

Public Document Pack



EXECUTIVE

13 DECEMBER 2023

SUPPLEMENTARY AGENDA

PART I

6. DRAFT HOUSING REVENUE ACCOUNT (HRA) BUDGET SETTING AND RENT REPORT 2024/25

To consider the draft Housing Revenue Account Budget and Rent Setting report for 2024/25.

Pages 3 - 40

This page is intentionally left blank

Meeting EXECUTIVE

Portfolio Area Housing and Housing Development / Resources and Transformation

Date 13 DECEMBER 2023



DRAFT HOUSING REVENUE ACCOUNT BUDGET SETTING AND RENT REPORT 2024/25

KEY DECISION

Authors Keith Reynoldson

Contributor Ash Ahmed; Andrew Garside; Clare Fletcher; Denise Lewis; Richard Protheroe; Karen Long; Brian Moldon

Lead Officers Richard Protheroe; Clare Fletcher

Contact Officer Keith Reynoldson

1 PURPOSE

- 1.1 To update Members on the final proposals on the Housing Revenue Account (HRA) budgets and rent setting for 2024/25, to be considered by Council on 24 January 2024.
- 1.2 To update Members on the formula for setting rents for 2024/25.
- 1.3 To propose the HRA rents for 2024/25.
- 1.4 To propose the HRA service charges for 2024/25.
- 1.5 To update Members on the 2024/25 HRA budget, incorporating the decisions included in the HRA Business Plan Review report that was approved at the Executive meeting on the 15 November 2023 and the proposed 2024/25 fees and charges.





2 RECOMMENDATIONS

- 2.1 That HRA dwelling rents be increased (week commencing 1 April 2024) by 7.7%. This equates to an average increase of £8.45 for social rents, £13.12 for affordable rents and £9.96 for Low Start Shared Ownership homes per week (based on a 52-week year).
- 2.2 That the 2024/25 service charges are approved as set out in paragraph 4.2.
- 2.3 That the HRA budget for 2024/25, set out in Appendix A, is approved.
- 2.4 The 2024/25 growth options as set out in section 4.4 are approved.
- 2.5 That the 2024/25 Fees and Charges as set out in Appendix B are approved.
- 2.6 That the revised minimum levels of balances for 2024/25 shown in Appendix C are approved.
- 2.7 That Members note the Rent Increase Equalities Impact Assessments appended to this report in Appendix D.
- 2.8 That Members approve the increase to the 2023/24 Working Budget of £256,540, to fund the 2023/24 pay award, as detailed in paragraph 4.4.11.
- 2.9 That the contingency sum of £400K, within which the Executive can approve supplementary estimates, be approved for 2024/25 (unchanged from 2023/24).
- 2.10 That the decisions taken on recommendations 2.1 – 2.9 above be referred to the Overview and Scrutiny Committee for consideration in accordance with the Budget and Policy Framework rules in the Council's Constitution.
- 2.11 That key partners and other stakeholders are consulted and their views considered as part of the 2024/25 budget setting process.

3 BACKGROUND

- 3.1 The HRA is a legally ring-fenced account that records the income and expenditure relating to the operation of the Council's housing stock. The main costs in the HRA relate to management, maintenance, depreciation (used to finance capital works) and interest on loans. This is mainly funded from rents that make up the majority of HRA income. Any surpluses are held in the ring fenced area and are used to contribute towards capital and offset years where the account may be in deficit.
- 3.2 The sustainability of the HRA is highly reliant on rent levels. For 2023/24 rent setting the government imposed a rent cap of 7% on social landlords when the current rent standard would have given an increase of 11.1%, based on the September 2022 Consumer Prices Index (CPI) +1%. However, the Government did allow the underlying formula rents to increase by the full amount and this means that new and relet property rents in 2023/24 will be at the higher rate.
- 3.3 The HRA Business Plan was revised and approved at the November 2023 Executive meeting. The report outlined the challenges facing the HRA, the current proposals for investment in the stock and explained that, due to the current uncertainties in key areas like regulation and climate change, the plan

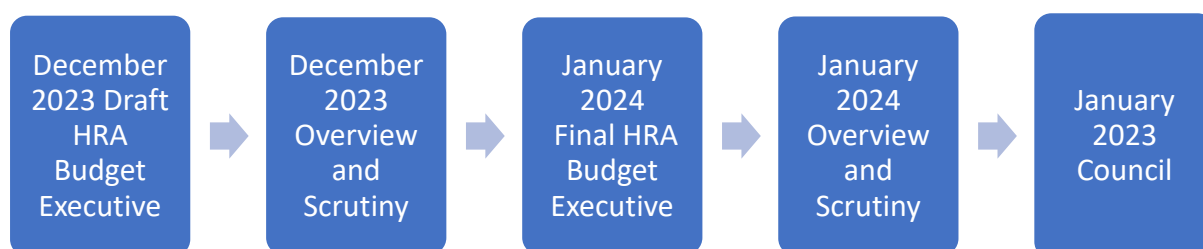
will need more regular revision in future years. The main commitments included in the plan are summarised in the table below.

 Borrowing and RCCO	 Housing Development	 Housing Asset Management	 Housing Service Delivery
<p>New Borrowing for Capital Investment £351m (30Yrs)</p> <p>Refinanced debt to enable revenue operations £104m (30Yrs)</p> <p>Revenue contribution to capital £18m in (years 1-5)</p>	<p>Invest £734m in new stock (30Yrs)</p> <p>Deliver 2,253 units (30Yrs) 447 in next 5yrs</p> <p>Commence 3 new schemes to maintain dev. pipeline. Deliver new homes to 5 star promise</p> <p>Larger schemes phased for staggered delivery matched to funding. Switch to market purchase if supply needed urgently.</p> <p>Continue pilot projects for new tenures and sustainable design.</p>	<p>£893m stock investment funding (30Yrs)</p> <p>£482m repairs, void and cyclical maintenance (30Yrs). Efficiency target removed, due to regulatory pressures</p> <p>All properties to EPC-C by 2030</p>	<p>£818m in non-maintenance revenue funding (30Yrs)</p> <p>Savings target £200k 24/25 then £500k pa for 8yrs. Total £20m in yrs 2-11.</p> <p>Growth of £200k pa to enable service improvement / efficiency</p>

- 3.4 As set out in the 2023/24 budget report there are still developing policy issues in the HRA regarding the decent homes standard and building regulations; overall regulation of the sector and compliance requirements; and environmental improvements, like decarbonisation of the housing stock. Some of these cost pressures have been incorporated into the HRA BP and 2024/25 budget, but will need to be revised, as the impact of these changes becomes clearer. However, the Business Plan does not currently include the cost of decarbonising the Council's housing stock which is currently estimated cost £150Million (at current prices) and this will need to be addressed in coming years.
- 3.5 Government reforms of the 'Use of Right to Buy (RTB) Receipts' reported in 2021/22 have positively benefited the Council in the short term by supporting existing development plans, in particular the simplification of the system by
- the extension of spending periods for receipts from three to five years,
 - increase in the percentage of receipts that can be used in acquisitions from £30% to 40% (thus reducing the contribution required from the HRA).
 - a limit on acquisitions of existing properties through open market purchase, to be phased in by 2024.

This will continue to be closely monitored as medium-term plans are developed and reviewed.

- 3.6 The HRA is also still being impacted by the cost-of-living crisis facing the country. In addition to high inflationary pressures on expenditure, rent arrears are still at historically high levels and are continuing to rise, as people struggle to meet increased prices for food, energy and fuel bills. The complexity of people’s financial circumstances is also increasing, leading to multiple debts and urgent requests for support.
- 3.7 The Budget and Policy Framework Procedure Rules in the Constitution prescribe the Budget setting process, which includes a minimum consultation period of three weeks. Under Article 4 of the Constitution, the Budget also includes: the allocation of financial resources to different services and projects; proposed contingency funds; setting the rents; decisions relating to the control of the Council’s borrowing requirement; the control of its capital expenditure; and the setting of virement limits.



4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Rents

- 4.1.1 The total number of HRA homes in management on 30th November 2023 is summarised in the table below. The average rents for 2023/24 are based on current housing stock, any right to buys or new schemes coming on stream after this date may change the average rent per property type.

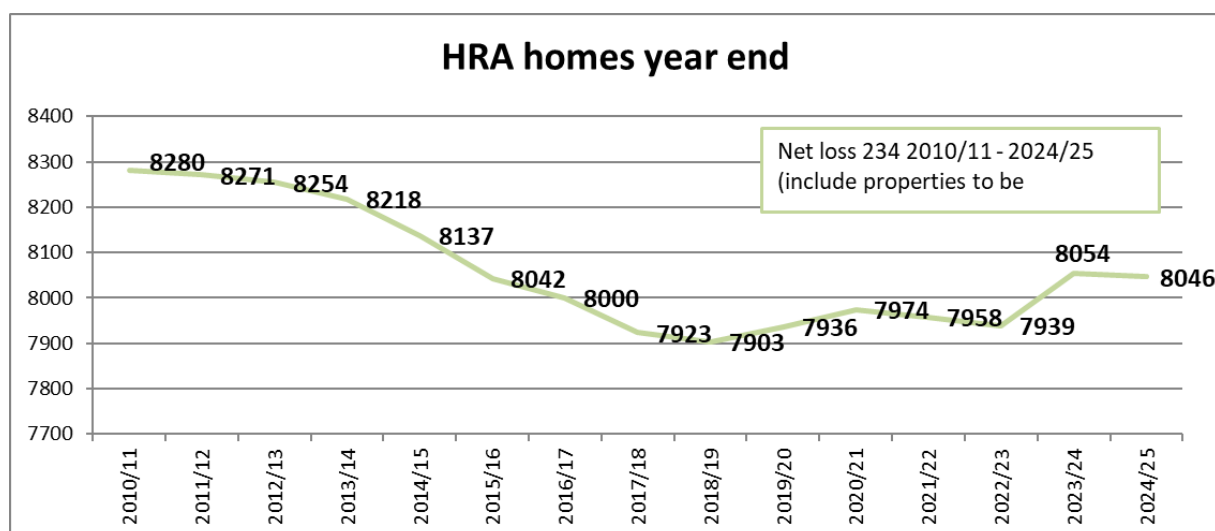
Stock Numbers at 30/11/2023	Social	Affordable	Sheltered	LSSO	Homeless	Total
Number of Properties	6,799	66	794	79	232	7,970

- 4.1.2 For 2024/25 rent setting has returned to the current Rent Standard of September CPI plus 1 %. The September CPI was 6.7% meaning rents will increase by 7.7%.
- 4.1.3 The proposed average rents per week for 2024/25 are set out in the table below, based on a 52 week year and the current housing stock in management.

