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CABINET

11 DECEMBER 2024

SUPPLEMENTARY AGENDA

PART 1

6 DRAFT HOUSING REVENUE ACCOUNT BUDGET SETTING AND RENT REPORT 2025/26

To update Members on the proposals for the Housing Revenue Account (HRA) budgets and rent setting for 2025/26, to be considered by Council on 22 January 2025.

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Meeting CABINET
Portfolio Area Housing and Housing Development /
Resources and Transformation
Date 11 DECEMBER 2024



DRAFT HOUSING REVENUE ACCOUNT BUDGET SETTING AND RENT REPORT 2025/26

KEY DECISION

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1. PURPOSE

- 1.1 To update Members on the proposals for the Housing Revenue Account (HRA) budgets and rent setting for 2025/26, to be considered by Council on 22 January 2025.
- 1.2 To update Members on the formula for setting rents for 2025/26.
- 1.3 To propose the HRA rents for 2025/26.
- 1.4 To propose the HRA service charges for 2025/26.
- 1.5 To update Members on the 2025/26 HRA budget, incorporating the decisions included in the HRA Medium Term Financial Strategy (MTFS) report that was approved at the Cabinet meeting on the 13 November 2024 and the proposed 2025/26 fees and charges.

- 1.6 To update Members on further financial pressures identified since the HRA MTFS was approved in November 2024.

2. RECOMMENDATIONS

- 2.1 That HRA dwelling rents be increased (week commencing 1 April 2025) by 2.7%. This equates to an average increase of £3.23 for social rents, £5.02 for affordable rents and £3.94 for Low Start Shared Ownership homes per week (based on a 52-week year).
- 2.2 That the 2025/26 service charges are approved as set out in paragraph 4.2.
- 2.3 That the HRA budget for 2025/26, set out in Appendix A, is approved.
- 2.4 The 2025/26 growth options as set out in section 4.4 are approved.
- 2.5 That the additional repair pressures and subsequent financial growth as set out in 4.4.7 are noted.
- 2.6 That the 2025/26 Fees and Charges as set out in Appendix B are noted.
- 2.7 That the revised minimum levels of balances for 2025/26 shown in Appendix C are approved.
- 2.8 That Members approve the Rent Increase Equalities Impact Assessments (EqIA) appended to this report in Appendix D and the Rent Flexibility EqIA in Appendix F.
- 2.9 That Members approve the Aids and Adaptations Policy Equalities Impact Assessments appended to this report in Appendix E.
- 2.10 That the contingency sum of £500K, within which the Cabinet can approve supplementary estimates, be approved for 2025/26 (£400K in 2024/25) as set out in paragraph 4.9.4.
- 2.11 That the decisions taken on recommendations 2.1 – 2.10 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.
- 2.12 That key partners and other stakeholders are consulted and their views considered as part of the 2025/26 budget setting process.

3. BACKGROUND

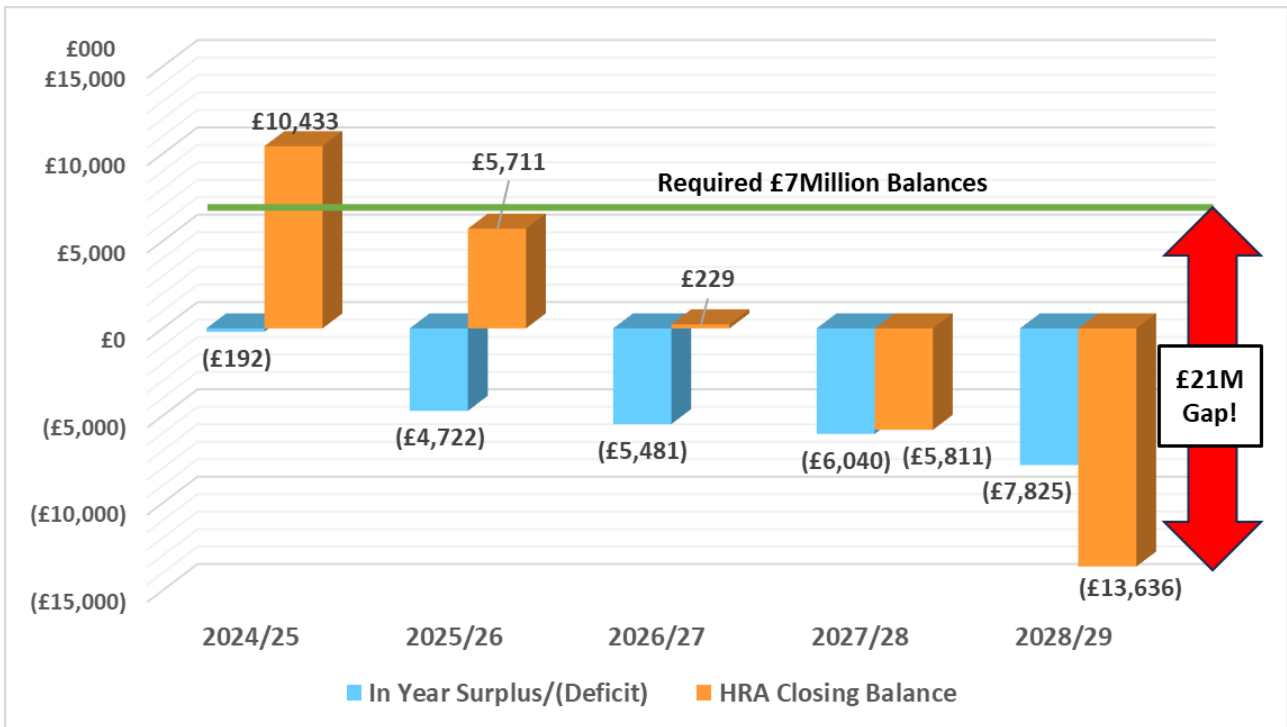
- 3.1 The HRA is a legally ring-fenced account that records the income and expenditure relating to the operation of the Council's housing stock. The main costs in the HRA relate to management, maintenance, depreciation (used to finance capital works) and interest on loans. This is primarily funded from 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. The Council is required by law to avoid budgeting for a deficit on the HRA (Local Government and Housing Act 1989, Section 76).

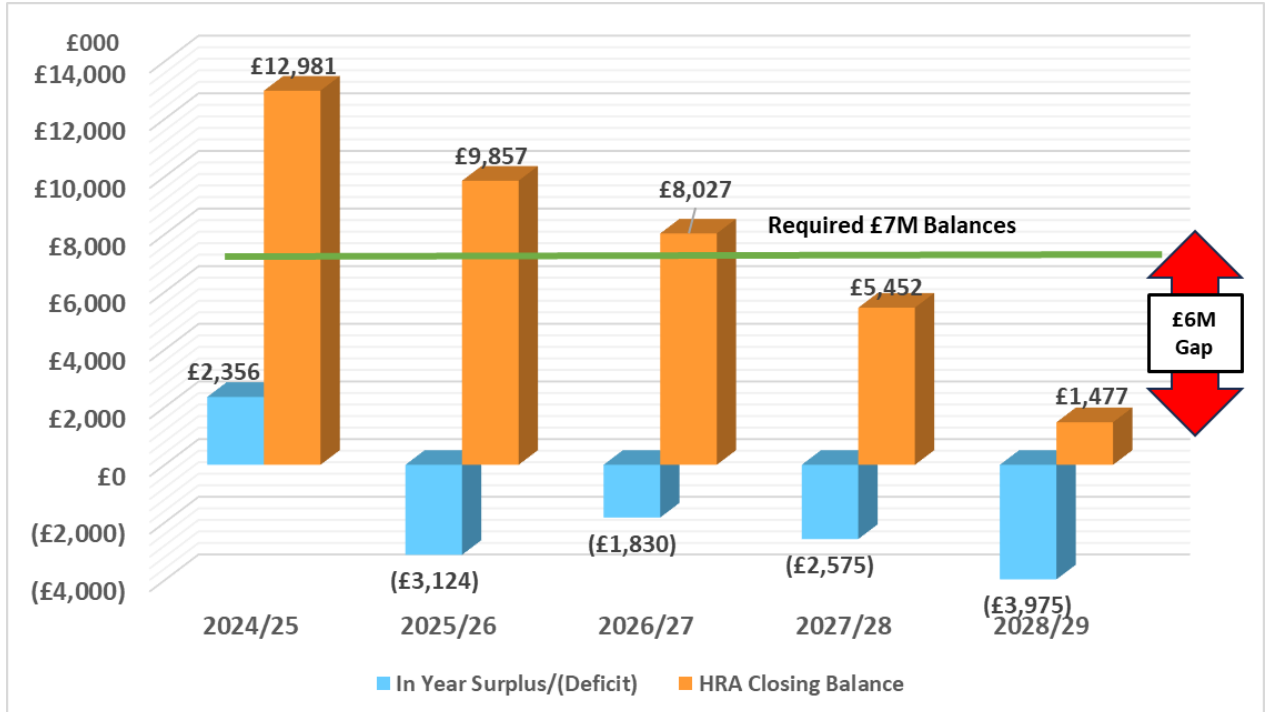
- 3.2 The latest updated Business Plan went to Executive in November 2023 and underpins the Council’s key housing priorities for Stevenage as set out under ‘More Social, Affordable and Good Quality Homes (MSAGQH)’, one of the five strategic priorities of the Making Stevenage Even Better 2024-2027 Corporate Plan.
- 3.3 The table below. provides a summary of the overall commitments set out at the last comprehensive review of the HRA Business Plan in 2023/24.

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 Members received an update on the Business Plan at the November 2024 Cabinet, the Medium-Term Financial Strategy for 2024/25 to 2028/29. This update highlighted that, since the previous year's Business Plan, changes to several national and local policies and subsequently identified financial pressures had resulted in a significant funding gap over the next five years needing to be addressed, and this is summarised in the chart below.



3.5 The MTFS report recommended a number of cost reduction and income generating proposals, which were approved, and these have been incorporated into the draft HRA Budget Setting and Rent report for 2025/26 (summarised in paragraph 4.4.1) which reduced the funding gap from £21Million to £6Million over the five-year period.



3.6 The funding gap identified above (to achieve a position closer to the minimum balance requirements by the end of the MTFS), meant that the savings target for the HRA has been increased from the business plan target of £500K per annum to circa £1Million per annum from 2026/27. If the savings target identified was achieved HRA balances

would be £7.053Million by end of 2028/29, or at the recommended level of minimum balances.

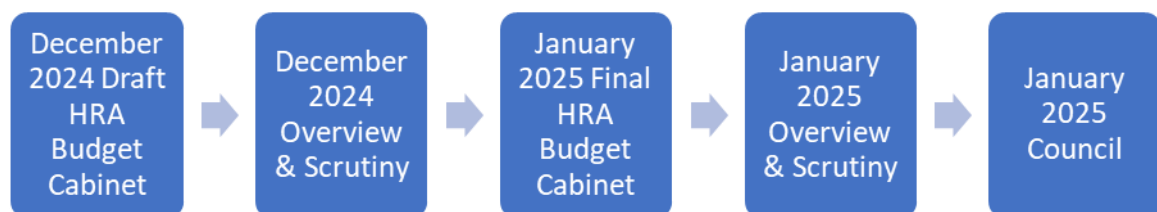
3.7 Since the November 2024 MTFS report, further pressures have emerged which relate to:

- Increased cost of subcontractors for response repairs which are currently being assessed and further information is included at paragraph 4.4.7.
- The 2024 Autumn budget statement may increase costs if increased employers National Insurance rates (NI) contributions are not funded through additional grant, this is estimated to be £285K for the HRA. This could impact costs either directly through staffing budgets or through recharges to the HRA from GF support services costs increasing from NI changes.

Regulator of Social Housing Inspection

3.8 On this Cabinet agenda is a report setting out the judgement of the Regulator of Social Housing inspection that took place earlier in the year. This report will outline the areas of improvement, with the existing improvement plan already factored into this budget report. However, the Council will receive a Provider Improvement Plan that will be agreed upon with the Regulator during quarter four. Any additional pressures arising from the plan will be reported in the final HRA Rent Setting and Budget report, which will be presented to Cabinet/Council in January 2025.

3.9 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

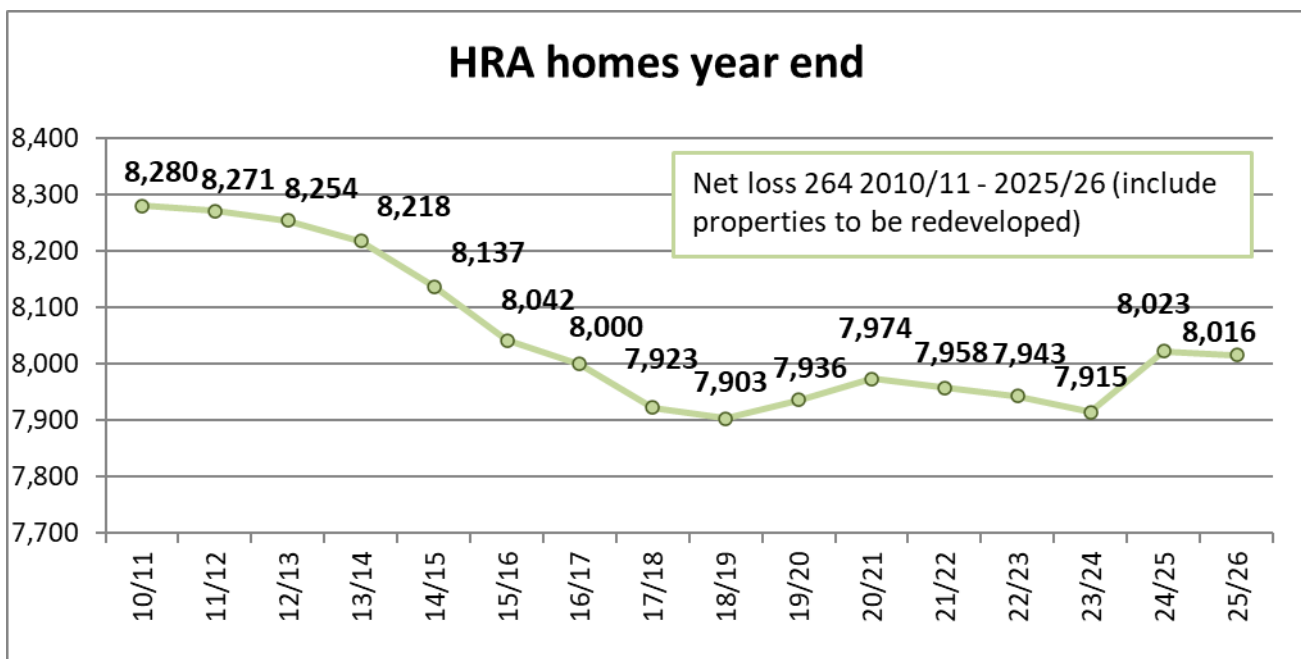
4.1.1. The total number of HRA homes in management on 31st October 2024 is summarised in the table below. The average rents for 2025/26 are based on current housing stock and any right to buys, or new schemes coming on stream after this date, may change the average rent per property type.

