

**SWT Community Scrutiny  
Committee**

**Thursday, 6th January, 2022,  
6.15 pm**

**Somerset West  
and Taunton**

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

**[SWT MEETING WEBCAST LINK](#)**

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**Members:** Libby Lisgo (Chair), Dave Mansell (Vice-Chair), Simon Coles, Tom Deakin, Steve Griffiths, John Hunt, Dawn Johnson, Richard Lees, Mark Lithgow, Janet Lloyd, Andy Milne, Andy Pritchard, Vivienne Stock-Williams, Ray Tully, Sarah Wakefield, Francesca Smith and Andrew Sully

### **Agenda**

**1. Apologies**

To receive any apologies for absence.

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

To approve the minutes of the previous meeting of the Community Scrutiny Committee held on

(Pages 5 - 10)

**3. Declarations of Interest**

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

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

**4. Public Participation**

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

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

### **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 at the John Meikle Room, 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 at 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 member of the Governance team). 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. Community Scrutiny Request/Recommendation Trackers** (Pages 11 - 14)  
To update the Community Scrutiny Committee on the progress of resolutions and recommendations from previous meetings of the Committee.
- 6. Community Scrutiny Forward Plan** (Pages 15 - 16)  
To receive items and review the Forward Plan.
- 7. Executive and Full Council Forward Plans** (Pages 17 - 20)  
To review the Forward Plans of the Executive and Full Council.
- 8. The Onion Collective CIC**  
A representative of the Onion Collective CIC has been invited by the Chair of Community Scrutiny, to attend the meeting and provide an update on the work of the organisation and take questions from Councillors. There has been particular interest around the East Quay Development and other projects, and Councillors would like to know more

in their roles as community leaders.

**9. 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 21 - 74)

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

Report Author: Kerry Prisco, Management Accounting and Reporting Lead.

**10. Litter Strategy** (Pages 75 - 88)

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

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

**11. External Enforcement - Litter** (Pages 89 - 104)

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

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



**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](mailto: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](mailto:governance@somersetwestandtaunton.gov.uk)

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**SWT Community Scrutiny Committee - 24 November 2021**

Present: Councillor Libby Lisgo (Chair)

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

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

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

(The meeting commenced at 6.24 pm)

49. **Apologies**

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

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

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

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

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

51. **Declarations of Interest**

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

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

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

52. **Public Participation**

There was no public participation.

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

The Chair noted the request/recommendation tracker.

54. **Community Scrutiny Forward Plan**

The Chair noted the Community Scrutiny Forward Plan.

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

The Chair noted the Executive and Full Council Forward Plans.

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

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

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

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

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

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

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

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

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

Community Scrutiny resolved to note the report.

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

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

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

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

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

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

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

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

Community Scrutiny resolved to note the report.

(The Meeting ended at 7.33 pm)

**SOMERSET WEST AND TAUNTON COUNCIL**  
 COMMUNITY SCRUTINY COMMITTEE RECOMMENDATION TRACKER 2021/22

Date of Cttee	Scrutiny Recommendation	Decision Maker /Directorate Responsible	Final Decision/ Response to recommendation/	Date of response	Implemented?	Officer Comments/Update

**Total Recommendations for 21/22:**

**Agreed: 0**

**Agreed in Part: 0**

**Not Agreed: 0**

**TBD:**



**SOMERSET WEST AND TAUNTON COUNCIL**  
COMMUNITY SCRUTINY COMMITTEE WRITTEN ANSWERS TRACKER 2021/22

Date of Cttee	Scrutiny Cttee Request for information	Decision Maker /Directorate Responsible	Response to request for information	Date response of	Scrutiny Officer Comments/Update
30/06/21	- Q) to Cllr Perry PFH - Why are the fountains not on in SWT Parks?	Cllr Perry – Parks and OS	The fountains are not working as the pump has an issue with the bearings. They have under gone various repairs and all was working really well for a few weeks, then the bearings went, we have ordered a new pump as they don't make the bearings anymore for this pump.	23/09/21	.Cllr Lloyd – more information on Wellington