Average Rents 2024/25	LSSO	Increase/ (decrease) %	social	Increase/ (decrease) %	Affordable	Increase/ (decrease) %
Average Rent 2023/24	£131.03		£111.15		£172.67	
Add rent impact 2024/25	£10.09	7.7%	£8.56	7.7%	£13.30	7.7%
Total 52 week Rent 2024/25	£141.12		£119.71		£185.97	

4.1.4 The 2024/25 net rental income increase is estimated to be £4.5Million, which includes the estimated impacts of right to buys, expected new properties and properties taken out of management (awaiting redevelopment).

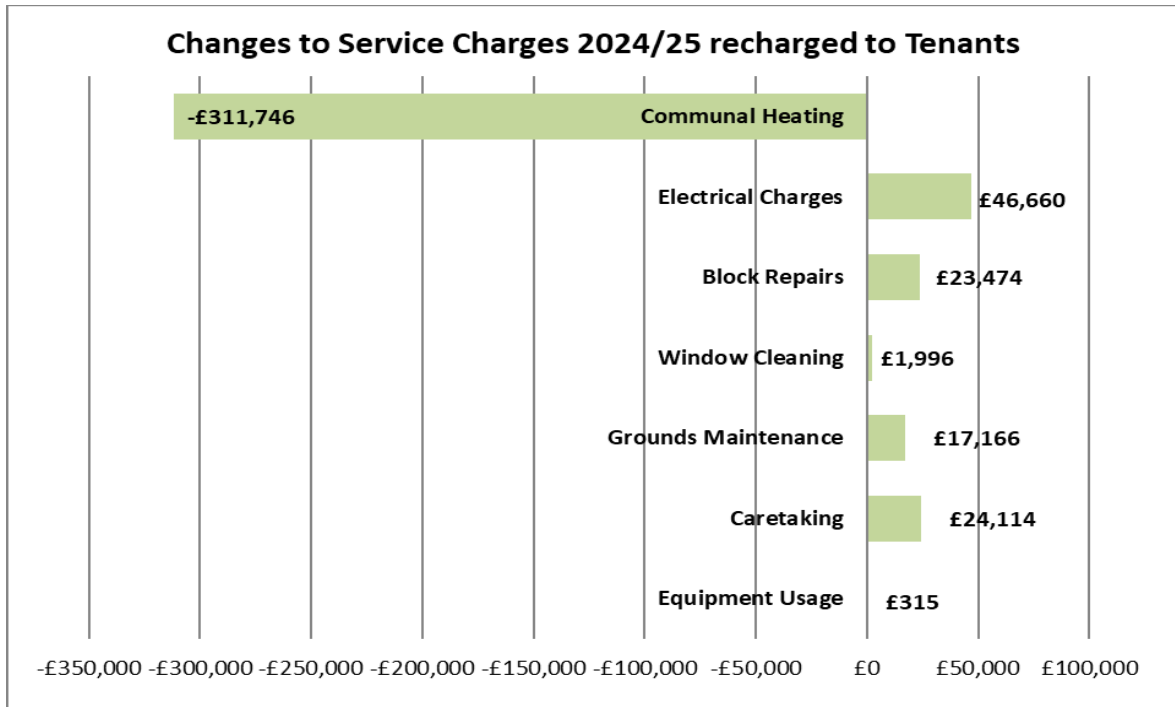
4.1.5 The total number of Council homes is estimated to reduce by 234 between 2010/11 and the end of 2024/25 (based on the net impact of RTBs, new homes and homes awaiting development). The forecast numbers for 2024/25 reflect the impact of new developments and acquisitions compensating for RTB sales.



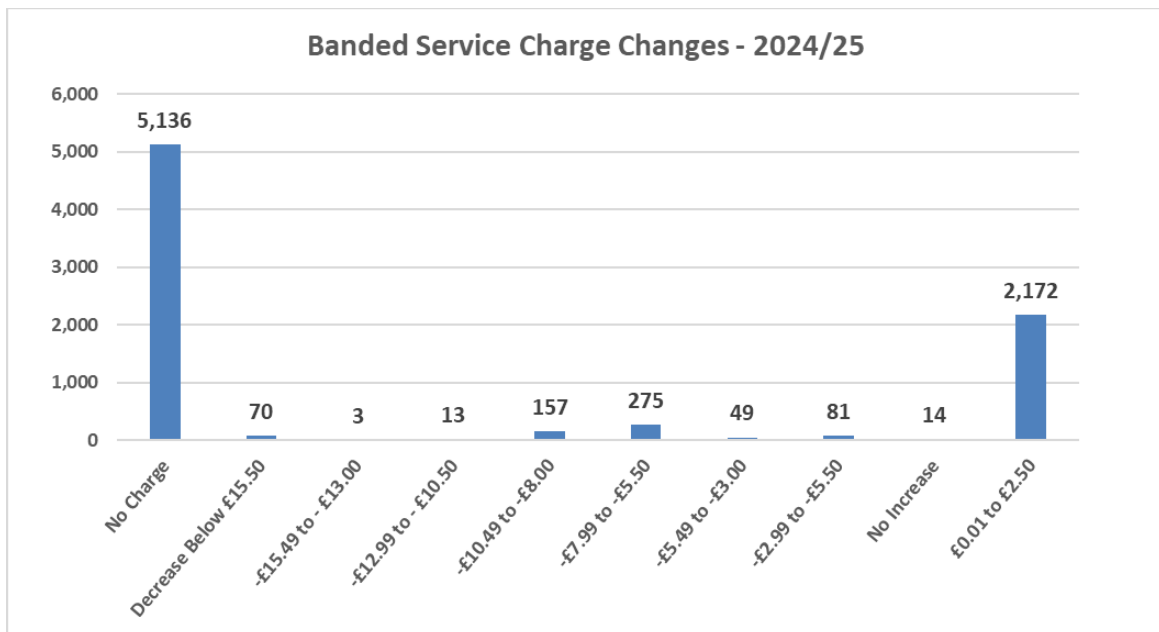
4.2 Service Charges 2024/25

4.2.1 Service charges are calculated on an individual block basis for 2,834 properties, (2023/24, 3,063) or 37% of current SBC tenanted properties.

4.2.2 Service charges are not subject to a 7.7% rent increase, but are based on cost recovery or actual cost. So for 2024/25, service charge costs will increase with inflationary pressures and changes in usage. The chart below identifies the changes between 2023/24 and 2024/25 for service charges. The estimates are based on the projected budgeted costs for 2024/25, with the exception of block repairs, which is 'smoothed' over a five-year period to eliminate individual in-year spikes in repairs spend. The graph illustrates that, after last year's price spikes for gas supply, current estimates show a projected 40% reduction in costs and this has been reflected in the service charges for communal heating systems.



4.2.3 The spread of service charge changes for all tenants in 2024/25 is shown in the chart below. As in last year's report, these figures do include the communal heating charge (for those tenants receiving this service), as the impact of utility prices is so significant at this time. The impact of these changes is that 5,136 (64%) homes do not have service charges. Of those 2,834 properties that are eligible for service charges 648 (8%) will have decreases up to £17.50 per week, due to lower gas costs, and 2,172 (27%) will have increases up to £2.50 per week.



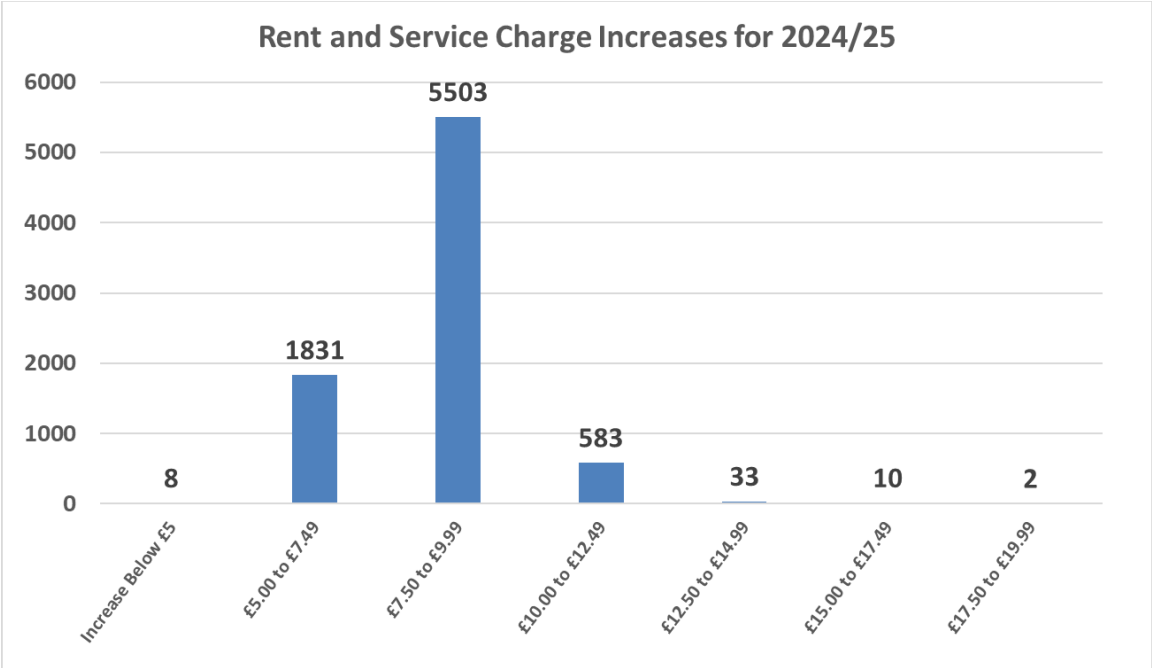
* note increase per week

4.2.4 The reduction in gas prices has significantly reduced the service charges that include heating costs. However, even with these reductions the charges are still much higher than historic levels. To help mitigate the impact on tenants heating charges will be adjusted to the actual cost for 2023/24, rather than the estimate, to ensure that no customer pays more than the gas used in their property. This area will remain under review during 2024/25 and any changes in pricing will be adjusted at the soonest opportunity to ensure that the service charges remain in line with costs.

