

Committee/Meeting: Cabinet	Date: 13 th February 2013	Classification: Unrestricted	Report No: CAB 74/123
Report of: Corporate Director Development and Renewal Originating officer(s) Chris Holme – Service Head Resources, Paul Leeson – Finance Manager, Katherine Ball – Senior Accountant, Development & Renewal		Title: Housing Revenue Account – Budget Report 2013/14 Adoption of Housing General Fund Capital Estimates Adoption of Development & Renewal Capital Estimates Wards Affected: All	

Lead Member	Housing and Development
Community Plan Theme	One Tower Hamlets
Strategic Priority	Ensuring Value for money across the Council

1. **SUMMARY**

- 1.1 This is the second report on the Housing Revenue Account (HRA) for 2013/14, and follows decisions of the Mayor in Cabinet on 9th January 2013 regarding rents and tenant service charges. This report seeks Mayoral approval of the draft HRA budget for 2013/14 as set out in Appendix 1, and of the Management Fee payable to Tower Hamlets Homes.
- 1.2 This report also seeks Mayoral approval for the adoption of various housing and non-housing capital estimates.

2. **DECISIONS REQUIRED**

The Mayor in Cabinet is recommended to:-

Revenue

- 2.1 Approve the draft 2013/14 Housing Revenue Account budget as set out in Appendix 1.
- 2.2 Approve the draft 2013/14 Management Fee payable to Tower Hamlets Homes (THH) of £32.429 million as set out in Table 3 in section 9.2.

- 2.3 Subject to 2.2 above, note that under the Management Agreement between the Council and THH, THH will manage delegated income budgets of £84.2 million and delegated expenditure budgets of £25.1 million on behalf of the Council in 2013/14.
- 2.4 Note the HRA Medium Term Financial Plan (2013-16) outlined in Appendix 2.

Capital

- 2.5 Adopt a capital estimate of £980,000 for the award of Disabled Facilities Grants, as outlined in paragraph 12.1, subject to funding being confirmed by the DCLG and the Department of Health.
- 2.6 Adopt a capital estimate of £250,000 in respect of Private Sector Improvement Grants, including Empty Property Grants, for 2013-14, to be financed from ring-fenced resources received from the East London Renewal Partnership (paragraph 12.2).
- 2.7 Agree to increase the capital estimate in respect of conservation works for Bethnal Green Terrace by £351,000, as outlined in paragraph 13.1.
- 2.8 Adopt a capital estimate of £320,000 in respect of pedestrian crossing works in Whitechapel Road, as outlined in paragraph 13.2.

3. REASONS FOR THE DECISIONS

- 3.1 The Mayor is required by the Local Government and Housing Act 1989 to determine a balanced Housing Revenue Account budget prior to the start of the new financial year. The Council must also approve the Management Fee payable to Tower Hamlets Homes so that it can fulfil its obligations under the Management Agreement to manage the housing stock on behalf of the Council.
- 3.2 In accordance with Financial Regulations, capital schemes must be included within the Council's capital programme, and capital estimates adopted prior to any expenditure being incurred. This report seeks the adoption of the necessary capital estimates for various schemes in order that they can be progressed.

4. ALTERNATIVE OPTIONS

- 4.1 The Council has a statutory duty to set a balanced HRA and provide Tower Hamlets Homes with the resources to fulfil its obligations under the Management Agreement. Whilst there may be other ways of delivering a balanced HRA, the proposals contained in this report are considered the most effective, having regard to the matters set out in the report.

5. BACKGROUND

- 5.1 The Housing Revenue Account (HRA) relates to the activities of the Council as landlord of its dwelling stock, and the items to be credited to the HRA are prescribed by statute. Income is primarily derived from tenants' rents and service charges, and expenditure includes repairs and maintenance and the provision of services to manage the Council's housing stock.
- 5.2 Since 1990 the HRA has been "ring-fenced"; this was introduced as part IV of the Local Government & Housing Act 1989 and was designed to ensure that rents paid by local authority tenants reflect the associated cost of services; this means that the HRA cannot subsidise nor be subsidised by Council Tax i.e. any deficits or surpluses that arise on the HRA cannot be met from or transferred to the General Fund. In addition, the HRA must remain in balance.
- 5.3 At its meeting on 9th January 2013, the Mayor in Cabinet considered the Housing Revenue Account and Rent Setting report which recommended an average weekly rent increase of £4.39 from April 2013. This rent increase has been incorporated into the 2013/14 HRA budget set out in Appendix 1.
- 5.4 This report is also seeking capital estimates for various Housing General Fund elements of the capital programme, as well as certain funding regimes that are administered by the Council.
- 5.5 The Council's Housing Strategy includes the following objectives:
- Delivering and maintaining decent homes
 - Place making and sustainable communities
 - Managing demand, reducing overcrowding
 - New housing supply

The investment programme addresses these aims where appropriate.