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**COMMUNITY SCRUTINY**

<b>Meeting</b>	<b>Draft Agenda Items</b>	<b>Lead PFH/ Lead Officer</b>
<b>6th January 2022</b>	Onion Collective	reps from Onion Collective
SRD = 20 December	Housing Revenue and Capital Budget Setting 2022/23 including Dwelling Rent Setting 2022/23 and 30 Year Business Plan Review	Cllr F Smith / Paul F/ Emily C/ James B
Exec RD = 7 January	Litter Strategy	Cllr A Sully / Stuart Noyce
Informal Exec RD = 30 Nov	Litter Enforcement One Year	Cllr A Sully / Stuart Noyce
SMT RD = 17 November		
<b>27th January 2022</b>	Council Housing Zero Carbon Retrofit Task and Finish Group	Cllr D Mansell / Chair
SRD = 17 January	CNCR Plan (to incorporate ecological emergency)	Sue Tomlinson/Cllr D Darch
Exec RD = 4 February	Housing Decant Report	Chris Brown / James Barraah / Cllr F Smith
Informal Exec RD = 4 Jan	Executive Cllr PFH Session - Cllr D Darch	Cllr D Darch
SMT RD = 8 December		
<b>23rd February 2022</b>	Sports and Leisure Management (Everyone Active) Bi-Annual Report	Cllr D. Perry & S Noyce
SRD = 11 February	CCTV Review	Cllr C Booth/ S. Weetch
Exec RD = 4 March	Executive Cllr PFH Session - Cllr D Perry	
Informal Exec RD = 1 Feb	Community Scrutiny Chair's Annual Report	Chair of the Committee
SMT RD = 19 January		
<b>31st March 2021</b>	Executive Cllr PFH Session - Cllr A Sully	
SRD = 21 March		
Exec RD = 6 April		
Informal Exec RD = 8 March		
SMT RD = 23 February		
<b>27th April 2021</b>	Executive Cllr PFH Session -	
SRD =		
Meeting Date TBC	Health and Wellbeing Board Update	Cllr C Booth/ M. Leeman
	Marina Lease	J Stevens / Cllr M Kravis
	Car Parking Review	Cllr M. Rigby / S. Noyce
	E-Scooter Review	TBC



**EXECUTIVE**

<b>Executive Meeting</b>	<b>Draft Agenda Items</b>	<b>Lead Officer</b>
<b>19 January 2022</b>	Housing Revenue and Capital Budget Setting 2022/23 including Dwelling Rent Setting 2022/23 and 30 Year Business Plan Review	Paul Fitzgerald
<b>venue =</b>	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
<b>Budget - 9 February 2022</b>	General Fund Revenue Budget and Capital Estimates 2022/23	Paul Fitzgerald
<b>venue =</b>	Council Tax Setting 2022/23	Paul Fitzgerald
Exec RD = 28 January	<b>NO MORE ITEMS</b>	
Informal Exec RD = 4 January	<b>Special Meeting</b>	
SMT RD = 8 December		
<b>16 February 2022</b>		
<b>venue =</b>		
Exec RD = 4 February		
Informal Exec RD = 4 January		
SMT RD = 8 December		
<b>16 March 2022</b>	Financial Performance 2021/22 Q3	Emily Collacott
<b>venue =</b>	Capital, Investment and Treasury Strategy 2022/23	Paul Fitzgerald
Exec RD = 4 March	Corporate Performance Report Q3	Malcolm Riches
Informal Exec RD = 1 February	CCTV	Sally Parry/Scott Weetch
SMT RD = 19 January	Longforth Masterplan	Sarah Povall
<b>20 April 2022</b>	Tower Street	Natalie Kirbyshire
<b>venue =</b>		
Exec RD = 6 April		
Informal Exec RD = 8 March		
SMT RD = 23 February		
<b>Items to be Confirmed</b>	RIPA Policy	Amy Tregellas
	Marina Lease (November 2022)	Andrew Pritchard/New AD
	Firepool Design Guidance and Masterplan	Graeme Thompson/Tim Bacon
<b>Officer/Portfolio Holder Key Decision</b>	<b>Title</b>	<b>Lead Officer/PFH</b>
31/08 - 28/09 - decision on 29/09/21	Award of construction contract for affordable housing development at Seaward Way Minehead	James Barrahan/ Cllr F. Smith



**FULL COUNCIL**

<b>Meeting</b>	<b>Report Deadline</b>	<b>Draft Agenda Items</b>	<b>Lead Officer</b>
<b>18 January 2022</b>	<b>6 January 2022</b>	Asset Management Strategy	Chris Hall
<b>Special Meeting</b>		Commercial Investment Review	Joe Wharton
		Commercial Investment Strategy	Joe Wharton
		<b>NO MORE ITEMS</b>	
<b>8 February 2022</b>	<b>27 January 2022</b>	Housing Revenue and Capital Budget Setting 2022/23 including Dwelling Rent Setting 2022/23 and 30 Year Business Plan Review	Paul Fitzgerald
		External Audit Arrangements	Paul Fitzgerald
		Statement of Licensing and Gambling Policy	John Rendell
		Community Governance Review - Options	Kevin Williams
		Constitution Update	Kevin Williams
<b>24 February 2022</b>	<b>14 February 2022</b>	General Fund Revenue Budget and Capital Estimates 2022/23	Paul Fitzgerald
<b>Budget Only</b>		Council Tax Setting 2022/23	Paul Fitzgerald
<b>Special Meeting</b>		<b>NO MORE ITEMS</b>	
<b>29 March 2022</b>	<b>17 March 2022</b>	Capital, Investment and Treasury Strategy 2022/23	Paul Fitzgerald
		Longforth Masterplan	Sarah Povall
		SWT Pay Policy	Sean Papworth
		CCTV	Sally Parry/Scott Weetch
<b>10 May 2022</b>	<b>28 April 2022</b>	<b>Annual Council Meeting</b>	
		Council Committees for 2021/2022 and their Terms of Reference	Amy Tregellas
		Appointment of Representatives on Outside Bodies	Amy Tregellas
		To authorise the sealing or signing of documents to give effect to any decisions taken	Amy Tregellas
<b>July 2022</b>	<b>TBC</b>	Tower Street	Natalie Kirbyshire



# Somerset West and Taunton Council

## Community Scrutiny Committee – 6 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 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 This report is to be noted as the draft revenue and capital budget estimates and proposals.

