

HRA Budget Report

1	<p>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.</p>	<p>HOUSING REVENUE ACCOUNT BUDGET 2015/16 The Impact of Increasing Dwelling Rents for the Council’s Housing Stock.</p> <p>Doncaster Council is landlord to 20,813 properties of which 20,566 are socially rented and 247 are leasehold. The Housing Management responsibility for the stock has been delegated to St Leger Homes of Doncaster (SLHD) under a management agreement. In May 2014 the Government issued new guidance for rent setting “Rents for Social Housing from 2015/16” this guidance recommends that rents are increased for existing tenants by CPI from the previous September plus 1%. It also recommends that the rent for empty (void) properties are increased to target rent (this has no impact on existing tenants).The proposals within this report follow this guidance and the recommendation is that rents increase by 2.2% with effect from 6 April 2015.</p> <p>For 2015/16 the rent increase will be 2.2% for all tenants meaning that the average rent will be £70.95 per week. This increase is in line with Government guidance.</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 as a result of these increases, along with other welfare reform changes. For example, the under occupation charge/bedroom tax was introduced with effect from 1 April 2013 and a benefits cap was introduced in July 2013. 3,224 tenants are affected by the under occupation charge and a small number of tenants (15) are affected by the benefits cap.</p> <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 increasing of rents and sets out the measures to mitigate the impact on those groups.</p> <p>The rent increase of 2.2% will be applied to all properties irrespective of the tenant.</p>
2	<p>Service area responsible for completing this statement.</p>	<p>St Leger Homes of Doncaster.</p>
3	<p>Summary of the information considered across the</p>	<p>Age The rent increase of 2.2% will apply to all properties, regardless of the resident’s age.</p>

<p>protected groups.</p> <p>Service users/residents</p> <p>Doncaster Workforce</p>	<p>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>Under Occupation Charge This welfare reform only applies to working age households. 3,224 tenants, 15.7% are affected by the under occupation charge. The average age of tenants affected by under occupation charge is 43. We are not aware of the number of households who under occupy but do not claim housing benefit.</p> <p>Benefit Cap In January 2015 there were 15 households where the benefit cap was being applied. The average age of tenants affected by the benefit cap at this date is 35.</p> <p>Disability There are 7,849 (33.5%) known disabled residents within the Council’s housing stock, of which 17.5% are registered with a physical disability. This compares to a national figure of 8.3% across the whole population in England¹. It is not anticipated that the increase 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.</p> <p>Race The SLHD resident data shows that 84% of our tenants are white British and 5.8% of tenants are from black, Asian or minority ethnic groups with a further 10.2% unknown. A report by Department for Work and Pensions in June 2012² also tells us that working age adults 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.</p>
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¹ Office of National Statistics 2011

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

		<p>Gender It is not anticipated that the increase 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 61% female and 39% male.</p> <p>Sexual Orientation It is not anticipated that the increase in rents will adversely affect individuals based on their sexual orientation.</p> <p>Religion and Belief It is not anticipated that the increase in rents will adversely affect individuals as a result of any specific religion or belief they may have.</p> <p>Maternity and Pregnancy It is not envisaged that those residents who happen to be pregnant or on maternity leave will be affected by the rent increase as a result of their pregnancy or maternity leave.</p> <p>Gender Reassignment It is not anticipated that the increase in rents will adversely affect individuals who have undergone gender reassignment.</p> <p>Marriage and Civil Partnership It is not anticipated that the increase 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.</p>
4	Summary of the consultation/engagement activities	<p>Directors and Cabinet have considered these matters at several meetings between October 2014 and January 2015.</p> <p>Members have been consulted through various meetings and with the Leaders of the other parties. Meetings have taken place since December 2014 and will continue until February 2015.</p>

		<p>Overview and Scrutiny Management Committee have been consulted on the Mayor's budget proposals at meetings held between November 2014 and February 2015. The following meetings have taken place:</p> <ol style="list-style-type: none"> a. Members Budget Seminar – 25th November, 2014; b. OSMC Formal Budget Meeting – 8th December, 2014; c. Budget Meeting – 29th January, 2015 and 10th February, 2015; d. Overview and Scrutiny Management Committee on the 19th February, 2015 (to be arranged), to formally consider the budget proposals. The Chair will provide a response at the Council meeting <p>The proposed HRA budget and changes to rent and service charges have been the subject of formal consultation with representatives of the Doncaster Federation of Tenants' and Residents Association (TARA), members of the Tenants and Residents Involvement Panel (TRIP) and representatives from TARA groups on both 17 December 2014 and 19 January 2015. In summary, the response from the group is that they would like to see rent increase as low as possible but they understand the reasons for the increase and the impact on the HRA business plan. Tenants want to receive value for money services but do not want to see a reduction in service delivery at a time when rents are increasing.</p> <p>SLHD consult with their staff and unions on the proposals within the HRA budget which directly affect them.</p> <p>Once a decision has been made by Council on 3 March, a letter will be sent to all Council tenants which will give details of the rent charge with effect from 6 April 2014. Tenants will be given 28 days notice for the increase in rents.</p>
5	Real Consideration:	<p>It is inevitable that all Council tenants will be affected by the rent increase and some tenants will 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. The Council gave serious consideration to the rent increase of 2.2% and decided that this</p>

	Summary of what the evidence shows and how has it been used	<p>increase did not have a detrimental impact on the delivery of day to day services or investment plans and allowed the Council to build over 3,000 new homes over the 30 year business plan but minimised weekly rent increases for tenants as much as possible. 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 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 £1.0m to assist tenants impacted by welfare reform, it is not anticipated that the whole of this budget will be spent during 2014/15 and the budget shows an incremental increase in future years as further changes to welfare reform are anticipated, most notably the introduction of universal credit.</p> <p>The rent increase is the same percentage increase for all properties, the rent is calculated based on the characteristics of the property and not with regard to the tenant.</p>
6	Decision Making	<p>This due regard statement has been made available to Members in advance of making any decisions on rent increases. The HRA Budget 2015/16 report to Council on 3 March asks the Council to agree the rent increase for the 2015/16 financial year with effect from 6 April 2015 and the options considered are outlined within the report.</p>
7	Monitoring and Review	<p>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 monthly 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.</p>
8	Sign off and approval for publication	<p>Julie Crook, Director of Corporate Services, St Leger Homes of Doncaster.</p>