

**SWT Community Scrutiny
Committee**

**Wednesday, 22nd February, 2023,
6.15 pm**

**Somerset West
and Taunton**

**The John Meikle Room - The Deane
House**

Members: Libby Lisgo (Chair), Dave Mansell (Vice-Chair), Simon Coles, Tom Deakin, Ed Firmin, Roger Habgood, Steve Griffiths, Dawn Johnson, Richard Lees, Mark Lithgow, Janet Lloyd, Andy Milne, Andy Pritchard, Ray Tully and Vivienne Stock-Williams

Agenda

1. Apologies

To receive any apologies for absence.

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

To approve the minutes of the previous meeting of the Community Scrutiny Committee held on Wednesday 25 January 2023.

(Pages 5 - 10)

3. Declarations of Interest

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

(The personal interests of Councillors and Clerks of Somerset County Council, Town or Parish Councils and other Local Authorities will automatically be recorded in the minutes.)

4. Public Participation

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, but you can also access them on the [Somerset West and Taunton webcasting website](#).

- 5. Community Scrutiny Request/Recommendation Trackers** (Pages 11 - 26)

To update the Community Scrutiny Committee on the progress of resolutions and recommendations from previous meetings of the Committee.
- 6. Executive and Full Council Forward Plans** (Pages 27 - 30)

To review the Forward Plans of the Executive and Full Council.
- 7. Chair's Report** (Pages 31 - 32)

This matter is the responsibility of the Chair of Community Scrutiny Committee, Councillor Libby Lisgo.

To approve the Annual report of the Community Scrutiny Committee 2023/11 for consideration by Full Council. Article 6 of the SWT Constitution states that "*The Scrutiny Committees must report annually on their work*".
- 8. Sports and Leisure Management (Everyone Active) Bi-Annual Report** (Pages 33 - 64)

This matter is the responsibility of Executive Councillor Derek Perry, Portfolio Holder for Sports, Parks, Leisure and Phosphates.

Report Author: Steve Hughes, Programme Manager (Coastal, Assets and Leisure) -External Operations.

A presentation will be made by representative from Sports and Leisure Management, Mark Washington and Toni Gaskins.
- 9. Housing Revenue Account Financial Monitoring as at Qtr 3 (31 December 2022)** (Pages 65 - 88)

This matter is the responsibility of Executive Councillor Fran Smith, Housing.

Report Author: Kerry Prisco (Management Accounting and Reporting Lead).

10. Health and Wellbeing Board Update

This matter is the responsibility of Executive Councillor Chris Booth, representative on the Somerset Health and Wellbeing Board.

Mark Leeman, Strategy Specialist will give a presentation on recent work

A handwritten signature in black ink, appearing to read 'A Pritchard', with a horizontal line underneath.

ANDREW PRITCHARD
CHIEF EXECUTIVE

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Members of the public are welcome to attend the meeting and listen to the discussions. There is time set aside at the beginning of most meetings to allow the public to ask questions. Speaking under "Public Question Time" is limited to 3 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chair will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate. Except at meetings of Full Council, where public participation will be restricted to Public Question Time only, if a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chair will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group. These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room. Full Council, Executive, and Committee agendas, reports and minutes are available on our website: www.somersetwestandtaunton.gov.uk

The meeting room, including the Council Chamber at The Deane House are on the first floor and are fully accessible. Lift access to The John Meikle Room, is available from the main ground floor entrance at The Deane House. The Council Chamber at West Somerset House is on the ground floor and is fully accessible via a public entrance door. Toilet facilities, with wheelchair access, are available across both locations. An induction loop operates at both The Deane House and West Somerset House to enhance sound for anyone wearing a hearing aid or using a transmitter. For further information about the meeting, please contact the Governance and Democracy Team via email: governance@somersetwestandtaunton.gov.uk

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SWT Community Scrutiny Committee - 25 January 2023

Present: Councillor Libby Lisgo (Chair)

Councillors Dave Mansell, Simon Coles, Ed Firmin, Roger Habgood, John Hassall, Dawn Johnson, Mark Lithgow, Janet Lloyd, Andy Pritchard, Ray Tully and Vivienne Stock-Williams

Officers:

Also Present: Councillors Marcus Kravis, Brenda Weston and Loretta Whetlor

(The meeting commenced at 6.15 pm)

64. Apologies

Apologies were received from Cllrs Tom Deakin (subs Ed Firmin), Cllr Richard Lees (subs John Hassall), Cllr Steve Griffiths and Cllr Andy Milne.

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

A request was made by Cllr Dave Mansell to have an update on the confidential item from the last meeting.

Otherwise the Minutes were approved as a correct record.

Prop: Coles / Sec: Lloyd Unanimous

66. 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 & Shadow Taunton Town	Personal	Spoke and Voted
Cllr D Johnson	All Items	SCC & Shadow Taunton Town	Personal	Spoke and Voted
Cllr L Lisgo	All Items	Taunton Charter Trustee & Shadow Taunton Town	Personal	Spoke and Voted
Cllr M Lithgow	All Items	Wellington	Personal	Spoke and Voted
Cllr J Lloyd	All Items	Wellington & Sampford	Personal	Spoke and Voted

		Arundel		
Cllr D Mansell	All Items	SCC	Personal	Spoke and Voted
Cllr R Tully	All Items	West Monkton	Personal	Spoke and Voted
Cllr B Weston	All Items	Taunton Charter Trustee & Shadow Taunton Town	Personal	Spoke and Voted
Cllr L Whetlor	All Items	Watchet	Personal	Spoke and Voted

67. **Public Participation**

No items for public participation had been received.

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

The Committee noted both the Written Answer and Recommendation Trackers.

69. **Community Scrutiny Forward Plan**

The Chair advised that the Community Scrutiny meeting to be held on the 22nd February would be the final one. Due to administrative process, and the requirement to get all minutes signed off at the last full council of SWT, there would be no meeting in March.

The meeting of the 22 February would be very busy and would round up those requests made by Councillors in preceding months. There was no room to add any additional items.

The Committee noted the Forward Plan.

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

The Executive and Full Council Forward Plans were noted by the Committee.

71. **Annual Update of Progress of the Climate Neutrality and Climate Resilience Plan**

Cllr Dixie Darch presented the report which was the second and final update of the Climate Neutrality and Resilience Plan.

It is divided into 8 workstreams: Built environment, energy, industry, farming and food, natural environment, waste, water and transport. Only 50% of the outcomes in the report are under the control of Somerset West and Taunton Council (SWT), so partnership working with other agencies, public sector and stakeholders are key to delivering on the strategies.

Some good news stories included:-

- Built Environment – 117% reduction on carbon emissions at Wellington Depot. Essentially the depot is putting electric back into the grid through use of solar panels.
- 1.5million decarbonisation funding received from Central Government to allow improvements to the Wellington Depot and Alcombe Childrens Centre, Minehead. (This will include a move to greener energy sources, as the gas boilers as these sites are coming to end of life).
- EON – 20million eco-funding received to enable whole house retrofit (holistic approach) on the least energy efficient council housing.

The committee welcomed to the report and comments and questions were raised on the following points:-

It was asked whether the EON funding would bolster existing retrofit budgets, or whether this would be a new fund? *The Council Housing Retrofit plan does have a budget, but this is a long-term plan which relies on drawing down external funding from other sources as and when it becomes available. One of the aims of the strategy is to identify those energy companies (and other funding sources) in order to maximise those opportunities when they arise.*

Tree planting on Exmoor National Park (ENP)– This partnership approach was working very well, and it is hoped that it will be extended to other parts of the County. 110 hectares of ENP land had been identified for tree planting, and an employee of SWT was working with the park to physically plant and manage the trees. Bi-monthly meetings were taking place, and the employee had good knowledge and education on tree planting, woodland management and layout and types of trees required to meet the needs of various sites. It was enabling the planting of trees efficiently and more importantly allowing for good after care to enable the junior trees to flourish. (Last year due to the drought, 50% of trees planted by SWT did not survive their first year). ENP has a much better survival rate with 70/80% of trees surviving. This has been attributed to the after-care and initial thought going into the types of tree at site specific locations. SWT maintains its 3:1 ratio of replanting following removal of a tree.

Fruit Trees – Can these be planted? *It was agreed that fruit trees are included in the re-planting schedules, but these need to be the right tree, in the right location and properly managed to ensure they flourish.*

The Committee recognised that good work had been done to secure funding bids to progress the energy plans, especially in respect of carbon retrofit to Council Housing. It was asked what help private homeowners could access as this was an area where SWT seemed to fall short? *On average 20% of dwellings in Somerset fall below E in the energy rating, but in the districts of Sedgemoor and SWT it is in fact 50%. It was suggested that homeowners could look to the [Centre for Sustainable Energy](#) to see if they had any grants available, and the monthly [Climate Newsletter](#) also included helpful links.*

It was questioned whether signage was put up in areas where SWT was not cutting grass to reduce the number of complaints? *QR codes were put in these places so that someone with a smartphone could click on it and see what the*

policy for grass cutting/re-wilding was in that area. In general, amenity land which was used regularly such as parks and play areas would not be left to grow. (If the grass was longer in those areas, it was most likely because the localities worker was behind on the cutting schedules). Areas that were being left, would be clearly designated.

It was asked whether SWT was offering funding to assist private homeowners who were suffering fuel poverty? *Not to officer knowledge within SWT, but there are several agencies who can assist – Somerset County Council, Somerset Community Foundation and Community Council for Somerset.*

Active Travel – Some comments that were made included:

- The infrastructure on existing pathways and access routes in Taunton such as Longrun Meadow needed to be upgraded and maintained. Resurfacing would enable better cycling and pedestrianisation and benefit the safety of the Parkrun at this location. *Longrun Meadow was a recognised flood plain, so that will always present challenges in this area. The main access point through the Meadow would be maintained to the required standard.*
- The Steam Coast Trail – had a resolution been found to link up the various routes, especially at Blue Anchor by the chalets? *Sarah Ellwood, the project officer for this has now moved to SCC, but SWT is continuing to work with all agencies and land-owners to try and find a workable solution. The value of the Steam Coast Trail as an alternative route for walkers and cyclists is recognised. Work is still ongoing to extend and maintain these trails.*

The Committee then expanded the conversation to include the PFH update.

72. **To consider Reports from Executive Councillors - Councillor Dixie Darch**

Partnership working is extremely important in the delivery of the Climate Change Action Plan, especially as SWT moves towards incorporation into the new Somerset Council. Building on existing relationships and forging new ones with parish councils, will be a cornerstone in tackling the bigger climate change issues. It will also be easier to share resources and learning once the five councils combine, especially around the weightier areas of highways, transport and built environment.

Cllr Tully said it was important that the Somerset Council contacted the parishes and didn't isolate them from the issues. He had particular areas of concern in Monkton Heathfield around the canal and associated attenuation ponds. Any foreseen work should be discussed with the parish council, so that they could inform residents and offer insight into local issues.

Cllr Mark Lithgow said that he had read concerns about the increased weight of electric vehicles affecting the stability of levels in multi-storey car-parks. The battery engine was much heavier than traditional car models and would increase the weight lode on each floor. Was this something that was being factored into future engineering plans and or was there a contingency being drawn up to

mitigate this? *At the present time, it was not being explored, but no doubt as electric vehicles become more popular it may have to be looked at in the future. There has been an increase of 19% in the take-up of electric vehicles in the last year.*

Cllr Brenda Weston – How will terraced housing with no off-street parking deal with electric vehicle charging in the future? They are at an obvious disadvantage, because they would have to run cabling across pavements and streets. *A trial is taking place in another part of the country to address this issue. Gullies are being dug through the pavement so that the cable can be sunk and not provide a trip hazard. Some government funding has been made available to specifically address the problem of those properties which have no offstreet parking (LEVI fund).*

Cllr Dave Mansell – SWT has been very progressive in promoting cross party working and allowing other members to work with officers to participate in the formation of policies and practice as part of the main administration. Will the new Somerset Council administration allow for this? *Cllr Dixie Darch felt that this was a political question rather than an operational one and said that she would feed this request/question back to the Somerset County administration for comment.*

Cllr Whetlor asked how the National Grid will cope if there was suddenly an upsurge in electric vehicle take-up? There are lots of different types of charger with different wattage and this could put undue pressure on the electricity supply in specific areas. *7Kilowatt is sufficient for overnight charging of a domestic electric vehicle and would not overload the grid. The danger comes when everyone plugs in at the same time on a higher wattage, which would have a similar effect to several households boiling a kettle at the same time. It is important that the infrastructure is in place to protect the source.*

(The Meeting ended at 7.38 pm)

SOMERSET WEST AND TAUNTON COUNCIL
COMMUNITY SCRUTINY COMMITTEE RECOMMENDATION TRACKER 2022/23

Date of Cttee	Scrutiny Recommendation	Decision Maker /Directorate Responsible	Final Decision/ Response to recommendation/	Date of response	Implemented?	Officer Comments/Update
31/08/2022	The Chair put forward the recommendation that the Community Governance Review (CGR) Report was brought to Scrutiny on the 28 September to debate the issue before the Special Full Council on 29 September. It was agreed unanimously to follow up this request.	Cllr Sarah Wakefield (PFH CGR) Internal Operations	<p>The Council resolved to set up the Member Working Group to work on the Community Governance Review and then to report back to Full Council.</p> <p>Section 1.2 of the Member Working Group protocol (within the Constitution) sets out that the Working Group does not have decision-making powers and can only make recommendations to:</p> <ul style="list-style-type: none"> • The body from which it was formed (parent body) – in this case Full Council • Such other body as the parent body decides; or • An officer <p>Nothing has been taken to Full Council to request that the Community Scrutiny Committee consider the report of the Working Group before it goes to Full Council on 29 September.</p>	20/09/2022	No	A member briefing took place on September 20, to give Cllrs an opportunity to ask questions on the CGR report. A recording of this briefing is available.

