

Housing Revenue Account Budget 2024/25

Summary

1. This report sets the revenue budget for the Housing Revenue Account (HRA) for 2024/25. This budget must be considered alongside the Medium Term Financial Strategy (Appendix C), and the report by the Strategic Director of Finance, Commercialisation and Corporate Services (Section 151 Officer) on the robustness of estimates and adequacy of reserves, made under section 25 of the Local Government Act 2003 (Appendix A).
2. This budget makes the following proposals in respect of rents and service charges:-
 - Housing rents will increase by 7.7%, equivalent to an increase of CPI + 1% (based upon the September 2023 Consumer Price Index (CPI) figure of 6.7%), which is the maximum permitted increase under government social rent policy.
 - Garage rents will increase by 6.7% in line with the September 2023 CPI.
 - Service charges will increase in line with estimated costs.
3. The above proposals were discussed by the Tenant and Leaseholders' Panel on 30 November 2023, and by the Housing Board on 7 December 2023, and were supported by both.
4. The budget for 2024/25 results in a planned operating surplus of £2.882 million. This, together with a small planned net drawdown from earmarked reserves of £78,000, will be used to finance capital expenditure totalling £2.960 million.
5. The estimates in this report are based on the recommended Medium Term Financial Strategy (Appendix C), Treasury Management Strategy (Appendix D), Capital Strategy (Appendix E), Capital Programme (Appendix F), and 2024/25 General Fund budget (Appendix H).

Housing Revenue Account Business Plan

6. The HRA budget is set in the context of a 30 year Business Plan as approved by Cabinet. The current plan covers the period from 2016-2046 and is available on the Council's website. The Business Plan sets out four key priorities:-
 - i. operate a sound and viable housing business in a professional and cost effective manner;
 - ii. ensure that all the Council's tenants live in a decent home in settled communities for as long as needed, consistent with the Council's Tenant Strategy;
 - iii. help tenants and leaseholders get involved with decisions about their housing; and
 - iv. regenerate the stock/estates and build new affordable rented council housing in an efficient and effective manner..
7. Following approval of the 2024/25 budget and Medium Term Financial Strategy (MTFS), work will be undertaken to refresh this Business Plan early in the new financial year. Should any changes be required to the 2024/25 HRA budget as a result these will be subject to the Council's usual Financial Regulations and governance processes.

National Social Rent Policy

8. Since 2002, rents for properties let at 'social rent' have been set based on a formula set by government. This creates a 'formula rent' for each property, which is calculated based on the

relative value of the property, relative local income levels, and the size of the property. An aim of this formula-based approach is to ensure that similar rents are charged for similar social rent properties, bringing local authority and housing association rents into alignment. Formula rents were initially increased annually by the Retail Price Index (RPI) + 0.5%.

9. In 2011, the government introduced 'affordable rent' alongside social/formula rent, which permits rents to be set at up to 80% of market rent. The policy allows the Council to let new build properties at affordable rent where certain conditions apply. The government requires that any new homes built through its Affordable Homes Grant system are let at 'affordable rent'.
10. Most of the Council's new build properties are let at affordable rent and the additional income this generates makes it possible to build more homes.
11. In 2016, as part of the Welfare Reform and Work Act, the government introduced a new policy whereby social rents would reduce by 1% every year for four years. The main aim of this was to reduce the national housing benefit bill.
12. In October 2017, the government announced a long-term rent deal for social housing landlords in England. The new policy was to permit annual rent increases for both social rent and affordable rent properties of up to CPI plus one percentage point from 2020 onwards, for a period of at least five years. Increases are based upon the CPI figure for September in the preceding financial year. However, in 2023/24, the maximum increase for existing tenants was further capped at 7% (despite the September 2022 CPI figure standing at 10.1%), in recognition of cost of living pressures. This has resulted in a significant loss of income for housing authorities.
13. In September 2023, CPI stood at 6.7%, indicating a maximum rent increase for 2024/25 of 7.7%.

Housing Rents

14. The HRA continues to experience significant financial pressure, arising from high levels of cost inflation in recent years, below inflationary rent increases in 2023/24, and ongoing issues in respect of the housing maintenance contract with Uttlesford Norse Services Ltd as set out at paragraphs 30-32 below.
15. Furthermore, the current HRA business model and MTFs relies upon operating surpluses generated to fund the development of new council homes.
16. As such, it is proposed that the Council applies the maximum permitted rent increase of 7.7% in 2024/25. This has been discussed and supported by the Tenant and Leaseholders' Panel and Housing Board.
17. The average weekly rent as at January 2024 was £116.75. After applying the increase of 7.7%, the new average weekly rent will be £125.74.
18. The proposed rent increase will generate additional income of £1.318 million for the HRA as compared to the 2023/24 budget. Further additional income of £243,000 will be generated by changes to stock numbers and void assumptions. This means that the total budget for dwelling rents in 2024/25 will increase by £1.561 million, to £18.067 million. This should be seen in the context of a net increase to service expenditure budgets of £941,000, and a total budgeted surplus to be returned to unallocated revenue reserves of only £193,000, or less than 1% of gross HRA income.
19. As at 1 April 2023, the balance on unallocated HRA revenue reserves sat at £201,000. This is particularly low in the context of the size of the HRA, equivalent to just over one week's gross service expenditure, and this was identified as a significant risk within last year's MTFs. The decision to generate relatively modest surpluses in each of the next five years has been taken deliberately in order to return revenue reserves to a more sustainable level over time. Further detail is set out in the Medium Term Financial Strategy (Appendix C), which shows a forecast

revenue reserves balance of £2.162 million by 31 March 2029. This will provide some protection to the HRA in the case of future unforeseen events, particularly in the context of forthcoming changes to the housing maintenance contract as set out at paragraphs 30-32 below.

