

## HRA Budget Report

1	<p><b>Name of the ‘policy’ and briefly describe the activity being considered including aims and expected outcomes. This will help to determine how relevant the ‘policy’ is to equality.</b></p>	<p><b>HOUSING REVENUE ACCOUNT BUDGET 2017/18</b>  <b>The Impact of Decreasing Dwelling Rents for the Council’s Housing Stock.</b></p> <p>Doncaster Council is landlord to 20,596 properties of which 20,340 are socially rented and 256 are leasehold. The Housing Management responsibility for the stock has been delegated to St Leger Homes of Doncaster (SLHD) under a management agreement. On 8 July 2015 the Government held a summer budget and announced in that budget that all social housing rents would reduce by 1% a year for the next four years from 2016/17 to 2019/20. This announcement is being forced upon local authorities through the Welfare Reform and Work Act 2016.</p> <p>For 2017/18 the rent reduction will be 1.0% for all tenants meaning that the average rent will be £70.21 per week.</p> <p>In the current financial climate it is important that measures are implemented to minimise and mitigate the financial hardship that tenants will face in paying their rent, along with other welfare reform changes. There have been a raft of significant welfare reforms that will impact on people’s household finances and their ability to pay their rent. The key changes include;</p> <ul style="list-style-type: none"> <li>• The Social Sector Size Criteria (bedroom tax)</li> <li>• Lower Benefit Cap</li> <li>• No automatic entitlement to Housing costs for 18-21 year olds</li> <li>• Social Housing rents capped to LHA rates</li> <li>• Full Service roll out of Universal Credit from October 2017</li> </ul> <p>This due regard statement seeks to identify those groups noted in the protected characteristics (section 3) that may be affected positively or negatively by the reducing of rents and sets out the measures to mitigate the impact on those groups. The rent decrease of 1.0% will be applied to all properties irrespective of the tenant.</p>
2	<p><b>Service area responsible for completing this statement.</b></p>	<p><b>St Leger Homes of Doncaster.</b></p>

<p><b>3 Summary of the information considered across the protected groups.</b></p> <p><b>Service users/residents</b></p> <p><b>Doncaster Workforce</b></p>	<p><b>Age</b> The rent decrease of 1.0% will apply to all properties, regardless of the resident's age. However, other specific welfare reform measures may have an impact as a result of the age of the tenant , these are as follows;</p> <p><b>Social Sector Size Criteria (bedroom tax);</b> Introduced 1 April 2013, this welfare reform only applies to working age households and currently affects 2,962 tenants claiming HB and 87 tenants who are claiming Universal Credit. 2,433 tenants have to make up a 14% shortfall for their rent and 616 have a shortfall of 25% to make up. The average age of tenants affected by under occupation charge is 44. We are not aware of the number of households who under occupy but do not claim housing benefit.</p> <p><b>Benefits Cap:</b> A Cap on the total amount of benefits a household can receive was introduced in July 2013, which affected 20 DMBC tenants. A further, lower cap was fully implemented on 9<sup>th</sup> January 2017 (£20k for families and £13,400 for single claimants). The lower cap currently affects 117 families in Council accommodation, although previous data would indicate that this is likely to change as cases are reassessed. For DMBC tenants, the reduced cap will largely apply to single parent households with 4 or more children or couples with 3 or more children.</p> <p><b>No automatic entitlement to Housing costs for 18-21 year olds:</b> This policy removes the automatic entitlement to help with housing costs for anyone in this age group who makes a claim for Universal Credit (UC) from October 2017, when Doncaster rolls out UC Full Service.</p> <p><b>Social Housing rents capped to LHA rates;</b> This cap on Housing Benefit applies to all tenancies signed from April 2016 and will take effect from April 2019. An unexpected inclusion in the Autumn statement announced that this cap will now be extended to include all tenants claiming Universal Credit from April 2019, irrespective of their tenancy date. This means that up to 1,200 tenants per year could potentially have their rent capped to the LHA rate, with those aged under 35, single without children and those who are only entitled to 1 bed LHA rate most adversely affected. This cap applies to tenants of</p>
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all age including pensioners.

### **Full Service roll out of Universal Credit from October 2017**

Doncaster now has a roll out date of October 2017 for Universal Credit '*Full Service*'. From this point all new claims for any of the 6 former benefits (Job Seeker's Allowance, Employment and Support Allowance, Income Support, Child Tax Credit, Working Tax Credit and Housing Benefit) will automatically go onto Universal Credit and these former benefits will be closed to new claims. Based on HB take up rates since March 2016, we are anticipating a potential for around 1,850 tenants to be moved onto Universal Credit in the first calendar year.

As at January 2017, there are 20,123 active tenancies of which approximately 38% are pension age tenants and 62% are working age. 5,158 (25.6%) pension age tenants and 7,823 (38.8%) working age tenants are in receipt of Housing Benefit or the Housing Element of Universal Credit.

### **Disability**

There are 11,300 (56.10% - % based on 20,171 tenants, customer prolife questionnaire collection rate 80.08%) known disabled residents within the Council's housing stock, of which 30.42% are registered with a physical disability. This compares to a national figure of 8.3% across the whole population in England<sup>1</sup>. It is not anticipated that the decrease in rents will adversely affect individuals based on their disability. The Housing Revenue Account also has a specific budget of £1.8m for adaptations to the homes of disabled residents.