Stock Numbers at 31/10/2024	Social	Affordable	Sheltered	Shelt. Afford	LSSO	Homeless	Total
Number of Properties	6,804	66	825	18	79	205	7,997

- 4.1.2. For 2025/26 rent has been set in accordance with the current Rent Standard of September CPI plus 1 %. The September CPI was 1.7% meaning rents will increase by 2.7%.
- 4.1.3. The proposed average rents per week for 2025/26 are set out in the table below, based on a 52-week year and the current housing stock in management.

Average Rents 2025/26	LSSO	Increase/ (decrease) %	social	Increase/ (decrease) %	Affordable	Increase/ (decrease) %
Average Rent 2024/25	£146.10		£119.06		£185.78	
Add rent impact 2025/26	£3.94	2.7%	£3.21	2.7%	£5.02	2.7%
Total 52 wk Rent 2025/26	£150.04		£122.27		£190.80	

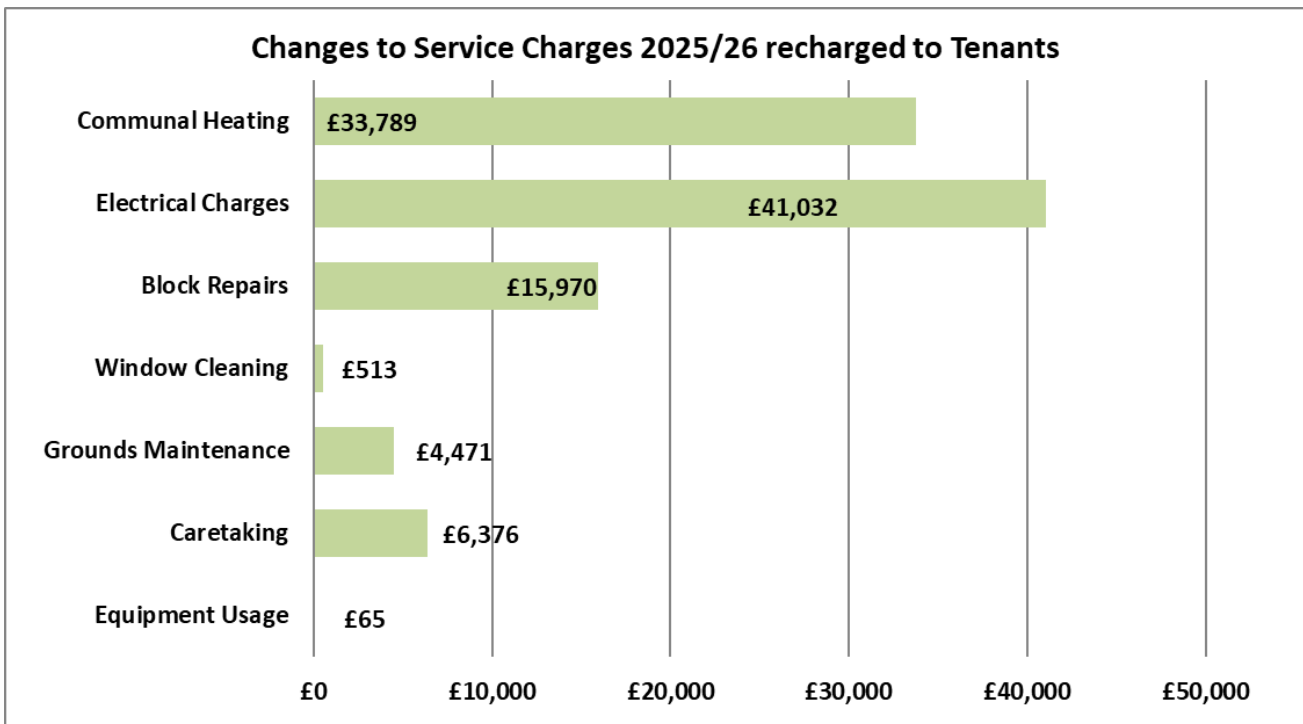
- 4.1.4. The 2025/26 net rental income increase is estimated to be £1.9Million, which includes the estimated impacts of right to buys, expected new properties and properties taken out of management (awaiting redevelopment). This is consistent with the numbers used in the MTFS.
- 4.1.5. The total number of Council homes is estimated to have reduced by 264 between 2010/11 and the end of 2025/26 (based on the net impact of RTBs, new homes and homes awaiting development). The forecast numbers for 2025/26 reflect the impact of new developments and acquisitions compensating for RTB sales. They also take into account the projected impact of the lower discount, detailed in paragraph 4.8.2.



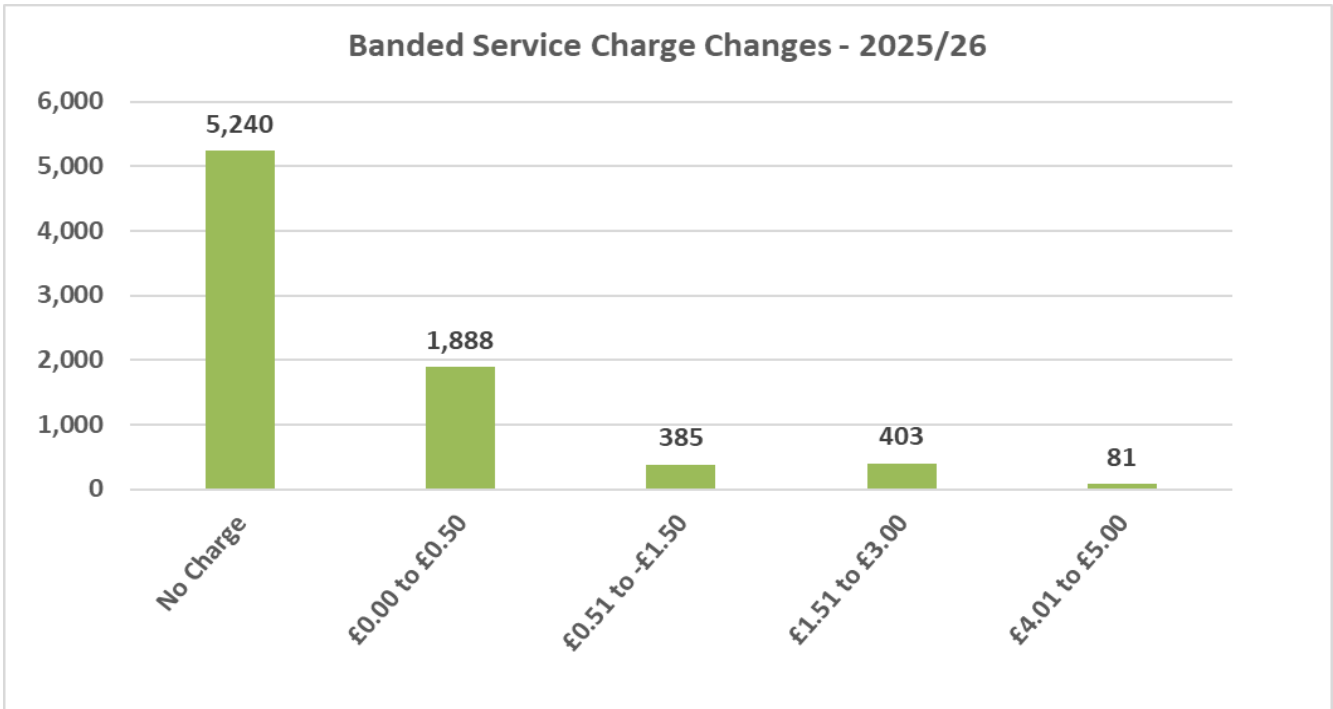
4.2 Service Charges 2025/26

4.2.1. Service charges are calculated on an individual block basis for 2,757 properties, (2024/25 2,834) or 34% of current SBC tenanted properties.

4.2.2. Service charges are not subject to a 2.7% rent increase but are based on cost recovery or actual cost. So, for 2025/26, service charge costs will increase with inflationary pressures and changes in usage. The chart below identifies the changes between 2024/25 and 2025/26 for service charges. The estimates are based on the projected budgeted costs for 2025/26, with the exception of block repairs, which are 'smoothed' over a five-year period to eliminate individual in-year spikes in repairs spend. The graph illustrates that energy prices are still expected to cause the largest increase year to year but are still much lower than the exceptional spike in prices seen in 2022/23. These changes are in line with the forecasts included in the MTFs.



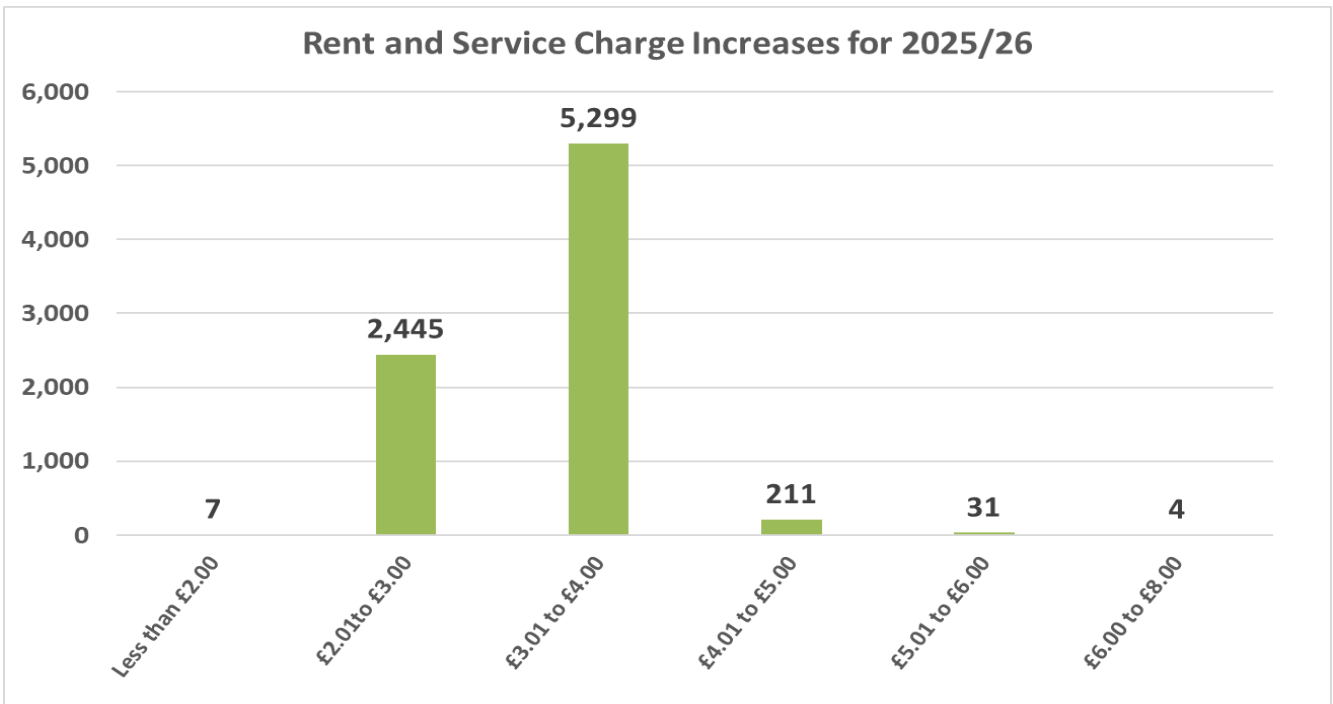
4.2.3. The spread of service charge changes for all tenants in 2025/26 is shown in the chart below, including utility charges and communal heating schemes that are not eligible for housing benefits. However, 5,240 (66%) of homes do not have service charges, of the 2,757 properties that are liable 1,888 (68%) will have increases of less than 50p per week. The remaining properties with higher increased costs, have been driven by utility cost increases which are still projected to be higher than general inflation.



** note increase per week*

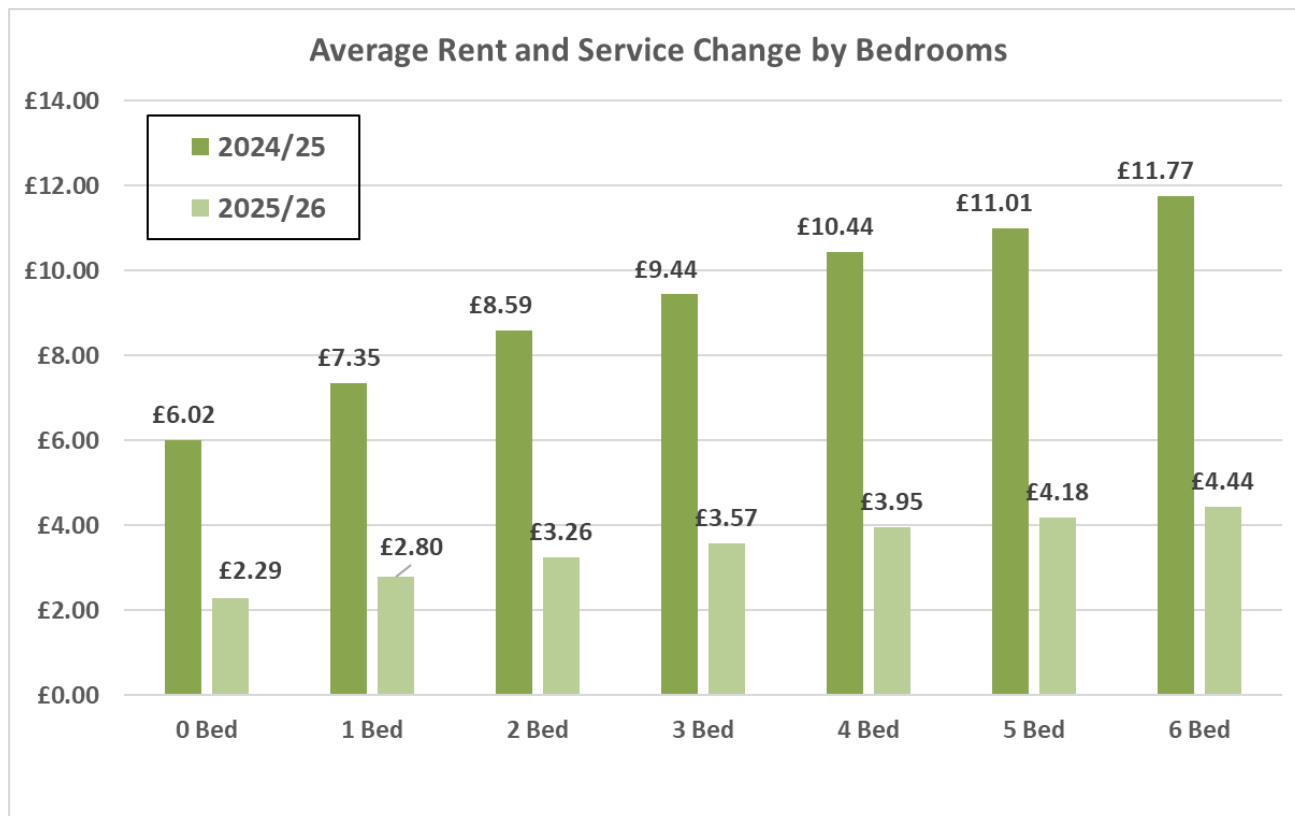
4.3 Rents and Service Charges

4.3.1. The impact of the 2025/26 rent increase and service charges is that 7,751 homes, or 97%, receive a weekly rent and service charge increase below £4.00 per week. This increase is substantially less than last year and is due to the lower September CPI level of 1.7% compared to 6.7% last year. There are 246 properties with an increase over £4 per week and 84 of these are affordable rent properties. The full distribution of the 2025/26 rent and service charge changes are summarised in the chart below.



