

SWT Executive

Wednesday, 19th January, 2022,
6.15 pm



Somerset West
and Taunton

The John Meikle Room - The Deane
House

[SWT MEETING WEBCAST LINK](#)

Members: Derek Perry (Vice-Chair, in the Chair), Chris Booth,
Caroline Ellis, Ross Henley, Marcus Kravis, Mike Rigby and
Andrew Sully

Agenda

1. Apologies

To receive any apologies for absence.

2. Minutes of the previous meeting of the Executive

To approve the minutes of the previous meeting of the
Committee.

(Pages 5 - 8)

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.

Temporary measures during the Coronavirus Pandemic

Due to the temporary legislation (within the Coronavirus Act 2020, which allowed for use of virtual meetings) coming to an end on 6 May 2021, the council's committee meetings will now take place in the office buildings within the John Meikle Meeting Room at the Deane House, Belvedere Road, Taunton. Unfortunately due to capacity requirements, the Chamber at West Somerset House is not able to be used at this current moment.

Following the Government guidance on measures to reduce the transmission of coronavirus (COVID-19), the council meeting rooms will have very limited capacity. With this in mind, we will only be allowing those members of the public who have registered to speak to attend the meetings in person in the office buildings, if they wish (we will still be offering to those members of the public that are not comfortable in attending, for their statements to be read out by a Governance and Democracy Case Manager). Please can we urge all members of the public who are only interested in listening to the debate to view our live webcasts from the safety of their own home to help prevent the transmission of coronavirus (COVID-19).

5. Executive Forward Plan

To receive items and review the Forward Plan.

(Pages 9 - 10)

6. Somerset Waste Partnership Draft Business Plan 2022-2027

This matter is the responsibility of the Executive Councillor for Environmental Services, Councillor Andrew Sully.

This report seeks approval of the Somerset Waste Partnership's (SWP) Draft Business Plan 2022-2027.

(Pages 11 - 34)

7. Litter Strategy

This matter is the responsibility of the Executive Councillor for Environmental Services, Councillor Andrew Sully.

The 2022 Litter Strategy is intended to align our approach with the national picture and recent Waste and Resources Action Programme (WRAP) guidance whilst taking into account the changing needs of our area.

(Pages 35 - 48)

8. External Enforcement - Litter

This matter is the responsibility of the Executive Councillor for Environmental Services, Councillor Andrew Sully.

The purpose of the report is to seek approval from the

(Pages 49 - 64)

Executive regarding proposed litter enforcement trial operated on behalf of Somerset West and Taunton Council by East Hampshire District Council.

9. Proposal to increase the maximum hackney carriage fares

(Pages 65 - 88)

This matter is the responsibility of the Executive Councillor for Environmental Services, Councillor Andrew Sully.

The purpose of the report is for the Executive to consider whether to adopt the proposed table of fares, with or without modifications.

10. Housing Revenue Account (HRA) Revenue and Capital Budget Setting 2022/23 including Dwelling Rent Setting 22/23, MTFP Update and 30-Year Business Plan Review

(Pages 89 - 134)

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

This report updates Members on the proposed Housing Revenue Account (HRA) Annual Revenue Budget and Capital Programme for 2022/23, including the proposed Rent Setting for 2022/23.



ANDREW PRITCHARD
CHIEF EXECUTIVE

Please note that this meeting will be recorded. You should be aware that the Council is a Data Controller under the Data Protection Act 2018. Data collected during the recording will be retained in accordance with the Council's policy. Therefore unless you are advised otherwise, by taking part in the Council Meeting during Public Participation you are consenting to being recorded and to the possible use of the sound recording for access via the website or for training purposes. If you have any queries regarding this please contact the officer as detailed above.

Following Government guidance on measures to reduce the transmission of coronavirus (COVID-19), we will be live webcasting 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](#).

If you would like to ask a question or speak at a meeting, you will need to submit your request to a member of the Governance Team in advance of the meeting. You can request to speak at a Council meeting by emailing your full name, the agenda item and your question to the Governance Team using governance@somersetwestandtaunton.gov.uk

Any requests need to be received by 4pm on the day that provides 2 clear working days before the meeting (excluding the day of the meeting itself). For example, if the meeting is due to take place on a Tuesday, requests need to be received by 4pm on the Thursday prior to the meeting.

The Governance and Democracy Case Manager will take the details of your question or speech and will distribute them to the Committee prior to the meeting. The Chair will then invite you to speak at the beginning of the meeting under the agenda item Public Question Time, but speaking is limited to three minutes per person in an overall period of 15 minutes and you can only speak to the Committee once. If there are a group of people attending to speak about a particular item then a representative should be chosen to speak on behalf of the group.

Please see below for Temporary Measures during Coronavirus Pandemic and the changes we are making to public participation:-

Due to the temporary legislation (within the Coronavirus Act 2020, which allowed for use of virtual meetings) coming to an end on 6 May 2021, the council's committee meetings will now take place in the office buildings within the John Meikle Meeting Room at the Deane House, Belvedere Road, Taunton. Unfortunately due to capacity requirements, the Chamber at West Somerset House is not able to be used at this current moment.

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For further information about the meeting, please contact the Governance and Democracy Team via email: governance@somersetwestandtaunton.gov.uk

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SWT Executive - 15 December 2021

- Present: Councillor Federica Smith-Roberts (Chair)
Councillors Derek Perry, Caroline Ellis, Ross Henley, Mike Rigby and Francesca Smith
- Officers: James Barra, Emily Collacott, Paul Fitzgerald, Chris Hall, Kerry Prisco, Andrew Pritchard (Chief Executive), Clare Rendell, Malcolm Riches, Richard Sealy and Jonathan Stevens
- Also Present: Councillors Dixie Darch, Andrew Sully, Ian Aldridge, Simon Coles, Roger Habgood, John Hassall, Libby Lisgo, Ray Tully, Loretta Whetlor and Gwil Wren

(The meeting commenced at 6.15 pm)

63. **Apologies**

Apologies were received from Councillors C Booth and M Kravis.

64. **Minutes of the previous meeting of the Executive**

(Minutes of the meeting of the Executive held on 17 November 2021 circulated with the agenda)

Resolved that the minutes of the Executive held on 17 November 2021 be confirmed as a correct record.

65. **Declarations of Interest**

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

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr S Coles	All Items	SCC & Taunton Charter Trustee	Personal	Spoke
Cllr C Ellis	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr L Lisgo	All Items	Taunton Charter Trustee	Personal	Spoke
Cllr D Perry	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr M Rigby	All Items	SCC & Bishops Lydeard	Personal	Spoke and Voted
Cllr F Smith	All Items	Taunton Charter Trustee	Personal	Spoke and Voted

Cllr F Smith-Roberts	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr R Tully	All Items	West Monkton	Personal	Spoke
Cllr L Whetlor	All Items	Watchet	Personal	Spoke
Cllr G Wren	All Items	Clerk to Milverton PC	Personal	Spoke

66. **Public Participation**

No members of the public had requested to speak on any item on the agenda.

67. **Executive Forward Plan**

(Copy of the Executive Forward Plan, circulated with the agenda).

Councillors were reminded that if they had an item they wanted to add to the agenda, that they should send their requests to the Governance Team.

Resolved that the Executive Forward Plan be noted.

68. **Draft 2022/23 General Fund Budget Update**

During the discussion, the following points were raised:-

- Councillors queried whether officers had been 'conservative' with their calculations on the budget, due to the unknown settlement information. *The Section 151 Officer advised that the Finance Team had been realistic with their calculations and that they had based the budget on the information they had confirmed.*
- Councillors queried what would happen with the New Homes Bonus (NHB). *The Section 151 officer advised that the officers had allowed for the last legacy payment of NHB, which was based upon previous year's figures.*
- Councillors requested further information related to car parking income. *The Portfolio Holder for Planning and Transportation advised that it would take some time to see if the car parking income would ever return to the pre-covid levels and that he would be happy to arrange a member briefing to discuss parking income.*
- Councillors requested clarification on what car parking income could be spent on, as they believed car park income surplus could only be spent on traffic management. *The Finance Business Partner would provide a written response.*
- Councillors praised the work of the Finance Team on the production of the budget especially when Central Government kept reducing the funding issued to local councils.
- Councillors were pleased to see non-statutory functions still being provided, which was a great achievement.

Resolved that the Executive noted the updated estimates for the 2022/23 Budget and latest Medium Term Financial Plan forecasts, and the areas to be finalised.

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

During the discussion, the following points were raised:-

- Councillors praised the work of the Finance Team and Housing Team, as the Housing Revenue Account was not just about the money, it dealt with and impacted on people's lives .
- Councillors acknowledged it had been a challenging time for the housing developer sector due to the impacts of Covid.

Resolved that the Executive noted the latest Medium Term Financial Plan forecasts and action required to finalise the 2022/23 Budget.

70. **2021/22 General Fund Financial Monitoring as at Quarter 2 (30 September 2021)**

During the discussion, the following point was raised:-

- Councillors queried whether the 2020-21 pay award had been accepted by the Union yet and whether there was any update.
The Finance Business Partner advised that there was no update, but as soon as they received any information, they would forward it onto the councillors.

Resolved that the Executive noted as the Council's forecast financial performance and projected reserves position for 2021/22 financial year as at 30 September 2021.

71. **2021/22 Housing Revenue Account Financial Monitoring as at Quarter 2 (30 September 2021)**

During the discussion, the following points were raised:-

- Councillors highlighted that Community Scrutiny had held a good debate on the report at their meeting.
- Councillors were pleased to see compliance work was being carried out.

Resolved that the Executive:-

- 2.1 Noted the HRA's forecast financial performance and projected reserves position for 2021/22 financial year as at 30 September 2021.
- 2.2 Approved the return of £175k from earmarked reserves to general reserves.

72. **Corporate Performance Report, Quarter 2 2021/22**

During the discussion, the following points were raised:-

- The Portfolio Holder for Corporate Resources highlighted what measures had been taken to tackle call waiting times.

- The Leader highlighted the Scrutiny Committee recommendations/questions stated within the report and agreed it was important to look into employment opportunities across the whole of the district and not just in Taunton.
The Director for Development and Place gave an explanation to the answers given to the Scrutiny Committee questions raised at Corporate Scrutiny on 1 December 2021.
- The Portfolio Holder for Housing advised that the average re-let times had taken longer due to the impacts of Covid, but that officers were working hard to rectify the situation.
- The Portfolio Holder for Planning and Transportation highlighted that the planning targets were improving.
- Councillors praised the work carried out by Customer Services on call handling.
- Concern was raised that housing visits had been cancelled during lockdown and what had been done to deal with the repercussions for those that were in need of support.
The Director for Housing advised that during the main times of lockdown, that housing visits had been limited, apart from those for vulnerable tenants and for gas safety checks. He was aware that some schemes were missing the presence of housing officers in the area and that they were working on that. He was also aware that many of those that were struggling with the withdrawal of support services were approaching the council via different routes so that assistance could be given.

Resolved that the Executive noted the Council's performance report for quarter 2.

73. **Access to Information - Exclusion of the Press and Public**

Resolved that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the next item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 respectively of Part 1 of Schedule 12A of the Act, namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

74. **Lease of Monkton Country Park**

Resolved that the Executive approved the recommendations within the Confidential Report.

(The Meeting ended at 7.30 pm)

EXECUTIVE

Executive Meeting	Draft Agenda Items	Lead Officer
19 January 2022	Housing Revenue and Capital Budget Setting 2022/23 including Dwelling Rent Setting 2022/23 and 30 Year Business Plan Review	Paul Fitzgerald
venue =	SWP Business Plan	Stuart Noyce/Mickey Green
Exec RD = 7 January	Litter Strategy	Vicky Lowman/Stuart Noyce
Informal Exec RD = 30 November	External Litter Enforcement One Year Trial	Vicky Lowman/Stuart Noyce
SMT RD = 17 November	Taxi Fares	John Rendell
Budget - 9 February 2022	General Fund Revenue Budget and Capital Estimates 2022/23	Paul Fitzgerald
venue =	Special Meeting	
Exec RD = 28 January		
Informal Exec RD = 4 January		
SMT RD = 8 December		
16 February 2022	Cancellation due to lack of business	
venue =		
Exec RD = 4 February		
Informal Exec RD = 4 January		
SMT RD = 8 December		
16 March 2022	GF Financial Performance 2021/22 Q3	Emily Collacott
venue =	HRA Financial Performance 2021/22 Q3	Kerry Prisco
Exec RD = 4 March	Capital, Investment and Treasury Strategy 2022/23	Paul Fitzgerald
Informal Exec RD = 1 February	Corporate Performance Report Q3	Malcolm Riches
SMT RD = 19 January	CCTV	Sally Parry/Scott Weetch
	Wellington and Cullompton Stations - project governance arrangements	Sarah Povall
	SWT Pay Policy	Nicky Rendell
	Wordsworth Drive and Coleridge Crescent Regeneration	James Barraah/Chris Brown
20 April 2022		
venue =		
Exec RD = 6 April		
Informal Exec RD = 8 March		
SMT RD = 23 February		
18 May 2022		
venue =		
Exec RD = 6 May		
Informal Exec RD = 5 April		
SMT RD = 23 March		

15 June 2022	GF Financial Performance 2021/22 Q4	Emily Collacott
venue =	HRA Financial Performance 2021/22 Q4	Kerry Prisco
Exec RD = 3 June	Corporate Performance Report Q4	Malcolm Riches
Informal Exec RD = 4 May		
SMT RD = 20 April		

Somerset West and Taunton Council

Executive – 19 January 2022

Somerset Waste Partnership Draft Business Plan 2022-2027

This matter is the responsibility of Executive Councillor Andrew Sully (Environmental Services)

Report Author: Stuart Noyce, Assistant Director – Commercial Services

1 Executive Summary / Purpose of the Report

- 1.1 This report seeks approval of the Somerset Waste Partnership's (SWP) Draft Business Plan 2022-2027. The Somerset Waste Board is required to annually approve a rolling five-year business plan. It also updates the Executive on progress with the rollout of Recycle More in the District.

2 Recommendations

- 2.1 Approve the draft Business Plan 2022-2027 and draft budget 2022-23 and provide feedback to the Board (see Appendix A).
- 2.2 Note the progress in implementing Recycle More across the District.

3 Risk Assessment

- 3.1 Failure to approve a Business Plan (a SWP constitutional requirement) will impact on the ability of the SWP to effectively deliver the board's vision.
- 3.2 The challenges and opportunities facing SWP are set out in the business plan but key risks which may impact on delivery of the business plan include:
 - a) The ongoing impact and legacy of Covid-19 and the national driver shortage, which has already disrupted progress in achieving the current business plan. It remains a high risk environment SWP are operating in;
 - b) Resource pressures on SWP due to the intense workload associated with bedding in the new collection contract and implementing the Recycle More service change in the context of a pandemic and national driver shortage;
 - c) Central Government policy changes, in particular those that result from the next phase of consultations on policy outlined in the Resources & Waste Strategy (in particular on Extended Producer Responsibility, Deposit Return Scheme, and Collection Consistency);
 - d) Funding available to implement the Climate Emergency Strategy;
 - e) The Future of Local Government in Somerset;

4 Background and Full details of the Report

- 4.1 The Somerset Waste Partnership (SWP) is responsible for providing waste and recycling services on behalf of all five local authorities in Somerset. The partnership is governed through a Joint Committee known as the Somerset Waste Board (SWB).
- 4.2 The SWP constitution requires an annual Business Plan to be formally adopted to provide a framework within which the Board can make decisions and steer the delivery of Waste Partnership services. The process of review is continuous, but it contains a snapshot of where SWP is now, the things that have a major impact on the partnership, resources/budget, and its priorities. A draft is presented to the Board in December to approve for partner consultation, before returning to the Board in February for final approval and adoption. The quarterly performance reports submitted to the Board are then aligned with the approved business plan.
- 4.2 The Partnership is almost exclusively funded from contributions from partners. It is therefore dependent on agreement between partners on the level of funding provided by each of them in line with the cost sharing formula. Business planning and budget setting are therefore part of the same process. Under the terms of the Inter Authority Agreement, the Board cannot make a decision that has an adverse financial implication on any partner without that partner's agreement. The Board has delegated authority for decision making across all services and therefore must take into account any requirements to make savings and make proposals on how these can be achieved.

5 SWP Draft Business Plan 2022-27

- 5.1 With the creation of a new Unitary Authority in 2023 this may be the last year of a SWP Business Plan in this format. The activity required to smoothly transition to a unitary authority is reflected in the Business Plan, but as this activity evolves it may impact on the delivery of other activities within the Business Plan.

SWP remain focussed on three outcomes as last year, beneath which sit a range of inter-linked activities structured into themes. This year's plan is an evolution rather than a revolution but aims to reflect the impact service disruption in 2020/21, the ongoing impacts of a national driver shortage, the ongoing pandemic and the pressure this has created on SWP, SUEZ and partner staff. Delivering stable services and rebuilding trust with the public is critical to next year's activity. The three outcomes SWP are focussed on remain:

Delivering excellent services	Changing behaviours	Tackling climate change
<i>SWP effectively collects, recycles and treats waste</i>	<i>People manage waste as a resource</i>	<i>SWP maximises its contribution to tackling the climate emergency</i>

- 5.2 Key areas of activity in the draft 2022-267 Business Plan are as follows:

	<i>Area of activity</i>	<i>Content</i>
1	Waste reduction	Focusing on food waste and plastic, Signposting to zero waste shops, reusable nappies
2	Promoting Reuse	Implementing the reuse strategy agreed by the Board in September 2021

3	Recycling	Bedding in the recycle More roll-out, ensuring homes are built with recycling in mind, food waste in communal properties, tackling hard to treat waste streams (e.g. soft plastics), HWRCs, composition and participation analysis, recycling A-Z guide, targeted campaigns
4	Decarbonising residual waste	Heat offtake, carbon capture and storage, education
5	Decarbonising our operations	Electric supervisors vans, green depot infrastructure, pilot alternative fuels, drive down carbon intensity of day to day operations, partial refleet of refuse vehicles
6	Tackling non-household waste	Schools, public sector estate, business waste
7	Working with others	Parish Councils, local data and engagement, developing partnerships, community action groups, engagement with front-line staff
8	Improving the customer experience	In-cab technology, innovation, website, improving complaints mgmt, GDPR, assisted collection review, processes around new home occupation, enforcement, supporting the most vulnerable
9	Supporting wider goals in Somerset	Tackling waste on the go, tackling fly-tipping, supporting local businesses and those far from the labour market
10	Enabling activities	Depot infrastructure, health and safety, contract management, service reviews, influencing national policy, long term strategy, behavioural insights, business continuity planning, preparing for Unitary

6 Links to Corporate Strategy

6.1 Addressing climate change is identified as the Council's primary objective in the Corporate Strategy. The Somerset Waste Partnership Business Plan will influence delivery against many of the other objectives across all four strategic themes of the Corporate Strategy.

7 Finance / Resource Implications

7.1 The proposed annual budget is set out on the final page of the Draft Business Plan (appendix A) and summarised in the table below.

7.2 The table below shows the indicative budget requirements for 2022/2023. The key drivers are:

- There is currently a review of the indexation values added to the collection budgets back to 2019/20. This issue has not been fully resolved at this point, however, to be prudent £340,000 has been added to the 2021/22 budgets with £170,000 being added to the 2022/23 base budget. Further information from Suez is expected shortly, the budgets will then be updated accordingly

- There is uncertainty at this stage as to the levels of continuation covid funding costs Suez may claim and SWP consider to be reasonable. Estimates for the whole of 2022/23 have been included based on the funding agreed for 2021/22.
- Inflation for the collection contract is 6.1% based on the basket of indices in the contract with Suez.
- Household growth is based on the latest estimates provided by the District partners. These will be amended for final budget to be taken to the February Board when actual figures are known. Members are reminded that each collection partner will be charged according to their individual district housing growth. The current estimates provided by Somerset West and Taunton is 0.74%. Suez are currently challenging the household levels as they claim they are collecting from a greater number of addresses. No claim has been submitted by SUEZ, SWP are working with Districts to understand the potential issue.
- Tonnages for recycling credits have been increased to reflect the 2019/20 levels but with no further growth applied as this will be attributable to Recycle More (as previously agreed by the Board and all partners). The majority of the increased income for collection partners relates to the agreed 3% annual payment uplift on recycling credits from the County Council.
- Estimates reflect the latest information regarding garden waste customers, bulky collections, demand for containers and other contract cost changes.
- Additional costs will be included for an E-RCV and PV panels at our two main depots. The payback on PV is expected to be circa 6 years. Purchasing of the E-RCV is an integral part of tackling climate change and to de-risk the partial fleet in 2024.

7.3 The roll out of 'Recycle More' is also scheduled for completion in February 2022. No savings resulting from the new contract will be taken from the SWP by any partner until the roll out costs are fully funded. This offers all partners equality of return, regardless of their place in the roll out. Savings are expected in the final quarter of 2022/23 with the business plan including estimated savings anticipated at £2m per annum across the partnership. The anticipated part-year MTFP savings for 2022/23 are reflected in Somerset Waste & Taunton's MTFP.

		Somerset West & Taunton Council
21/22 Base Budget		4,352,935
Correct Base Indexation		48,200
Inflation - Collection	6.11%	355,208
Household Growth	0.93%	39,895
Garden Waste	11.9%	105,148
Recycling Credits		(26,840)
Salaries	2.00%	3,818
Transfer Station & Other		71
Garden & Bulky Income	12.0%	(103,257)
Financing - PV & E-RCV		11,237
Covid-19 Costs		171,927
Proposed Savings		(157,667)
22/23 Draft Budget		4,800,676
Increase / (Decrease)		447,740
Percentage		10.3%

7.4 Many actions within the business plan will require specialist input, including financial and procurement advice. Some activities are subject to a business case and funding.

8 Legal Implications

8.1 The waste collection contract is one of the Authority's largest contracts, managed by the the Somerset Waste Partnership. The Waste Partnership fulfils the Authority's statutory responsibilities in regard to waste collection.

8.2 Approval is required to set a clear mandate for SWP activities for the period and is a constitutional requirement.

9 Climate and Sustainability Implications

9.1 The production and delivery of the SWP business plan will directly lead to carbon reductions. Clearly Recycle More is vital to that, but as is SWP's ongoing decarbonisation of its operation (for example the recent purchase of an electric RCV and photovoltaic panels at our two highest energy consuming depots), our commitment to keeping materials in the UK, and a greater focus on reuse.

9.2 The five Somerset local authorities have all declared or recognised a Climate Emergency and developed a Climate Emergency Strategy covering the county of Somerset. Waste and Resources is one of 9 workstreams, and SWP's Managing Director acted as workstream lead with the officer group made up of senior officers from each partner (SMG) acting as project board. The scope of the waste and resources workstream is much broader than SWP's statutory responsibilities, as it looks at Somerset as a whole, rather than just focussing on household waste. The actions from this workstream are incorporated into the 2022-27 SWP Business Plan, clearly highlighting where there are resource/funding challenges which need to be overcome.

10 Safeguarding and/or Community Safety Implications

10.1 The update of the business plan has no new safeguarding or community safety implications. Risks in delivery of the plan will need to be considered and addressed as projects are developed and progressed.

11 Equality and Diversity Implications

11.1 Many of the actions in the business plan relate to the implementation of decisions already taken by the board, and Equalities Impact Assessments (EIAs) were undertaken at the time. Other actions relate to reviews/future actions, and EIAs will be carried out as appropriate to inform the board's decision making. Some other actions will not require EIAs. In most cases the decision to proceed based on the outcome of the impact assessment will be delegated to SWP's Managing Director. Where significant issues are identified through the assessment process that would have implications for major projects or programmes, the decision to proceed will return to the Board prior to commencing development.

12 Social Value Implications

12.1 There are no implications as a result of the revised business plan. SWP have a comprehensive social value plan in place with SUEZ which they monitor. This includes dementia awareness training for staff and commitments to supporting people far from the labour market into employment.

13 Partnership Implications

13.1 SWP is one of the Authority’s key partnerships and takes strategic, client and operational responsibilities for the delivery of our recycling and waste priorities. The business plan has been produced in partnership between the Somerset authorities.

14 Health and Wellbeing Implications

14.1 The revised business case will contribute to reduce air quality issues associated with emissions from traditional petrol and diesel vehicles and from reduced amounts of waste going to energy from waste facilities by more being reused and recycled.

15 Asset Management Implications

15.1 There are no implications as a result of the revised business plan.

16 Data Protection Implications

16.1 Action 8.5 in SWP’s Business Plan sets out the work planned to follow up on a GDPR compliance audit. Personal Data held by the SWP is fundamentally the same as currently managed and used. As technology is developed and used to assess customer behaviour to reduce waste and improve recycling, then impact assessments will need to be carried out by the SWP to ensure compliance with data protection regulations. This is reflected in the action plan, and SWP will work closely with each partner authority and report progress to the Somerset Waste Board.

17 Consultation Implications

17.1 No public consultation is proposed on the revised business plan but certain projects within the plan will have public engagement and communication activity.

18 Democratic Path:

- Scrutiny / Corporate Governance or Audit Committees – No
- Executive – Yes
- Full Council – No

19 Reporting Frequency:

Annually

List of Appendices

Appendix A	Draft SWP Business Plan 2022 - 2027
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Contact Officers

Name	Stuart Noyce	Name	Mickey Green
Direct Dial	01823 218713	Direct Dial	01823 625707
Email	s.noyce@somersetwestamtdaunt on.gov.uk	Email	Mickey.Green@somersetwaste.go v.uk



SWP Business Plan 2022 – 2027

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About Somerset Waste Partnership

Our vision and values

Who we are:	Somerset's Local Authorities working together as the Somerset Waste Partnership, ensuring that our household waste is reduced, collected, reused, recycled and effectively treated.
What we do:	<ul style="list-style-type: none"> • Preserve our environment by making every effort to ensure our household waste is not wasted but reused as a valuable resource. • Deliver excellent customer service and value for money to create a more sustainable Somerset.
What we want to become:	An exemplar for how we manage waste as a resource, work with others and support our residents to manage their household waste and make our service the best it can be.
Our values:	<ul style="list-style-type: none"> • Insight: Working with our partners to understand how and why people behave as they do and use this knowledge to shape our service. • Collaboration: Treating everyone we work with as an equal, knowing we have greater success when we work together. • Innovation: Learning from others and constantly looking at new ways of working to give the best service we can. • Quality: Focusing on excellent customer service and making the best use of the waste we collect.

Background to SWP

Somerset Waste Partnership (SWP) was established in 2007 and manages waste services on behalf of Mendip, Sedgemoor, Somerset West and Taunton, South Somerset District Councils, and Somerset County Council. This made it the first county-wide waste partnership in the country. It has a history of innovation – the first to roll out food waste at scale, the first to publish an annual report showing exactly what happens to all its recycling and is known for its commitment to collecting quality source separated recycling materials which are used as resources by UK industry.

SWP is accountable to the Somerset Waste Board (SWB), which consists of two members from each of the partner authorities. For further information about Somerset Waste Partnership and the Somerset Waste Board visit www.somersetwaste.gov.uk.