4.3 Rents and Service Charges

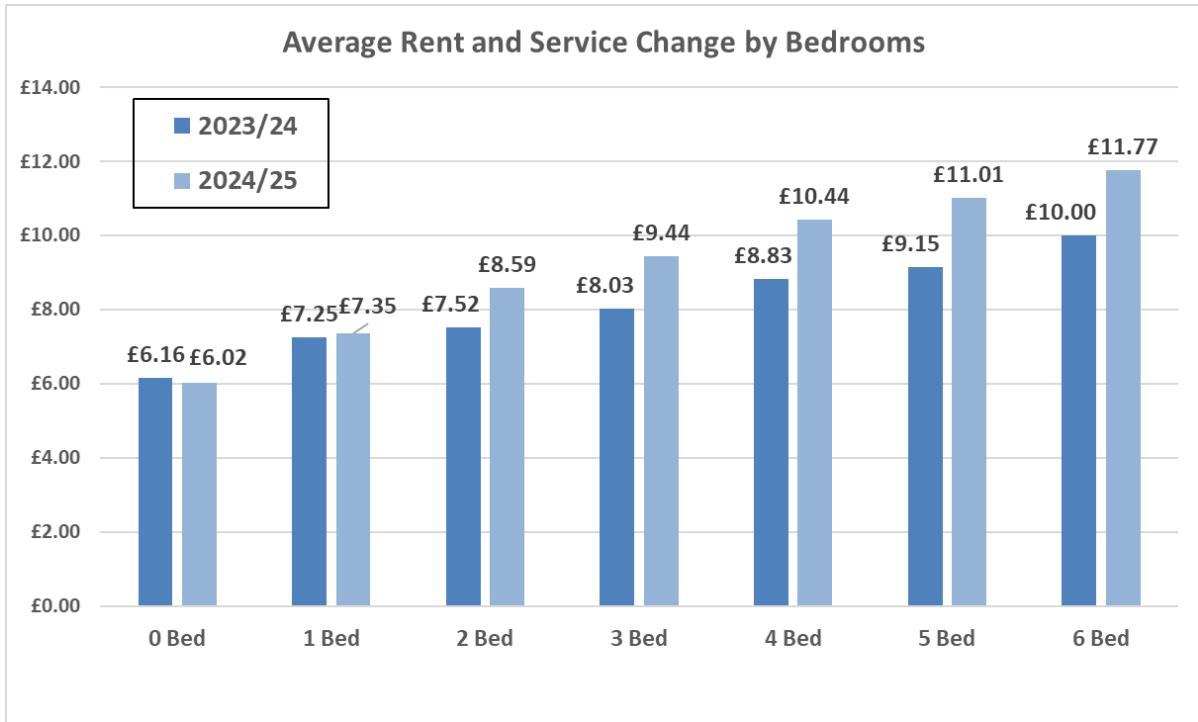
4.3.1 The impact of the 2024/25 rent increase and service charges is that 7,424 homes, or 93%, receive a weekly rent and service charge increase between £4.00 and £9.99. The reduction in utility prices has led to lower increases for some homes offsetting the impact of the CPI +1% rent increase of 7.7% The increases above £9.99 mainly relate to larger properties and where affordable rents are paid.

4.3.2 The spread of the 2024/25 rent and service charge changes are summarised in the chart below.



**note increase per week*

4.3.3 The average rent and service charge increase by bedroom size has also been calculated and summarised in the chart below.



4.3.4 The comparison between HRA property rents per week and private sector rents per week, for one to four-bedroom properties, is shown in the table below. A three-bedroom private sector rental property costs an additional 114%, (2022/23,131%) more per week than an SBC council home and 28% more than the affordable let properties, (2022/23 30%).

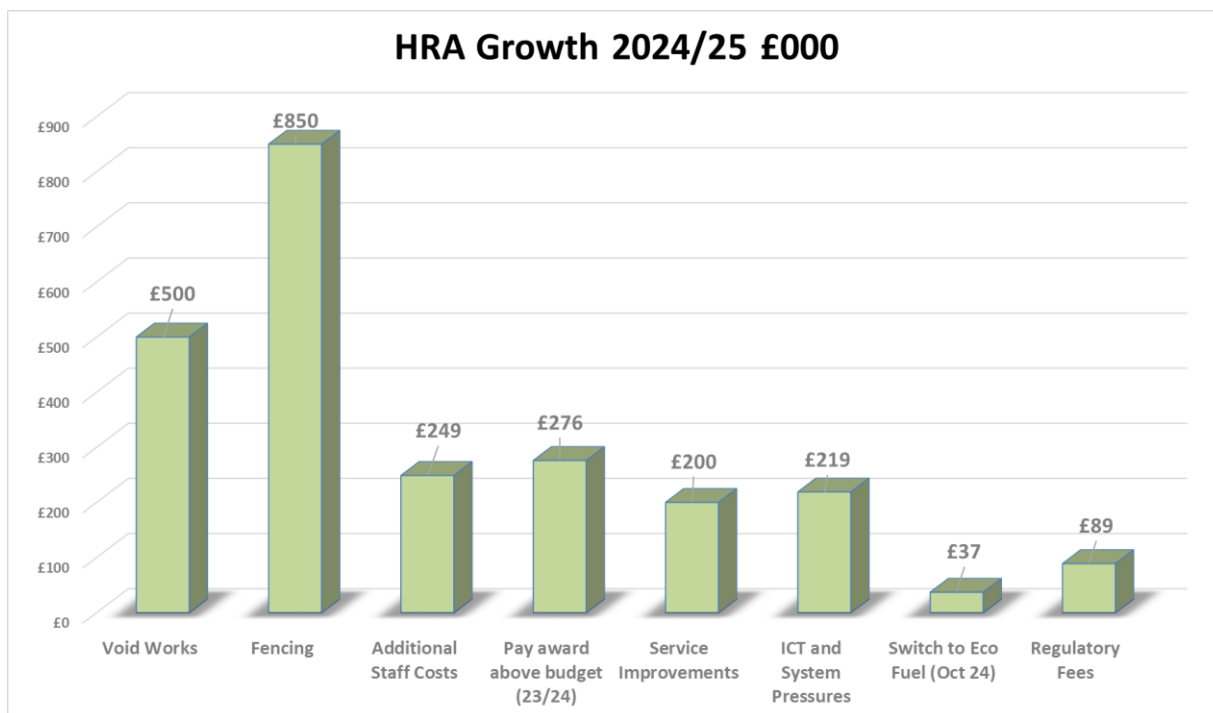
	SBC Social Rent	SBC Affordable Rent	Median Private Rent	Local Housing Allowance (LHA) 2023/24	Median % v SBC Social	Median % v SBC Affordable
1 Bed Property	£102.37	£153.70	£178.87	£155.34	75%	16%
2 Bed Property	£118.43	£196.10	£214.65	£195.62	81%	9%
3 Bed Property	£131.85	£238.45	£257.58	£241.64	95%	8%
4 Bed Property	£145.44	£279.32	£357.75	£299.18	146%	28%

Private rent Data from ONS as at March 2023 updated by ONS rental inflation for East of England to October 2023. Please note the SBC rents are April 2024 prices and the private rents October 2023 prices.

4.3.5 The Local Housing Allowance (LHA) shown in the table above is the maximum amount of housing benefit payable by property size for private rented properties.

4.4 Growth and Savings included in the HRA

4.4.1 The revenue growth included in the 2024/25 HRA budget is summarised in the chart below and reflects the items agreed in the HRA Business Plan at the November Executive.