**note increase per week*

4.3.2. The average rent and service charge increase by bedroom size has also been calculated and summarised in the chart below. This also illustrates the much lower rent increase due to the September CPI figures.



4.3.3. 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. The latest Office for National Statistics (ONS) data shows that private sector rents in Stevenage have increased substantially from last year. A three-bedroom private sector rental property costs an additional 142%, (2023/24, 95%) more per week than an SBC council home and 34% more than the affordable let properties, (2023/24 8%).

	SBC Social Rent	SBC Affordable Rent	Median Private Rent	Local Housing Allowance	Median % v SBC Social	Median % v SBC Affordable
1 Bed Property	£105.65	£156.66	£216.46	£176.36	105%	38%
2 Bed Property	£122.13	£201.65	£280.15	£224.38	129%	39%
3 Bed Property	£135.79	£245.11	£329.08	£287.67	142%	34%
4 Bed Property	£149.88	£287.13	£456.69	£368.22	205%	59%

Private rent Data from ONS as at October 2024 and the Local Housing Allowance is based on current rates. Please note the SBC rents are April 2025 prices and the private rents October 2024 prices.

4.3.4. 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 included in the HRA**

4.4.1. The following growth items have been included within the 2025/26 HRA budget.

Included within the November MTFS report:

4.4.2. **New posts re Regulatory Demands £103K** – This growth was approved by Council in July 2024 in relation to the new regulatory requirements aiming to improve digital services and data quality for the Housing Revenue Account and enhance performance and resident engagement in response to new legislation and regulations from the Regulator of Social Housing.

4.4.3. **Void New Delivery Model £704K** – This growth was approved by Cabinet in October 2024 as a new delivery model for void works, aiming to improve performance and process management.

4.4.4. **Insurance premiums £37K** - The latest insurance renewal schedules show a cost pressure for 2025/26. The budget allowed for a 5% increase; however, the actual rise was 10%.

From the Autumn Statement:

4.4.5. **National Insurance increase in contribution rate net £0** - On the 30 October the Chancellor of the Exchequer delivered an Autumn Budget Statement and announced an increase in the Employer's National Insurance contributions rate from 13.8% to 15.0% from April 2025 and a reduction to the threshold which employers become liable to pay National Insurance to £5,000. All eligible employers will now benefit from the National Insurance employment allowance, which itself will be increased from £5,000 to £10,500. The impact on these changes to the HRA will be circa £285K and there may also be further cost pressure for the HRA once the final recharges from the General Fund have been completed, particularly with the impact of higher NI costs, if not fully compensated for.

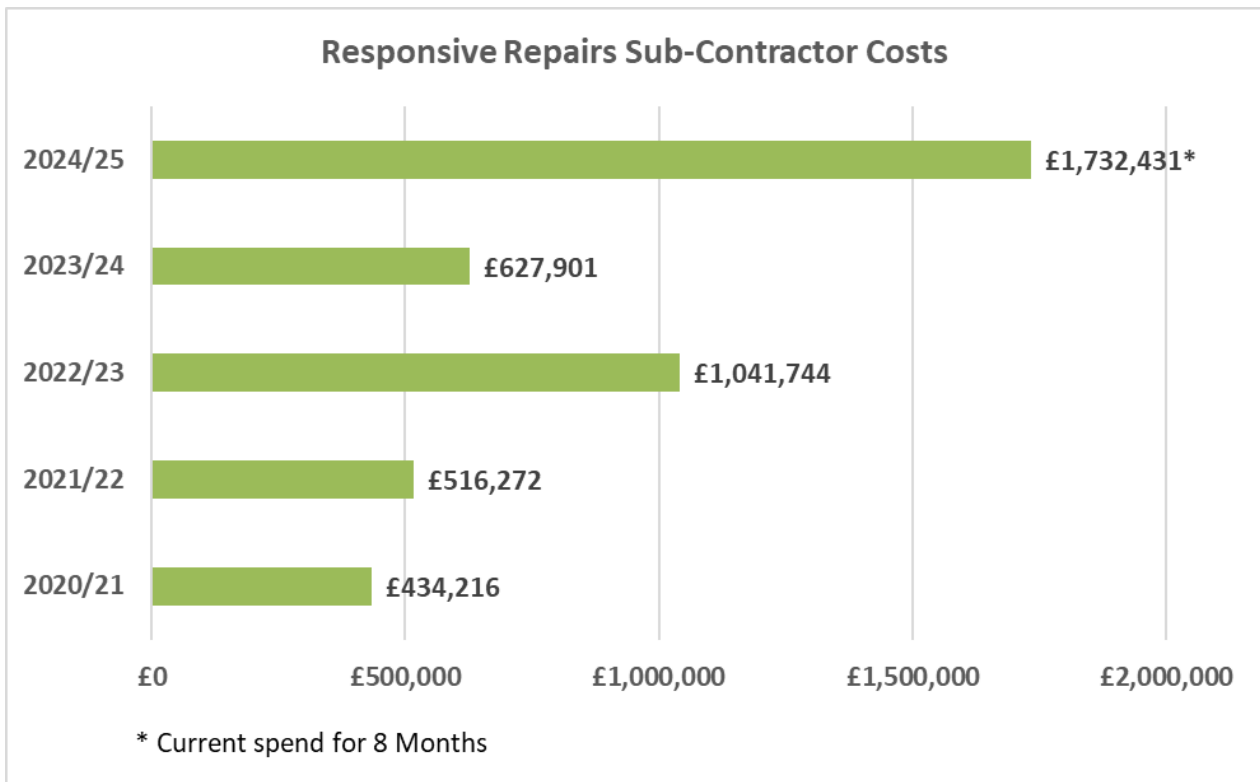
4.4.6. However, the Government have said that any increase will be offset by grant settlement to the Council, and this should neutralise this increase. This draft HRA budget assumes that this will be achieved, but if this is not the case there will be a pressure that will need to be addressed in the Final HRA Budget report to Cabinet in January.

Further new pressures:

Responsive Repairs and Disrepairs Demand

4.4.7. Since the MTFS was presented to the November 2024 Cabinet meeting, a significant emerging budget pressure has been identified relating to responsive repair costs. It was recognised earlier in the year that there was an increase in demand and an additional £500K was added to the budget in the report to the July 2024 Council meeting. However, there has been a further increased level of demand in the number and cost of contracted specialist maintenance jobs, including those where the Council has a statutory responsibility to act. The graph below illustrates the unprecedented increase in costs during this financial year. The current projection for these budgets could be as high as £2Million to cover current and future works over the remainder of

the financial year. This would be in addition to the current working budgets of £15.2Million for all revenue maintenance and repair work.



4.4.8. The main two areas of pressure are on disrepair claims and roofing and guttering work, but there are also increased levels of demand for works on windows and doors, drainage works and fencing repairs. While the additional cost associated with administration and compensation were included in the approved growth (July 2024 council) for disrepair claims, the higher costs of work relating to these complex cases was not accounted for and this has meant much higher expenditure in completing the actual work associated with these claims.

4.4.9. A series of mitigations are either already in place, or are being enacted, to control and reduce the cost of this work moving forward and these include:

- Maximising the number of jobs carried out by the in-house team and investigating areas currently completed by sub-contractors that they would be able to complete.
- Continue to exercise tight spending controls on sub-contractor work and any requested variations to orders.
- Carry out further trend analysis to identify ongoing areas of concern and to produce a more accurate estimate of the impact of this pressure on the current and next year's budget.
- Ensure that all major repair elements that may have been included within the sub-contractor payments have been removed and counted within the major repair budgets.

4.4.10. Work is ongoing to analyse the current demand and estimate the ongoing cost pressure on this service for 2025/26, but this has not been completed in time for the

draft budget report. However, this will be included in the final HRA budget report due to Cabinet in January.

- 4.4.11. Through these mitigations and the clearance of any historic work during 2024/25 it is anticipated that costs in next year will be significantly lower than the current projected outturn. However, it is likely that the underlying base cost of the service has increased. This will mean that the 30-year HRA Business Plan model will need to be amended to reflect the service cost levels and balance them against the other spend areas in the HRA. It is intended that this work will be completed during the last quarter of the current financial year, to be presented to Cabinet in the first quarter of 2025/26.
- 4.4.12. Finally, there may also be further cost pressures for the HRA once the final recharges from the General Fund have been completed, particularly with the impact of higher NI costs if not fully compensated for. This work will be included in the final budget 2025/26 report to Cabinet in January 2025. The current assumptions within the draft budget, is a recharge from General Fund of £8.7Million. It is anticipated that the final position for recharges may be higher and therefore a further pressure placed on the HRA.

4.5 Savings Options

- 4.5.1. Due to the cost pressures identified in the HRA MTFS and before further exacerbated by higher anticipated repair costs (as set out above), the HRA required savings to be identified to avoid running out of balances as set out in the November 2024 MTFS report. The savings proposed for inclusion in the HRA are a combination of options included in the November MTFS 2024 report and the HRA share of the Balancing the Budget savings options also presented to the November Cabinet meeting and are as follows:

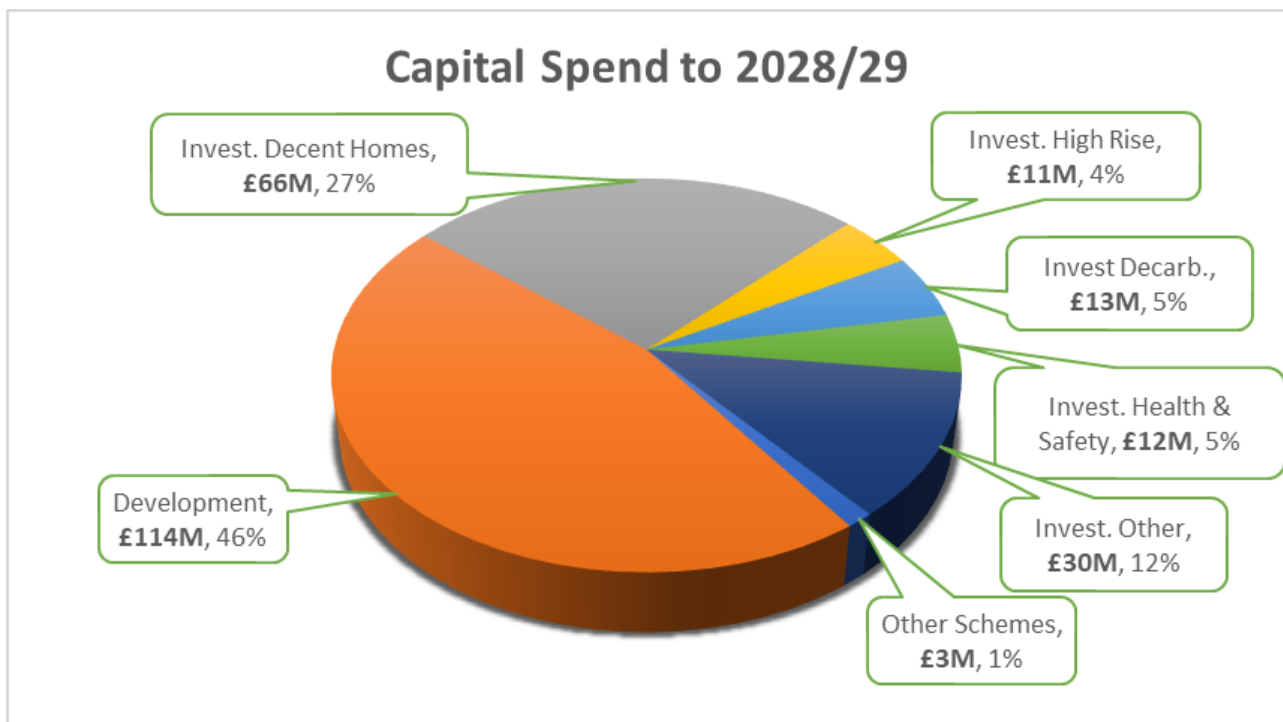
Capital Changes reducing revenue contributions to capital in the HRA:

- **Changes to New Build for Social Housing** – there are two changes to the current programme resulting in a saving of £1.1Million over the MTFS. These were additional grant from the Local Authority Housing Fund of £325K and a £822K reduction from the asset review budget because this work can be incorporated in the development project appraisals within the current programme.
- **Decarbonisation** – Members agreed to a lower cost programme in the MTFS, however this still means a bid for 500-550 homes under the current Government's grant scheme. This reduces the HRA capital costs from the current projection of £20.7Million to a revised cost of £13.3Million.
- **Aids and Adaptation** - While demand is likely to remain high given the ageing demographic of tenants, this type of spend needs to be balanced against affordability and other unavoidable areas of investment like fire safety measures which cannot be reduced. Factors that have been taken into account when proposing this include offering more suitable homes to tenants, such as Independent Living schemes and/or already adapted homes. In addition to existing stock, the housing development programme is also delivering new homes targeted at tenants with specialist needs.

The Community Select Committee will be reviewing the existing policy in due course and the demand and budget will be closely monitored during 2025/26 by the Executive Housing Working Group, as well as through the quarterly budget monitoring process. In the event that the budget is not sufficient it will be reviewed and addressed as part of subsequent HRA updates. However, based on the need to make cost reductions the annual budget provision for adaptations has been reduced to £550K per annum. This means a saving to the HRA of £2.7Million over a four-year period.

- **Other Capital Changes** - Alongside these capital programme changes the funding for the programme has also been reviewed and this has allowed a further £1.1Million reduction in funding costs across the MTFS 2024/25 to 2028/29.

4.5.2. Members should note that even with the level of proposed capital savings there is still a significant investment programme for existing and new housing stock. The graph below shows a medium-term capital programme that will invest £249Million up to 2028/29. This includes £114Million on new housing stock and £132Million on existing housing properties.