6. HRA 30 YEAR FINANCIAL MODEL

- 6.1 Since April 2012, HRA Self-Financing has been in place, with each Authority required to develop and maintain a 30 Year HRA Business Plan.
- 6.2 The modelling indicated that annual revenue surpluses would be generated over the first 10-15 years; these would subsequently be needed to fund the capital programme over the remaining part of the 30 year plan as the Authority would have reached its debt cap by that point, and would be unable to borrow any further to finance the capital programme. This will enable the anticipated required capital works to be delivered over the life of the Business Plan - including the delivery of the enhanced Decent Homes programme over the early years of the model.

7. PROJECTED OUTTURN 2012/13

- 7.1 Appendix 1 shows the agreed 2012/13 HRA budget. On December 5th 2012, the Mayor in Cabinet considered the Performance and Corporate Budget Monitoring Report (Quarter 2), which reported that the HRA was forecast to underspend by £0.425m, this will be used for future capital investment, as outlined in paragraph 6.2.

8. RISKS

- 8.1 A number of recent Cabinet decisions relate to the HRA and will affect the viability of the 30 Year Financial Model. In addition there are a number of risks to the HRA that have emerged since the initial modelling was undertaken; the most substantial being various Welfare Reform changes and the reinvigorated Right to Buy scheme.

8.2 Welfare Reform

8.2.1 Changes to the Benefits System

There are a number of changes being made to the benefits system that will lead to budget pressures within the HRA. The main changes that will affect THH tenants are set out below.

(1) Benefit Cap

Under the new rules an upper limit will be applied to claimants, so that:

- No family household will receive more than £500 per week
- No single person household will receive more than £350 per week

Originally the benefit cap was to come into effect across the country from April 2013. In December 2012 the government announced that from April 2013 the cap would only apply in four London Boroughs, (Bromley, Croydon, Enfield & Haringey) before being rolled out across the country by September 2013. It is not yet known when the benefit cap will take effect in Tower Hamlets.

(2) Under-occupancy

From April 2013, if a tenant is of working age the Government will no longer pay full housing benefit if they are under-occupying their home. Where claimants are assessed as under-occupying by one bedroom, housing benefit will be reduced by 14%; estimated to be £12.50 a week for a three bedroom home. If under-occupying by 2 bedrooms or more, housing benefit will be reduced by 25%; estimated to be £22.50 a week for a three bedroom home.

(3) Universal Credit and Direct Payments

From October 2013, Universal Credit will be introduced to replace income-based Job Seekers' Allowance, income-related Employment & Support Allowance, Income

Support (including Support for Mortgage Interest), Working Tax Credits, Child Tax Credits and Housing Benefit.

Direct Payments will be made to claimants' bank accounts on a monthly basis, starting in October 2013 for new claimants and people with a change of circumstances, and gradually then extended to all claimants by the end of 2017.

8.2.2 Impact on Tower Hamlets tenants

Benefit Cap

Latest figures from the Department for Work and Pensions (DWP) indicate that approximately 150 THH tenanted households will find that their current benefits are more than the new capped amounts, and their benefits will therefore be reduced. The average loss for these households is estimated to be roughly £3,500 a year, and will mean that, potentially, over £500,000 of income will be harder for Tower Hamlets Homes to collect.

(1) Under-occupancy

It is estimated that approximately 1,000 households will be affected by the under-occupancy cap, with an average loss for these households is roughly £900 a year, meaning that, potentially, over £900,000 of income will be harder to collect.

(2) Universal Credit and Direct Payments

Data was released by the DWP in December 2012 relating to six demonstration projects from around the country. In terms of the scale of these, 6,220 tenants across the UK were paid directly in the first four months of the projects.

Across the different areas, levels of rent payments by tenants ranged from 88% to 97%; on average therefore, landlords testing direct payment of benefit failed to collect 8% of rent in the first four months.

8.2.3 Impact of Welfare Reform changes on the HRA

The impact on the HRA of these changes will not be clear until they take effect, however for planning purposes, provision has been made in the 2013/14 budget to reflect the possibility of an increase in bad debts equivalent to 3% of the 2013/14 rental income budget.