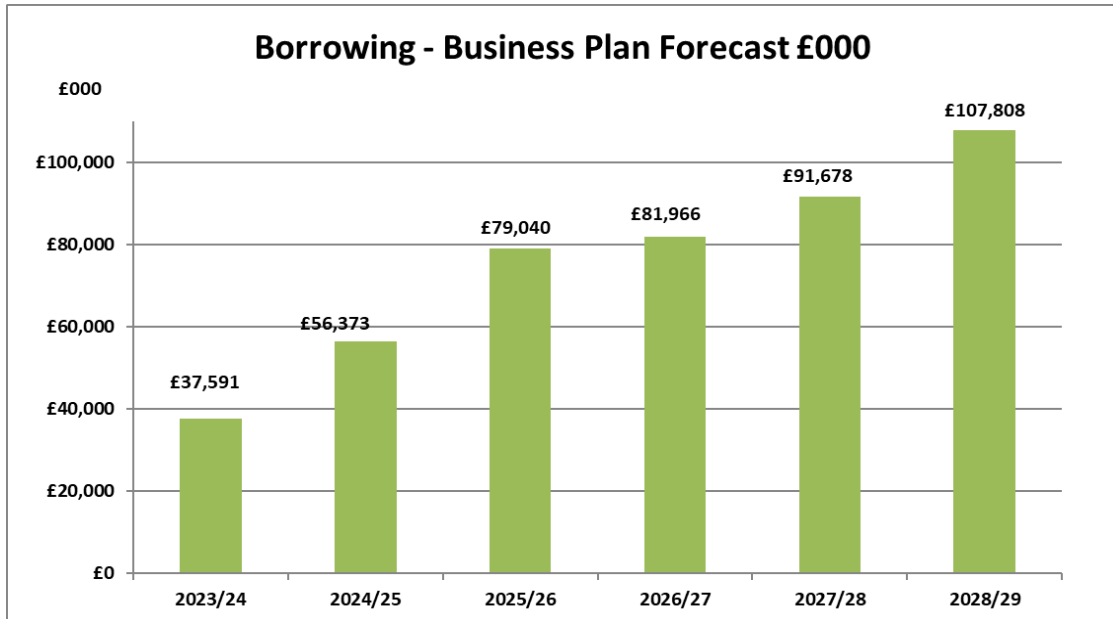


- 4.4.2 **Void Works £500K** – One off growth of £500K has been included to meet additional costs relating to void properties. This service has been subject to an operational review in consultation with the Community Select Committee. The operational model, resulting from this review, is currently being finalised and this takes into account additional demands from the new consumer regulations. This is likely to require further growth in 2024/25 and this will be reported when the new operating proposals are fully costed.
- 4.4.3 **Fencing £850K** – Another one off growth item of £850K has been included to continue the work in clearing the current backlog of fencing repairs and replacements. Further proposals for the service will be finalised in 2024/25 for the following budget year.
- 4.4.4 **Additional Staff Costs £249K** - There are staff posts that have been extended in response to operational challenges, such as higher levels of arrears and changes to regulations for the housing service. These costs have been included as ongoing in the budget, however service reviews will be undertaken as part of the Transformation programme and the need to make balancing the budget savings as outlined in the HRA Business Plan.
- 4.4.5 **Pay Award 2023/24 £276K** - There are additional costs of £276K in relation to the 2023/24 pay award that is higher than the original budgeted cost of 3%. This is slightly higher than the requested growth in 4.4.11 for the current year, as the budgets for next year are based on the full establishment and there were vacancies in 2023/24 that reduced the cost.
- 4.4.6 **Service Improvements £200K** – A sum of £200K per annum has been included to enable transformation projects and service improvements. It was recognised in the HRA Business Plan that the service will need to find continual efficiencies to be able to meet future demands and this growth is intended to enable those improvements.

- 4.4.7 **IT and System Pressures £219K** – This is the HRA’s share of the ICT pressures identified in the General Fund Balancing the Budget report to the November Executive. The additional growth bids include licencing costs and the HRA share of the SOCITIM review of the ICT service as recommended to the Executive by the Shared ICT Committee.
- 4.4.8 **Switch Vehicle Fleet from Diesel to HVO (Eco) Fuel £37K** – As part of the Council’s climate change ambitions Members approved (in the Balancing the Budget report that went to Executive in November 2023) to switch its vehicle fleet to HVO (eco) fuel from October 2024. This area is currently being reviewed, but initial estimates show a small growth of £37K to the HRA. Any change to this estimate will be included in the Final HRA Budget report.
- 4.7.9 **Regulatory Fees £89K** – The Housing Ombudsman has increased their annual fees to the Council and the Regulator of Social Housing is introducing new fees next year in recognition of its role in regulating customer standards within local authorities. As a regulated housing provider, both of these fees are obligatory and have therefore been included in the budget for 2024/25.
- 4.4.10 The Balancing the Budget savings options for the HRA total £47,260 and have been included in the draft HRA budget. However, there is still a further £200K savings that will need to be found in 2024/25
- 4.4.11 Finally, there is a request as part of the draft budget report that the current salary budgets are increased by £256,540 in 2023/24. This is in order to meet the additional costs of the final pay award recently agreed with the trade unions. The amount for this year is slightly lower than the growth requested for next year, due to vacancies.

4.5 **Borrowing**

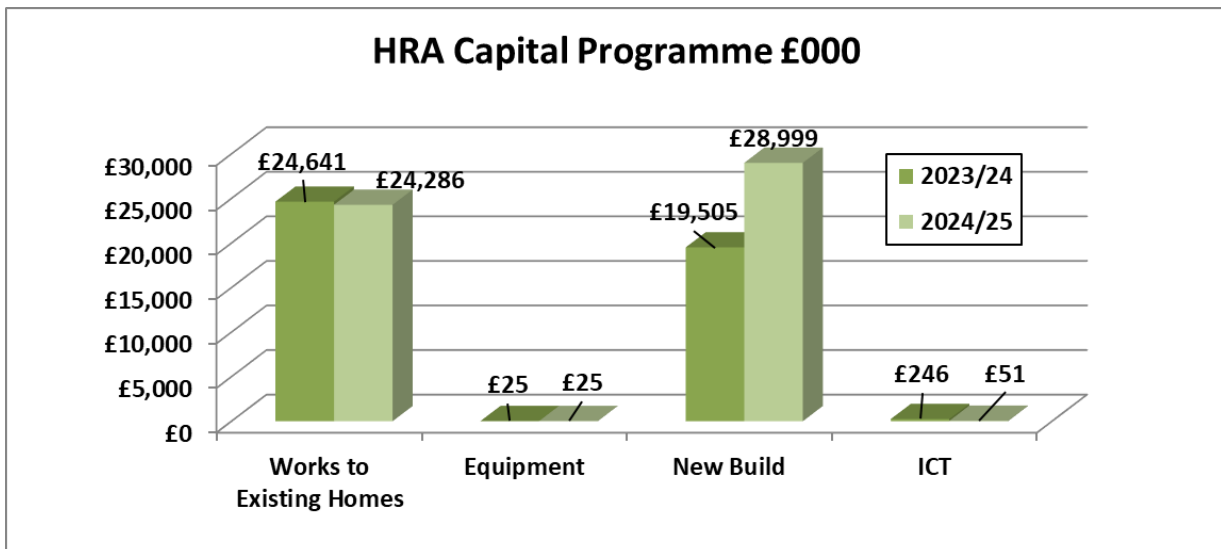
- 4.5.1 Based on current forecasts, new loans totalling £37.6Million and £18.8Million are expected to be taken in the current and next financial years for 2023/24 and 2024/25. However, the timing of when to take the new borrowing will be reviewed, weighing up the cost of carry and the prevailing Public Works Loan Board (PWLB) rates. The interest payable in 2023/24 and 2024/25 is estimated to be £8.9Million and £9.4Million respectively.
- 4.5.2 Currently interest rates have continued to stay higher than the unusually low levels seen in the past decade. For next year the Draft Budget assumes a rate of 4.6%, but the HRA Business plan assumes a long term average of 4%. The HRA has also been given a preferential rate for borrowing from the PWLB and this discounted period was extended in the recent Autumn Statement.



4.5.3 This graph shows the cumulative borrowing projected in the HRA Business Plan. The debt to be taken for 2023/24 and 2024/25 is £56.3Million, of which £37.5Million is converting internal borrowing to external debt.

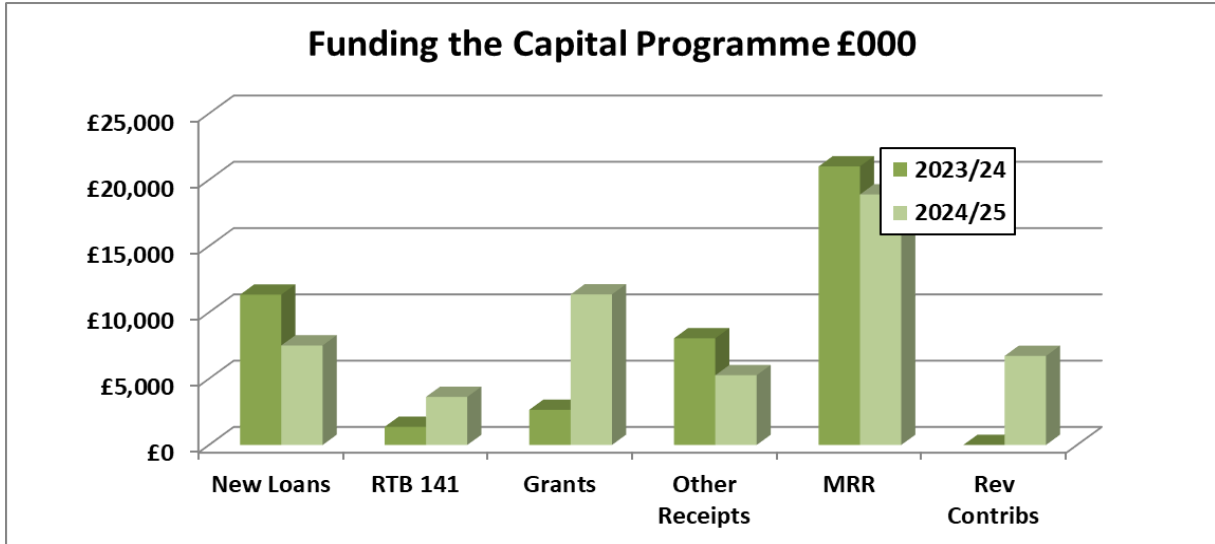
4.6 Capital Expenditure

4.6.1 The table below shows the revised capital programme for 2023/24 and the proposed spend for 2024/25. This position was used to construct the HRA business plan, but the final programme will be included in the capital budget reports for 2024/25 and any revenue implications will be shown in the final HRA budget report in January.



