

Equality Analysis (EA)

Section 1 – General Information

Name of the proposal including aims, objectives and purpose:

2013/14 Rent Review

An average increase of £4.39 in Council rents is being proposed from 1st April 2013. This equates to 4.47%.

In the current economic environment any rent increase can be considered to have an adverse effect on social tenants, however, the proposed amount is in line with the government's policy that all social landlords (local authorities and housing associations) should offer similar rents for similar properties, whilst maintaining substantial discounts to market rents.

The proposed rent increase is at a level that will sustain the Council's obligations under the HRA self-financial regulations and meets the requirements of rent convergence by 2015/16.

Even with a 4.47% increase, the social rents charged by the Council for its housing stock will still be the lowest in Tower Hamlets.

The rent increase is required in order to adhere to the assumptions contained within the Self-Financing Final Determination, published in February 2012. This valued Tower Hamlets' HRA business over 30 years, and assumed that the Authority will continue with rent restructuring with the aim of achieving rent convergence in 2015/16.

With the dismantling of the national Housing Subsidy system and its replacement with HRA Self-Financing, the Council will be responsible for financing all council housing expenditure from its HRA income streams. The proposed rent increase is needed to fund the expenditure necessary to manage, maintain and improve the Council's housing stock, including the capital investment programme that will bring the Council's stock up to the Decent Homes standard and maintain that standard over a 30-year period.

Rent is the major component of HRA income, a lower increase would also be problematic as regards the self-financing settlement as this assumed rent income at the government set guideline level, and any shortfall is embedded in the calculation of the debt settlement. This would mean a higher level of debt to be financed with a lower level of rental income in future years.

This would also require an equivalent level of savings in order to ensure that the HRA remains in balance, as legally it must do. This could mean reductions to the provision of HRA services and/or to the capital investment programme. This could severely impact on our ability to achieve decent homes as well as services supporting vulnerable residents.

Notes:

Under **HRA Self Financing**, there has been a substantial change in the way in which Tower Hamlets' HRA is financed. The annual HRA subsidy system has been abolished, and the Council now retains all HEA income but is responsible for financing all HRA expenditure. Therefore, implementation of a 2013/14 rent increase consistent with that assumed in the Self-Financing Draft Determination is crucial in contributing to the long-term viability of the HRA.

Rent Convergence Under the original proposals announced in 2000, similar properties would be charged similar rents by 2012 (the date has been subsequently moved to 2015), regardless of whether

year's increase of 7.5%.

The rent increase is applied to all Council dwellings and will therefore affect all Council tenants. The rent increase does not target or disproportionately affect any group of people based any of the protected characteristics.

Households on lower incomes will feel the impact of the increase more than families on higher incomes. In 2012 the median gross income of Tower Hamlets residents was £29,550. (Source: Median household income CACI Paycheck data).

The actual amount of increase as a proportion on current rent will vary across property sizes. Smaller properties tend to have a greater rent increase than larger units e.g. (studio and one bed units). (See Table 1 – Average Increase per dwelling - by bedsize).

As with any rent increase there is the risk that it may result in some tenants not paying some or all of their rent increase, causing them to fall into arrears, which will lead to recovery action and possibly eviction. Where Housing Benefit has often covered a rent increase for many tenants in the past who were on low income or not working, the Welfare Reform Act 2012 will introduce additional changes to the welfare system in April 2013, which will have the effect of reducing the amount of housing benefit for a number of tenants.

Housing Benefit

Currently approx.. 71% of Council tenants are in receipt of Housing Benefit. Housing Benefit covers 90 - 99% of rent for 48% of Council tenants. From April 2013 a "Benefits Cap" will be introduced. The effect will be that where the total amount of benefits awarded to a household is more than the maximum "cap" amount the Housing Benefit element will be cut.

To date higher take up of HB receipt tends to correlate with lower arrears. It is not possible to accurately estimate the likely effect of the Welfare Reform changes, however, it is anticipated that there is a high probability that this will lead to a greater rise in rent arrears.

Based on current rent levels, DWP (Department of Work and Pension) figures show that approximately 160 (1%) of households (in Tower Hamlets? THH tenants?) will be immediately affected by the benefits cap.

Older People

Approximately 22% of tenants are over 60, some of whom are retired and are on state pensions without any other source of income (Table 2 shows the age profile of the Council Tenants). The basic state pension will increase by 2.5% to £110.15 per week from April 2013. Pensioners are expected to see a £2.70 increase in their basic state pension, which the government states is in line with both average earnings and inflation.