Total Recommendations for 22/23: 1

Agreed: 0

Agreed in Part: 0

Not Agreed: 1

TBD:

SOMERSET WEST AND TAUNTON COUNCIL

COMMUNITY SCRUTINY COMMITTEE WRITTEN ANSWERS TRACKER 2022/23

Page 13

Date of Cttee	Scrutiny Cttee Request for information	Decision Maker /Directorate Responsible	Response to request for information	Date of response	Scrutiny Officer Comments/Update
29/06/2022	Query raised about the grant money from the Taunton Youth Community Centre (TYCC) legacy fund which was earmarked to be spent on the youth of Taunton. How was this money distributed to worthy causes and who decided who benefitted?	Cllr Chris Booth / Housing Directorate	<p>Local groups awarded funding for youth support work (somerwestandtaunton.gov.uk).. Comments from Christine Gale forwarded to the Committee.</p> <p>Somerset Community Foundation as administrator of the fund recommended both YMCA and Conquest as main recipients because they both operate within two miles from the Taunton Town Centre, with a focus on youth work.</p>	30/06/22	Scott Weetch / Christine Gale provided an update on the process for distributing this fund. (Legacy money had been held for 20 years).
29/06/2022	How has the underspend in relation to staff salaries come about? Assets Staff (para 6.14)	Cllr Fran Smith / Housing Directorate	Assets - The underspend in relation to several staff vacancies during the year across the capital investment and asset management teams is due to staff leaving and periods of the posts being vacant during the recruitment process. This has been exacerbated during the year with difficulty in recruitment to sufficiently experienced technical staff.	05/07/22	Simon Lewis / Chris Brown

	Develop and Regen (para 6.11)		<p>Development and Regeneration -</p> <p>The underspend was due to two main reasons – a) staff turnover has and often does lead to budget savings as there are often periods of vacancy during the recruitment period. There has been a turnover of staff especially at project officer level over the past 12 months. b) one post has been held back from recruitment until the service is clear on delivery priorities. The post is a senior post earmarked for new build however the emerging low carbon retrofit strategy means this post may be retitled to support this area of work. During 2021/2022 the funding associated with this post was used to offset additional costs in the capital programme team.</p>		
29/06/2022	Why was there a lack of investment in air source heat pumps and insulation in Appendix A?	Cllr Fran Smith / Housing Directorate	The emerging low carbon retrofit strategy and delivery plan is seeking to align the capital decent homes programme and retrofit strategies to deliver works at pace, efficiently and within the resources the council has. The emerging strategy will be explored at a member briefing 1 st September and the strategy will be refined as it progresses to full Council in December 2022. This is three months earlier than previously proposed. The emerging strategy does prioritise fabric improvements over renewable heating systems in	05/07/22	Simon Lewis / Chris Brown

			<p>the early years as these measures can reduce more CO2 than changes to heating systems and reduce heat demand leading to more affordable warmth. It is important to note that grants are essential to ensure the council can move forward at pace on its retrofit and zero carbon ambitions and most grants for social landlords' support fabric first approaches rather than gas replacement. The service is discussing one grant scheme which could install some ASHP and solar PV and reduce the council's capital requirement which in turn could be used to speed up fabric measures or the replacement of gas and solid fuel systems to ASHP and Solar PV on well insulated council homes. In advance of the whole member briefing the housing service intend to discuss the emerging retrofit strategy with Cllr Mansell as the recent chair of the Community Scrutiny Committee working group on retrofit, Dixie Darch as portfolio holder for Climate Change and Cllr Fran Smith as portfolio holder for housing in August.</p>		
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31/08/2022	<p>The Energy Plan and work on Net Zero Strategy were welcomed. It was suggested that there could be a business case for more solar panels at the centres with involvement from both Everyone Active and SWT. Officers agreed to investigate this. Can updates please be provided and recorded here.</p> <p>Requested on 31/08/22 by Cllr Mansell.</p>	<p>Cllr Dixie Darch / Cllr Perry and Cllr Rigby External Operations Directorate</p>	<p>There are currently solar panels at the tennis centre and pool at Blackbrook, and on the roof of Taunton pool. SLM are entitled to use all the electricity generated, and SWT are entitled to sell any surplus.</p> <p>Solar panels are being considered as part of the wider project to decarbonise Wellington Sports Centre. There is a bid going to the next round of the Public Sector Decarbonisation Scheme and includes provision for panels on the roof.</p> <p>Currently, officer time is being prioritised on the Wellington scheme, and installation of solar panels on the Council's Westpark depot in Wellington. A decarbonisation survey on this building identified a 110% energy return, and funding is in place to progress this during 22/23.</p> <p>Whilst officers appreciate that this is a logical suggestion, priority currently needs to be given to the Wellington Sports Centre project, which would return a greater carbon saving, and the Westpark depot solar scheme, as this would be a big step forward to decarbonisation of that building.</p>	20/09/22	Jonathan Stevens / Chris Hall
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31/08/2022	<p>Feedback on the Town Centre Health Checks – very little information has been fed back to the participating parishes and towns on the findings of the High Street health checks from Stantec. Members are having difficulty finding this information on the Council’s website.</p> <p>Query raised by Cllr Janet Lloyd 31/08/2022. Supported by Cllr Whetlor.</p> <p>Can the Stantec Reports please be sent to the clerks of the relevant parishes for information.</p>	Cllr Mike Rigby – Economic Regeneration /	<p>With agreement from the Chair of Community Scrutiny Committee, a member briefing will take place on Thursday 13 October to provide an update on the Town Centre Health Check Report. Details have been circulated in the meeting diary.</p> <p>This will enable members to receive the information and ask any questions as they arise, rather than waiting for a written response.</p> <p>A link to the report can be found below for reference. SWT Town Centre Health Report May 2022 (somersetwestandtaunton.gov.uk)</p>	01/09/22	<p>Chris Hall / Alison Blom Cooper.</p> <p>To be delivered by Laura Higgins, Principal Planning Policy Officer.</p>
31/08/2022	<p>CCTV Upgrade Do Wellington Town Council still contribute to the maintenance and upkeep of the CCTV? If so – how much? If it has stopped, when did this happen?</p> <p>Query raised by Cllr Janet Lloyd 31/08/2022</p>	Cllr Chris Booth, Community / Housing Directorate James Barra	Neither Wellington Town Council or Somerset West and Taunton have any record of a payment having been made/received within the last 3 years. Neither can trace any evidence that such payments took place, so we are unable to establish when they stopped or how much it was.	20/09/22	Scott Weetch / Sally Parry

31/08/2022	<p>CCTV Upgrade How many successful prosecutions have taken place in Taunton due to CCTV?</p> <p>Query raised by Cllr Andy Pritchard 31/08/2022</p>	<p>Cllr Chris Booth, Community / Housing Directorate James Barrah</p>	<p>It is not possible to accurately attribute the number of successful prosecutions due to CCTV cameras as there are usually several pieces of evidence which will be involved in a prosecution.</p> <p>Equally, we do not have access to the information to support which arrests have led to a prosecution. What we can advise is that in the last 9 months CCTV has been involved in 39 arrests (some of which may still be going through the Court system). These figures do not include arrests that have taken place later, as that will of course happen sometimes days or weeks after the event and such information is not fed back to the CCTV Control Centre.</p>	20/09/22	<p>Scott Weetch / Sally Parry</p>
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31/08/2022	<p>Housing Qtr1 Report Where potential savings have been identified in the HRA budget, can these please be made apparent in the report. Committee would like to see this referenced in the Qtr2 update.</p> <p>Requested by Cllr Habgood 31/08/2022</p>	Cllr Fran Smith, Housing / Housing Directorate James Barrah	<p>Referenced in Q2 report</p> <ul style="list-style-type: none"> • para. 5.10 on capitalising material costs c£250k, eg identifying jobs that were initially considered revenue in nature but once works were completed ended up being capitalised. • para. 5.11 on capitalisation staff costs £254k, e.g. if hypothetically the capital programme did not exist then this team would not be required. • Para. 5.14 on central recharges £320k, e.g., a full and detailed review of shared costs has been undertaken this year resulting in a reduction in cost to the HRA • para. 5.17 on capital charges / net interest payable re reduction in capital spend, e.g. if we spend less on the capital programme then less of our capital financing reserves are used and thus earn interest instead • Para. 5.18 on depreciation charges vs VRP. eg the increase in depreciation charges is a combination of where external audit advised us last year to reduce our useful 	26/11/22	Kerry Prisco
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			<p>life from 100 to 70 years plus the increase in house prices inflating the value of our assets. We have proposed to offset this pressure in part against the voluntary repayment of debt (funding this from a different pot of money i.e. existing capital receipts) though this still leaves a pressure of c£400k.</p>		
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26/10/2022	<p>HRA Low Carbon Retrofit Strategy – Is there a cut-off date when existing gas boilers will not be replaced within the housing stock?</p> <p>Requested by Cllr Hazel Prior Sankey.</p> <p>Can KPI's be added to the housing stats detailing what type of heating each dwelling uses?</p> <p>Requested by Cllr Dave Mansell</p>	Cllr Fran Smith / Housing Directorate, James Barrah	<p>The strategy does not propose a specific year for ending the installation of new gas boilers. However, gas boilers have an assumed life of 15 years, and the strategy is to work effectively with the decent homes programme. In principle this would mean installing only electric systems after 2035 to efficiently help achieve zero carbon.</p> <p>Yes, the service collects information on heating systems, and this can be a measure added to the KPIs.</p>	01/11/22	Chris Brown
26/10/2022	<p>Cost of Living Crisis Update – As the hardship fund money was not allowed to be spent on debt or arrears, what was the main ask of the fund? Up to how much was each applicant granted, and what did they use the money for.</p> <p>Requested by Cllr Dawn Johnson.</p>	Cllr Chris Booth / Housing Directorate, James Barrah	The SWTC Hardship Fund was available for support of up to £200 for repair or contribution toward replacement of essential white goods, kitchen appliances-clothes iron, kettle, microwave or technology (laptop computer for example), shoes, clothing or travel card/petrol or shoes for interview, school uniform, car repairs (if needed for employment). Bedding, essential clothing items (underwear) or sanitary goods.	07/11/22	Scott Weetch / Christine Gale

26/10/2022	<p>Cost of Living Crisis Update – Were the statistics presented indicative of the SWT demographic as whole? Why did older people not seem to engage with the Hardship Fund? Was there evidence of any gaps and how could we be sure that we were hitting hard to reach people?</p>	Cllr Chris Booth / Housing Directorate, James Barrah	<p>This was an emergency fund which by its nature operates on a first come basis and those who presented and were eligible were funded. (See eligibility guidance below).</p> <p>Eligibility To be eligible to apply for this one-off grant applicants must:</p> <ul style="list-style-type: none"> • Be a permanent resident in Somerset West and Taunton • Be over the age of 16 and living independently of parents or carers • Be on a low income-threshold to be determined • Be unable to pay for essentials due to lack of sufficient funds • Having exhausted recourse to: <ul style="list-style-type: none"> • Local assistance scheme • Surviving winter fund • Foodbanks • Any other assistance scheme for which they might be eligible <p>Following evidence will be required:</p> <ul style="list-style-type: none"> • proof of identity • proof of age • proof of residency in Somerset West and Taunton 	07/11/22	Scott Weetch / Christine Gale
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- proof of income - bank statement (no older than previous month)
- proof of need – what the grant is needed for

The comparison of take up versus population, per age group below indicates that older people did engage in applying to the Hardship Fund.

	% of fund	% of population
Under 25	9	10
25-34	38	13
35-44	29	13
45-54	12	16
55-64	10	17
Over 64	2	31

26/10/2022	<p>Cost of Living Crisis Update – How was the scheme advertised and promoted. Has this highlighted any lessons for the future?</p>	Cllr Chris Booth / Housing Directorate, James Barra	The scheme was announced in the local press, the SWT and both advice service websites, staff and tenants' newsletters, SWT staff intranet and information sent by direct email to relevant staff members. There was also an announcement on local radio. This scheme was particularly well promoted with the aim of reaching all groups; there were no highlights for future learning.	07/11/22	Scott Weetch / Christine Gale
26/10/2022	<p>Cost of Living Crisis Update – Can the percentage split between TD and WSC be better explained. Is this how the Fund was spent, or does it indicate the number of applicants?</p> <p>Requested by Cllr Libby Lisgo</p>	Cllr Chris Booth / Housing Directorate, James Barra	It was agreed that an initial 50/50 split would be applied, to be reviewed when one locality had disbursed it's 50% allocation. Taunton got there first, and because proportionately uptake was broadly mirroring the populations, the processing of applications continued in chronological order. Indeed, the final split supported the same with Taunton's applicants collecting 71.6% of the fund and West Somerset's 28.4%. According to the mid-2019 population estimates on Somerset Intelligence Network, the respective populations were 77.4% and 22.6% of the total.	07/11/22	Scott Weetch / Christine Gale

30/11/2022	<p>Housing Update – Does the Council recycle the waste collected on the Estate Skip Days?</p> <p>Requested by Cllr Dave Mansell</p>	Cllr Fran Smith / Housing Directorate James Barrah	<p>SWT has tried to place skips for different types of waste to encourage recycling but in practice our tenants are not very diligent and at the end of the day each skip was contaminated with mixed waste and therefore this did not work.</p> <p>Our Estates Officer calls several skip providers to seek the best price for the large skips we need. She has committed to check the next time we do this to ask what their recycling policies are and to seek one that can endeavour to recycle most of the content.</p>	22/12/22	Simon Lewis
30/11/2022	<p>Housing Update – What is the “Winter Plan” as referenced in Christian Trevelyan’s SIP report</p>	Cllr Chris Booth / Communities. Housing Directorate James Barrah	<p>The Winter Plan is driven by Somerset County Council through Public Health – it is a partnership approach to help people struggling with heating over the Winter. Partners include SCC, GPs, NHS, Centre for Sustainable Energy and others. It includes advice on heating and insulation as well as signposting financial support. Getting ready for winter (somerset.gov.uk)</p>	22/12/22	Simon Lewis
25/01/2023	<p>Confidential Item – Cllr Mansell asked if the notes from the previous meeting could be circulated to the committee</p>	Cllr Caroline Ellis / Portfolio Holder for Culture	<p>The confidential notes have been uploaded to the Mod.Gov web library, and Cllrs have been notified via email.</p>	07/02/22	Sam Murrell / Governance

EXECUTIVE

Executive Meeting	Draft Agenda Items	Lead Officer
15-Feb-23	Taunton Garden town: Delivering our Vision	Jenny Clifford
venue =	Local Labour Agreements	Hattie Winter/Lisa Tuck
Exec RD = 3 February		
Informal Exec RD = 3 January		
SMT RD = 14 December		
15-Mar-23	GF Financial Performance 2022/23 Q3	Kerry Prisco
venue =	HRA Financial Performance 2022/23 Q3	Kerry Prisco
Exec RD = 3 March	Corporate Performance Report Q3	Malcolm Riches
Informal Exec RD = 1 February	Firepool Design Guidance and Masterplan	Graeme Thompson
SMT RD = 18 January	Taunton Heat Network Feasibility Study	Matt Parr/Graeme Thompson
	Wellington Place Plan – Adoption	Sarah Povall
	Commercial in Confidence: “Commercial Incentives Ear Marked Reserve	Joe Wharton

FULL COUNCIL

Meeting	Report Deadline	Agenda Items	Lead Officer
28 March 2023	16 March 2023	PFH Annual Reports	
		Scrutiny Annual Reports x 2	Chair of Committee
		Audit and Governance Annual Report	Chair of Committee
		Sign off of all SWT Minutes	
		Firepool Design Guidance and Masterplan	Graeme Thompson
		Wellington Place Plan – Adoption	Sarah Povall
		Funding Key Decision	Paul Fitzgerald
		Contract Key Decision	Chris Hall
		Commercial in Confidence: “Commercial Incentives Ear Marked Reserve”	Joe Wharton

Committee report 2023/11

COMMUNITY SCRUTINY ANNUAL REPORT – 2022/23

As we approach the final weeks of Somerset West and Taunton Council, we also inevitably move towards the demise of Community Scrutiny Committee. We've only managed two years of existence, which is a shame, as keen Scrutiny can enhance Council operations, or at least try to ensure that key and sometimes difficult question, can be asked and answered in public. It's called democratic accountability!