The MTFP (Appendix 2) assumes that the level of bad debts will reduce in 2014/15 and 2015/16, however as Universal Credit & Direct Payments take effect in stages, any adverse effect on income will be felt over several financial years, and the current level of budget provision may need to be reviewed.

The extent to which HRA budget pressures caused by welfare changes prove to be temporary in nature will depend on the Council's response to future cases of rent arrears. If tenants cannot pay their rent in full, this will lead to an ongoing budget

pressure, and as rent constitutes the main source of income for the HRA, this could have a significant impact on the future viability of the HRA.

8.3 Right to Buy

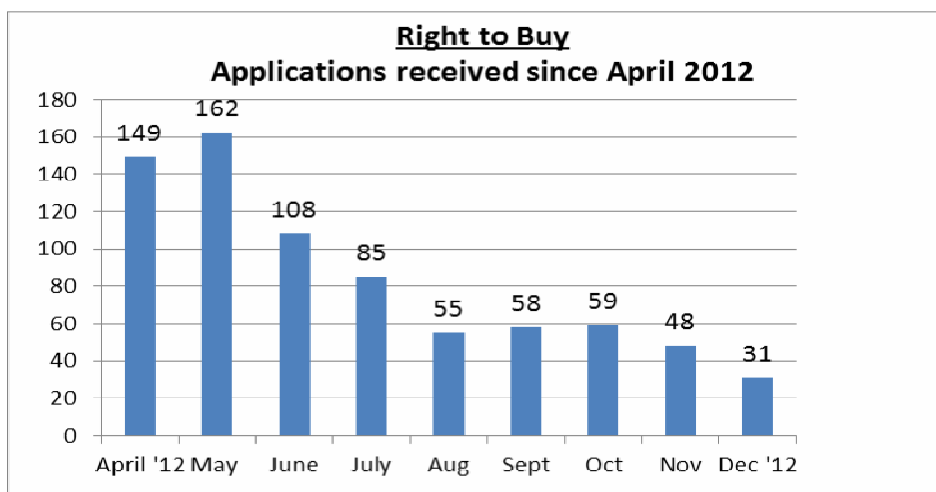
8.3.1 Changes to the Right to Buy Policy

From April 1st 2012 the maximum Right to Buy discount offered to tenants in London increased to £75,000. The government also allowed Local Authorities to enter into an agreement with the Secretary of State whereby they would be allowed to retain part of the receipt from Right to Buy sales, providing that the retained receipts were spent on the re-provision of social housing within three years, and limited to a maximum of 30% of the cost of the re-provision.

Tower Hamlets returned its signed agreement to the Department of Communities & Local Government in September 2012, and the agreement takes effect from the second quarter of 2012/13. The Authority is able to terminate the agreement in future if it wishes; in that case the retained receipts would no longer be retained by the Authority and would be payable to the government.

8.3.2 Right to Buy Applications

Between April and December 2012, 755 Right to Buy applications were received by Tower Hamlets Homes.



Graph 1 – RTB Applications received since April 2012

8.3.3 Right to Buy Sales to Date

There have been five Right to Buy sales since April 2012, all with the maximum discount of £75,000, with an average receipt of £90,000 received by the Council. It is anticipated that successful applications received after April 2012 will take between nine and 15 months to complete.

8.3.4 Future Right to Buy Sales

Modelling the number and timing of future sales is difficult; the current unfavourable economic conditions may mean that the number of sales could be relatively low, and in addition, some tenants may not fully appreciate the responsibilities arising from being a leaseholder, and once aware, may decide not to continue with their application.

However, the increased discount is substantial and the Department for Communities & Local Government has carried out a marketing campaign promoting its reinvigorated right to buy policy direct to tenants. Tower Hamlets Homes estimates that 12% of applications received will reach completion, although a trend will only be discernible as sales take place in greater numbers.

8.3.5 Impact of Right to Buy Sales on the HRA

As sales take place and properties change from tenanted to leasehold, there is a net loss to the HRA of approximately £4,800 per property per year.

For budget planning purposes it has been assumed that there will be 100 sales in both 2012/13 & 2013/14, and then approximately 20 in both 2014/15 and 2015/16. The HRA 30 Year Financial Model originally assumed a much lower number of sales in 2012/13 and 2013/14 - as per the government's projections dating from prior to the changes to the Right to Buy scheme being announced. Table 1 below shows the loss of 2013/14 rental income as a result of these projected additional sales.