Younger People

Those most impacted by rent increase are likely to be younger single people, on lower incomes that do not qualify for Housing Benefit. THH has identified that early intervention is particularly effective with this group when they are guided on money and debt management or directed to money advice agencies.

Women

Since women constitute 55% of tenancy holders, there will be a greater proportion of women impacted by the increase.

Non-dependants

Approx. £2.1m of annual income has been identified as being at risk following the non-dependant deductions in 12/13 due to further increases in non-dependant deductions.

Evidence Base

What initial evidence do we have which may help us to think about the impacts or likely impacts on service users?

Data and information has been used from the following:

- § Tower Hamlets Homes Tenancy Profile
- § DWP Benefits Analysis
- § THH Rent Arrears analysis
- § CACI Paycheck Data 2012

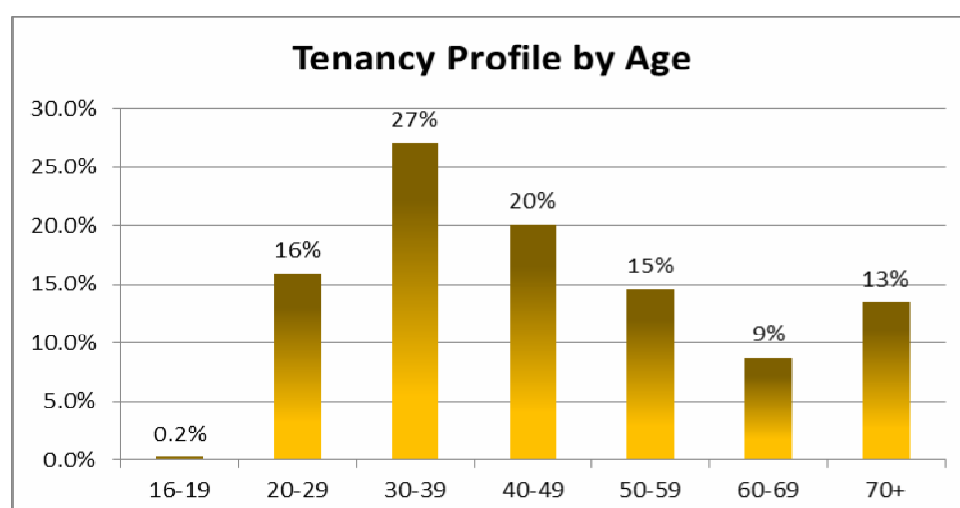
Stock Profile

Tower Hamlets currently owns 12,498¹ Council Homes, which are managed by Tower Hamlets Homes; the Council's ALMO (Arm's Length Management Organisation).

Table 1- Average Increase per dwelling - by bedsize

Bedsize	Average of Actual Rent 2012-13	Average of RENT CHARGE 13/14	Difference	Increase 13-14
0	75.36	79.11	£ 3.75	4.98%
1	87.98	92.09	£ 4.10	4.67%
2	100.03	104.36	£ 4.34	4.34%
3	112.38	117.21	£ 4.83	4.30%
4	126.38	131.63	£ 5.26	4.16%
5	140.63	146.47	£ 5.84	4.15%
6	143.40	149.49	£ 6.09	4.25%
7	150.52	156.15	£ 5.63	3.74%
8	180.83	184.44	£ 3.61	1.99%

Table 2 - Age Profile of Tenants



¹ SX3 Integrated Housing System Dec 2013)

**Table 3 - Average Weekly Rent by Bedsize
(2013-14)**

	Bedsit	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	6 Bed	7 Bed	8 Bed
Average LBTH	79.11	92.09	104.36	117.21	131.63	146.47	149.49	156.15	184.44
Target Rent	79.41	92.35	104.71	117.64	132.21	147.50	150.88	157.15	180.70

Socio – Economic – Median Gross Income

We know that 29% of Council tenants are not in receipt of any kind of benefit.

The median gross income in Tower Hamlets of £28,199

Housing Benefit

71% of Council tenants claim housing benefit. Housing Benefit covers 90-99% of rent for 48% of council tenants in receipt of Housing Benefit.

