

# Full Equality Impact Assessment

For a policy, project, service or other decision that is new, changing or under review

<b>What is being assessed?</b>		<b>HRA: Revised Rent and Service Charge Policy</b>	
Lead Assessor	Jaine Cresser		Assessment team
Start date	October 2016	End date	Jan 2017
When will the EqIA be reviewed?	Jan 2018		Hannah Rayner Katrina Shirley Emma Barron

Who may be affected by it?	All tenants
What are the key aims of it?	<p>The aim of the policy is to provide a fair method of calculating social and affordable rents and service charges within a viable and sustainable Housing Revenue Account (HRA) that enables the Council to deliver effective services, invest in its properties to ensure homes are of a modern standard and to provide new housing to rent.</p> <p>The proposed revisions aim to ensure that the policy complies with the provisions in the Welfare Reform and Work Act in respect of social rents and to clarify the Council’s position in relation to service charge increases and affordable rents. Key elements include:</p> <ul style="list-style-type: none"> <li>• Reduce social rents by 1% for 4 years (until 2020/21) (for the properties as described in the Welfare Reform and Work Act).</li> <li>• Increase the rents for all excluded properties by CPI +1%, e.g. LSSO</li> <li>• Set the rent for a proportion of new build homes at affordable rents.</li> <li>• Set the rent where adaptations or extensions have resulted in the property being increased in size (for example, an additional bedroom), in accordance with the formula rent as detailed in the policy.</li> <li>• Further to the Welfare Reform and Work Act 2016, charge the rent payable by new tenants of existing social rent housing at the higher of the formula rent (i.e. the ‘social rent rate’), or the actual rent (i.e. the ‘assumed rent rate’) as at 8<sup>th</sup> July 2015, with the appropriate rent reductions applied.</li> <li>• Charge actual costs for service charges but with the provision to apply a cap, subject to any legal constraints, on affordability grounds where appropriate.</li> </ul>

What <b>positive measures</b> are in place (if any) to help <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment		Promote equal opportunities	The aim of the policy is to provide a fair method of calculating rents and service charges for all of our tenants. It also aligns with the council's Concessions for Fees and Charges Policy, and the principle of recovering the cost of providing services.	Encourage good relations	

What sources of data / information are you using to inform your assessment?	<ul style="list-style-type: none"> <li>• Welfare Reform and Work Act 2016</li> <li>• Housing and Planning Act 2016</li> <li>• Rent and service charge policy to be agreed by Exec November 2016 and recommended to Council in January 2017</li> <li>• Rent account information</li> <li>• Northgate data</li> <li>• Supported housing service data</li> </ul> <p>The Housing and Planning Act 2016 gives the Government the power to require tenants on a higher income to pay a higher rent ('Pay to Stay' scheme). In a Written Ministerial Statement on the 21st November 2016, the Government announced that it had decided not to proceed with a compulsory approach for Pay to Stay. This was confirmed in the Autumn Statement. Local authorities continue to have discretion to apply Pay to Stay. The Council's December 2016 Executive resolved not to adopt the Government's Pay to Stay policy whereby higher-earning social housing tenants would have to pay more in rent.</p>
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In assessing the potential impact on people, are there any overall comments that	The requirement to decrease rents by 1% for the next 3 years has required the HRA Business Plan priorities to be reviewed. The proposed changes to the HRA Business Plan has been considered at the November Executive. The 1% decrease leads to a £12 million shortfall in the original Business Plan (Nov 14) in the first 4 years, escalating to £225 million over the 30 years of the Plan.
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<p>you would like to make?</p>	<p>Last year, most of those who receive services for which there is a service charge payable saw an increase on their weekly charge. This related to those who live in flats predominantly, as well as sheltered accommodation. The Council must recover the actual cost of providing the service. The DWP's impact assessment confirms that where a tenant is not in receipt of Housing Benefit (HB) and has no service charges, they will be better off financially through this 1% rent reduction.</p> <p>The setting of a proportion of new build lets at affordable rents will contribute positively to increasing the supply of new homes in Stevenage. All target groups will benefit given the need for affordable housing is common across all socio-economic and minority groups. The current low supply of new affordable housing and the high cost of the private rented sector in Stevenage have impacted adversely on those groups whose incomes are average or below average.</p> <p>Any groups that are potentially disadvantaged are still expected to be able to benefit from a council property set at a social rent.</p> <p>The decision not to apply the discretionary Pay to Stay scheme, will ensure that those tenants earning over a certain level will not have to pay disproportionately more in their rent. This will also benefit those tenants whose future earnings may take them over the Pay to Stay income levels. There was concern that implementing a Pay to Stay scheme may have resulted in a disincentive to increase earnings.</p>
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## Evidence and impact assessment