Some key topics that have been covered in the last year and of note in two areas: -

- Housing Low Carbon Retrofit Programme
- Climate Neutrality and Resilience Plan / Ecological Emergency Action Plan.

I would like to put on record my particular thanks to Cllr Dave Mansell, Vice Chair of Community Scrutiny, who has led on these two areas – providing support and challenge wherever appropriate. It's also gratifying that the Portfolio Holders in the above areas have been actively engaged in discussions. I would like to thank them for their clear commitment to active scrutiny.

Other issues covered which are internal to SWT operations have included: -

- E-Scooters and their operation
- CCTV Review and Upgrade in Taunton
- Cultural Grants
- Parking Strategy
- Housing and Financial overview and Woolaway Project

One of the most important elements of Scrutiny is our engagement with outside agencies, and in the past year there have been three notable examples: -

- Everyone Active – Sports and Leisure Management
- Somerset Waste Partnership
- Avon and Somerset Police

Anyone with a keen interest in any or all the topics covered by Community Scrutiny can browse back through agendas and papers which are available via the SWT website. These will be available after the Council ceases to exist via the Somerset Council website or by contacting the Governance Team.

The process of Scrutiny could not happen without significant and ongoing input from a wide team of officers across SWT. My huge thanks must go to all of them and particularly the Democratic Services team who literally “keep our show on the road”.

And last, but not least, sincere thanks to all elected members who have participated in our Scrutiny process. Our efforts are often misunderstood and rarely fully appreciated but thank you!

Cllr Libby Lisgo
SWT Community Scrutiny Chair
2021 - 2023

Somerset West and Taunton Council

Community Scrutiny Committee 22nd February 2023

Sports and Leisure Management (Everyone Active) Bi-Annual Report

This matter is the responsibility of Executive Councillor Derek Perry

Report Author: Steve Hughes, Programme Manager (Coastal, Assets and Leisure) - External Operations

1 Executive Summary / Purpose of the Report

- 1.1 Sports & Leisure Management (trading as Everyone Active), the Council's Leisure Provider, is required, under the terms of the Leisure Operating Contract, to submit a Bi-Annual Service Report, in this case covering the period 1st April 2022 to 30th September.
- 1.2 The service report outlines progress against performance standards set out in the service specification which is part of the main contract. The report includes the following contents:
 - Service update
 - Customer Feedback Summary
 - Accidents and Incidents Report
 - Cleaning Summary
 - Membership and Utilisation Data
 - Operational Income and Expenditure
 - Maintenance Programme Update
 - Sports Development and Community Update
 - Environmental and Energy Management Plan Progress Report
 - Grounds Maintenance Update
 - Event Management Progress update
 - Centre Focus
- 1.3 The financial performance across the six-month period was positive compared with SLM revised financial performance targets set against the background of the impact of COVID-19, with the contract showing signs of improvement with higher-than-expected income generated in health and fitness memberships and swimming lessons.

Significant challenges remain in place whilst the business recovers from the pandemic, and the increase in utility prices has had a massive effect on both the contract and the industry. This issue must not be underestimated, facilities across the country are closing as a direct result of the utility cost increases and it is within this context that the report is presented.

Challenges remain across the contract with the recruitment and retention of staff which is consistent with what other Leisure Operators are experiencing currently. It is positive to note that considerable work is taking place to reduce carbon emissions at the centres. LED lighting work has been completed at both Blackbrook and Wellsprings centres and a new Building Management System at Wellington Sports Centre was overdue but of great help.

The hot summer helped to ensure that the golf course was busy

- 1.3 Appendix A provides the SLM (Everyone Active) Bi-Annual Service Report to cover the period 1st April – 30th September 2022.

2 Recommendations

- 2.1 The Community Scrutiny Committee is requested to support the following recommendations: -

- a) Note the contents of the six-monthly update for the period 1st April – 30th September 2022

3 Risk Assessment

- 3.1 Failure to regularly monitor performance could lead to the Council partner not delivering on some of its leisure priorities or key services or the Council being unaware of the pressures under which the operator is performing.

4 Background and Full details of the Report

- 4.1 The Council awarded a contract for the management and associated leases for the following Leisure sites to Sports and Leisure Management (Everyone Active) for an initial period of 8 months and 10 years with the option of an extension for up to 10 years, which commenced on 1 August 2019:

- Blackbrook Leisure Centre, Swimming Pool, and Spa
- Taunton Swimming Pool
- Wellington Sports Centre
- Wellsprings Leisure Centre
- Vivary Golf Course and High Ropes Centre

Due to the impact of COVID-19 the Council have opted to extend the contract for a further 5 years with no other changes to the terms and conditions of the contract. This extension is currently being progressed via Shape Legal.

- 4.2 The contract is a formal document, which is supported by a service specification, a set of leases and operator proposals. These arrangements provide a formal structure for both parties together with Key Performance Indicators (KPI's) and defined responsibilities for repairs and maintenance (Maintenance Responsibility Matrix).
- 4.3 The period in question has undoubtedly been a difficult one for SLM. New 'low cost' fitness facilities have been planned (and opened after the period of this report) on the Hankridge Retail Park. The consequences of the aggressive initial marketing stance

taken by such facilities results in pressure of SLM not to increase membership prices which remain substantially below where they were pre-covid.

Staff recruitment and retention has been difficult and the availability of trained swim teachers and lifeguards is a challenge.

Swimming pools have not been designated as energy intensive industries and will therefore not receive funding or energy cost relief under present Government plans.

All this at a time when utility costs are soaring and swimming pools in particular are intensive energy use facilities

This is a worrying conclusion by Central Government particularly when it is considered that 206 pools have closed either permanently or temporarily since the Covid Pandemic began (68 of these are public pools) – source “*a Decade of Decline – The Future of Swimming Pools in England 2021 – Swim England*”

- 4.4 It is accurate to say that it has been one of the most difficult periods imaginable for all operators and SLM is not immune to cost pressures and the effects of the ‘cost of living’ situation.

It is proposed by SLM that prices are increased by c11% ‘across the board’ from April 1st, 2023. The contract states that price increases (or reductions) are a matter for the operator as they are best placed both to understand the market and their budgets.

SLM are required contractually to discuss pricing with the Council, but SWT does not need to approve price changes.

Price increases must however be considered alongside the huge additional utility costs, general inflationary costs and increased wage costs. This is a decision that has not been taken lightly.

5 Links to Corporate Strategy

- 5.1 The provision of the Leisure Operator supports the following themes from the corporate strategy of an Enterprising Council:

- Pursue commercial investment opportunities that generate additional income that can be reinvested in service delivery to protect or enhance services on which our communities rely. Supported by a commercial investment strategy.
- Meet the challenge of Government completely withdrawing the Council’s grant funding
- Ensure our land and property assets support the achievement of the council’s objectives (including service delivery, regeneration projects and community initiatives).

6 Finance / Resource Implications for Somerset Council in future years

- 6.1 There are no financial implications for the Council associated with this report.
- 6.2 Since the commencement of the contract, Covid-19 resulted in the closure of the leisure facilities for prolonged periods until the government fully lifted restrictions in July 2021.

- 6.3 This has created financial pressures for the operator, and whilst they have been able to fully open since this date, like many other Leisure Operators SLM are continuing to rebuild their services which has an impact on revenue generated. In addition, the continued pressure on utility prices is creating significant challenges for the Contract. That said no further support has been required to be provided by the Council during the reporting period 1st April 2022 – 30th September 2022 (or subsequently).

7 Legal Implications

- 7.1 The Leisure Provision Contract is one of the Council's largest contracts. Reviewing performance and future plans is an important part of the management of the contract.

8 Climate, Ecology and Sustainability Implications

- 8.1 SLM by managing the Council's Leisure Centres with improvements and ongoing decarbonisation of its operation will help achieve the Council's Climate Emergency Strategy. As assets and equipment are due to be replaced consideration will be given to reducing its impact in consultation with the Climate Change Team. Through regular contract meetings and submission of the Environmental and Energy Management Plan Progress Report contained within the Bi-Annual Report the Council encourage the operator to make positive contributions to supporting the Council with Climate Change.

9 Safeguarding and/or Community Safety Implications

- 9.1 This update has no safeguarding or community safety implications. Through the Leisure Contract the operator is required to have safeguarding policies and safeguarding working procedures in place and regularly reviewed.

10 Social Value Implications

- 10.1 The Leisure Contract requires the operator to provide services to targeted groups of residents such as those on low income. This is administered through the Concessionary Pricing Policy and through targeted health and physical activity programmes provided at the Leisure Centres.

11 Partnership Implications

- 11.1 The provision of the Leisure Contract enables the Council to work pro-actively with their chosen operator to continually improve services. Mutual benefit can be achieved through formal contract meetings, submission of this Bi-Annual Report and annual plans.

12 Health and Wellbeing Implications

- 12.1 The Leisure Contract encourages the operator to focus on the Health and Well Being of residents by providing them with opportunities to participate in Sport and Physical Activities provide at the Centres they operate.

13 Asset Management Implications

- 13.1 The operator has responsibilities for maintaining the Council's Assets through the Maintenance Responsibility Matrix. Asset issues are discussed at regular contract

meetings and through progress within the maintenance programme update contained in the Bi-Annual Report.

Democratic Path:

- **Scrutiny / Audit and Governance Committee – No**
- **Executive – No**
- **Full Council – No**

Reporting Frequency: Twice-yearly

List of Appendices (background papers to the report) (delete if not applicable)

Appendix A	Bi-Annual Service Report- 1 st April 2022 – 30 th September 2022.
Appendix B	n/a
Appendix C	n/a

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BIANNUAL SERVICE REPORT

1st April – 30th September 2022

Prepared by Mark Washington





CONTENTS

1. Service update	3
2. Customer feedback summary	4
3. Accidents and incidents report	5
4. Cleaning summary	6
5. Membership and utilisation data	7
6. Operational expenditure and income	7
7. Maintenance programme update	8
8. Sport and community update	9
9. Environmental And Energy Management Plan	12
10. Grounds maintenance update	13
11. Event management progress update	14
12. Centre focus	15
Appendix 1: Club Live Health & Fitness	17
Appendix 2: Swimming Lessons	17
Appendix 3: Consumption figures	17
Appendix 4: Utilisation Data	17
Appendix 5: Environmental and Net Zero Carbon Management Policy	18

1. SERVICE UPDATE

This report covers the period between 1st April – 30th September 2022.

The financial performance versus the revenue targets set for the initial six months of trading in this financial year have been exceeded. This is a real positive step with the financial challenges that the country is currently facing and this must be balanced with our current overspend on utilities: as for the full trading year, we are forecast to spend an additional £300,000 on top of our annual budget.

In addition to maximising our income performance, the strategy for 2022/23 is clearly focussed on reducing centres' energy consumption, with a clear message of 'Turn Down or Turn Off' across all facilities within Everyone Active. More details can be found within Section 9 of this report.

Pricing for 2023/24 is currently being reviewed and early conversations have taken place with SWT. The next increase for all activities and membership will be implemented from 1st April 2023. With inflation at more than 11% at the time of submitting this report, alongside the continued increase in utilities and recruitment payroll challenges, there appears to be truly little option other than to pass on these costs to our customers.

Contact has been made with Liz, who is the Chair for the Wiveliscombe Community Swimming Pool (Wivy Pool). Wellington Sports Centre has offered the team at Wivy Pool access to monthly training to ensure that their National Pool Lifeguard Qualifications (NPLQ) are maintained during the period of winter closure. This offer of free training demonstrates our excellent working partnership.

The Gordon Hawkins playing fields at Blackbrook Leisure Centre & Spa were illegally occupied for over three weeks by the largest group of travellers witnessed on site in fifteen years. Members of the travelling community demonstrated very antisocial behaviour which resulted in a torrid three weeks for both colleagues and customers at Blackbrook Leisure Centre & Spa. Police were called to assist daily as antisocial behaviours included an imitation firearm being pulled on our catering team, criminal damage to the main electronic access gates and doors, and threatening behaviours by both juveniles and adults happening on a daily occurrence. Private security was employed and paid for by Everyone Active; this gave the team and customers some reassurance that their safety was of paramount importance. The main entrance barrier has been reinforced by SWT to prevent future access to these grounds but only time will tell if this is enough of a deterrent to prevent future illegal encampments.

The SWT contract has managed to keep our 'Health & Fitness' members above 5,000 throughout this period. This will really be assessed with the arrival of a budget gym operator on the Hankridge business park. As a company we have experienced these many times and initially there is a natural dip in members, with a full recovery 9-12 months down the line. Strong, new awareness campaigns are in place to promote that we are more than just a gym, raising the profile of our quality group exercise programmes, a choice of three swimming pools, and three gyms to choose from across Taunton and Wellington.

During this six-month period there have been several meetings with our Somerset Activity Sports Partnership (SASP) as we are working in partnership with SASP to assist in the delivery of their 'Somerset Moves' strategy. Part of this will mean that the 'Health Walks' programmes for both Wellington and Taunton will transfer across and now be directly managed by SASP. We will still have an involvement with the programme and will continue to offer first aid training for the volunteer walk leaders.



2. CUSTOMER FEEDBACK SUMMARY

Positives included:

- Continued COVID-19 safety measures that have continued post-pandemic;
- Debby who is a fantastic exercise referral instructor at Wellsprings Leisure Centre;
- The presentation and course conditions at Vivary Golf Course;
- The fun and interactive instructors running the High Ropes programme;
- The improved presentation and cleanliness at Wellington Sports Centre;
- The fun inflatable sessions that have started at Taunton Swimming Pool.