Garage Rents

20. The Council manages a total of 450 garages, of which 284 are rented by private residents. Garage rents are excluded from the government's rent setting policy. It is proposed to increase the garage rents by the September 2023 CPI of 6.7%. The current weekly rent is £12.69, and this will increase to £13.54 (excluding VAT) for 2024/25.

Service Charges

21. The Council manages a number of leasehold and freehold properties where service and sewerage charges are payable. These are calculated and set in line with estimated actual costs.
22. Service charges for tenants are calculated individually for each property depending upon the estimated cost of services used. The average charges for 2024/25 are set out in the following table:

Average HRA Service Charges	2023/24 Average Charge £ per week	2024/25 Average Charge £ per week	Includes VAT?
General service charge	3.56	4.04	No
General service charge - Sheltered accommodation	17.97	20.13	No
General service charge - Temporary accommodation (General Fund and HRA)	24.73	35.41	No
Water charges	3.47	2.79	No
Sewerage charges	11.40	11.67	No
Heating charges	29.08	20.48	No

23. In 2023/24, heating charges were increased significantly as a result of increased gas prices, which the Council had no choice but to pass on to tenants (to avoid the situation where tenants who do not receive heating services from the Council would be subsidising those that do). Fortunately, gas prices have since reduced slightly, which has contributed to a reduction of 29.6%, or £8.60 per week, in the average heating charge shown above. It is proposed that water charges are also reduced based upon latest actual consumption data.
24. The average general service charge increase of 13.5% (48p per week) for general needs properties, and 12.0% (£2.16 per week) for sheltered accommodation, reflects continuing high electricity costs which were not fully taken into account when setting last year's charge.
25. The increase in the general service charge for temporary accommodation of 43.2% (£10.68 per week) has arisen largely because recent increased energy prices over the past two years were not taken into account in setting the charge last year. This year's charge has now been set using the latest available energy price information.
26. Service charges for lessees are legally required to be set to meet the cost of services provided. If the estimated charges do not meet the cost of services in a year then there is a retrospective charge in the following year to meet the difference.

27. In addition, it is proposed that the following fixed service charges are set for 2024/25 as below:

Service Charges 2024/25	2023/24 Charge £	2024/25 Charge £	Includes VAT?
Sheltered housing scheme management service			
Intensive Housing Management (IHM) - per week	18.53	17.68	No
Housing Related Support (HRS) - per week	7.21	7.06	No
Total charge - Sheltered housing scheme management service	25.74	24.74	
Garden welfare service			
One-off clearance	66.00	70.80	Yes
One-off substantial clearance (where the majority of the garden is higher than 1m; this includes bramble, grass and weeds)	105.60	112.80	Yes
Grass cutting (throughout the growing season and up to 2 hedge cuts per year) - weekly charge*	4.96	5.29	Yes
* This charge is payable throughout the year and is not covered by housing benefit			

28. The Intensive Housing Management (IHM) charge may be covered by housing benefit for those tenants who are eligible. The Housing Related Support (HRS) charge, however, must be paid by all sheltered housing tenants and is not eligible for housing benefit support. Both charges are being reduced this year as the result of savings made by the Council in the cost of providing this service, which are passed on in full to service users.
29. Charges associated with the garden welfare service will rise by 6.7% in line with the September 2023 CPI figure (with charges for one-off clearance services rounded to the nearest pound before VAT).

Uttlesford Norse Services Ltd

30. Housing maintenance and capital improvements works are currently carried out by Uttlesford Norse Services Ltd (UNSL), a joint venture arrangement between the Council and Norse Commercial Services Ltd. However, on 9 January 2024 Cabinet took the decision not to extend this contract beyond its next break point, and notice has now been served that the contract will end in March 2025.
31. The UNSL arrangement represents the Council's largest contract, with total budgeted combined revenue and capital spend in 2024/25 of £9.938 million. The process of exiting this contract and setting up replacement arrangements is therefore a significant undertaking, albeit with the goal that the new arrangements will provide a more effective service and better value for money for the Council.
32. Since the contract will end in March 2025, it is currently anticipated that UNSL will continue to provide the majority of the Council's housing maintenance and capital improvements services during 2024/25. As such, this budget has been set with reference to the existing contract with UNSL and agreed programme of capital works for the year. It is possible, however, that alternative transitional arrangements may be agreed as the situation develops. The budget will therefore be kept under close review, and regular updates provided to Cabinet through the quarterly financial monitoring reports.