Explain the potential impact and opportunities it could have for people in terms of the following characteristics, where applicable:

Age					
Positive impact		Negative impact		Unequal impact	A proportion of tenants may see an increase in service charges in any given year. The majority of tenants who are charged for services live in flats and or sheltered accommodation. Tenants living in sheltered housing do so because they have additional needs that require support relating to age, disability or both. The minimum age for entry into sheltered housing is 55 years and data from Northgate indicates that the proportion of tenants aged 60+ in sheltered housing, is almost three times the proportion for all tenant housing. In relation to flat blocks, the data indicates that there is a higher proportion of people aged 18-29 years in flat blocks compared with all SBC housing.
Please evidence the data and information you used to support this assessment			See page two.		
What opportunities are there to mitigate the impact?	A further EqIA will be carried out on the impact of the service and support charge increases specific to 2017/18. This will consider the impact on individual tenants to ensure that individual customers are not affected disproportionately. The rent and service charge increases and if appropriate caps will be modelled based on this information			What do you still need to find out? Include in actions (last page)	

Disability					
Positive impact		Negative impact		Unequal impact	Northgate data on tenants in relation to disability was collected a number of years ago and is not up to date. This information was also disclosed at the tenants' discretion so some tenants may not have provided it. To give some context, the data indicates that the proportion of tenants in sheltered housing declaring that they had a disability was almost double the proportion for the whole SBC tenant population. The proportion of tenants living in flat blocks declaring a disability was very similar to the proportion living in all properties, therefore a disproportionate impact on

				these tenants is not anticipated.
Please evidence the data and information you used to support this assessment			See page two.	
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)	

<b>Gender reassignment, Marriage or civil partnership, Pregnancy &amp; maternity, Race, Religion or belief, Sex, Sexual orientation N/A</b>				
Positive impact		Negative impact		Unequal impact
Please evidence the data and information you used to support this assessment				
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)	

<b>Socio-economic<sup>1</sup></b>					
<b>e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users</b>					
Positive impact	The rent decrease will be applied across all tenancies prescribed by the Work and Welfare Reform Act regardless of circumstances. This is a mandatory requirement. It will be applied for the next 3 years. Those reliant on Housing Benefit to cover their full rent and HB eligible service charges won't be affected by the increase in service charges. Their HB award will be recalculated.	Negative impact	Some properties will be exempt from the 1% rent reduction and will see their rent increase by CPI +1% (currently this is circa 95 LSSO properties and 2 shared ownership properties). Those who receive services for which a service charge is made will be charged the actual cost of these services. Heating charges are exempt from HB and tenants are expected to pay this. Water charges are also exempt from HB and are set by the Water Authority. SBC collects the water charges on behalf of the Water Authority.	Unequal impact	
	The number of bids on the new				

<sup>1</sup>Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

	<p>build properties let at affordable rents were similar to the number received for new build let at social rents when a pilot was carried out in 2016. There was a mixture of employed and unemployed applicants. Applicants in receipt of benefits were not excluded or unfairly treated.</p>				
<p>Please evidence the data and information you used to support this assessment</p>		<p>See page 2</p>			
<p>What opportunities are there to mitigate the impact and promote equality and inclusion?</p>	<p>The policy allows for capping of service charges, subject to any legal constraints. As a means of mitigating the impact of an increase that would cause hardship, the council may subsidise the costs.</p> <p>The rent notification letter (to be sent out at the end of February) will offer tenants the opportunity to discuss any queries they have with staff. It will explain why the rent has decreased and also explain any increase in service charges. Where a property has a number of service charges they will be fully explained, with a summary of how the weekly charge has increased overall.</p> <p>Where support charges are also included (mainly but not exclusively for sheltered and flexi care schemes) separate notifications will be sent out to these residents to ensure it is clearly set out how each element of the weekly charge is made up.</p> <p>To ensure that this is explained as clearly as possible there will be a FAQ sheet and details on the website.</p> <p>The policy states that the Council will have regard to the Local Housing Allowance when setting affordable rents. If affordable rents are set at this level, housing benefit will cover the rent in full for those tenants who are entitled to the maximum amount of housing benefit. Setting at the Local Housing Allowance will also benefit tenants who are, for example on a low wage or zero hour</p>			<p>What do you still need to find out? Include in actions (last page)</p>	