	Projected additional sales	Loss of income from 2012/13 sales	Loss of income from 2013/14 sales	Total
2013/14	91	£0.4m	£0.2m	£0.6m

Table 1 – Loss of 2013/14 rental income due to projected RTB sales in 2012/13 & 2013/14

8.4 Leaseholder Recovery

8.4.1 Leaseholders represent approximately 40% of the HRA stock, and where capital works required are of an external or communal nature, they are required to contribute to their share of the costs. At its meeting on January 9th 2013, the Mayor in Cabinet agreed a number of changes relating to leaseholder payment options, including the introduction of a discount for early payment of major works invoices, and amended interest free payment options.

8.4.2 Whilst it is anticipated that the new payment options will lead to an improved collection rate for major works, it remains crucial that leasehold major works debt is pursued in a robust manner, and that the impact of these policies on the Authority's cashflow is kept under review. The HRA 30 Year Financial Model assumes a certain level of leaseholder major works recovery, and if this is not achieved, this will result in a budget pressure within the HRA.

8.5 Interest Rates and Debt

- 8.5.1 Over the next few years, the Authority will need to prudentially borrow in order to finance the capital programme. Although interest rates are currently at historically low levels, they will not remain so indefinitely; additionally, with a residual loan portfolio mostly consisting of variable rate market loans, the HRA will be exposed to interest rate risks.

9. DRAFT BUDGET 2013/14

9.1 Inflation

- 9.1.1 September 2012's inflation indices were as follows; the Retail Price Index (RPI) - on which the following year's rent increase is based - was 2.6% and the Consumer Price Index (CPI) was 2.2%. CPI has risen since September, with the latest reported figure being 2.7%.

9.1.2 Rent Increase

The HRA Settlement assumed that local authorities would achieve rent convergence in 2015/16 in line with the government's rent restructuring policy, and then implement subsequent annual rent increases of RPI + 0.5%.

On January 9th 2013 the Mayor in Cabinet agreed an average 2013/14 rent increase of 4.47% - equating to £4.39 per week - and this level of rent increase has been incorporated into the 2013/14 budget figures at Appendix 1.

9.1.3 Tenant Service Charges

On January 9th 2013 the Mayor in Cabinet agreed an average 2013/14 increase in tenant service charges of £0.25 per week. This level of tenant service charges is reflected in the 2013/14 budget figures at Appendix 1.

9.1.4 2013/14 Inflation - salaries

The General Fund medium term financial plan provides for an assumed 1% inflationary uplift on salaries in 2013/14 and 2014/15, and this has been replicated for the HRA where salaries constitute approximately £20m of the management fee. The management fee calculation includes a sum to reflect this inflationary uplift.

9.1.5 2013/14 Inflation - other

In line with the General Fund medium term financial plan which provides for an assumed 2.5% inflationary uplift on other prices in 2013/14, most other expenditure items within the HRA have been uplifted by this amount.

9.1.6 2013/14 Inflation - energy

Current forecasts for 2013/14 energy contract prices are shown in Table 2 below.

Gas & Power	2013/14 forecast increase
Gas*	4.4 – 5.9%
Half Hourly Electricity**	4.9 – 5.4%
Non Half hourly Electricity***	3.81 – 6.78%
Unmetered supply****	1.4%

Table 2 – Forecast 2013/14 energy contract increases

*73% of our gas has been already been procured for 2013/14

**83% of the half hourly electricity has already been procured for 2013/14

***this purchasing strategy varies as the commodity is less volatile than the two above

****10% of the unmetered supply has been procured, this is the least volatile of all and increases / decreases tend to be less significant

9.2 Management Fee

9.2.1 In February 2012, The Mayor in Cabinet approved the 2012/13 Management Fee payable to THH for services provided to the Council. At £32.215 million, the Management Fee represented the largest single expenditure element of the HRA 2012/13 budget.

9.2.2 In order to mitigate against the anticipated impact of the risks detailed at 8.2 & 8.3, the 2013/14 Management Fee reflects savings of £1.332 million.

9.2.3 Table 3 below shows the calculation of the 2013/14 Management Fee payable to Tower Hamlets Homes.

Description	Total Fee £'000
Base Budget 2012/13	32,215
2013/14 savings to mitigate against risks (RTB & Welfare Reform)	-1,332
Fee to reflect increased capital programme in 2013/14*	955
Inflation on salaries (1%)	201
Inflation on repairs element of management fee	45
Additional items –lease costs, Welfare Reform & HR Self-Service	255
TMO management cost (transferred from delegated budget)	90
Indicative Management Fee 2013/14	32,429

Table 3 – Calculation of the 2013/14 Management Fee

* For the purposes of the indicative management fee, a 2013/14 capital programme of £53m has been assumed. Although certain elements of the 2013/14 capital programme have already been approved, a report will be presented to Cabinet in due course regarding the full 2013/14 programme of works, the remaining

capital estimates to be adopted and the financing sources. This will incorporate the non Decent Homes element of the programme, as well as detailed profiling of the Decent Homes programme. The level of the management fee relating to the delivery of the capital programme will be adjusted – if necessary – at this stage.