Housing Revenue Account Budget

33. A summary of the 2024/25 HRA budget is shown in the table below. A more detailed breakdown is set out at Annexe G1.

Housing Revenue Account Budget	2023/24 Original Budget £'000	2023/24 Current Budget £'000	2024/25 Original Budget £'000	Increase/ (Decrease) £'000
Service income				
Dwelling rents	(16,506)	(16,506)	(18,067)	(1,561)
Non-dwelling rents	(279)	(279)	(286)	(7)
Service charges and other income	(1,448)	(1,448)	(1,328)	120
Subtotal - Service income	(18,233)	(18,233)	(19,681)	(1,448)
Service expenditure				
Finance and business management	114	114	185	71
Maintenance and repairs service	4,822	4,822	5,778	956
Management and homelessness	1,054	1,054	1,218	164
Additional one-off HRA revenue costs agreed in 2023/24	-	1,000	-	(1,000)
One-off transformation costs	-	-	750	750
Subtotal - Service expenditure	5,990	6,990	7,931	941
Other operating income and expenditure				
Depreciation	4,768	4,768	4,242	(526)
Borrowing costs	2,618	2,618	2,639	21
Net recharges from General Fund	1,967	1,967	2,011	44
Other	24	24	(24)	(48)
Subtotal - Other operating income and expenditure	9,377	9,377	8,868	(509)
Subtotal - Operating (surplus)/deficit	(2,866)	(1,866)	(2,882)	(1,016)
Capital financing	2,758	2,421	2,960	539
Transfers to/(from) earmarked reserves	108	(555)	(78)	477
(Surplus)/deficit	-	-	-	-

34. After allowing for the financing of capital expenditure and specific earmarked reserve movements, the HRA is forecast to deliver a small surplus of £193,000 in 2024/25. This will be transferred to unallocated revenue reserves as part of the medium term plan to build these reserves to a more sustainable level (see paragraph 19), and this transfer has been included in the 'transfers to/(from) earmarked reserves' line in the table above in order to set a balanced budget. Further detail on transfers to and from individual earmarked reserves can be seen in the table at paragraph 47.

Service Income and Expenditure

35. The increase to service income of £1.448 million can be explained by the changes to rents and service charges set out at paragraphs 14-29.

36. The movement in the service expenditure budget can be summarised as follows:-

Service Expenditure Budget Movements	£'000
2023/24 current expenditure budget	6,990
Remove one-off items	(1,000)
2023/24 base expenditure budget	5,990
Inflation	144
Unavoidable demand growth	182
Service investment	1,599
Efficiency savings and service reductions	(95)
Other adjustments	111
2024/25 proposed expenditure budget	7,931

37. The removal of £1 million of one-off spend in 2023/24 relates to additional revenue expenditure approved by Cabinet in March 2023, after the 2023/24 budget had already been approved by Full Council. This was in relation to urgent work required following the Council's self-referral to the Regulator for Social Housing in August 2022 for a potential breach of the Home Standard, and full subsequent stock condition survey.
38. This work is now largely complete, and the latest forecast shows that an estimated £776,000 of the £1 million allocated will be spent by 31 March 2024. The remaining £224,000 will be transferred to a new transformation reserve to be put towards the transitional costs associated with replacing the UNSL contract (see paragraphs 30-32).
39. Service investment of £1.599 million includes the following significant items:-
- one-off spend of £426,000 on specific additional agency and consultancy costs, including (but not limited to) additional support for exiting the UNSL contract and setting up replacement arrangements;
 - one-off spend of £750,000 on as yet unknown transitional costs which may arise in respect of exiting the UNSL contract and setting up replacement arrangements (for example costs linked to the transfer of staff under TUPE arrangements); and
 - ongoing spend of £402,000 on the expansion of the Council's housing repairs contract management function, in order to ensure sound management of whatever future arrangements are put into place.
40. During 2023/24, a service review of the Revenues service under the Blueprint Uttlesford transformation programme concluded that the housing rents function, currently within that service, should transfer to the Housing service from 1 April 2024. The other adjustments line of £111,000 in the table above represents the cost of this service being charged directly to the HRA service expenditure budget from 2024/25 onwards. There will be a corresponding reduction in the net recharge from the General Fund, so there is no net impact on either the HRA or the General Fund of implementing this change.
41. A full list of all service expenditure budget changes greater than £10,000 is set out at Annexe G2.

Other Operating Income and Expenditure

42. The budget for depreciation charges will decrease by £526,000 to £4.242 million. This is based upon a draft stock valuation carried out by the Council's external valuers as at 31 December 2023. There will be a desktop exercise to review this valuation as at 31 March

2024, therefore the actual depreciation charge for 2024/25 could be higher or lower than budgeted (e.g. if house prices increase, the depreciation charge will increase).