	<p>contracts and where partial housing benefit can be paid.</p> <p>For those moving into Affordable Rent (AR) properties a comprehensive affordability assessment is carried out prior to offer to ensure that the tenancy is sustainable.</p> <p>The implementation of the policy in respect of AR will be kept under review by the Housing Development Executive Committee and should adverse impacts be identified this will inform future decision making in this regard.</p>		
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<b>Other</b>			
<b>please feel free to consider the potential impact on people in any other contexts</b>			
Positive impact	Negative impact	Unequal impact	
Please evidence the data and information you used to support this assessment			
What opportunities are there to mitigate the impact?		What do you still need to find out? Include in actions (last page)	

**What are the findings of any consultation with:**

Residents?	<p>In the Residents' Survey 2015, 54% of tenants said they had felt the impact of government cuts to public services compared with 43% of all respondents. 'Increase income from fees and charges' was the second priority of all respondents (and tenants). 'Selling our services where possible' was the first priority and the council is investigating opportunities to do more of this.</p>	Staff?	
Voluntary & community sector?		Partners?	
Other stakeholders?	<p>HMB was consulted in October 2016 and was supportive of the policy to charge at actual cost but with the provision in the policy to cap any increases if this would cause hardship.</p> <p>In terms of affordable rents, HMB broadly supported the policy in principle but expressed some concern about the affordability of such schemes and the</p>		

	<p>position if tenants lost employment/were on a low wage. They were advised that that the rent would be covered in full for those tenants entitled to full housing benefit due to the rent being set at the LHA level. They were also advised that those in low paid employment may be entitled to partial housing benefit. HMB welcomed the pilot scheme rents being set at the Local Housing Allowance Level. They were further advised that affordability assessments will be carried out. HMB commented that there will be people needing social housing who can't pay an affordable rent. They also acknowledged that the Pay to Stay Scheme meant that tenants would be paying different levels of rent (Since HMB, the Government has decided not to proceed with a compulsory Pay to Stay scheme).</p>	
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**Overall conclusion & future activity**

Explain the <b>overall findings</b> of the assessment and <b>reasons for outcome (please choose one)</b> :		
	1. No inequality, inclusion issues or opportunities to further improve have been identified	
Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made	
	2b. Continue as planned	<p>The future viability of the HRA Business Plan will be reliant upon us being able to recover the cost of service provision where it's possible to do so. Only a proportion of new builds will be at affordable rent: the revised HRA Business Plan considered at the November Executive proposes a 50/50 split. The proposal to offer 50% of new build rents at affordable rent levels and 50% at social rent levels would result in additional income of £36m to the HRA over 30 years which makes a significant contribution to the sustainability of the plan and the Council's ability to build new homes and to deliver other housing priorities.</p> <p>There are plans to build 300 homes over the next 5 years, of which 150 would be at affordable rent. This means that less than 2% of council homes would be at affordable rent at the end of the 5 year period. The majority of annual lettings (i.e. of new build and re-let properties) would continue to be at a social rent level and it is estimated that after 30 years the vast majority of council property rents (an estimated 88%) will be set at the social rent rate, subject to any changes in legislation or Government guidance.</p>



	2c. Stop and remove	
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Detail the <b>actions that are needed</b> as a result of this assessment and how they will help to <b>remove discrimination &amp; harassment, promote equal opportunities</b> and / or <b>encourage good relations</b> :				
Action	Will this help to remove, promote and / or encourage?	Responsible officer	Deadline	How will this be embedded as business as usual?

DRAFT