2.2 Corporate Scrutiny supports the following proposed recommendations to the Executive and Full Council.

2.3 To approve the HRA Annual Revenue Budget for 2022/23.

2.4 To approve the increase of 4.1% (CPI+1%) to Dwelling Rents for 2022/23.

2.5 To approve the HRA Capital Programme for 2022/23.

2.6 To approve the transfer of Duke Street Car Park from the Housing Revenue Account to the General Fund and to delegate authority

to the Section 151 officer to approve the final land transfer value.

2.7 To note the reviewed and updated assumptions in the 5-Year Medium Term Financial Plan (MTFP).

2.8 To note the reviewed and updated assumptions in the 2021 HRA 30-Year Business Plan.

### 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) and costs (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 crystalise 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 an 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).

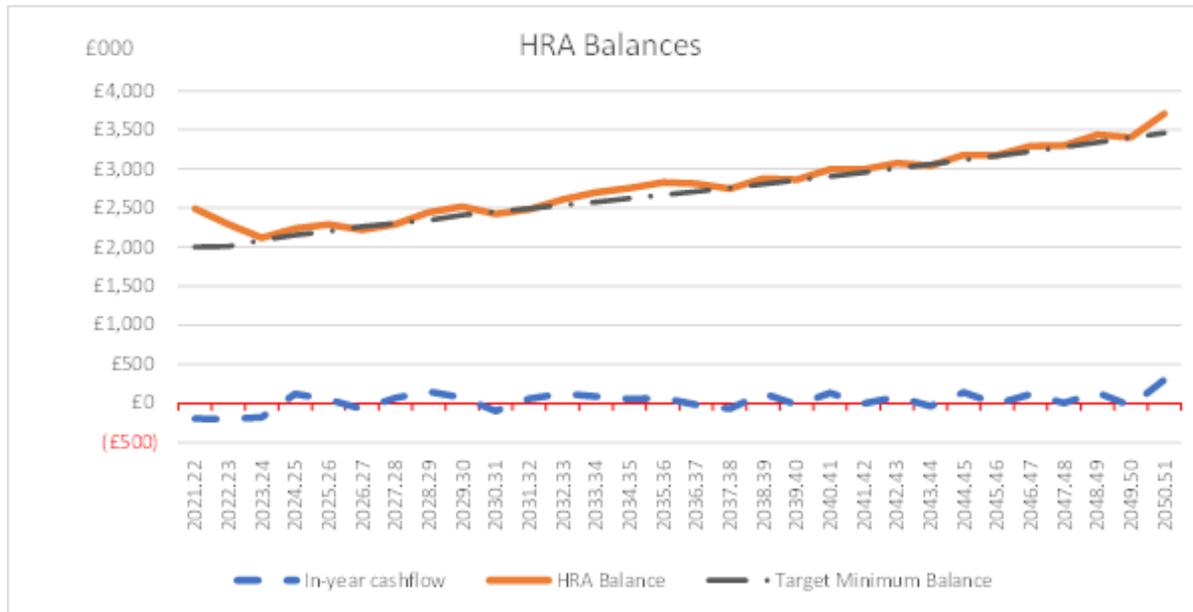
5.6 This has been successful in improving the financial position of the HRA during the next 5 years, as shown in the performance measures below, but this relies heavily on new capital receipts from asset sales and building savings into the business. It is essential