4.5.3. Revenue Changes as follows:

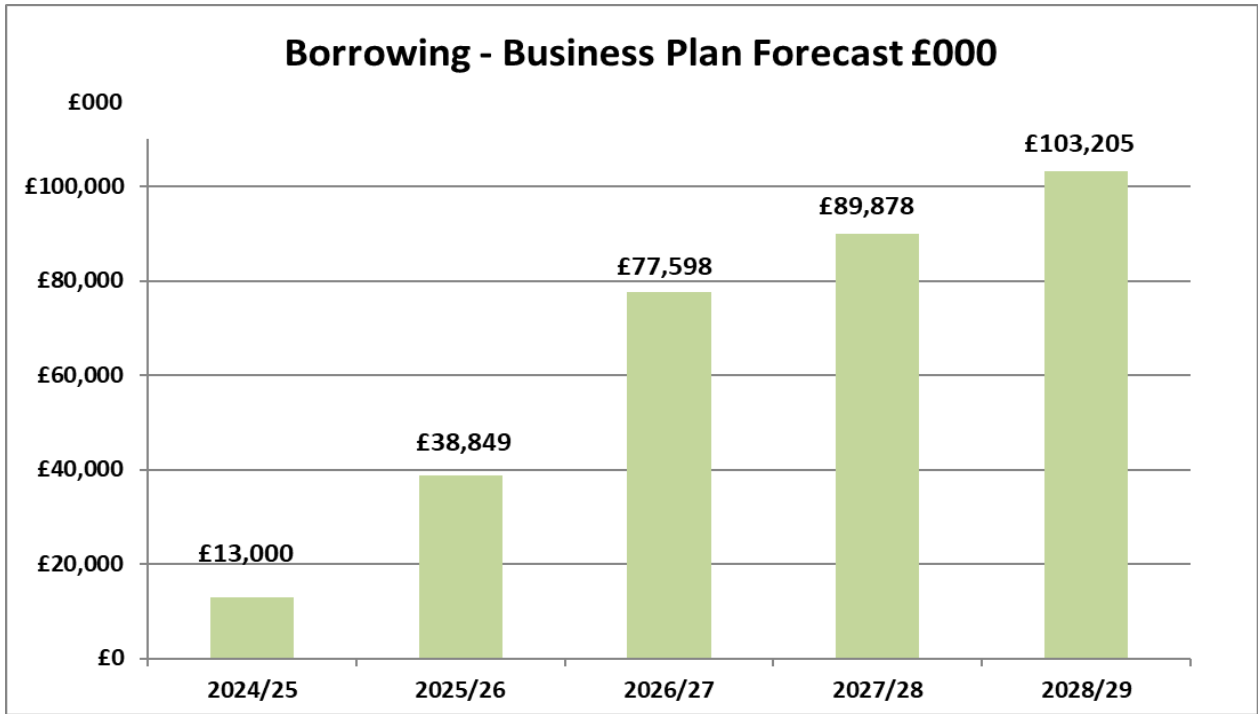
- **Tightening void procedures and cost control** – A review of voids works is currently underway reviewing specification raised against works subsequently completed. This measure, together with a new procurement, means officers consider that the average cost budgeted for a void can be reduced, while still ensuring the correct level of works are done.

Early estimates suggest potential annual savings of around £500K and these have been included in the HRA over the medium term. These savings are based on the average cost of voids works reducing from circa £8.2K in Quarter one to around £5K in Quarter three. Sustaining this trend will be achieved through continued tighter controls on the specification of works, as the client/contractor model is fully established. Through the tenancy audit programme and pre-termination visits it is further expected that this will have a positive impact on the condition of properties when they become void which will mitigate against the higher average void costs experienced over the last 12-18 months. However, costs will be closely monitored to understand what is driving spend and what other mitigations could be put in place to avoid high void costs (and associated rent loss from longer relet times).

- **Rent Flexibility Level** – the current projected rental income does not meet the investment need required for the Council stock. Under current regulations the Council can implement rent flexibility, subject to consultation taking place. This allows rents to be set at up to 5% above the formula rent for general needs properties and up to 10% for sheltered accommodation. This would happen only when a property becomes vacant (void) and any works have been completed, to ensure the property meets the decent homes standard and is ready for re-letting to a new tenant. Current tenant's rents would not be changed. This would potentially raise £50,000 in 2025/25 and £800K over the MTFs period up to 2028/29.
- The remaining £17,000 is the HRA share of the "Balancing the Budget options" to November 2024 Cabinet.

4.6 **Borrowing**

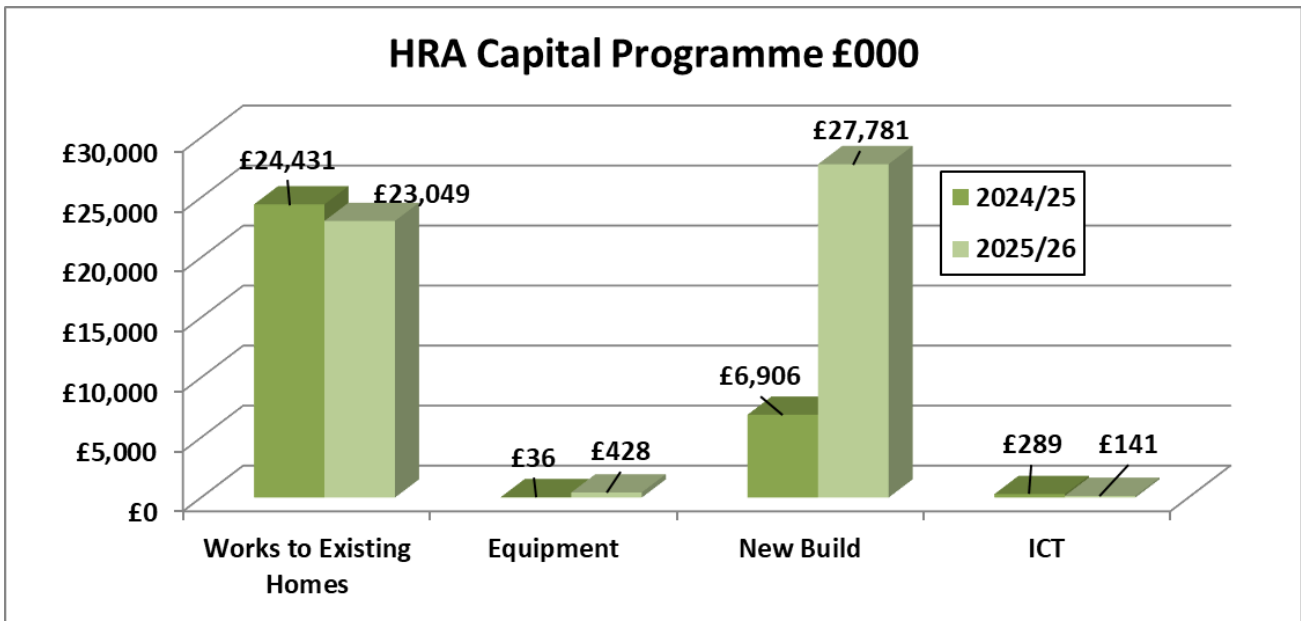
- 4.6.1. Based on current forecasts, new loans totalling £13Million and £25.8Million are expected to be taken in the current and next financial years for 2024/25 and 2025/26. However, the timing of when to take the new borrowing will be reviewed, weighing up the cost of carry and the prevailing Public Works Loan Board (PWLB) rates. The interest payable in 2024/25 and 2025/26 is estimated to be £8.2Million and £9.9Million respectively.
- 4.6.2. 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 an average rate of 4.4%, with the HRA Business plan assuming a long-term average of 4%. The government allows HRA's a preferential rate for borrowing from the PWLB and this discounted period was extended in the recent Autumn Statement, lasting until 31 March 2026 The discount is 40basis points lower than the certainty rate which the Council can access for General Fund borrowing requirements.



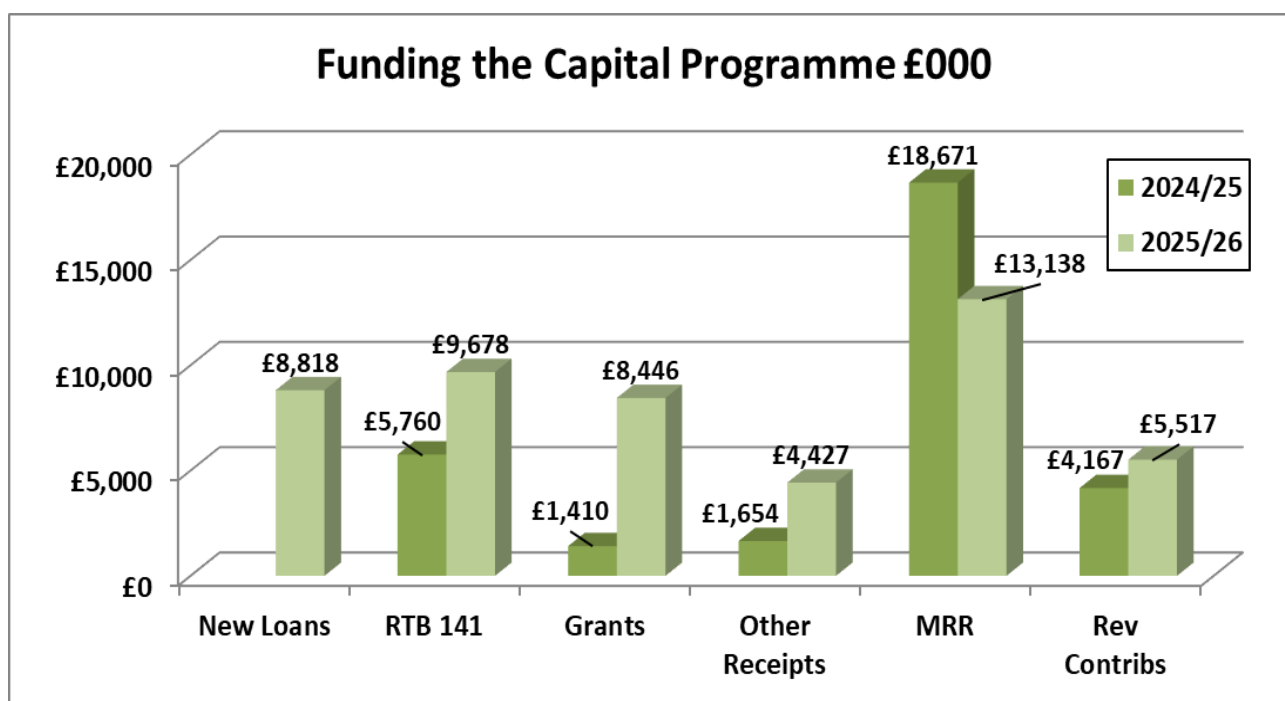
4.6.3. This graph shows the cumulative borrowing projected in the HRA MTFs. The debt to be taken for 2024/25 and 2025/26 is £38.9Million, of which £30.0Million is converting internal borrowing to external debt.

4.7 Capital Expenditure

4.7.1. The table below shows the revised capital programme for 2024/25 and the proposed spend for 2025/26 and this is incorporated within the pie chart figures in paragraph 4.5.2 showing total commitment for capital up to 2028/29 of £249Million. The final HRA Capital programme will also be included in the 2025/26 Capital Strategy to February Council.



4.7.2. 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 Medium-Term Financial Strategy. 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 (MRR) (funded from depreciation charges to the HRA) and the new build costs from loans and receipts.

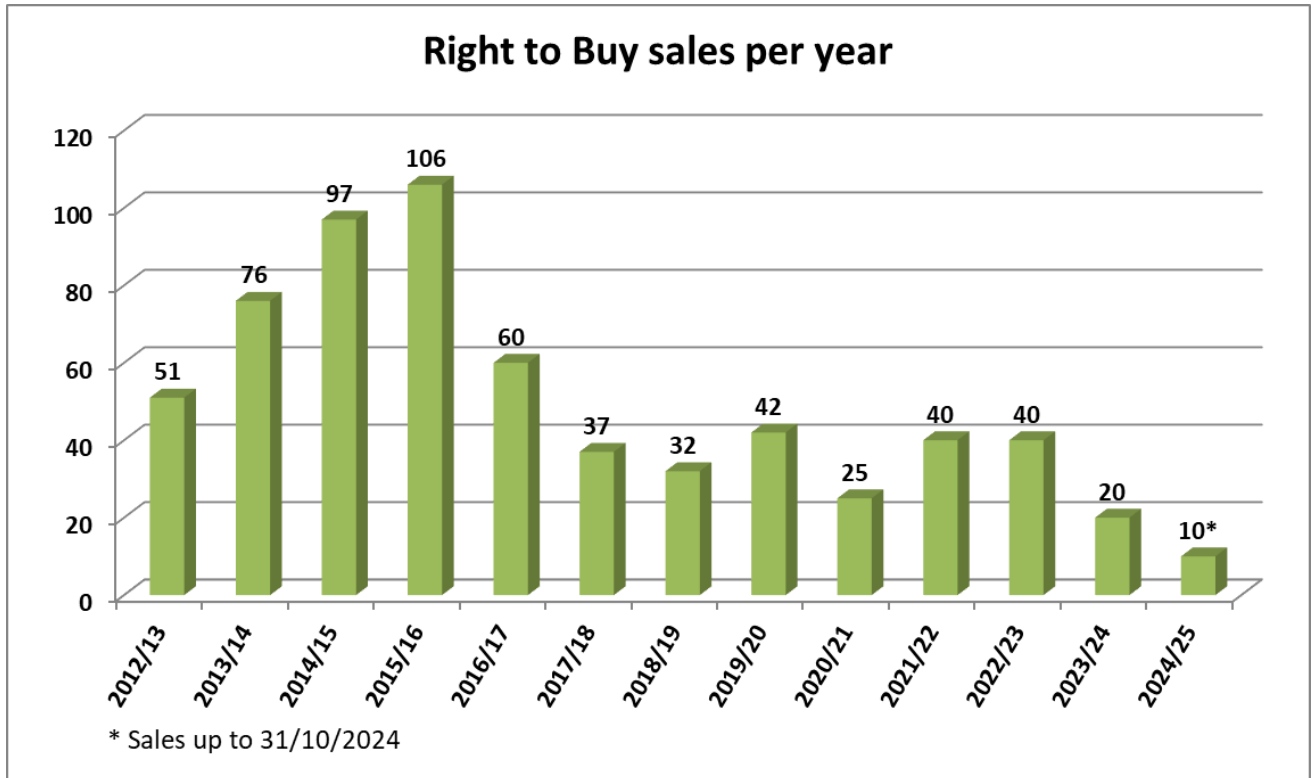


4.8 Use of One for One Receipts

4.8.1. The Council has an ambitious development programme and is currently completing a major redevelopment scheme at the Kenilworth Road site, a new specialist building for temporary accommodation and is developing plans for a major neighbourhood centre renewal project. 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.

4.8.2. Currently sales of RTB properties remain historically low, with only ten sales in 2024/25. This has been reflected in the forecast for this year that has been reduced from 35 to 15, based on current applications, time to complete the sale and the conversion of applicants to actual sales. However, there is likely to be a surge in RTB sales in 2025/26 due to the new government legislation to reduce the level of eligible discounts. The changes are effective for all applications after 21 November 2024,

which resulted in a significant increase in applications between the Chancellors budget announcement and the deadline. As a result, the HRA assumes 50 RTB for 2025/26 up from the 35 originally expected.



4.9 Draft Budget Proposals

4.9.1. The Draft 2025/26 HRA budget is estimated to be a net deficit of £3,243,420. The table below shows the main movements in the budget and includes growth proposals for 2025/26 detailed in 4.4 above. However, this does not include any allowance for the emerging budget pressure described in paragraph 4.4.7 and this will be addressed as part of the final budget report.

4.9.2. The table below shows a slight increase of £120K in the expected deficit position for 2025/26 from the MTFs forecast. This relates to assumptions made regarding utility costs and their recovery from service charges that have been revised while compiling the draft budget.