SWP has delegated authority to deliver household waste and recycling services throughout Somerset, including management of kerbside collections, recycling sites and disposal sites. SWP contracts out these services to SUEZ, Viridor and Biffa.

National Government has announced that the five existing councils in Somerset will be replaced by a new single unitary authority in 2023. This Business Plan highlights the work necessary to enable SWP to play its role in this transition.

Key Challenges and Opportunities

Political	<p>The impact of withdrawal from the EU: Brexit is recognised nationally as one of the causes of the national driver shortage and wider supply chain issues. Whilst we cannot foresee any further direct impacts (especially with 98% of our recycling staying in the UK) there may be further indirect impacts.</p>
	<p>National legislative change: Further national consultations were undertaken in Spring 2021 on Deposit Return Schemes, Extended Producer Responsibility and collection consistency. SWP are awaiting clarity on government’s next steps following these consultations, but they are likely to have profound implications.</p>
	<p>Future of Local Government in Somerset: A Unitary council for Somerset will be formed in 2023, with a shadow authority ahead of that. Whilst SWP already operates county-wide, there will be a significant amount of work involved to aligning to a new structure (for example customer service arrangements) that could potentially impact/delay other projects. Equally, SWP is keen to understand and explore the opportunities for improvement that will come with the new structures and ways of working.</p>
Economic	<p>Financial pressure on partner authorities/contract pressures: The financial environment in which we operate is tightly constrained, especially given the impact of Covid-19 on local government finance. National legislative change may significantly impact on SWP’s finances and may require contract renegotiation.</p>
	<p>National Driver shortage: The national challenges are unlikely to go away overnight and there is a real risk of pay inflation and future shortages.</p>
	<p>Recyclate risk: SWP share risk with its collection contractor on recyclate value. This will impact upon the SW:EEP fund and hence funding for behavioural change</p>
	<p>Risk of recession: The economic outlook remains uncertain. Recessions typically see lower levels of consumption and hence waste; however, the past may not be a reliable guide to the future, given the uncertain impact of Covid-19.</p>
Social	<p>Demographic changes: Somerset’s growing, and ageing population informs our planning for the future. Somerset has historically benefited from near full employment, which makes recruitment more challenging.</p>
	<p>Covid-19: The ongoing risks are reflected in our day-to-day operations, but we are not yet clear which changes will be permanent and what will revert back more to pre-pandemic conditions e.g. how much home working will remain the norm and what will this do to waste generated at home.</p>
Technological	<p>Social media: Increasing use of social media and emerging platforms present an opportunity to reach more people but raises public expectations.</p>
	<p>Big data: The ability to manipulate large data sets (be it around people’s behaviour or the life cycle of resources and waste) can be powerful, but SWP has work to do in order to make best use of data to drive its actions and accountability.</p>
	<p>New materials/processes: New materials may emerge onto the market quicker than our ability to manage them at the end of their life, and on the positive side new processes may make previously hard to recycle materials possible to target.</p>
Environmental	<p>Somerset’s Climate Emergency: This remains at the heart of what SWP is here to do and what motivates all our staff. However, our ability to implement change will be constrained by resources.</p>
	<p>Public Awareness: Many people are much more aware of climate change, keen to do more, and frustrated if they feel they cannot do more. We need to continue to do all we can to ensure people understand the contribution that reduction, reuse and recycling make to tackling climate change, and know what happens to their recycling.</p>

Approach to Business Plan

As per the requirement in the constitution, our Business Plan explains how we will work towards our Vision over the next five years, with a particular focus on next year. With the creation of a new Unitary Authority in 2023 this may be the last year of a SWP Business Plan in this format. The activity required to smoothly transition to a unitary authority is reflected in the Business Plan, but as this activity evolves it may impact on the delivery of other activities within the Business Plan.

SWP remain focussed on three outcomes as last year, beneath which sit a range of inter-linked activities structured into themes. This year's plan is an evolution rather than a revolution but aims to reflect the impact of service disruption in 2020/21, the ongoing impacts of a national driver shortage, the ongoing pandemic and the pressure this has created on SWP, SUEZ and partner staff. After such a disrupted year with such significant change (the biggest change to kerbside recycling in more than a decade, the immediate priorities are around consolidating progress and doing the core functions well. Delivering stable services and rebuilding trust with the public is critical to next year's activity.

<i>Theme</i>		Delivering excellent services	Changing behaviours	Tackling climate change
		<i>SWP effectively collects, recycles and treats waste</i>	<i>People manage waste as a resource</i>	<i>SWP maximises its contribution to tackling the climate emergency</i>
1.	Waste reduction			
2.	Promoting Reuse			
3.	Increasing Recycling			
4.	Decarbonising residual waste			
5	Decarbonising our operations			
6.	Tackling non-household waste			
7.	Working with others			
8.	Improving the customer experience			
9.	Supporting wider goals in Somerset			
10.	Enabling activities (inc . transition to Unitary)			

SWP propose to continue with the two charities we first adopted in 2019 to support through staff fundraising and volunteering:

Local Charity	National Charity
RAFT (Refugee Aid from Taunton)	WasteAid
RAFT provide aid through donations to help refugees and displaced people wherever and whenever they are able, regardless of colour, culture and religion. It demonstrates an innovative approach to reuse.	70% of the plastic in the oceans comes from places with no waste management. WasteAid helps people turn their waste into useful products, sharing recycling skills to create green jobs, improve public health and protect the environment.

1. Waste Reduction			
In accordance with the waste hierarchy, reducing the amount of waste we generate in the first place is the best environmental (and financial) outcome			
What		When	Why
1.1	Food waste reduction	Ongoing	Composition analysis shows us that c70% of food waste was avoidable and it is one of the most carbon intensive items in our waste. As set out in the climate emergency strategy, in the medium term we will seek to work with partners to develop food waste strategy for Somerset (to avoid food becoming waste in the first place), including prioritising a food waste reduction campaign across Somerset. Presence at relevant events will focus on food waste reduction.
1.2	Refill campaign	Ongoing	SWP coordinates the Refill campaign in Somerset, encouraging reusable alternatives to single use water bottles. SWP will use existing channel to raise profile of any Refill.org.uk initiatives and work with partners to promote related schemes (e.g. SWT Wessex Water drinking station).
1.3	Signpost to zero waste shops	2022/23	Building on SWP's crowd-sourced listing of zero/minimal waste shops across Somerset will complete development of an online map that helps identify these shops, linking in with the recycling A-Z. Promotion of this tool will make it easier for people to do the right thing.
1.4	Reusable nappies	Ongoing	Continue to provide support to local cloth (reusable) nappy library groups to enable them to provide support and nappy loan kits to more families. Whilst we recognise reusable nappies will not be a solution for all, we want it to be easier for those considering their use to make it work for them. Approach and actions to be shaped by feedback from parents after what has been a very disrupted year.
1.5	Waste prevention campaigns	Ongoing	Seasonal campaign ahead of the 2022 festive season seeking to reduce cardboard 'consumption' - potentially an expanded 'think outside the box' campaign for Christmas 2022 to promote local businesses that are exemplars for sustainability Seek funding opportunities to enable other campaigns (SWP resources will primarily be focussed on reuse and recycling) and review the pledge against preventable plastic.
1.6	Engaging with young people	Ongoing	Our Schools Against Waste programme highlights waste reduction, as does the newly launched Eco Schools grant funding. SWP will seek to engage with further with Youth Parliament and other relevant communities and understand best ways to engage young people.
How will we measure success?		SWP reports quarterly to the board on waste minimisation (total household arisings) as well as updating on specific projects through the Board performance report. The impact of Covid on behaviours does make comparisons challenging. Waste composition analysis will help us understand what Somerset residents are throwing away.	

2. Promoting reuse			
Reusing things that would otherwise become waste is better for the environment than recycling them. Across Somerset there is a vibrant network of organisations that deliver great social outcomes (be it tackling isolation, reskilling those far from the labour market, supporting refugees) as well as environmental ones, and SWP wants to explore how it can best work with that network.			
What	When	Why	
2.1 Reuse at recycling centres	2022/23 onwards	As recommended in the strategy agreed by the Board in September 2021, this will involve diverting goods suitable for reuse and repair at our sites, and working with third parties to ensure they are reused and/or repaired	
2.2 Community Action Groups	2022/23 onwards	As recommended in the strategy agreed by the Board in September 2021, this will aim to develop a community group network with a designated coordinator that will help reuse groups work more efficiently, collaborate better, strengthen community cohesion, facilitate skills share and maximise existing assets. This will depend upon funding from the SWEEP fund.	
2.3 The Repair Bus	2022/23 onwards	As recommended in the strategy agreed by the Board in September 2021, this will involve purchasing and fitting out a vehicle to become a mobile repair facility offering repair facilities to residents, to be used as a communications and education tool and support event and community groups. The concept is based on successful mobile 'library of things'. In its first year it will focus on WEEE (waste electrical and electronic items). Delivery of this action is dependent on securing external funding (a bid has been submitted).	
2.4 Reuse campaigns	Ongoing	A campaign will be developed in support of the reuse strategy. Funding will be sought for further campaigns in the future.	
How will we measure success?	<ul style="list-style-type: none"> SWP reports quarterly to the board on reuse. 		

3. Increasing recycling			
When waste can't be avoided or reused, the best thing that can happen to it is that it is recycled properly. SWP is committed to collecting quality recycle— with 98% currently staying in the UK. The National Resources and Waste Strategy is focussed on quality and held up SWP's kerbside sort approach as an exemplar.			
What	When	Why	
3.1 Further plastic kerbside collections	2022/23	Exploring whether we can trial the kerbside collection of soft/flexible plastic (e.g., bread bags, carrier bags, the film on punnets/ready meals) at the kerbside. This will be dependent upon	

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			funding and industry support – SWP will not collect materials unless we are confident they are being properly recycled.
3.2	Recycling even more at our HWRCs	Ongoing	Exploring whether we can accept further ‘hard to treat’ materials at our recycling centres, including mattresses, expanded polystyrene and how we can work with organisations like Terracycle. Seek opportunities to improve our recycling centres, subject to development of viable solutions and robust business cases unlocking funding.
3.3	Food waste in communal properties	2023/24	Through Recycle More many communal properties accessed our kerbside food recycling. We will aim to ensure all communal properties have access to food recycling. The approach will be dependent upon future national policy and funding.
3.4	Ensuring homes are built with recycling in mind	Ongoing	Embedding our refreshed Developer’s Guidance in local plans/unitary planning policies, engaging on planning applications and working with planners, developers and their agents will be critical to ensuring every home (especially flats) are built with recycling in mind.
3.5	Recycling A-Z guide	2022/23	With expanding kerbside collections, around 40 materials recycled at HWRCs, Terracycle schemes and other options for people to recycle different materials it can be a confusing picture. A comprehensive, up to date and user-friendly A-Z guide will help people understand all their reuse and recycling options in Somerset.
3.6	Targeted campaigns	Ongoing	Campaigns targeted at key peaks in waste (e.g., Christmas – food waste, packaging/ plastics, Halloween – pumpkins, Easter – plastic packaging, Summer – garden waste and BBQs).
3.7	Local Engagement Programme	2023/24	Local Engagement Programme delivering 100 activities and interventions per year in deprived and poor recycling areas (Suez social value commitments)
3.8	Service guide		Publish and distribute to every household an annual service guide including a collection day calendar. To embed new service, encourage sound recycling behaviours and provide the information residents need to manage their waste effectively.
How will we measure success?			<ul style="list-style-type: none"> • Progress on individual projects reported via the quarterly board report • Headline recycling rate (both kerbside and recycling centres) • Annual Recycling Tracker showing what happens to our recycling • Carbon measurement of recycling and using that (not weight) to prioritise

4. Decarbonising our operations (inc. residual waste)

What we do (i.e., recycling, encouraging reuse and reduction) is a much more significant impact on our carbon footprint than how we do it, but it is still crucial for us to continuously improve in this area. Despite everything we do to reduce waste, encourage its reuse and recycling there will still be residual waste for the foreseeable future, and we need to decarbonise how we manage this waste.

What	When	Why
4.1 Heat offtake from Avonmouth	Ongoing	When Viridor opens their Plastics Processing Facility at Avonmouth, hot commissioning having commenced during September 2021, it will utilise a proportion of the low-level heat generated at the Energy from Waste facility. SWP will continue to work closely with Viridor to encourage the full use of heat – should Avonmouth be able to operate as a combined heat and power facility, dependent on the provision of a local heat network requiring support from Bristol City Council, it will be even more environmentally efficient.
4.2 Carbon capture & storage	Ongoing	Viridor have recently committed to achieving net negative carbon emissions and with further investment (backed by Government subsidy) at 5 of their Energy from Waste sites (inclusive of Avonmouth) to reaching to this target, SWP will continue to work closely with Viridor to ensure that Avonmouth sees this technology installed at the earliest viable point.
4.3 Roll-out electric supervisors vans	September 2022	An initial five electric supervisor's vans have been ordered for Evercreech depot (serving the East of the County). It is cost neutral compared to their diesel equivalents.
4.4 Pilot alternative fuels in our fleet	Ongoing	Work with our vehicle suppliers (primarily Romaquip for recycling vehicles and Dennis Eagle for refuse vehicles) to trial electric vehicles in Somerset. Learn from the current trial of Hydrogenated Vegetable Oil for plant operating within Evercreech depot to identify if it is cost effective to roll this out further,
4.5 Partial refleet of refuse vehicles	2022/23 - 2025	Learning from the trial electric refuse vehicle our trials and emerging technology will inform the partial refleet, as will future national legislative change and changes in tonnage/behaviour (to inform the number and type of vehicles we require).
4.6 Green infrastructure at depots	2022/23	Photovoltaic panels will be installed at our Evercreech and Walford Cross depots – the high and stable use of electricity at the sorting and baling facilities make them particularly suitable. Business cases for further green infrastructure will be developed/
4.7 Reduce carbon intensity of fleet	Ongoing	Technology onboard our new fleet (CMS Supatrak) will enable monitoring of driving (harsh braking/acceleration, idling), and Suez will utilise this to improve driver behaviour.
How will we measure success?	<ul style="list-style-type: none"> SWP reports quarterly to the board on key projects and provides the board with quarterly reports with on EfW that ensures transparent access to key data (e.g., on emissions). 	

5. Tackling non-household waste

SWP's delegated powers from District and County Councils are in relation to household waste and whilst for a number of years SWP has provided services to many of Somerset's schools, other than that our remit has not extended to the waste produced in our businesses and public sector offices. The joint work across the council to tackle the climate emergency we face has led to us expanding our remit to help drive improvement in this area.

What	When	Why
5.1 Schools: Recycle More roll-out	2022/23	Transition to Recycle More for schools (separating fibre from other materials and adding in plastic pots, tubs and trays to the plastic bottles, cans, paper, card and food they can already recycle). Combined with improving how we use data and feedback performance to schools we expect this to drive improved performance. Annual review of pricing model (working with Support Services for Education) so that we transition to a fuller 'producer pays' principle and incentivise behaviour change.
5.2 Public sector estate	2022/23	In 2019/20 SWP developed a business case which demonstrated the financial savings and environmental benefits from a coordinated approach to waste collection across the County Council and district partners – aligning that service more with the household service (i.e., a broader range of recycling and greater separation). As the Somerset authorities move towards becoming a unitary authority this project has been transferred to the 'Assets and ICT' workstream, though SWP will still support and seek to expand to cover more public sector partners in Somerset.
5.3 Business waste: collaborative procurement	Ongoing	Seek to pilot collaborative procurement for recycling and waste in one or more of Somerset's market towns – reducing costs for businesses, improving environmental outcomes and aligning with local needs (working jointly with the industry and supply chain workstream).
5.4 Green Business Support	2022/23	Through our work on the joint Climate Emergency SWP developed a proposal for green business support – providing business with trusted guidance and support to reduce their carbon emissions and become more resource efficient and circular. This is now being led by Economic Development team, with SWP supporting. A pilot project in 2021/22 should inform the future approach.
5.5 Helping business respond to national legislation	Ongoing	Consider the potential changes to legislation for business waste recycling around DRS, EPR, business waste recycling (inc. food) and how SWP can work in partnership with others to shape Somerset to be an exemplar for household-like recycling from businesses. Timing will depend upon the Government confirming final policy and timescales.
How will we measure success?	<ul style="list-style-type: none"> SWP reports quarterly to the board on key projects 	

6. Working with others

Partnership is at the heart of what SWP do – how we work with our contractors/wider workforce, the public and other parts of the public sector.

What	When	Why
6.1 Parish Councils	Ongoing	Review, refresh and then explore how we can share our toolkits and guidance (e.g. on composting, food waste, and setting up a plastic pot, tub and tray collection point) for those town and parish councils who want to take more local action on climate change. This will include evaluating a pilot scheme to work with a parish council to promote home composting (linked to our subsidised compost bin offer). Attending parish cluster meetings and meetings of environmentally motivated/interested groups is a key part of ensuring we remain close to our communities.
6.2 Local Community Networks	2022/23	Explore how we can use our data to be more accountable to local areas (e.g., the Local Community Networks to be developed as part of the move to a Unitary Authority), and to work in partnership with those areas to use this to drive improvement.
6.3 Developing partnerships	Ongoing	With limited resources, we need to develop strong partnerships with others in order to ensure that we cost-effectively drive people to change behaviours. Developing strategic partnerships with others, especially third sector organisations working in areas with low recycling performance, is a crucial means to do this. SW:EEP funding will potentially help support behavioural change in communities.
6.4 Engagement with front-line staff	Ongoing	Our people are our most important asset and act as our ambassadors. Working closely with Suez and Viridor it is important that SWP engages closely with our frontline staff, especially given the pressures on the workforce from Covid and the driver shortage. SWP attends an Employee Engagement forum
How will we measure success?	<ul style="list-style-type: none"> SWP reports quarterly to the board on key projects 	

7. Improving the customer experience

Delivering excellent customer service is a critical part of our vision. The scale and complexity of this is significant, with multiple complex systems interacting between contractors, SWP and partner authorities. Over 20 million collections are made each year, over 1.5m visits to recycling centres annually, and over 15,000 followers on Facebook.

What	When	Why
7.1 Using data effectively	2022/23	The in-cab devices (when used properly) provide significant amounts of data that we can use to target individual behaviours (e.g., sending automated letters to a household that repeatedly don't recycle) and to target communities (identifying areas where presentation of additional refuse bins is at its highest). SWP needs to improve its capability in handling this data, and in combining this data with data on tonnages collected to provide real insights.
7.2 Growing our channels	Ongoing	This will include innovation - developing our app, , an automated website assistant (Chatbot) that can answer queries (being piloted currently for Recycle More), using new channels like Nextdoor, mass emailing tools (like garden waste renewals) as well as growing existing channels like Facebook and improving the user-friendliness of our online reporting system.
7.3 Website review	2022/23	SWP intended to review our website to consider issues like how we better support businesses and encourage waste reduction and reuse, but it is likely that this will also need to be informed by the transition to a Unitary authority.
7.4 Customer contact review	2022/23	A key issue for the transition to a new unitary authority will be how they improve the customer experience. With around 100,000 customer contacts (inc online), and a Customer Relationship Management (CRM) system (My Waste Services) integrated with SUEZ and our district partners, the impact on SWP from this will be significant. To support a smooth transition SWP have extended their CRM system contract from September 2021 on 2 + 1 + 1 year basis (with early termination ability).
7.5 Processes and Policy	2022/23	Implementing the action plan that resulted from the GDPR compliance audit that SWP requested to support our ongoing work in this area, refreshing our social media policy, reflecting any changes from the transition to Unitary (e.g., how we use social media as a customer service channel, unlike our partners)
7.6 Assisted collection review	2022/23	Periodic review of our database of assisted collections to ensure that customer still require the service. The intention is to do this once the Recycle More roll-out has concluded.
7.7 Improve processes around occupation of new homes	2022/23	Implement process improvements to ensure that notification of new property occupation/home ownership is seamless and that we take advantage of this opportunity to change behaviours. A module has been procured for our CRM that reduces the six week delay in registering new

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			properties. It has been deployed into our systems and is currently receiving daily updates from SWAT and SSDC. This will be extended to other partners.
7.8	Education and enforcement	Ongoing	SWP work closely with contractors and partners to resolve complex issues, investigate complaints, find solutions to problems and clamp down on abuse (including trade waste abuse & side/excess waste). Enforcement remains the last option. The transition to Unitary provides an opportunity to rethink how we enforce across all the unitary authority's services. SWP have paused the work that was proceeding to delegate powers and will instead focus on how the new unitary authority enforces effectively and consistently.
7.9	HWRC Signage review	2022/23	Signage review of all HWRCs to make it easier for the public to understand what can be recycled, what happens to it, how to keep safe – and hence drive behaviour change. Ongoing programme of maintenance and safety improvements to ensure our ageing network of sites remain effective
<i>How will we measure success?</i>			<ul style="list-style-type: none"> • Proportion of online transactions, level of complaints, reach on key channels, resolution at first point of contact, quarterly reporting to the board.

8. Supporting wider goals in Somerset

SWP spends approximately £50m of public money every year and our contractors employ well over 500 people. The close working relationships we have with all partners also provide a platform for progress on areas of common concern even where they are not within SWP's delegated responsibilities (e.g., dealing with fly tipping and recycling on the go). It is important that SWP looks beyond its delegated responsibilities to support the wider goals of all partners.

What	When	Why
8.1 Tackling waste on the go	Ongoing	Whilst street scene is a District Council responsibility, SWP wants to work with all partners to identify how we can learn from elsewhere to improve recycling on the go. SWP are supporting District Council partners that are piloting recycling on the go and working with Chard Town Council similarly. This will form part of work as we transition to a Unitary authority.
8.2 Tackling fly tipping	Ongoing	Whilst managing fly-tipping is a District Council responsibility, SWP wants to work with all partners to identify how we can learn from other parts of the country (e.g., Hertfordshire) to improve the way we tackle fly-tipping. This will form part of work as we transition to a Unitary authority.
8.3 Supporting local businesses and those far from the labour market	Ongoing	Ensuring we realise the social value commitments from Suez: <ul style="list-style-type: none"> • 5% of collection contract spend retained in Somerset, with increasing proportion spent with SMEs, micro-businesses and third sector organisations • 2 campaigns delivered each year to improve the capture of materials • 2 work placements per year (16 in total) from 2022-23 onwards for young people, including NEETs and care leavers, • 2 community payback scheme placements per year (16 in total) from 2022-23 onwards for low level offenders, • Ensuring 5% of staff are in apprenticeships every year of the contract
8.4 Supporting our most vulnerable	Ongoing	In addition to training all collection staff to be dementia aware, SWP will seek to identify other ways in which we can support the wider agendas of our partner authorities – for example how we can more effectively use the eyes and ears of our staff on the ground to better support vulnerable residents and streamline this process.
How we will measure success	<ul style="list-style-type: none"> • SWP reports quarterly to the board on key projects, with SUEZ providing a social value report quarterly. 	

9. Enabling Activities		
Some of SWP's less visible activities are essential to enable both our front-line services and our ambitious programme of change.		
What	When	Why
9.1 Depot infrastructure improvements	2022-23	Having completed the redevelopment and expansion of Evercreech and Walford Cross depots, in Spring/Summer 2022 Williton (Roughmoor) depot will be redeveloped. Photovoltaic panels will be installed at Evercreech and Walford Cross depots during 2022. Further carbon reduction initiatives at our depots will be explored
9.2 Contract reviews	2022/23	To review the collection contract and recycling credits mechanism following the roll-out of Recycle More, potential national legislative change (extended producer responsibility, deposit return scheme, collection consistency inc garden waste) and to reflect a post Covid world.
9.3 Contract Management (inc health & safety)	Ongoing	Robust management of our major contracts underpins everything we do. This is particularly important given that we now have contracts with Biffa and Viridor following Viridor's restructure, with the potential takeover of SUEZ by Veolia, and due to the commercial pressures that have resulted from Covid and the driver shortage.
9.4 Influencing national policy	Ongoing	With major central government consultations expected, it will be crucial that SWP uses its reputation as a sector leader, and continues working through national bodies and regionally.
9.5 Developing a long-term strategy	2023/24	A long-term framework to 2050 is needed to align with Central Government's Resources and Waste Strategy to set out our ambition, the outcomes we want to achieve, our high-level targets and our over-arching approach. SWP are awaiting finalisation of national policy and also the transition to a Unitary authority to finalise their long-term strategy.
9.6 Waste composition and recycling participation analysis	2022/23	SWP last undertook a thorough waste composition and recycling participation analysis in 2018. Waste composition analysis helps us understand what Somerset residents are throwing away that could be reused or recycled, and recycling participation analysis helps understand more about people's recycling behaviours and hence what we can do to improve that. It makes most sense to do a full survey once Recycle More has been fully implemented.
9.7 Business Continuity Planning	Ongoing	Ensuring that robust Business Continuity Plans are in place and regularly reviewed, and that the lessons are learnt from the Business Continuity incident in Summer 2021 caused by the national Driver shortage
9.8 Transition to a unitary authority	2022/23	Governance, finance, customer contact and many other aspects of what SWP does will change as we transition to a Unitary Authority. Additionally, there are opportunities to explore potential synergies with other services.
How will we measure success?	<ul style="list-style-type: none"> SWP reports quarterly to the board on key projects 	

SWP Budget 2022 - 23

A draft Annual Budget for the forthcoming year will be brought to the December meeting of the Somerset Waste Board, with the final budget due in February 2022. A summary of the budget is included here in the Business Plan for information.

Recycle More Implementation

The roll-out of the new Recycle More collection service is scheduled to be completed in February 2022. No savings as a result of the new contract will be taken from the Somerset Waste Partnership by any partner until all roll-out costs have been fully funded – ensuring that all partners benefit equitably. Savings are expected to be seen from Recycle More in 2022/23 once roll-out costs have been fully funded. These are reflected in each partner's MTFP. The overall annual savings are anticipated to be over £2m per annum.

The revenue costs associated with roll-out will be funded from a Recycle More Project Fund. This will cover the costs of recycling advisors (supporting people with the transition), communications and marketing and in-year transition costs (the additional costs of the current service model as opposed to Recycle More, based on forecast tonnage and material values. This also includes an allowance for risk (such as the risk that capital borrowing rates change before funds are actually drawn down). An equalisation reserve will be established after the roll-out period in order to smooth out potential fluctuations in recyclate revenue, built up from 20% of forecast annual recyclate revenue.

Financial risks

Key financial risks are:

- 1) Covid-19 has had an unprecedented impact on services, and it has not gone away. Additional safety measures are still in place and at the time of writing there were still no confirmed cases of workplace transfer for SWP and its contractors, which is something we can be proud of. Covid-19 is leading to changed consumer behaviour and is not clear if and when we will return to 'normal'. SWP have provided funding for the direct impacts of Covid, and commercial and legal discussions are ongoing with our collection contractor about the ongoing impact.
- 2) The national driver shortage had a severe impact on services in the summer of 2021, and whilst the immediate issues for SWP were addressed, the underlying national issue has not gone away. Commercial and legal discussions are ongoing with our collection contractor about the ongoing impact.
- 3) National legislative change (extended producer responsibility, deposit return scheme, collection consistency) is expected to be clarified in Spring 2022. This is likely to have major operational and financial implications for SWP and every other waste authority.