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

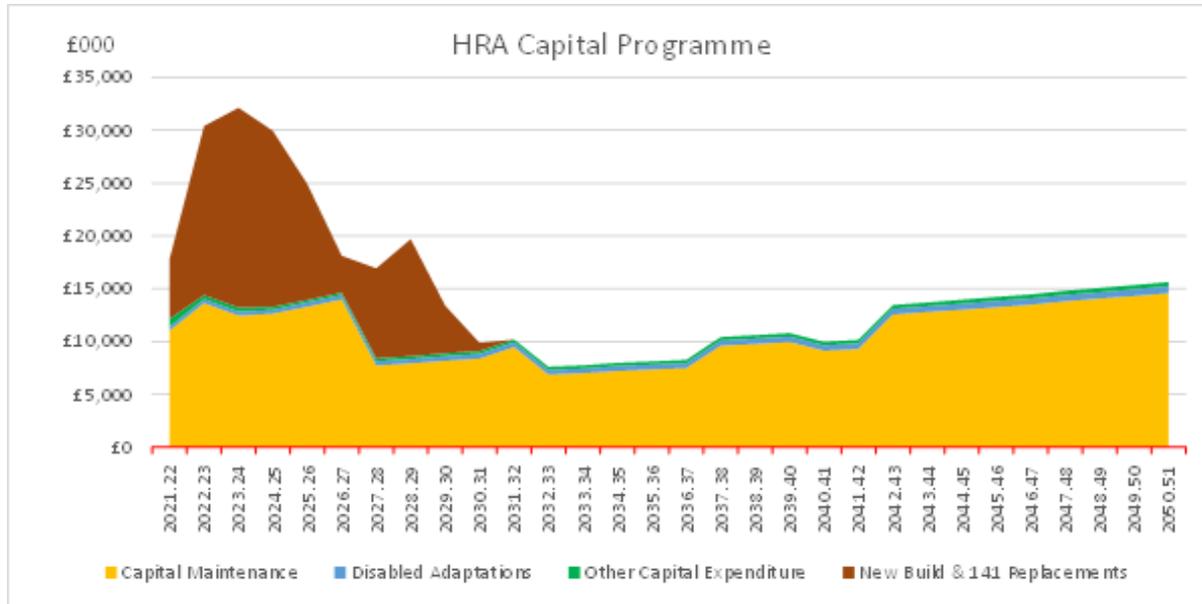
5.7.1 The following measures have been used by Altair to assess the affordability and financial sustainability of our operational aspirations in light of the updated assumptions and projections within our Business Plan.

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.



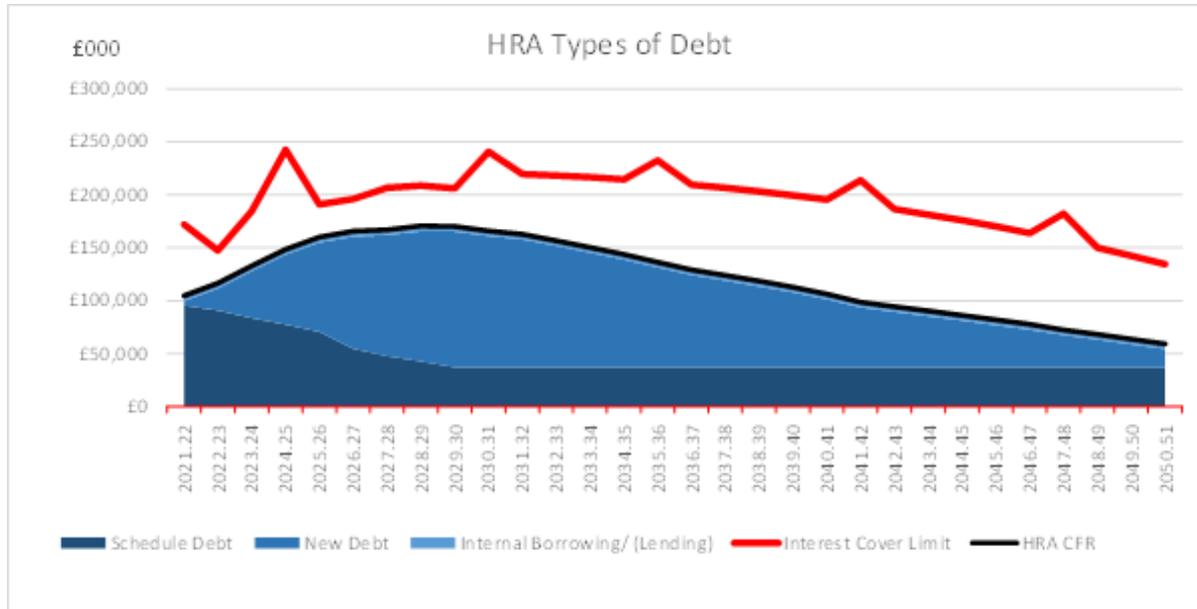
5.7.3 **Capital Programme:** The proposed capital programme enables the HRA to maintain its existing stock (amber area) and allows for the new build / purchase of an additional 347 units by 2029/30 (brown area). This is affordable within the current baseline position.

Note that this excludes any additional investment required to meet decarbonisation targets.