43. Under accounting regulations, the depreciation amount to be charged in any given year must be transferred to the ringfenced Major Repairs Reserve, which is used to fund capital improvements of the Council's existing housing stock. Changes to depreciation do not, therefore, impact on the overall level of resources available to the HRA.
44. Recharges from the General Fund are made in respect of General Fund services which are also used by the HRA, for example Financial Services, ICT, HR, and office accommodation. Taking into account the impact of the transfer of the housing rents function set out at paragraph 40, net recharges are predicted to increase by 8% in 2024/25 on a like for like basis. This largely reflects inflationary increases to a range of General Fund central service budgets. At the year-end, an exercise is carried out to ensure that the HRA is charged the correct amount based upon actual costs incurred.

Capital Financing

45. The budget for capital financing reflects the required contribution from the HRA towards the current Capital Programme. This will vary from year to year depending upon the programme agreed, and availability of other resources to support this (such as capital grants, and receipts from the sale of right-to-buy properties). The full Capital Programme, including planned financing sources, is set out in detail at Appendix F.

Risks and Assumptions

46. The key areas of risk to the achievement of the 2024/25 budget (both adverse and favourable) are detailed in the Section 25 Report – Robustness of Estimates and Adequacy of Reserves (Appendix A), together with the Section 151 Officer's assessment of the main assumptions used. A full analysis of key financial risks and assumptions specific to the HRA has also been included at Annexe G3.

Reserves

47. The forecast total revenue reserves balance at 1 April 2024 will be £1.686 million. The 2024/25 budget assumes a net drawdown from reserves of £78,000, leaving a forecast balance as at 31 March 2025 of £1.608 million. Forecast revenue reserve movements are set out in detail in the table on the following page:

Housing Revenue Account Revenue Reserves	Balance at 1 April 2023	Forecast Additions to Reserves 2023/24	Forecast Use of Reserves 2023/24	Forecast Balance at 31 March 2024	Budgeted Additions to Reserves 2024/25	Budgeted Use of Reserves 2024/25	Forecast Balance at 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Ringfenced reserves							
Working balance	549	45	-	594	61	-	655
Subtotal - Ringfenced reserves	549	45	-	594	61	-	655
Usable reserves							
Revenue reserves	201	299	-	500	193	-	693
Transformation	160	420	-	580	420	(750)	250
Subtotal - Usable reserves	361	719	-	1,080	613	(750)	943
Earmarked for capital purposes							
Potential projects reserve	10	-	-	10	-	-	10
HRA capital slippage reserve	858	-	(856)	2	-	(2)	-
Subtotal - Earmarked for capital purposes	868	-	(856)	12	-	(2)	10
Total - HRA revenue reserves	1,778	764	(856)	1,686	674	(752)	1,608

48. The Council sets a prudent minimum level of reserves known as the working balance, to manage unexpected financial impacts during the year. This amount is determined by the Section 151 Officer and is calculated by reference to variable gross income plus expenditure. The minimum working balance for 2024/25 will be £655,000.
49. During 2023/24, a decision was taken to repurpose the former 'revenue projects' reserve as a transformation reserve, to fund as yet unknown transitional costs associated with exiting the UNSL contract and setting up replacement arrangements. To the £160,000 already in this reserve will be added £420,000 from the forecast HRA revenue surplus in each of 2023/24 and 2024/25, to bring the total available balance to £1 million. (The transfer of £420,000 in 2023/24 will include the £224,000 underspend against the £1 million of additional one-off revenue costs, as described at paragraph 38). It is anticipated that this reserve will be drawn down over two years, with £750,000 budgeted for 2024/25, and the remaining £250,000 in 2025/26.
50. Following other reserve movements, there remains a modest budgeted surplus of £193,000 on the HRA which will be returned to unallocated revenue reserves, in recognition of the need to build this reserve to a more sustainable level over the next five years (see paragraph 19). More information on the medium term forecast for HRA revenue reserves is set out in the Medium Term Financial Strategy (Appendix C).

List of Annexes

- Annexe G1 – Housing Revenue Account Budget 2024/25
- Annexe G2 – HRA Service Expenditure Budget Movements 2024/25
- Annexe G3 – Housing Revenue Account Service Budget Risks and Assumptions
- Annexe G4 – Equality and Health Impact Assessment