4.6.2 The majority of the capital expenditure relates to work on existing homes and the new build programme. The capital works on the housing stock is projected to be in line with the current year and the projected spend on new schemes is in line with the development programme included in the business plan. The table below shows the funding sources for the programme. Most of the work to existing homes continues to be financed from the major repairs

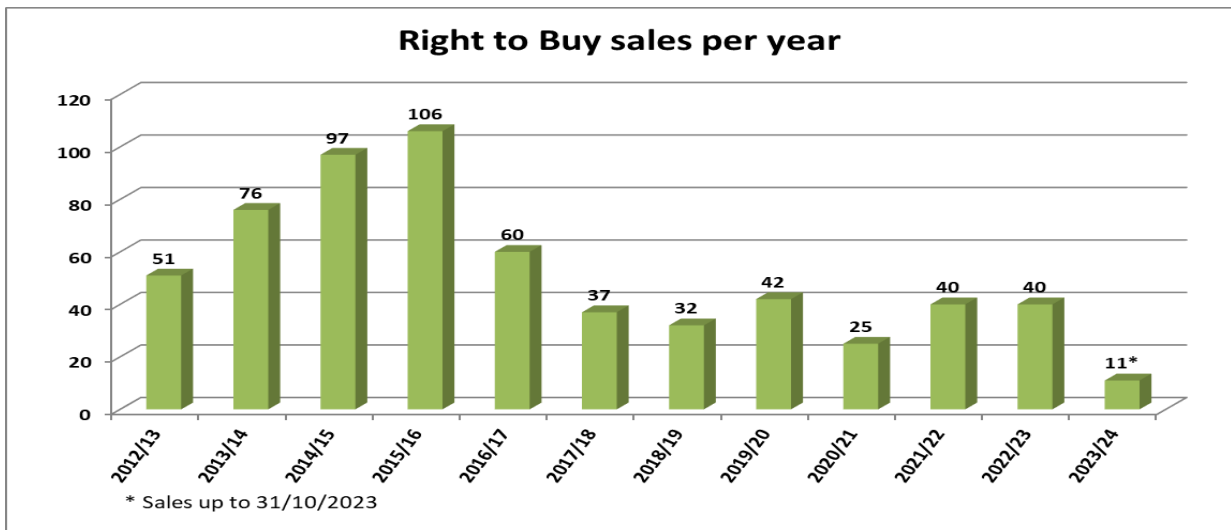
reserve (funded from depreciation charges to the HRA) and the new build costs from loans and receipts. However, there has been an increase in the revenue contributions to capital in 2024/25 in line with the business plan projections and we are due to receive significant grant income for decarbonisation projects and to support the provision of temporary accommodation.



4.7 Use of One for One Receipts

4.7.1 The Council has an ambitious development programme and is currently completing a major redevelopment scheme at the Kenilworth Road site. This has helped to ensure that RTB receipts have been spent within the new time limits and the Council has been able to make full use of the Government’s decision to allow authorities to retain all of the receipts from sales for 2022/23 and 2023/24.

4.7.2 Sales of properties remain lower than the recent peak in 2015/16 and it looks likely that they will be in line with projected estimates of 35 properties for 2022/23. The budget for 2023/24 continues to assume sales of 35 properties for rent budgeting and capital receipts purposes. The graph below shows recent sales activity by year.



4.8 Draft Budget Proposals

4.8.1 The Draft 2024/25 HRA budget is estimated to be a net deficit of £81,770. The table below shows the main movements in the budget and includes growth proposals for 2024/25 detailed in 4.4 above.

Summary of 2024/25		
Working Budget 2023/24		(£1,776,030)
Adjusted for "one off" and non-carry forward items	(£1,369,760)	
Revised Base Budget from 2022/23		(£3,145,790)
Increases in Income/Reductions in Expenditure:		
Additional Rental Income and other fees and charges	(£4,688,290)	
Savings Target	(£200,000)	
Transfer from Interest Equalisation Reserve	(£5,921,000)	
		(£10,809,290)
Increases in Expenditure:		
Increase in loan borrowing interest	£1,912,420	
Increase in Depreciation trf to MRR	£1,275,570	
Increase in Bad Debt Provision	£48,440	
Increase in Revenue Contrib to Capital	£6,715,130	
Interest on Balances	£59,610	
Net Salary Increases for Inflation/NI/Re-grading/Pensions	£459,000	
Business Plan Growth Items	£2,420,080	
Utility Inflation	£315,880	
Contract Inflation	£277,420	
General Inflation	£157,630	
Net change in Recharges to/from General Fund	£374,240	
Net increase in growth / decrease in savings options		
Other minor changes	£21,430	
		£14,036,850
Total Net Changes:		£3,227,560
Draft HRA 2024/25 budget		£81,770

4.8.2 All HRA balances, in excess of the minimum balance held for assessed risks in year, are required to fund the HRA 30-year programme.

- 4.8.3 A risk assessment of balances has been completed and is in Appendix C to this report. The HRA balances currently exceed this for the reasons set out in paragraph 4.8.2. There has been a significant increase in the minimum balance calculation from £3.3Million to £10.3Million. This is in order to mitigate the higher borrowing levels included in the HRA Business Plan and to allow greater flexibility to respond to future challenges facing the account.

HRA Balances:	2023/24 £	2024/25 £
HRA Balance 1 April	(10,569,201)	(12,385,251)
Use of balances in Year	(1,816,050)	81,770
HRA Balance 31 March	(12,385,251)	(12,303,481)
Minimum Balances	(3,320,000)	(10,261,500)
Debt Repayments	(9,065,251)	(2,041,981)

4.9 Consultation

- 4.9.1 The proposals in this paper are the result of detailed consultation with Executive Members, Senior Executives and service managers across the Council. They also reflect customer priorities identified through the Tenant's Survey.
- 4.9.2 Further consultation will take place following this Executive meeting, including consideration by relevant Member committees before the proposals are presented to Council for agreement in January 2024.

5 IMPLICATIONS

5.1 Financial Implications

- 5.1.1 Financial implications are included in the body of the report.

5.2 Legal Implications

- 5.2.1 Legal implications are included in the body of the report.

5.3 Staffing Implications

- 5.3.1 The unions will be consulted on the options contained in this report, where there is an adverse impact on staffing resources. Human Resources staff will co-ordinate centrally the implementation of any staff related savings from the budget process.

5.4 Risk Implications

- 5.4.1 Due to frequent Government policy changes, there are significant risks in setting the HRA budget. Historically the ring-fenced account has relied almost solely on rent income to finance both revenue and capital works. Many changes in policy, including the loss of £225Million from the Business Plan from four years of rent reductions, have made medium to long term planning difficult and for 2023/24 there was a 7% rent cap. Overall risks have also increased with the removal of the debt cap in 2019, as the Council is making long term financing decisions, on capital investment, based on income streams set by the current policy.
- 5.4.2 Currently one of the continuing risks to the account is a large increase in arrears. These have increased, in part as a result of tenants switching from housing benefits to Universal Credit, but also due to the Cost-of-Living crisis. To mitigate this position increased resources are still in place to help recover rent owed and the provision for bad debt has been increased to recognise that not all the outstanding debt will be recovered.
- 5.4.3 Inflation rates are still above the Government 2% target which will continue to put pressure on capital and revenue repairs budgets and may put further pressure on HRA resources. There are also continued risks in recovery of high utility costs from tenants and leaseholders.
- 5.4.4 The full operational implications of regulatory changes are still being implemented, in particular the response to the Social Housing Regulation Act, Building Safety Act and the Fire Safety Act. As policy and best practice is developed this could increase budget pressures on the HRA.
- 5.4.5 There is a risk of interest rates being higher than projected and leading to a reduction in the amount of expenditure for both revenue and capital. There is also a risk that the PWLB rate differential between gilts and borrowing rates for the HRA might be adjusted from the current 60bps and leading to a reduction in the amount of expenditure for both revenue and capital.
- 5.4.6 The HRA has a £200,000 saving target built into the 2024/25 budget linked to expected savings from the Transformation programme. With future years savings increasing to £500,000 per annum.

5.5 Equalities and Diversity Implications

- 5.5.1 In carrying out or changing its functions (including those relating to the provision of services and the employment of staff) the Council must comply with the Equality Act 2010 and in particular section 149 which is the Public Sector Equality Duty. The Act replaced three previous equality legislations – the Race Relations Act (section 71), the Sex Discrimination Act (section 76A) and the Disability Discrimination Act (section 49A). The Council has a statutory obligation to comply with the requirements of the Act, demonstrating that as part of the decision-making process, due regard has been given to the needs described in the legislation. These duties are non-delegable and must be considered by Council when setting the budget in January 2024.

- 5.5.2 To inform the decisions about the Budget 2024/25 officers have undertaken Brief Equality Impact Assessments (EqIAs) for service-related budget proposals, which will be further developed as proposals are agreed and implemented. Where there is a potentially negative impact, officers have identified further action needed to inform a final decision and to mitigate the impact where this is possible.
- 5.5.3 Attached as Appendix D is an EqIA for increasing the rent charged by 7.7% per annum, including the mitigations that will be implemented to lessen the impact wherever possible.