- 9.2.4 The major budgetary savings must by necessity be delivered from the management fee. In addition, Table 4 shows a number of additional savings that have been built into the 2012/13 budget.

Description	Amount £'000
Reduction in Special Services budget (energy costs)	-500
External decorations saving (Repairs & Maintenance)	-250
Special Services savings (cleaning)	-100
Reduction in Lettings recharge	-200
	-1,050

Table 4 – Other 2013/14 HRA savings

- 9.2.5 Overall Savings

Overall, the 2013/14 HRA budget includes gross savings of £2.382m, although as some of the savings will result in lower service costs there will be a consequent reduction in leaseholder income. Therefore the net impact of the 2013/14 savings is £1.811m.

10. MEDIUM TERM FINANCIAL PLAN

- 10.1 Appendix 2 shows the HRA Medium Term Financial Plan (MTFP) for the period 2013-2016.
- 10.2 The MTFP incorporates various income and expenditure assumptions and includes known changes that will affect the budget, including the effects of changes to stock numbers due to the impact of various regeneration schemes. As can be seen, the HRA is balanced over the three year period of the MTFP, with the current planning assumption being that anticipated revenue surpluses will contribute to the financing of the HRA capital programme.
- 10.3 As referred to in paragraph 8.2.3, the MTFP currently assumes that the level of bad debts will increase in 2013/14, but subsequently reduce in 2014/15 and ultimately return to historic levels in 2015/16. However, as the cumulative impact of the various Welfare Reforms take effect, this assumption will be reviewed, and the budgeted provision may need to be increased.
- 10.4 As highlighted in paragraph 8.3.5, the assumptions in the MTFP about the number of future Right to Buy sales will need to be kept under review. If sales are higher than currently assumed, compensatory savings will need to be made in order to offset the loss of the income to the HRA.

10.5 Regeneration Schemes

- 10.5.1 At its meeting on January 9th 2013 the Mayor in Cabinet agreed the recommendation of the procurement evaluation panel to appoint bidder 1 as its preferred partner, to authorise officers to proceed with the final stage of procurement in finalising the Development Agreement, and to adopt a capital estimate to the value of £36m for the development of the Poplar Baths and Dame Colet sites.
- 10.5.2 The HRA MTFP includes indicative figures in 2014/15 and 2015/16 to reflect the anticipated annual revenue income and expenditure associated with the scheme. Because the scheme is treated for accounting purposes as a finance lease, it impacts on the Authority's debt cap, and the Authority will reach its cap earlier than originally anticipated. The notional borrowing on the Poplar Baths/ Dame Colet House schemes will reduce the resources available to finance the necessary planned capital expenditure within the 30 year HRA financial model and therefore these resources must be replenished; assumed total savings to the sum of £0.7m have been incorporated into the HRA Medium Term Financial Plan to address this.
- 10.5.3 Going forward, the HRA 30 Year Financial Plan provides the possibility for limited new supply development.

11. HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

- 11.1 The Council's projected three year capital programme is included with the 'General Fund Revenue and Capital' report elsewhere on this agenda. This incorporates indicative funding of £216 million for the Housing Revenue Account element of the capital programme over the three year period from 2013-14 to 2015-16, which is summarised in Table 5 below, and detailed in Appendix 3.

	2013/14 £m	2014/15 £m	2015/16 £m
Indicative HRA Programme	78.48	76.59	61.00

Table 5 – Summary HRA Capital Programme 2013/14 to 2015/16

Mainstream HRA Capital Programme - Non Decent Homes

- 11.2 Although Members have already approved certain elements of the programme, it will be necessary for a future Cabinet to adopt capital estimates for the remainder of the programme. The HRA Business Plan identifies £15.933m of available resources earmarked for 2013/14 to fund the non Decent Homes element of the HRA capital programme. A report proposing capital schemes to be financed from these uncommitted resources will be considered by Cabinet in due course.

12. ADOPTION OF HOUSING GENERAL FUND CAPITAL ESTIMATES

12.1 Disabled Facilities Grants

12.1.1 Mayoral approval is sought to formally adopt a capital estimate of £980,000 for the inclusion of the Private Sector Disabled Facilities Grant programme within the General Fund element of the housing capital programme, subject to funding being confirmed by the DCLG and the Department of Health.