**Section 3 – Consideration of data and research
Identifying Differential / Adverse Impacts**

Target Groups What impact will the 'new' or 'significantly' amended policy or function have on specific groups of service users?	Impact – Positive or Adverse	Reason(s) <ul style="list-style-type: none"> • Please add a narrative to justify your claims around impacts and, • Please describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making • Can the negative impact be justified on the grounds of promoting equality?
Race	A	At 52.3% people of Asian heritage make up over half of Council tenants. People describing their ethnicity as White are the next largest group, making up 27.6% of tenants. White British people make up 19.2% of tenants. Whilst all households are affected. Those in smaller properties 0-1 bed sized properties are likely to face a slightly larger increase. Families of Bangladeshi descent tend to occupy larger family sized accommodation where the percentage increase is likely to be lower than for studios & one bedroom properties. As Somali tenants were twice as likely to be in arrears compared to White British tenants; and had a disproportionately lower take up of Housing Benefit; outreach and other advice services have been put in place to support this group. These initiatives will continue.
Disability		18.5% of Council tenants have some kind of disability. Currently a Disability Living Allowance or an attendance allowance may be claimed. This group will not suffer disproportionately from the proposed rent increase.
Gender	A	Females make up 55% of Council tenants. The rent increase does not disproportionately impact this group, however, since they make up more than half of the Council tenants, they will form a greater proportion of those impacted by the welfare reform non-dependant deductions which are being increased in 2013.
Gender		Whilst data collection with regards to this characteristic is in place a large proportion (41.6%) of people prefer not to

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Reassignment		<p>say.</p> <p>However, because the increase charge is not of a personal nature, it is not considered to disproportionately disadvantage people with this protected characteristic.</p>
Sexual Orientation		<p>A significant proportion (38%) of people prefer not to indicate their sexual orientation on monitoring forms, however because the increase charge is not of a personal nature the proposed rent increase is not considered to disproportionately disadvantage people with this protected characteristic.</p>
Religion or Belief		<p>The rent increase does not have disproportionately negatively impact on tenants due to their Religion or Belief.</p>
Age	A	<p>Over 77% of Council tenants are of working age and therefore and are likely to meet the Welfare Reform work requirements if they find themselves subject to the benefits cap.</p> <p>Tower Hamlets Homes, rents arrears analysis shows that age appeared to be the most indicative factor of a tenant's ability to pay/afford their rent.</p> <p>Tenants between 20-29 were three times more likely to experience difficulty in paying their rent and in turn had a higher level of rent arrears than those over 70.</p> <p>Older people on state pensions are not expected to be disproportionately disadvantaged as those on state pensions will receive pension increases above the average pay increases in 2011.</p>
Socio-economic		<p>Social Housing is generally the preferred option for people on lower incomes. The Government's "rent convergence" requires the rents on similar sized social housing in the same area should be equivalent, whether owned by a local authority, RSL or other provider.</p> <p>Rent practices proactively encourage the early take-up of HB to help tenants meet their rent payments. The take up of HB is currently high with 71% of THH tenants in receipt of Housing Benefit.</p>
Marriage and Civil Partnerships.		<p>Improved data collection over the past year enables better identification and classification of people in this area. The rent increase being applied to property rather than households does not disproportionately disadvantage people with this protected characteristic.</p>
Pregnancy and		<p>Based on data identifying people with this protected characteristic, the proposed rent increase being applied to property rather than households or individuals does not disproportionately disadvantage people with this protected</p>

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Maternity		characteristic.
Other		Tower Hamlets Homes, the ALMO (Arms Length Management Company) that manages the Council's homes has very effective system for collecting, recording and using information about their residents to ensure that the best use is made of contact with tenants, this includes tenants' communication preferences and other needs, including disability and vulnerability.

Section 4 – Conclusions and Recommendations

From the analysis and interpretation of evidence in Section 2 and 3 – Is there any evidence of or view that suggests that different equality or other target groups have a disproportionately high/low take up of the service/function?

Yes?

No?

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Recommendation	Key activity	Progress milestones including target dates for either completion or progress	Officer responsible	Progress
Provide guidance & advice sessions to 'high risk households'	Assist tenants to apply for Discretionary Housing Payments where applicable.			
Provide advice to tenants on benefits on potential impact on entitlements.	Implements a series of daytime and evening rent surgeries from September 2013 through to May 2013	All identified vulnerable household invited to surgeries by Dec 2012	THH Rent Teams	
Provide advice to non-dependants on the impact the changes will have on their entitlement.	Arrange Daytime evenings and weekend surgeries since	April 2012 to May 2013.		
Proactively identify and engage households likely to be affected by benefits to minimise the impact Identifying case that needs Employment support and referring them to partner	Identify cases likely to experience shortfall of £100+ bedroom tax impacted households Work with (44) high risk households identified as likely to be affected by benefit cap. Carrying out visits to all tenants affected by Benefits Cap/Bedroom Tax & Non-dependant deductions Hold 'rent surgeries' twice a week.	All impacted and affected households for both Bedroom Tax and Benefit Cap to have been seen by end of February 2013.	Beverley Greenidge - THH	