Housing Revenue Account Budget 2024/25

Annexe G1

Housing Revenue Account Budget 2024/25	2023/24 Original Budget £'000	2023/24 Current Budget £'000	2024/25 Original Budget £'000	Increase/ (Decrease) £'000
Service income				
Dwelling rents	(16,506)	(16,506)	(18,067)	(1,561)
Garage rents	(245)	(245)	(254)	(9)
Other rents	(34)	(34)	(32)	2
Charges for services and facilities	(1,448)	(1,448)	(1,328)	120
Subtotal - Service income	(18,233)	(18,233)	(19,681)	(1,448)
Finance and business management expenditure				
Rents, rates and other property charges	114	114	185	71
Subtotal - Finance and business management expenditure	114	114	185	71
Maintenance and repairs service expenditure				
Common service flats	574	574	488	(86)
Estate maintenance	2	2	5	3
Housing sewerage	20	20	21	1
Newport Depot	10	10	3	(7)
Property services	256	256	1,043	787
Housing repairs (Norse)	3,960	3,960	4,218	258
Subtotal - Maintenance and repairs service expenditure	4,822	4,822	5,778	956
Management and homelessness expenditure				
Housing services	572	572	781	209
Sheltered housing services	482	482	437	(45)
Subtotal - Management and homelessness expenditure	1,054	1,054	1,218	164
Additional one-off HRA revenue costs agreed in 2023/24	-	1,000	-	(1,000)
One-off transformation costs	-	-	750	750
Subtotal - Service expenditure	5,990	6,990	7,931	941
Other operating income and expenditure				
Bad debts	100	100	100	-
Depreciation	4,768	4,768	4,242	(526)
Borrowing costs	2,618	2,618	2,639	21
Treasury investment income	(95)	(95)	(126)	(31)
Corporate pension costs (added years and deficit repair)	29	29	18	(11)
Share of corporate and democratic core costs	403	403	454	51
Other recharges from General Fund	1,564	1,564	1,557	(7)
Right to buy administration allowance	(10)	(10)	(16)	(6)
Subtotal - Other operating income and expenditure	9,377	9,377	8,868	(509)
Subtotal - Operating (surplus)/deficit	(2,866)	(1,866)	(2,882)	(1,016)
Capital financing				
Financing of capital expenditure in year	2,758	2,421	2,960	539
Repayment of historic capital expenditure	-	-	-	-
Subtotal - Capital financing	2,758	2,421	2,960	539
Transfers to/(from) earmarked reserves				
Working balance	30	30	61	31
Revenue reserves	78	78	(137)	(215)
Earmarked for capital purposes	-	(663)	(2)	661
Subtotal - Transfers to/(from) earmarked reserves	108	(555)	(78)	477
(Surplus)/deficit	-	-	-	-

HRA Service Expenditure Budget Movements 2024/25

Annexe G2

Service Budget Line	Description	Movement	Duration
		£'000	
Unavoidable demand growth			
Rents, rates and other property charges	Increase in empty property council tax charges due to sheltered housing units held vacant pending potential redevelopment	69	One-off - 1 year
Housing repairs (Norse)	Increase to housing repairs budget in respect of asbestos works required	80	Ongoing
Housing services	New mandatory fee payable to the Regulator of Social Housing	25	Ongoing
Various	Other items individually <£10,000	8	
Total - Unavoidable demand growth		182	
Service investment			
Property services	Ongoing cost of expanding housing repairs contract management function	402	Ongoing
Property services	Additional agency and consultancy costs associated with transition to new housing repairs service and cover for anticipated senior staff vacancy in difficult to recruit post	426	One-off - 1 year
Housing services	Growth bid to fund tenancy support and deal with estate management issues	15	Ongoing
Various	Estimated one-off transformation costs associated with transition to new housing maintenance arrangements, to be funded from transformation reserve	750	One-off - 1 year
Various	Other items individually <£10,000	6	
Total - Service investment		1,599	
Efficiency savings and service reductions			
Property services	Savings identified in business planning budget	(30)	Ongoing
Property services	Reduction to disrepair compensation budget to reflect current experience	(20)	Ongoing
Sheltered housing services	Holding vacant of one Sheltered Housing Officer post (0.8 FTE) pending full service review	(45)	Ongoing
Total - Efficiency savings and service reductions		(95)	
Other adjustments			
Housing services	Transfer of housing rent collection team to Housing services - this function was previously recharged from the General Fund so there will be a corresponding reduction in recharge expenditure and no net additional cost to the HRA	111	Ongoing
Housing services	Minor staff restructure resulting in a transfer of 0.43 FTE from sheltered housing services to housing services	15	Ongoing
Sheltered housing services	Minor staff restructure resulting in a transfer of 0.43 FTE from sheltered housing services to housing services	(15)	Ongoing
Total - Other adjustments		111	

Introduction

The tables below set out the key financial risks (both favourable and adverse) identified by budget managers in relation to the service income and expenditure budgets set for 2024/25. This is not intended to be an exhaustive list of all potential financial risks which could be faced by the HRA, rather it highlights the areas where it is considered most likely that outturn could differ from the budget, primarily for reasons outside of the Council’s control.

Key

Each risk is assessed using the following framework:-

Risk Framework	Low	Medium	High
Probability of variance arising	Possible, but unlikely	Probable	Almost certain
Impact (adverse and/or favourable)	£5,000 - £20,000	£20,001 - £50,000	> £50,000

Note that risks with an anticipated impact of less than £5,000 are not reported here.