Summary of 2025/26		
Working Budget 2024/25		(£2,356,130)
Adjusted for "one off" and non-carry forward items	(£2,223,410)	
Revised Base Budget from 2024/25		(£4,579,540)
Increases in Income/Reductions in Expenditure:		
Additional Rental Income and other fees and charges	(£2,003,870)	
Savings achieved	(£567,000)	
Interest on Balances	(£263,910)	
Refund of Increase in National Insurance Contributions	(£285,370)	
		(£3,120,150)
Increases in Expenditure:		
Increase in loan borrowing interest	£1,637,360	
Increase in Depreciation trf to MRR	£382,660	
Transfer from Earmarked Reserves	£5,421,000	
Increase in Revenue Contrib to Capital	£1,349,590	
Net Salary Increases for Inflation/NI/Re-grading/Pensions	£738,470	
MTFS Growth	£844,770	
Utility Inflation	£108,940	
Contract Inflation	£66,090	
General Inflation	£171,320	
Net change in Recharges to/from General Fund	£222,910	
Other minor changes		
		£10,943,110
Total Net Changes:		£7,822,960
Draft HRA 2025/26 budget		£3,243,420
MTFS Projected Draw Down of Balances		£3,123,570
Variance to MTFS Projection		(£119,850)

- 4.9.3. After this budgeted draw down from reserves the table below shows that this will leave £9.7Million in balances. This is above the risk assessed minimum level, but the reserves are required to cover current additional service pressures and forecast deficits in the MTFS.
- 4.9.4. A risk assessment of balances has been completed and is in Appendix C to this report. This is slightly lower than the level indicated in the MTFS report from November and is shown in the table below. The HRA balances currently exceed this level for the reasons set out in paragraph 4.9.3. There is also a recommendation to increase the Cabinet limit on supplementary estimates from £400K to £500K,

recognising this limit has not changed for a number of years of high inflation and the current volatility in demand led service areas.

HRA Balances:	2024/25 £	2025/26 £
HRA Balance 1 April	(10,584,486)	(12,940,616)
Use of balances in Year	(2,356,130)	3,243,420
HRA Balance 31 March	(12,940,616)	(9,697,196)
Minimum Balances	(6,262,520)	(6,262,520)
Forecast deficits and service pressures	(6,678,096)	(3,434,676)

4.10 Consultation

- 4.10.1. The proposals in this paper are the result of detailed consultation with Cabinet Members, Members at the Executive Housing Working Group on the 7 November 2024 (where it was noted), Senior Executives and service managers across the Council. They also reflect customer priorities identified through the Tenant's Survey.
- 4.10.2. Following the MTFS report approval at the November Cabinet, Overview and Scrutiny raised concerns around the reduction in funding for Aid and Adaptations budget from £1.05M to £0.5M in 2025/26. Members were concerned with the level of demand versus the reduced budget. Officers responded to by stating that the aids and adaptation works would be applied in line with the policy and that for complex works/cases alternative accommodation more suited to a tenant's needs may be available. However, if the budget was insufficient this would be addressed through the budgetary monitoring process with a view to increase the level and seek alternative savings.
- 4.10.3. The Government is currently seeking views (closing on 23rd December) on a proposed five-year rent settlement, which would allow housing associations and stock-owning council to raise social rents by the Consumer Price Index (CPI) plus 1% each year, in line with the current Council MTFS and Business Plan.
- 4.10.4. There will also be consultation with tenants and relevant stakeholders regarding the implementation of rent flexibility, as approved in the MTFS Cabinet report in November 2024.
- 4.10.5. Further consultation will take place following this Cabinet meeting, including consideration by relevant Member committees before the proposals are presented to Council for agreement in January 2025.

5. IMPLICATIONS

5.1 Financial Implications

- 5.1.1. Financial implications are included in the body of the report. However, if the additional pressure (as highlighted in paragraph 4.4.7) is realised then higher savings on top of the £1M per annum from 2026/27 would be needed and this is illustrated in paragraph 5.4.5 below.

5.2 Legal Implications

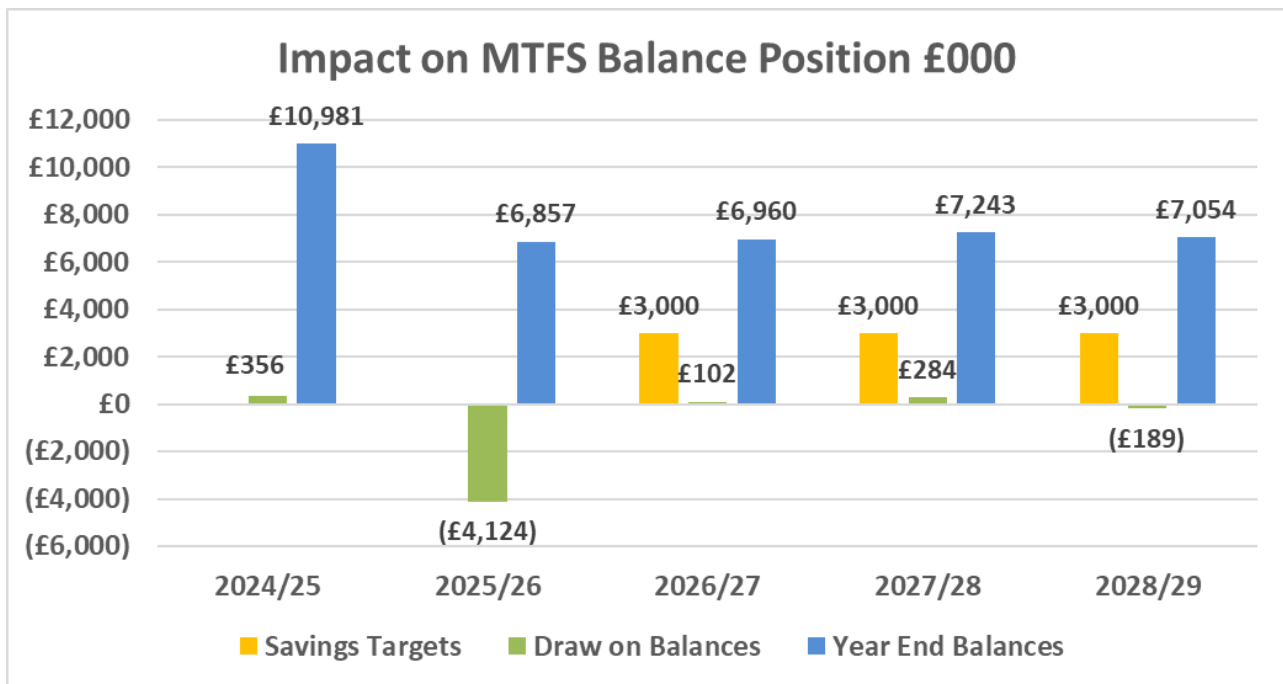
- 5.2.1. Legal implications are included in the body of the report.

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. Historically the ring-fenced account has relied almost solely on rent income to finance both revenue and capital works. Rent levels are set and regulated in accordance with Government policy and do not allow the Council any significant discretion to reflect local needs and priorities. In recent years the previous Government had put in place a series of restrictions on rent setting, including four successive 1% reductions and a rent cap in 2023/24. These changes have resulted in the loss of hundreds of millions of pounds from the Council thirty-year business plan. It should be noted the current Government is looking to put a longer-term agreement on rents in place. However, because rents are based on the CPI+1% formula if inflationary pressures from repairs and utilities and regulatory demand are higher than rent increase this will lead to further pressures for the HRA.I.
- 5.4.2. Currently one of the continuing risks to the account is a large rise in arrears. These have increased, in part as a result of tenants switching from housing benefits to Universal Credit, but also due to the post Cost-of-Living crisis.
- 5.4.3. 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. The impact from the Housing Inspection is still to be identified and this will be reported in the Final Budget report for January if additional resources are required.
- 5.4.4. 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.
- 5.4.5. The latest revision of the HRA medium term financial position included a required savings targets of £1Million a year between 2026/27 to 2028/29. However, the emerging additional pressures detailed at paragraph 4.4.7 will require additional savings to be found. The graph below illustrates the impact on the current forecasts of a £2Million pressure in the current year, followed by a £1Million pressure over the following years. If realised it would require savings to increase to £3Million a year to meet existing targets and would be an area of high risk for the HRA in the medium term. In reality this level of savings would not be achievable without significant cuts to both capital and revenue. As stated in paragraph 4.4.11, the current and emerging pressures on the HRA will require a re-write of the Business plan after the budget process has completed. This is very likely to indicate that savings will be required beyond the medium-term position and the structural financing of the HRA will need to be adjusted to accommodate any ongoing operational pressures.



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 2025/26 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 2.7% per annum, including the mitigations that will be implemented to lessen the impact wherever possible.
- 5.5.4. Attached as Appendix E is an EqIA for the budget impact on the Aid and Adaptations policy.
- 5.5.5. Attached as Appendix F is an EqIA for the impact of exercising Rent Flexibility in 2025/25 as part of the budget proposals.

5.6 Climate Change Implications

- 5.6.1. The anticipated revised decent homes standard and the targets set within the HRA Asset Management Strategy will continue to improve the environmental performance of the existing stock. The Housing Asset Management Service is committed to review its approach to reducing the impact of the housing stock on the environment through

actions set out in the HRA Asset Management Strategy and this will in turn contribute to the actions within the Council's Climate Change Strategy and Action Plan, subject to affordability of measures required and availability of grant funding.

- 5.6.2. Future housing developments will consider the environmental performance of the designs and features and look to introduce technologies and materials that help to improve the environmental performance of the buildings.

6. BACKGROUND DOCUMENTS

- BD1 Final Housing Revenue Account (HRA) Budget Setting and Rent Report 2024/25 - January 2024 Council.
- BD2 Housing Revenue Account 2024/25 and On-Going Cost Pressures – July 2024 Council.
- BD3 Future Voids Delivery Model – October 2024 Cabinet.
- BD4 Housing Revenue Account MTFS Review – November 2024 Cabinet.

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 E - EQIA for the Aids and Adaptations Policy
- Appendix F - EQIA for Rent Flexibility

APPENDIX A

HOUSING REVENUE ACCOUNT SUMMARY

	Actual 2023/24 £	Original Budget 2024/25 £	Working Budget 2024/25 £	Original Budget 2025/26 £
Summary of Expenditure				
Supervision and Management	9,650,837	10,524,000	11,691,330	12,281,630
Special Services	7,079,956	7,603,260	7,213,736	7,435,376
Rent, Rates, Taxes and Other Charges	731,017	797,320	798,204	842,814
Repairs and Maintenance ⁽¹⁾	13,638,415	13,115,370	15,154,810	13,583,660
Depreciation	12,879,968	14,843,650	12,755,510	13,138,170
Corporate and Democratic Costs	1,169,072	1,165,590	1,165,590	1,197,600
Contribution to the Bad Debt Provision	368,125	423,440	423,440	439,270
Total Expenditure	45,517,390	48,472,630	49,202,620	48,918,520
Summary of Income				
Rental Income:				
Dwelling Rents	(44,856,382)	(49,678,160)	(49,020,250)	(50,984,660)
Non Dwelling Rents	(97,509)	(94,120)	(94,120)	(104,050)
	(44,953,891)	(49,772,280)	(49,114,370)	(51,088,710)
Charges for Services & Facilities - Tenants	(3,283,159)	(3,165,960)	(3,176,170)	(3,329,070)
Leaseholder Service Charges	(1,350,271)	(1,087,120)	(1,338,470)	(1,254,930)
Contributions Towards Expenditure	(285,814)	(344,020)	(345,020)	(365,880)
Reimbursement of Costs	(328,462)	(325,040)	(342,040)	(348,540)
Recharge Income (GF & Capital)	(2,304,774)	(2,272,400)	(2,542,380)	(2,731,710)
Total Income	(52,506,370)	(56,966,820)	(56,858,450)	(59,118,840)
Gain on sale of HRA Non-Current Assets	5,540,482	0	0	0
Interest Payable	7,568,593	9,448,620	8,233,640	9,871,000
Interest Receivable	(1,809,732)	(1,487,450)	(1,180,160)	(1,444,070)
Capital grants & Contributions receivable	(2,282,317)	6,715,130	4,167,220	5,516,810
Pension Interest and return on assets	0	0	0	0
Net (Surplus)/Deficit For Year	2,028,045	6,182,110	3,564,870	3,743,420
Movement on the HRA				
Accounting basis to funding basis under statute	(2,011,098)	0	0	0
Transfer to Reserves	(82,907)	(5,921,000)	(5,921,000)	(500,000)
Housing Revenue Account Balance				
Net Expenditure/(Income) for Year	(65,959)	261,110	(2,356,130)	3,243,420
Balance B/Fwd 1 April	(10,518,527)	(10,584,486)	(10,584,486)	(12,940,616)
HRA Balance C/Fwd 31 March	(10,584,486)	(10,323,376)	(12,940,616)	(9,697,196)

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HOUSING REVENUE ACCOUNT FEES AND CHARGE PROPOSED 2025/26

Service	Fees and Charges for 2025/26	2024/25 Fee	2025/26 Proposed Fee	2025-26 Proposed Increase (£)	2025-26 Proposed Increase (%)	Working Budget 2024/25	Budget Increase (from fee proposals)
Housing Revenue Account							
Specialist Support							
Guest Bedrooms	Silkin Court, Walpole Court, Scarborough Avenue, Southend Close, Pinewoods & Fred Millard.	£14.40	£14.90	£0.50	3.50%		
Guest flats	Norman Court, Silkin Court	£24.60	£25.40	£0.80	3.24%		
Short Stay Units	Assessment (per day)	£12.50	£12.90	£0.40	3.20%		
	Respite*	£24.50	£25.30	£0.80	3.28%		
						£4,670	£1,034
Laundry Charges	Independent living/flexicare laundry wash	£3.50	£3.60	£0.10	2.84%		
						£21,600	£544
Room Hire	Hairdressing at Silkin/Fred Millard, (Hourly charge) *	£6.40	£6.60	£0.19	3.03%		
	Private chiropodist and other services, (per hour) *	£6.40	£6.60	£0.19	3.03%		
						£2,000	£0
Support Services and Care connect 24/7 for HRA tenants	Housing related support (includes all services shown under careline alarms)	£19.65	£19.65	£0.00	0.00%		
	Additional pendant for 2nd service user (additional weekly charge) (50 weeks)		£0.50				
	independent living and flexi care support charge for previous HRS protected clients and new residents entitled to HB	£10.50	£10.50	£0.00	0.00%		
	response service for new customers (50 weeks)	£8.70	£8.70	£0.00	0.00%		
	Response service to other provider equipment (50 weeks)*	£4.92	£4.90	-£0.02	-0.41%		
	Monitoring only service (50 weeks) *	£3.90	£3.90	£0.00	0.00%		
						£587,390	-£5
Care Connect 24/7 alarm - private (Shortfall funded from General Fund)	Response service (52 weeks) *	£8.70	£8.70	£0.00	0.00%		
	Additional pendant (52 weeks)*		£0.60				
	Response service out of area (52 weeks)*	£8.70	£8.70	£0.00	0.00%		
	Response service to other provider equipment (52 weeks)*	£4.92	£4.90	-£0.02	-0.41%		
	Monitoring only service (52 weeks) *	£3.90	£3.90	£0.00	0.00%		
						£128,000	£0
	Winkhaus keys	£15.36	£15.90	£0.54	3.48%		
	Fobs - Sheltered Schemes (Black)	£24.65	£25.40	£0.75	3.04%		
	Fobs - Sheltered Schemes (Shark)	£14.72	£15.20	£0.48	3.25%		
Replacement Pendants	Tynetec pendant	£64.02	£66.10	£2.08	3.24%		
	Chiptech	£56.53	£58.30	£1.77	3.12%		
Key safe	Supply	£22.50	£23.20	£0.70	3.11%		
	Fit	£65.00	£67.10	£2.10	3.23%		
Lock Change		£99.85	£103.00	£3.15	3.15%		
						£3,850	£327
General Needs Tenants and Leaseholders:							
Key Fobs	Old Style "Black fobs**"	£24.65	£25.40	£0.75	3.04%		
	New "Shark" Fobs*	£14.72	£15.20	£0.48	3.25%		
Communal door entry keys	Replacement keys for entry doors to flat blocks.	£23.56	£24.30	£0.74	3.15%		
Laundry charges - Roundmead	Wash tokens	£6.66	£6.90	£0.24	3.57%		
	Dry Tokens	£3.59	£3.70	£0.12	3.29%		
Management Fees for Westwood Court & Kilner Close	Administration Fees	£1.34	£1.40	£0.05	3.85%		
						£1,930	£57