Negative comments/feedback included:

- A stray golf ball that struck a carer who was having a cigarette break outside of a residential home, located adjacent to the Golf Course at Vivary.
Centre response: The area in question has been reviewed and new fencing has been erected to prevent golf balls leaving the golf course near the 1st hole;
- Customer complaints on the condition of the flooring at Blackbrook Leisure Centre & Spa.
Centre response: Area was closed for deep cleaning but after further investigation a partial replacement of the flooring was procured and completed in August 2022.
- Price increase for swimming lessons.
Centre response: The new price now includes a distance certificate and badge. This price increase will also partially support the significant rise in utility prices;
- Pool water temperature at Wellington Sports Centre due to the boiler defect.
Centre response: Boiler and air handling controls were installed which have since allowed the centre management team to set and ensure temperatures for both air and water, maintaining them in line with the company and industry guidance.

Feedback is continually discussed with the Management Teams and is included within our Quality Action Plans to improve our services. Customer feedback is also reported and discussed with the Client Officer of SWT monthly.

3. ACCIDENTS AND INCIDENTS REPORT

Accidents

There were five accidents that are worthy of specific mention:

1. A male adult swimmer swallowed his tooth plate whilst taking part in an adult's lane swimming session at Wellington Sports Centre;
2. A male gym member who is living with Parkinson's disease fell whilst walking from his car to Wellsprings Leisure Centre, resulting in a facial injury and scuffs to his legs and arm;
3. A stray golf ball left Vivary Golf Course and struck a care worker who was taking a cigarette break outside of a nearby residential home;
4. Several sporting injuries linked to juniors taking part in gymnastic and trampoline sessions at both Wellsprings and Wellington;
5. Four different customers experiencing a range of seizures across the contract.

In summary, between 1st April and 30th September 2022 there were 72 accidents recorded across the Somerset West and Taunton contract - this is an increase of one accident when compared to the previous six-month period.

Name	Apr	May	Jun	Jul	Aug	Sep	Total for site
Blackbrook Leisure Centre and Spa	7	7	1	1	4	0	20
Taunton Pool	0	0	0	2	0	0	2
Vivary Golf Course & Adventure Centre	2	2	3	3	2	3	15
Wellington Sports Centre	0	0	2	2	5	1	10
Wellsprings Leisure Centre	3	3	4	7	4	4	25
Total for Month	12	12	10	15	15	8	Total Accidents 72

Accidents requiring hospital treatment

There were no recorded accidents reported during this time that resulted with a RIDDOR submission.

Accident to Visitor Ratio

During this period, the number of accidents ratioed against 10,000 visitors for the contract was 1.68.

Incidents

Between 1st April and 30th September 2022 there were 38 incidents recorded across the contract. This is an increase of 16 incidents when compared to the previous six-month period. 26 of these incidents were recorded at Vivary Golf Course and in the main were stray golf balls and incidents linked to rescues on the High Ropes course due to customers not wishing to continue their activity.

Name	Apr	May	Jun	Jul	Aug	Sep	Total for site
Blackbrook Leisure Centre and Spa	1	0	1	0	3	2	7
Taunton Pool	0	0	1	0	0	0	1
Vivary Golf Course & Adventure Centre	1	2	2	8	11	2	26
Wellington Sports Centre	0	1	1	1	0	0	3
Wellsprings Leisure Centre	0	1	0	0	0	0	1
Total for Month	2	4	5	9	14	4	Total Incidents 38

4. CLEANING SUMMARY

It was established that all centres are adhering to their full cleaning schedule which ensures that the centres are always visibly clean. All checks are set and recorded on the centres' EQMS systems.

AIS Cleaning Ltd continues to provide the cleaning services at Wellington Sports Centre.

All cleaning tasks and operational checks are completed on a daily, weekly, and monthly basis.

These checks are recorded on our company EQMS portal. This enables all managers to have quick and easy access to the content of cleaning, along with a superb reporting suite that produces a simple set of KPIs for colleagues to benchmark and monitor their own centre performance.

I am really pleased to report that member adherence to the cleaning regimes continues across the facilities, which ensures that every measure is being taken to ensure continually that our facilities are both safe and secure.

The recruitment of new cleaning colleagues continues to be an operational challenge especially in light of the fact that it has been reported that a local gym is offering £13.50 per hour for cleaners, which is higher than what we pay. To try and implement a similar pay structure would have significant and detrimental impact on payroll due to the knock-on impacts this would have with other roles across our leisure facilities.

The Client Officer of SWT has completed monthly walkabouts across the SWT facilities and has been extremely impressed with the high level of cleanliness and presentation of activity areas, especially at times of high footfall.

5. MEMBERSHIP AND UTILISATION DATA

The contract has successfully maintained over 5,000 'Health & Fitness' members across the Somerset West and Taunton contract - an amazing result for which we should all be immensely proud.

The main challenge that both Blackbrook and Wellsprings will face from October 2022 is the new budget gym operator that will be opening on the Hankridge Business Park. Pure Gym offer a very low-cost membership. Their pre-sale campaign offered members the opportunity of a gym/ classes membership at £12.99 per month.

Increased awareness by promoting the additional facilities we can offer compared to that of a budget gym operator is of paramount importance. The SWT centres offer quality group exercise programmes and three excellent swimming pools, topped off with a quality Spa facility at Blackbrook. At the end of the day, we are more than just a gym!

Across the three swimming pools we offer a vital life skill with over 2,700 adults and children attending weekly swimming lessons. Like other areas of the leisure industry, the recruitment of new swim teachers remains a constant challenge. In the past six months we have offered several local swim teaching and lifeguarding courses to attract individuals to the leisure industry who do not currently hold the relevant qualifications. This has led to several full-time posts being filled via the internal and local training pathway that we have been able to create with our in-house trainers.

Our use of social media has played a large part in reconnecting with our members. We have been targeting different age groups to encourage and demonstrate diversity across all demographics and communities. Our postings have been driven by each site, so they are bespoke to each centre.

The membership data for our 'Health & Fitness' and 'Swimming Lesson' members can be found in the relevant appendices.

6. OPERATIONAL EXPENDITURE AND INCOME REPORT

Our accounts at the six-month stage for 2022/23 show a loss of £231,473.

While losses on this scale are initially alarming, the revenue performance is slightly better than our forecast for the year which is currently trading above our revenue target at £75,805 ahead of our £2,100,000 target.

This has been driven by the growth of both gym memberships and swimming lesson subscriptions to levels beyond those seen pre-pandemic. We have also seen a strong recovery in both the Spa and Tennis Centres at Blackbrook Leisure Centre & Spa, and Vivary Golf & High Ropes continues to perform well during the summer months.

We incurred some significant one-off costs during the reporting period, including replacement items such as plant equipment for the Spa and at Wellington. A summary of these maintenance costs can be found in Section 7 of this report.

Utilities continue to drain our profits against revenue targets. Despite efforts being made by our centre colleagues and our investment in LED lighting, we are still forecast to spend £300,000 more than our budget in 2022/23.



7. MAINTENANCE PROGRAMME UPDATE

In the six months that this report covers, the Somerset West & Taunton contract has spent more than £126,000 on both planned and reactive maintenance.

A sample of the key and costly items are as follows:

- New Safety netting erected on the back-perimeter hedge of the 1st hole, to prevent stray balls breaching the golf course;
- Removal of moss that had built up on the café roof at Vivary;
- Repairs to the High Ropes course that was caused by a woodpecker;
- Essential repairs to the pool gullies at Taunton Swimming Pool which resulted in a twelve-day closure;
- Essential tile repairs and improvements to both silicone and grouting at Taunton Swimming Pool;
- Essential works to the external lighting in the shared car park at Blackbrook Leisure Centre & Spa;
- Replacement to the flooring in the dry female changing room at Blackbrook Leisure Centre & Spa;
- Repairs to the events bleacher seating at Wellsprings Leisure Centre;
- Repairs to the spa heating pump at Blackbrook Leisure Centre & Spa;
- Repairs to the catering fridges in the café at Blackbrook Leisure Centre & Spa;
- Various patch repairs to the roof at Wellington Sports Centre.

During this period, the family changing room at Wellington Sports Centre was closed to allow for the existing vinyl flooring to be ripped up and replaced. This project significantly ran over due to the problems found under the existing screed once the original flooring had been removed. The whole area was completely saturated due to a damaged waste pipe that was located underground.

This changing room is now back and fully operational. This has received incredibly positive feedback from the members at Wellington Sports Centre



8. SPORT AND COMMUNITY UPDATE

Health Walks

The health walk programme has seen rising attendance during the past 6 months, with many walkers returning post lockdown, resulting in around 350 participations each month. During this time, we recruited 5 new walk leaders, who all completed their walk leader training, and 7 volunteers completed their Emergency First Aid at Work.

May 2022 saw a thank you celebration for our walk volunteers. We joined together with walk leaders from across the whole of Somerset, and after a very enjoyable walk, we shared a cream tea.

In June 2022, a Jubilee coffee morning was held for all the walkers, followed by a quiz.

On 30th September 2022, the walk programme was handed over to SASP after being set up and managed for over 16 years. The programme will now join the county-wide walk scheme.

First Aid and First Aid for Mental Health

Our first aid programme is steadily growing, with opportunities available for our customers and residents from Somerset West and Taunton. So far this year we have delivered 5 x Emergency First Aid at Work course, 2 x First Aid at Work, 2 x Annual Refreshers along with Mini Medics courses for our younger customers.

We have offered opportunities to the children and schools of West Somerset to participate in the Mini Medics programme.

In the new year, Wellsprings Leisure Centre will also be offering First Aid for Mental Health courses.

Two members of staff have recently completed the Mental Health First Aid course and Wellsprings Leisure Centre are now supporting the Orange Button Community Scheme.

Flexercise

We have delivered 3 Flexercise leader workshops over the past 6 months, to a range of care homes, GP surgeries across Taunton and the West Somerset area. These workshops enable staff and volunteers to deliver regular sessions of seated activity. Everyone Active deliver these sessions, offer support, and follow up for the newly qualified leaders in both areas.

Community Living Room – Warm Space

Wellsprings Leisure Centre have launched a Community Living Room, to support local people with the rising cost of heating. Our members have been extremely generous and supported the project with books, puzzles, and games. Over the coming weeks, the centre will also launch board games sessions, and our World Cup Living Room, where people can gather to watch the game.

Somerset NHS Prehab

In partnership with Musgrove Park Hospital, Wellsprings Leisure Centre are launching a pilot prehab programme for those who have been recently diagnosed with specific types of cancer. Patients will be offered regular sessions to attend fitness classes or gym prior to their surgery/ treatment starting to aid their recovery.

Exercise Referral Scheme

Everyone Active Proactive Exercise Referral scheme is a low-cost programme, for those with specific long-term health conditions requiring a referral from a Health Professional. The programme is continuing to expand at Wellsprings Leisure Centre and Wellington Sports Centre, with a variety of classes including Parkinson's, gym circuits, seated Pilates, and Escape Pain.

The scheme is also available for residents who live in the more rural locations of our area with online classes, as well as leisure centre-based sessions.

The referral programme at Wellsprings Leisure Centre, has a great social side to the programme, and throughout the past 6 months they have held a Jubilee Tea Party, and a Tea Dance.

The Proactive programme, which is run across Somerset is now supported by SASP following the handover from Public Health Somerset, this will open more opportunities across the more rural areas and greater awareness of the opportunities we offer.

Walking Sports

Everyone Active host a variety of walking sports, including cricket (Blackbrook), football (Wellington) and tennis (Taunton Tennis Centre).

The walking cricket team who trains weekly at Blackbrook, have played against Gloucester walking cricket team, and attended a demo display at the County Ground.

Community Outreach Events

We have supported the following community events:

- Wacky Wednesday - Wellington (Easter, half term and Summer)
- Pride in Priorswood summer events – Taunton
- Multi Agency Community Engagement Day – Taunton

Sporting Champions

Everyone Active Sporting Champions programme is for talented athletes and provides them with a free training membership with unlimited access to the gym and fitness classes.

Somerset West and Taunton gave Sporting Champion awards to 13 athletes in 2022, who are living or working across the contract area and participating in a wide range of sports including disability swimming, athletics, triathlons, cycling and table tennis.

Free Memberships

Everyone Active have increased their range of free memberships to support our customers.

- Parkinson's and their carers
- Ukrainian refugees
- Those in foster care
- Care leavers

Apprenticeships

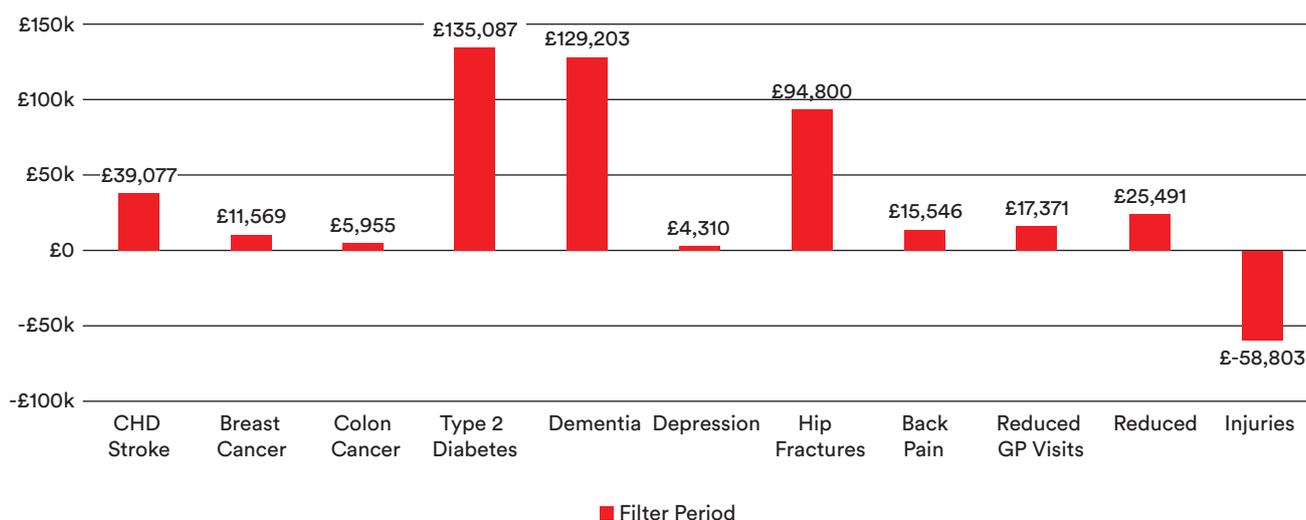
Everyone Active have an approved apprenticeship programme through Lifetime Training. In addition to the apprentices, we already have within the contract, two school leavers have recently been appointed, they are undertaking a leisure team member apprenticeship, which includes a gym instructing level 2 qualification and a swim teacher levels 1 and 2.