Draft Budget 2022-23

		SCC	MDC	SDC	SSDC	SWaT
21/22 Base Budget		31,443,997	3,208,321	3,236,920	4,803,484	4,352,935
Correct Base Indexation		0	34,928	35,790	52,292	48,200
Inflation - Collection	6.11%	0	257,539	263,748	385,355	355,208
Inflation - Disposal	1.41%	(383,217)	0	0	0	0
Landfill Tax	2.95%	34,900	0	0	0	0
Household Growth	0.93%	0	29,006	39,401	66,809	39,895
Garden Waste	11.9%	0	63,912	73,699	128,091	105,148
Volume Growth	0.79%	185,000	0	0	0	0
Recycling Credits		103,940	(21,912)	(21,743)	(33,454)	(26,840)
Salaries	2.00%	11,440	2,744	2,914	4,084	3,818
Transfer Station & Other		10,520	1,642	(843)	3,041	71
Garden & Bulky Income	12.0%	0	(65,909)	(73,535)	(131,839)	(103,257)
Financing - PV & E-RCV		0	8,227	8,241	12,295	11,237
Covid-19 Costs		0	125,867	126,086	188,119	171,927
Proposed Savings		(715,300)	(123,799)	(123,961)	(169,573)	(157,667)
22/23 Draft Budget		30,691,280	3,520,566	3,566,716	5,308,703	4,800,676
Increase / (Decrease)		(752,717)	312,245	329,797	505,219	447,740
Percentage		-2.4%	9.7%	10.2%	10.5%	10.3%

Somerset West and Taunton Council

Executive – 19 January 2022

Litter Strategy

This matter is the responsibility of Executive Councillor Sully – Portfolio Holder for Environmental Services

Report Author: Vicky Lowman - Specialist (Parking and Enforcement)

1 Executive Summary / Purpose of the Report

- 1.1 Local Authorities have duties and responsibilities to manage municipal waste arising in their area. Municipal waste in this context is an umbrella term used to describe waste collected by, or on behalf of, Somerset West and Taunton. This mostly comprises of waste and recycling arising from households (household waste) but also includes other waste streams such as fly-tipped waste, waste from litter and dog bins and street sweepings. The management of litter collected from the adopted highway and the Councils Parks and Open Spaces are the primary focus of the proposed Litter Strategy.
- 1.2 For Somerset West and Taunton reducing litter and the impact of litter is one of the largest areas of concern for residents, businesses and visitors living, working, and visiting the district.
- 1.3 Somerset West and Taunton Council (SWT) propose to take a zero-tolerance approach to littering. Litter management within SWT is robust and effective but has not previously been supported by a strategic framework. The 2022 Litter Strategy is intended to align our approach with the national picture and recent Waste and Resources Action Programme (WRAP) guidance whilst taking into account the changing needs of our area.

2 Recommendations

- 2.1 Executive approves and adopts the Somerset West and Taunton Litter Strategy with immediate effect. Appendix A to this report.
- 2.2 Executive authorises the Assistant Director for Commercial Services to carry out all actions necessary to implement the adopted strategy in consultation with the Cabinet Member for Environmental Services.

3 Risk Assessment (if appropriate)

- 3.1 Failure to adopt the new draft litter strategy may impact on the Council's approach to litter management and the cleanness of the district.

4 Background and Full details of the Report

- 4.1 Dealing with litter places a significant burden on the district council, with an annual cost to the local taxpayer which would be better spent improving other local services. Living in a littered environment makes people feel less safe in their communities, and less likely to venture out, which in turn, affects mental and physical health. It is in all our interests to tackle this problem, to make littering socially unacceptable, to make it easy for people to do the right thing and remove any possible excuse for anti-social behaviour.
- 4.2 Somerset West and Taunton is a Principal Litter Authority and has a duty to keep relevant land in the open air, to which the public have access, clear of litter and debris (as per the Environmental Protection Act 1990). Supplying Street Cleansing services through its partner iDverde currently costs the authority circa £1,058,201 per annum. This includes the clearance of litter.
- 4.3 The clearance of litter is an avoidable cost but to reduce this requires significant culture change alongside well designed and planned infrastructure and services to meet current and future needs. Changing culture is challenging and requires ongoing investment in education, engagement and, occasionally, enforcement. Given that much of our infrastructure is old and designed and planned for a different time, updating this to meet current and predicted need in the current economic environment will be a challenge and new and innovative ways to deal with this will be necessary.
- 4.4 Littering, and associated environmental offences blight our communities and impose avoidable costs on the public purse, drawing money away from priorities such as social care and education. Education and awareness measures will help to embed a culture which views littering as an undesirable act which creates an avoidable problem. However, to change behaviour effectively we also need to back up this social message with appropriate and proportionate enforcement.
- 4.5 Our draft strategy is written in accordance with the Government Litter Strategy for England, published in 2017 (HM Government Litter Strategy for England April 2017)
- 4.6 The draft litter strategy supports guidance issued by WRAP “Bininfrastructure – “The right bin in the right place.” We intend to apply best practice in education, enforcement, and infrastructure to deliver a substantial reduction in litter and littering behaviour. Good infrastructure and clear expectations, supported by proportionate enforcement, helps reinforce social pressure to do the right thing.
- 4.7 A street litter and dog bin review has been completed as part of the strategy, mapping out the location, type, and collection schedules of all the street litter and dog bins across the district. From the review, the replacement of existing bins with 130 large recycling bins were required across the district, these bins have been purchased and the areas identified will be monitored 4 weeks prior and after the installation, in line with the WRAP guidance.
- 4.8 Once adopted, the SWT Litter Strategy will be reviewed periodically to ensure:

- It is in step with the changes to the environment which may increase levels and types of litter;
- Changes to relevant legislation are brought into the strategy;
- Enforcement action is reviewed to assess effectiveness of implementation together with new technology and innovation;
- We involve and empower the community to take ownership of their litter (and related behaviour).

4.9 The strategy aims to:

Make it easy to dispose of litter, provide the appropriate facilities in the right places, and collect litter in a timely fashion

Change the behaviour of people who feel it is acceptable to drop litter by sending clear messages.

- **Objective 1**

To have in place a litter prevention programme with effective procedures to ensure that litter problems do not build up and to achieve consistently acceptable levels of cleanliness as given in the Code of Practice on Litter and Refuse.

- **Objective 2**

Promote the use of Community Protection Notices to deal with businesses or individuals whose behaviour is having a detrimental effect on the quality of life of those in the locality.

- **Objective 3**

To be proactive in addressing the causes of littering and undertake consultations with businesses and the public on how and why they litter to ensure we are responding appropriately.

- **Objective 4**

As a district in a beautiful location with Taunton as a Garden Town, we will create a public realm which looks cared for, with well-maintained street furniture, clear informative anti-litter signage, landscaping features in good condition, and bins where they are needed, properly oriented, clean, and easily accessible to all users.

- **Objective 5**

To promote the understanding of cleansing schedules for emptying bins and the use of our customer systems to address extra collections that are necessary or fewer collections needed.

- **Objective 6**

To build a strong sense of community where people care about the locations they regularly use or visit: engaged citizens who feel empowered to share their ideas and get involved in positive processes to address litter problems.

- **Objective 7**

To have a set of enforcement and reward responses as part of the litter prevention programme which makes it clear that littering is a criminal offence.

- **Objective 8**

To have a plan for evaluating whether and how enforcement or rewards have worked.

4.10 Somerset West and Taunton are exploring the option of external litter enforcement scheme operated on behalf of Somerset West and Taunton Council by East Hampshire District Council (EHDC). This includes EHDC's enforcement of littering within Somerset and West and Taunton under a deed of delegation, but separate administration of the scheme for the district to include service of Fixed Penalty Notices (FPNs), recovery of charges, management of bad debtors, and management of court hearings associated with non-payment. This is covered in a separate report in more detail.

4.11 Somerset West and Taunton Council would like to create a culture where it is unacceptable to drop litter. This means generating strong and lasting social reassurance against littering, making it socially unacceptable to drop litter. This requires education: from national or district-wide campaigns to constant reminders through messages and logos in all kinds of places. The messages may vary, aimed at raising public awareness or targeted at specific groups of people: children, young adults, drivers, consumers of food etc.

5 Links to Corporate Strategy

5.1 Within the Environment and Economy framework the Council aim is to provide and maintain green open spaces and parks, enhanced public spaces, as well as additional opportunities to safely walk or cycle in order to encourage active and healthy lifestyles, delivering an enforcement service for littering will assist with upholding this priority.

5.2 Our Council's corporate priorities is to protect and enhance the environment of the area.

'Improve recycling rates and reduce the amount of waste material that is not recycled through working with other Councils in the Somerset Waste Partnership'

'Provide and maintain green open spaces and parks, enhanced public spaces, as well as additional opportunities to safely walk or cycle in order to encourage active and healthy lifestyles'

6 Finance / Resource Implications

6.1 There are no financial implications as a result of this report.

7 Legal Implications

7.1 Somerset West and Taunton is a Principal Litter Authority and has a duty to comply with its legal duties as set out in the Environmental Protection Act 1990.

7.2 Litter is controlled under the legislative framework of the Environmental Protection Act 1990, which was amended by the Clean Neighbourhoods and Environment Act 2005. It is an offence to drop or leave litter and not pick it up. It applies to all land that is open to the air, including land covered with water and privately owned land. A person found guilty of dropping litter can be fined up to £2500 in a magistrate's court. Most offences can be dealt with through serving a Fixed Penalty Notice on the perpetrator by an authorised body such as a local authority or police force.

8 Climate and Sustainability Implications (if any – delete if not applicable)

8.1 Litter in the streets and parks can clog stormwater drains which result in flooding after heavy rain. Litter and debris are thrown, blown, or washed into rivers, canals and the sea, where it finds its way into the food chain. Litter, in particular plastic, is harming our aquatic ecosystems and blights coastal communities and tourism. Litter is consumed by aquatic animals, damaging their health or they become entangled in it. Litter can smother habitats, resulting in pieces declining or disappearing.

8.2 An increase in recycling from the utilisation of recycling bins will reduce the carbon impact.

9 Equality and Diversity Implications (if any – delete if not applicable)

9.1 It is considered that there are no equality issues raised within the Litter Strategy.

10 Scrutiny Recommendation(s)/Comments

- Scrutiny voted to support the Litter Strategy
- As part of the action plan, bins to be numbered and have QR code to enable them to be identified for reporting purposes.

Democratic Path:

- **Scrutiny / Audit and Governance Committee – Yes – 6 January 2022**
- **Executive – Yes - 10 January 2022**
- **Full Council – Yes 8 February 2022**

Reporting Frequency: Once only

List of Appendices (background papers to the report)

Appendix A	Draft Litter Strategy
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Draft Litter Strategy for Somerset West and Taunton

Our Vision and Aims

Good infrastructure and clear social expectations, supported by proportionate enforcement, will help reinforce social pressure on everyone to do the right thing. The environment in which people live has a profound impact on their quality of life. In surveys the public have consistently identified local environmental factors as being one of the most important factors in their wellbeing. When our towns, villages and countryside are blighted by litter, our ability to enjoy our local environment is reduced and so too is our wellbeing.

We need to reduce the amount of litter that ends up in our countryside, rivers and seas: it is important that we all play our part in stopping people dropping litter in the first place.

Our Council's corporate priorities is to protect and enhance the environment of the area.

'Improve recycling rates and reduce the amount of waste material that is not recycled through working with other Councils in the Somerset Waste Partnership'

'Provide and maintain green open spaces and parks, enhanced public spaces, as well as additional opportunities to safely walk or cycle in order to encourage active and healthy lifestyles'

Our strategy is written in accordance with the Government Litter Strategy for England, published in 2017 [HM Government Litter Strategy for England April 2017](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/624227/hm-government-litter-strategy-for-england-april-2017.pdf) ([publishing.service.gov.uk](https://www.publishing.service.gov.uk))

Our litter strategy supports guidance issued by WRAP "Binrastructure – The right bin in the right place". We intend to apply best practice in education, enforcement, and infrastructure to deliver a substantial reduction in litter and littering behaviour. Good infrastructure and clear expectations, supported by proportionate enforcement, helps reinforce social pressure to do the right thing. Our strategy therefore addresses cleaning as well as focusing on influencing behaviour.

We know that people are more likely to drop litter if the environment is already littered: a clean environment helps to send a signal that dropping litter is not the socially acceptable in that area. Successive studies have found that 'litter breeds litter', and more recent research has even shown that the presence of larger, brighter pieces of litter, such as drinks, takeaway containers and plastic bags may be associated with the dropping of more litter than the presence of the same number of less-obvious items such as transport tickets, cellophane wrapping, foil wrapping, tissues or drinks-bottle caps

We know that people behave differently in different environments, with different groups of people, at different stages of their lives, and with different types of litter. In any given situation, varying combinations of all three approaches will be needed to create the change in behaviour that we want to see.

Dealing with litter places a significant burden on the District Council, with an annual cost to the local tax-payer which would be better spent improving other local services. Living in a

littered environment makes people feel less safe in their communities, and less likely to venture out which in turn affects mental and physical health. It is in all our interests to tackle this problem, to make littering socially unacceptable, to make it easy for people to do the right thing, and remove any possible excuse for anti-social behaviour.

An environment that looks cared for encourages a sense of civic pride and also encourages local investment.

The strategy aims to:

- **make it easy to dispose of litter**, provide the appropriate facilities in the right places, and collect litter in a timely fashion
- **change the behaviour** of people who feel it is acceptable to drop litter by sending clear messages

Behaviour and Culture

We want to create a culture where it is totally unacceptable to drop litter. This means generating strong and lasting social pressure against littering, making it socially unacceptable to drop litter.

This requires education: from national or District-wide campaigns to constant reminders through messages and logos in all kinds of places. The messages may vary, aimed at raising public awareness or targeted at specific groups of people: children, young adults, drivers, consumers of food etc.

Objective 1

To have in place a litter prevention programme with effective procedures to ensure that litter problems do not build up and to achieve consistently acceptable levels of cleanliness as given in the Code of Practice on Litter and Refuse (ref Appendix).

We will:

- Allocate areas to zones for monitoring and management
- Provide an easy system for the public to report instances of littering

Objective 2

Promote the use of Community Protection Notices to deal with businesses or individuals whose behaviour is having a detrimental effect on the quality of life of those in the locality.

The Anti-Social Behaviour, Crime and Policing Act 2014 provided local agencies with flexible powers to tackle a range of anti-social and nuisance behaviours, including Community Protection Notices. These replaced a number of previous measures such as Litter Clearing Notices and Street Litter Control Notices.

The Community Protection Notice (CPN) is intended to deal with particular, ongoing problems or nuisances which negatively affect the community's quality of life by targeting those responsible. CPNs can include requirements to do, or not do, specified things, or to take reasonable steps to achieve specified results. They may therefore be used to tackle

litter problems associated with particular premises (including businesses) by requiring them to clear up litter around their premises and/or provide and maintain suitable bins.

To establish partnership working with organisations, communities, schools, and businesses, to promote positive social norms and communicate expectations for doing the right thing in public places.

We will:

- work with partners to run anti-litter campaigns.
 - *As part of the Plastic-Free Somerset West and Taunton Consortium we are already well-placed to engage in creative campaigns.*
- help people to clear up litter in their local areas.
 - *We regularly work with litter-picking volunteers and help with equipment. Initiatives include setting up community litter groups with their own twitter accounts and WhatsApp groups to keep an eye on their local patch.*
- Support Somerset Waste Partnership in their relationship with input to schools and other organisations in teaching about litter.
 - *Many schools already have recycling and promote how waste can be minimised.*
- encourage businesses to work with others to deal with local litter problems
 - *It is in the interests of businesses in a tourism area to keep places free of litter; this applies especially with takeaway outlets. We will consider what powers we have to ensure that businesses take more responsibility for resulting litter and will campaign for greater powers if needed.*

Objective 3

To be proactive in addressing the causes of littering and undertake consultations with businesses and the public on how and why they litter to ensure we are responding appropriately.

We will:

- examine the causes of littering
 - This will help us deal with littering problems at source
- look for new ways to encourage more recycling and reducing litter.
 - From large scale media campaigns to the use of small-scale messages and logos in all kinds of places we will communicate visually and verbally.
- include dog-fouling in our definition of litter and promote ways of dealing with it.
 - Dog waste can be bagged and deposited in dog bins or in litter bins

Making It Easy to Dispose of Litter

Somerset West and Taunton Council's priorities include improving and promoting our natural environment. Litter and fly-tipping can deter visitors from spending time in an area and businesses may also be put off moving to areas affected by litter.

Objective 4

As a district in a beautiful location with Taunton as a Garden Town, we will create a public realm which looks cared for, with well-maintained street furniture, clear informative anti-litter signage, landscaping features in good condition, and bins where they are needed, properly oriented, clean, and easily accessible to all users.

Objective 5

To promote the understanding of cleansing schedules for emptying bins and the use of our customer systems to address extra collections that are necessary or fewer collections needed.

Our customer portal will allow identification of bins with What3Words and will have:

- have a baseline description of our public place infrastructure, bins and litter
- make it as easy as possible for people to dispose of their rubbish properly
 - Around a third of people will be deterred from using a litter bin if it is dirty or damaged. Moreover, if a bin is overfull, people cannot use it, and litter from the bin can start to fall and litter the streets. People may also be tempted to place their litter beside, rather than into, a bin which is full, dirty or damaged.
 - The recent pandemic has also made some of the public wary about coming into contact with public litter bins.
 - Waste management can have a significant impact on litter and fly tipping. If waste is left out for collection for long periods of time, especially in plastic sacks rather than bins, it can inadvertently lead to an increase in litter, e.g., sacks may be broken into by animals; people may start to leave their litter amongst the waste awaiting collection; a perception that the street is already affected by litter and waste may lead to an increase in littering behaviour.
- make sure the code of practice for litter and refuse collection is clear and up to date
 - The emptying of litter and recycling bins must be sufficiently frequent to ensure that no litter bin or its contents becomes a nuisance or gives reasonable grounds for complaint.
- facilitate recycling on the go
 - We want to support people being able to recycle more and to encourage people to recycle 'on the go'. Standard litter bins often do not provide people with the opportunity to separate different types of waste materials for recycling, something which is already done as part of the kerbside recycling service. There are many things to take into account when considering the options for a Recycle on the Go (RotG) solution:
 - locating units in areas of highest footfall, where most waste is likely to occur - people are often not prepared to walk far to recycle.
 - using high-profile areas within our areas, including major parks and neighbourhood shopping centres.
 - the types of litter commonly dropped will vary depending on the area involved and so receptacles will be tailored to the needs of the location

Objective 6

To build a strong sense of community where people care about the locations they regularly use or visit: engaged citizens who feel empowered to share their ideas and get involved in positive processes to address litter problems.

We will:

- work with organisations to make sure they have the right facilities to get rid of litter.
 - *Businesses have a key role to play in helping to tackle the problem and we want to work with them to do so. We would encourage businesses to recognise the benefits to their own business, and to the economic health of the area, of helping to ensure that the streets remain clean and attractive to customers, and the potential negative impact on their business of litter outside their premises.*
 - *Studies have found that about half of smokers would not walk more than 10 paces to use a bin, but also that many smokers did not notice bins that had been placed in convenient locations for their use*
- work with communities to decide where bins should be placed, what types to use and how many are needed.
 - *Research into littering behaviours has consistently found that many litterers around one in four people, including a particularly large segment of young adults and one in six chewing gum litterers blame their behaviour on a (perceived or real) lack of bins. Observational research has also confirmed that littering rates increase the further people are from a bin.*
 - *We will consider all relevant guidance when taking decisions on the type and position of litter bins*
 - *Bin technology now makes it possible to install bins that sense when they are full or nearly full It is important to balance the number and types of bins provided with the costs of maintenance. Different styles of bin may be more appropriate to target the different types and quantities of litter that occur in different locations.*
 - *We will identify different types of bins to use with a view to influencing behaviour.*
- support and encourage people sharing their experience of what works to reduce littering
 - *We understand that community priorities and expectations vary, and that different communities face different challenges in developing their own solutions to local litter problems. A range of different tools and approaches will be needed in order to tap into their enthusiasm and energy, and help willing volunteers access opportunities to get involved.*

Improving Enforcement

Littering, and associated environmental offences like dog fouling, blight our communities and impose avoidable costs on the public purse, drawing money away from priorities such as social care and education. Education and awareness measures will help to embed a culture which views littering as an undesirable act which creates an avoidable problem. However, in order to change behaviour effectively we also need to back up this social message with appropriate and proportionate enforcement.

Objective 7

To have a set of enforcement and reward responses as part of the litter prevention programme which makes it clear that littering is a criminal offence.

We will:

- take enforcement action (issue of a fine or prosecution) when we have evidence against the offender to a criminal standard of proof (“beyond reasonable doubt”).
- issue fixed penalties for small scale fly tipping offences
 - *There may be a fine line between littering and small-scale fly-tipping, although fly-tipping is often associated with a desire to avoid the legitimate costs of waste-disposal. The deposit of a single black plastic sack of rubbish should usually be considered a fly-tipping offence, rather than littering.*
 - *A fixed penalty notice will not be an appropriate sanction for operators in the waste management industry, repeat offenders or those responsible for large-scale fly-tipping or the fly-tipping of hazardous waste. We will continue to use existing prosecution powers, which may lead to unlimited fines or imprisonment.*
- promote transparency and accurate reporting of enforcement action against littering, so that offenders know they will be punished if they are caught.
 - *Research has found that “people who have seen or heard about fixed penalty notices being issued via local media are significantly more likely to think they are effective” and that “attitudes to enforcement are greatly shaped by the degree to which an individual sees them as a threat – and many do not think it is likely they will be fined for environmental offences”*
 - *public awareness of responsible enforcement activity and the seriousness with which these offences are viewed may also help to reinforce the social norm against littering and other environmental ‘incivilities.*
- acknowledge people who are doing the right thing
- continue working with stakeholders to tackle fly-tipping

Objective 8

To have a plan for evaluating whether and how enforcement or rewards have worked.

We will:

- record the number and types of intervention or sanction that are applied
- periodically review the effects of the actions taken on the public realm

Focus on what works

We spend thousands of pounds per year on tackling litter, and we need to choose the most cost-effective combination of approaches to tackle the particular litter problems facing our communities. That means that we need to make continuous improvements in our understanding of 'what works'. We need to try out and evaluate new ways of doing things, and we also need to test and refine existing approaches. Even where we do know for sure that certain approaches do work in a particular context, we still need to consider whether they are cost effective or practical for widespread or long-term implementation.

Interventions based on the theory that people behave better when they think they are being watched have been successful in encouraging socially desirable behaviours in other contexts, such as encouraging people to pay into an honesty box and preventing bicycle theft. Keep Britain Tidy combined this insight with their own research which showed that dog fouling offences tended to take place at night time or in areas that are not overlooked, such as alleyways. Incidents also tend to increase in the winter under the cover of darkness. They designed posters with glowing the dark images of eyes combined with different messages encouraging people to clean up after their dog, or report fouling to the council. The posters were tested in dog fouling 'hotspots' in 120 target sites and dog fouling incidents were monitored in the surrounding areas. All versions of the posters were found to be effective and delivered an average reduction of 46% in fouling.

Nudge type interventions are often small changes that are relatively cheap to implement, compared to traditional behaviour change tools like largescale campaigns or enforcement. For example, there is no difference in cost between using positive social norm messages (e.g. "be part of a clean community") rather than negative instructions (e.g. "don't drop litter"), yet nudge theory suggests that positive messages should be more effective.

We will be imaginative in our approach and will be confident about trying different ideas, learning from others as we develop our action plans.

Appendix

Litter and the Law

Litter is controlled under the legislative framework of the Environmental Protection Act 1990, which was amended by the Clean Neighbourhoods and Environment Act 2005.

A Code of Practice on Litter and Refuse, most recently updated by Defra in 2019, “seeks to encourage duty bodies to maintain their land within acceptable cleanliness standards”. Duty bodies are: principal litter authorities; appropriate Crown authorities; designated statutory undertakers; governing bodies of educational institutions; local authorities in respect of any relevant highway for which they are responsible; Secretary of State in respect of motorways and certain other highways.

It is an offence to drop or leave litter and not pick it up. It applies to all land that is open to the air, including land covered with water and privately owned land. A person found guilty of dropping litter can be fined up to £2500 in a magistrate’s court. Most offences can be dealt with through serving a Fixed Penalty Notice on the perpetrator by an authorised body such as a local authority or police force.

Litter is most commonly understood to be materials, often associated with smoking, chewing gum, or eating and drinking on the move, that are improperly discarded whether deliberately or inadvertently by members of the public, or that are spilt during business operations as well as waste management operations.

Note: Whilst dog-fouling is a separate offence from littering, it is included in this litter strategy because it can be deposited in standard litter bins as well as specific dog bins.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/834331/pb11577b-cop-litter1.pdf

Somerset West and Taunton Council

Executive – 19 January 2022

External Enforcement – Litter

This matter is the responsibility of Executive Councillor Sully – Portfolio Holder for Environmental Services

Report Author: Vicky Lowman - Specialist (Parking and Enforcement)

1.0 Executive Summary/Purpose of the Report

- 1.1 To seek approval from the Executive regarding proposed litter enforcement trial operated on behalf of Somerset West and Taunton Council by East Hampshire District Council.
- 1.2 To delegate authority to the Assistant Director – Commercial Services, to enter a contractual arrangement with East Hampshire District Council for the provision of delegated littering enforcement services for an initial 12-month trial period. The contract must include an inter authority deed of delegation between East Hampshire District Council and Somerset and West and Taunton for the enforcement of Littering but separate administration of the scheme for the district to include service of Fixed Penalty Notices (FPNs), recovery of outstanding payments, management of bad debtors, and management of court hearings associated with non-payment.
- 1.3 To delegate authority to the Assistant Director – Commercial Services to make contractual alterations regarding areas covered, number of patrols per week etc to ensure the service is effective during the contracted period.
- 1.4 Approve the expenditure of £5,900 to set up Somerset West and Taunton on East Hampshire Commercial Services Ltd back-office administration system will be funded from an in-year underspend in Commercial Services.
- 1.5 External Operations to report back to committee 12 months into the scheme to ascertain success, and therefore future direction of the contract.

2.0 Recommendations

It is recommended that Executive:

- 2.1 Agrees that Somerset West and Taunton Council enter into an inter-authority agreement with East Hampshire District Council for a 12-month ethical enforcement trial.
- 2.2 Sets the fixed penalty amount to be issued at £100 with a discounted option of £80 if paid within 14 days of the fixed penalty notice being issued.