HOUSING REVENUE ACCOUNT FEES AND CHARGE PROPOSED 2025/26

Service	Fees and Charges for 2025/26	2024/25 Fee	2025/26 Proposed Fee	2025-26 Proposed Increase (£)	2025-26 Proposed Increase (%)	Working Budget 2024/25	Budget Increase (from fee proposals)
Stores	Use of store	£7.47	£7.70	£0.23	3.07%		£520.67
Lock change	Callout	£162.61	£167.80	£5.18	3.19%		
	Admin charge	£58.26	£60.10	£1.84	3.16%		
	Charge	POA					
						£17,000	£521
Tenant's Retrospective Charges							
Inspection charge - depending on cost of work	From £0 to £999	£250.75	£258.80	£8.05	3.21%		
	From £1,000 to £1,999	£256.08	£264.30	£8.22	3.21%		
	From £2,000 to £2,999	£277.42	£286.30	£8.88	3.20%		
	From £3,000 to £3,999	£288.09	£297.30	£9.21	3.20%		
	From £4,000 to £4,999	£341.44	£352.40	£10.96	3.21%		
	From £5,000 to £5,999	£458.81	£473.50	£14.69	3.20%		
Administration	Administration	£181.39	£187.20	£5.81	3.21%		
						£6,720	£0
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	£202.73	£209.20	£6.47	3.19%		
Solicitors enquiries/standard pre-sale enquiries*	3 working day response - from date of payment	£309.43	£319.30	£9.87	3.19%		
Re-mortgage enquiries*	Enquiries raised at a time of remortgaging	£96.03	£99.10	£3.07	3.20%		
Copy of lease*	fee for providing a copy of the lease	£48.02	£49.50	£1.49	3.10%		
Copies of quarterly service charge invoice*	additional inspection fee	£42.68	£44.00	£1.32	3.08%		
Copies of service charge estimate or actual statement*	additional inspection fee	£42.68	£44.00	£1.32	3.08%		
Deed of Postponement		£138.71	£143.10	£4.39	3.16%		
Notice of Charge		£48.02	£49.50	£1.49	3.10%		
Notice of Transfer/Assignment		£48.02	£49.50	£1.49	3.10%		
Lease extension	Valuation fee	£373.45	£385.40	£11.95	3.20%		
	Legal fee	£810.92	£836.90	£25.98	3.20%		
	Administration fee	£192.06	£198.20	£6.14	3.19%		
	Deposit - £260 or 10% of the premium, whichever is higher	£277.42	£286.30	£8.88	3.20%		
Collective enfranchisement	Valuation fee	£778.91	£803.80	£24.89	3.19%		
	Legal fee	£810.92	£836.90	£25.98	3.20%		
	Administration fee	£192.06	£198.20	£6.14	3.19%		
Consent fee/sub let fee	Cost of requesting permission to sublet the property	£74.69	£77.10	£2.41	3.23%		
						£0	£0
Leasehold 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)	£213.40	£220.20	£6.80	3.19%		
	Minor application consideration and decision (non-refundable)	£426.80	£440.50	£13.70	3.21%		
	Letter licence - deed	£288.09	£297.30	£9.21	3.20%		
	Full licence - issued by Building Surveyor	£437.47	£451.50	£14.03	3.21%		
	Extension of the letter licence period	£256.08	£264.30	£8.22	3.21%		
Major alterations	Pre-application advice (non-refundable)	£256.08	£264.30	£8.22	3.21%		
	Major application consideration and decision (non-refundable)	£693.55	£715.70	£22.15	3.19%		
	Landlord licence - deed	£501.49	£517.50	£16.01	3.19%		
	Supplemental lease/deed of variation additional premises/restrictions)	£224.07	£231.20	£7.13	3.18%		
	Extension of the letter licence period	£341.44	£352.40	£10.96	3.21%		
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)	£304.10	£313.80	£9.70	3.19%		
	Minor application consideration and decision (non-refundable)	£560.18	£578.10	£17.93	3.20%		
	Retrospective letter licence	£458.81	£473.50	£14.69	3.20%		
Major alterations	Pre-application advice (non-refundable)	£346.78	£357.90	£11.13	3.21%		
	Major application consideration and decision (non-refundable)	£1,002.98	£1,035.10	£32.12	3.20%		
	Supplemental lease (extension of demised premises)	£437.47	£451.50	£14.03	3.21%		
	Landlord licence - deed	£74.69	£77.80	£2.91	3.20%		

HOUSING REVENUE ACCOUNT FEES AND CHARGE PROPOSED 2025/26

Service	Fees and Charges for 2025/26	2024/25 Fee	2025/26 Proposed Fee	2025-26 Proposed Increase (£)	2025-26 Proposed Increase (%)	Working Budget 2024/25	Budget Increase (from fee proposals)
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	£533.50	£550.60	£17.10	3.21%		
	Major assessment and ruling	£789.58	£814.90	£25.32	3.21%		
	Stop and make safe notification (including liaison with other council officers)	£389.46	£401.90	£12.44	3.19%		
	Re-instatement minor works	£789.58	£814.90	£25.32	3.21%		
	Re-instatement major works	£1,045.66	£1,079.10	£33.44	3.20%		
						£0	£0
	GRAND TOTAL					£773,160	£2,478

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**APPENDIX C: RISK BASED ASSESSMENT OF THE LEVEL OF HOUSING REVENUE ACCOUNT BALANCES
2025/26**

Potential Risk Area	Comments including any mitigation factors		
Income from areas within the base budget where the Council raises "Fees and Charges"	There is a potential risk that the budgeted income from activities where the Council charges for services will not be achieved. This is largely anticipated due to the challenging economic conditions, but could also result from increased void rates, lower collection rates, and disputed bills. All "fees and charges" income is reviewed as part of the quarterly budget monitoring process. Budgets are profiled over the year based on 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)	-£1,094,410	5.00%	£54,721
Rental income (increase in voids rates)	-£50,931,590	0.75%	£381,987
Service Charges (increase in voids rates)	-£2,243,770	0.75%	£16,828
Heating charges	-£511,520	5.00%	£25,576
Total			£495,768

Potential Risk Area	Comments		
Demand Led Budgets	There is a potential risk that spending on parts of the budget where the Council has a legal duty to provide services will increase significantly, including due to regulatory requirements. Individual budgets are reviewed as part of the quarterly budget monitoring process. Budgets are profiled over the year based on previous experience, so any variances should be identified 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	£11,512,470	10.00%	£1,151,247
Unforeseen Capital works not budgeted for requiring a contribution to capital (based on a proportion of the capital programme)	£51,399,200	3.00%	£1,541,976
Inflation pressures on capital works requiring additional revenue resources to fund the shortfall	£51,399,200	0.75%	£385,494
There is an insufficient budget identified for Void, Fencing, Aids and Adaptation, and Damp and Mould.	£1,500,000	50.00%	£750,000
Total			£3,853,717

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	£384,910	10.00%	£38,491
Increase in bad debt provision	£439,270	10.00%	£43,927
Utility inflation (Electricity increase in April 2025, Gas increase from Oct 2025)	£1,312,320	5.00%	£65,616
Pay award is higher than budgeted for	£13,948,820	1.00%	£139,488
Total			£287,522

Potential Risk Area	Comments including any mitigation factors		
Other Risks	Potential risk that savings options will not be realised as a result of delay or unforeseen circumstances.		
		Calculated Risk	
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required

**APPENDIX C: RISK BASED ASSESSMENT OF THE LEVEL OF HOUSING REVENUE ACCOUNT BALANCES
2025/26**

Savings Options delayed or not realised over MTFS	£3,000,000	15.00%	£450,000
Total			£450,000

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)	£2,864,080.00	5.00%	£143,204
Total			£143,204

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
5 Year Assumed new borrowing - interest rates 1% higher than projected	£103,205,050	1.00%	£1,032,051
Total			£1,032,051

Level of Balances Assumed in Housing Revenue Account Based on risk

£6,262,518



HRA: Rent and Service Charge 2025/26

Equality Impact Assessment (EqIA) Form

December 2024 – December 2025

Date created	November 2024
Approved by	Executive/SLT
Owner	Assistant Director for Housing and Neighbourhoods
Version	1
Author	Elizabeth Ddamulira, Income Services Manager
Business Unit and Team	Housing and Neighbourhoods, Housing Management

Please [click this link](#) to find the EqIA guidance toolkit for support in completing the following form.

For translations, braille or large print versions of this document please email equalities@stevenage.gov.uk.

First things first:

Does this policy, project, service, or other decision need an EqIA?

Title:	HRA Rent and Service Charges 2025/26	
Please answer Yes or No to the following questions:		
Does it affect staff, service users or the wider community?		Yes
Has it been identified as being important to particular groups of people?		Yes
Does it or could it potentially affect different groups of people differently (unequal)?		Yes
Does it relate to an area where there are known inequalities or exclusion issues?		Yes
Will it have an impact on how other organisations operate?		No
Is there potential for it to cause controversy or affect the council's reputation as a public service provider?		Yes

Where a positive impact is likely, will this help to:	
Remove discrimination and harassment?	Yes
Promote equal opportunities?	Yes
Encourage good relations?	Yes

If you answered 'Yes' to one or more of the above questions you should carry out an EqlA.

Or if you answered 'No' to all of the questions and decide that your activity doesn't need an EqlA you must explain below why it has no relevance to equality and diversity.

You should reference the information you used to support your decision below and seek approval from your Assistant Director before confirming this by sending this page to equalities@stevenage.gov.uk.

I determine that no EqlA is needed to inform the decision on the .

Name of assessor:	n/a	Decision approved by:	n/a
Role:	n/a	Role: Assistant Director	n/a
Date:	n/a	Date:	n/a

Equality Impact Assessment Form

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

What is being assessed?		HRA Rent and Service Charges 2025/26			
Lead Assessor	Karen Long			Assessment team	Elizabeth Ddamulira Keith Reynoldson
Start date	April 2025	End date	April 2026		
When will the EqIA be reviewed? (Typically every 2 years)	Nov 2026				

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Who may be affected by the proposed project?	All tenants
What are the key aims of the proposed project?	<p>To assess the impact of the proposed rent increase and Service charge increase for 2025/26 on Stevenage Council tenants.</p> <p>Rent increases are regulated by Government and it is extremely difficult not to apply their determination annually. Current directions on rents were issued by the previous government in 2019 and 2023. For 2025/26 the permitted increase to rents is CPI plus 1%, based on the September 24 CPI figure. This follows the previous Government's extension of the current settlement by one year. Rent increases will be permitted at up to 2.7 per cent after CPI rose by 1.7 per cent in the 12 months to September 2025. The Government has launched a consultation on a new social housing rent settlement, which will provide direction on the new rent policy from April 2026.</p> <p>To increase the rent on dwellings from week commencing 7 April 2025 by 2.7%, which is an average increase of £122.27 for social rents, £190.80 for affordable rents and £150.04 for Low Start Shared Ownership homes per week (based on a 52-week year). This has been calculated in accordance with</p>

the current Rent Standard issued by the Government and the Council's Rent and Service Charge Policy which 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 homes are of a modern standard and to provide new social housing to rent. The policy has been reviewed and is subject to governance approvals.

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 and Charges Policy, and the principle of recovering the cost of providing services.	Encourage good relations	

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What sources of data / information are you using to inform your assessment?	<ul style="list-style-type: none"> • 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
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	<ul style="list-style-type: none"> • Rent and service charge policy agreed by Exec December 2019 and recommended to Council in January 2020 • Rent account information • Housing System data (NEC) • Supported housing service data
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<p>In assessing the potential impact on people, are there any overall comments that you would like to make?</p>	<p>The average rent increase for 2024/25 is 2.7%, in line with the current rent standard.</p> <p>When calculating rents and service charges, 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 34 % of homes to which a service charge applies, which are predominantly flats as well as sheltered accommodation. The Council aims to recover the actual cost of providing the service, as they change due to inflationary pressures and changes in usage.</p> <p>The impact of the 2025/26 rent increase and service charges is</p> <ul style="list-style-type: none"> • 7,751 homes or 97% receive a rent and service charge increase below £4 per week; • 246 homes or 3% of households will receive a weekly rent and service charge increase of between £4 and £8 (based on 52 weeks). <p>We had 6,804 general social rented properties, 66 affordable rent properties, 843 Independent Living/Flexicare 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.</p> <p>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.</p>
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	Any groups that are potentially disadvantaged are still expected to be able to benefit from a council property set at a social rent and receive benefit support to cover affordable rent properties.
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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:

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Age				
Positive impact		Negative impact	Residents may be experiencing exceptional economic hardship as a result of the current economic environment, and increases in energy, food and fuel costs in particular. This may have a greater impact on older people and disabled 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).	Unequal impact
				<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 independent living accommodation. Tenants living in independent living do so because they have additional needs that require support relating to age, disability or both. The minimum age for entry into independent living is 60 years and data from Northgate indicates that the proportion of tenants aged 60+ in independent living, 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</p>

				<p>of people aged 18-29 years in flat blocks compared with all SBC housing who may also struggle to pay.</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 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 may affect their ability to pay rent and service charges.</p>
Please evidence the data and information you used to support this assessment	See page 5			
What opportunities are there to promote equality and inclusion?	Ongoing and day to day consultation will take place with residents in 2024/25 to establish the impact of the rent & service charge	What do you still need to find out? Include in actions (last page)		

	<p>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.</p>		
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Disability e.g., physical impairment, mental ill health, learning difficulties, long-standing illness				
Positive impact		Negative impact	<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. 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) The Welfare Advice and Debt team will provide to support to ensure that this group attracts maximum income to through benefits</p>	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 their circumstances may change and recorded as and when we are updated .Some tenants may not have provided it.</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					
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)			

Marriage or Civil Partnership					
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)	

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Pregnancy & Maternity					
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)			

Race					
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)	
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Religion or Belief					
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)			

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Sex					
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)			

Sexual Orientation e.g., straight, lesbian / gay, bisexual					
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-economic¹ e.g., low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement					
Positive impact		Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment	Northgate reports on those in rent and service charge arrears and those supported. At the end of Q2 2024 35% were in rent arrears.				