Social Value

The Taunton contract makes a considerable contribution to Social Value in the area. Below is a table of the Social Value each site has contributed during the specified time.

Name	Total Social Value in period	Contribution per person
Wellsprings Leisure Centre	£338,083	£125
Wellington Sports Centre	£416,436	£99
Blackbrook Leisure Centre and Spa	£711,181	£94
Taunton Pool	£233,166	£49
Vivary Golf Course & Adventure Centre	£228,272	£76
Contract Total	£1,927,138	£87

Of this contribution - Health Indicators





9. ENVIRONMENTAL AND ENERGY MANAGEMENT PLAN

Progress Report

In the six-months trading from April to September 2022, our utility costs have exceeded our financial target by £136,000. This is despite great efforts being made by the operational teams to reduce consumption. Based upon average winter temperatures, our financial forecast prediction is to see an overspend of more than £300,000 for the full trading year.

In the main, consumption is well down on our original budgets, except for Wellington Sports Centre. This was due to the lack of a working building management system which has now been addressed by SWT with a new system being installed in October 2022. See appendix 3 for consumption data.

Everyone Active has launched its own Net Zero Carbon Strategy, including the appointment of a Group Sustainability Manager. Peggy Lee was appointed into this role and will now directly report into David Greenwood who has been promoted from the role of South-West Area Contract Manager to that of Head of Operations. See appendix 5 to view the Net Zero Carbon Strategy.

Each centre has a designated colleague who will take the operational lead on carbon reduction and ensure that controls, settings, colleague engagement, and the implementation of best practice becomes standard across our leisure facilities within the Somerset West & Taunton contract.

Electric vehicle charging

The electric vehicle charging point continues to be very well utilised at the Blackbrook Leisure Centre & Spa. There appears to be a dip in the number of units used in September, partly due to the new units installed nearby at the Hankridge business park.

Date	Energy (kWh)	No of Sessions	GHG Savings (kg)
01/04/2022	2198.43	113	2029.153
01/05/2022	1489.32	87	1374.636
01/06/2022	1363.42	61	1258.438
01/07/2022	1814.56	87	1674.837
01/08/2022	1940.78	110	1791.335
01/09/2022	1753.22	78	1618.228

I am now also able to report on the number of Electric scooter trips (ZIP).

For the period 1st April - 30th September, Blackbrook and Wellsprings Leisure Centres had the following Arrivals and Departures:

Blackbrook Leisure Centre & Spa: 206 Arrivals, 148 Departures.

Wellsprings Leisure Centre: 41 Arrivals, 34 Departures.

10. GROUNDS MAINTENANCE UPDATE

Vivary Golf & Adventure Centre has had another very successful year of footfall with full memberships remaining strong and the expected drop in 'staycations' not being as significant as we thought it might be.

We are still having an issue with the ground being very wet on Holes 5 and 6. A large willow tree was removed as it was stopping the flow of water from the culverts and stream, however, even after this, the ground is still wetter than hoped and we fear it will be unplayable for the winter if we get particularly wet days.

We have positioned a new fence behind the first green to mitigate the risk of stray balls going into the nursing home behind. We haven't had any further reports since the new fencing was installed.

The teaching bay has proved a hit and is regularly used for practising by members when not in use by the Golf Professional for lessons.

Vivary has seen a spike in and a positive return of several school bookings for the High Ropes this season. Positive feedback has been maintained regarding the facilities and positive interactions with our dedicated High Ropes colleagues. We have got a pesky woodpecker which has taken a shine to the wooden poles so we have had to spend a considerable amount to rectify the damage. Mini Golf has been very popular again this season as it is a cheap family day out and in the current climate is much needed.

Discussions between Everyone Active, SWT Open Spaces, and Dave Wheeler have taken place and a service level agreement will commence on various areas of ground maintenance around our leisure facilities.



11. EVENT MANAGEMENT AT WELLSPRINGS LEISURE CENTRE

The events business has continued in the upward trend, and we have had a variety of hirers, ranging from a dance competition to an audience with John McGuinness TT champion and Sir Ranulph Fiennes. Comic Con was a fantastic event with Storm Troopers keeping everyone in check. Comedians like, Ed Byrne and Jason Manford have taken to the stage at Wellsprings, with, sell out events. Confidence and appetite for future events is looking good and we are taking bookings all the way through until 2025.

Our events equipment, such as the drapes and lighting, is coming to the end of its life and beginning to look tired and need replacing so we have been keeping an eye out for any funding that could help us.

Cullens Catering, our third-party caterers, were unsuccessful for their bid. However, our working relationship has also continued to grow and prove fruitful for all parties, and we hope to make this a more permanent arrangement and for them to make Wellsprings their base kitchen.

Attendance for events at Wellsprings Leisure Centre, April – September 2022

Date	Activity	Attendance
03/04/2022	Dance Comp	500
08/04/2022	Bikes & Banter	300
09/04/2022	Sir Ranulph Fiennes	280
30/04/2022	Comic Con	1,200
22/05/2022	Living Light Church	300
27/05/2022	Milton Jones	268
05/06/2022	IDTA Dance Comp	400
10/06/2022	B&T Star Awards	380
19/06/2022	Taunton and District Dog Show	400
25/06/2022	Mum 2 Mum	300
03/07/2022	Wipeout World	80
01/09/2022	Jason Manford	868
03/09/2022	Mum 2 Mum	200
18/09/2022	Whippet dog show	200
24/09/2022	Cat Show	300

12. CENTRE FOCUS

Blackbrook Leisure Centre & Spa

- Exceed the financial business plan for 2022/23;
- Successfully gain Quest accreditation in Q4/Q1 of 2023/2024;
- Significantly reduce consumption for both gas and electric with the introduction of a carbon reduction champion (energy action plans have been created and will be fully implemented in 2022/23);
- Book and schedule an energy consultant to review the BMS settings for the Spa plant room;
- Agree to submit a LED lighting plan for the Indoor Tennis Centre;
- Continue to look at opportunities to drive additional revenue with new activity schemes in the Sports Hall;
- Drive Spa sales via innovative outreach and corporate opportunities;
- Maximise membership bolt-on opportunities to offer a product of Health & Fitness plus Spa that the new budget operator is not able to offer.

Wellsprings Leisure Centre

- Exceed the financial business plan for 2022/23;
- Successfully gain Quest accreditation in Q4/Q1 in 2023/24;
- Discussions with Cullens Catering for the Bistro, reopening in Q4;
- Agree to submit a LED lighting plan for the Sports Hall;
- Continue to drive and attract new events to Wellsprings Leisure Centre;
- Introduce our own booking office for events via the DigiTickets platform;
- Continue to work with Taunton Academy on the introduction of a new, full-size 3G pitch;
- Significantly reduce consumption for both gas and electric with the introduction of a carbon reduction champion (energy action plans have been created and will be fully implemented in 2022/23).

Wellington Sports Centre

- Exceed the financial business plan for 2022/23;
- New General Manager to fully implement best practice to support business growth and member satisfaction across all business areas;
- Successfully complete the flooring refurbishment to the family changing room;
- Successfully gain Quest accreditation in Q4/Q1 in 2023/24;
- Continue to increase swimming lesson enrolments;
- Build a business case for a new Toy Town Under-5s role play area in the empty space on the first floor;
- Significantly reduce consumption for both gas and electric with the introduction of a carbon reduction champion (energy action plans have been created and will be fully implemented in 2022/23).

Taunton Swimming Pool

- Exceed the financial business plan for 2022/23;
- Continue to promote and run new pool inflatable sessions;
- Continue to increase swimming lesson enrolments;
- Improve retail experience;
- Significantly reduce consumption for both gas and electric with the introduction of a carbon reduction champion (energy action plans have been created and will be fully implemented in 2022/23).

Vivary Golf & High Ropes

- Exceed the financial business plan for 2022/23;
- Continue developing the range of lessons and retail opportunities with the Golf Professional;
- Complete the build for the open driving range bay to maximise coaching opportunities;
- Complete a business plan for additional golf buggies.

APPENDIX 1: CLUB LIVE HEALTH & FITNESS

Site Name	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Blackbrook Leisure Centre	2313	2388	2468	2514	2480	2460
Wellington Sports Centre	1206	1225	1228	1209	1231	1254
Wellsprings Leisure Centre	1448	1458	1442	1453	1434	1414

APPENDIX 2: SWIMMING LESSONS

Site Name	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Blackbrook Leisure Centre	1600	1625	1653	1669	1598	1642
Taunton Pool	444	448	449	507	485	502
Wellington Leisure Centre	616	627	625	632	617	642

APPENDIX 3: CONSUMPTION FIGURES

Site Name	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Blackbrook Leisure Centre						
Electric	71003	72360	70367	70846	71006	69371
Gas	140443	111490	94587	77092	63487	77427
Taunton Pool						
Electric	19047	19649	19084	19424	19390	17308
Gas	114070	93732	74019	58735	55299	55280
Wellsprings						
Electric	23724	24154	24555	26711	28037	23590
Gas	14939	10788	10433	6014	5999	8151
Vivary Park						
Electric	494	511	1043	1361	1361	1107
Gas	223	168	146	154	207	128
Wellington						
Electric	26351	27678	25654	26103	26232	24566
Gas	176592	157640	119066	91234	84191	96750

APPENDIX 4: UTILISATION DATA

Centre	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Blackbrook	40396	38772	38813	39444	37845	41017
Taunton Pool	11023	12010	10670	12500	13249	6989
Wellington Leisure Centre	15466	16586	16030	15776	17112	16118
Wellsprings	9422	10954	9859	9850	9873	9407
Vivary	6230	5789	6012	6752	8012	4760

APPENDIX 5: ENVIRONMENTAL AND NET ZERO CARBON MANAGEMENT POLICY

Company Responsibilities

The Company's policy is to contribute positively to the local community environment that we serve. To introduce, promote and enhance sustainable development solutions within our existing and new contracts. To respect and consider systems that protect biodiversity and ecology and set ourselves achievable targets for reduced consumption and carbon emissions.

Everyone Active aims to be the leading provider of operationally net zero leisure facilities. We will support our local authority partners to hit their climate targets and empower the public to partake in exercise that doesn't damage the environment. Everyone Active is committed to achieving net zero carbon emissions as a corporate entity by 2035.

We do this through the implementation and review of the following objectives in line with our local authority clients.

- Comply with all relevant environmental legislation;
- Quantify and monitor the environmental impact of the business;
- Continually reduce our carbon emission through best practice and a proactive approach to net zero carbon;
- Develop a purchasing strategy that looks to minimise the environmental impacts of our suppliers;
- Work with our nominated suppliers to reduce the environmental impact of our business;
- Reduce the environmental impact of transport associated with our business;

Approved behalf of the SLM Board



David Bibby
Managing Director
June 2022

- Work with our customers to reduce their environmental impact;
- Raise colleague's awareness of environmental issues and the impact they can have on reducing utility usage and their carbon footprint;
- Minimise waste produced through our activities through reduction, reuse, recycling and recovery where this is economically practical, ensuring the remainder is disposed of responsibly;
- Identify and undertake companywide environmental and Net Zero management initiatives on a regular basis;
- Integrate environmental objectives into relevant business decisions in a cost-efficient manner;
- Maintain management systems and processes to meet certification standards of ISO 14001 environmental management system.

Colleague Responsibilities

- Carry out tasks in an environmental and energy efficient way to reduce operational waste and costs;
- Participate in prescribed training to ensure awareness of company environmental policy and delivery of company objectives and net zero carbon strategy targets;
- Report any situations or suggestions to improve environmental management performance.

Review and Changes

This policy statement will be reviewed annually and revised as necessary.

Approved on behalf of the Board of Trustees



Jacqui Tillman
Chief Executive Officer
June 2022

Vivary	Old price	New price rounded	Plus 11%
Mini golf	£ 4.00	£ 4.50	£ 4.44
P&P membership	£ 108.00	£ 120.00	£ 119.88
Golf pay and play - concession weekday	£ 4.80	£ 5.35	£ 5.33
Golf pay and play - concession weekend	£ 6.80	£ 7.55	£ 7.55
Golf pay and play - standard weekday	£ 6.30	£ 7.00	£ 6.99
Golf pay and play - standard weekend	£ 8.10	£ 9.00	£ 8.99
High Ropes - Adventure Challenge	£ 13.00	£ 14.50	£ 14.43
Extreme adventure	£ 19.00	£ 21.10	£ 21.09
Family ticket	£ 65.00	£ 72.25	£ 72.15
Turn Up & Play Weekday	£ 20.00	£ 22.20	£ 22.20
Turn Up & Play Weekend	£ 24.00	£ 26.60	£ 26.64
Twilight Weekday	£ 15.00	£ 16.65	£ 16.65
Twilight Week End	£ 19.00	£ 21.10	£ 21.09
Junior Week Day	£ 8.50	£ 9.45	£ 9.44
Junior Week End	£ 11.00	£ 12.20	£ 12.21
Guest Week Day	£ 15.00	£ 16.65	£ 16.65
Guest (When Signed in with a Member)Week End	£ 19.00	£ 21.10	£ 21.09
Full Membership 7 Day Annual	£ 350.00	£ 388.50	£ 388.50
Full Membership 5 Day Annual	£ 290.00	£ 322.00	£ 321.90
Full Membership 7 Day DD	£ 35.00	£ 38.85	£ 38.85
Full Membership 5 Day DD	£ 29.00	£ 32.20	£ 32.19
Student Annual	£ 200.00	£ 222.00	£ 222.00
Student DD	£ 20.00	£ 22.20	£ 22.20
Junior Annual	£ 60.00	£ 66.60	£ 66.60