- 2.3 Delegates authority to the Assistant Director – Commercial Services and S151 Officer in consultation with the Executive member for Environmental Services to make any changes to the arrangement, covered by this report, with East Hampshire District Council for providing a litter enforcement service.
- 2.4 Approves the expenditure of £5,900 in order to set up Somerset West and Taunton on back-office EH Commercial Services Ltd administration system, to be funded from existing budget in 2021/22.
- 2.5 Approves a one-off provision of £60,000 be included within the proposed 2022/23 budget submitted to Full Council on 24 February 2022. This includes a gross income budget of £141,000 and an expenditure budget of £141,000. The one-off provision has been based on a worse case estimate to underwrite the risk of costs not being fully covered by projected income.
- 3.0 **Risk Assessment (if appropriate)**
- 3.1 Failure to comply with the relevant legalisation and carry out required duties may damage the Council's reputation as well as expose it to potential legal action.
- 3.2 Regular assessment of the hazards and risks created during East Hampshire District Council business and our activities undertaken, enabling Emma Matthews, the Partnership Manager to identify significant hazards and plan for their elimination, reduction, and control, with regular reviews of such assessments. Adequate control of the health and safety risks identified are provided, with regular monitoring undertaken, to ensure the effective control. Where hazards exist, these will be brought to the attention of those parties identified as at risk.
- 3.3 The Somerset West and Taunton area is a new enforcement area to East Hampshire District Council, the data and knowledge of the area is limited, the information provided has been applied from experience from other similar authorities.
- 3.4 Recruitment of new local officers to East Hampshire Commercial Services Ltd means it will take time to develop performance. Experience shows initial performance between 3 and 5 fixed penalty notices issued by an enforcement officer per day.
- 3.5 Fixed Penalty Notice payment rates can vary, experience from other authorities show a range of between 72% to 80%. Revenue figures are calculated upon a 72% payment rate.
- 4.0 **Background and Full details of the Report**
- 4.1 In April 2017 Central Government produced a Litter Strategy for England, encouraging action from local authorities and other organisations to improve the environment: using communication campaigns, targeted enforcement, and a review of infrastructure.
- 4.2 Strategies to engage, educate and reward people to reduce, reuse, recycle and remove litter must be reinforced by effective and ethical enforcement. The Litter Strategy for England states that "in order to change behaviour effectively we also need to back up

this social message with appropriate and proportionate enforcement.”. Keep Britain Tidy have also concluded that “as a country, we need a robust mechanism for enforcement. Littering is illegal and antisocial and if people flout the law they should expect to be punished.

- 4.3 Littering consumes considerable council resources in both terms of officers and budget. The aim, therefore, is to undertake various preventative initiatives to change public behaviour through a combination of awareness, education and enforcement to enable these resources to be diverted to deliver other vital services.
- 4.4 As part of The Great British Spring Clean, Somerset West and Taunton encouraged members of the public to get involved and take pride in their neighbourhoods. Throughout April 2021 and May 2021, a staggering three skips were filled with litter collected from residential streets, highway verges and open spaces across the district. A team of three litter pickers visited around 60 open spaces and estates in Taunton, Wellington, and West Somerset. This is on top of the normal work done by the Council’s street cleansing contractor.
- 4.5 Littering is the first sign of social decay; it damages the environment and negatively impacting on residents’ health, sense of safety and wellbeing, and civic pride. Costing the council circa £1million per annum to clean our streets. The down-stream cost of social decay can be reduced by tackling litter at source.
- 4.6 The issuing of fixed penalty notices is a particularly challenging task. Unlike parking, every fixed penalty notice is issued face-to-face, representing a high stakes environment where levels of verbal abuse are high with the occasional risk of physical violence. Office staff processing fixed penalty notices and taking calls face similar levels of verbal abuse. Officers must be well trained and of the right temperament and robust nature to deliver a non-judgmental, ethical service.
- 4.7 Five options for environmental enforcement have been considered:

Option	Description	Conclusion
A	Do nothing	Deemed to be unacceptable.
B	In-house specialist team	The most expensive option.
C	Multi-task existing staff	Experience in other councils, (Havant, East Hampshire, Hart, Arun, Waverley, Adur and Worthing) is that staff preferring to focus on their primary function rather than issue FPNs. With few FPN’s being issued the strategy therefore proves ineffective
D	Alternative Model of Delivery	Create own Local Authority Trading Company to generate scale through partnerships with other authorities, creating financial viability. Requires commercial skills and would take a minimum of 12 months to set up, full business case and investment needed. Risk in acquiring sufficient partners to reduce cost of service.
E	Partnership	Join existing public partnership to acquire skills and experience while minimise costs. East Hampshire

		District Council is established and delivering to 10 partner authorities, most on cost neutral basis. Recommended option.
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- 4.8 The purpose of the company that will be employed by East Hampshire District Council is to create a cleaner, safer environment for communities through public partnerships and ethical enforcement, returning any surplus to the public purse. Almost all the current partner authorities to East Hampshire District Council make a small surplus from the service. Levels of complaints related to officers' behaviours is low, in four years, not a single complaint has been upheld.
- 4.9 Acquisition of the service is quick and simple. Authority to deliver the service is delegated by the Council to East Hampshire District Council under an inter-authority Deed of Delegation. East Hampshire District Council then employ EH Commercial Services Ltd to deliver the service on behalf of Somerset West and Taunton Council. Somerset West and Taunton Council will work directly with EH Commercial Services Ltd in respect to day-to-day operations in line with the inter-authority agreement terms and in order to secure an efficient operating model.
- 4.10 East Hampshire District Council set up a wholly owned company EH Commercial Services Ltd to deliver the service in 2016. This team now delivers ethical enforcement to 10 partner authorities¹.
- 4.11 The partnership plan aims to balance preventative initiatives that improve awareness, including well-defined and targeted key messages with eye catching publicity material and new infrastructure to targeted enforcement against offenders who litter.
- 4.12 The service provided to Somerset West and Taunton Council will relate to enforcement of littering offences via Fixed Penalty Notices. Two Environmental Enforcement Officers who are employed by EH Commercial Services Ltd with delegated enforcement authorisation will patrol the district 5 days per week on a rota basis.
- 4.13 The service provided by EH Commercial Services Ltd also includes the administration of all tickets, managing representations, the investigation of complaints, body worn camera viewings, the preparation of court packs for the litigation process for the single justice procedure, and attendance and representation at court.
- 4.14 Each enforcement officer will be provided with a body worn camera. The wearing of the cameras will not only protect the safety of the officer it will also provide evidence to support appeals if required. The cameras will protect and provide evidence for the occasions of accidental littering and fixed penalty notices issued to vulnerable adults or individuals under the age of 18 in line with the Equality Impact assessment.
- 4.15 Performance is monitored monthly. The Deed of Delegation is for a 12-month trial period but may be terminated with 3 months' notice. Legally, any surplus made must be spent on littering-based activities such as communications, bins, and litter picks. The agreement

¹ Partner authorities: Adur & Worthing Councils, Arun District Council, Chichester District Council, East Hampshire District Council, Hart District Council, Havant Borough Council, Rushmoor Borough Council, Salisbury City Council, Southampton City Council

will provide that any surplus is returned to Somerset West and Taunton, which can be deployed locally for such relevant services.

5.0 Links to Corporate Strategy

5.1 Priorities within the corporate strategy are our environment and economy, a transparent and customer focused Council, homes and communities, and an enterprising Council. Within the environment and economy framework the Council aim is to provide and maintain green open spaces and parks, enhanced public spaces, as well as additional opportunities to safely walk or cycle in order to encourage active and healthy lifestyles, delivering an enforcement service for littering will assist with upholding this priority.

6.0 Finance / Resource Implications

6.1 The core financial relationship will exist between Somerset West and Taunton Council and East Hampshire District Council who will then pay East Hampshire Commercial Services Ltd for services provided. Somerset West and Taunton Council will receive the income from Fixed Penalty Notices. Somerset West and Taunton will be liable for any deficit incurred by East Hampshire District Council and vice versa will receive any surplus under this arrangement.

6.2 The total estimated costs for East Hampshire District Council to deliver this service for a full 12-month period is £141,000. Depending upon the number of fixed penalty notices issued and the payment rate there is a risk the service could cost between £16k and £60k (rounded) per annum. This risk is managed through monthly performance reviews, the use of a 12-month trial, and 3-month notice period. The Council must be satisfied it can afford to underwrite this risk therefore it is recommended to include a net cost contingency of £60k within the 2022/23 Budget, which is subject to approval by Full Council on 24 February 2022.

6.3 The recommended route to procure would be a transfer of responsibility under a single deed of delegation covering both councils and would therefore not require the cost of a full procurement exercise.

6.4 The expenditure of £5,900 is required to set up Somerset West and Taunton Council on the back-office EH Commercial Services Ltd administration system. This system will enable SWTC to view fixed penalty notices issued and monitor the performance of the EH Commercial Services Ltd enforcement officers.

6.5 The aim is for revenue from fixed penalty notices to balance out the expenditure and provide East Hampshire District Council and therefore Somerset West and Taunton a cost neutral service. Experience in similar authority areas provides a prudent planning figure of between 3 to 5 fixed penalties per Environmental Enforcement Officer daily for new officers. As Environmental Enforcement Officers gain experience this may increase to 5 to 7 fixed penalties per Environmental Enforcement Officer daily. It is projected that the service will break even with an average 6 FPNs per officer per day based upon a fixed penalty notice value of £100 and allowing for a majority being reduced to £80 for early payment within 14 days of the issue date. The below table sets out the potential annual revenue and the net service costs which include a £25 admin charge for 4+ fixed

penalty notices based on the fixed penalty notices issued. This income will be used to offset any service costs that are incurred from EH Commercial Services Ltd.

FPN's Issued Per Officer Per Day	Projected Annual Income from FPNs based on a 72% payment rate	Net Service Surplus/cost
0	(£0.00)	£141,000
1	(£27,356)	£113,744
2	(£54,712)	£86,388
3	(£82,069)	£59,031
4	(£109,425)	£31,675
5	(£136,781)	£15,819
6	(£164,137)	(£37)
7	(£191,493)	(£15,893)
8	(£218,850)	(£31,750)
9	(£246,206)	(£47,606)
10	(£273,562)	(£63,462)

6.6 The gross annual expenditure of the model could cost £141,000; however, it is anticipated the majority if not all costs will be offset by income collected. As set out in para 6.2 above it is anticipated a net deficit is unlikely to exceed £60k. Somerset West and Taunton has the facility to limit financial losses at each of the monthly review points where the deed may be terminated giving the 3-month notice period. The operational costs include:

- Environmental Enforcement Officer patrol staff
- Travel
- Processing of fixed penalty notices
- Customer call centre
- Management of representations and complaints
- Preparation of court packs
- Management of Environmental Enforcement Officer and performance
- IT and data management
- Administration including legal notices and reminder letters
- Training and compliance

6.7 An additional charge of £25 per FPN would be made by EH Commercial Services Ltd if the Environmental Enforcement Officers issue on average 4+ fixed penalty notices daily this has been included in the costings above. This is to cover the additional administration and service delivery costs set out below:

- Processing of fixed penalty notices
- Customer call centre
- Management of representations & complaints
- Preparation of court packs
- Management

6.8 The proposal is for a 12-month trial, which provides an opportunity to build experience of the financial model as well as operational delivery. The proposed contingency budget

is for one year only in 2022/23 reflecting the trial period. It is assumed for budget purposes that any extension of the trial or service beyond the trial will either be under a proven cost neutral basis or need a further budget allocation in 2023/24 and be subject to the future Somerset unitary Council's budget and service prioritisation process.

7.0 Legal Implications

- 7.1 Under the litter enforcement trial, the following enforcement functions will be delegated to EH Commercial Services the offence for a person to drop, throw, leave or deposit litter in a public place (s87 & s88 of the Environmental Protection Act 1990)
- 7.2 Authority to deliver the service will be delegated by Somerset West and Taunton to East Hampshire District Council under an inter-authority Deed of Delegation. The Deed is for a 12-month trial and has a 3-month exit clause for both parties.
- 7.3 The deed of delegation is applied under the terms of Section 101 of the Local Government Act 1972 and section 9AE Local Government act 2000 together with regulation 5 of the Local Authorities (Arrangements for the Discharge of Functions) Regulations 2012. These respective Acts and Regulations allow a Local Authority to arrange for the discharge of certain functions to another Local Authority. An Inter Authority Deed of Delegation between Somerset and West Taunton and East Hampshire District Council will be drawn up and signed by both parties.
- 7.4 Littering is a criminal offence with a summary conviction and Level 4 offence fine, currently a maximum of £2,500. Alternatively, as a 'principle littering authority' under the Environmental Enforcement Act 1990 the council may offer offenders and opportunity to discharge their legal liability via a Fixed Penalty Notices. Legislation allows the council to set the level of the fixed penalty notices between £65 and £150, the default is £100.

8.0 Climate and Sustainability Implications

- 8.1 Litter in the streets and parks can clog stormwater drains which result in flooding after heavy rain. Litter and debris are thrown, blown, or washed into rivers, canals and the sea, where it finds its way into the food chain. Litter, in particular plastic, is harming our aquatic ecosystems and blights coastal communities and tourism. Litter is consumed by aquatic animals, damaging their health or they become entangled in it. Litter can smother habitats, resulting in pieces declining or disappearing.²
- 8.2 Somerset West and Taunton is a Principal Litter Authority and has a duty to keep relevant land in the open air, to which the public have access, clear of litter and debris (as per the Environmental Protection Act 1990). We are committed to protecting and improving the natural environment in order to safeguard the enormous range of valuable benefits it provides to us all, from clean air and water through to our diverse wildlife, beautiful landscapes, and urban green spaces.

9.0 Safeguarding and/or Community Safety Implications

² Link to Ecological Emergency <https://www.somersetwestandtaunton.gov.uk/news/swt-declares-ecological-emergency/>

9.1 Body worn videos are used by officers to protect the public and the officers. Fixed penalty notices will not be issued to vulnerable adults or individuals under the age of 18. Offenders may make a representation with regard to a fixed penalty notice and where suitable evidence is provided, the fixed penalty notices will be cancelled. Enforcement Officers may attend the Council's safeguarding training.

10.0 **Equality and Diversity Implications**

10.1 An EIA (Equality Impact Assessment) has been completed as part of this report appendix A.

10.2 East Hampshire Commercial Services are a wholly owned Local Authority Trading Company and therefore comply with the Public Sector Equality Duty and Equality Act.

11.0 **Social Value Implications**

11.1 Social value sits at the core of this service. Littering is the first sign of social decay, it damages the environment and negatively impacts on residents' health, sense of safety and wellbeing, and civic pride. By tackling litter at source this service aims to reduce down-stream costs, financial, social, and environmental.

12.0 **Partnership Implications**

12.1 Authority to deliver the service is delegated by the Council to East Hampshire District Council under a Deed of Delegation. East Hampshire District Council then employ EH Commercial Services Ltd to deliver the service on behalf of Somerset West and Taunton Council. Somerset West and Taunton Council will work directly with EH Commercial Services Ltd in respect to day-to-day operations.

13.0 **Health and Wellbeing Implications**

There are no health and wellbeing implications for the Council.

14.0 **Asset Management Implications**

There are no asset management implications for the Council.

15.0 **Data Protection Implications**

15.1 Data protection is covered in detail within the Deed of Delegation. Both Parties agree that they will duly observe and co-operate with each other to ensure the observance of all their obligations under Data Protection legislation which arise in connection with the Deed of Delegation. Both Parties for the purpose of the Deed of Delegation are data controllers and data processors.

16.0 **Consultation Implications (if any)**

There are no consultation implications for the Council.

17.0 **Scrutiny Recommendation(s)/Comments**

- Scrutiny voted to support the 1 year trial
- Safeguarding training should be mandatory for officers
- Councillors to be given a plan of the areas which will be subject to enforcement.

Democratic Path:

- **Informal executive – 7 December 2021**
- **Community Scrutiny Committee – Yes – 6 January 2022**
- **Executive – Yes – 19 January 2022**

Reporting Frequency: Once only

List of Appendices (background papers to the report)

Appendix A	EIA Assessment
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Contact Officers

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Name	Vicky Lowman
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Somerset Equality Impact Assessment

The [EIA guidance notes](#) will help you complete this assessment.

If you need help or advice please contact Paul Harding. P.harding@somersetwestandtaunton.gov.uk

Organisation prepared for	Somerset West and Taunton Council		
Version	V1	Date Completed	November 2021
Description of what proposed change or policy is being impact assessed			
External Litter Environment			
Evidence			
What data/information have you used to assess how this policy/service might impact on protected groups? Sources such as the Office of National Statistics , Somerset Intelligence Partnership , Somerset's Joint Strategic Needs Analysis (JSNA) , Staff and/ or area profiles ,, should be detailed here			
<p>The impact of the External enforcement if agreed would place certain requirements and prohibitions on the public when enforcing within the Somerset West and Taunton boundary. Enforcement is to be based on firmness and fairness. Where enforcement is necessary, it will be undertaken without fear or favour and without discriminating based on race, ethnic background, religion, social status, colour, sex or sexual orientation of any persons involved.</p>			
Who have you consulted with to assess possible impact on protected groups? If you have not consulted other people, please explain why?			
<p>East Hampshire Commercial Services are a wholly owned Local Authority Trading Company and therefore comply with the Public Sector Equality Duty and Equality Act.</p>			

Analysis of impact on protected groups				
<p>The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.</p>				
Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	<ul style="list-style-type: none"> FPN's will directly affect people who are caught littering, FPNs' will not be issued to individuals under the age of 18. Our services are based on guidance, legislation and written policy and are provided to all regardless of a person's age. 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability	<ul style="list-style-type: none"> When communicating on enforcement issues there is the potential that a person has not understood what is expected of them or the consequences of not complying with what has been required, as a result of their disability. It is important to make sure that people have understood what is required of them, the consequences of not taking action and that assistance can be provided where appropriate. 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender reassignment	<ul style="list-style-type: none"> There are not considered to be any adverse impact regarding gender reassignment. The issuing of FPN's is based on guidance, legislation and written policy and can be issued to all regardless of gender. 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Marriage and civil partnership	<ul style="list-style-type: none"> The issuing of FPN's is based on guidance, legislation and written policy and are provided to all regardless of a Marriage and civil partnership circumstances. 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Pregnancy and maternity	<ul style="list-style-type: none"> The issuing of FPN's is based on guidance, legislation and written policy and are provided to all regardless of a person's pregnancy and maternity circumstances 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Race and ethnicity	<ul style="list-style-type: none"> The policy has no impact with regards to race. Our services are based on guidance, legislation and written policy and are provided to all regardless of a person's race. 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or belief	<ul style="list-style-type: none"> EHCS show respect and flexibility for religious beliefs and festivals and try and be aware of cultural differences. 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sex	<ul style="list-style-type: none"> The issuing of FPN's is based on guidance, legislation and written policy and are provided to all regardless of a person's Sex 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual orientation	<ul style="list-style-type: none"> Training and development of the team to be aware of sensitivities in this area can help ensure all residents who have concerns with enforcement standards can report any issues to EHCS. 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.	<ul style="list-style-type: none"> The issuing of FPN's is based on guidance, legislation and written policy and are provided to all regardless of a person's other circumstances. 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Negative outcomes action plan

Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>

If negative impacts remain, please provide an explanation below.

--

Completed by:

Vicky Lowman

Date

09/10/2021

Signed off by:

--

Date	
Equality Lead/Manager sign off date:	
To be reviewed by: (officer name)	
Review date:	

Report Number: SWT 7/22

Somerset West and Taunton Council

Executive – 19 January 2022

Proposal to increase the maximum hackney carriage fares

This matter is the responsibility of Executive Councillor Andrew Sully

Report Author: John Rendell, Licensing Manager

1 Purpose of the Report

- 1.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 gives the Council the power to fix the fares that hackney carriage vehicles (more commonly referred to as taxis) may charge for distance and time within the district.
- 1.2 Objections have been received from members of the public in relation to a proposal to introduce a new 'table' of taxi fares, which would see the price of taxi journeys increase for the first time in over nine years. The Executive must consider whether to adopt the proposed table of fares, with or without modifications.

2 Recommendations

- 2.1 That the Executive adopt the table of proposed fares attached at **Appendix 1**, with or without modifications, so that they may come into effect on the 6th of February 2022.

3 Risk Assessment

- 3.1 The contents of this report do not relate to any of the risks identified in the Corporate Risk Register.

4 Background and Full details of the Report

- 4.1 The cost of using a 'taxi' generally depends on when and how far a person travels. The total cost of using a taxi is referred to as a 'fare' and is calculated on an electronic meter installed in the vehicle where it can be easily seen by passengers.
- 4.2 A taxi driver can charge anything up to, but not more than, the maximum fares set by a council. Taxi drivers licensed by Somerset West and Taunton (SWT) must, as a condition of their licence, use their taxi meter for every journey to help demonstrate that the correct fares are being charged, which is especially important when a customer has asked for and agreed a fare upfront.

4.3 Since its formation, SWT has not yet created a single table of fares. There are two tables of fares currently in operation which apply to the two former districts of Taunton Deane and West Somerset. These tables have not changed since 2010 and 2011 respectively. They are shown in **Appendix 2**.

4.4 As of the 30th November 2021, the Taunton Deane fares were ranked 151st out of 364 in the [‘league table’ of UK hackney carriage fares](#) published by trade magazine Private Hire and Taxi Monthly, with the West Somerset fares being rated at 237th. The league table is ranked using the cost of a two mile journey and is updated monthly. Here is how the Somerset District Councils compare according to the magazine league table, ranked from most expensive to cheapest:

	Authority	Price of a 2-mile journey	Last increase	League table position
1.	Mendip	£6.80	Jan 2019	49
2.	Sedgemoor	£6.80	Nov 2019	52
3.	South Somerset	£6.50	2016	88
4.	SWT – Taunton Deane	£6.20	Nov 2010	151
5.	SWT – West Somerset	£5.80	Dec 2011	237

4.5 The current proposal to vary the existing table of fares, attached at **Appendix 1**, came from a formal request made by a local taxi business on the 22nd September 2021. The reasons for the request given were:

- Inflation/cost increases.
- VAT increase, from 17.5% to 20% in 2011.
- Lack of drivers entering the trade.
- Minimum wage in 2010 was £5.93, whereas the minimum living wage is currently £8.91 (an increase of 50%).
- As a rural area and, unlike cities and large towns, there is more ‘dead mileage’ i.e. the driver is statistically less likely to pick up another fare nearby in sparsely populated areas.

4.6 According to [charts published by the RAC Foundation](#), using data from the Office for National Statistics (ONS), the cost of living has increased by 30.82% in the last 10 years. General motoring costs have risen by 22.59%.

4.7 [The RAC has also charted fuel prices](#) over the last 10 years. The price has fluctuated but as of October 2021, was at a record high, with unleaded 147.90 pence per litre and diesel 144.17p.

4.8 Were the table of fares proposed at Appendix 1 to be adopted, SWT would become the most expensive district in Somerset:

	Authority	Price of a 2 mile journey	League table position
1.	SWT	£7.20	Between 17 and 22
2.	Mendip	£6.80	49
3.	Sedgemoor	£6.80	52
4.	South Somerset	£6.50	88

- 4.9 Naturally, those rankings are subject to change and it should be noted that Mendip District Council have proposed a further increase to their current fares. Adopting the proposed fares would see SWT on a par with Bath & North East Somerset.
- 4.10 Attached at **Appendix 3** is a table showing some examples of typical journeys, with the current cost and cost if the table of fares was increased. Please note that these fares do not include any waiting time.
- 4.11 To fulfil the Council's obligations under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, a public consultation was carried out between the 18th of November and 6th of December, slightly more than the minimum 14 days required. Notice of the consultation was dutifully published in the Somerset County Gazette and the West Somerset Free press, as well as displayed at Deane House and West Somerset House. Beyond that, details of the consultation were also published on the Council's website, along with the facility to submit objections electronically.
- 4.12 Advanced notice of the proposal was sent via email to all hackney carriage and private hire driver, vehicle and operator licence holders on the 16th of November.
- 4.13 8 objections were received during the consultation; see **Appendix 4**. The majority of objections raise concerns about the impact on the public in the former West Somerset district area in particular (where the increase would effectively be greater), given the rural nature of the area and limited access to other forms of public transport.

5 Links to Corporate Strategy

- 5.1 One of the objectives in the Council's Corporate Strategy is to 'Support the delivery of strong sustainable transport infrastructure links including greater provision of public transport across the district, as well as solutions which remove barriers to people using public transport to access work, training and leisure opportunities.'
- 5.2 The Council has a certain balance to strike if it fixes the fares that hackney carriages charge. If those fares are set too high, then it is no longer affordable for many of the people who rely on them in some way or another. If those fares are set too low, drivers and operators will struggle which, in turn, would eventually negatively impact on the availability of taxis in the local area.

6 Finance / Resource Implications

- 6.1 There are no finance or resource implications.

7 Legal Implications

- 7.1 The Local Government (Miscellaneous Provisions) Act 1976 requires that a council considers any objections against a proposed table of taxi fares and, within two months from the end of the consultation period, sets a date by which the table of fares will come into effect, with or without modifications.
- 7.2 If the council is to adopt the proposed table of fares, or modify it, it must decide and set a date by which they are to come into effect that is no later than the 7th of February 2022.

8 Climate and Sustainability Implications

- 8.1 There are no climate and sustainability implications.

9 Safeguarding and/or Community Safety Implications

- 9.1 Taxis play a vital role in the night-time economy by helping people to get home safely. A reduction in the availability of taxis in the local area would be particularly harmful to the safety of the public during the hours that the night time economy is active.

10 Equality and Diversity Implications

- 10.1 There are a number of protected characteristics identified in the Equality Act 2010, which are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation and members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision-making process. The three aims the authority must have due regard for are:
- The eliminate of discrimination, harassment, victimisation.
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share them.
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share them.

- 10.2 An equality impact assessment has been carried out; attached as **Appendix 5**.

- 10.3 The assessment identified that the proposal to increase taxi fares could have a negative impact on protected characteristic groups identified the Equality Act and a mixture of negative and neutral impacts on protected characteristics which have been adopted locally. Failure to adopt the proposed table of fares (or modify it) may ultimately lead to a reduction in the availability of taxis which, in turn, would have a negative impact on protected groups.

11 Social Value Implications

- 11.1 As this report does not relate to the procurement of any services or products, no social value implications were identified.

12 Partnership Implications

12.1 No partnership implications were identified.

13 Health and Wellbeing Implications

13.1 Through effective regulation, confidence in licensed premises and activities can be maintained, helping communities to thrive.

14 Asset Management Implications

14.1 No asset management implications were identified.

15 Data Protection Implications

15.1 No data protection implications were identified.

16 Consultation Implications

16.1 A public consultation was carried out and advertised in accordance with legislative requirements. Furthermore, advanced notice was given to all relevant licence holders.