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>What opportunities are there to promote equality and inclusion?</p>	<p>Identify and support those who are struggling utilising various support streams such as downsizing for those who are under occupying.</p>	<p>What do you still need to find out? Include in actions (last page)</p>	
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<p style="text-align: center;">Additional Considerations</p> <p style="text-align: center;">Please outline any other potential impact on people in any other contexts</p>				
<p>Positive impact</p>		<p>Negative impact</p>	<p>The rent increase for 2025/2026 will be applied across all tenancies regardless of circumstances. Those reliant on Housing Benefit (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. Those who receive partial or do not receive any benefits and experience affordability challenges will be supported accordingly .</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 and Water charges are exempt from HB and</p>	<p>Unequal impact</p>

			<p>tenants are expected to pay this from other income or benefits.</p> <p>Residents may be experiencing exceptional economic hardship as a result of the current economic environment with increases in energy, food and fuel costs in particular. We will use the Household Support Fund to assist those identified as in need.</p> <p>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. Income services Team will monitor this and provide or signpost to support .</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 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>What do you still need to find out? Include in actions (last page)</p>	<p>Staff in the Income Services and Finance team will closely monitor, through day-to-day income management and tenant account management, to establish the impact of the rent & service charge increase and put in place systems to mitigate this accordingly. This is done in April and May .Please also refer to the mitigations outlined in the socio-economic section above</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 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.

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

	<p>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 Affordable Rent will be kept under review by the Housing Development Working Group and should adverse impacts be identified this will inform future decision making in this regard.</p> <p>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.</p> <p>The Council will make links to support and guidance clear on all of its communication platforms.</p> <p>The Council will prepare staff to enable them to respond effectively and empathetically with tenants.</p>		
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Consultation Findings

Document any feedback gained from the following groups of people:

Staff?	N/A	Residents?	Staff in the income services and Finance team will closely monitor through day-to-day income management and tenant account management to establish impact of the rent & service charge increase and put in place systems to mitigate this accordingly. This is done in April and May .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</p>

		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.
	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?
Monitor through day to day income management and tenant account management to establish the impact of the rent increase challenges relating to affordability and provide tenants with support accordingly	Remove discrimination and promote equal opportunities. Put in place systems to mitigate this accordingly	Elizabeth Ddamulira	Oct 2026	Current practice is to assess cases or groups that are experiencing challenges and putting in place processes and systems to mitigate impacts.

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To be Approved by Cabinet (December 2024)

Date: 11/12/2024

Please send this EqIA to equalities@stevenage.gov.uk for critical friend feedback and for final submittance with the associated project.



Aids and Adaptations Policy

Equality Impact Assessment (EqIA) Form

June 2024 – June 2026

Date created	June 2024
Approved by	SLT
Owner	Assistant Director – Denise Lewis
Version	2
Author	Charlotte Carter (Business Improvement Manager)
Business Unit and Team	Building Safety and Housing Property Services Housing Asset Management

Please [click this link](#) to find the EqIA guidance toolkit for support in completing the following form.

For translations, braille or large print versions of this document please email
equalities@stevenage.gov.uk.

Title:	Aids and Adaptations Policy	
Please answer Yes or No to the following questions:		
Does it affect staff, service users or the wider community?		Yes
Has it been identified as being important to particular groups of people?		Yes
Does it or could it potentially affect different groups of people differently (unequal)?		Yes
Does it relate to an area where there are known inequalities or exclusion issues?		Yes
Will it have an impact on how other organisations operate?		Yes
Is there potential for it to cause controversy or affect the council's reputation as a public service provider?		Yes

Where a positive impact is likely, will this help to:	
Remove discrimination and harassment?	Yes
Promote equal opportunities?	Yes
Encourage good relations?	Yes

If you answered 'Yes' to one or more of the above questions you should carry out an EqIA.

Or if you answered 'No' to all of the questions and decide that your activity doesn't need an EqIA you must explain below why it has no relevance to equality and diversity.

You should reference the information you used to support your decision below and seek approval from your Assistant Director before confirming this by sending this page to equalities@stevenage.gov.uk.

I determine that no EqIA is needed to inform the decision on the .

Name of assessor:

Decision approved by:

Role:

Role: Assistant Director

Date:

Date:

Equality Impact Assessment Form

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

What is being assessed?		Aids and Adaptations Policy			
Lead Assessor	Keith Peirson, Programme Manager, Stevenage Borough Council			Assessment team	Charlotte Carter, Business Improvement Manager, Stevenage Borough Council Andrew Garside, Head of Housing Asset Management, Stevenage Borough Council.
Start date	June 24 (updated Nov 2024)	End date	June 26		
When will the EqIA be reviewed? (Typically every 2 years)		June 2026 or as/when Policy is amended or reviewed if sooner			

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Who may be affected by the proposed project?	<p>Current tenants of Stevenage Borough Council.</p> <p>Those who may be living with current tenants.</p> <p>Prospective tenants</p> <p>Staff at Stevenage Borough Council</p>
What are the key aims of the proposed project?	<ul style="list-style-type: none"> • Detail the approach to aids and adaptations requests within tenanted properties • Ensure that our customers are treated in a fair and consistent way. • Focus on working in partnership with our tenants and social care • Where reasonably practical, ensure that homes are maintained to the required habitable standard and the internal environment is safe and in a healthy condition and the fabric of the property is protected from damage. • Comply with statutory requirements and good practice. • Maximise the available budgets and ensure that they are used effectively and efficiently to offer value for money

What positive measures are in place (if any) to help fulfil our legislative duties to:					
Remove discrimination & harassment	Ensuring all are treated fairly and in a consistent way.	Promote equal opportunities	Allow those with disabilities to remain in their homes if suitable.	Encourage good relations	Pro-active response to requests for installations of aids and adaptations to build confidence with tenants. Encourage partnership working.

What sources of data / information are you using to inform your assessment?	<p>The Chronically Sick and Disabled Persons Act 1970</p> <p>The Housing Grants Construction and Regeneration Act 1996</p> <p>Children Act 1996</p> <p>Equality Act 2010</p> <p>The Care Act 2014</p> <p>Mental Capacity Act 2005</p> <p>Regulatory Reform (Housing Assistance) Order 2002</p> <p>The Housing Act 1985</p> <p>The Housing Act 2004 - Housing Health and Safety Rating System (HHSRS)</p> <p>Home Adaptations for Disabled People 2013</p> <p>Social Housing (Regulation) Act 2023</p>
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In assessing the potential impact on people, are there	It is important that, as a Local Authority, we monitor and assess the impact this policy may have on people requiring adaptations to their home. We need to ensure that there is no indirect, or direct, discrimination, contrary to our public sector equality duty. We are morally and legally accountable for ensuring our homes are
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any overall comments that you would like to make?	<p>maintained to the Quality and Safety standard and ensuring that doesn't put any individuals or marginalised groups at a disadvantage.</p> <p>We understand there is a proportion of customers who will be considered vulnerable. In these instances, we will make reasonable adjustments on a case by case basis to support them as best we can. Refresher training and raising awareness to staff on Equality Act 2010 will help promote equality and inclusion overall going forward.</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:

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Age					
Positive impact	Yes	Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment	<p>An estimated 16.0 million people in the UK had a disability in 2021/22. This represents 24% of the total population. The prevalence of disability rises with age: around 11% of children were disabled, compared with 23% of working age adults and 45% of adults over State Pension age.</p> <p>As this policy is more likely to impact those of state pension age, we have incorporated best practice and this policy has been drafted in partnership with the Specialist Support Services who offer specialist accommodation required for those over the age of 60. These properties are often adapted with wet room, level access entry as well as additional support that could be required for those needing adaptations.</p> <p>Customers can report a need for adaptations via their housing Online account, email, the Customer Service Centre or seek guidance at reception at Daneshill House. Reasonable adjustments will be considered on a case by case basis and alternative format of information is available.</p> <p>We have taken these data sources into account - Herts Insight Diversity Profile - Age</p> <p>https://www.reports.esriuk.com/view-report/638ca3f75a2541799e068399579d719e/E07000243</p> <p>2021 Census Profile:</p>				

	<p>https://www.reports.esriuk.com/view-report/79b7917a1c72415ea39bca5ed45c6094/E10000015?clear=true</p> <p>https://www.ons.gov.uk/visualisations/censusareachanges/E07000243/ - latest changes in Stevenage.</p> <p>https://researchbriefings.files.parliament.uk/documents/CBP-9602/CBP-9602.pdf - UK disability statistics: Prevalence and life experiences</p>		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

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Disability e.g., physical impairment, mental ill health, learning difficulties, long-standing illness					
Positive impact	Yes	Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment	<p>This policy is designed to make the homes of our tenants more accessible for those with disabilities that are residing in the property. The policy uses the definition of disability from the Housing, Grants, Construction and Regeneration Act 1996 (as amended) if they have any of the following:</p> <ul style="list-style-type: none"> • Sight, hearing or speech is substantially impaired • Mental disorder or impairment of any kind • Physically substantially disabled by illness, injury, impairment present <p>Although this is definition is industry standard, the policy incorporates reviewing any recommendations for adaptations for those with other disabilities within the Equality Act 2010, “if you have a physical or mental impairment that has a ‘substantial’ and ‘long-term’ negative effect on your ability to do normal daily activities”. Those normal daily activities are likely to be assisted with any changes we make to properties under this policy. The intention of the policy is so tenants affected by disabilities are able to remain in their home with reasonable adjustments.</p> <p>We have taken these data sources into account - Herts Insight Diversity Profile - Disability</p> <p>https://www.reports.esriuk.com/view-report/638ca3f75a2541799e068399579d719e/E07000243</p>				

	<p>2021 Census Profile:</p> <p>https://www.reports.esriuk.com/view-report/79b7917a1c72415ea39bca5ed45c6094/E10000015?clear=true</p> <p>https://www.ons.gov.uk/visualisations/censusareachanges/E07000243/ - latest changes in Stevenage.</p> <p>https://researchbriefings.files.parliament.uk/documents/CBP-9602/CBP-9602.pdf - UK disability statistics:</p> <p>Prevalence and life experiences</p>		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Gender Reassignment					
Positive impact		Negative impact		Unequal impact	Yes
Please evidence the data and information you used to support this assessment	<p>No impact – this is not something that we assess or discriminate against in management and maintenance of homes.</p> <p>We have taken these data sources into account - Herts Insight Diversity Profile - Transgender</p> <p>https://www.reports.esriuk.com/view-report/638ca3f75a2541799e068399579d719e/E07000243</p> <p>2021 Census Profile:</p> <p>https://www.reports.esriuk.com/view-report/79b7917a1c72415ea39bca5ed45c6094/E10000015?clear=true</p> <p>https://www.ons.gov.uk/visualisations/censusareachanges/E07000243/ - latest changes in Stevenage.</p>				
What opportunities are there to promote equality and inclusion?	N/A		What do you still need to find out? Include in actions (last page)		N/A

Marriage or Civil Partnership

Positive impact		Negative impact		Unequal impact	Yes
Please evidence the data and information you used to support this assessment	<p>Not impacted – not compulsory question for recording tenant profile. It is not something that we assess or discriminate against in tenancy management and maintenance of homes</p> <p>We have taken these data sources into account - Herts Insight Diversity Profile - Marital or Civil Partnership Status</p> <p>Diversity Profile - Districts Stevenage Report Builder for ArcGIS (esriuk.com)</p> <p>2021 Census Profile:</p> <p>https://www.reports.esriuk.com/view-report/79b7917a1c72415ea39bca5ed45c6094/E10000015?clear=true</p> <p>https://www.ons.gov.uk/visualisations/censusareachanges/E07000243/ - latest changes in Stevenage.</p>				
What opportunities are there to promote equality and inclusion?	N/A		What do you still need to find out? Include in actions (last page)	N/A	

Pregnancy & Maternity

Positive impact	Yes	Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment	<p>The drafted policy incorporated previous provisions that stipulates that an adaptation could be provided if the adaptations are required for more than 12 months (unless life threatening). This is to ensure value for money and any significant changes to stock profile are required in the long term for the tenant. It is likely because of this that a temporary disability caused by pregnancy or early maternity would not be covered within the 12-month adaptation criteria, we do however review each application on a case-by-case basis. SBC will assess if aids and adaptations to a property could support a tenant or family member long-term, which may in turn benefit them if they are also pregnant.</p> <p>We have taken these data sources into account - Herts Insight Early Years Profile</p> <p>https://www.reports.esriuk.com/view-report/c0060a87d61a4c0d6ea7bfebb6fbf84e/E10000015?clear=true</p> <p>2021 Census Profile:</p>				

	https://www.reports.esriuk.com/view-report/79b7917a1c72415ea39bca5ed45c6094/E10000015?clear=true https://www.ons.gov.uk/visualisations/censusareachanges/E07000243/ - latest changes in Stevenage		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

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Race					
Positive impact		Negative impact		Unequal impact	Yes
Please evidence the data and information you used to support this assessment	Not impacted – not compulsory question for recording tenant profile. It is not something that we assess or discriminate against in management and maintenance of homes We have taken these data sources into account - Herts Insight Diversity Profile - Ethnicity https://www.reports.esriuk.com/view-report/638ca3f75a2541799e068399579d719e/E07000243 2021 Census Profile: https://www.reports.esriuk.com/view-report/79b7917a1c72415ea39bca5ed45c6094/E10000015?clear=true https://www.ons.gov.uk/visualisations/censusareachanges/E07000243/ - latest changes in Stevenage.				
What opportunities are there to promote equality and inclusion?	N/A		What do you still need to find out? Include in actions (last page)	N/A	

Religion or Belief					
Positive impact		Negative impact		Unequal impact	Yes

<p>Please evidence the data and information you used to support this assessment</p>	<p>No impact – this is not something that we assess or discriminate against in management and maintenance of homes</p> <p>We have taken these data sources into account - Herts Insight Diversity Profile - Religion</p> <p>https://www.reports.esriuk.com/view-report/638ca3f75a2541799e068399579d719e/E07000243</p> <p>2021 Census Profile:</p> <p>https://www.reports.esriuk.com/view-report/79b7917a1c72415ea39bca5ed45c6094/E10000015?clear=true</p> <p>https://www.ons.gov.uk/visualisations/censusareachanges/E07000243/ - latest changes in Stevenage.</p>		
<p>What opportunities are there to promote equality and inclusion?</p>	<p>Possible cultural differences – larger families / more than one family looking to share accommodation, resulting in increased condensation</p>	<p>What do you still need to find out? Include in actions (last page)</p>	<p>N/A</p>

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<p style="text-align: center;">Sex</p>					
<p>Positive impact</p>		<p>Negative impact</p>		<p>Unequal impact</p>	<p>Yes</p>
<p>Please evidence the data and information you used to support this assessment</p>	<p>No impact – this is not something that we assess or discriminate against in management and maintenance of homes</p> <p>We have taken these data sources into account - Herts Insight Diversity Profile - Gender</p> <p>https://www.reports.esriuk.com/view-report/638ca3f75a2541799e068399579d719e/E07000243</p> <p>2021 Census Profile:</p> <p>https://www.reports.esriuk.com/view-report/79b7917a1c72415ea39bca5ed45c6094/E10000015?clear=true</p> <p>https://www.ons.gov.uk/visualisations/censusareachanges/E07000243/ - latest changes in Stevenage.</p>				
<p>What opportunities are there to promote equality and inclusion?</p>	<p>N/A</p>		<p>What do you still need to find out? Include in actions (last page)</p>	<p>N/A</p>	