12.2 Private Sector Renewal Grant

12.2.1 Mayoral approval is sought to formally adopt a capital estimate of £250,000 for the inclusion of the Private Sector Renewal Grant programme within the General Fund element of the housing capital programme. These resources will support the aims and objectives of the Council's Private Sector Housing and Empty Properties Framework, including Home Repairs Grants for minor aids and adaptations, energy efficiency, minor repairs, home security, hazard removal and relocation assistance; Empty Property Grants and Discretionary Disabled Facilities Grants. The scheme will be financed from ring-fenced resources received from the East London Renewal Partnership.

13. ADOPTION OF NON HOUSING CAPITAL ESTIMATES

13.1 Bethnal Green Terrace

13.1.1 The Bethnal Green Terrace Project has previously been approved by Members, and is funded from English Heritage Grant, Section 106 resources and Local Authority Business Growth Initiative (LABGI) grant. The Council has now secured additional grant funding from English Heritage (£291,000) and specific Section 106 resources (£60,000) to complete the final phase of the project. Although the additional works are externally funded, in accordance with Financial Regulations, the existing capital estimate must be increased by £351,000 prior to the additional works being commissioned. This report seeks the adoption of the necessary revised capital estimate in order that the scheme can progress.

13.2 Whitechapel Road Pedestrian Crossing

13.2.1 Transport for London is undertaking a project to improve a pedestrian crossing outside the East London Mosque in Whitechapel Road. The works will include improvements to the footways and enhancements to the overall urban realm. Funding for the project is derived through Section 106 resources which are specific to this project. Although the Section 106 agreements specify the use of the funding, in accordance with Financial Regulations, capital schemes must be included within the Council's capital programme, and capital estimates adopted prior to any expenditure being incurred. This report therefore seeks the adoption of the necessary capital estimate of £320,000 in order that the Section 106 resources can be transferred to Transport for London.

14. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 14.1 This report sets out the proposed budget for the Housing Revenue Account for 2013/14 and also asks Members to approve the draft management fee payable to Tower Hamlets Homes to manage the dwelling stock on behalf of the Authority.
- 14.2 The budgets have been prepared by the Authority in conjunction with Tower Hamlets Homes, in accordance with the terms of the management agreement. Section 9 of the report outlines the efficiency and other savings that have been incorporated across delegated budgets, and within the management fee.
- 14.3 The Council is required to maintain a reasonable level of reserves in the HRA to mitigate possible financial risks. Since April 2012 the Authority has been responsible for the financing of all HRA expenditure, including the capital works necessary to maintain and improve the housing stock, including completion of the Decent Homes programme. All future capital work will be funded through a combination of, primarily, borrowing (within the constraints of HRA Business plan viability and the HRA's debt cap), contributions from reserves, leaseholder contributions and grants.
- 14.4 Although the 2013/14 budget incorporates significant savings, it is essential that the process is continued, in conjunction with Tower Hamlets Homes, to identify and generate further efficiencies and savings within this and future years' budgets, to ensure that the Council complies with its statutory requirement to maintain a balanced Housing Revenue Account, and that the capital investment programme is fully financed.
- 14.5 This report outlines the indicative HRA Housing Investment Programme for 2013-14 to 2015-16 (Appendix 3). The programme will be financed through available resources identified within the Authority's HRA 30 Year Financial Model. The capital estimates for the main elements of the Decent Homes programme are already in place, however a report will be submitted to a future Cabinet meeting outlining proposals for the non-Decent Homes projects to be adopted within the mainstream HRA Programme. This will be in line with the available resources detailed in this report.
- 14.6 The indicative capital programme proposed in this report will be undertaken over the same time period as the currently ongoing substantial Decent Homes programme. In a capital programme of this size over a long period, there will inevitably be changes to the scope and timing of some schemes as they are worked up and detailed consultation takes place. It is therefore important that sufficient flexibility exists within the programme to ensure that schemes can be managed in line with available resources, and to ensure that, in particular, the Authority maximises its external year-specific financing, e.g. Decent Homes backlog funding.
- 14.7 The capital programme will continue to be managed robustly in line with resources available, with commitments only being entered into if they remain affordable within the HRA 30 Year Financial Model.