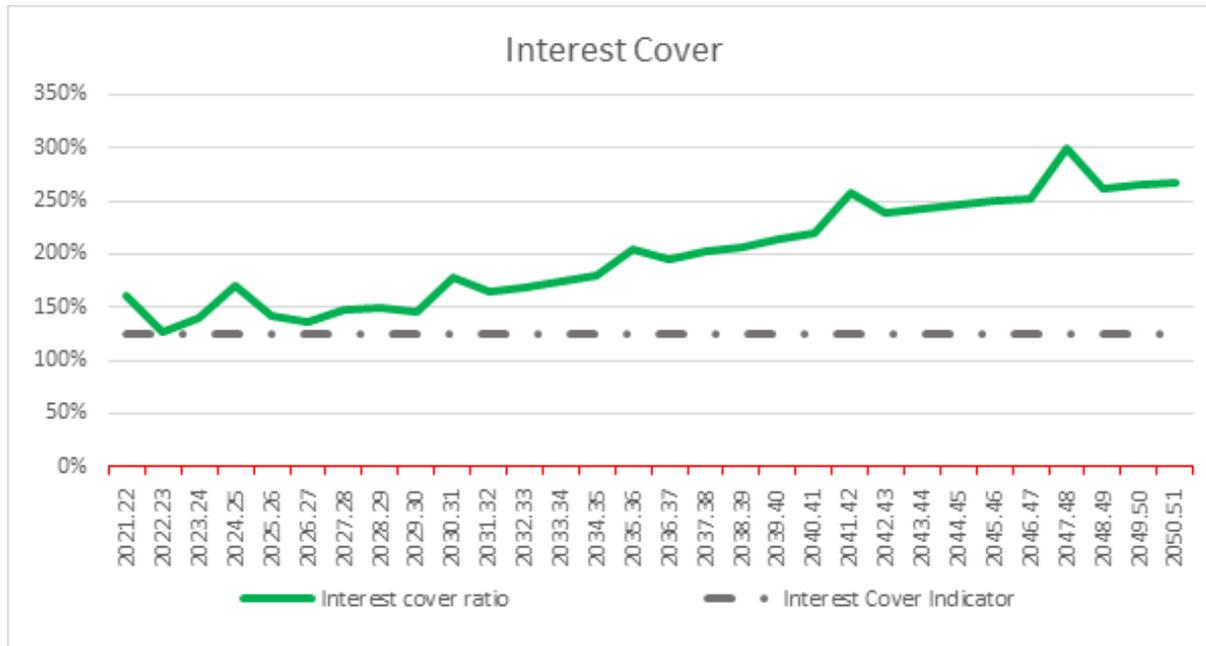
5.24 **Capital Financing Requirement:** There will be a need to take out additional (new) debt to pay for the capital programme and to refinance existing loans falling due. The borrowing requirement increases initially reaching a peak debt of £171m in 2028/29. Revenues streams are strong enough to repay 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.



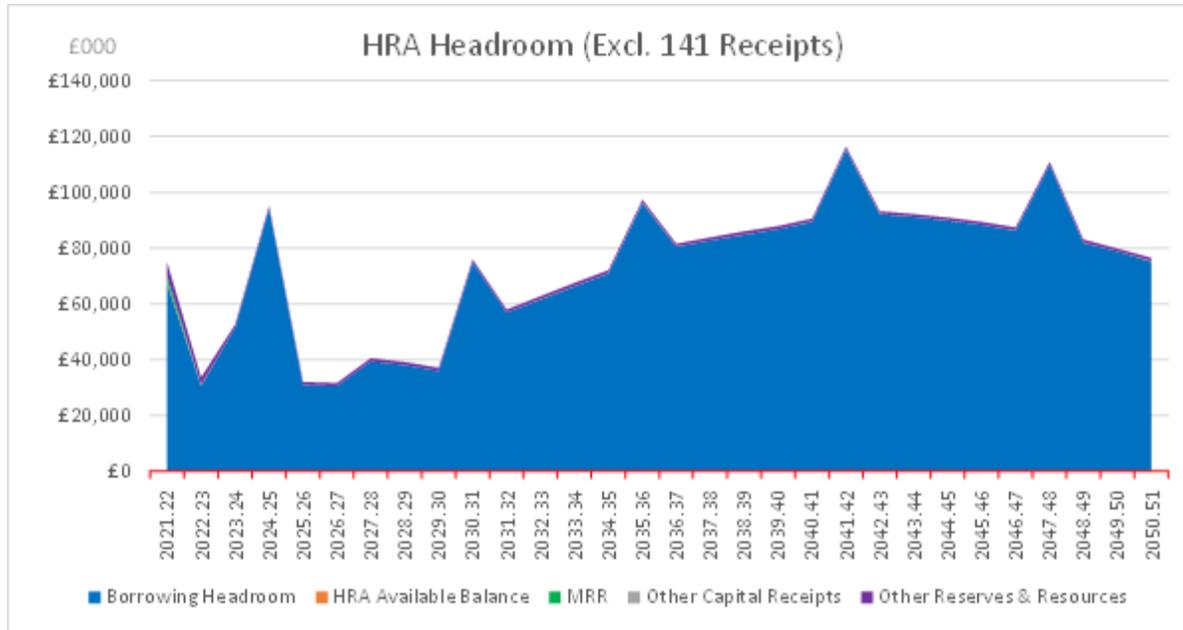
**5.7.5 Interest Cover:** This metric measures the ability of the HRA to be able to finance the interest payable on debt by 1.25 times or more. This measure is widely used by housing associations and indicates the ability to pay for debt-related costs. The forecast shows that we meet and improve upon 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.