17 Scrutiny Comments / Recommendation(s)

17.1 As this is a report for the Executive, there are no scrutiny comments or recommendations.

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – No**
- **Cabinet/Executive – Yes**
- **Full Council – No**

Reporting Frequency: Once only

List of Appendices

Appendix 1	Proposed table of hackney carriage fares
Appendix 2	Current tables of hackney carriage fares
Appendix 3	Comparison of current and proposed fares
Appendix 4	Objections
Appendix 5	Equality impact assessment

Contact Officers

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Appendix 1

Proposed table of hackney carriage fares

First 400 yards	£2.60
For each completed 140 yards	£0.20
Waiting time: each completed 35 seconds	£0.20
Soiling charge	£100.00
For hirings commencing between 22:00 hours and 07:00 hours	+50% (time and a half)
For Saturday and Sunday	+50%
For all Public and Bank Holidays	+100% (double time)
Christmas Eve and New Years Eve from 18:00 hours	+50%
In excess of 4 passengers at any point during the hire	+50%
In excess of 4 passengers between 22:00 hours and 07:00 hours	+100%
In excess of 4 passengers on a Saturday, Sunday, Bank holiday or Public holiday	+100%

Appendix 2

Current tables of hackney carriage fares

Taunton Deane area tariff (valid from 25th November 2010)	
First 500 yards	£2.40
For each completed 160 yards	£0.20
Waiting time: each completed 42 seconds	£0.20
Soiling charge	£100.00
For hirings commencing between 22:00 hours and 07:00 hours	+50% (time and a half)
For Saturday and Sunday	+50%
For all Public and Bank Holidays	+100% (double time)
In excess of 4 passengers at any point during the hire	+50%
In excess of 4 passengers between 22:00 hours and 07:00 hours	+100%
In excess of 4 passengers on a Saturday, Sunday, Bank holiday or Public holiday	+100%

West Somerset area tariff (valid from 16th December 2011)	
First 530 yards	£2.40
For each completed 180 yards	£0.20
Waiting time: each completed 45 seconds	£0.20
Soiling charge	£100.00
Per each person in excess of 2	£0.20
For luggage perambulators per item	£0.20
For each animal (at driver's discretion, excluding assistance dogs)	£0.20
For hirings commencing between 19:00 hours and 07:00 hours	50%
For Sundays	50%
For all Public and Bank Holidays	100%

Appendix 3

Comparison of fares

Journey	Current cost in 'Taunton Deane'	Current cost in 'West Somerset'	Cost under proposed increase, as requested
A two-mile journey on a Monday afternoon	£6.20	£5.80	£7.20 (Up 16.1% from TD) (Up 24.1% from WS)
A two-mile journey in the early hours of Sunday morning	£9.30	£8.70	£10.80 (Up 16.1% from TD) (Up 24.1% from WS)
A two-mile journey on a Bank Holiday	£12.40	£11.60	£14.80 (Up 19.4% from TD) (Up 24.1% from WS)
A five-mile journey on a Monday afternoon	£12.80	£11.60	£14.60 (Up 14.1% from TD) (Up 25.9% from WS)
A five-mile journey in the early hours of Sunday morning	£19.20	£17.40	£21.90 (Up 14.1% from TD) (Up 25.9% from WS)
A five-mile journey on a Bank Holiday	£25.60	£23.20	£29.20 (Up 14.1% from TD) (Up 25.9% from WS)

Appendix 4

Objections to proposed table of fares

1.	<p>“I object to the fares in West Somerset being the same as Taunton Deane.</p> <p>The increase could be the same in percentage terms but the proposal to align the two areas is very unfair.”</p>
2.	<p>“An percentage increase is fine but not making West Somerset the same as Taunton Deane. In West Somerset we are predominantly a rural community with next to no bus service. Our only option is to use a taxi and this increase only serves to isolate us further.”</p>
3.	<p>“You are equating journeys that occur in Taunton Deane to those that occur in West Somerset. They are not equivalent in any way. In the former the taxi is more likely to spend time in a queue so the same distance will take longer, why are you penalising members of the public in west somerset who have little or no public transport by such a big increase in their fares.</p> <p>Weekend fares should not be +50%, absolutely ridiculous, happy with +25% on a Sunday.</p> <p>Late night should have some enhancement but increase it to a stupid level and people are more likely to drink/drive than take a taxi.</p> <p>Decide on a percentage increase in the fares and keep Taunton separate from West Somerset or reduce the Taunton fares to match and then apply the percentage increase.”</p>
4.	<p>“In West Somerset the public transport system is, to put it mildly, limited, and the over-extended, under-funded emergency services can often take hours to arrive.</p> <p>For an elderly and often geographically isolated population many of whom no longer drive, using a taxi is the only option whether to go shopping or to get to hospital.</p> <p>Add to this the fact that the nearest hospital is, depending on where you live in the area, a considerable distance away, increasing the cost for those trips, simply on the basis of 'bringing fares into line with those being charged in Taunton' is disingenuous and simply an excuse to charge more with no real justification.”</p>

5.	<p>“In the (former) West Somerset area, the increase in fares is substantial. This will inevitably lead to hardship for individuals who rely on taxis and will also damage the local economy where people cannot afford taxis to or from their local shops. In particular the 50% premium on a Saturday is indefensible. Saturdays are a standard working day. Very few other licensing authorities allow such a premium on a Saturday day time.</p> <p>No account has been taken of families in setting the rates for 5 to 8 passengers. Allowance should be made for children not triggering the premium charge.</p> <p>Whilst understanding that Hackney owner drivers need to make a living, there is clearly no understanding of price elasticity of demand. Putting up fares to this extent is not going to increase driver income. If anything it could have a negative impact due to fewer journeys being made. A further unintended consequence is likely to be passengers attempting to negotiate a fare lower than the metered fare which in turn could lead to conflict.</p> <p>Given that PHVs can set their own fares such a move to significantly increase Hackney fares is likely to generate an incentive to transfer custom to PHVs.</p> <p>No account seems to have been taken upon the impact on disabled people who are more likely to be reliant on Hackney Carriages to be able to travel, especially if in a wheelchair since the bulk of WAVs are Hackney. Therefore a cost penalty is being disproportionately imposed on disabled vs non disabled persons. This should be clearly assessed through an Equality Impact Assessment. Despite increasing fares, there appears to be no move to rid the discriminatory "grandfather rights" that allow certain HC plate holders to disadvantage disabled people by operating non accessible vehicles leaving them no guarantee of an accessible vehicle on the rank. A fares increase might be defensible if it was accompanied by all HC plate holders being compelled to invest in WAVs.”</p>
6.	<p>“I understand the need for price increases as they need to make a profit, but on a fixed income as a pensioner it is a rise that will make it more likely I will not be able to use taxis. My pension will not rise as much in percentage terms as these fares. Its is punitive to those of us in West Somerset as the rise is greater. Many of us are still,shielding and when it is deemed safe for us to return to “normal” we will not be able to afford to go anywhere on a Saturday. Most businesses dont charge premium prices in the day time on a Saturday so why should taxis?”</p>
7.	<p>“I Don't.”</p>
8.	<p>“Taxi fares in Taunton are already prohibitively high. I have yet to visit any other area where the taxi prices are as high as here. For those of us not able</p>

	to drive and on low incomes the fares are expensive and the high costs limit the ability to travel by taxi as much as I would like.”
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Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer

Organisation prepared for	Somerset West and Taunton		
Version	1.1	Date Completed	01/02/2021
Description of what is being impact assessed			
<p>Proposal to introduce a new table of hackney carriage fares for the district, which will see fares increase.</p> <p>This proposal doesn't target any particular group of customers. The proposed table of fares would apply to all those using a taxi, irrespective of their Protected Characteristic.</p> <p>The fares will not apply to Private Hire Vehicles.</p>			
Evidence			
<p>What data/information have you used to assess how this policy/service might impact on protected groups? Sources such as the Office of National Statistics, Somerset Intelligence Partnership, Somerset's Joint Strategic Needs Analysis (JSNA), Staff and/ or area profiles, should be detailed here</p>			
<p>There are no available statistics on the proportion of the population as a whole, or a proportion of those who fall within any of the protected characteristic groups, that use taxis.</p> <p>According to Somerset Intelligence, 17.5% of households in the former Taunton Deane district are without a car or van and for West Somerset, it is 17.6%.</p>			

This assessment has been carried out acknowledging, anecdotally, that taxis are an essential form of public transport used significantly by the following:

- Households without a vehicle (often lower income households and older people);
- Individuals with certain disabilities which renders them unable to drive;
- Households in areas with limited bus connections.
- Older people.
- Younger people, in relation to their access of the night-time economy.

Given the proposal would result in an across the board rise in the cost of using taxis, it could be argued that it impacts negatively on all groups.

However, those identified above will be partly or even wholly, in some cases, reliant on taxis for transport. Therefore we believe that the cumulative negative financial impact on these groups would be potentially greater than others, due to the frequency on which they use the service, and this is reflected in some of the objections received from the public.

Who have you consulted with to assess possible impact on protected groups? If you have not consulted other people, please explain why?

In accordance with section 65 of the Local Government (Miscellaneous Provisions) Act 1976, notice of the proposal was published in two local newspapers and at the council offices and 19 days given for the public to make objections. The proposal was also advertised on the council website.

There were **eight** objections to the proposal.

Of the **eight**, **six** state that the increase should not be the same for the West Somerset area. Of the **six**:

- **three** make reference to the rural nature of the area and limited access to other forms of public transport.
- **two** mention the impact on older people.
- **one** mentions the impact on those with disabilities who are reliant on taxis.

It is suggested in one objection that, instead of creating a single table of fares for the whole of the district, both of the existing tables of fares receive a percentage increase, meaning that the West Somerset fares increase but remain lower than the Taunton Deane area in recognition of the rural nature of the area. The reason for proposing a single set of fares (rather than just for the Taunton Deane area, where the business who requested the increase are based), was to ensure taxi drivers across the whole of the Somerset West

and Taunton district were equally rewarded for the work they do. As the table of fares the council sets is a maximum rate that can be charged, this still leaves room for customers to negotiate lower fares and competition in the marketplace.

Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	<p>A significant proportion of older people use taxis regularly and therefore, the cost increase would have a greater aggregated negative financial impact on that group than on those members of the community who use taxis infrequently or not at all.</p> <p>Similarly, Taxis have a particularly important role in the night-time economy where younger people represent a significant proportion of users. Consequently, younger people may also experience a more significant negative impact as a consequence of the aggregation of higher costs.</p>	X	□	□
Disability	<p>Those with disabilities which mean they are unable to drive, are more likely to use taxis regularly and therefore, the cost increase would have a more noticeable impact than those members of the community who use taxis infrequently or not at all.</p>	X	□	□
Gender reassignment	<p>It is believed the outcome will not have a significant impact on this group as a whole (although at an individual level the greater the use of taxis the greater the financial impact will be as a result of increased fares).</p>	□	X	□

Marriage and civil partnership	It is believed the outcome will not have a significant impact on this group as a whole (although at an individual level the greater the use of taxis the greater the financial impact will be as a result of increased fares).	<input type="checkbox"/>	X	<input type="checkbox"/>
Pregnancy and maternity	It is believed the outcome will not have a significant impact on this group as a whole (although at an individual level the greater the use of taxis the greater the financial impact will be as a result of increased fares).	<input type="checkbox"/>	X	<input type="checkbox"/>
Race and ethnicity	It is believed the outcome will not have a significant impact on this group as a whole (although at an individual level the greater the use of taxis the greater the financial impact will be as a result of increased fares).	<input type="checkbox"/>	X	<input type="checkbox"/>
Religion or belief	It is believed the outcome will not have a significant impact on this group as a whole (although at an individual level the greater the use of taxis the greater the financial impact will be as a result of increased fares).	<input type="checkbox"/>	X	<input type="checkbox"/>
Sex	It is believed the outcome will not have a significant impact on this group as a whole (although at an individual level the greater the use of taxis the greater the financial impact will be as a result of increased fares).	<input type="checkbox"/>	X	<input type="checkbox"/>
Sexual orientation	It is believed the outcome will not have a significant impact on this group as a whole (although at an individual level the greater the use of taxis the greater the financial impact will be as a result of increased fares).	<input type="checkbox"/>	X	<input type="checkbox"/>
Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.	Households on lower income, particularly those with no access to a vehicle, and households living in rural areas with limited access to buses, are more likely to use taxis regularly and therefore, a cost increase would have a more noticeable impact than those members of the community who use taxis infrequently or not at all. That being said, the proposed increase would have a positive	<input type="checkbox"/>	X	<input type="checkbox"/>

	impact on those taxi drivers who can be considered to be part of a low income household.			
<p>Negative outcomes action plan Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.</p>				
Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
N/A				
<p>If negative impacts remain, please provide an explanation below.</p>				
<p>It is unfortunate but unavoidable that a taxi fare increase will have more of an impact on certain protected groups, by virtue of their being more likely to use taxis more frequently than other groups. How much of an impact will depend on how regularly an individual uses taxis and, generally speaking, how far they travel as well as their financial circumstances.</p> <p>Whilst the council could, in theory, create a table of fares that ensures certain protected groups pay lower rates, it is difficult to conceive how it might work in practice, in particular how individuals would evidence that they are eligible for the lower rate. For example, not all disabilities are plainly visible and, just as with face mask exemptions under Covid regulations, there is no recognised scheme which provides individuals with a formal document or ID to evidence their circumstances for these kinds of situations.</p> <p>That being said, the taxi trades in the former Taunton Deane and West Somerset districts have not had fare increases in over 9 years, during which time fuel prices have reached a record high, general motoring costs have risen by 22.59%, the cost of living has increased by 30.82% (ONS) and, during the past couple of years, the trade has been significantly impacted by Covid 19 restrictions. Against this backdrop the proposed increase does not, therefore, seem unreasonable.</p> <p>Were taxi fares not to increase across both areas of the district (despite the significant inflationary pressures identified earlier and the fall in trade caused through restrictions associated with Covid 19), there is a risk that operating a taxi could cease to be viable for</p>				

many (particularly also given the current pull of improved salaries in other driving professions). This would result in less tax available for the customer, which would ultimately be a greater negative impact on those reliant upon this service.

Completed by:	John Rendell
Date	02/12/2021
Signed off by:	Paul Harding

Date	02/12/2021
Equality Lead/Manager sign off date:	02/12/2021
To be reviewed by: (officer name)	
Review date:	

Somerset West and Taunton Council

Executive – 19 January 2022

Housing Revenue Account (HRA) Revenue and Capital Budget Setting 2022/23 including Dwelling Rent Setting 22/23, MTFP Update and 30-Year Business Plan Review

This matter is the responsibility of Executive Councillor Francesca Smith

Report Author: Kerry Prisco, Management Accounting and Reporting Lead

1 Executive Summary

- 1.1 This report updates Members on the proposed Housing Revenue Account (HRA) Annual Revenue Budget and Capital Programme for 2022/23, including the proposed Rent Setting for 2022/23. This report also provides an update on the 5-Year Medium Term Financial Plan (MTFP) and the 30-Year Business Plan Review.
- 1.2 The proposals included in this report would enable the Council to set a balanced budget for the HRA for 2022/23.

2 Recommendations

- 2.1 The Executive to recommend to Full Council the following proposals:
 - 2.1.1 To approve the HRA Annual Revenue Budget for 2022/23.
 - 2.1.2 To approve the increase of 4.1% (CPI+1%) to Dwelling Rents for 2022/23.
 - 2.1.3 To approve the HRA Capital Programme for 2022/23.
 - 2.1.4 To note the reviewed and updated assumptions in the 5-Year Medium Term Financial Plan (MTFP).
 - 2.1.5 To note the reviewed and updated assumptions in the 2021 HRA 30-Year Business Plan.
- 2.2 The Executive to approve the transfer of Duke Street Car Park from the Housing Revenue Account to the General Fund and to delegate authority to the Housing Portfolio Holder and Section 151 Officer to approve the final land transfer value.

3 Risk Assessment

- 3.1 Since 2012 the HRA has operated on a 'self-financing' basis, where the income generated from rents and other charges funds the delivery of the social landlord function and maintaining stock. Although 'self-financing' has provided the Council with more flexibility, the HRA is still governed by regulations that restrict full control over income (e.g. increases in rent are capped) (e.g. meeting decent homes standards),

and this has brought additional risk. Those risks are primarily concerned with threats to income and expenditure that could compromise the viability of the HRA Business Plan.

- 3.2 The Housing Sector as a whole is currently experiencing the most challenging period in a generation as multiple risks crystallise and competing demands place pressure on the service. From a regulatory perspective the service is facing pressure to respond to changing building safety and energy efficiency standards and maintaining the quality of our existing housing stock.
- 3.3 This has then been compounded by national and global factors (e.g. the impact of Brexit and COVID) causing the economic operating environment to become significantly challenging and thus placing considerable financial pressure on the Council's HRA. This is causing significant ongoing disruption to supply chains and the labour market resulting in high-cost inflation and ongoing shortages to deliver remedial works, catch up repairs and energy efficiency improvements.
- 3.4 It is evident that financial pressures within the Housing service present a significant risk to affordability of existing plans in the short to medium term. Whilst a balanced budget is being presented to Members this strategy relies on one-off financial measures that are not sustainable. Therefore, the leadership team will need to implement a programme of work to build significant savings into the business and baseline budgets over the next three years (2022/23 - 2024/25) and ensure that adequate minimum reserves are maintained.
- 3.5 The Council regularly monitors its risks via a risk register and below are a number of the ongoing key risks and uncertainty for 2022/23:
- 3.6 **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. As such the levels of demand do not always follow a recognisable trend. We therefore must caveat the forecasts in these areas to account for fluctuations. The economic operating environment has also been compounded, namely by COVID and Brexit, creating contractor uncertainty and labour market shortages in some key trade areas, and inflating costs of materials and labour.
- 3.7 **Trade Salaries:** We are experiencing a significant increase in construction related salary costs in the sector, with shortages of some key trades, for example electricians. This can mean that some of our salaries are no longer competitive in the market. We have conducted a review of some of our salaries and will be making some changes here, and the cost of this change is incorporated into our MTFP. However, as this review process progresses across all trade areas it may create further revenue pressures that need to be addressed that have not been incorporated into the 2022/23 budget.
- 3.8 **Inflation on Staffing Costs:** The budgets have been set based on 1.75% pay award for 2021/22 and then 2% for 2022/23. The annual pay award negotiations are still taking place.
- 3.9 **COVID-19:** The ongoing impact of the pandemic presents a risk to the Housing Service, particularly in terms of revenue collection as well as the impact on tenant mental health and wellbeing. We have already seen a significant increase in inflation rates impacting our future

income and expenditure. However another significant risk relates to financial hardship for our tenants that could result from the impact of COVID, following the ending of government support such as furlough and the uplift in Universal Credit. If the net result is higher unemployment and much tighter finances for many households, this could impact on their ability to pay rent. Furthermore, there may be an increasing demand and therefore budget implication for support services for tenant households affected by the impact of COVID. This could present across a range of service demands including increased debt and benefits advice, unemployment support, mental health support, anti-social behaviour intervention, safeguarding and domestic abuse support.

- 3.10 **Unitary Authority:** The Secretary of State has announced his decision on the future of local government in Somerset and has chosen the One Somerset option put forward by the County Council. This means there will be one new unitary council for Somerset replacing the existing five councils. There is a structured timetable to follow for implementing the change so the new Council can come into effect on 1 April 2023.
- 3.11 It is currently unknown what the future potential costs will be as a result of this decision, and what the HRA's share 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 £500k of non-right to buy receipts to be used as flexible capital receipts to fund transformation costs. However, this directive ends on the 31 March 2022 and it is unknown if the government will approve an extension, although they have recently signalled this intent. If the costs can only be treated as revenue then we may need to review other expenditure to make this affordable and or consider the use of reserves.
- 3.12 It is also currently unknown what the share of potential savings to the HRA might be of the new unitary Somerset Council of shared operating costs, as well as any savings achieved through combining the two local authority housing stock operations together in the longer term. The current MTFP forecast and Business Plan does not incorporate any financial estimates with regards to this aspect and will be modelled as a separate exercise.
- 3.13 **Right To Buy (RTB) Receipts:** This is a government scheme that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. The HRA does not have any control over the number of RTB sales each year and the resulting impact on rental income lost. The capital receipts from the sales retained by the Council can now fund up to 40% of new social housing costs and must be used within five years of receipt, following an amendment to the scheme policy from the 1 April 2021. To date, the Council has successfully spent all of their retained 1-4-1 receipts resulting in no returns being made to the Treasury/DLUHC (previously MHCLG).
- 3.14 **Welfare Reform and Universal Credit:** The impacts of Welfare Reform and Universal Credit remain a risk, with the number and value of rent arrears still under upward pressure as more tenants switch to universal credit. Mitigations are already in place to help support tenants affected by Welfare Reform and Universal Credit such as debt advice, access to discretionary housing payments and an arrears management team with redesigned workflow processes.
- 3.15 **Decent Homes Standard:** The changes to the Regulator of Social Housing's Decent Home Standard as well as higher thermal efficiency standard requirements, which are unsupported by additional external grant funding, will 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.

- 3.16 **Building Regulation and Fire Safety:** The Grenfell Tower tragedy and subsequent Review of Building Regulation and Fire Safety bring a number of operational and financial risks. These risks have been mitigated with the increases in revenue and capital budgets proposed for 2022/23 for compliance related work. However, the exact costs are currently unclear. There are likely to be other impacts as a result, such as impacts on the repairs budget due to additional work to communal areas, more intensive management of flat blocks and further resilience within teams to respond to the volume and breath of enquiries. We will need ensure continued compliance with these statutory requirements.
- 3.17 **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 a number of 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.
- 3.18 **Government Rent Policy Change:** It is not inconceivable that we could see a further change in rent policy from central Government as we have seen before, to perhaps reduce rents or limit increases below current policy. Whilst this will support tenants financially it has a significant impact on our business plan. It also has the effect of a significant saving on the benefit bill for government so speculatively this could be a current consideration for the treasury in light of impact of COVID.
- 3.19 **Retrofit by 2030:** There is a duty for social landlords to improve the energy efficiency of its homes. The national climate change requirements set by government under the Clean Growth Strategy 2017 requires all social landlords to achieve EPC C by 2035. However, the strategy also requires landlords to achieve EPC C by 2030 where tenants are in fuel poverty. Therefore, it is prudent to achieve EPC C by 2030. This will require significant financial investment through the capital programme that will add to the capital financing requirement.
- 3.20 **New Build Homes and Phosphates:** The provision of new affordable housing is a key objective for the HRA Business Plan and the HRA has a significant pipeline of new homes to be delivered over the next 8 years. This will require significant financial investment through the capital programme that will add to the capital financing requirement and cost to the revenue account to finance this debt if funded by borrowing.
- 3.21 These social development schemes inherently carry significant risks. In order to mitigate elements of risk, the Council generally uses design and build contracts which provides clarity of costs when the contract is signed and through this mechanism the Council can ensure it progresses with schemes within budget. In addition to this a bond equivalent of 10% of the contract price has been included within the contracts and each phase will require its own individual contract to cover this aspect of risk.

- 3.22 Of these new build schemes, some of these homes will require phosphates mitigation strategies to gain planning approval. There remains uncertainty on the ability of the Council to mitigate for phosphates. This may result in less affordable housing development and less capital spend.
- 3.23 **Assets as liabilities:** Our assets (e.g. housing stock) can also become a liability and can cause us unforeseen operational and financial pressure to the business. For example, we have now been faced with a situation that requires immediate resolution to decommissioning a block as it has come to the end of its expected useful life.
- 3.24 **Data Integrity:** We need to improve our data integrity to ensure we have accurate, up to date, complete and consistent data. The Regulator of Social Housing will assess us on this and any failure in this area is seen as indicative of a poor internal controls' assurance framework. We are progressing this through new IT projects however further investment may be required.
- 3.25 **Movement in Business Plan Assumptions:** The HRA Business Plan incorporates many assumptions that contribute to the financial assessment of strategic and operational aspirations over the 30-year period. These include rates in inflation on income and expenditure, rates for new borrowing, minimum reserves levels, projected revenue and capital spend, etc. The direct influence officers have on some of these that could have a big impact is minimal (e.g. rates of inflation and borrowing) and we are at risk of having to react to external political and economic market influences as they occur.
- 3.26 **Borrowing:** The Treasury announcement in the 2020 Spending Review that local authorities with plans to incur capital expenditure acquiring assets primarily for yield will not be permitted to access new PWLB loans for long term borrowing. In response to this, the authority will continue to manage borrowing requirements as a whole through our ongoing treasury management arrangements and will look to other sources for long-term capital finance. The risk is that it may take longer to arrange long term finance and that the rates will be determined by the market. We will continue to explore alternative sources of debt with advice from Arlingclose, our Treasury Advisors. The outcome of this may require further adjustments within the business plan relating to the assumed rate for new borrowing over the 30-year period.

4 Background and Full details of the Report

- 4.1 The HRA is a ring-fenced account used to manage the Council's housing stock of some 5,700 properties, with the Council acting as the Landlord.
- 4.2 In April 2012, under the Localism Act 2011, the HRA (under the administration of Taunton Deane Borough Council (TDBC)) moved away from a national subsidy system (which required an annual payment from the HRA to Central Government) to become 'self-financing'. This enabled the Council to retain all rental income to meet the costs of managing and maintaining the housing stock, as well as meeting the interest payments and repayment of debt. As part of the self-financing agreement, a one-off capital payment of £85.198m was made to Government.
- 4.3 In order to manage the freedoms gained by the HRA through self-financing, a new 30-Year Business Plan (2012-2042) was introduced. This set out the Council's overall aims and objectives for Housing Services, as well as laying out plans to manage the increased risks and opportunities.

- 4.4 The HRA Business Plan has been reviewed and updated annually since 2012, with a full

review undertaken in 2016 and 2020 in response to the changes in national policies and local aspiration. The 30-Year Business Plan has again been reviewed as part of the 2022/23 budget setting cycle and the key changes / updates to the plan are described in section 5 below.

- 4.5 The HRA continues to face a number of risks and issues, many of which could be significant but the actual financial impact is not yet known. These risks and issues are more significant for us as we proactively drive forward substantial investment in social housing development, with both existing schemes and more schemes planned for the future. These risks and issues are discussed in section 3 above.

5 HRA 30-Year Business Plan Review

- 5.1 The HRA 30-Year Business Plan (the Business Plan) is updated on an annual basis alongside the budget setting process. This is to ensure that any changing assumptions do not adversely affect the ongoing concern of the business. This review also ensures that significant programmes of work (e.g. social development schemes) are still viable and affordable and gives the business opportunity to flex the delivery of these schemes if required to improve the financial operating position of the business.

- 5.2 The Business Plan has been updated to reflect the Budget Estimates for 2022/23 (see section 6 below) as well as updated assumptions surrounding the current challenging economic environment. These updates have been reviewed by an independent financial housing advisor; Altair.

- 5.3 In summary, the key assumptions and projections are as follows:

- Revenue Budget Estimates for 2022/23
- Capital Programme for the next 10 years
- Dwelling Rent increases assumed of 4.1% for 22/23, 4.5% in 23/24 and 3.25% in 24/25. This then reduces to just Consumer Price Index (CPI) thereafter at an estimated 2%.
- Void loss at 2% of gross rental income
- Inflation projections that reflect the statistics published in October 2020 by the Office of National Statistic (ONS) (September CPI) and HM Land Registry (HMLR) (August House Price Index (HPI))
- Interest on new debt at 2% until 2024/25, rising to 2.5% thereafter
- Minimum reserves position of £2m
- An estimated allowance for Unitary Council implementation costs
- Efficiency gains of £650k by 2024/25
- New capital receipts of £1.75m over 5 years from 2023/24 by delivery of the service Asset Strategy
- Social housing development programme to include the approved Zero Carbon Pilot, Seaward Way, Oxford Inn and North Taunton Woolaway Project.

