

**Appendix D**

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

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

Who may be affected by it?	All tenants, regardless of Protected Characteristic (PC) group will be impacted by the increase in rent and charges, however data indicates that there will be a disproportionate impact on older or disabled tenants. For this reason, Age and Disability have been highlighted, and the mitigations across all PC groups are covered off in the 'Socio-economic' section.
What are the key aims of it?	Rent increases are prescribed by Government and it is extremely difficult therefore not to apply the determination made by Government annually.  To increase the rent on dwellings from week commencing 1 April 2024 by 7.7%, which is an average increase of £8.56 for social rents, £13.30 for affordable rents and £10.09 for Low Start Shared Ownership homes per week (based on a 52-week year). This has been calculated in accordance with the current Rent Standard issued by the Government that increases rents by September CPI inflation +1% and the Council's Rent and Service Charge Policy.

The Council's Rent and Service Charge Policy provides a framework for setting rents and service charges within legislative requirements. The rent and service charge income underpins the delivery of the Housing Revenue Account Business Plan's key housing objectives to deliver effective services, to invest in its properties to ensure homes are of a modern standard and to provide new social housing to rent. The policy was revised in December 2022.

The revisions aimed to ensure that the policy complied with the government's direction on the Rent Standard 2019 and to clarify the Council's position in relation to service charge increases and affordable rents. A further aim since 2022 is to mitigate the impact of Cost of Living Crisis (CoL) and general economic challenges on customers and their ability to pay rent and service charges. Key elements include:

- To increase rents on social rent and affordable rent properties by up to CPI+1% each year from 2020, for a period of at least five years.
- Increase the rents for all excluded properties by CPI +1%, e.g. LSSO
- Set the rent for a proportion of new build homes at affordable rents.
- Set the rent where adaptations or extensions have resulted in the property being increased in size (for example, an additional bedroom), in accordance with the formula rent as detailed in the policy.
- Further to the Welfare Reform and Work Act 2016, charge the rent payable by new tenants of existing social rent housing at the higher of the formula rent (i.e. the 'social rent rate'), or the actual rent (i.e. the 'assumed rent rate') as at 8<sup>th</sup> July 2015, with the appropriate rent increase applied in line with the current Rent Standard Direction (February 2019).
- Charge actual costs for service charges but with the provision to apply a cap, subject to any legal constraints, on affordability grounds where appropriate.
- Mitigation of general economic challenges impact and Cost of Living Crisis (CoL)

What <b>positive measures</b> are in place (if any) to help <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment		Promote equal opportunities	The aim of the 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	

What sources of data / information are you using to inform your assessment?	<ul style="list-style-type: none"> <li>• Policy Statement on Rents for Social Housing, February 2019</li> <li>• Direction on the Rent Standard, 2019</li> <li>• Welfare Reform and Work Act 2016</li> <li>• Housing and Planning Act 2016</li> <li>• Rent and service charge policy agreed by Exec December 2019 and recommended to Council in January 2020</li> <li>• Rent account information</li> <li>• Housing System data</li> <li>• Supported housing service data</li> <li>• Equality &amp; Diversity Annual Report 22/23</li> </ul>
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In assessing the potential impact on people, are there any	Approval to increase rents by CPI + 1% for 5 years from 2020/21 required a revision of HRA Budget plans priorities. The latest HRA Business Plan was agreed at the November 2023 Executive Meeting.
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overall comments that you would like to make?

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

When calculating rents and service charges accounts, consideration will be taken of the need to balance any increase in the combined rent and service charge with the potential financial impact on customers. This relates to 36% of homes to which a service charge applies, which are predominantly flats as well as sheltered accommodation. The Council must recover the actual cost of providing the service and service charge costs will increase with inflationary pressures and changes in usage.

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

- 7,424 homes or 93% receive a rent and service charge increase between £4 and £9.99 per week;

We had 6,799 general social rented properties, 66 affordable rent properties, 794 Sheltered Accommodation and 79 LSSO as at November 2023. The setting of a proportion of new build lets at affordable rents will contribute positively to increasing the supply of new homes in Stevenage. All target groups will benefit given the need for affordable housing is common across all socio-economic and minority groups. The current low supply of new affordable housing and the high cost of the private rented sector in Stevenage have impacted adversely on those groups whose incomes are average or below average.