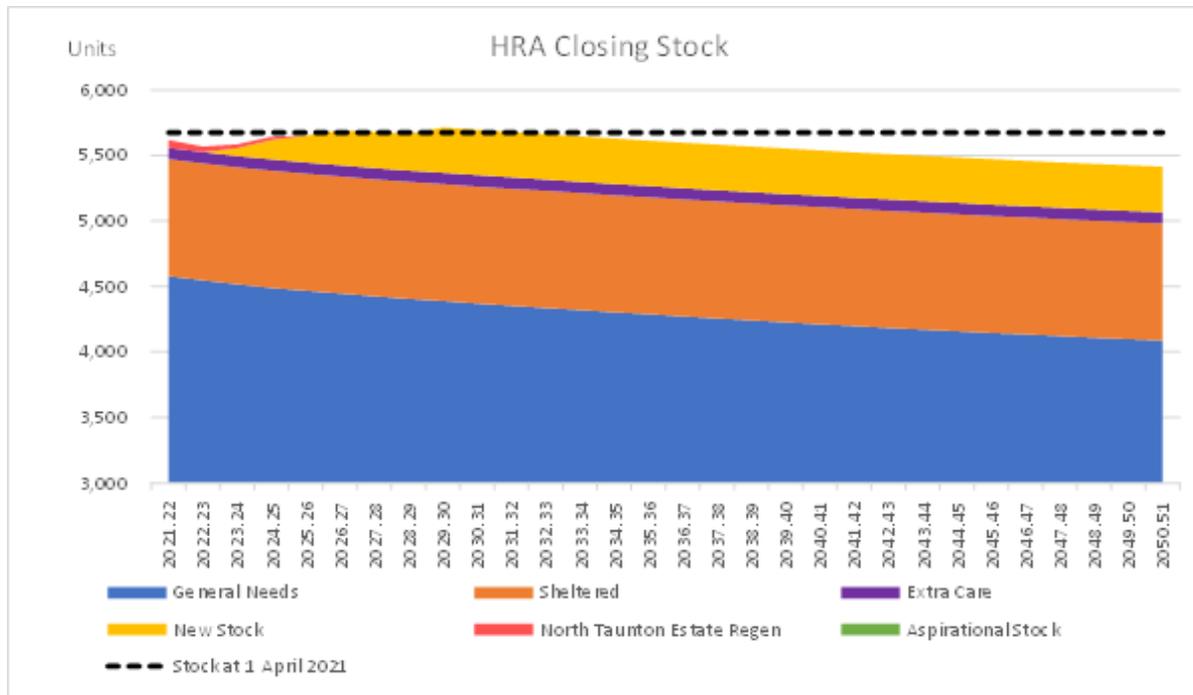
5.7.6 **Headroom:** This represents the additional borrowing capacity available to the HRA without exceeding the interest cover limit. The headroom drops to its lowest of £30.574m in 2026/27, but overall this represents a reasonable level of headroom over the 30-year period. It is important that the 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
<b>Original Budget 2021/22 - balanced budget</b>			<b>0</b>
<b>Growth in 2022/23:</b>			
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	
<b>Total Growth</b>			<b>1,919.3</b>

<b>Savings / Increase in Income in 2022/23:</b>			
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)	
<b>Total Savings / Increase in Income</b>			<b>(919.3)</b>
<b>Budget Gap</b>			<b>1,000.0</b>
One-Off Adjustment to Revenue Budget for Debt Repayment	6.31		(800.0)
One-Off Funding from General Reserves	6.32		(200.0)
<b>Proposed Original Net Budget for 2022/23</b>			<b>0</b>

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 1<sup>st</sup> 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 administrating 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 53<sup>rd</sup> 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 Section 151 officer to approve the final land transfer amount.

## 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

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- 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 website<sup>1</sup> and we have inflated the data based on that applied to SWT rents since 31 March 2020 for comparison purposes. The data suggests that

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

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**

<b>Somerset West &amp; Taunton</b>	<b>Average Weekly Rent (£) - 2021/22</b>	<b>Average Weekly Rent (£) - 2022/23</b>
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

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- 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 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

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.

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**

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

- 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**

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

**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**

<b>Capital Scheme</b>	<b>Total Cost £000</b>
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
<b>Total</b>	<b>11,051</b>

## 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

pursue 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 therefore 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 Strategy<sup>2</sup>.

### **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

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<sup>2</sup> <https://www.somersetwestandtaunton.gov.uk/your-council/corporate-strategy/>

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 these emerge through the financial planning process.

## **22 Asset Management Implications**

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.