Wellington	Current price	New price rounded	Plus 11%
Badminton	£ 10.60	£ 11.80	£ 11.77
Squash - adult	£ 9.55	£ 10.60	£ 10.60
squash - junior			£ -

squash - conc			£	-
Class adult	£ 7.25	£ 8.05	£	8.05
Class junior	£ 3.80	£ 4.25	£	4.22
Class senior	£ 6.10	£ 6.80	£	6.77
Class concession	£ 6.10	£ 6.80	£	6.77
Gym adult	£ 7.25	£ 8.05	£	8.05
Gym junior	£ 3.80	£ 4.25	£	4.22
Gym senior	£ 6.10	£ 6.80	£	6.77
Gym concession	£ 6.10	£ 6.80	£	6.77
5-a-side	£ 48.60	£ 47.20	£	53.95
Swim - adult	£ 5.25	£ 5.85	£	5.83
Swim - junior	£ 3.25	£ 3.65	£	3.61
Swim - senior	£ 4.00	£ 4.45	£	4.44
Soft play	£ 2.70	£ 3.00	£	3.00
Health Suite - adult	£ 8.55	£ 9.50	£	9.49
Health suite - senior	£ 8.55	£ 9.50	£	9.49
Health suite concession	£ 8.55	£ 9.50	£	9.49
Walking cricket	£ 3.00	£ 3.40	£	3.33
Walking football	£ 3.00	£ 3.40	£	3.33

Blackbrook	Current price	New price rounded	Plus 11%
Badminton	£ 10.60	£ 11.80	£ 11.77
Class adult	£ 7.25	£ 8.05	£ 8.05
Class senior	£ 6.10	£ 6.80	£ 6.77
Class concession	£ 6.10	£ 6.80	£ 6.77
Gym adult	£ 7.25	£ 8.05	£ 8.05
Gym junior	£ 3.80	£ 4.25	£ 4.22
Gym senior	£ 6.10	£ 6.80	£ 6.77
Gym concession	£ 6.10	£ 6.80	£ 6.77
5-a-side	£ 48.60	£ 47.20	£ 53.95
Swim - adult	£ 5.25	£ 5.85	£ 5.83
Swim - junior	£ 3.25	£ 3.65	£ 3.61
Swim - senior	£ 4.00	£ 4.45	£ 4.44

Soft play	£ 2.70	£ 3.00	£ 3.00
Table tennis	£ 10.60	£ 11.80	£ 11.77
Short Tennis	£ 10.60	£ 11.80	£ 11.77
Tennis court indoors off peak	£13.35	£ 14.85	£ 14.82
Tennis court peak	£22.25	£ 24.70	£ 24.70
Individual playing with a member Indoor	£ 3.80	£ 4.25	£ 4.22
Individual playing with a member Outdoor	£ 2.55	£ 2.85	£ 2.83
Walking cricket	£ 3.00	£ 3.40	£ 3.33
Outdoor tennis court	£ 7.46	£ 8.30	£ 8.28

Spa and Treatments	Current Price	New price rounded	Plus 11%
Eyebrow shape	£ 9.50	£ 10.50	£ 10.55
Bikini	£ 17.00	£ 18.70	£ 18.87
Brazilian	£ 24.50	£ 25.50	£ 27.20
Hollywood	£ 24.50	£ 30.00	£ 27.20
Lip	£ 6.50	£ 7.50	£ 7.22
Chin	£ 6.50	£ 7.50	£ 7.22
Lip & Chin	£ 12.00	£ 13.00	£ 13.32
Underarm	£ 11.50	£ 12.50	£ 12.77
Arm	£ 17.00	£ 18.00	£ 18.87
Full leg	£ 25.00	£ 27.50	£ 27.75
Half leg	£ 17.00	£ 18.70	£ 18.87
Chest	£ 19.00	£ 20.00	£ 21.09
Back	£ 19.00	£ 20.00	£ 21.09
Back & Shoulders	£ 24.50	£ 25.50	£ 27.20
chest & Shoulders	£ 24.50	£ 25.50	£ 27.20
Eyesh tint	£ 11.50	£ 12.50	£ 12.77
Eye brow tint	£ 8.50	£ 9.50	£ 9.44
Lash & brow tint	£ 17.00	£ 18.00	£ 18.87
Brow wax & tint	£ 17.00	£ 18.00	£ 18.87
Brow wax, brow & lash tint	£ 24.50	£ 25.50	£ 27.20
NAILS			£ -

Express Mani/Pedi	£ 24.00	£ 25.00	£ 26.64
Luxury Mani/Pedi	£ 35.00	£ 36.00	£ 38.85
Gels 45min	£ 27.50	£ 30.00	£ 30.53
Soak off	£ 6.50	£ 7.50	£ 7.22
Soak off & application	£ 31.50	£ 35.00	£ 34.97
Gel add on	£ 7.50	£ 8.50	£ 8.33
Gel French	£ 32.50	£ 35.00	£ 36.08
FACIAL			£ -
Vinopure	£ 63.00	£ 65.00	£ 69.93
Anti Oxidant	£ 63.00	£ 65.00	£ 69.93
D-Vine Facial	£ 31.50	£ 35.00	£ 34.97
Vinoperfect	£ 63.00	£ 65.00	£ 69.93
Premier Cru Facial	£ 73.50	£ 75.00	£ 81.59
Vineactive	£ 63.00	£ 65.00	£ 69.93
Resveratrol	£ 68.50	£ 70.00	£ 76.04
MASAGE			£ -
Swedish 25min	£ 32.50	£ 35.00	£ 36.08
Swedish 55min	£ 51.50	£ 55.00	£ 57.17
Deep Tissue 25min	£ 38.00	£ 40.00	£ 42.18
Deep Tissue 55min	£ 59.00	£ 62.00	£ 65.49
Body Wrap 55min	£ 59.00	£ 62.00	£ 65.49
Body Scrub	£ 32.50	£ 35.00	£ 36.08
Face & Scalp 25mins	£ 32.50	£ 35.00	£ 36.08
Face & Scalp 55mins	£ 51.50	£ 55.00	£ 57.17
Relaxing candle 25min	£ 38.00	£ 40.00	£ 42.18
Relaxing candle 55min	£ 59.00	£ 62.00	£ 65.49
Hot stone 25min	£ 38.00	£ 40.00	£ 42.18
Hots stone 55	£ 59.00	£ 62.00	£ 65.49
Packages Delux 4hr	£ 80.00	£ 90.00	£ 88.80
Packages Premier 4.5hrs	£ 100.00	£ 120.00	£ 111.00
Packages Luxury	£ 120.00	£ 140.00	£ 133.20
Packages Ultimate	£ 140.00	£ 160.00	£ 155.40
2hr Thermal	£ 14.00	£ 17.50	£ 15.54

Group Pack 2	£	44.00	£	55.00	£	48.84
Group Pack 3	£	65.00	£	80.00	£	72.15
Whole Spa	£	315.00	£	350.00	£	349.65
Afternoon Tea	£	7.50	£	8.50	£	8.33
Processco	£	7.00	£	8.00	£	7.77

Wellsprings	Old price	New price rounded up	Increase
Badminton	£ 10.60	£ 11.80	£ 11.77
Class adult	£ 7.25	£ 8.05	£ 8.05
Class senior	£ 6.10	£ 6.80	£ 6.77
Class concession	£ 6.10	£ 6.80	£ 6.77
Gym adult	£ 7.25	£ 8.05	£ 8.05
Gym junior	£ 3.80	£ 4.25	£ 4.22
Gym senior	£ 6.10	£ 6.80	£ 6.77
Gym concession	£ 6.10	£ 6.80	£ 6.77
5-a-side	£ 48.60	£ 47.20	£ 53.95
Table tennis	£ 10.60	£ 11.80	£ 11.77

Taunton Pool	Old price	New price rounded up	Increase
Class adult	£ 7.25	£ 8.05	£ 8.05
Class senior	£ 6.10	£ 6.80	£ 6.77
Class concession	£ 6.10	£ 6.80	£ 6.77
Swim - adult	£ 5.25	£ 5.85	£ 5.83
Swim - junior	£ 3.25	£ 3.65	£ 3.61
Swim - senior	£ 4.00	£ 4.45	£ 4.44
Health Suite - adult	£ 8.55	£ 9.50	£ 9.49
Health suite - senior	£ 8.55	£ 9.50	£ 9.49
Health suite concession	£ 8.55	£ 9.50	£ 9.49

School Swimming Lessons	Existing price per head	New price from 1st September 2023	
Blackbrook	£ 2.30	£ 2.55	£ 2.55
Taunton Pool	£ 2.30	£ 2.55	£ 2.55

Wellington	£ 2.30	£ 2.55	£ 2.55
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Swimming Lessons	Existing price 30 minute lesson	Existing price 60 minute lesson	New 30 minute price, plus 11%	£1 increase per lesson 60 mins	Notes
Blackbrook	£ 7.05	£ 8.05	£ 7.83	£ 9.05	Now includes all badges and certificates
DD price	£ 7.05	£ 8.05	£ 7.83	£ 9.05	Now includes all badges and certificates
Wellington	£ 7.05	£ 8.05	£ 7.83	£ 9.05	Now includes all badges and certificates
Taunton	£ 7.05	£ 8.05	£ 7.83	£ 9.05	Now includes all badges and certificates
DD price	£ 29.58	£ 33.75	£ 32.83	£ 37.92	Now includes all badges and certificates

Tennis Lessons	Old price	New price - monthly d.d	Increase
Monthly DD			
Tennis tots 45 mins	£ 21.50	£ 24.67	£1 per lesson
Junior 60 min	£ 31.20	£ 34.63	£1 per lesson
Squad 60 min	£ 31.20	£ 34.63	£1 per lesson
Squad 90 mins	£ 37.25	£ 40.41	£1 per lesson
Squad 120 mins	£ 51.20	£ 54.57	£1 per lesson

Tennis	Existing DD	Existing Annual	New DD
Indoor tennis	£ 44.50	£ 445.00	£ 49.50
Outdoor tennis		£ 130.00	
Toning membership	£ 32.49	£ 324.90	£ 32.49
Swimming membership (all 3 pools)	£ 22.99	£ 229.00	£ 24.99
H&F membership - Wellington (head line price)	£ 27.99	£ 279.99	£ 29.99
H&F concession - Wellington only	£ 24.99	£ 249.99	£ 27.49

* No plans to currently increase Blackbrook and Wellsprings H&F membership price due to the current impact since the arrival of Pure Gym. This will be constantly reviewed and an increase maybe applied from September 2023.

Report Number: SWT 13/23

Somerset West and Taunton Council

Informal Executive – 08 February 2023
Community Scrutiny – 22 February 2023
Executive – 15 March 2023

2022/23 Housing Revenue Account Financial Monitoring as at Quarter 3 (31st December 2022)

This matter is the responsibility of Executive Councillor Fran Smith, Housing

Report Author: Kerry Prisco (Management Accounting and Reporting Lead)

1 Executive Summary

1.1 This report provides an update on the projected outturn financial position of the Council's Housing Revenue Account (HRA) for the financial year 2022/23 (as at 31 December 2022).

1.2 The headline estimates for **revenue** costs are:

Revenue Budget	£91k forecast underspend	Green
General Reserves	£3.134m forecast balance = favourable compared to £2m minimum requirement	Green
Earmarked Reserves	£54k opening balance	Green

1.3 It is well reported that the economic situation is challenging with the cost of living crisis, high inflation, and rising interest rates. These factors will hit our communities and businesses, and the Council is also not immune as seen in the latest forecasts.

1.4 The Q1 forecast outturn position reported an overspend of £745k. In response to this variance the Senior Management Team undertook a thorough and in-depth review of all budgets, updated projections based on mid-year information, requested services to manage inflationary pressures within services where possible (e.g. pay award, utilities and material costs) and focused on essential spend only where possible in order to bring the position back to budget. There were also some contractual delays on delivering capital schemes pushing spend into future years and a need increase reserve balances this year to provide budget flexibility and financial resilience in 2023/24 on the face of significant financial pressures. This resulted in an improved position report at Q2 of an overspend of £330k.

1.5 The Senior Management Team have continued to monitor spend closely and explore

options to bring the position back to budget. The Q3 forecast outturn position reports an underspend of £91k. This has been achieved mainly by an increase in investment income as a direct result of a reduction in spend on the capital programme and increasing interest rates, capitalisation of material costs and a reduction in central recharges. These have offset the main financial pressures including depreciation charges, the recently agreed national pay award, the rising cost of materials for void and general repairs, and tenancy management costs.

- 1.6 Whilst forecasts have been updated and management continue to control the overall position to remain within budget, the final outturn position may still present further underspends or variances to budget. This will be carefully monitored over the next few months by management and the final outturn position will be reported to Members.
- 1.7 The level of General Reserves has improved providing the service with some resilience to mitigate the risk of an overspend or additional pressures. However, in light of the volatile nature of the business these levels may not be sufficient, and a more secure reserves position will need to be maintained in future years.
- 1.8 The HRA **Capital Programme** has a total approved budget of £110.9m. The profiled budgeted spend for 2022/23 is £36.447m and this is currently forecast to underspend in the year by £15.892m; £15.627m due to slippage of work into 2023/24 and net budget of £266k budget to be returned.

2 Recommendations

- 2.1 This report is to be noted as the HRA's forecast financial performance and projected reserves position for 2022/23 financial year as at 31 December 2022.

3 Risk Assessment

- 3.1 Financial forecasts are based on known information and projections based on assumptions. As such any forecast carries an element of risk. The current forecasts included in this report are considered reasonable given the extra element of risk around inflation being experienced in the current economic operating environment and based on experience it is feasible the year end position could change. It is common for underspends to emerge during the year, reflecting an optimism bias within previous forecasting. There may also be matters beyond the Council's control that affect the final outturn position.
- 3.2 Salient in year budget risks are summarised in section 9 in this report. The Council manages financial risk in several ways including setting prudent budgets, carrying out appropriate monitoring and control of spend, operating robust financial procedures, and so on. The Council also holds both general and earmarked reserves which include contingencies to manage budget risk, though these are low for the HRA.

4 Background and Full details of the Report

- 4.1 This report provides the Housing Revenue Account (HRA) forecast end of year financial position for revenue and capital expenditure as at 31 December 2022.

- 4.2 The regular monitoring of financial information is a key element in the Council's HRA Performance Management Framework. Crucially it enables remedial action to be taken in response to significant budget variances, some of which may be unavoidable. It also provides the opportunity to assess any consequent impact on reserves and the HRA's Medium Term Financial Plan and 30-Year Business Plan.
- 4.3 Members will be aware from previous experience that the position can change between 'in-year' projections and the final outturn position, mainly due to demand-led service costs and income levels and where actual costs and income can vary from initial estimates and assumptions. The budget monitoring process involves a detailed review of the more volatile budgets and a proportionate review of low risk/low volatility budget areas. Budget Holders, with support and advice from their finance business partners, update their forecasts monthly based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that some unforeseen changes could influence the position at the year-end, and several risks and uncertainties are highlighted within this report. However, the following forecast is reasonable based on current information.