6 BACKGROUND DOCUMENTS

- BD1 Final Housing Revenue Account (HRA) Budget Setting and Rent Report 2023/24 - January 2023 Council
- BD2 Housing Revenue Account Business Plan Review 2023 – November 2023 Executive

7 APPENDICES

- Appendix A – Housing Revenue Account Summary
- Appendix B- Fees and Charges
- Appendix C – Risk Assessment of Balances
- Appendix D - EQIA for HRA Rent

APPENDIX A	HOUSING REVENUE ACCOUNT SUMMARY			
	Actual 2022/23 £	Original Budget 2023/24 £	Working Budget 2023/24 £	Original Budget 2024/25 £
Summary of Expenditure				
Supervision and Management	10,361,225	9,715,400	9,494,430	10,535,650
Special Services	6,118,471	7,451,310	7,068,090	7,495,380
Rent, Rates, Taxes and Other Charges	898,754	709,610	751,520	759,270
Repairs and Maintenance ⁽¹⁾	10,783,947	10,616,720	11,970,840	12,990,100
Depreciation	13,162,934	13,568,080	13,568,080	14,843,650
Corporate and Democratic Costs	1,106,784	1,209,640	1,209,640	1,258,030
Contribution to the Bad Debt Provision	401,941	375,000	375,000	423,440
Total Expenditure	42,834,057	43,645,760	44,437,600	48,305,520
Summary of Income				
Rental Income:				
Dwelling Rents	(41,711,023)	(45,678,620)	(45,226,120)	(49,678,160)
Non Dwelling Rents	(86,162)	(93,120)	(93,120)	(94,120)
	(41,797,185)	(45,771,740)	(45,319,240)	(49,772,280)
Charges for Services & Facilities - Tenants	(2,376,738)	(3,361,740)	(3,017,290)	(3,165,960)
Leaseholder Service Charges	(876,027)	(1,006,540)	(1,006,540)	(1,087,120)
Contributions Towards Expenditure	(637,349)	(308,520)	(354,020)	(344,020)
Reimbursement of Costs	(323,309)	(354,540)	(309,040)	(325,040)
Recharge Income (GF & Capital)	(2,563,211)	(2,546,480)	(2,236,660)	(2,284,630)
Total Income	(48,573,820)	(53,349,560)	(52,242,790)	(56,979,050)
Gain on sale of HRA Non-Current Assets	(9,695,340)	0	0	0
Interest Payable	7,338,321	8,698,640	7,536,200	9,448,620
Interest Receivable	(902,736)	(1,025,180)	(1,547,060)	(1,487,450)
Capital grants & Contributions receivable	(97,853)	238,070	0	6,715,130
Pension Interest and return on assets	0	0	0	0
Net (Surplus)/Deficit For Year	(9,097,371)	(1,792,270)	(1,816,050)	6,002,770
Movement on the HRA				
Accounting basis to funding basis under statute	9,478,564	0	0	0
Transfer to Reserves	17,244,024	0	0	(5,921,000)
Housing Revenue Account Balance				
Net Expenditure/(Income) for Year	17,625,217	(1,792,270)	(1,816,050)	81,770
Balance B/Fwd 1 April	(28,194,418)	(10,569,201)	(10,569,201)	(12,385,251)
HRA Balance C/Fwd 31 March	(10,569,201)	(12,361,471)	(12,385,251)	(12,303,481)

This page is intentionally left blank

Appendix B	Description of Chargeable Service	2023/24 Gross Fee Payable by Customer	Net Fee (2024/25)	VAT (exemption can be applied for on certain fees)	2024/25 Gross Fee Payable by Customer	Gross Increase £	increase %	2023/24 Budget	Increase in Budget	2024/25 Proposed Budget
Housing Revenue Account										
Specialist Support										
Guest Bedrooms	Silkin Court, Walpole Court, Scarborough Avenue, Southend Close, Pinewoods & Fred Millard.	£13.80	£12.00	£2.40	£14.40	£0.60	4.35%			
Guest flats	Norman Court, Silkin Court	£23.40	£20.50	£4.10	£24.60	£1.20	5.13%			
Short Stay Units	Assessment (per day)	£11.70	£12.50	£0.00	£12.50	£0.80	6.84%			
	Respite	£23.40	£24.50	£0.00	£24.50	£1.10	4.70%			
								£10,900	£550	£11,450
Laundry Charges	Independent living/flexicare laundry wash	£3.30	£2.92	£0.58	£3.50	£0.20	6.18%			
								£7,600	£470	£8,070
Room Hire	Hairdressing at Silkin/Fred Millard, (Hourly charge) *	£6.00	£5.34	£1.07	£6.40	£0.40	6.70%			
	Private chiropodist and other services, (per hour) *	£6.00	£5.34	£1.07	£6.40	£0.40	6.70%			
								£2,000	£0	£2,000
Support Services and careline for HRA tenants	Housing related support (includes all services shown under careline alarms)	£19.65	£19.65	£0.00	£19.65	£0.00	0.00%			
	SIM Careline Unit (additional weekly charge)	£1.20	£1.00	£0.20	£1.20	£0.00	0.00%			
	independent living and flexi care support charge for previous HRS protected clients and new residents entitled to HB	£10.50	£10.50	£0.00	£10.50	£0.00	0.00%			
	response service for new customers (50 weeks)	£8.70	£7.25	£1.45	£8.70	£0.00	0.00%			
	Response service to other provider equipment (50 weeks)*	£4.92	£4.10	£0.82	£4.92	£0.00	0.00%			
	Monitoring only service (50 weeks) *	£3.90	£3.25	£0.65	£3.90	£0.00	0.00%			
								£467,500	£0	£467,500
Careline Alarm- private (Shortfall funded from General Fund)	Response service (52 weeks) *	£8.70	£7.25	£1.45	£8.70	£0.00	0.00%			
	Response service out of area (52 weeks)*	£8.70	£7.25	£1.45	£8.70	£0.00	0.00%			
	Response service to other provider equipment (52 weeks)*	£4.92	£4.10	£0.82	£4.92	£0.00	0.00%			
	Monitoring only service (52 weeks) *	£3.90	£3.25	£0.65	£3.90	£0.00	0.00%			
									£93,000	£0
	Careline (Winkhaus) keys*	£14.40	£12.80	£2.56	£15.36	£0.96	6.70%			
	Fobs - Sheltered Schemes (Black)	£23.10	£20.54	£4.11	£24.65	£1.55	6.70%			
	Fobs - Sheltered Schemes (Shark)	£13.80	£12.27	£2.45	£14.72	£0.92	6.70%			
Replacement Pendants	Tynetec pendant	£60.00	£53.35	£10.67	£64.02	£4.02	6.70%			
	Doro pendant	£50.40	£44.81	£8.96	£53.78	£3.38	6.70%			
Key safe	Chiptech	£52.98	£47.11	£9.42	£56.53	£3.55	6.70%			
	Supply	£22.20	£22.50	£0.00	£22.50	£0.30	1.35%			
Lock Change	Fit	£64.20	£65.00	£0.00	£65.00	£0.80	1.25%			
		£93.60	£83.21	£16.64	£99.85	£6.25	6.68%			
								£3,850	£260	£4,110
General Needs Tenants and Leaseholders:										
Key Fobs	Old Style "Black fobs"	£23.10	£20.54	£4.11	£24.65	£1.55	6.70%			
	New "Shark" Fobs*	£13.80	£12.27	£2.45	£14.72	£0.92	6.70%			
Communal door entry keys	Replacement keys for entry doors to flat blocks.	£22.08	£19.63	£3.93	£23.56	£1.48	6.70%			
Laundry charges - Roundmead	Wash tokens	£6.24	£5.55	£1.11	£6.66	£0.42	6.70%			
	Dry Tokens	£3.36	£2.99	£0.60	£3.59	£0.23	6.70%			
Management Fees for Westwood Court & Kilner Close	Administration Fees	£1.26	£1.12	£0.22	£1.34	£0.08	6.70%			
								£7,500	£500	£8,000

Appendix B cont.	Description of Chargeable Service	2023/24 Gross Fee Payable by Customer	Net Fee (2024/25)	VAT (exemption can be applied for on certain fees)	2024/25 Gross Fee Payable by Customer	Gross Increase £	increase %	2023/24 Budget	Increase in Budget	2024/25 Proposed Budget
Stores		£7.00	£7.47	£0.00	£7.47	£0.47	6.70%			
Lock change	Callout	£152.40	£135.51	£27.10	£162.61	£10.21	6.70%			
	Admin charge	£54.60	£48.55	£9.71	£58.26	£3.66	6.70%			
	Charge		POA		POA					
								£28,400	£1,900	£30,300
Tenant's Retrospective Charges		£0.00		£0.00	£0.00	£0.00	n/a			
Inspection charge - depending on cost of work	From £0 to £999	£235.00	£250.75	£0.00	£250.75	£15.75	6.70%			
	From £1,000 to £1,999	£240.00	£256.08	£0.00	£256.08	£16.08	6.70%			
	From £2,000 to £2,999	£260.00	£277.42	£0.00	£277.42	£17.42	6.70%			
	From £3,000 to £3,999	£270.00	£288.09	£0.00	£288.09	£18.09	6.70%			
	From £4,000 to £4,999	£320.00	£341.44	£0.00	£341.44	£21.44	6.70%			
	From £5,000 to £5,999	£430.00	£458.81	£0.00	£458.81	£28.81	6.70%			
Adminstration		£170.00	£181.39	£0.00	£181.39	£11.39	6.70%			
								£6,400	£50	£6,450
Leasehold charges for services - VAT not applicable. All fees are additional income for SBC										
Solicitors enquiries/standard pre-sale enquiries*	10 working day response - from date of payment	£190.00	£202.73	£0.00	£202.73	£12.73	6.70%			
Solicitors enquiries/standard pre-sale enquiries*	3 working day response - from date of payment	£290.00	£309.43	£0.00	£309.43	£19.43	6.70%			
Re-mortgage enquiries*	Enquiries raised at a time of remortgaging	£90.00	£96.03	£0.00	£96.03	£6.03	6.70%			
Copy of lease*	fee for providing a copy of the lease	£45.00	£48.02	£0.00	£48.02	£3.02	6.70%			
Copies of quarterly service charge invoice*	additional inspection fee	£40.00	£42.68	£0.00	£42.68	£2.68	6.70%			
	Copies of service charge estimate or actual statement*	additional inspection fee	£40.00	£42.68	£0.00	£42.68	£2.68	6.70%		
Deed of Postponement		£130.00	£138.71	£0.00	£138.71	£8.71	6.70%			
Notice of Charge		£45.00	£48.02	£0.00	£48.02	£3.02	6.70%			
Notice of Transfer/Assignment		£45.00	£48.02	£0.00	£48.02	£3.02	6.70%			
Lease extension	Valuation fee	£350.00	£373.45	£0.00	£373.45	£23.45	6.70%			
	Legal fee	£760.00	£810.92	£0.00	£810.92	£50.92	6.70%			
	Adminstration fee	£180.00	£192.06	£0.00	£192.06	£12.06	6.70%			
	Deposit - £260 or 10% of the premium, whichever is higher	£260.00	£277.42	£0.00	£277.42	£17.42	6.70%			
Collective enfranchisement	Valuation fee	£730.00	£778.91	£0.00	£778.91	£48.91	6.70%			
	Legal fee	£760.00	£810.92	£0.00	£810.92	£50.92	6.70%			
	Adminstration fee	£180.00	£192.06	£0.00	£192.06	£12.06	6.70%			
Consent fee/sub let fee	Cost of requesting permission to sublet the property	£70.00	£74.69	£0.00	£74.69	£4.69	6.70%			
Alterations										
Minor alterations - these are internal works within the demised premises that do not require planning permission or building control approval	Pre-application advice (non-refundable)	£200.00	£213.40	£0.00	£213.40	£13.40	6.70%			
	Minor application consideration and decision (non-refundable)	£400.00	£426.80	£0.00	£426.80	£26.80	6.70%			
	Letter licence - deed	£270.00	£288.09	£0.00	£288.09	£18.09	6.70%			
	Full licence - issued by Building Surveyor	£410.00	£437.47	£0.00	£437.47	£27.47	6.70%			
	Extension of the letter licence period	£240.00	£256.08	£0.00	£256.08	£16.08	6.70%			
Major alterations	Pre-application advice (non-refundable)	£240.00	£256.08	£0.00	£256.08	£16.08	6.70%			
	Major application consideration and decision (non-refundable)	£650.00	£693.55	£0.00	£693.55	£43.55	6.70%			
	Landlord licence - deed	£470.00	£501.49	£0.00	£501.49	£31.49	6.70%			
	Supplemental lease/deed of variation additional premises/restrictions)	£210.00	£224.07	£0.00	£224.07	£14.07	6.70%			
	Extension of the letter licence period	£320.00	£341.44	£0.00	£341.44	£21.44	6.70%			