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#### 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
<b>Income</b>					
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
<b>Total Income</b>	<b>- 27,668</b>	<b>- 28,404</b>	<b>- 29,749</b>	<b>- 31,488</b>	<b>- 32,014</b>
<b>Expenditure</b>					
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
<b>Total Expenditure</b>	<b>15,708</b>	<b>17,057</b>	<b>17,244</b>	<b>17,289</b>	<b>17,671</b>
<b>Other Expenditure</b>					
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	-	-	-
<b>Total Other</b>	<b>11,959</b>	<b>11,348</b>	<b>12,685</b>	<b>13,130</b>	<b>14,016</b>
<b>Total - (surplus) / deficit</b>	<b>-</b>	<b>-</b>	<b>181</b>	<b>- 1,069</b>	<b>- 327</b>



## APPENDIX B

### HRA 10-Year Capital Programme from 2022/23

	Approved	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32
	Budget	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Capital Investment</b>												
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
<b>Sub-Total Majors &amp; Improvements</b>	<b>18,294</b>	<b>£12,150</b>	<b>£14,378</b>	<b>£13,223</b>	<b>£13,308</b>	<b>£13,925</b>	<b>£14,621</b>	<b>£8,400</b>	<b>£8,616</b>	<b>£8,878</b>	<b>£9,103</b>	<b>£10,194</b>
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
<b>Total Investment</b>	<b>118,327</b>	<b>£17,822</b>	<b>£30,406</b>	<b>£32,144</b>	<b>£29,953</b>	<b>£24,926</b>	<b>£18,140</b>	<b>£16,946</b>	<b>£19,706</b>	<b>£13,400</b>	<b>£9,880</b>	<b>£10,194</b>
<b>Funding</b>												
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
<b>Total Funding</b>		<b>£17,822</b>	<b>£30,406</b>	<b>£32,144</b>	<b>£29,952</b>	<b>£24,926</b>	<b>£18,140</b>	<b>£16,946</b>	<b>£19,706</b>	<b>£13,400</b>	<b>£9,880</b>	<b>£10,194</b>



## 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:

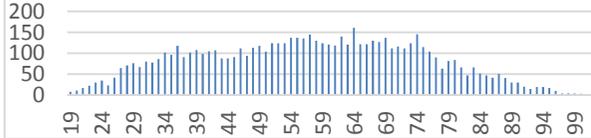
1. Any indication or evidence that any part of the proposed changes could discriminate, directly or indirectly?
2. Any potential for the proposed changes to adversely affect equality of opportunity for all?

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><b>Summary</b></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 style="text-align: center;">✓</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><b>Age</b></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
<b>Total</b>	<b>5606</b>

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><b>Disability</b></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>			

<b>Gender</b>	<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><b>Grand Total</b></td> <td><b>6690</b></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	<b>Grand Total</b>	<b>6690</b>			<input checked="" type="checkbox"/>
Gender	Total													
FEMALE	4201													
MALE	2482													
OTHER	7													
<b>Grand Total</b>	<b>6690</b>													
<b>Marriage and civil partnership</b>	<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"/>										
<b>Pregnancy and maternity</b>	<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"/>										

<b>Race and ethnicity</b>	<p>The table below provides information on the number of council tenants by ethnicity:</p> <table border="1" data-bbox="488 316 1021 1203"> <thead> <tr> <th data-bbox="488 316 936 357">Ethnicity</th> <th data-bbox="936 316 1021 357">Count</th> </tr> </thead> <tbody> <tr><td data-bbox="488 357 936 395">ANY OTHER</td><td data-bbox="936 357 1021 395">6</td></tr> <tr><td data-bbox="488 395 936 434">ASIAN - BANGLADESHI</td><td data-bbox="936 395 1021 434">5</td></tr> <tr><td data-bbox="488 434 936 472">ASIAN - INDIAN</td><td data-bbox="936 434 1021 472">2</td></tr> <tr><td data-bbox="488 472 936 510">ASIAN BRITISH</td><td data-bbox="936 472 1021 510">8</td></tr> <tr><td data-bbox="488 510 936 549">ASIAN OTHER</td><td data-bbox="936 510 1021 549">14</td></tr> <tr><td data-bbox="488 549 936 587">BLACK AFRICAN</td><td data-bbox="936 549 1021 587">13</td></tr> <tr><td data-bbox="488 587 936 625">BLACK BRITISH</td><td data-bbox="936 587 1021 625">2</td></tr> <tr><td data-bbox="488 625 936 663">BLACK CARIBBEAN</td><td data-bbox="936 625 1021 663">6</td></tr> <tr><td data-bbox="488 663 936 702">BLACK OTHER</td><td data-bbox="936 663 1021 702">5</td></tr> <tr><td data-bbox="488 702 936 740">CHINESE</td><td data-bbox="936 702 1021 740">2</td></tr> <tr><td data-bbox="488 740 936 778">GYPSY</td><td data-bbox="936 740 1021 778">2</td></tr> <tr><td data-bbox="488 778 936 817">MIXED OTHER</td><td data-bbox="936 778 1021 817">16</td></tr> <tr><td data-bbox="488 817 936 855">MIXED WB AFRICAN</td><td data-bbox="936 817 1021 855">7</td></tr> <tr><td data-bbox="488 855 936 893">MIXED WB CARIBBEAN</td><td data-bbox="936 855 1021 893">4</td></tr> <tr><td data-bbox="488 893 936 932">NOT KNOWN</td><td data-bbox="936 893 1021 932">2037</td></tr> <tr><td data-bbox="488 932 936 970">REFUSED</td><td data-bbox="936 932 1021 970">7</td></tr> <tr><td data-bbox="488 970 936 1008">TRAVELLER</td><td data-bbox="936 970 1021 1008">3</td></tr> <tr><td data-bbox="488 1008 936 1046">WHITE BRITISH</td><td data-bbox="936 1008 1021 1046">4255</td></tr> <tr><td data-bbox="488 1046 936 1085">WHITE IRISH</td><td data-bbox="936 1046 1021 1085">33</td></tr> <tr><td data-bbox="488 1085 936 1123">WHITE OTHER</td><td data-bbox="936 1085 1021 1123">263</td></tr> <tr> <td data-bbox="488 1123 936 1161"><b>Grand Total</b></td> <td data-bbox="936 1123 1021 1161"><b>6690</b></td> </tr> </tbody> </table> <p data-bbox="488 1273 1429 1311">Tenants will benefit from the overall investment in council housing.</p> <p data-bbox="488 1347 1532 1423">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	<b>Grand Total</b>	<b>6690</b>			
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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>			
<b>Religion or belief</b>	<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"/>
<b>Sex</b>	<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"/>
<b>Sexual orientation</b>	<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><b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b></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"> <li>• Publish clear information on rent which helps tenants to manage their own finances;</li> <li>• Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs;</li> <li>• Take action to raise the awareness of accessing a range of welfare benefits; and</li> <li>• Provide the opportunity for tenants to access direct support to check they are in receipt of the welfare benefits they are entitled to claim.</li> </ul>			
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<b>Negative outcomes action plan</b> 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
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"> <li>• Publish clear information on rent which helps tenants to manage their own finances;</li> <li>• Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs;</li> <li>• Take action to raise the awareness of accessing a range of welfare benefits; and</li> <li>• Provide the opportunity for tenants to access direct support to check they are in receipt of the welfare benefits they are entitled to claim.</li> </ul>	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><b>If negative impacts remain, please provide an explanation below.</b></p>				
<p>N/a</p>				
<p><b>Completed by:</b></p>	<p>Stephen Boland</p>			
<p><b>Date</b></p>	<p>December 2021</p>			
<p><b>Signed off by:</b></p>				
<p><b>Date</b></p>	<p>December 2021</p>			
<p><b>Equality Lead/Manager sign off date:</b></p>				
<p><b>To be reviewed by: (officer name)</b></p>	<p>Stephen Boland</p>			
<p><b>Review date:</b></p>	<p>31<sup>st</sup> March 2023</p>			