Risks

Budget Line	Budget Item	Key Assumptions and/or Variable Outcomes	Probability of Variance Arising	Favourable Impact	Adverse Impact
All service income	All service income	Whilst there is a prudent provision made within the budget for some non-collection of rents and other income, there is a risk that the collection rate could fall, particularly in light of current cost of living pressures. This is mitigated to some extent by the fact that around one third of Council tenants are in receipt of housing benefit which covers some or all of their rent.	Low	N/A	High
All service income; Rents, rates and other property charges	Voids	Budgets have been set using an assumption that 1% of council properties will be void at any given time (in addition to known redevelopment projects) - however longer than anticipated void turnaround times could result in lost rent and service charge income, and higher empty property costs (e.g. council tax).	Low	N/A	High
Property services; One-off transformation costs	Transformation costs	The current housing maintenance and capital improvement contract with Uttlesford Norse Services Ltd will end in March 2025. The process of exiting this contract and setting up replacement arrangements will be a significant and costly undertaking, with £1 million of transformation costs assigned over 2 years, and further one-off spend of £426,000 on specific agency and consultancy costs in 2024/25 (relating mainly, but not entirely, to the UNSL contract). As the situation develops, actual transitional costs may be higher or lower than budgeted.	High	High	High
Common service flats	Utility costs	Budgeted utility costs have been based upon forecasts provided by an external consultant and historic consumption figures, and prices which are fixed until 30 September 2024, when the Council's current energy contract comes to an end. Changes to energy costs after this date, or fluctuations in consumption (for example in the event of a cold winter) may result in a charge which is higher or lower than budgeted.	Medium	Medium	Medium

Budget Line	Budget Item	Key Assumptions and/or Variable Outcomes	Probability of Variance Arising	Favourable Impact	Adverse Impact
Housing services; Sheltered housing services; Property services	Employee costs	The actual pay award agreed nationally for 2024/25 may vary from the assumptions made when setting the budget.	High	Medium	Medium
Housing services	Administration and compensation costs	There is a risk that compliant management does not meet the requirements of the Housing Ombudsman Code or requirements of the Social Housing Regulation Act, leading to reputational damage and creating avoidable costs in compensation and staff resources.	Medium	Medium	Medium
Housing services	Tenant Satisfaction Measures	Poor performance against new Tenant Satisfaction Measures may result in regulatory intervention, loss of reputation, staff demotivation and increased costs.	Medium	Medium	Medium
Other recharges from General Fund	Employee costs	The HRA is recharged for its share of General Fund employee costs. This includes the post of Assistant Director - Housing, Health and Communities, which is currently vacant. Should the post prove difficult to recruit, additional agency costs may be incurred.	Medium	N/A	Medium
Financing of capital expenditure in year	Maintenance of existing housing stock	If housing assets are not properly maintained, there is a risk of deterioration, potentially affecting the health, safety and wellbeing of tenants and poor satisfaction. Required interventions could be costly and would need to be funded largely from revenue resources, e.g. if additional urgent capital works are required in year, as availability of ringfenced capital resources to fund such work is limited.	Medium	N/A	High



Uttlesford District Council

Equality & Health Impact Assessment (EqHIA)

Document control

Title of activity:	<i>Rent and Service Charge Setting 2024-25</i>
Lead officer:	<i>Judith Snares, Housing Strategy & Operations Manager</i>
Approved by:	<i>Kerry Clifford, Director of Housing, Health and Communities</i>
Date completed:	<i>5 February 2024</i>
Scheduled date for review:	<i>February 2025</i>

Does the EqHIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?	No
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Please note that EqHIAs are **public** documents and must be made available on the Council's [EqHIA webpage](#).

When completed, a copy of this form should be saved with the activity a policy, strategy, procedure, project, new or change in service, initiative or other's file for audit purposes and in case it is requested under the Freedom of Information Act.

When the EqHIA is completed send a copy to the following email address - EqHIA@Uttlesford.gov.uk

1. Equality & Health Impact Assessment Checklist

Please complete the following checklist to determine whether or not you will need to complete an EqHIA and ensure you keep this section for your audit trail. If you have any questions, please contact your Divisional Equality Lead. Please refer to the Guidance in Appendix 1 on how to complete this form. **When EqHIA is completed send a copy to the following email address EqHIA@Uttlesford.gov.uk**

About your activity

1	Title of activity	Rent and Service Charge Setting 2024-25		
2	Type of activity	To establish the rent and service charge levels for 2024-25		
3	Scope of activity	To identify the changes in dwelling rents, garage rents, housing related support (HRS) charges and service charges required for the new financial year		
4a	Are you changing, introducing a new, or removing a service, policy, strategy or function?	No	If the answer to <u>any</u> of these questions is 'YES', please continue to question 5.	If the answer to <u>all</u> of the questions (4a, 4b & 4c) is 'NO', please go to question 6.
4b	Does this activity have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?	Yes		
4c	Does the activity have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?	Yes		
5	If you answered YES:	Please complete the EqHIA in Section 2 of this document. Please see Appendix 1 for Guidance.		
6	If you answered NO:	Please provide a clear and robust explanation on why your activity does not require an EqHIA. This is essential in case the activity is challenged under the Equality Act 2010. <i>Please keep this checklist for your audit trail.</i>		

Completed by:	Judith Snares
Date:	5 February 2024

2. The EqHIA – How will the strategy, policy, plan, procedure and/or service impact on people?

Background/context:
<p>Rent and service charge setting is carried out annually. Rents are set in line with Government policy and to that end the council's social and affordable rents have been modelled at the 7.7% cap for 2024/25.</p> <p>All other Housing related support charges and service charges are increased in line with estimated costs.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>