Appendix B cont.	Description of Chargeable Service	2023/24 Gross Fee Payable by Customer	Net Fee (2024/25)	VAT (exemption can be applied for on certain fees)	2024/25 Gross Fee Payable by Customer	Gross Increase £	increase %	2023/24 Budget	Increase in Budget	2024/25 Proposed Budget
Minor alterations - these are internal works within the demised premises that do not require planning permission or building control approval	Pre-application advice (non-refundable)	£285.00	£304.10	£0.00	£304.10	£19.10	6.70%			
	Minor application consideration and decision (non-refundable)	£525.00	£560.18	£0.00	£560.18	£35.18	6.70%			
	Retrospective letter licence	£430.00	£458.81	£0.00	£458.81	£28.81	6.70%			
Major alterations	Pre-application advice (non-refundable)	£325.00	£346.78	£0.00	£346.78	£21.78	6.70%			
	Major application consideration and decision (non-refundable)	£940.00	£1,002.98	£0.00	£1,002.98	£62.98	6.70%			
	Supplemental lease (extension of demised premises)	£410.00	£437.47	£0.00	£437.47	£27.47	6.70%			
	Landlord licence - deed	£670.00	£714.89	£0.00	£714.89	£44.89	6.70%			
Unauthorised alterations (The cost of this will depend on whether it is Minor or Major Works and the figure given is the minimum for major works)	Minor assessment and ruling	£500.00	£533.50	£0.00	£533.50	£33.50	6.70%			
	Major assessment and ruling	£740.00	£789.58	£0.00	£789.58	£49.58	6.70%			
	Stop and make safe notification (including liaison with other council officers)	£365.00	£389.46	£0.00	£389.46	£24.46	6.70%			
	Re-instatement minor works	£740.00	£789.58	£0.00	£789.58	£49.58	6.70%			
	Re-instatement major works	£980.00	£1,045.66	£0.00	£1,045.66	£65.66	6.70%			
									£500	£500
	GRAND TOTAL							£627,150	£4,230	£631,380

This page is intentionally left blank

**APPENDIX C: RISK BASED ASSESSMENT OF THE LEVEL OF HOUSING REVENUE ACCOUNT
BALANCES 2024/25**

Potential Risk Area	Comments including any mitigation factors		
Income from areas within the base budget where the Council raises "Fees and Charges"	Potential risk that the budgeted level of income from activities where the Council is charging for services will not be achieved. This is anticipated largely to be as a result of the downturn in economy and the current cost of living crisis, but could also be as a result of increased void rates, lower collection rates, disputed bills, All "fees and charges" income is reviewed as part of the monthly/quarterly budget monitoring process. All budgets are profiled over the year based upon previous experience.		
	Calculated Risk		
Specific Areas	Estimated Income	Risk assessed at	Balances Required
Rechargeable works not raised or recovered	-£166,560	10.00%	-£16,656
Leaseholder charges not realised (excluding insurance)	-£926,600	5.00%	-£46,330
Rental income (increase in voids rates)	-£49,630,160	0.75%	-£372,226
Service Charges (increase in voids rates)	-£2,208,290	0.75%	-£16,562
Heating charges	-£505,920	5.00%	-£25,296
Total			-£477,070

Potential Risk Area	Comments		
Demand Led Budgets	Potential risk that spending on parts of the budget where the Council has a legal duty to provide the service increases significantly, including due to regulatory requirements. Individual budgets reviewed as part of the monthly budget monitoring process. All budgets are profiled over the year based upon previous experience and so any variances should show up during the year.		
	Calculated Risk		
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required
Storm damage and fire damage uninsured costs (excess is £25,000 for fire damage)	£25,000	100.00%	£25,000
Response and Emergency repairs increase as a result of inflationary pressures or unforeseen repairs	£12,287,850	5.00%	£614,393
Unforeseen Capital works not budgeted for requiring a contribution to capital (based on a proportion of the capital programme)	£53,361,020	2.00%	£1,067,220
Inflation pressures on capital works requiring additional revenue resources to fund the shortfall	£53,361,020	0.75%	£400,208
NEW Insufficient budget identified for Void Repairs	£500,000	10.00%	£50,000
Insufficient budget identified for damp and mould works	£250,000	10.00%	£25,000
Total			£2,181,821

Potential Risk Area	Comments including any mitigation factors		
Changes since budget was set	Potential risk that things change since the budget estimates were made and the estimates are then under budgeted for.		
	Calculated Risk		
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required
Transitional Vacancy Rate 4.5% not achieved	£326,340	10.00%	£32,634
Increase in bad debt provision	£423,440	10.00%	£42,344
Utility inflation (Electricity increase in April 2018, Gas increase from Oct 2018)	£1,904,310	5.00%	£95,216
Pay award is higher than budgeted for	£11,351,620	2.00%	£227,032
Total			£397,226

Potential Risk Area	Comments including any mitigation factors		
Income from areas within the base budget where the Council raises "Fees and Charges"	Potential risk that changes in government policy and legislation mean income from activities where the Council is charging for services will not be achieved.		
	Calculated Risk		
Specific Areas	Estimated Income	Risk assessed at	Balances Required
Increased Right to buys as a result of Government initiatives reducing the amount of collectable rent. Assume an additional 20 RTB's increasing the number to 55 in 2023/24	£115,211	50.00%	£57,606
Higher rent arrears as a result of cost of living crisis	£1,600,831	10.00%	£160,083
Total			£217,689

Potential Risk Area	Comments including any mitigation factors		
Estimated balances required for any over spend or under -recovery of expenditure	This calculation replaces the calculation based on Net Expenditure		
	Calculated Risk		
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required
Gross Expenditure (excluding fixed interest costs and depreciation and RCCO and cost covered above)	£6,918,310.00	5.00%	£345,916
Total			£345,916

Potential Risk Area	Comments including any mitigation factors		
Greater exposure to interest rate changes	The latest Business Plan revision includes re-financing of existing debt and a higher level of borrowing in the first 10 years of the plan. To mitigate this reserve values have been increased related to future debt		
	Calculated Risk		
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required
10 Year Assumed new borrowing	£168,793,000	4.50%	£7,595,685
Total			£7,595,685

Level of Balances Assumed in Housing Revenue Account Based on risk	£10,261,522
Balances held for other HRA spend.	£2,041,959
Total Required balances	£12,303,481

Appendix D

**Full Equality Impact Assessment
Rent and Service charges 2024- 2025 Changes.**

What is being assessed?		HRA: Rent and Service Charge 2024/25			
Lead Assessor	Karen Long			Assessment team	Elizabeth Ddamulira Keith Reynoldson
Start date	Jan 2024	End date	Dec 2025		
When will the EqIA be reviewed?	Jan 2025				

Page 27

Who may be affected by it?	All tenants
What are the key aims of it?	<p>Rent increases are prescribed by Government and it is extremely difficult therefore not to apply the determination made by Government annually.</p> <p>To increase the rent on dwellings from week commencing 1 April 2024 by 7.7%, which is an average increase of £8.45 for social rents, £13.12 for affordable rents and £9.96 for Low Start Shared Ownership homes per week (based on a 52-week year). This has been calculated in accordance with the current Rent Standard issued by the Government that increases rents by September CPI inflation +1% and the Council’s Rent and Service Charge Policy.</p> <p>The Council’s Rent and Service Charge Policy provides a framework for setting rents and service charges within legislative requirements. The rent and service charge income underpins the delivery of the Housing Revenue Account Business Plan’s key housing objectives to deliver effective services, to invest in its properties to ensure</p>

	<p>homes are of a modern standard and to provide new social housing to rent. The policy was revised in December 2022.</p> <p>The revisions aimed to ensure that the policy complied with the government’s direction on the Rent Standard 2019 and to clarify the Council’s position in relation to service charge increases and affordable rents. A further aim since 2022 is to mitigate the impact of Cost of Living Crisis (CoL) and general economic challenges on customers and their ability to pay rent and service charges. Key elements include:</p> <ul style="list-style-type: none"> • To increase rents on social rent and affordable rent properties by up to CPI+1% each year from 2020, for a period of at least five years. • Increase the rents for all excluded properties by CPI +1%, e.g. LSSO • Set the rent for a proportion of new build homes at affordable rents. • 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. • 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 8th July 2015, with the appropriate rent increase applied in line with the current Rent Standard Direction (February 2019). • Charge actual costs for service charges but with the provision to apply a cap, subject to any legal constraints, on affordability grounds where appropriate. • Mitigation of general economic challenges impact and Cost of Living Crisis (CoL)
--	--

What positive measures are in place (if any) to help fulfil our legislative duties to:					
Remove discrimination & harassment		Promote equal opportunities	The aim of the Rent & Service Charge 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	Encourage good relations	

		and Charges Policy, and the principle of recovering the cost of providing services.		
--	--	---	--	--

What sources of data / information are you using to inform your assessment?