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

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

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

## Evidence and impact assessment

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

Age					
Positive impact		Negative impact	<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 older people, who may have additional needs for heating and to run particular equipment and may also have lower income / be reliant on pensions and/or benefits (which have been increased in line with inflation). Office of National Statistic (ONS) data<sup>1</sup> confirms that under 30s and over 60s have lower than average incomes, with ages in between having higher than average incomes.</p> <p>The increase will impact tenants in who are charged for services in flats and/or sheltered accommodation. Tenants living in sheltered housing do so because they have additional needs that require support relating to age, disability or both. The minimum age for entry into sheltered housing is 55 years and data from Northgate indicates that the proportion of tenants aged 60+ in sheltered housing, is almost three times the proportion for all tenant housing.</p>	Unequal impact	

<sup>1</sup> <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2023>

			<p>In relation to flat blocks, the data indicates that there is a higher proportion of people aged 18-29 years in flat blocks compared with all SBC housing. This is because these are comprised of smaller accommodation Studio-2 bed flats which is allocated to single people and single or couples with up to 2 children.</p> <p>For people living in independent living/flexicare schemes, in addition to basic rent and service charges, those who pay for the support/emergency response services that are not eligible for Housing benefit may see an increase in overall payment due each week.</p> <p>We currently know that the general economic challenges and Cost of Living Crisis (CoL) have an in impact on all our residents and also note that this is 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			Northgate Equality & Diversity Annual Report 22/23 Office of National Statistics – Employment & Labour Market		
What opportunities are there to mitigate the impact?	Ongoing and day to day consultation will take place with residents in 2024/25 to establish the impact of the rent & service charge increase. Please also refer to the mitigations outlined in the socio-economic section below, most of which will also apply to this protected characteristic group.		What do you still need to find out? Include in actions (last page)		

Disability					
Positive impact		Negative impact	<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). For information, in July 2023, there were 4,252 Personal Independent Payment (PIP) claimants in Stevenage, 1,853 of which were male and 2,401 were female. This is 21% increase in claimants from March 2022 when there were 3,528 total PIP claimants in Stevenage.</p> <p>Northgate data on tenants in relation to disability is limited, however, to give some context, the data indicates that the proportion of tenants in sheltered housing declaring that they had a disability was almost double the proportion for the whole SBC tenant population.</p> <p>More widely, and according to the 2021 Census, 17.2% of Stevenage residents had a disability covered under the Equality Act that limited their day-to-day activities, which is a 1.5% increase from the 2011 census.</p> <p>In addition, the Office for National Statistics (ONS) show that disabled workers earn on average £1.93 per hour less than non-disabled employees (a gap of over £3,500 per year based on a 35-hour week). The disability pay gap – the difference between median pay for disabled employees and non-disabled employees – was <b>13.8%</b> in 2021.</p>	Unequal impact	

Please evidence the data and information you used to support this assessment		Northgate Equality & Diversity Annual Report (2022-23)	
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

<b>Gender reassignment, Marriage or civil partnership, Pregnancy &amp; maternity, Race, Religion or belief, Sex, Sexual orientation N/A</b>					
Positive impact		Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment		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)			

<b>Socio-economic<sup>2</sup></b>					
<b>e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users</b>					
Positive impact		Negative impact	The rent increase will be applied across all tenancies prescribed by the Work and Welfare Reform Act and in line with the current Rent Standard Direction (February 2019) regardless of circumstances. This will be applied for 2024/2025.	Unequal impact	

<sup>2</sup>Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.



		<p>In May 2023, 6,163 households were in receipt of Universal Credit in Stevenage, a 2% decrease from 6283 households in March 2022.</p> <p>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.</p> <p>The number of bids on the new build properties let at affordable rents are similar to the number received for new build let at social rents. There is a mixture of employed and unemployed applicants. Applicants in receipt of benefits are not excluded or unfairly treated.</p> <p>Those who receive services for which a service charge is made will be charged the actual cost of those services. Heating charges are exempt from HB and tenants are expected to pay this. Water charges are also exempt from HB and are set by the Water Authority. SBC collects the water charges on behalf of the Water Authority.</p> <p>According to the 2019 English Index of Multiple Deprivation, Stevenage continues to be the most deprived authority in Hertfordshire. Of this, Bedwell is the most deprived ward in Town. Residents may be experiencing exceptional economic hardship as a result of the cost of living crisis, and increases in energy, food and fuel costs in particular. Households in the general rented homes, especially those on lower incomes, in general pay more of their income on housing costs and have less resilience to cope with financial shocks. This is anticipated to lead to a significant increase in fuel poverty, and extreme fuel poverty.</p>	
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			By pushing those who had previously been coping into financial hardship, it is very likely that the rise in cost of living is going to intensify health inequalities that have already been exacerbated by the Covid-19 crisis and we know that poverty and health inequalities are inextricably linked.		
Please evidence the data and information you used to support this assessment		Northgate Equality & Diversity Annual Report 2022/23 English Index of Multiple Deprivation 2019			
What opportunities are there to mitigate the impact and promote equality and inclusion?	<p>To help mitigate any negative impacts on residents the Council will continue to offer financial assistance through multiple support schemes and activities, including:</p> <p>Services charges for 2024/25 have reduced as a result of lower utility costs and the average combined rent and service charge increase for a 2 bed flat is £1.07, 1 bed flat £0.10 and for a bedsit is a reduction of £0.14.</p> <p>Rent increase information will be published on the Council website early February 2024 to start preparing tenants.</p> <p>The rent notification letter (to be sent out at the end of February) will offer tenants the opportunity to discuss any queries they have with staff. It will explain why the rent has increased and also explain any increase in service charges. Where a property has a number of service charges they will be fully explained, with a summary of how the weekly charge has increased overall.</p> <p>Where support charges are also included (mainly but not exclusively for sheltered and flexi care schemes) separate notifications will be sent out to these</p>		What do you still need to find out? Include in actions (last page)	Ongoing consultation will take place with residents throughout 2024/25 to establish impact of the rent & service charge increase and put in place systems to mitigate this accordingly	