Who will be affected by the activity?
<p>An increase in rents and service charges will affect all tenants in council owned properties. Rents are kept within the housing allowances for the areas and will therefore be covered for those on benefits.</p> <p>An increase in service charges will impact on people's finances, although this is mitigated in part by various government grants.</p> <p>An increase in service charges will also affect owners of ex-Council owned properties, purchased through right-to-buy, which benefit from any continuing services provided by the Council, as stipulated in the lease or transfer deed.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>

Protected Characteristic - Age: Consider the full range of age groups		
<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive	<input type="checkbox"/>	<p>Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent.</p> <p>Last year's negative effect on those in sheltered housing will be neutral this year as there has been a reduction in heating costs so these reductions will offset the rent increase.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
Neutral	<input checked="" type="checkbox"/>	
Negative	<input type="checkbox"/>	
Evidence:		
<p>Heating charges have reduced thus year due to the fall in fuel costs. Sheltered tenants have regular tenant meetings where they make comments and raise concerns about housing costs. They can also receive daily support from sheltered housing officers.</p>		

Tenant and Leaseholder Panel
 Tenant Satisfaction Survey Census 2021 data
 Office for National Statistics (ONS) data
 CORE data

Protected Characteristic - Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions

<i>Please tick (✓) the relevant box:</i>		Overall impact: Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent. The predicted impact of the rent and service charge setting for 2024/25 on people with disabilities is neutral as there is no identified direct, positive or indirect discrimination. <i>*Expand box as required</i>
Positive		
Neutral	✓	
Negative		

Evidence:

 The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey.

Sources used:

 Tenant and Leaseholder Panel
 Tenant Satisfaction Survey Census 2021 data
 Office for National Statistics (ONS) data
 CORE data

**Expand box as required*

Protected Characteristic - Sex/gender: Consider both men and women

<i>Please tick (✓) the relevant box:</i>		Overall impact: Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent. The predicted impact of the rent and service charge setting for 2024/25 on all genders is neutral as there is no identified direct, positive or indirect discrimination. <i>*Expand box as required</i>
Positive		
Neutral	✓	
Negative		

Evidence:

 The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey.

**Expand box as required*

<p>Sources used:</p> <p>Tenant and Leaseholder Panel Tenant Satisfaction Survey Census 2021 data Office for National Statistics (ONS) data CORE data</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
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Protected Characteristic - Ethnicity/race: Consider the impact on different ethnic groups and nationalities

<i>Please tick (✓) the relevant box:</i>		<p>Overall impact:</p> <p>Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent.</p> <p>The predicted impact of the rent and service charge setting for 2024/25 on ethnicity/race is neutral as there is no identified direct, positive or indirect discrimination.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
Positive		
Neutral	✓	
Negative		

Evidence:

The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey.

**Expand box as required*

<p>Sources used:</p> <p>Tenant and Leaseholder Panel Tenant Satisfaction Survey Census 2021 data Office for National Statistics (ONS) data CORE data</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
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Protected Characteristic - Religion/faith: Consider people from different religions or beliefs including those with no religion or belief

<i>Please tick (✓) the relevant box:</i>		<p>Overall impact:</p> <p>Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent.</p>
Positive		
Neutral	✓	

Negative	<p>The predicted impact of the rent and service charge setting for 2024/25 on religion/faith is neutral as there is no identified direct, positive or indirect discrimination.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
<p>Evidence:</p> <p>The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey.</p> <p style="text-align: right;"><i>Expand box as required</i></p>	
<p>Sources used:</p> <p>Tenant and Leaseholder Panel Tenant Satisfaction Survey Census 2021 data Office for National Statistics (ONS) data CORE data</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	

<p>Protected Characteristic - Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual</p>	
<p><i>Please tick (✓) the relevant box:</i></p>	<p>Overall impact:</p> <p>Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent.</p> <p>The predicted impact of the rent and service charge setting for 2024/25 on sexual orientation is neutral as there is no identified direct, positive or indirect discrimination.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
<p>Positive</p>	
<p>Neutral</p>	<p style="text-align: center;">✓</p>
<p>Negative</p>	
<p>Evidence:</p> <p>The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	
<p>Sources used:</p> <p>Tenant and Leaseholder Panel Tenant Satisfaction Survey Census 2021 data Office for National Statistics (ONS) data CORE data</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	

Protected Characteristic - Gender reassignment: Consider people who are seeking, undergoing or have received gender reassignment surgery, as well as people whose gender identity is different from their gender at birth		
<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive		Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent. The predicted impact of the rent and service charge setting for 2024/25 on people who are seeking, undergoing or have received gender reassignment surgery is neutral as there is no identified direct, positive or indirect discrimination. <i>*Expand box as required</i>
Neutral	✓	
Negative		
Evidence: The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey. <i>*Expand box as required</i>		
Sources used: Tenant and Leaseholder Panel Tenant Satisfaction Survey Census 2021 data Office for National Statistics (ONS) data CORE data <i>*Expand box as required</i>		