- 5.4 The main changes to the Business Plan key assumptions and projections include increased revenue costs, a temporary reduction in rental income, new capital receipts from asset sales, efficiency savings target, inflationary pressures, increased major works and improvement capital programme and a slightly stretched delivery timeframe for the social housing development schemes.

- 5.5 The initial projections presented an unfavourable financial position with significant financial constraints (e.g. falling below the key performance measure of interest cover

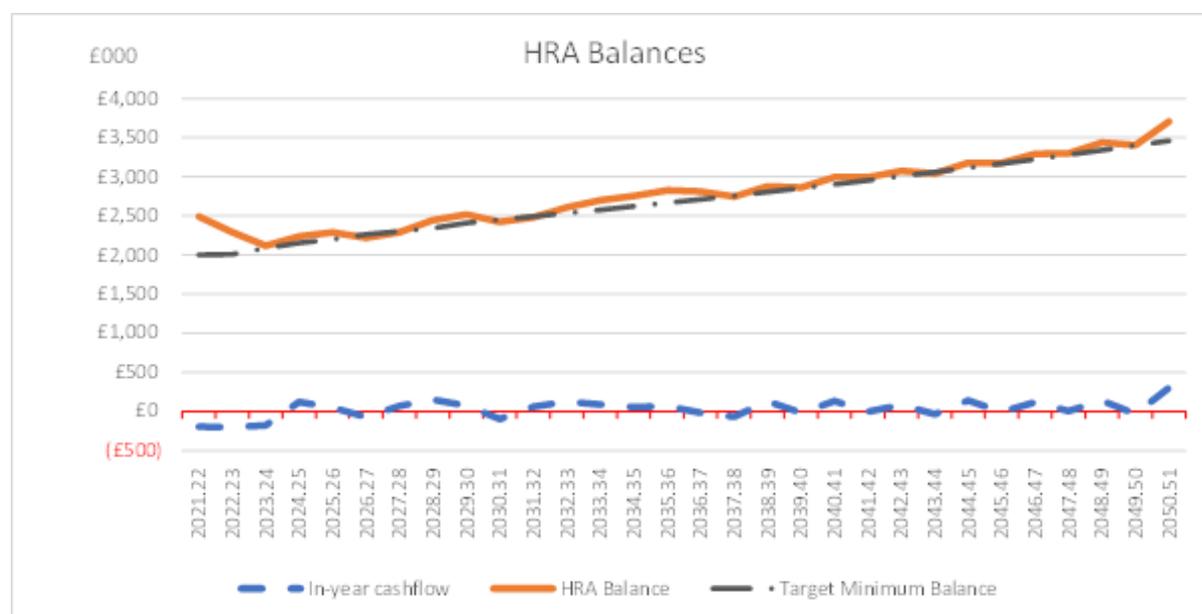
and no borrowing headroom) which consequently resulted in the requirement to introduce new revenue streams (e.g. initiate components of the asset management strategy) and adjust the timescales for the delivery of some social development schemes (see paragraph 10.12 for further information).

5.6 This has been successful in improving the financial position of the HRA during the next 5 years, as shown in the performance measures below, but this relies heavily on new capital receipts from asset sales and building savings into the business. It is essential that the HRA builds more financial resilience so that it can react to any further financial pressure placed on the business, as emphasised in the sensitivity analysis below (para. 5.12).

5.7 Performance Measures

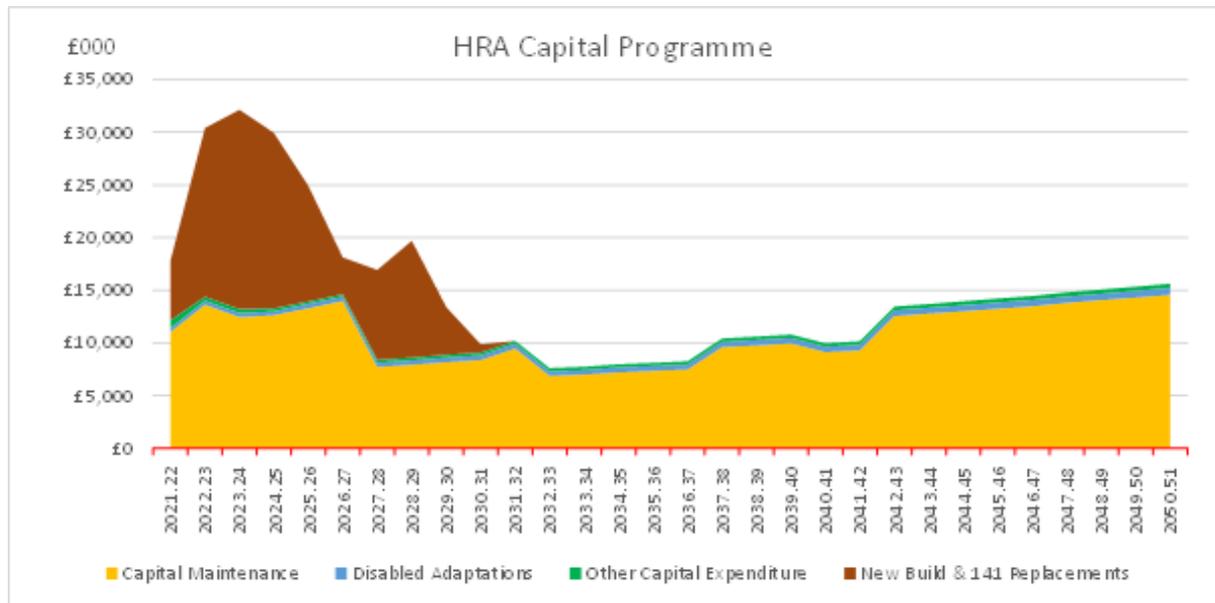
5.7.1 The following measures have been used by Altair to assess the affordability and financial sustainability of our operational aspirations in light of the updated assumptions and projections within our Business Plan.

5.7.2 **Minimum General Reserves Balance:** This is maintained at above the recommended minimum balance of £2m throughout the forecast. This is based on a minimum balance of £350 per property or £2m (whichever is higher) and rises with inflation. The business plan assumes that any “excess” rents generated are made available to repay debt.

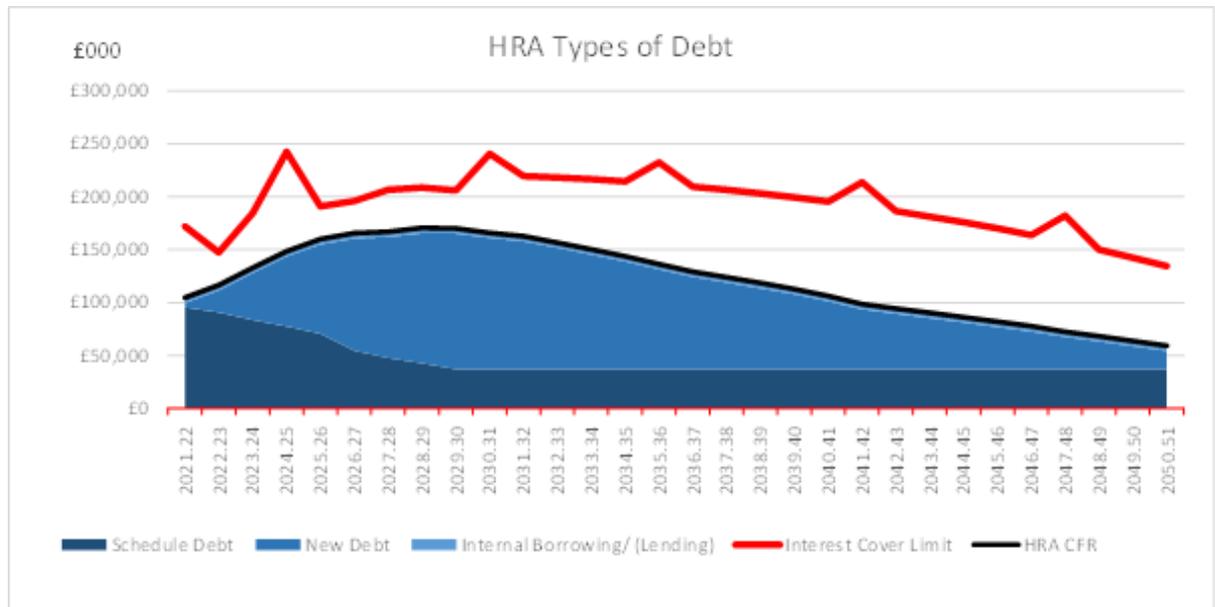


5.7.3 **Capital Programme:** The proposed capital programme enables the HRA to maintain its existing stock (amber area) and allows for the new build / purchase of an additional 347 units by 2029/30 (brown area). This is affordable within the current baseline position. Note that this excludes any additional investment required to meet decarbonisation

targets.

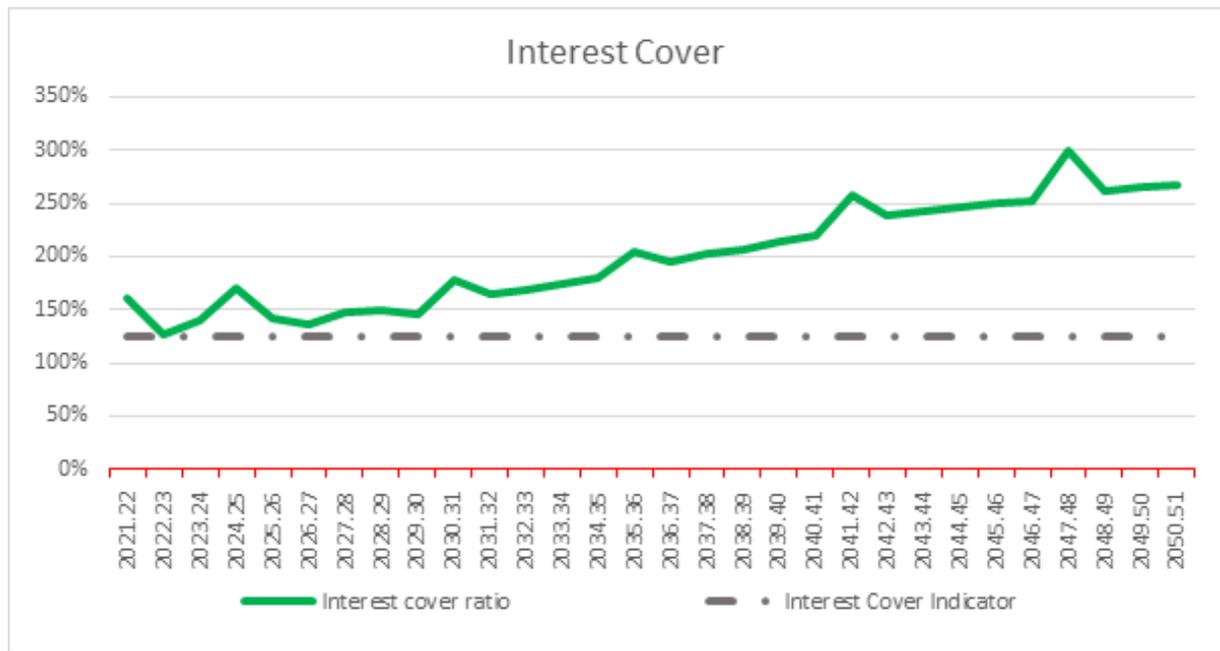


5.7.4 Capital Financing Requirement: There will be a need to take out additional (new) debt to pay for the capital programme and to refinance existing loans falling due. The borrowing requirement increases initially reaching a peak debt of £171m in 2028/29. Revenues streams are strong enough to repay most of this debt over the next 30 years. The HRA is able to reduce debt to a forecast residual balance of £59m at the end of the period.

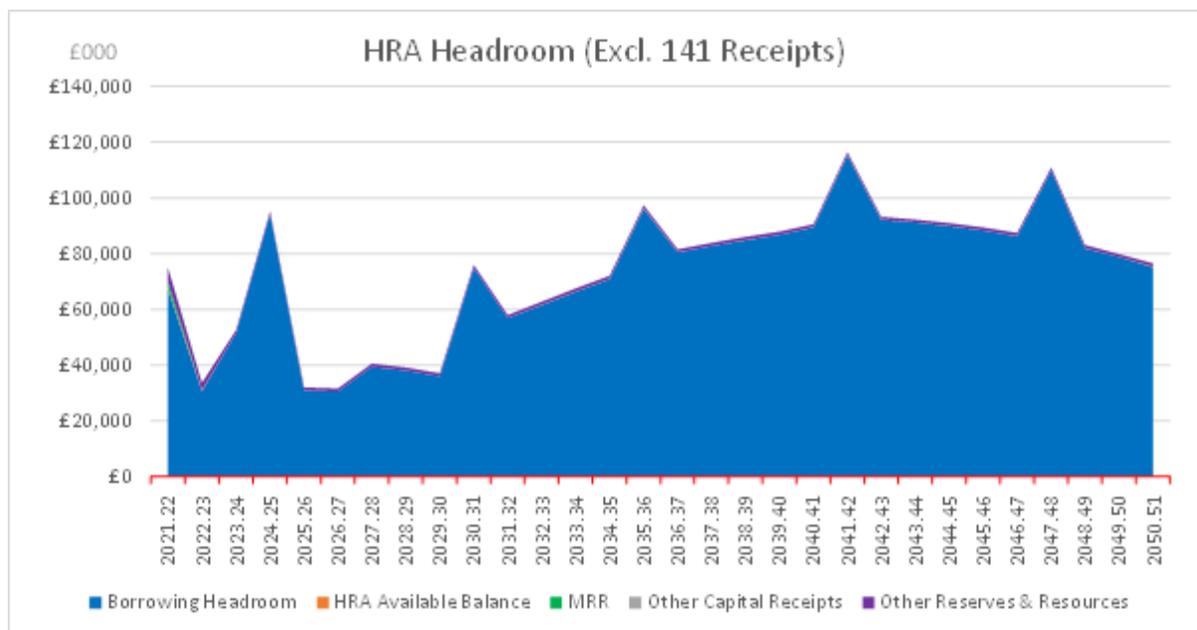


5.7.5 Interest Cover: This metric measures the ability of the HRA to be able to finance the interest payable on debt by 1.25 times or more. This measure is widely used by housing associations and indicates the ability to pay for debt-related costs. The forecast shows that we meet and improve upon this minimum interest cover requirement during the 30-year period. This is reliant upon the assumption that the HRA will implement measures

to improve efficiency and reduce operating costs, while maximising income.

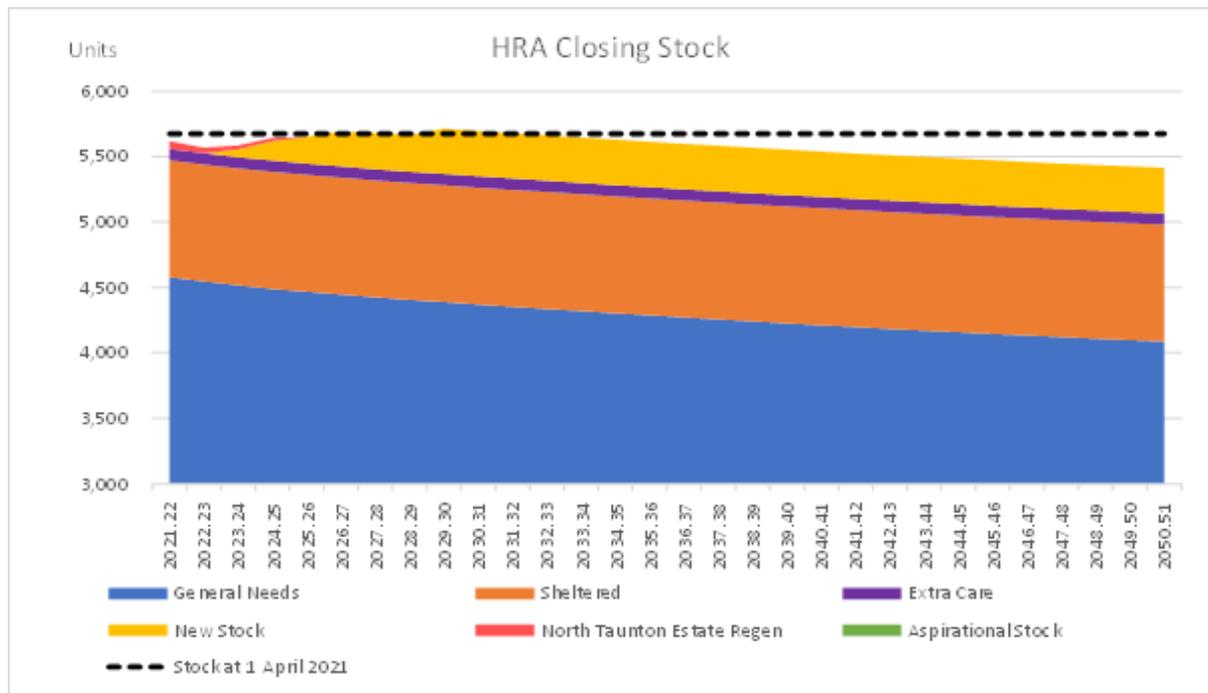


5.7.6 **Headroom:** This represents the additional borrowing capacity available to the HRA without exceeding the interest cover limit. The headroom drops to its lowest of £30.574m in 2026/27, but overall this represents a reasonable level of headroom over the 30-year period. It is important that the HRA always maintains sufficient headroom to be able to react to emerging and / or unforeseen circumstances. It is a measure of affordability, not a target of total for borrowing to be incurred, and as with any long term projection should be regarded with some caution as a guide only.



5.7.7 **Stock Levels:** There is an initial growth in stock numbers (347 units) from the new build social development schemes that are already approved reaching a peak of 5,693 units at the end of 2026/27. Thereafter assumed RTB Sales reduce stock levels to 5,415 units

at the end of the period.



5.8 In summary, Altair have stated that the HRA's baseline presents a reasonable starting position. The HRA is able to deliver a substantial medium term development programme, while maintaining its existing stock and being able to repay the additional debt required to finance the capital programme by the end of the forecast period.

5.9 Altair continue to note that the projections exclude the effects of potentially substantial spending pressures, such as the requirement to decarbonise the authority's housing stock.

5.10 Altair also suggests that there may be scope for the authority to improve on this position further by ensuring it adopts an active approach to managing its costs, while optimising its potential for generating income.

5.11 Therefore, the current approved programme of works is affordable and financially sustainable based on current projections and the current economic climate. Throughout the Baseline forecast the HRA is able to operate within its means, but with minimal headroom available should it need to respond to unexpected changes in circumstances.

5.12 Sensitivity Tests

5.12.1 The following sensitivity tests have been performed on the Business Plan to see what the financial impact would be for a stepped change in any one of our assumptions. These areas of the business have been chosen as they are at risk from regulatory enforcement or are heavily relied upon to deliver either the core business or capital programme. Considering the significant financial challenge faced by the HRA these sensitivity tests are even more paramount this year.

5.12.2 The three sensitivity tests are explained in more detail below. In summary, all sensitivities show (a) a substantial increase in debt at the end of the 30-year period, (b) a substantial reduction in borrowing headroom (with one scenario dropping to zero), (c) a drop below its interest cover key performance metric (the most severe reaction seen from a rent freeze), and (d) require the HRA to borrow more than the baseline position

to deliver its projected programme of development and stock investment.

5.12.3 The outcome of the sensitivity tests emphasise the importance of the HRA maintaining strict cost control over its operating costs and embedding efficiency savings whilst maximising income.

5.12.4 **One Year Rent Freeze:** The assumption that rents were frozen in 2022/23 and remained at the same levels of 2021/22 was modelled. By generating less income the HRA has less money available to repay debt and has to borrow more for a longer period. The impact within the 30-year business plan is that peak debt goes up by £5.378m and debt at the end of the forecast increases by £22.282m. In addition to this, if the HRA generates less income it has less money available to cover its interest payments on borrowings and therefore reduces the amount of money the HRA can borrow. Implementing a rent freeze has the most severe impact on the interest cover metric, with the authority failing to maintain the required level of interest cover reliably until 2027/28.

5.12.5 **Cost of Borrowing Increases:** The assumption is that the cost of new borrowing would increase by 1% from 2023/24 (noting that the baseline assumption is 2% until 2024/25, rising to 2.5% thereafter). This requires the HRA to use more rental income to pay for the debt interest payments instead of repaying the debt itself and means that the HRA has to borrow more for longer. The impact within the 30-year business plan is that peak debt goes up by £3.296m and debt at the end of the forecast increases by £19.859m.

5.12.6 **Increases in Cost:** The assumption is that there will be a 0.5% increase in inflationary costs for five years to deliver services, investment and new homes was modelled, without a corresponding increase in rents. This means that there is less income available to finance and / or repay debt and means that the HRA has to borrow more for longer. The impact within the 30-year business plan is that peak debt goes up by £4.299m and debt at the end of the forecast increases by £23.092m.

5.13 **Zero Carbon Retrofit:** The current Business Plan does not have the capacity to deliver a zero carbon retrofit programme (either within 10 years or 30 years) fully funded by the HRA. The ability of the HRA to manage its statutory duties and local climate change ambitions will depend significantly upon access to a high proportion of subsidy, such as the Social Housing Decarbonisation Fund, and integration with its own component replacement programme through its annual capital programme. As such the HRA is developing a delivery plan to deliver low carbon retrofit along this route.

6 Budget Estimates for 2022/23

6.1 The draft HRA Revenue Budget for 2022/23 is included in Appendix A.

6.2 Table 1 below provides a summary of the main proposed changes to the annual revenue budget estimates from 2021/22 to 2022/23.

Table 1: HRA Budget Setting 2021/22 to 2022/23 Changes

	Reference Paragraph	£000	£000
Original Budget 2021/22 - balanced budget			0
Growth in 2022/23:			
Net Staffing Changes and Inflation	6.4	162.5	
Net Interest Payable	6.5	131.4	

Grounds Maintenance	6.6	33.3	
Insurance Premiums	6.7	24.6	
Sewerage Treatment Maintenance	6.8	44.0	
Third Party Compliance Audit	6.9	37.9	
Radon Surveys	6.10	88.1	
Repairs	6.11	1,092.5	
Fleet and Fuel	6.12	78.9	
Waste Disposal	6.13	10.0	
Health & Safety	6.14	59.0	
Street Lighting Surveys	6.15	16.5	
Business Rates	6.16	17.3	
Deane Helpline	6.17	15.1	
Tenancy Profile Survey	6.18	10.0	
Service Charge Review	6.19	15.0	
Low Carbon Retrofit	6.20	60.0	
Other	6.21	23.2	
Total Growth			1,919.3
Savings / Increase in Income in 2022/23:			
Income	6.22	(736.6)	
One Team Expenditure	6.25	(15.0)	
Community and Voluntary Sector Grants	6.26	(51.0)	
Tenancy Empowerment	6.27	(10.0)	
Housing Partnership	6.28	(10.4)	
RTB Valuations	6.29	(20.0)	
Corporate Savings	6.30	(73.6)	
Other		(2.7)	
Total Savings / Increase in Income			(919.3)
Budget Gap			1,000.0
One-Off Adjustment to Revenue Budget for Debt Repayment	6.31		(800.0)
One-Off Funding from General Reserves	6.32		(200.0)
Proposed Original Net Budget for 2022/23			0

6.3 The main changes include:

6.4 **Staffing Changes and Inflation:** the majority of this growth relates to an assumed inflation cost of c£305k for pay of 1.75% for 21/22 and 2% for 2022/23 as well as 1.25% on National Insurance. This also consists of net changes to the establishment including the restructure of the capital investment team, job evaluation of the electrical team as well as additional capacity with a supervisor and an extra electrician, an additional compliance case manager and an increase in capitalisation for the development and regeneration team.

6.5 **Net Interest Payable:** All external borrowing continuing into 2022/23 is based on fixed interest rates for the term of the loan. Therefore, we are able to predict the interest payment for these elements with a high degree of certainty and will cost £2.681m. An

assumption has been made that the HRA will refinance £10m at 2% at the end of 2021/22 adding a further cost of £200k. The remainder of this budget is subject to the year-end capital financing requirement position and the assumption has been made that the HRA will end the year with investment income of £82k.

- 6.6 **Inflation on Grounds Maintenance Contract:** This is the inflationary cost as a direct result of increasing the grounds maintenance service charge by CPI+1% and provides extra budget availability to support this area of service delivery.
- 6.7 **Insurance Premiums:** This assumes a 5% inflation increase on insurance premiums.
- 6.8 **Sewerage Treatment Maintenance:** The budget is being uplifted to reflect more realistic maintenance costs of septic tanks.
- 6.9 **Third Party Compliance Audit:** Third-party audit checks by specialist consultants are required for heating and electrical works.
- 6.10 **Radon Surveys:** This is to deliver a one-off survey and monitoring of properties that fall within a Radon Affected Area as shown on a Radon UK map this is the main indicator of radon being a potential hazard.
- 6.11 **Repairs:** This substantial increase in budget relates in part to (a) a significant increase in inflation nationally driven through concern for materials shortages this year, which has been reflected in longer lead times, higher prices and price volatility, and (b) a rebase of the budget based on levels of activity seen in recent years.
- 6.12 **Fleet and Fuel:** The Council has entered a new corporate contract for the supply of vehicles from 1st October 2021. The anticipated costs to the HRA are expected to increase based on the current budgeted costs and the need to replace vehicles that are nearing the end of their lifetime. This also includes an element of inflation for fuel costs.
- 6.13 **Waste Disposal:** This provides an inflationary increase for the cost of waste disposal from, for example repairs and void works.
- 6.14 **Health & Safety:** This is a one-off cost to support a share of the corporate health and safety work due to be undertaken during the year.
- 6.15 **Street Lighting Surveys:** This is a one-off pressure to undertake a condition survey of HRA street lighting. This may result in repair and / or replacement works.
- 6.16 **Business Rates:** These are updated projections / realignment of the budgets required for 2022/23.
- 6.17 **Deane Helpline:** This relates directly to inflationary increases in cost for this service.
- 6.18 **Tenancy Profile Survey:** This is a tenancy census mailing which is designed to give tenants an opportunity to update their tenancy details for example, contact details, or more detailed information such as, who is living in the house and what disabilities they may have.
- 6.19 **Service Charge Review:** This is a one-off budget provision to support the cost of undertaking a service charge review to ensure that the charges made still accurately

reflect the costs incurred to provide the service.