### **Ethnicity**

The resident data shows that 85% of our tenants are white British and 6% of tenants are from black, Asian or minority ethnic groups with a further 9% unknown. A report by Department for Work and Pensions in June 2012<sup>2</sup> also tells us that working age adults

<sup>1</sup> Office of National Statistics 2011

<sup>2</sup> Department for Work and Pensions: *Households Below Average Income – An analysis of the income distribution 1994/95 – 2010/11 June 2012 (United Kingdom)*

living in households headed by someone from an ethnic minority were more likely to live in low-income households. This was particularly the case for households headed by someone of Pakistani or Bangladeshi ethnic origin. Translation services are offered in exceptional cases, but every effort is made to ensure that tenants understand their tenancy agreements and any other legal documents.

#### Gender

It is not anticipated that the decrease in rents or under occupation charge will adversely affect individuals based on their gender. Male and Female residents will be equally affected. The split of tenants is 63% female and 37% male. We also have two customers who have told us they are transgender, whereas last year we didn't have any.

#### Sexual Orientation

It is not anticipated that the decrease in rents will adversely affect individuals based on their sexual orientation.

#### Religion and Belief

It is not anticipated that the decrease in rents will adversely affect individuals as a result of any specific religion or belief they may have.

#### Maternity and Pregnancy

It is not envisaged that those residents who happen to be pregnant or on maternity leave will be adversely affected by the rent decrease as a result of their pregnancy or maternity leave.

#### Gender Reassignment

It is not anticipated that the decrease in rents will adversely affect individuals who have undergone gender reassignment.

#### Marriage and Civil Partnership

It is not anticipated that the decrease in rents will adversely affect individuals if they are married or in civil partnerships, more so than non-married residents or those not in civil

		partnerships.
<b>4</b>	<b>Summary of the consultation/engagement activities</b>	<p>Directors and Cabinet have considered these matters at several meetings between November 2016 and February 2017.</p> <p>Members have been consulted at meetings between November 2016 and February 2017; this included Labour Group and representatives from other parties. The proposed HRA budget and changes to rent and service charges have been the subject of formal consultation with members of the Tenants and Residents Involvement Panel (TRIP) and representatives from Tenants and Residents Associations (TARAs) on 12 January 2017. In summary the tenants were pleased with the reduction in rents and the freeze of other charges. They feel that for tenants who do not receive housing benefit rent still accounts for a large proportion of their income. They would like further information on the changes to welfare benefits. They think that additional Government funding should be provided to fund new Council House building. They are confident that St Leger Homes and DMBC will manage the reduced resources within the HRA.</p> <p>Tenants are happy with the condition of their homes and the services that they receive, they could not identify any service improvements or investment needs which were not being met by the proposed budgets.</p> <p>SLHD consult with their staff and unions on the proposals within the HRA budget which directly affect them. Once a decision has been made by Council on 2 March, a letter will be sent to all Council tenants which will give details of the rent change with effect from 3 April 2017. Tenants will be given 28 days notice for the decrease in rents.</p>
<b>5</b>	<b>Real Consideration: Summary of what the evidence shows and how has it been used</b>	<p>All Council tenants will benefit from the rent reduction. But some tenants will continue to be impacted by the under occupation charge and/or benefit cap, however it is likely that some groups will be affected to a greater extent because of their lower income. SLHD have a financial inclusion team to help assist tenants in financial difficulties and this team was strengthened to 5.5 staff members during 2014/15 to help the increasing numbers of</p>

		tenants in rent arrears as a result of welfare reform changes. SLHD staff and staff from the Council's benefit team work together with tenants to assist them to claim discretionary housing benefit (DHP) where this is appropriate. The Council has identified a budget of up to £0.756m to assist tenants impacted by welfare reform, a policy was approved which detailed how this money could be spent in May 2014, as further welfare benefit reform changes are made this policy may need to be updated. The rent reduction is the same percentage reduction for all properties, the rent is calculated based on the characteristics of the property and not with regard to the tenant.
<b>6</b>	<b>Decision Making</b>	This due regard statement has been made available to Members in advance of making any decisions on rent decreases. The HRA Budget 2017/18 report to Council on 2 March asks the Council to agree the rent reduction for the 2017/18 financial year with effect from 3 April 2017.
<b>7</b>	<b>Monitoring and Review</b>	The HRA budget is monitored on a quarterly basis by Cabinet, performance information for SLHD is monitored every 3 months by Cabinet and includes information on rent arrears. SLHD management team and Board monitor performance on a regular basis and there is a focus on rent arrears as a result of the recent welfare reform changes. Financial assistance is offered to all tenants who are in rent arrears, the number of evictions due to rent arrears is also monitored in detail to identify if any trends are emerging. Payments made from the welfare benefit reform fund are monitored and these details include the protected characteristics of the tenants.
<b>8</b>	<b>Sign off and approval for publication</b>	Julie Crook, Director of Corporate Services, St Leger Homes of Doncaster.