	<p>residents to ensure it is clearly set out how each element of the weekly charge is made up.</p> <p>To ensure that this is explained as clearly as possible there will be a FAQ sheet and details on the website and hard copies available for those who need them.</p> <p>The policy states that the Council will have regard to the Local Housing Allowance when setting affordable rents. If affordable rents are set at this level, 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.</p> <p>For those moving into Affordable Rent (AR) properties a comprehensive affordability assessment is carried out prior to offer to ensure that the tenancy is sustainable.</p> <p>The implementation of the policy in respect of Affordable Rent will be kept under review by the Housing Development Executive Committee and should adverse impacts be identified this will inform future decision making in this regard.</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. Additional staffing resources have been secured to continue work to target and support UC cases to maximise income collection and minimise the level of arrears for this group of tenants.</p>		
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	<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> <p>There is Welfare Steering Group - Cost of Living &amp; Cost of Living and Income recovery Action Plans in place to mitigate some of the worst impacts of the cost of living crisis and general economic challenges, the action plans seeks to minimise the negative on people in Stevenage. The action plans also considers the role of Stevenage Borough Council, as employers, recognising the impact of the CoL on low paid staff. It is therefore expected that the action plans will also have a positive impact on the health and wellbeing of staff as well.</p>		
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Other				
please feel free to consider the potential impact on people in any other contexts				
Positive impact		Negative impact		Unequal impact
Please evidence the data and information you used to support this assessment				
What opportunities are there to mitigate the impact?				What do you still need to find out? Include in actions (last page)

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

Residents?	Although time has not allowed for formal consultation, ongoing consultation will take place with residents throughout 2024/25 to establish impact of the rent & service charge increase and put in place systems to mitigate this accordingly. Please also refer to the mitigations outlined in the socio-economic section above.	Staff?	N/A
Voluntary & community sector?	N/A	Partners?	N/A
Other stakeholders?	<p>Housing Management Advisory Board (HMAB) was consulted in November 2019 and was supportive of the policy to charge service charges at actual costs but with the provision in the policy to cap any increases if this would cause hardship.</p> <p>In terms of affordable rents, HMAB broadly supported this policy. There are still some concerns about the affordability of such schemes and the position if tenants lost employment/were on a low wage. The rent would be covered in full for those tenants entitled to full HB/ UC housing costs due to the rent being set at the LHA level. Also those in low paid employment may be entitled to partial HB/ UC housing costs. Thorough affordability assessments will be carried out.</p>		

**Overall conclusion & future activity**

Explain the <b>overall findings</b> of the assessment and <b>reasons for outcome (please choose one):</b>	
1. No inequality, inclusion issues or opportunities to further improve have been identified	

Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made	
	2b. Continue as planned	<p>The future viability of the HRA Business Plan is reliant upon us being able to maximise income collection, recover arrears and the costs of service provision where it's possible to do so.</p> <p>Only a proportion of new builds will be at affordable rent in line with the revised HRA Budget plan. The proposal to offer a mix of new build rents at affordable rent levels and at social rent levels would result in additional income to the HRA over 30 years which makes a significant contribution to the sustainability of the plan and the Council's ability to build new homes and to deliver other housing priorities.</p> <p>There are plans to build 228 social rented and 150 affordable rented properties over the 5 years of the revised Business Plan. The policy and the aim is for a 50/50 split, but due to the timing of delivery on schemes the weighting is slightly biased towards affordable, but it evens out over the whole 30 year plan.</p> <p>This means that there will be a total of approximately 3.2% of council homes at affordable rent at the end of the 5 year period. The majority of annual lettings (i.e. of new build and re-let properties) would continue to be at a social rent 5 and it is estimated that after 30 years the vast majority of council property rents (an estimated 87%) will be set at the social rent rate, subject to any changes in legislation or Government guidance.</p>
	2c. Stop and remove	

Detail the **actions that are needed** as a result of this assessment and how they will help to **remove discrimination & harassment, promote equal opportunities** and / or **encourage good relations**:

Action	Will this help to remove, promote and / or encourage?	Responsible officer	Deadline	How will this be embedded as business as usual?
Consultation with residents to establish the impact of the rent increase	Remove discrimination and promote equal opportunities. put in place systems to mitigate this accordingly	Elizabeth Ddamulira	March 2025	Systems will be put in place to mitigate impacts

Approved by Head of Housing -Karen Long :

Date: 03/01/2024