Sexual Orientation e.g., straight, lesbian / gay, bisexual					
Positive impact		Negative impact		Unequal impact	Yes
Please evidence the data and information you used to support this assessment	<p>No impact – this is not something that we assess or discriminate against in tenancy management and maintenance of homes.</p> <p>We have taken these data sources into account - Herts Insight Diversity Profile – Sexual Orientation</p> <p>https://www.reports.esriuk.com/view-report/638ca3f75a2541799e068399579d719e/E07000243</p> <p>2021 Census Profile:</p> <p>https://www.reports.esriuk.com/view-report/79b7917a1c72415ea39bca5ed45c6094/E10000015?clear=true</p> <p>https://www.ons.gov.uk/visualisations/censusareachanges/E07000243/ - latest changes in Stevenage.</p>				
What opportunities are there to promote equality and inclusion?	N/A		What do you still need to find out? Include in actions (last page)	N/A	

Socio-economic¹					
e.g., low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement					
Positive impact	Yes	Negative impact		Unequal impact	
Please evidence the data and information	<p>Tenants with caring responsibilities for those within their household will be able to request aids and adaptations to their property to enable care to be provided adequately.</p>				

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.

you used to support this assessment	<p>Customers can report a requirement for aids and adaptations via their housing Online account, email, the Customer Service Centre or seek guidance at reception at Daneshill House. Reasonable adjustments will be considered on a case by case basis and alternative format of information is available.</p> <p>We have taken these data sources into account -Herts Insight Economy, Work & Education Profile</p> <p>https://www.hertfordshire.gov.uk/microsites/herts-insight/topics/economy-work-and-education.aspx</p> <p>https://www.ons.gov.uk/visualisations/censusareachanges/E07000243/ - latest changes in Stevenage</p>
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What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	
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Additional Considerations					
Please outline any other 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 promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

Consultation Findings

Document any feedback gained from the following groups of people:

Staff?		Residents?	An on-line consultation is being carried out which closes in early December 2024 and the feedback will be used to inform any changes
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			to the Policy before it is presented to Cabinet for approval no later than March 2025.
Voluntary & community sector?		Partners?	The OT service at Herts CC will be consulted on any proposed changes to the Policy.
Other stakeholders?	The Community Select Committee will be consulted on the Policy and any proposed changes in advance of these being presented to Cabinet for approval.		

Overall Conclusion & Future Activity

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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	This EIA demonstrates the proposed policy is robust and there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.
Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made
	2b. Continue as planned
	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?
Equality Act 2010 Training for staff	Ensure staff have refresher training on act to ensure equality is promoted.	Andrew Garside	TBC	On-going training review

Review Aids and Adapts Policy	<ul style="list-style-type: none"> • The Community Select Committee will be consulted on the Policy ahead of consideration by Cabinet for approval. • The policy will continue to promote the most suitable solution for each case. 	Denise Lewis/Andrew Garside	March 2025	Policy will be reviewed against financial and non-financial KPI's.
Budget monitoring and review	<ul style="list-style-type: none"> • The budget and actual spend will be monitored during 2025/26 and any variances included as part of the quarterly monitoring reports and adjusted if necessary. 	Denise Lewis/Andrew Garside	April 2025 onwards	This will form part of the regular (monthly and quarterly) budget monitoring arrangements during 2025/26.

To be Approved by Cabinet (December 2024)

Date: 11th December 2024

Please send this EqIA to equalities@stevenage.gov.uk for critical friend feedback and for final submittance with the associated project.



Introduction of Rent Flexibility

Equality Impact Assessment (EqIA) Form

December 2024 – December 2025

Date created	November 2024
Approved by	Cabinet
Owner	Assistant Director for Housing and Neighbourhoods
Version	1
Author	Kerry Clifford, Assistant Director Housing & Neighbourhoods
Business Unit and Team	Housing and Neighbourhoods, Housing Management

Please [click this link](#) to find the EqIA guidance toolkit for support in completing the following form.

For translations, braille or large print versions of this document please email equalities@stevenage.gov.uk.

First things first:

Does this policy, project, service, or other decision need an EqIA?

Title:	Introduction of Rent Flexibility	
Please answer Yes or No to the following questions:		
Does it affect staff, service users or the wider community?		Yes
Has it been identified as being important to particular groups of people?		Yes
Does it or could it potentially affect different groups of people differently (unequal)?		Yes
Does it relate to an area where there are known inequalities or exclusion issues?		Yes
Will it have an impact on how other organisations operate?		No
Is there potential for it to cause controversy or affect the council's reputation as a public service provider?		Yes

Where a positive impact is likely, will this help to:	
Remove discrimination and harassment?	Yes
Promote equal opportunities?	Yes
Encourage good relations?	Yes

If you answered 'Yes' to one or more of the above questions you should carry out an EqlA.

Or if you answered 'No' to all of the questions and decide that your activity doesn't need an EqlA you must explain below why it has no relevance to equality and diversity.

You should reference the information you used to support your decision below and seek approval from your Assistant Director before confirming this by sending this page to equalities@stevenage.gov.uk.

I determine that no EqlA is needed to inform the decision on the .

Name of assessor:	n/a	Decision approved by:	n/a
Role:	n/a	Role: Assistant Director	n/a
Date:	n/a	Date:	n/a

Equality Impact Assessment Form

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

What is being assessed?		Introduction of Rent Flexibility			
Lead Assessor	Kerry Clifford			Assessment team	Keith Reynoldson
Start date	TBD	End date			
When will the EqIA be reviewed? (Typically every 2 years)		If post consultation, SBC decides to introduce rent flexibility, a full EQIA will take place to support a change to the Rent and Service Charge Policy			

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Who may be affected by the proposed project?	New and transferring tenants
What are the key aims of the proposed project?	<p>To consider the introduction of 'rent flexibility', which is provided for within the rent standard and allows providers of social housing to set rents at up to 5% above formula rent (10% for supported housing).</p> <p>The Council is proposing to consult with tenants to introduce rent flexibility for all newly let properties, both general needs and independent living and the acceptable tolerance levels that would apply.</p> <p>Rent flexibility will provide the Council with additional income to underpin the delivery of the Housing Revenue Account Business Plan's key housing objectives which is to deliver effective services, to invest in its properties to ensure homes are decent and safe and to provide new social housing</p>

What **positive measures** are in place (if any) to help **fulfil our legislative duties** to:

Remove discrimination & harassment		Promote equal opportunities		Encourage good relations	
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What sources of data / information are you using to inform your assessment?	<ul style="list-style-type: none"> • Policy Statement on Rents for Social Housing, February 2019, updated 2022 • Rent account information • Housing System data (NEC) • Supported housing service data
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In assessing the potential impact on people, are there any overall comments that you would like to make?	The Policy statement on rents for social housing recognises that registered social providers should have some discretion over the rent set for individual properties, to take account of local factors, in consultation with tenants.
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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	The increase would be applied to all newly let properties; whilst the	Negative impact	Residents may be experiencing economic hardship as a result of the current economic environment, and increases in energy, food and fuel costs in particular. This may have a greater impact on older people and disabled people, who may	Unequal impact	The increase would be applied to all newly let properties; properties would be advertised at the new rent level at the point of letting, therefore prospective tenants can decide whether it is affordable to them.

	<p>Government Policy allows for an rent flexibility increase of 10% on supported accommodation, tolerance levels will be identified through public consultation.</p>		<p>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>		
<p>Please evidence the data and information you used to support this assessment</p>	<p>See page 5</p>				
<p>What opportunities are there to promote equality and inclusion?</p>	<p>To introduce rent flexibility, a period of statutory consultation must take place with tenants for a period of no less than 6 weeks.</p>	<p>What do you still need to find out? Include in actions (last page)</p>			

Disability e.g., physical impairment, mental ill health, learning difficulties, long-standing illness				
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) The Welfare Advice and Debt team will provide to support to ensure that this group attracts maximum income to through benefits	Unequal impact
	The increase would be applied to all newly let properties; properties would be advertised at the new rent level at the point of letting, therefore prospective tenants can decide whether it is affordable to them.			
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)	

Gender Reassignment				
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)	

Marriage or Civil Partnership					
Positive impact		Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment	A cohabiting couple, including those married or in a civil partnership, who both are in employment, with or without children, may find it easier to meet increased costs than a single person household or single parent with children.				
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

Pregnancy & Maternity					
Positive impact		Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment	Those who are pregnant or on maternity leave may be impacted to a greater degree by this change if they need to move to larger accommodation as a result on lacking a bedroom, however rent is advertised before the tenancy starts and tenants are aware of what they will be expected to pay when bidding on suitable properties.				

What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	
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Race					
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Positive impact		Negative impact		Unequal impact	
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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.				
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What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	
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Religion or Belief					
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Positive impact		Negative impact		Unequal impact	
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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.				
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What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	
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Sex

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)		

Sexual Orientation e.g., straight, lesbian / gay, bisexual

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-economic¹

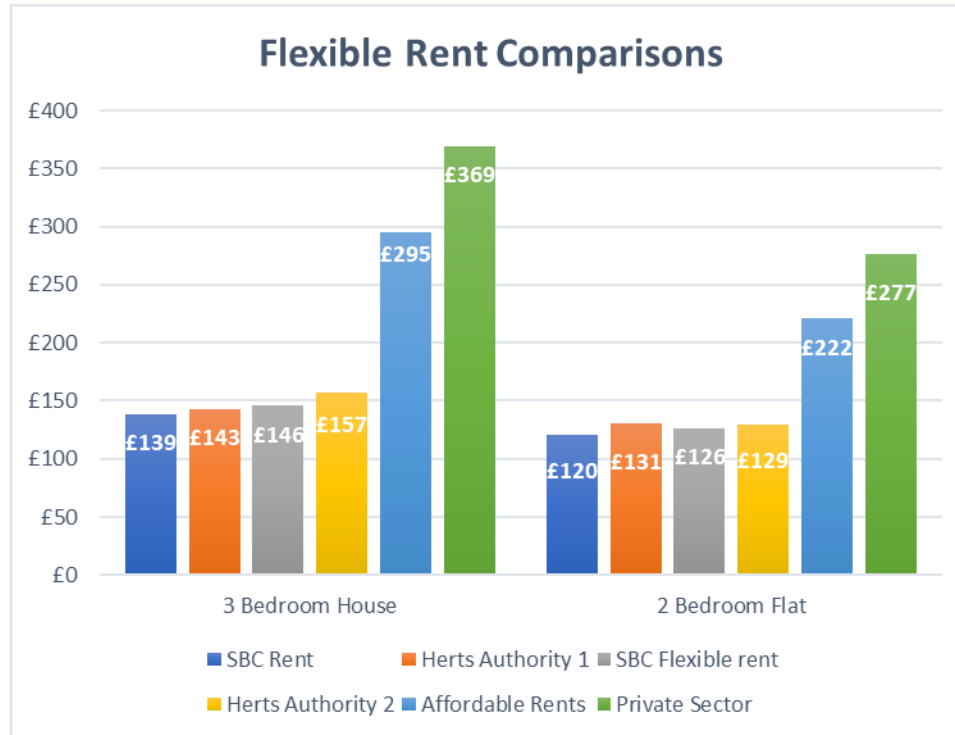
¹Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

e.g., low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement				
Positive impact		Negative impact	Rent and Service Charge increase could negatively affect residents in a lower socio-economic standing as they may already have financial challenges.	Unequal impact
Please evidence the data and information you used to support this assessment	Housing Management systems reports on those in rent and service charge arrears and those supported. At the end of Q2 2024 35% were in rent arrears. Transferring tenants should not have any former tenant arrears and the new rent would be advertised at bidding stage, therefore the prospective tenant would be aware of the rent level before accepting a property.			
What opportunities are there to promote equality and inclusion?	Identify and support those who are struggling utilising various support streams such as downsizing for those who are under occupying.	What do you still need to find out? Include in actions (last page)		

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Additional Considerations				
Please outline any other 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	If rent flexibility is implemented, all properties will be advertised at the new rent levels, and Income Recovery staff will work with any new tenants who may be impacted by this change to ensure that they are claiming all of the financial assistance to which they may be entitled. Also, the authority has Welfare and Debt Advice Officers and continues to fund Citizen's Advice (CA), who will also support tenants in ensuring they are aware of wrap around support that may be available, including debt management advice, discretionary housing payments, household support fund and Community Chest.			

Average rents will still be below the Local Housing Allowance and significantly less than affordable or market rents. To explore the option of rent flexibility, a review of the Council rents compared to other local providers and the private sector has been conducted. The comparison is illustrated in the graph below, which shows where the Council's flexible rents would be for two types of properties (a 3 Bed House and a 2 Bed Flat) compared to two other local housing providers in Hertfordshire, as well as the rates charged for affordable rents and rent in the private sector, as depicted below;



The calculations are based on rent levels for 2024/25 and demonstrate that proposed rent flexibility levels are broadly comparable with other local providers of social housing and significantly below affordable rents or what tenants would be expected to pay in the private rented sector. It should be noted that approximately 60% of households are in receipt of Universal Credit or Housing Benefit. Based on void trends and the time required for consultation, the MTFS has forecasted 50% of additional income in the first year, representing approximately £50K extra income, and £100K in each subsequent year to invest in services and ensure homes are decent and safe.

<p>What opportunities are there to promote equality and inclusion?</p>		<p>What do you still need to find out? Include in actions (last page)</p>	<p>Staff in the Income Services and Finance team will closely monitor, through day-to-day income management and tenant account management, to establish the impact of the rent flexibility increases and put in place systems to mitigate this accordingly.</p>
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Consultation Findings

Document any feedback gained from the following groups of people:

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<p>Staff?</p>	<p>N/A</p>	<p>Residents?</p>	<p>A statutory consultation of 6 weeks will need to be undertaken before SBC can introduce rent flexibility. A full EQIA will be undertaken if there is a change to the Rent and Service Charge Policy arising from the decision to introduce rent flexibility.</p>
<p>Voluntary & community sector?</p>	<p>N/A</p>	<p>Partners?</p>	<p>N/A</p>
<p>Other stakeholders?</p>	<p>The report will go through the Council's pre-budget scrutiny meetings before being presented to the Full Council in January.</p>		

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	The future viability of the HRA Business Plan is reliant upon SBC being able to maximise income collection, recover arrears and the costs of service provision where it's possible to do so.
	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?
Monitor through day to day income management and tenant account management to establish to establish the impact of the rent increase challenges relating to affordability and provide tenants with support accordingly	Remove discrimination and promote equal opportunities. Put in place systems to mitigate this accordingly	Elizabeth Ddamulira	Oct 2026	Current practice is to assess cases or groups that are experiencing challenges and putting in place processes and systems to mitigate impacts.

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To be Approved by Cabinet (December 2024)

Date: 11/12/2024

Please send this EqIA to equalities@stevenage.gov.uk for critical friend feedback and for final submittance with the associated project.

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