*Report Number: SWT 2/22*

## **Somerset West and Taunton Council**

**Community Scrutiny Committee 6th 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 "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.

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**

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**

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

### **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

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 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.*

We will:

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

*Report Number: SWT 3/22*

## **Somerset West and Taunton Council**

### **Community Scrutiny Committee 6 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. 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. 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. Risk Assessment**

- 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. 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:

<b>Option</b>	<b>Description</b>	<b>Conclusion</b>
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 authorities<sup>1</sup>.
- 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

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<sup>1</sup> 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. 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. 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.

<b>FPN's Issued Per Officer Per Day</b>	<b>Projected Annual Income from FPNs based on a 72% payment rate</b>	<b>Net Service Surplus/cost</b>
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. 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. 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.<sup>2</sup>
- 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.

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

## **9. Safeguarding and/or Community Safety Implications**

- 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. 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. 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. 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. Health and Wellbeing Implications**

- 13.1 There are no health and wellbeing implications for the Council.

## **14. Asset Management Implications**

- 14.1 There are no asset management implications for the Council.

## **15. 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. Consultation Implications**

16.1 There are no consultation implications for the Council.

**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**

Appendix A	Equality Impact Assessment
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**Contact Officers**

Name	Stuart Noyce
Direct Dial	01823 218713
Email	<a href="mailto:s.noyce@somersetwestandtaunton.gov.uk">s.noyce@somersetwestandtaunton.gov.uk</a>
Name	Vicky Lowman
Direct Dial	01823 218749
Email	<a href="mailto:v.lowman@somersetwestandtaunton.gov.uk">v.lowman@somersetwestandtaunton.gov.uk</a>



# 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](mailto: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

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.

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

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

<b>Analysis of impact on protected groups</b>				
<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>				
<b>Protected group</b>	<b>Summary of impact</b>	<b>Negative outcome</b>	<b>Neutral outcome</b>	<b>Positive outcome</b>
<b>Age</b>	<ul style="list-style-type: none"> <li>FPN's will directly affect people who are caught littering, FPNs' will not be issued to individuals under the age of 18.</li> <li>Our services are based on guidance, legislation and written policy and are provided to all regardless of a person's age.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Disability</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>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</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>EHCS show respect and flexibility for religious beliefs and festivals and try and be aware of cultural differences.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Sex</b>	<ul style="list-style-type: none"> <li>The issuing of FPN's is based on guidance, legislation and written policy and are provided to all regardless of a person's Sex</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<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.**

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**Completed by:**

Vicky Lowman

**Date**

09/10/2021

**Signed off by:**

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