- Policy Statement on Rents for Social Housing, February 2019
- Direction on the Rent Standard, 2019
- Welfare Reform and Work Act 2016
- Housing and Planning Act 2016
- Rent and service charge policy agreed by Exec December 2019 and recommended to Council in January 2020
- Rent account information
- Housing System data
- Supported housing service data

In assessing the potential impact on people, are there any overall comments that you would like to make?

Approval to increase rents by CPI + 1% for 5 years from 2020/21 required a revision of HRA Budget plans priorities. The latest HRA Business Plan was agreed at the November 2023 Executive Meeting.

The average rent increase for 2024/25 is 7.7%, in line with the current rent standard.

When calculating rents and service charges accounts, consideration will be taken of the need to balance any increase in the combined rent and service charge with the potential financial impact on customers. This relates to 37% of homes to which a service charge applies, which are predominantly flats as well as sheltered accommodation. The Council must recover the actual cost of providing the service and service charge costs will increase with inflationary pressures and changes in usage.

The impact of the 2024/25 rent increase and service charges is

- 7,424 homes or 93% receive a rent and service charge increases between £4 and £9.99 per week;
- 628 homes or 7% of households will receive a weekly rent and service charge increases of between £10 and £19.99 (based on 52 weeks).

We had 6,799 general social rented properties, 66 affordable rent properties, 794 Sheltered Accommodation and 79 LSSO as at October 2024. 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.

This also further supports work with people who need help to live independently at home and those at risk of homelessness, through wider housing options, continued provision of support, and financial assistance for adaptations and more homelessness preventative programmes respectively.

Any groups that are potentially disadvantaged are still expected to be able to benefit from a council property set at a social rent.

Tenants benefited from four years of rent reduction from 2016-2020 so the impact of the rent increase is mitigated partially by having to use a lower base than it would have been had there not been a mandatory rent reduction (cumulative) of 1 % between 2016-2020.

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

Age				
Positive impact		Negative impact	Residents may be experiencing exceptional economic hardship as a result of the cost of living crisis, and increases in energy, food and fuel costs in particular. This may have a greater impact older people, who may have additional needs for heating and to run particular equipment, and may also have lower income / be reliant on pensions and/or benefits (which have been increased in line with inflation)	<p>Unequal impact</p> <p>The increase is applied to all properties; it is not possible to exempt any particular groups. 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.</p> <p>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.</p> <p>For people living in independent living/flexicare schemes, in addition to basic rent and service charges, those who pay for the support/emergency response services that are not eligible for Housing benefit may see an increase in overall payment due each week .</p> <p>We currently know that the general economic challenges and Cost of Living Crisis (CoL) are disproportionately of particular risk to older people and those with underlying conditions. This may result in in this age group incurring extra expenses that</p>

					may affect their ability to pay rent and service charges.
Please evidence the data and information you used to support this assessment			See page two and three.		
What opportunities are there to mitigate the impact?	Ongoing and day to day consultation will take place with residents in 2024/25 to establish the impact of the rent & service charge increase. Please also refer to the mitigations outlined in the socio-economic section below, most of which will also apply to this protected characteristic group.			What do you still need to find out? Include in actions (last page)	

Disability					
Positive impact		Negative impact	Residents may be experiencing exceptional economic hardship as a result of the cost of living crisis, and increases in energy, food and fuel costs in particular. This may have a greater impact on people with a disability, who may have additional needs for heating and to run particular equipment, and may also have lower income / be reliant on benefits (which have been increased in line with inflation)	Unequal impact	<p>The increase is applied to all properties; it is not possible to exempt any particular groups. Northgate data on tenants in relation to disability is collected at the lettings stage and in most cases this was 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.</p> <p>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.</p>

Please evidence the data and information you used to support this assessment			See page two and three.		
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Gender reassignment, Marriage or civil partnership, Pregnancy & maternity, Race, Religion or belief, Sex, Sexual orientation N/A					
Positive impact		Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment			There is no evidence to suggest any specific impacts on customers within any of these protected characteristic groups.		
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Socio-economic ¹					
e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users					
Positive impact		Negative impact	The rent increase will be applied across all tenancies prescribed by the Work and Welfare Reform Act and in line with the current Rent Standard Direction (February 2019) regardless of circumstances. This will be applied for 2024/2025. Those reliant on Housing Benefit	Unequal impact	

¹Although 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>(HB) and Universal Credit (UC) Housing costs to cover their full rent and eligible service charges won't be affected by the increase in rent and service charges as their benefit award will be recalculated.</p> <p>The number of bids on the new build properties let at affordable rents are similar to the number received for new build let at social rents. There is a mixture of employed and unemployed applicants. Applicants in receipt of benefits are not excluded or unfairly treated.</p> <p>Those who receive services for which a service charge is made will be charged the actual cost of those 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.</p> <p>Residents may be experiencing exceptional economic hardship as a result of the cost of living crisis, and increases in energy, food and fuel costs in particular. Households in the general rented homes, especially those on lower incomes, in general pay more of their income on housing costs and have less resilience to cope with financial shocks. This is anticipated to lead to a significant increase in fuel poverty, and extreme fuel poverty.</p>		
--	--	--	--	--	--

			<p>By pushing those who had previously been coping into financial hardship, it is very likely that the rise in cost of living is going to intensify health inequalities that have already been exacerbated by the Covid-19 crisis and we know that poverty and health inequalities are inextricably linked.</p>		
<p>Please evidence the data and information you used to support this assessment</p>		<p>See page two and three</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>Rent increase information will be published on the Council website early February 2024 to start preparing tenants.</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 increased 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>What do you still need to find out? Include in actions (last page)</p>	<p>ongoing consultation will take place with residents throughout 2024/25 to establish impact of the rent & service charge increase and put in place systems to mitigate this accordingly</p>	

To ensure that this is explained as clearly as possible there will be a FAQ sheet and details on the website and hard copies available for those who need them.

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, HB/ UC housing cost 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 contracts and where partial housing benefit can be paid.

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.

The implementation of the policy in respect of Affordable Rent 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.

Support provision for this group has been increased as part of an Income Recovery Action plan and it has been extended for a further 2 years to ensure that they can pay through sustainable arrangements to maintain payments towards rent and service charges and have access to required support . Additional staffing resources have been secured to continue work to target and support UC cases to maximise income collection and minimise the level of arrears for this group of tenants.

The Council will make links to support and guidance clear on all of its communication platforms.

	<p>The Council will prepare staff to enable them to respond effectively and empathetically with tenants.</p> <p>There is Welfare Steering Group - Cost of Living & Cost of Living and Income recovery Action Plans in place to mitigate some of the worst impacts of the cost of living crisis and general economic challenges, the action plans seeks to minimise the negative on people in Stevenage. The action plans also considers the role of Stevenage Borough Council, as employers, recognising the impact of the CoL on low paid staff. It is therefore expected that the action plans will also have a positive impact on the health and wellbeing of staff as well.</p>		
--	---	--	--

Other				
please feel free to consider the potential impact on people in any other contexts				
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?	Although time has not allowed for formal consultation, ongoing consultation will take place with residents throughout 2024/25 to establish impact of the rent & service charge increase and put in place systems to mitigate this accordingly.	Staff?	N/A
------------	--	--------	-----

	Please also refer to the mitigations outlined in the socio-economic section above.		
Voluntary & community sector?	N/A	Partners?	N/A
Other stakeholders?	The report will go through the Council's pre-budget scrutiny meetings before being presented to the Full Council in January.		

Overall conclusion & future activity

Explain the overall findings of the assessment and reasons for outcome (please choose one) :		
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 is reliant upon us being able to maximise income collection, recover arrears and the costs of service provision where it's possible to do so.</p> <p>Only a proportion of new builds will be at affordable rent in line with the revised HRA Budget plan. The proposal to offer a mix of new build rents at affordable rent levels and at social rent levels would result in additional income 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 228 social rented and 150 affordable rented properties over the 5 years of the revised Business Plan. The policy and the aim is for a 50/50 split, but due to the timing of delivery on schemes the weighting is slightly biased towards affordable, but it evens out over the whole 30 year plan.</p> <p>This means that there will be a total of approximately 3.2% of Council homes 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 5 and it is estimated that after 30 years the vast majority of council property rents (an estimated 87%) will be set at the social rent rate, subject to any changes in legislation or Government guidance.</p>
	2c. Stop and remove	

Detail the actions that are needed as a result of this assessment and how they will help to remove discrimination & harassment, promote equal opportunities and / or encourage good relations :				
Action	Will this help to remove, promote and / or encourage?	Responsible officer	Deadline	How will this be embedded as business as usual?
Consultation with residents to establish the impact of the rent increase	Remove discrimination and promote equal opportunities. put in place systems to mitigate this accordingly	Elizabeth Ddamulira	March 2025	Systems will be put in place to mitigate impacts

Approved by Head of Housing - Karen Long : Date: 29/11/2023

This page is intentionally left blank