5 HRA Revenue Budget 2022/23 Forecast Outturn

- 5.1 The HRA is a ring-fenced, self-financing, account used to manage the Council's housing stock of some 5,700 properties, with the Council acting as the Landlord.
- 5.2 The Council retains all rental income to meet the costs of managing and maintaining the housing stock, as well as meeting the interest payments and repayment of capital debt.
- 5.3 The current year end forecast outturn position for the Housing Revenue Account for 2022/23 is a net underspend of £91k.

Table 1: HRA Revenue Outturn Summary

	Current Budget	Forecast Outturn	Forecast Variance	
	£000	£000	£000	%
Gross Income	-28,188	-28,128	61	0.2%
Service Expenditure	16,721	16,713	-8	0.0%
Other Expenditure	11,468	11,324	-143	-0.5%
Total	0	-91	-91	-0.3%

- 5.4 The variances to budget are shown in more detail in Table 2 and further explanations for variances over £50k below.

Table 2: Summary of Forecast Variances for the Year

	Current Budget	Outturn	Q3	Q2	Q1
	£000	£000	Variance	Variance	Variance
			£000	£000	£000
Dwelling Rents	-25,581	-25,627	-46	-54	-139
Non-Dwelling Rents	-767	-709	58	16	49

Charges for Services / Facilities	-1,649	-1,556	93	106	-2
Other Income	-192	-235	-43	16	14
Sub-Total Gross Income	-28,188	-28,128	60	84	-78
Service Expenditure:					
Development & Regeneration	60	87	27	-15	-5
Community Resilience	153	153	0	0	-6
Tenancy Management	3,012	3,224	212	248	186
Maintenance	5,598	6,040	442	320	496
Assets	420	342	-78	-24	-1
Capital Investment	563	367	-196	-262	14
Compliance	1,829	1,702	-127	-115	-150
Performance	5,084	4,798	-286	-236	31
Pay Award Shortfall	0	0	0	0	269
Sub-Total Service Expenditure	16,720	16,713	-7	-82	834
Central Costs / Movement in Reserves:					
Revenue Contribution to Capital	0	0	0	0	0
Interest Payable	2,883	2,788	-95	-88	-94
Interest Receivable	-83	-431	-348	11	83
Change in Provision for Bad Debt	180	180	0	0	0
Depreciation	7,666	8,988	1,322	1,427	0
Capital Debt Repayment	1,021	0	-1,021	-1,021	0
Movement In Reserves	-200	-200	0	0	0
Sub-Total Central Costs / Movement in Reserves:	11,468	11,324	-144	329	-12
Net Surplus(-) / Deficit for the Year	0	-91	-91	330	745

Income

- 5.5 **Dwelling Rent Income:** The budgeted income for 2022/23 is £25.581m, which reflects an assumption of 2% void losses and applying a 52-week year. The overall current projections suggest that more income will be recovered than predicted when setting the budget and providing an allowance for voids. The current projection for dwelling rent income is an over recovery against budget of £47k which partly relates to timings of predicted stock changes and levels of voids.

- 5.6 **Charges for Services / Facilities:** The budgeted income of £1.649m for 2022/23 includes (a) £1.406m for the Service Charge Income for Dwellings (after discounts have been applied to tenants such as Piper Charge to Sheltered Housing and Extra Care) less an average 2% void loss and applying a 52-week year, (b) £233k for Leaseholder Charges for Services, and (c) £10k for Meeting Halls.
- 5.7 The Leaseholder Charges for Services is forecasting an under recovery of income of £100k. The leaseholds are invoiced a year in arrears. The routine repairs continued to be low again last year due to COVID and lockdown. The major repairs were also lower and capped at £250 again.

Expenditure

- 5.8 **Tenancy Management:** This area covers lettings, supported housing, rent recovery, leaseholders and other tenancy management support activities. The total current budget is £3.012m and it is forecasting an overspend of £211k. This mainly relates to an overspend on staffing costs due to additional resources required to manage the increasing number of cases raised by tenants following the aftermath of COVID, as well as backfill for maternity and sick leave and the pay award. Part of the overspend relates to a budget saving for 2022/23 by undertaking RTB surveys using our in-house resources, however this resource is now unavailable, and the activity is now being procured externally.
- 5.9 **Maintenance:** The overspend relates to the ongoing repairs and maintenance of the housing stock through void activity undertaken to ensure our Lettable Standard is met before reletting. Whilst this is a very demand led and reactive service based on the condition of the properties being returned this service is experiencing an increase in cost pressures as inflation drives up the cost of materials (as seen nationally). There is 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.
- 5.10 Since the Q2 report further work has been undertaken to identify opportunities for the capitalisation of material costs. For example, where the activity is of a capital nature and has an impact on the major works replacement programme. So far c£850k of costs have been identified and is reflected in the change in variance from Q2 to Q3.
- 5.11 **Assets:** The budget estimate for 2022/23 was £90k on SAP EPCs and Stock Validation which are now being covered and paid for as part of the majors and improvement capital programme. This change has been reflected in the budgets for 2023/24.
- 5.12 **Capital Investment:** The Capital Investment Team are responsible for driving the delivery of the Majors and Improvement capital programme. Since the Q1 report, and in light of the predicted overspend, the opportunities for capitalisation have been revisited and these salary costs of £254k are now being capitalised. This saving is offset in part by an overspend on pre-planned maintenance costs where previous years painting and

cyclical repairs were delayed, so some additional costs have been incurred this year for repairs to previously painted surfaces, due to their deterioration.

- 5.13 **Compliance:** The service is forecasting an underspend of £127k. Following a validation of apparatus / installations on site, the service has identified that the previous data estimations were greater than those required in year.
- 5.14 **Performance:** Of the total budget of £5.084m, £3.920m relates to shared costs such as support services, pension deficit, and governance, leaving £1.164m on operating costs such as staffing, insurance, training, travel, stationery, printing and bank charges, as well as the Tenants Empowerment and Tenants Action Group.
- 5.15 The forecast underspend of £286k mainly relates to a £380k favourable adjustment following the completion of a thorough review of the non-staff related cost apportionments between the General Fund and Housing Revenue Account (HRA), to ensure this reflects the up-to-date position and reasonable assumptions around the relative use of resources. This is offset by staffing pressures related to the pay award, job evaluation and performance team restructure.
- 5.16 **Interest Payable:** The budget estimate for 2022/23 was £2.883m. This was based on assumptions for the refinancing of £10m of debt repaid in March 2022 which differ to the actual cost of borrowing and the term of the loan resulting in an underspend of £95k.
- 5.17 **Interest Receivable:** The budget estimate for 2022/23 was £83k. The outturn position is dependent on the final capital financing requirement for the year, as well as levels of borrowing and reserves. The current capital outturn forecast reporting an underspend against profiled budget of £15.892m. The current projections of capital spend, and level of reserves suggest that there will be £431k of interest income for the year, though it is highly likely that this will change by the end of the year.
- 5.18 **Depreciation:** The depreciation charge for the HRA is calculated at the end of the financial year and then transferred to the Major Repairs Reserve (MRR) to be reinvested in the housing stock through financing of the capital programme and/or repay capital debt.
- 5.19 In prior years, elements of the depreciation calculation saw some components of the assets having a useful life over 100 years. For 2021/22 there was a recommended technical accounting update requiring components to have a maximum useful life of 70 years. This was applied to the calculation for 2021/22 resulting in an increase in the dwelling depreciation charge. This financial impact was managed strategically in 2021/22 by reducing the voluntary repayment of debt through the revenue account and replacing this with existing capital receipts to eliminate the financial impact on repaying debt as well as the impact on the revenue account.
- 5.20 Due to timings of the annual budget preparation, this technical accounting update was not applied to the budget estimates for depreciation for 2022/23. As such an early provisional calculation has been undertaken to estimate the depreciation charge for the year. This has resulted in an adverse variance against budget of c£1.4m. This variance

results from a combination of the reduction in useful life that may reasonably be applied, in line with accounting standards, as well as the increase in year-end "existing use" valuations, which are driven by the effects of economic conditions impacting upon house price inflation.

- 5.21 This financial impact will again be managed strategically by offsetting this pressure in part against the voluntary repayment of debt through the revenue account and replacing this with existing capital receipts to eliminate the financial impact on repaying debt as well as the impact on the revenue account. The other land and buildings depreciation charge has been estimated for the year resulting in a saving of £106k against budget. This leaves a £300k pressure which is expected to change once final year end calculations are undertaken.
- 5.22 **Capital Debt Repayment:** As per the Budget Setting Report for 2022/23 (Full Council Feb 2022) the HRA financial strategy presented a one-off reduction in budget (from £1.821m) of £800k to provide revenue capacity in 2022/23 replacing this with £800k of non-RTB capital receipts. The budget of £1.021m is being used to offset the adverse variance on the depreciation charge as described above.

6 Capital Programme

- 6.1 The HRA current approved Capital Programme is £110.9m. This consists of £14.4m of new schemes approved for 2022/23 plus £95m of previously approved schemes in prior years and a supplement of £1.5m (see **Appendix A**).
- 6.2 The Council plans to finance this investment through the Major Repairs Reserve, Capital Receipts, Capital Grants, Revenue Funding and Borrowing (see **Appendix B**).
- 6.3 The HRA Capital Programme relates to in-year works and longer-term schemes that will be completed over the next nine years. The current planned profiled spend is summarised in **Appendix C**. The budget has been profiled to reflect the estimated timing of costs for the approved schemes, with £36m profiled to be spent in 2022/23 with the balance of £74m projected forward into future years.
- 6.4 Further information on the three distinct areas of the HRA capital programme and its financial performance to date against this financial year can be found below and in **Appendix D**. The current forecast outturn is £20.555m. The programme will underspend against profiled budget for 2022/23 by £15.892m; £15.625m slipping into subsequent years and net budget of £266k being returned.
- 6.5 **Major Works:** The approved budget of £14.9m is funded by the Major Repairs Reserve and Borrowing and relates to spend on major works to existing dwellings. New schemes approved for 2022/23 total £11m with slippage from the prior year of £3.9m.
- 6.6 The 2022/23 capital programme includes major programmes such as:
- Kitchens
 - Bathrooms
 - Heating improvements

- Insulation and ventilation
 - Door entry systems
 - External doors
 - Fasciae and soffits
 - Roofing
 - Windows
- 6.7 The current forecast projected spend is £6.3m resulting in an underspend against budget of £8.6m which will fall into subsequent years. Progress on a number of capital work programmes continues on-site; including kitchen and bathroom replacements, roofing, replacement gutters and fasciae, and door entry systems. It should be noted, however, that available contractor resource remains a challenge and accordingly some programmes may not be completed by the end of this financial year.
- 6.8 **Improvements:** The approved budget of £5.2m is funded by the Major Repairs Reserve and relates to spend on improvements to existing dwellings and related assets. New schemes approved for 2022/23 total £3.3m with slippage from the prior year of £1.9m.
- 6.9 The current forecast projected spend is £3m resulting in an underspend against budget of £2.2m of which £1.9m will fall into subsequent years and £338k proposed to be returned. Progress on fire safety works (replacement fire doors, fire safety flooring and emergency lighting) is progressing well on site, although again it should be noted that available contractor resource remains an ongoing challenge.
- 6.10 The budget return relates to (a) the implementation of a new accounting standard (IFRS16 - Leases) being deferred, meaning the finance lease costs for the fleet contract will be accounted for in revenue, and (b) a forecast underspend on related assets.
- 6.11 **Social Housing Development Programme:** The current approved budget of £90.8m is for the provision of new housing through schemes such as Phases A-E for North Taunton Regeneration (NTWP), Seaward Way, Oxford Inn and Zero Carbon Affordable Homes to increase the Council's housing stock. This will be funded through by RTB Capital Receipts, Capital Grants and Borrowing.
- 6.12 The current Social Housing capital programme for 2022/23 is progressing with contractors on site at phase A of NTWP and Seaward Way, together developing 101 new homes. The contract for phases B&Ci and Di remains outstanding and although the service expected to conclude the contract negotiations and commence demolition, a new procurement may now be required due to a change of the current contractor's appetite for new work in the South-West. The service is working to understand the implications for the current contract and the contractual position. The Oxford Inn development has planning permission including support from Natural England for its phosphate mitigation strategy. A procurement exercise is concluding following the shortlisting of three contractors. Unfortunately, the refurbishment of properties at Oake and NTWP phase E will not progress under current designs as the procurement of contractors has failed twice on value for money criteria. These non-traditional defective woolaway properties will now undergo a new option appraisal which is likely to include the sale of a small number of void dwellings.

6.13 Members should note that the economic environment is very challenging in relation to the building of homes. SWTs keys risks include inflation, especially in relation to the NTWP which spans several phases and is delivered over many years, contractors risk appetite, availability of staff and sub-contractors, insurance premiums and materials shortages are also challenges. In addition, statutory and voluntary requirements in terms of energy efficiency and climate change, highway infrastructure, phosphates and fire prevention are also increasing the time and cost pressures relating to the development of new homes. The Council is delivering affordable housing for rent and therefore does not have the ability to benefit from house price inflation to offset some of the additional costs. The HRA’s Medium Term Financial Plan (MTFP) and 30-Year Business Plan is being reviewed to ensure the capital programme expenditure remains affordable.

7 HRA Earmarked Reserves

7.1 The HRA Earmarked Reserves at the beginning of 2022/23 totalled £54k (see **Table 3** below). A further £77k climate change contribution towards electric vehicles has been received in-year. The remaining funds have been earmarked to be spent within the next two years.

Table 3: Earmarked Reserves Balances

Description	Opening Balance 01/04/2022 £000	Transfers £000	Projected Balance 31/3/2023 £000
HRA One Teams	6	0	6
HRA Hinkley	48	0	48
HRA Electric Vehicles	0	77	77
HRA Total	54	0	131

8 HRA General Reserves

8.1 The opening HRA general reserves balance as at 1 April 2022 is £3.413m, representing unearmarked reserves held to provide ongoing financial resilience and mitigation for unbudgeted financial risks. This is £1.413m above the minimum recommended reserve level of £2m.

8.2 As part of the budget setting proposals to Full Council on 8 February 2022 £200k of current reserves will be used to support the base budget in 2022/23. Further approved (or proposed) allocations to / from general reserves are shown in the table below.