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<p>organisations for Advice on alternative housing options.</p> <p>Provide guidance & advice sessions to 'high risk households'</p>	<p>Book appointments with tenants for the most convenient day and time they want to be seen.</p> <p>Works with household to encourage non-dependants to contribute where possible</p> <p>Assist tenants to apply for Discretionary Housing Payments where applicable.</p>			
<p>Provide advice to tenants on benefits on potential impact on entitlements.</p>	<p>Implements a series of daytime and evening rent surgeries from September 2013 through to May 2013</p>	<p>All identified vulnerable household invited to surgeries by Dec 2012</p>	<p>THH Rent Teams</p>	

Have monitoring systems been put in place to check the implementation of the policy/function and recommendations?

Yes? No?

How will the monitoring systems further assess the impact on the equality target groups?

The above activities will be reviewed alongside measures that are in place to monitor the effectiveness of the rents pilot and impact on target groups.

Section 6 – Sign off and Publication

Name: (signed off by)	
Position:	
Date signed off: (approved)	

Section 7 Appendix – FOR OFFICE USE ONLY

Policy Hyperlink :

Equality Strand	Evidence
Race	
Disability	
Gender	
Sexual Orientation	
Religion and Belief	

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Age	
Socio-Economic	
Other	

Link to original EQIA	Link to original EQIA
EQIAID (Team/Service/Year)	

Annex A : Tenant Profile by Protected Characteristics

Table 1 - Tenant profile by Ethnicity

Ethnicity	% of tenants
White:British	19.22%
White:English	0.10%
White:Irish	1.29%
White: Any Other White Background	4.39%
White:Unknown	2.65%
Black Or Black British:African	2.72%
Black Or Black British:Caribbean	2.70%
Black Or Black British:Unknown	0.22%
Black Or Black British:Other Black	1.30%
Black Or Black British:Somali	3.40%
Black Or Black British:Other African	0.51%
Asian Or Asian British:Pakistani	0.52%
Asian Or Asian British:Bangladeshi	46.09%
Asian Or Asian British:Indian	0.74%
Asian Or Asian British:Vietnamese	0.65%
Asian Or Asian British:Chinese	0.57%
Asian Or Asian British:Other Asian	1.40%
Asian Or Asian British:Unknown	2.39%
Dual:Black African & White	0.56%
Dual:Black Caribbean & White	0.33%
Dual:Other	0.26%
Dual:Asian & White	0.15%
Any Other Ethnic Group	0.68%
Refused	6.92%
Unknown:Unknown	0.11%

100%

Table 2 - Tenant profile by Gender

Gender	% of tenants
Female	54.98%
Male	44.91%
Unknown	0.11%

100%

Table 3 - Tenant profile by Age

Age band	% of tenants
16-19	0.2%
20-29	16%
30-39	27%
40-49	20%
50-59	15%
60-69	9%
70+	13%

100%

Table 4 - Tenant profile by Disability

Disability	% of tenants
Not disabled	81.51%
Disabled	18.49%

100%

Table 5 - Tenant profile by Faith

Religion or belief	% of tenants
MUSLIM	48.51%
Prefer not to say	25.63%
CHRISTIAN	17.39%
NORELIGION	6.73%
JEWISH	0.60%
BUDDHIST	0.40%
OTHER	0.38%
HINDU	0.20%
SIKH	0.16%

100%

Table 6 - Tenant profile by Orientation

Sexual orientation	% of tenants
HETEROSEX	61.02%
Prefer not to say	38.17%
BISEXUAL	0.40%
GAY	0.36%
LESBIAN	0.06%

100%

Table 7 - Tenant profile by Gender Re-assignment

Gender reassignment	% of tenants
Gender as assigned at birth	58.10%
Prefer not to say	41.67%
Gender reassigned	0.23%

100%

Table 8 - Tenant profile by Marriage /Civil Partnership

Marriage and civil partnership	% of tenants
Married	86.95%
Single	9.71%
Separated Marriage/Civil Partnership	1.79%
Widowed	0.55%
Divorced	0.51%
Co-Habiting	0.46%
Refused	0.04%

100%

Table 9 - Pregnancy & Maternity

Pregnancy and maternity	42 households with expected babies
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