- 6.20 **Low Carbon Retrofit:** These funds are required to support the Social Housing Development Fund bids and production of the Retrofit Strategy. The bid, if successful, will provide significant subsidy to support the delivery of the zero carbon retrofit programme.
- 6.21 **Other Adjustments:** Various budgets have been reviewed with many minor budget savings being offered up to an amount of £23.2k. These adjustments can be made without impacting service delivery.
- 6.22 **Income:** As per section 8 and 9 below, we are proposing to increase rents and services charges (where applicable) by CPI+1%. We have also assumed a 2% void loss on dwelling rents and service charges.
- 6.23 For temporary accommodation we have reduced the void rate to 10% (from 20% in 2021/22) and applied a newly proposed daily rate (eliminating the service charge). The forecast still incorporates 30 units of standard stock as well as 26 units of temporary stock in the North Taunton area.
- 6.24 For garages there has been a conscious drive to reduce voids from 17% down to an average void rate of 10% for 2022/23 in order to increase income in this area. This will be achieved through better and easier advertising and application process, promotion of sites, etc.
- 6.25 **One Team Expenditure:** The three One Teams have historically had a nominal budget to spend on discretionary activities such as projects in the locality (family activity days, sports days, skateboard activities) plus smaller amounts to assist households (furniture, moving costs, arrears, garden clearances etc). We will require the One Team Leads to work collaboratively to support wider funding bids into the community to manage with a reduced HRA fund, in light of the overall financial pressures faced by the HRA. We are therefore reducing this budget provision to £15k across the three areas.
- 6.26 **Community and Voluntary Sector Grants:** The three-year 'Inspire to Achieve' contract for employment support for our tenants ends this year and we will take the contract value as savings (£41kpa) and refer tenants into the various employment hubs developed by the Economic Development team across our District. A large number of volunteers are being recruited for these hubs and they will be in place by April 2022 and provide a similar service to Inspire to Achieve for those seeking support for CV writing, volunteering, apprenticeships and readiness for work. We also plan to make a financial saving of £10k from the HRA contribution to the Taunton CAB, which reflects the additional investment we have made in providing a second Debt and Benefit Support Officer in the past couple of years. These changes will still leave an ongoing contribution of £120k to Community and Voluntary sector organisations to provide services to directly benefit tenants.
- 6.27 **Tenancy Empowerment-Tenant Action Group:** The Tenant Action Group have access to distribute funding as follows £20k for Children and Young People Grants, £10k for Estate Improvement Grants and £14,300 for training and other costs. Each year the budget has underspent by around £10k therefore the £10k has been offered as a saving on the basis of a remaining extensive budget provision.

- 6.28 **Housing Partnership:** The Private Sector Housing Partnership (Somerset

Independence Plus). SWT contract services from Sedgemoor District Council to deliver disabled facilities and adaptations to housing property and other services to tenants, alongside the work of this service to support private sector residents. This is an adjustment to realign the budget based on estimated costs for this service in 2022/23.

- 6.29 **RTB Valuations:** The right to buy scheme allows tenants the opportunity to “buy back” their home if they meet certain criteria. One of the costs of administering this scheme is to undertake a valuation of the house. This has been procured externally but is being proposed to deliver this service in-house using existing resources and thus producing a cost saving.
- 6.30 **Corporate Savings:** The general fund has agreed a number of additional savings in order to close the budget Gap. Of these the HRA will be able to take its share of the reduced cost.
- 6.31 **One-Off Adjustment to Voluntary Revenue Provision (VRP):** This is a one-off adjustment to fund £800k of the current budget of £1.821m from existing non-RTB capital receipts in 2022/23. This ensures the continued contribution by the HRA to make a voluntary repayment of debt whilst temporarily releasing funds to meet revenue pressures.
- 6.32 **One-Off Funding from General Reserves:** The one-off funding of £200k from general reserves has been included subject to 2021/22 year end balances remaining above at least £2.2m. If this is not feasible then we will need to manage this through the budget monitoring process in 2022/23.

7 **Medium Term Financial Strategy**

7.1 The draft HRA Medium Term Financial Plan (MTFP) is included in Appendix A.

7.2 **Local Government Reorganisation in Somerset**

7.2.1 The County Council and four district councils in Somerset have agreed to form the Local Government Reorganisation Joint Committee (LGRJC) (see SWTC Executive Committee 20 October 2021). The LGRJC will consider the principles and basis for cost sharing and make requests of the five Councils pending the statutory provisions that are due to guide the process.

7.2.2 It is currently unknown if the HRA is expected to make a contribution towards the estimated £16.5m implementation costs as identified in the One Somerset Business Case or to financially support the additional capacity required within Somerset West and Taunton Council to mitigate the impact of transition on ‘business as usual’ service delivery.

7.2.3 The current draft MTFP assumes an estimated £500k allowance over the next 3 years for transitional costs related to implementing the new unitary council for Somerset to be funded from existing flexible capital receipts.

7.2.4 It is anticipated that 2022/23 will be the final budget year for Somerset West and Taunton as a district Council with its assets, liabilities, and functions due to transfer to the new

Somerset unitary council once it is created.

7.3 Medium Term Financial Plan

7.3.1 This MTFP has been based on the continued operation of the HRA within Somerset West and Taunton.

7.3.2 The 2023/24 position is reliant upon the full year delivery of £288k efficiency savings, a net reduction of one-off budgets of £56k seen in 22/23, rents inflating at 4.5%, cost inflation not rising further, new capital receipts of £350k and in year cost control to avoid any further pressure on general reserves. However, the current projection still requires a further £181k of one-off savings to be found.

7.3.3 The 2024/25 position is reliant on the embedding of the prior year savings of £288k and the delivery of a further full year savings of £362k, rents inflating by a further 3.25%, new capital receipts of £350k and continued in year cost control to avoid any further pressure on general reserves. The projected surplus is mainly as a result of a 53rd rental week occurring within the year plus an increase in properties through the social development schemes generating more rental income.

7.4 Efficiency Savings

7.4.1 The initial budget Gap and one-off strategy to close this Gap with temporary measures has required the leadership team to build in an efficiency savings target in order to obtain a more sustainable MTFP. The leadership team have already identified a number of efficiency saving options that will now be explored further to determine the timeframe for delivery and the amount of savings that can be delivered. The target will be to embed savings of £650k within the next three years.

7.4.2 Areas that will be investigated include: our supply chains for example stores and contracts; other service contracts; our development pipeline; a review of service charges and our central support charges; and delivery of our asset strategy as set out below. Along with maximising our income streams for example from garage lettings and grant funding opportunities.

7.5 New Capital Receipts - Active Asset Management

7.5.1 The HRA Asset Strategy sets out those activities to improve or replace properties that have a poor social, economic or environmental performance, because of low demand or high costs, and either improving them or replacing them with properties which are fit for purpose. This approach is standard practice within the sector to replace poorly performing stock with new stock that makes a positive contribution to the business plan.

7.5.2 The MTFP is now reliant upon the HRA actively obtaining new capital receipts of £350k per year for five years from 2023/24. This will enable £350k to be released from the revenue voluntary repayment of provision (debt) to provide further revenue capacity for on-going in-year operational costs. This concept is part of the approved Asset Management Strategy where the business will dispose of poorly performing properties to gain a capital receipt but also reduce excessive costs to bring the property up to decent homes and energy efficiency standards on relet. This approach will result in the disposal of a small number of dwellings, but the HRA also have other land and assets that may be suitable for disposal to generate receipts such as vacant land that could

create a single building plot on the market.

7.6 Asset Transfer

7.6.1 Duke Street car park is owned by the Council and currently held by the Housing Revenue Account, but is effectively operated as any other car park held by the General Fund. The Council is proposing to transfer the car park from the Housing Revenue Account to the General Fund. The appropriation of the car park will be undertaken in line with the latest technical guidance. Duke Street car park was independently valued for the 2019/20 accounts at £358k. The proposal is to delegate authority to the Housing Portfolio Holder and Section 151 Officer to approve the final land transfer value.

8 Dwelling Rental Income

8.1.1 The Government introduced the Welfare Reform and Work Act 2016 Social Rent Reduction, which required all social housing landlords to reduce the rent payable by tenants by 1% each year for 4 years between April 2016 and April 2019 (excluding shared ownership homes and temporary accommodation). This superseded the Government's previous 10 year rent increase policy implemented in April 2015.

8.1.2 On 26 February 2019 the Ministry of Housing, Communities and Local Government confirmed that increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020. The September 2021 CPI figure is 3.1% as published by the Office for National Statistics on the 20 October 2021.

8.1.3 The Regulator of Social Housing issued a new Rent Standard for 2020 under the direction of the Government. This new Rent Standard will now apply to all housing associations, whereas previously Local Authorities were excluded from such standards.

8.1.4 A separate Rent Setting Policy, covering the content and those elements proposed to be adopted by the Council from within the Regulator of Social Housing's Rent Standard 2020, was approved by Full Council in February 2020.

8.1.5 The Rent Setting Policy recommends that social rents for existing tenancies will be reviewed annually and any increases will not exceed the limit of Consumer Price Index (CPI) plus 1% for 5 years from April 2020.

8.1.6 Therefore, in accordance with the Regulator of Social Housing's new Rent Standard from April 2020 and our own adopted Rent Policy, it is proposed Dwelling Rents for 2022/23 will increase by CPI+1%. Table 2 below shows the average weekly rent for existing and new tenants.

Table 2: Average Weekly Rents

Tenancy Type		Average Weekly Rent 2021/22 (£)	Average Weekly Rent 2022/23 (£)	Average Change Per Week (£)
General Needs	Existing Tenants	85.77	89.29	3.52
	New Tenants	90.06	93.75	3.69
Sheltered / Supported Housing	Existing Tenants	78.61	81.83	3.22
	New Tenants	86.47	90.02	3.55

Extra Care	Existing Tenants	78.65	81.88	3.22
	New Tenants	86.52	90.07	3.55

8.1.7 For comparison, table 3 shows the average weekly general needs social rent for SWT in comparison with other housing (association) providers in the Somerset West and Taunton area. Please note that this data has been sourced from the Magna website¹ and we have inflated the data based on that applied to SWT rents since 31 March 2020 for comparison purposes. The data suggests that SWT is providing one of the lowest average weekly general needs social rents in the Somerset West and Taunton area.

Table 3: Average Weekly Social Rents in the Taunton Deane Area

Somerset West & Taunton	Average Weekly Rent (£) - 2021/22	Average Weekly Rent (£) - 2022/23
Aster Communities	106.20	110.55
Synergy Housing Limited	106.20	110.55
Yarlington Housing Group	105.84	110.17
Magna Housing Limited	98.42	102.46
Hastoe Housing Association Limited	95.83	99.76
LiveWest Homes Limited	95.69	99.62
Stonewater (3) Limited	95.57	99.49
Stonewater (5) Limited	95.00	98.90
Sanctuary Housing Association	94.88	98.77
Stonewater Limited	92.88	96.69
SWT	85.73	89.25
Places for People Living+ Limited	85.05	88.54

8.1.8 The increase in rental income generated year on year is vital to enable the HRA to deliver its aspirations and maintain business continuity over the long term. The HRA has an ambitious new build social development programme to add zero carbon homes to its housing stock. This will require significant investment and the need to use rental income to fund interest payments on borrowing and the repayment of debt. Income is also required to finance the continued investment in maintaining our existing homes, other assets and neighbourhoods to a high standard with a comprehensive planned programme of expenditure, adaptations and routine repairs in place. The rental income will also enable the HRA to continue providing and improve upon the strong community support offered to tenants providing them with additional support to sustain individual tenancies as well as investing in a range of community based projects and groups.

8.1.9 It is also worth noting that although the September CPI rate used for this calculation was 3.1%, the rate of inflation was actually higher in the preceding month (3.2%) and following month (4.2%). The real term costs of materials for the HRA has been far higher and this increase is needed to help offset these cost pressures. Fundamentally our costs are inflating at a higher rate than our income.

8.1.10 The consequences of freezing rents will impact both the income generated in that

¹ <https://www.magna.org.uk/your-home/rent/how-our-rents-compare>

financial year but also income generated in future years. As mentioned above in para. 5.12, a sensitivity test was undertaken to assume that rents were frozen in 2022/23 and remained at the same levels of 2021/22. This increased peak debt as well as increasing debt at the end of the period. It also reduced the amount of money the HRA could borrow. This would also create a further budget Gap for 2022/23 that would need to be funded.

- 8.1.11 The decision to inflate rents each year is difficult, even more so this year as our communities continue to respond to the challenges placed upon COVID and the economic environment. With 65% of our tenants having their rents funded through benefits, it is the 35% of self-funding tenants we need to particularly consider against the long term impact on the HRA business plan. We have seen a 3% uplift in the number of tenants receiving help with their housing costs over the last 11/12 months.
- 8.1.12 In terms of supporting our tenants who find themselves in hardship we have a range of options to help including debt and benefit advisers to enable tenants to manage their finances and to maximise the income available to them e.g. access to welfare benefits. We also have a dedicated team of officers who monitor arrears and engage frequently with tenants to ensure early intervention if the tenants are experiencing financial difficulties. In addition to this the HRA make grant payments to external agencies such as Citizens Advice and also community support organisations.
- 8.1.13 From April 2022 we will be referring tenants who request support on employment advice / readiness into the new employment hubs that the Economic Development team have facilitated. These employment support services will support tenants in our communities to improve their employment opportunities with advice on job readiness, CVs, links to training and apprenticeships and links to various employers. Further information can be found in the Equality Impact Assessment form in Appendix C.
- 8.1.14 We know approximately 65% (as at December 2021) of our tenants receive benefits that would cover the cost of their rent and service charge. Whilst we know that market rents locally have continued to increase, the Government have recently announced a freeze on the Local Housing Allowance (LHA) rates (the maximum amount that benefits can be paid up to in the private sector). However, none of our accommodation is above the LHA so if our tenants are in receipt of benefits this will be worked out on the full rent and service charge.
- 8.1.15 In November 2021 the Government announced that benefits including state pensions will increase by 3.1% from April 2022, which will help offset the cost of our rent increase and the general pressure on the cost of living. However, there is no increase in the “benefit cap”; for couples and families of £20k and for single people of £13.4k.
- 8.1.16 The £20 COVID uplift of Universal Credit (UC) has now been removed, however there have been changes to the UC taper recently announced that will go some way to mitigate the impact of this. The taper at which earned income reduces UC payments will decrease from 63% to 55%. This means working households claiming UC will get to keep an additional 8p for every £1 of net income they earn over their work allowance. This change doesn't help workers currently on the old legacy benefits such as Working Tax Credit or Housing Benefit. This change will also mean more low income working households may be eligible to claim UC. In addition, work allowances for those with children or have a disability (with limited capacity for work) will increase by £500 per year. For example, a

lone parent would be able to earn £335 net pcm before losing any UC.

9 Non-Dwelling Rental Income and Service Charges Income

- 9.1 This incorporates income from non-dwelling rents (mainly garages but also shops, land access and meeting halls), charges for services and facilities, and contributions to HRA costs from leaseholders and council tenants. This accounts for approximately 10% (c£2.8m) of total HRA income.
- 9.2 These fees and charges can be approved by the S151 Officer under delegated powers set out in the Constitution. The exception is the setting of Dwelling Rents which will still be submitted for Full Council for approval as per section 8 above.
- 9.3 The HRA fees and charges have been approved by the Section 151 Officer for 2022/23. This has generated £107k of additional service charge income for 2022/23.

10 Capital Programme

- 10.1 The draft 10-Year HRA Capital Programme from 2022/23 to 2032/33, that will deliver the capital investment proposed within the Business Plan, is shown in Appendix B.
- 10.2 The proposed budgeted spend in 2022/23 is £30.4m. Of this the social development scheme budgets have already been approved. Therefore, the additional capital budget being requested for 2022/23 is £14.378m as shown in table 4 below.

Table 4: HRA Capital Programme for 2022/23

Capital Investment	Total Cost £000
Major Works	11,051
Fire Safety	2,133
Related Assets	120
Exceptional & Extensive	350
Vehicles	155
Transformation	200
Aids & Adaptations & DFGs	370
Total Proposed HRA Capital Programme 2021/22	14,378

- 10.3 The estimated capital investment per scheme and the scheme itself is explained in more detail below. Whilst Officers have estimated the planned spend based on information currently available to them, these estimates are subject to change depending on contract negotiations, contractor availability, demand on the business, the condition of voids returned to the council and changing business priorities. Therefore, any changes to the profile of spend between schemes will be subject to approval by the Housing & Communities Director and the Housing Portfolio Holder and reported through the quarterly budget monitoring reports.
- 10.4 It is proposed that the HRA Capital Programme for 2022/23 shown above in table 4 will be funded from an appropriate combination of Major Repairs Reserves (from depreciation), revenue contributions, capital receipts, capital grants and borrowing.
- 10.5 A summary of the estimated funding profile for the 2022/23 capital programme is shown in the table 5 below. The final funding profile will be agreed by the Section 151 Officer

as per the financial procedure rules.

Table 5: Capital Investment Funding Estimates

Capital Investment	Total Funding £000
Major Repairs Reserve	9,952
Revenue (RCCO)	0
Capital (RTB) Receipts	0
Capital (Non-RTB) Receipts	0
Capital Grants Receipts	0
Borrowing	4,426
Total Funding	14,378

10.6 Major Works

10.6.1 These schemes will be focusing on ensuring that a decent homes standard is maintained and that the housing stock major components are replaced periodically as per our capital works programme for 2022/23. This will also include unplanned major works on voids where the property is returned in a poor condition and requires a full re-work ahead of the capital works programme.

10.6.2 The Major Works capital programme will be broken down into component schemes, with table 6 below showing the estimated amount to be spent on each scheme.

Table 6: Major Works

Capital Scheme	Total Cost £000
Kitchens	1,922
Bathrooms	507
Roofing	2,500
Windows	1,211
Doors	703
Fasciae and Soffits	192
Ventilation	276
Door Entry Systems	57
Voids Kitchens and Bathrooms	190
Sewerage and Drainage	200
Water	215
Scaffolding	30
Heating for Warmer Homes	1,348
Environmental Improvements	420
Unadopted Areas	150
Electrical Works	670
Insulation	300
Community Alarms	10
Other	150
Total	11,051

10.7 Fire Safety

10.7.1 The Fire Safety capital programme will be focusing on ongoing fire safety works and ensuring all housing stock continues to adhere to the fire safety regulations. The proposed capital investment will be £2.133m.

10.8 Related Assets

10.8.1 The Council also owns a number of related assets in addition to the housing stock. These include garages, meeting / community halls and shops. The proposed capital investment of £120k will ensure that these assets are maintained as required.

10.9 Exceptional Extensive Works

10.9.1 The proposed capital investment of £350k will be used for asbestos removal.

10.10 Disabled Facilities and Aids and Adaptations

10.10.1 This is an annual recurring budget for small and large scale home aids and adaptations in tenants' homes where there are mobility issues. This budget is demand led by requests from tenants or through recommendations by occupational therapists or other healthcare professionals. Applications are made through the Somerset West Private Sector Housing Partnership. The capital investment for 2022/23 will be £370k.

10.11 Vehicles

10.11.1 From October 2021 SWT has entered a new corporate fleet contract for the provision of new / replacement vehicles. From the 1 April 2022, under IFRS 16, the lease costs can be capitalised whilst the maintenance remains a revenue cost. The budget requirement of £155k reflects the estimated lease costs for the vehicles used by the HRA under the new contract for 22/23.

10.12 Social Housing Development

10.12.1 The HRA has four pre-approved social housing development schemes (North Taunton Regeneration Project, Seaward Way, Oxford Inn and Zero Carbon Pilot) which will meet our total spend requirements for 2022/23 under the RTB "1-4-1 Agreement" (explained in section 13 below). The current approved budget is £100m to be spent over the next 10 years (see Appendix B).

10.12.2 Under the programme 347 new low carbon affordable homes will be delivered between 2023 and 2031. This will be in addition to the 66 affordable homes acquired or built by the council since 2019.

10.12.3 The market is currently challenging for developers with multiple challenges including the requirement for phosphate mitigation strategies for development in the East of the District, skills shortages, inflation affecting materials and risk aversion strategies being pursued by contracts. However, two contracts are in place able to deliver 281 affordable homes.

10.12.4 Of the 347 affordable homes in the development pipeline 115 homes will be zero carbon in occupation on the first letting and all other homes will be zero carbon if customers use green tariffs or when the grid decarbonises. All homes will provide

significantly lower fuel bills to customers than other similar sized Council homes.

- 10.12.5 **North Taunton Woolaway Project** is being delivered in four new build phases and one retrofit phase. The building of 47 homes on phase A is taking place and the first home will be let in 2022. Customers are being relocated from Phase B and Ci with demolition commencing in late Spring. Phase E is a refurbishment phase and has been included in the Council's Social Housing Decarbonisation Fund bid which will be announced in December 2021. A planning application has been submitted for Phase E refurbishment and works are anticipated to commence in Spring 2022. Properties are to a low carbon standard which will be zero carbon if green tariffs are used or as the grid decarbonises. The ambition of the council is to decant all existing customers into new homes by April 2026.
- 10.12.6 **Seaward Way, Minehead** is a zero carbon affordable housing scheme is due to start on site in January 2022. The council has a contractor appointed who is currently working under a pre contract services agreement (PCSA). The PCSA will allow the council and contractor to agree a price for the scheme and move into start on site. The scheme and tenants will benefit from a high standard of insulation, photovoltaic panels, air source heat pumps and battery storage. The homes will be zero carbon on first let. The scheme is featured in the Good Homes Alliance case studies and has been presented at a number of national and regional events.
- 10.12.7 **Oxford Inn, Taunton** is a zero carbon scheme and will see a pair of semi detached houses and six apartments built on the site of the Oxford Inn. The scheme currently has a planning application under consideration which includes a phosphate mitigation strategy based on investing in existing septic tanks owned and managed by the HRA in other locations.
- 10.12.8 **Zero Carbon Affordable Housing Pilot, Taunton** is a zero carbon scheme and will see up to 50 houses and apartments built on existing HRA land including some underused garage sites. Five schemes currently have planning applications under consideration which include phosphate mitigation strategies based on investing in existing septic tanks owned and managed by the HRA in other locations. The start date of the pilots has been rescheduled in the business plan for 2024/25 to smooth the delivery pipeline.
- 10.12.9 **Wordsworth Drive Flats and Coleridge Crescent Flats Regeneration** comprises of a shop, fifteen HRA apartments and one leasehold property. The service is decommissioning the block as it has come to the end of its expected life. Surveys have shown that the buildings are uneconomic to bring up to a decent and thermally efficient standard. Should the Council support the decanting of the blocks the tenants will be provided with Homefinder Gold Band status and supported to move over a two year period. Officers will come forward with proposals for the future use of the site.
- 10.12.10 **Oake Woolaway Project** is a programme of substantial refurbishment of Woolaway properties. The works will follow the same low carbon specification as NTWP Phase E and the scheme has also been included in the councils Social Housing Decarbonisation Fund wave one bid. The works are anticipated to commence in late Summer 2022.
- 10.12.11 **Homes First** is an approach used to support high support need single homeless households. The HRA has received RSAP grant to purchase six units of accommodation

and refurbish six existing HRA homes to provide a Homes First offer.

10.12.12 It is being proposed to repurpose existing surplus budget of £6m to be spent on the two schemes: Wordsworth £1.117m and Oake £1.5m. This will leave £3.313m to be returned. No further budget is required.

11 Borrowing

11.1 In 2012 the Council took out additional external borrowing of £85.198m as part of the self-financing settlement with the Government. This meant that the total debt owed by the HRA at the start of self-financing was £99.649m (which included £9m of pre self-financing loans and £5.451m of internal borrowing).

11.2 As part of the self-financing agreement, an individual housing revenue borrowing cap of £116m was implemented for TDBC. This meant that the HRA was unable to exceed capital borrowing of £116m within the HRA Business Plan. Although the Government abolished the HRA Debt Cap in October 2018, it is proposed to maintain a prudent debt cap for the HRA.

11.3 Following the announcement in the 2020 Spending Review the HRA is unable to access new borrowing from PWLB during periods when the Council is also undertaking capital investment in assets primarily for yield, other than for treasury management and debt re-financing purposes. The HRA is still able to refinance debt falling due with PWLB.

11.4 The Section 151 Officer is working with Arlingclose, the Council's Treasury advisors, to explore alternative sources of borrowing to ensure that the HRA is able to take out new borrowing to fund the capital programme as and when required in a way that minimises debt costs and risk. The risk is that this may take longer to arrange long term finance and that the rates will be uncertain as they will be determined by the market.

11.5 The total capital borrowing requirement (debt balance) owed by the HRA at the start of 2021/22 was £109.7m. This is financed by £105.5m of existing external loans, with the balance funded through existing reserves and / or internal borrowing. During the year the HRA has taken out a new external loan of £20m for 50 years secured at 1.89%.

11.6 The Business Plan assumes that there will be a significant increase in new borrowing over the next 10 years to meet the increased ambitions for capital investment. This will result in additional cost pressures to cover the financing of this new investment and refinancing of existing loans.

11.7 The budgeted annual provision of £1.821m for the repayment of debt has been used for many years to repay existing debt, finance any new external borrowings as required or to reduce the year-on-year capital financing requirement.

11.8 Due to the financial challenges facing the HRA, the strategy to balance the budget Gap in 2022/23 is to temporarily release £800k to finance revenue pressures until new efficiency savings can be found. In terms of maintaining repayment of debt within the business plan, this £800k of revenue funding will be replaced with £800k from existing non-right to buy capital receipts. From 2023/24, for five years, the strategy to balance the predicted budget Gap will be reduce this to only £350k and replace this funding with new capital receipts.

11.9 Any surplus funds from the revenue account will be used to protect reserves in the first

instance but will then be used to reduce future capital financing requirements.

- 11.10 The funding and cash flow implications of the Business Plan will be managed in line with the Council's Capital, Investment and Treasury Strategies which is approved before the start of each year.

12 Right to Buy (RTB) Receipts

- 12.1 The RTB scheme is a Government scheme that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. The scheme saw the maximum discount increase significantly in 2012 to up to £75,000 followed by a steady increase year on year to up to £84,600 in April 2021.
- 12.2 Taunton Deane Borough Council signed up to a "1-4-1 Agreement" with the Treasury/MHCLG to retain a higher proportion of RTB the additional receipts on the proviso, and agreed that these receipts would be used to fund new social housing. This agreement continues now under SWT until such time as the Council decides to opt out.
- 12.3 The Government introduced new rules in relation to the "1-4-1 Agreement" and RTB receipts in April 2021. The new guidance allows the Council to spend RTB receipts over a 5-year period instead of the previous 3-year period and has increased the RTB subsidy towards new affordable homes from 30% to 40%.
- 12.4 As the Council has embarked on a significant build programme the RTB will be utilised to subsidise new homes rather than acquisitions. The 1-4-1 agreement requires a capital spend of circa £18m by April 2026 and then circa £5.6m pa thereafter. The development programme up to April 2026 is circa £40m providing confidence that the subsidy will be maximised on Council owned new affordable homes.
- 12.5 To date, the Council has successfully spent all of their retained 1-4-1 receipts resulting in no returns being made to the Treasury/MHCLG.

13 Links to Corporate Strategy

- 13.1 The budget proposals for 2022/23 have been prepared in line with the HRA 2021 Business Plan and Corporate Strategy².

14 Finance / Resource Implications

- 14.1 This is a finance report and therefore no further finance comments are required.