Table 4: HRA Unearmarked Reserves Balance

	Approval	£'000
Balance Brought Forward 1 April 2022		3,413
Budgeted Contribution to support base budget 2022/23	FC - 08/02/22	-200
Current Balance		3,213
Forecast: Housing Policy Review		-30
Forecast: Procurement Support		-140

Forecast: 2022/23 Projected Overspend		91
Projected Balance 31 March 2023		3,134
Recommended Minimum Balance		2,000
Projected Balance above Minimum Reserve Balance		1,134

8.3 The current outturn position is forecast to be a net underspend of £91k. The improved forecast outturn position has helped to bolster reserve balances to £3.134m, which is £1.134m above the recommended minimum balance of £2m. It is essential for the service to maintain adequate reserves to provide financial resilience to mitigate against the volatile economic environment and regulatory pressures within which it operates.

9 **Risk and Uncertainty**

9.1 Budgets and forecasts are based on known information and the best estimates of the housing service's future spending and income. Income and expenditure over the 2022/23 financial year are estimated by budget holders and then reported through the budget monitoring process. During this process risks and uncertainties are identified which could impact on the financial projections, but for which the likelihood, and/or amount are uncertain. The Council carries protection against risk and uncertainty in several ways, such as insurances and maintaining reserves. This is a prudent approach and helps to mitigate unforeseen pressures.

9.2 The following general risks and uncertainties have been identified:

9.3 **Inflation:** The current economic operating environment is placing financial risk on the Council in terms of rising inflation increasing the cost of supplies such as utilities and materials. The Council is seeing price increases on our corporate contracts of c60% on electricity, c80% on gas and c45% on fuel. However further variances may come to light during the year based on levels of usage in these areas. There is also uncertain inflationary pressures on other revenue and capital contracts. Budget Holders have undertaken an impact assessment of the inflationary pressure placed on their services and included best estimates as part of their quarterly review.

9.4 **Bad Debt Provision:** The budgeted bad debt provision of £180k provides financial capacity for any increase in arrears and / or aging debt from one year to the next as well as any in-year write offs. This is a year-end technical accounting adjustment. The key challenges facing the arrears position are the pressures on SWT to maximise rental income in an environment of reduced government support and greater need to utilise internal resources; the 'cost of living crisis' marked by reductions in real income accompanied by increases in fuel costs and food prices; welfare reforms which have made extensive use of sanctions and reductions in eligibility; and the impact of the COVID pandemic. On average 25% of SWT HRA tenants are in arrears at any one time.

9.5 The approaches incorporated at SWT to aid the HRA's enforcement of debt and support to tenants include providing direct welfare benefit advice and support; facilitating access to employment and training, support and advice; facilitating access to debt prevention support; and opportunities for flexible rent payment.

- 9.6 **Recruitment:** There are a number of vacancies across the Council and assumptions have been made as to when these vacancies will be filled. The Council is experiencing recruitment issues (as seen country-wide) therefore assumptions and forecasts may change, in addition to higher agency costs to cover roles where permanent recruitment is not successful.
- 9.7 **Capital Programme Forecasts:** Engaging with Contractors at all tiers continues to be very challenging, therefore the risk to the capital programme and forecast costs should be considered. The labour and materials market is still in short supply, with Contractors unable to resource both tenders being issued on projects on site. As such, competition in the market is more limited than it has been for some time.
- 9.8 The cost pressure created by inflation, the liquidation of a number of contractors, logistics challenges and the general acceleration to get projects to site post-lockdown, is causing previous fixed price contracts to be re-appraised within a matter of months of a successful tender. This could move schemes to the limits of viability. The resulting impact of this cost pressure is resulting in Tier One (larger scale) Contractors often turning down tender opportunities unless an inflation clause (requiring the Client to take the risk of inflation), is included in Contracts, whilst smaller Contractors are withdrawing tenders after submission or operating on such a small margin as to put them at risk of failure.
- 9.9 The forecast tender price inflation for 2022 is 8–10% (although some materials are seeing 30-40% increases) and there is limited prediction from the marketplace of the rate of inflation easing until Quarter 3 2024. Whilst due diligence is undertaken on tenderers during the process, both in flight and imminent projects will continue to be at risk whilst resource and materials are scarce and/or increasing in cost at current trajectories.
- 9.10 **Fleet Contract / IFRS16 Leases:** CIPFA has delayed the implementation of IFRS16 however we could have chosen to adopt this early but due to the implementation of the Unitary Council all Somerset Councils have made the decision to delay adoption. Therefore, where SWT had budgeted for the lease as a capital cost these now fall to revenue. The services hope to absorb this cost through in-year underspends and delays in receiving new vehicles.
- 9.11 **Repairs & Maintenance:** Overall this is a very demand led and reactive service based on the needs of the tenants. There are also a number of uncontrollable variables associated with this service such as the weather (e.g. cold winters causing burst pipes, roof leaks, etc), condition of properties when returned (e.g. void refurbishments), consumer demand on minor internal / external repairs (e.g. broken door or fence) and the type of repair work required. Market pricing of materials etc can also be volatile with some unit costs increasing in recent months. As such the levels of demand do not always follow a recognisable trend. We therefore caveat the forecasts in these areas to account for fluctuations.
- 9.12 **Landlord Compliance:** A review of all compliance areas against every property for which Somerset West and Taunton Council has landlord property compliance responsibility has largely been undertaken. The compliance works required following this

review are currently being procured and delivered. Whilst additional budget provision has been added previously, new regulatory requirements and assurance process are still emerging, the full extent of the full financial pressure of these remains uncertain.

- 9.13 **Cost of living crisis, Welfare Reform and Universal Credit (UC):** The impacts of these are significant with the number and value of rent accounts in arrears expected to increase considerably. Several mitigations are already in place to help support tenants affected particularly by the rising cost of living such as debt advice, access to discretionary housing payments and an arrears management team with redesigned workflow processes. These issues may require the Council to revise future income projections.
- 9.14 **Responding to increased stock quality standards:** Changes to the Regulator of Social Housing's decent home standard as well as higher thermal efficiency standards which may not be fully supported by additional external grant funding would place an additional burden on HRA resources available for elemental investment in homes. Once the detail is known, we will need to adapt to ensure we continue to maintain stock at the Decent Homes Standard and prepare to meet all the evolving expectations, incorporating the financial impacts into the Business Plan.
- 9.15 **Housing White Paper:** In November 2020 the Government published the Housing White Paper which sets out the changes to how social landlords will operate. It will require several changes to home safety, tenant satisfaction measures, complaints handling, a new inspection regime for social landlords and a strengthened role for the Regulator of Social Housing. Many of the new changes in the white paper have already been mitigated in Housing by strengthening our compliance activities, setting up the new Housing Performance Team to be responsible for communications, performance data and engagement but this will need to be kept under review and self-assessment has begun.
- 9.16 **Right To Buy (RTB) Receipts:** This is a government policy that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. The receipts allowed to be retained by the Council can now fund up to 40% of new social housing costs and must be used within five years of receipt. To date, the Council has successfully fully spent all of their retained 1-4-1 receipts within the require timescales resulting in no returns being made to the Treasury/DLUHC.
- 9.17 Whilst projected spend on new build developments is currently adequate to meet 1-4-1 spend requirements this is dependent on the successful delivery of these social development schemes. Therefore, there is still a risk that the current delivery plan on new build schemes could be delayed and may result in funds being return to DLUHC/Treasury.
- 9.18 **Unitary Council:** The transition to the new Unitary places a significant demand on management and staff. It is currently unknown what the future potential HRA costs will be and whether these costs will need to be funded using revenue or capital budgets. From a capital perspective the business plan does provide some headroom to allow non-right to buy receipts to be used as flexible capital receipts to fund transformation costs. Revenue costs of implementation are not currently budgeted and will place additional

pressures on the HRA budget and reserves, thus we will need to review planned expenditure and reserves to make this affordable.

- 9.19 **Forecasting Assumptions:** It is conceivable that, whilst budget holders are optimistic that they will spend all their budget, experience shows an increase in underspends often reported in the last quarter of the financial year. The pace of spending may also reduce as capacity and delivery of priorities is affected by local government structural change.
- 9.20 **Fluctuation in demand for services:** We operate many demand-led services and the levels of demand do not always follow a recognisable trend, which may lead to fluctuations in costs and income compared with current forecasts.
- 9.21 **Year-end Adjustments:** There are certain items that are not determined or finalised until the financial year-end. For example, the final assessment of provisions required for bad debts and final allocations of support service recharges. These can result in potentially significant differences to current forecasts.

10 Links to Corporate Strategy

- 10.1 The financial performance of the Council underpins the delivery of corporate priorities and therefore all Corporate Aims.

11 Unitary Council Financial Implications and S24 Direction Implications

- 11.1 The main considerations within scope of this report is the impact of in-year financial performance on year end reserve balances that will transfer to the new unitary council on 1 April, and potential impact of variances on future budget estimates. Reserves are currently projected to remain above the minimum requirement. Finance officers and budget managers will feed in ongoing and future risks and implications through the budget setting process for 2023/24.

12 Partnership Implications

- 12.1 A range of HRA services are provided through partnership arrangements such as MIND, citizen's advice, Taunton East Development Trust, North Taunton and Wiveliscombe Area Partnership. The cost of these services is reflected in the Council's financial outturn position for the year.

13 Scrutiny Comments / Recommendations

- 13.1 This report will be considered by Community Scrutiny on 22 February 2023. A summary of the comments and recommendations discussed will be provided here for the Executive to consider.

Democratic Path:

- **Community Scrutiny – 22 February 2023**
- **Executive – 15 March 2023**
- **Full Council - No**

Reporting Frequency: Quarterly

List of Appendices

Appendix A	Approved Capital Budget
Appendix B	Capital Financing of Total Approved Budget
Appendix C	Annual Profiling of Approved Capital Budget
Appendix D	Profiled Capital Budget for 2022/23 Vs Forecast Capital Outturn for 2022/23

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Appendix A: HRA Approved Capital Budget

SWT Capital Programme	Prior Year Slippage	Current Year Approval Feb 2022 Budget Setting for 2022/23	Total Approved Budget	Current year Virements	Current Year Supplements	Current Year Returns	Revised Current Year Approved Capital Budget
Major Works	3,895,968	11,051,000	14,946,968	0	0	0	14,946,968
Fire Safety	1,440,637	2,133,000	3,573,637	0	0	0	3,573,637
Related Assets	0	120,000	120,000	0	0	0	120,000
Exceptional & Extensive	0	350,000	350,000	0	0	0	350,000
Vehicles	65,000	155,000	220,000	0	0	0	220,000
ICT & Transformation	351,405	200,000	551,405	0	0	0	551,405
Aids & Adaptations & DFGs	0	370,000	370,000	0	0	0	370,000
Sub-Total Majors & Improvements	5,753,010	14,379,000	20,132,010	0	0	0	20,132,010
Social Housing Development	89,268,617	0	89,268,617	0	1,500,000	0	90,768,617
Total HRA	95,021,627	14,379,000	109,400,627	0	1,500,000	0	110,900,627

Appendix B: HRA Capital Financing of Total Approved Budget

SWT Capital Programme	TOTAL CAPITAL FINANCING	Capital Grants	Right To Buy (RTB) Capital Receipts	Capital Receipts	Major Repairs Reserve	Borrowing
Major Works	14,946,968	0	0	0	10,681,958	4,265,009
Fire Safety	3,573,637	0	0	0	3,573,637	0
Related Assets	120,000	0	0	0	120,000	0
Exceptional & Extensive	350,000	0	0	0	350,000	0
Vehicles	220,000	0	0	0	220,000	0
ICT & Transformation	551,405	0	0	200,000	351,405	0
Aids & Adaptations & DFGs	370,000	0	0	0	370,000	0
Sub-Total Majors & Improvements	20,132,010	0	0	200,000	15,667,000	4,265,009
Social Housing Development	90,768,617	402,229	16,303,316	0	0	74,063,072
Total HRA	110,900,627	402,229	16,303,316	200,000	15,667,000	78,328,082

Appendix C: HRA Annual Profiling of Approved Capital Budget

SWT Capital Programme	Total Approved Budget	Planned Capex 2022/23	Planned Capex 2023/24	Planned Capex 2024/25	Planned Capex 2025/26	Planned Capex 2026/27	Planned Capex 2027/28	Planned Capex 2028/29	Planned Capex 2029/30	Planned Capex 2030/31
Major Works	14,946,968	14,946,968	0	0	0	0	0	0	0	0
Fire Safety	3,573,637	3,573,637	0	0	0	0	0	0	0	0
Related Assets	120,000	120,000	0	0	0	0	0	0	0	0
Exceptional & Extensive	350,000	350,000	0	0	0	0	0	0	0	0
Vehicles	220,000	220,000	0	0	0	0	0	0	0	0
ICT & Transformation	551,405	551,405	0	0	0	0	0	0	0	0
Aids & Adaptations & DFGs	370,000	370,000	0	0	0	0	0	0	0	0
Sub-Total Majors & Improvements	20,132,010	20,132,010	0							
Social Housing Development	90,768,617	16,314,803	13,272,299	18,981,656	13,898,356	4,717,976	7,342,914	7,793,039	6,950,000	1,497,575
Total HRA	110,900,627	36,446,812	13,272,299	18,981,656	13,898,356	4,717,976	7,342,914	7,793,039	6,950,000	1,497,575

Appendix D: HRA Profiled Capital Budget for 2022/23 Vs Forecast Capital Outturn for 2022/23

SWT Capital Programme	Profiled Capex Budget 2022/23	Expenditure YTD	Forecast Outturn 2022/23	Variance; - underspend + overspend	- Slippage c/f	In Year - Underspend + Overspend
Major Works	14,946,968	2,935,492	6,341,307	(8,605,660)	(8,605,660)	0
Fire Safety	3,573,637	2,225,593	2,112,728	(1,460,910)	(1,460,910)	0
Related Assets	120,000	2,075	2,075	(117,925)	0	(117,925)
Exceptional & Extensive	350,000	18,739	250,000	(100,000)	(100,000)	0
Vehicles	220,000	780	0	(220,000)	0	(220,000)
ICT & Transformation	551,405	190,849	351,405	(200,000)	(200,000)	0
Aids & Adaptations & DFGs	370,000	134,108	256,000	(114,000)	(114,000)	0
Sub-Total Majors & Improvements	20,132,010	5,507,638	9,313,515	(10,818,494)	(10,480,570)	(337,925)
Social Housing Development	16,314,803	5,541,725	11,241,044	(5,073,758)	(5,145,925)	72,167
Total HRA	36,446,812	11,049,362	20,554,559	(15,892,253)	(15,626,495)	(265,758)