Protected Characteristic - Marriage/civil partnership: Consider people in a marriage or civil partnership		
<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive		Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent. The predicted impact of the rent and service charge setting for 2024/25 for marriage/civil partnership is neutral as there is no identified direct, positive or indirect discrimination. <i>*Expand box as required</i>
Neutral	✓	
Negative		
Evidence: The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey. <i>*Expand box as required</i>		

Sources used:

Tenant and Leaseholder Panel
 Tenant Satisfaction Survey Census 2021 data
 Office for National Statistics (ONS) data
 CORE data

Protected Characteristic - Pregnancy, maternity and paternity: Consider those who are pregnant and those who are undertaking maternity or paternity leave

<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive		Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent. The predicted impact of the rent and service charge setting for 2024/25 for pregnancy, maternity and paternity is neutral as there is no identified direct, positive or indirect discrimination.
Neutral	✓	
Negative		

**Expand box as required*

Evidence:

The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey.

**Expand box as required*

Sources used:

Tenant and Leaseholder Panel
 Tenant Satisfaction Survey
 Census 2021 data
 Office for National Statistics (ONS) data
 CORE data

**Expand box as required*

Socio-economic status: Consider those who are from low income or financially excluded backgrounds

<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive		For most people, who are from low income or financially excluded backgrounds, social housing is the only available option. Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent. The predicted impact of the rent setting for 2024/25 for those who are from low income or financially excluded backgrounds, living in general needs accommodation, is neutral as there is no identified direct, positive or indirect discrimination.
Neutral		
Negative	✓	

	<p>Rents are kept within the housing allowances for the areas and will therefore be covered for those on benefits.</p> <p>Guidance and support will be given to those tenants who have problems managing their finances.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
<p>Evidence:</p> <p>The tenant satisfaction survey sent to all tenants gives the opportunity to express if tenants feel that they get value for money. People are free to make their comments and concerns known by returning the survey.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	
<p>Sources used:</p> <p>Tenant and Leaseholder Panel Tenant Satisfaction Survey Census 2021 data Office for National Statistics (ONS) data CORE data</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	

<p>Health & Wellbeing Impact: Consider both short and long-term impacts of the activity on a person's physical and mental health, particularly for disadvantaged, vulnerable or at-risk groups. Can health and wellbeing be positively promoted through this activity? Please use the Health and Wellbeing Impact Tool in Appendix 2 to help you answer this question.</p>	
<p><i>Please tick (✓) all the relevant boxes that apply:</i></p>	<p>Overall impact:</p> <p>Increasing rents and service charges will enable the Council to continue to provide safe affordable housing for rent.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
<p>Positive</p>	
<p>Neutral</p>	<p>✓</p>
<p>Negative</p>	<p>Do you consider that a more in-depth HIA is required as a result of this brief assessment?</p> <p style="text-align: right;">No</p>
<p>Evidence:</p> <p>There should be a positive health & wellbeing impact on people's personal circumstances, access to services and social factors relating to housing.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	

Sources used:




Health & wellbeing impact tool

**Expand box as required*

3. Outcome of the Assessment

The EqHIA assessment is intended to be used as an improvement tool to make sure the activity maximises the positive impacts and eliminates or minimises the negative impacts. The possible outcomes of the assessment are listed below and what the next steps to take are:

Please tick (✓) what the overall outcome of your assessment was:

	1. The EqHIA identified <u>no significant concerns</u> OR the identified <u>negative concerns</u> have already been <u>addressed</u>		Proceed with implementation of your activity
	2. The EqHIA identified some <u>negative impact</u> which still needs <u>to be addressed</u>		COMPLETE SECTION 4: Complete action plan and finalise the EqHIA
	3. The EqHIA identified some <u>major concerns</u> and showed that it is <u>impossible to diminish negative impacts</u> from the activity to an acceptable or even lawful level		Stop and remove the activity or revise the activity thoroughly . Complete an EqHIA on the revised proposal.

4. Action Plan

The real value of completing an EqHIA comes from the identifying the actions that can be taken to eliminate/minimise negative impacts and enhance/optimize positive impacts. In this section you should list the specific actions that set out how you will address any negative equality and health & wellbeing impacts you have identified in this assessment. Please ensure that your action plan is: more than just a list of proposals and good intentions; sets ambitious yet achievable outcomes and timescales; and is clear about resource implications.

Protected characteristic / health & wellbeing impact	Identified Negative or Positive impact	Recommended actions to mitigate Negative impact* or further promote Positive impact	Outcomes and monitoring**	Timescale	Lead officer

Add further rows as necessary

* You should include details of any future consultations and any actions to be undertaken to mitigate negative impacts

** Monitoring: You should state how the impact (positive or negative) will be monitored; what outcome measures will be used; the known (or likely) data source for outcome measurements; how regularly it will be monitored; and who will be monitoring it (if this is different from the lead officer).

5. Review

Review:

Annual review

Scheduled date of review: February 2025

Lead Officer conducting the review: Director of Housing, Health and Communities

In this section you should identify how frequently the EqHIA will be reviewed; the date for next review; and who will be reviewing it.