15 Legal Implications

- 15.1 The HRA is governed by the following legislations:

- Housing Act 1985 (Part II)
- Housing Act 1988
- Local Government and Housing Act 1989 (section 74)
- Local Government Act 2003
- Localism Act 2011

15.2 The introduction of the Local Government and Housing Act 1989 meant that the HRA was now required to become a 'ring-fenced' account, completely separated from the GF. As a consequence local authorities can only include items in the HRA for which there is statutory provision, and transfers of income and expenditure between the HRA and the General Fund are only allowed in very specific circumstances. In essence, rents cannot be subsidised by transfers from the General Fund, and Council Tax cannot be subsidised by transfers from the HRA.

15.3 The introduction of the Localism Act 2011 reformed local authority housing financing with the abolition of the national subsidy system and a move to 'self-financing' from April 2012. This meant that local authority housing revenue accounts are able to retain all rental income to meet the costs of managing and maintaining their housing stock.

16 Climate and Sustainability Implications

16.1 Through the capital programme, the HRA is improving the thermally efficiency of some homes in advance of the 2023 low carbon retrofit strategy and delivery plan. These are on a small scale and will increase in number after March 2023. The service is moving towards a whole house assessment prior to investment and has a number of live grant funded schemes plus is seeking to participate in Social Housing Decarbonisation Fund wave 1 and wave 2.

17 Safeguarding and/or Community Safety Implications

17.1 The HRA has an ongoing responsibility for the safeguarding of vulnerable people within its communities. There are no changes proposed within this report.

18 Equality and Diversity Implications

18.1 The Housing Specialist has assessed the proposals presented within this report as driven by the Rent Policy and updated Business Plan. An equality impact assessment form can be found in Appendix C. Consultation on the assessment is being undertaken with relevant partner organisations. Any further feedback from them will be reported verbally at the meeting due to the publication date of this report.

19 Social Value Implications

19.1 Our approach to social value will encompass the full procurement and commissioning cycles, service planning and review, decision making and policy development as described in the Council's Procurement Strategy and other relevant corporate requirements where appropriate.

20 Partnership Implications

20.1 The Council's HRA budget includes expenditure on services provided by other key partners such as MIND, citizen's advice, Taunton East Development Trust, North Taunton and Wiveliscombe Area partnership.

21 Health and Wellbeing Implications

21.1 None for the purposes of this report. Any relevant information and decisions with regard to health and wellbeing will be reported as they emerge through the financial planning process.

22 Asset Management Implications (if any)

- 22.1 The revenue and capital budgets for the HRA include provision for maintaining our housing stock in accordance with relevant standards.
- 22.2 The Housing Asset Management strategy also encourages proactive treatment of poorly performing stock from both a financial and social perspective which will be important considerations for the future efficient operation of the service.
- 22.3 This report includes a section relating to the capital programme for 2022/23.

23 Data Protection Implications

- 23.1 None for the purposes of this report.

24 Consultation Implications

- 24.1 Consultation will be undertaken with tenants through the Tenants Strategic Group.

25 Tenants Strategic Group Comments

- 25.1 This report was considered by the Tenants Strategic Group on 14 December 2021. There was an overall appreciation of the challenging operating environment currently being experienced by the service. Questions were asked about the capital works projections in particular roofing replacement requirements, one team and other tenancy support budgets, repairs and maintenance operating efficiency, the impact of voids on rental income and void turnover efficiency and social vs affordable rental income. Overall there was support for the proposals contained in the report.

26 Community Scrutiny Comments / Recommendations

- 26.1 This report was considered, and the recommendations supported by the Community Scrutiny Committee on 7 January 2022.
- 26.2 The main comments and questions related to:
- 26.3 The lack of response from partner organisations with regards to the consultation on the equality impact assessment. This is not unusual and officers will follow this up.
- 26.4 A substantial discussion was had regarding the 4.1% increase in rents. Comments included good value for money compared to other housing associations; concern of affordability to our self-funding tenants in light of other economic cost pressures and that officers will monitor this closely; information regarding the current arrears position in light of COVID and that so far arrears were only showing a slight impact; clarification provided that benefits are paid directly to the tenant however the tenant can request for this to be paid directly to the Council; and reference to the new Household Support Grant that Somerset County Council will be receiving as further options for financial support for our tenants to access.
- 26.5 The significant pressures and challenges faced by the HRA in the report were noted and that they were clearly explained.
- 26.6 The approach to close the budget Gap in 2022/23 was deemed sensible.

- 26.7 The cost reduction in paragraph 6.26 was referred to and further information provided by the Assistant Director of Housing and Communities in light of the contribution made to CAB by the authority as whole.
- 26.8 The financial impact of LGR was challenged in that the HRA should not have to contribute towards this. It is still uncertain on what share the HRA will have to contribute towards this.
- 26.9 The proposed implementation of the asset management strategy was discussed and the reasons behind disposing of poorly performing properties as part of the overall business plan.
- 26.10 Further information was sought on the zero carbon new homes and a response will be sent to Community Scrutiny shortly.

Democratic Path:

- **Community Scrutiny – Yes (6 January 2022)**
- **Executive – Yes (19 January 2022)**
- **Full Council – Yes (8 February 2022)**

Reporting Frequency: Annually

List of Appendices

Appendix A	HRA Revenue Budget and Medium Term Financial Plan
Appendix B	HRA 10-Year Capital Programme
Appendix C	HRA Equality Impact Assessment Form

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APPENDIX A

HRA Revenue Budget for 2022/23 and Medium Term Financial Plan

	2021.22	2022.23	2023.24	2024.25	2025.26
	£000	£000	£000	£000	£000
Income					
Dwelling Rents	- 24,951	- 25,581	- 26,621	- 28,294	- 28,760
Non Dwelling Rents	- 704	- 767	- 790	- 804	- 816
Service Charges	- 1,623	- 1,649	- 1,915	- 1,959	- 1,998
Other Income	- 389	- 408	- 422	- 431	- 440
Total Income	- 27,668	- 28,404	- 29,749	- 31,488	- 32,014
Expenditure					
Repairs and Maintenance	6,975	8,401	8,248	8,079	8,269
Supervision and Management	3,912	3,857	3,953	4,045	4,134
Rents, Rates, Taxes and Other Charges	147	201	208	213	217
Special Services	1,049	1,100	1,139	1,164	1,188
Bad Debt Provision	180	180	187	199	203
Contribution to CDC	229	229	237	242	247
Transfer to GF	3,216	3,088	3,272	3,346	3,413
Total Expenditure	15,708	17,057	17,244	17,289	17,671
Other Expenditure					
Depreciation - dwellings	7,342	7,410	7,632	7,861	8,097
Depreciation - non dwellings	321	256	264	272	280
Interest Payable	2,669	2,883	3,311	3,565	4,199
Investment Income	-	83	- 53	- 39	- 31
Social Housing Development Fund	-	60	60	-	-
Provision for Repayment of Debt	1,821	1,021	1,471	1,471	1,471
Revenue Contribution to Capital	-	-	-	-	-
Movement in Reserves	- 194	- 200	-	-	-
Total Other	11,959	11,348	12,685	13,130	14,016
Total - (surplus) / deficit	-	-	181	- 1,069	- 327

APPENDIX B

HRA 10-Year Capital Programme from 2022/23

	Approved Budget	2021.22 £000	2022.23 £000	2023.24 £000	2024.25 £000	2025.26 £000	2026.27 £000	2027.28 £000	2028.29 £000	2029.30 £000	2030.31 £000	2031.32 £000
Capital Investment												
Major Works	14,530	£9,524	£11,051	£11,878	£12,030	£12,706	£13,373	£7,124	£7,327	£7,574	£7,785	£8,862
Fire Safety	1,756	£1,087	£2,133	£155	£159	£162	£162	£162	£162	£162	£162	£162
Related Assets	130	£130	£120	£114	£116	£119	£119	£119	£119	£119	£119	£119
Exceptional & Extensive	294	£294	£350	£311	£317	£324	£324	£324	£324	£324	£324	£324
Vehicles	469	£0	£155	£183	£194	£214	£236	£256	£262	£267	£272	£278
IT Programme	746	£746	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capital Transition Costs	-	£0	£200	£200	£100	£0	£0	£0	£0	£0	£0	£0
Aids & Adaptations & DFGs	370	£370	£370	£383	£392	£399	£407	£416	£424	£432	£441	£450
Sub-Total Majors & Improvements	18,294	£12,150	£14,378	13,223	13,308	13,925	14,621	8,400	8,616	8,878	9,103	10,194
Social Housing Development	100,033	£5,672	£16,028	£18,921	£16,644	£11,001	£3,519	£8,546	£11,089	£4,522	£778	£0
Total Investment	118,327	17,822	30,406	32,144	29,953	24,926	18,140	16,946	19,706	13,400	9,880	10,194
Funding												
Major Repairs Reserve		£12,150	£9,952	£7,896	£8,133	£8,377	£8,664	£8,400	£8,616	£8,878	£9,103	£10,072
Revenue (RCCO)		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capital (RTB) Receipts		£1,002	£3,319	£3,670	£2,535	£2,310	£1,171	£3,418	£4,436	£1,809	£311	£0
Capital (Non-RTB) Receipts		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Social Housing Development Fund		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Hinkley Point C Fund		£470	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
S106		£58	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capital Grants Receipts		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Borrowing		£4,142	£17,135	£20,578	£19,284	£14,238	£8,305	£5,127	£6,654	£2,713	£467	£122
Total Funding		£17,822	£30,406	£32,144	£29,952	£24,926	£18,140	£16,946	£19,706	£13,400	£9,880	£10,194

Appendix C - HRA Equality Impact Assessment



Somerset Equality Impact Assessment

Organisation prepared for	Somerset West and Taunton Council		
Version	1	Date Completed	December 2021

Description of what is being impact assessed

Somerset West and Taunton Council (SWT) Housing Revenue Account (HRA) updated (2021/22) 30 Year Business Plan

The strategic objectives of the business plan are to: Deliver more new homes; Provide great customer service; and Improve existing homes and neighbourhood.

HRA Budget Setting 2022/23

The HRA budget setting report enables the council to set a balanced budget for 2022/23 that reflects SWT’s HRA business plan and takes into account councillor's priorities. The report provides an overview of the finances for the HRA. It covers both HRA revenue and housing capital spending, highlighting the inter-relationships between the two.

Council Housing Rents for 2022/2023

To increase council housing rents to ensure continued investment in the management, maintenance and development of council housing stock to ensure the needs of existing and potential tenants are met and to provide enhanced support for families and communities experiencing hardship.

HRA Fees and Charges for 2022/2023

To increase the fees and charges for 2022/2023 for the HRA to ensure sufficient financial resources are in place to deliver the services.

Evidence

What data/information have you used to assess how this policy/service might impact on protected groups? Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset's Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#), should be detailed here

Data:

- Regulator of Social Housing – Limit on annual rent increases 2022-23;
- Somerset West and Taunton's Full Council decision on council housing rent policy - February 2021; and
- Tenant profiling data.

Who have you consulted with to assess possible impact on protected groups? If you have not consulted other people, please explain why?

Engagement:

- Consultation and regular meetings with the SWT's Tenants' Strategic Board – December 2021;

- As part of our consultation on the proposed changes the Council contacted the following groups, who were identified as having an interest in the proposals for change:
 - Compass Disability Services, Taunton (Disability);
 - Age UK, Somerset (Age);
 - Mind in Somerset, Taunton (Disability);
 - Moving Together in Somerset (Age);
 - RAISE, Somerset (Race); and
 - Caring Minds CIC, Taunton (Carers).

In summary the groups were invited to provide comment and feedback on the following:

- More council homes to be built to zero carbon standards;
- Additional investment in property repairs;
- Additional investment in safety (for example fire safety and electrical safety) works to ensure we meet relevant standards, regulatory requirements, inspection and testing;
- Consumer Price Index (at September 2021) + 1% increase in council housing rent; and
- Consumer Price Index (at September 2021) + 1% increase in council housing fees and charges (for example the grounds maintenance charge).

Specific questions requiring a response:

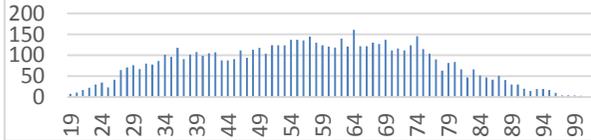
1. Any indication or evidence that any part of the proposed changes could discriminate, directly or indirectly?
2. Any potential for the proposed changes to adversely affect equality of opportunity for all?

Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative Outcome	Neutral Outcome	Positive Outcome
<p>Summary</p>	<p>Every year the housing service reviews rents and service charges as well as sets the budgets that apply to the housing and garage stock. This takes into account inflation and any other financial factors in order to ensure there is enough income to deliver services. When doing so the housing service must observe government legislation and guidance.</p> <p>Increasing rent and service charges and setting budgets by the amounts specified in the report will have a neutral effect on protected groups. The cost rise to tenants itself is a relatively modest one.</p> <p>The housing service has an ambitious new build social development programme to add zero carbon homes to its housing stock. Of the 347 affordable homes in the Council's development programme 115 homes will be zero carbon in occupation on the first letting and other homes will be zero carbon if customers use green tariffs or when the grid decarbonises. All homes in development will provide significantly lower fuel bills to customers than other similar sized Council homes. This development programme will require significant investment and we will need to use rental income to fund interest payments on borrowing and the repayment of debt.</p> <p>Rental income will finance the continued investment in maintaining our existing homes, other assets and neighbourhoods to a high standard with a comprehensive planned programme of expenditure, adaptations and routine</p>			

	<p>repairs in place.</p> <p>The rental income will also enable the housing service to continue providing and improve upon the strong community support offered to tenants providing them with additional support to sustain individual tenancies as well as investing in a range of community based projects and groups.</p> <p>It could be argued that a group such as those with a disability will tend to have a lower average income than non-disabled people and therefore will be disproportionately adversely affected by any rent and service charge rise. However, people on low incomes will (if they fulfil the conditions) qualify for housing benefit or universal credit and will therefore be insulated from negative financial effects. In addition, people who have difficulties with daily activities and or mobility may qualify for Disability Living Allowance or its replacement Personal Independence Payment.</p> <p>It is understood there may be an increase in the level of rent arrears as a result of the continuing shift to Universal Credit, however this risk is being mitigated by the housing service working closely with Citizens Advice to provide advice and support services to Universal Credit claimants. The housing service also has a dedicated team of officers who provide early intervention to support tenants to sustain their tenancy and where necessary assist them to maximise their entitlement to welfare benefits – currently 65% of our existing tenants are in receipt of full or partial help with paying their housing costs i.e. housing benefit or universal credit.</p> <p>The HRA business plan makes provision for an amount of bad debt.</p>			
<p>Age</p>	<p>The graph below provides the number of council tenants by age:</p>			



All tenants will benefit from the overall investment in council housing.

No group is discriminated against in the allocation of council housing (or in the allocation of garages). All groups benefit equally.

Additional housing supply will provide an increased choice of affordable housing type, size and tenure, providing housing options for all age groups.

Improvements in energy efficiency will help to protect tenants, whatever their age or the hardships they experience, from fuel poverty.

The table below provides information on the number of council tenants in receipt of housing benefit (HB) or universal credit (UC) at 07/12/21:

Benefit type	Count of tenancies
UC	1739
Self-funder	1959
HB	1908
Total	5606

Note: Self- funder = Not in receipt of housing benefit or universal credit.

Approximately 65% of our existing tenants are in receipt of help with housing costs i.e. Housing Benefit or Universal Credit.

	<p>Somerset West and Taunton Council makes provision to help residents into employment.</p> <p>Communications on any plans that substantially affect tenants i.e. modernisations or improvement works to their home or estate may disproportionately worry tenants in sheltered or supported housing.</p>			
<p>Disability</p>	<p>Approximately 20% of our current tenants have declared to us that they have a disability. The types of disability declared include for example: dementia, hearing, mobility, visual etc.</p> <p>Again, it could be argued disabled adults are more likely to be living as a low-income household. Additionally, disabled people are more likely to not be working and where they are working, are more likely to be earning less than non-disabled people. It is evident therefore that an increase in rent is likely to specifically impact this protected characteristic. However, we believe our proposed rent increase is modest and the welfare benefit system should be able to protect people. We provide advice, help and support via our specialist officers and through working with Citizens Advice. We are therefore assessing any impact as low.</p> <p>Tenants will benefit from the overall financial investment in council housing.</p> <p>Specific provision for a range of new adapted properties will be made to provide a housing choice for those with a disability.</p> <p>Our ongoing investment of over £300,000.00 in disabled facilities and other adaptations continues and is not affected by the report proposals.</p>			

Gender	<p>The table below provides information on the number of council tenants by gender:</p> <table border="1" data-bbox="495 320 972 552"> <thead> <tr> <th>Gender</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FEMALE</td> <td>4201</td> </tr> <tr> <td>MALE</td> <td>2482</td> </tr> <tr> <td>OTHER</td> <td>7</td> </tr> <tr> <td>Grand Total</td> <td>6690</td> </tr> </tbody> </table> <p>Tenants will benefit from the overall investment in council housing.</p> <p>There is not expected to be any particular negative impact on this specific group.</p>	Gender	Total	FEMALE	4201	MALE	2482	OTHER	7	Grand Total	6690			<input checked="" type="checkbox"/>
Gender	Total													
FEMALE	4201													
MALE	2482													
OTHER	7													
Grand Total	6690													
Marriage and civil partnership	<p>Tenants will benefit from the overall investment in council housing.</p> <p>There is not expected to be any particular negative impact on this specific group.</p>			<input checked="" type="checkbox"/>										
Pregnancy and maternity	<p>Tenants will benefit from the overall investment in council housing.</p> <p>Within the business plan there is potential for investment in better quality and additional family housing.</p> <p>There is not expected to be any particular negative impact on this specific group.</p>			<input checked="" type="checkbox"/>										

Race and ethnicity	<p>The table below provides information on the number of council tenants by ethnicity:</p> <table border="1"> <thead> <tr> <th data-bbox="488 316 1019 355">Ethnicity</th> <th data-bbox="488 316 1019 355">Count</th> </tr> </thead> <tbody> <tr><td data-bbox="488 355 1019 395">ANY OTHER</td><td data-bbox="488 355 1019 395">6</td></tr> <tr><td data-bbox="488 395 1019 435">ASIAN - BANGLADESHI</td><td data-bbox="488 395 1019 435">5</td></tr> <tr><td data-bbox="488 435 1019 475">ASIAN - INDIAN</td><td data-bbox="488 435 1019 475">2</td></tr> <tr><td data-bbox="488 475 1019 515">ASIAN BRITISH</td><td data-bbox="488 475 1019 515">8</td></tr> <tr><td data-bbox="488 515 1019 555">ASIAN OTHER</td><td data-bbox="488 515 1019 555">14</td></tr> <tr><td data-bbox="488 555 1019 595">BLACK AFRICAN</td><td data-bbox="488 555 1019 595">13</td></tr> <tr><td data-bbox="488 595 1019 635">BLACK BRITISH</td><td data-bbox="488 595 1019 635">2</td></tr> <tr><td data-bbox="488 635 1019 675">BLACK CARIBBEAN</td><td data-bbox="488 635 1019 675">6</td></tr> <tr><td data-bbox="488 675 1019 715">BLACK OTHER</td><td data-bbox="488 675 1019 715">5</td></tr> <tr><td data-bbox="488 715 1019 754">CHINESE</td><td data-bbox="488 715 1019 754">2</td></tr> <tr><td data-bbox="488 754 1019 794">GYPSY</td><td data-bbox="488 754 1019 794">2</td></tr> <tr><td data-bbox="488 794 1019 834">MIXED OTHER</td><td data-bbox="488 794 1019 834">16</td></tr> <tr><td data-bbox="488 834 1019 874">MIXED WB AFRICAN</td><td data-bbox="488 834 1019 874">7</td></tr> <tr><td data-bbox="488 874 1019 914">MIXED WB CARIBBEAN</td><td data-bbox="488 874 1019 914">4</td></tr> <tr><td data-bbox="488 914 1019 962">NOT KNOWN</td><td data-bbox="488 914 1019 962">2037</td></tr> <tr><td data-bbox="488 962 1019 1002">REFUSED</td><td data-bbox="488 962 1019 1002">7</td></tr> <tr><td data-bbox="488 1002 1019 1042">TRAVELLER</td><td data-bbox="488 1002 1019 1042">3</td></tr> <tr><td data-bbox="488 1042 1019 1082">WHITE BRITISH</td><td data-bbox="488 1042 1019 1082">4255</td></tr> <tr><td data-bbox="488 1082 1019 1121">WHITE IRISH</td><td data-bbox="488 1082 1019 1121">33</td></tr> <tr><td data-bbox="488 1121 1019 1161">WHITE OTHER</td><td data-bbox="488 1121 1019 1161">263</td></tr> <tr> <td data-bbox="488 1161 1019 1201">Grand Total</td> <td data-bbox="488 1161 1019 1201">6690</td> </tr> </tbody> </table> <p data-bbox="488 1273 1429 1313">Tenants will benefit from the overall investment in council housing.</p> <p data-bbox="488 1345 1529 1420">Wider tenant participation and engagement will increase the proportion of tenants providing feedback to inform service improvements.</p>	Ethnicity	Count	ANY OTHER	6	ASIAN - BANGLADESHI	5	ASIAN - INDIAN	2	ASIAN BRITISH	8	ASIAN OTHER	14	BLACK AFRICAN	13	BLACK BRITISH	2	BLACK CARIBBEAN	6	BLACK OTHER	5	CHINESE	2	GYPSY	2	MIXED OTHER	16	MIXED WB AFRICAN	7	MIXED WB CARIBBEAN	4	NOT KNOWN	2037	REFUSED	7	TRAVELLER	3	WHITE BRITISH	4255	WHITE IRISH	33	WHITE OTHER	263	Grand Total	6690		<input checked="" type="checkbox"/>	
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	<p>Any proposed re-development of the housing stock could potentially have a negative impact on a specific group of tenants, depending upon the location.</p> <p>Communication about the business plan may not fully reach those for whom English is not their first language.</p>			
Religion or belief	<p>Tenants will benefit from the overall investment in council housing.</p> <p>Developing and supporting staff to provide great customer service will ensure appropriate and sensitive services are delivered to the religious or belief requirements of tenants.</p> <p>There is not expected to be any particular negative impact on this specific group.</p>			<input checked="" type="checkbox"/>
Sex	<p>Tenants will benefit from the overall investment in council housing.</p> <p>There is not expected to be any particular negative impact on this specific group.</p>			<input checked="" type="checkbox"/>
Sexual orientation	<p>Tenants will benefit from the overall investment in council housing.</p> <p>Investment in our communities will ensure information about our services is accessible so that people can benefit from all our activities. Tenants experiencing alarm, distress and harassment will benefit from investment being made into providing great customer services which will be community inclusive.</p> <p>There is not expected to be any particular negative impact on this specific group.</p>			<input checked="" type="checkbox"/>

<p>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</p>	<p>Although the service is proposing a reduction in support for voluntary sector organisations, for example: Inspire to Achieve and Citizens Advice, these have been offset by an increased investment in benefit and welfare staff in the last 18 months and the introduction of a Council employment hub scheme which will therefore replace the existing service provided by Inspire to Achieve. In addition, we will encourage our One Team Coordinators to work with funding agencies to encourage financial bids to provide projects and support for vulnerable tenants to offset the reductions. We know that many of the agencies our One Teams have worked closely with this year were successful in leveraging money and projects into communities. We therefore believe that our offer to tenants will be at least as good as they experienced last year.</p> <p>Property lettings will be allocated via the choice based lettings system - Homefinder Somerset, which has equality and diversity policies in place to ensure protected groups are not disadvantaged.</p> <p>The increase to rent and services charges will be applied across our housing stock. This increase will have a neutral effect on protected groups. The cost rise to tenants is a relatively modest one and will enable the council to continue to provide an excellent range of services.</p> <p>To help support tenants on low incomes the housing service will continue to provide a number of initiatives to enable them to manage their finances and maximise their income:</p> <ul style="list-style-type: none"> • Publish clear information on rent which helps tenants to manage their own finances; • Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs; • Take action to raise the awareness of accessing a range of welfare benefits; and • Provide the opportunity for tenants to access direct support to check they are in receipt of the welfare benefits they are entitled to claim. 			
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<p>Negative outcomes action plan Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.</p>				
Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Communications on any complex changes may disproportionately worry tenants in sheltered or supported housing. We will communicate with all tenants to explain any significant changes affecting them.	2022 - ongoing	Supported Housing Specialist.	Regular meetings and wider engagement with stakeholders.	<input type="checkbox"/>
There is potential to alienate specific ethnic groups when housing is identified for regeneration/redevelopment. We will consider the re-supply of appropriate housing to meet the needs of ethnic groups as part of any future regeneration/ redevelopment.	2022 - ongoing	Development and Regeneration Lead	Regular meetings and wider engagement with stakeholders.	<input type="checkbox"/>
Those for whom English is not their first language are not made fully aware of changes. We will offer translation of communication into alternative languages. We will engage with minority groups using existing tenant involvement channels.	2022 - ongoing	Case Management Lead Tenancy Management and Supported Housing Specialist; Housing Performance Team.	Regular meetings and wider engagement with stakeholders.	<input type="checkbox"/>

<p>There is potential to alienate religious or belief groups when housing is identified for regeneration/redevelopment. We will consider the re-supply of appropriate housing to meet the needs of any religious or belief groups as part of any future regeneration/redevelopment scheme.</p>	2022 - ongoing	Development and Regeneration Lead	Regular meetings and wider engagement with stakeholders.	<input type="checkbox"/>
<p>The increase to rent and service charges will be applied across our housing stock. The cost rise to tenants is a relatively modest one and will enable the council to continue to provide an excellent range of services.</p> <p>To help support tenants on low incomes the housing service will continue to provide a number of initiatives to enable them to manage their finances and maximise their income:</p> <ul style="list-style-type: none"> • Publish clear information on rent which helps tenants to manage their own finances; • Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs; • Take action to raise the awareness of accessing a range of welfare benefits; and • Provide the opportunity for tenants to access direct support to check they are in receipt of the welfare benefits they are entitled to claim. 	2022– ongoing	Case Management Lead Tenancy Management and Supported Housing Specialist	Regular meetings and wider engagement with stakeholders.	<input type="checkbox"/>

<p>The proposed budgets for rental income in 2022/23 make provision for bad debt.</p> <p>The impact of both investment prioritisation and improvements to service delivery will be assessed in more detail as part of an annual planning process in order to identify more precisely the potential for both negative and positive impacts of the business plan.</p>	<p>2022/23</p> <p>2022 – ongoing</p>	<p>Case Management Lead – Finance</p> <p>Director of Housing</p>	<p>Regular meetings. Annual review of the HRA financial model.</p> <p>Annual review of the HRA business plan.</p>	
<p>If negative impacts remain, please provide an explanation below.</p>				
<p>N/a</p>				
<p>Completed by:</p>	<p>Stephen Boland</p>			
<p>Date</p>	<p>December 2021</p>			
<p>Signed off by:</p>				
<p>Date</p>	<p>December 2021</p>			
<p>Equality Lead/Manager sign off date:</p>				
<p>To be reviewed by: (officer name)</p>	<p>Stephen Boland</p>			
<p>Review date:</p>	<p>31st March 2023</p>			