devolution Update June 2024 - Recap

Initial focus on the following city, town and parish councils

- Programme of devolution has been at the request of the Councils.
- Taunton
- Bridgwater
- Wellington
- Minehead
- Mendip (Wells, Street, Frome, Glastonbury, Shepton Mallet)

Devolution Update December 2024

Taunton

- Asset transfer of Victoria Park, Goodlands Gardens, Galmington Park, Taunton Green, French Weir, Greenway Rec, Hamilton Gault, Hawthorn Park, Lyngford Park, Priorswood Park, Comeytrove Park + public toilets complete.
- Somerset Council continuing to maintain these open spaces via a service 'buyback' arrangement with Taunton Town Council until 1/4/2025. Toilets already removed from external contract.
- TTC will manage these parks from 1/4/2025.

Devolution Update December 2024

Bridgwater

- Grounds maintenance and street cleansing services devolved to BTC 1/5/24.
- Working under a maintenance agreement currently, with full asset transfer to follow once legal process is complete.
- SC have supported where required but BTC teams working well. Carnival clean up a success.

Devolution Update December 2024

Wellington

- Wellington Town Council have approved budget for a service and asset devolution package from 1st April 2025.
- Grounds maintenance, open spaces, play areas, public toilets, trees, bus shelters.
- Key Decision taken August 2024.
- Public toilet cleaning devolved early.
- WTC / SC officer working group meeting monthly to deliver.

Devolution Update December 2024

Minehead

- Package of service devolution agreed at officer level. Now provisionally agreed by SC AMG and MTC internal devolution working group.
- Grounds maintenance, open spaces, play areas, trees and some low level street cleansing.
- Includes long term lease on the esplanade which is seen as integral to the town's tourist offering.

Devolution Update December 2024

Mendip

- Services delivered by external contractor until 31/5/25.
- Officer level conversations taken place with Mendip councils to understand appetite for devolution of services covered by the contract.
- Strong interest in open spaces, grounds maintenance, play areas.

Devolution Update December 2024

Mendip

- Conversations furthest progressed with Wells and Frome.
- Wells and Frome have been through AMG for sign off. Key decisions to follow.
- Conversations ongoing with Glastonbury.
- Cleansing of toilets removed from contract early.

Devolution Update December 2024

Other areas in progress

- Puriton, Nether Stowey, Cannington now managing open spaces and grounds under a maintenance agreement.
- Cheddar – allotments, toilets and open spaces approved in principle for devolution by AMWG May 24. Democratic process to follow.
- Conversations with smaller parishes taking place but expectations need to be managed based on asset management and legal capacity.

Devolution Update December 2024

Yeovil

- Grounds maintenance of Yeovil Rec devolved to Yeovil Town Council as part of tranche one package in August.
- Staff and equipment devolved with Rec.
- We have been approached by YTC with Tranche Two requests.

Devolution Update December 2024

Mendip Markets

- Conversations underway around devolution of market operations for Street, Glastonbury, Wells, Frome and Shepton Mallet.
- Markets are an important request for these councils and critical to the wider devolution opportunities.
- Each city, town and parish see markets as integral to their respective visions and aspirations. Having control over the market is a vital part of that.

Devolution Update December 2024

Questions

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