- 14.8 It should be noted that a significant element of the costs of the capital programme will be chargeable to leaseholders, and although the Authority will be required to finance the works initially, it is vital that all costs are appropriately recharged in accordance with the terms of the lease.
- 14.9 The report seeks the formal adoption of a capital estimate of £980,000 to fund the Authority's Disabled Facilities Grant regime. As outlined in paragraph 12.1, the resources to fund this programme are assumed to consist of the anticipated DCLG grant funding of £730,000, plus £250,000 from within the Department of Health Personal Social Services capital grant. Confirmation of this funding is awaited and if the external funding is not at the level anticipated, the programme will have to be adjusted in line with the specific resources allocated.
- 14.10 This report also seeks the adoption of capital estimates for Private Sector Renewal Grants and Section 106 funded schemes (paragraphs 12.2, 13.1 and 13.2). Resources are already held to fully finance these projects, but although the financing is specific to these schemes, under the Council's Financial Regulations, capital estimates must first be approved in order that the initiatives can be included within the capital programme prior to any expenditure being incurred.

15. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 15.1 The report proposes that the Mayor approves the HRA budget for 2013/2014. The Council is subject to an obligation under Part VI of the Local Government and Housing Act 1989 to maintain a housing revenue account (HRA). The Council is required to prepare proposals in January and February each year relating to the income of the authority from rents and other charges, expenditure in respect of repair, maintenance, supervision and management of HRA property and other prescribed matters. The proposals should be based on the best assumptions and estimates available and should be designed to secure that the housing revenue account for the coming year does not show a debit balance. The report sets out information relevant to these considerations.
- 15.2 The Mayor is asked to agree the management fee for Tower Hamlets Homes. Schedule 6 of the management agreement with Tower Hamlets Homes provides the method for calculation of the management fee. The report proposes that the management fee reflect specified savings and it is understood that the proposed management fee is put forward as an amount that it would be reasonable for the Council to pay for the services provided by Tower Hamlets Homes.
- 15.3 The report seeks approval for capital estimates in relation to a variety of schemes. In compliance with section 151 of the Local Government Act 1972, the Council has in place Financial Regulations and Financial Procedures. The Financial Regulations set a threshold of £250,000, above for which Cabinet approval is required for a capital estimate. The Financial Procedures supplement this requirement. The various capital schemes must be capable of being carried out within the Council's statutory powers. To the extent that the details of the schemes appear from the body of the report, it does appear that the proposed works do meet this requirement. In

particular the maintenance and repair of dwellings and may be considered consistent with the Council's repairing obligation under section 11 of the Landlord and Tenant Act 1985.

- 15.4 The Council administers the disabled facilities grant scheme under Part 1 of the Housing Grants, Construction and Regeneration Act 1996. The Secretary of State makes a contribution to the expenditure incurred, but there is no barrier to a further allocation being made by the Council if the cost of the scheme exceeds the government contribution. The Council has obligations to provide aids and adaptations under a variety of legislation.
- 15.5 It will be for officers to ensure that individual commitments are carried out in accordance with legal requirements. The terms of specific grant funding must be complied with, as must the terms of any section 106 agreement under which funding is to be made available. Any procurement associated with works or projects must be carried out in accordance with the Council's procurement procedures and the requirements of the Public Contract Regulations 2006. If the costs of works are to be recharged to leaseholders must comply with the statutory consultation requirements.
- 15.6 Before agreeing any of the report's recommendations, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. Information relevant to these considerations is contained in section 16 of the report.

16. ONE TOWER HAMLETS CONSIDERATIONS

- 16.1 The Council is required to agree a balanced housing revenue account, which means striking a balance between maximising resources available to the Council for social housing purposes and avoiding undue additional hardship to vulnerable tenants. In conjunction with Officers from Tower Hamlets Homes, an Equalities Impact Assessment has been undertaken in relation to the proposed rent increases. The analysis was provided to the Mayor in Cabinet in January 2013 and is appended to this report for the sake of convenience. The analysis of THH tenants has provided a detailed understanding of the most vulnerable tenants, and the action plan set out in the Equalities Impact Assessment has identified a number of mitigating actions which, once implemented, would ensure that the most vulnerable tenants are supported. Actions include enhancing the provision of advice and guidance for the most vulnerable tenants, ensuring that there is continuous analysis of the impacts on tenants, particularly the non-housing benefit claimants as well as continuous analysis and assessment of the Welfare Reforms once the proposals are implemented in earnest post 2013. The Action Plan will be continuously monitored to ensure that these actions are being progressed.
- 16.2 The savings expected from Tower Hamlets Homes, which are reflected in the proposed management fee will have to be implemented by Tower Hamlets Homes in a manner consistent with the Equality Act 2010. Some equality analysis has already been carried out by Tower Hamlets Homes as part of the implementation process.

17. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

17.1 There are no specific implications arising from the recommendations in this report.

18. RISK MANAGEMENT IMPLICATIONS

18.1 Since the introduction of Self-Financing, Tower Hamlets is responsible for running its HRA as a viable business, using HRA income in order to fund all HRA expenditure, including the capital works necessary to maintain and improve the housing stock, and the Decent Homes programme.

18.2 Various areas of risk and uncertainty are highlighted in section 8. Over the next few months, it will be essential to review and update the HRA medium-term financial strategy to reflect economic conditions and policy changes.

19. CRIME AND DISORDER REDUCTION IMPLICATIONS

19.1 There are no significant implications arising from these specific recommendations.

20. EFFICIENCY STATEMENT

20.1 Efficiency savings have been incorporated into the draft budget in order to ensure that the HRA remains in balance. Projects will be undertaken in partnership with Tower Hamlets Homes to identify further ongoing efficiency savings to ensure that the HRA remains sustainable in the longer term.

21. APPENDICES

Appendix 1 – HRA Draft Budget 2013/14

Appendix 2 – HRA Medium Term Financial Plan projections 2013-2016

Appendix 3 – Indicative HRA Capital Programme – 2013/14 to 2015/16

Appendix 4 – Equality Impact Assessment - Rent Review 2013/14

**Local Authorities (Executive Arrangements) (Meetings and Access to Information)
(England) Regulations 2012**

List of “Background Papers” used in the preparation of this report

There are no working papers applicable to this report

HOUSING REVENUE ACCOUNT

DRAFT BUDGET 2013/14

2012/13	Housing Revenue Account	2012/13	2012/13	2013/14
Approved Budget		Latest Budget	Projected Outturn	Draft Budget
£,000		£'000	£'000	£'000
	INCOME			
(63,200)	Dwelling Rents	(63,200)	(62,812)	(65,300)
(3,495)	Non-dwelling Rents	(3,495)	(3,543)	(3,653)
(6,762)	Tenant Charges for Services & Facilities	(6,762)	(6,620)	(6,749)
(10,100)	Leaseholder Charges for Services & Facilities	(10,100)	(10,661)	(10,500)
(115)	Contributions towards expenditure	(115)	(115)	(115)
-	HRA Subsidy Receivable	-	-	-
(83,672)	GROSS INCOME	(83,672)	(83,751)	(86,317)
	EXPENDITURE			
21,411	Repair & Maintenance	21,411	21,567	21,795
25,215	Supervision & Management	25,215	23,922	23,458
14,034	Special Services	14,034	13,676	13,023
3,076	Rents, Rates, Taxes and other charges	3,076	3,014	3,049
900	Provision for Bad Debts	900	900	1,900
1,853	Interest Payable - Item 8	1,853	1,812	3,105
15,174	Depreciation - HRA Dwellings	15,174	15,174	14,086
1,493	Depreciation - Non Dwellings	1,493	1,758	1,552
76	Debt Management Costs	76	76	76
83,233	GROSS EXPENDITURE	83,233	81,899	82,044
(440)	NET COST OF HRA SERVICES	(440)	(1,852)	(4,272)
175	Amortisation of Premiums & Discounts	175	175	(78)
(51)	Supporting People Contribution	(51)	-	-
(190)	Interest & Investment Income	(190)	(190)	(160)
(507)	(SURPLUS)/ DEFICIT ON HRA	(507)	(1,867)	(4,510)
	Appropriations			
2,000	Revenue Contribution to Capital Expenditure	2,000	3,200	6,062
1,493	NET POSITION	1,493	1,333	1,552
(1,493)	Contribution from Major Repairs Reserve	(1,493)	(1,758)	(1,552)
-	NET POSITION AFTER RESERVE DRAWDOWN	-	-	-
	Balances			
(12,786)	Opening balance	(12,786)	(14,578)	(15,003)
-	Net (Surplus)/ Deficit on HRA	-	(425)	-
(12,786)	Closing balance	(12,786)	(15,003)	(15,003)

MEDIUM-TERM FINANCIAL PLAN 2013/14 – 2015/16

INDICATIVE HRA BUDGETS

Housing Revenue Account	2013/14	2014/15	2015/16
	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000
INCOME			
Dwelling & non dwelling rents	(68,953)	(71,229)	(72,959)
Tenant & Leaseholder service charges	(17,249)	(17,680)	(18,122)
Investment Income received	(160)	(160)	(160)
General Fund contributions	(115)	(115)	(115)
GROSS INCOME	(86,477)	(89,184)	(91,356)
EXPENDITURE			
Repairs & Maintenance	21,795	22,343	23,154
Supervision & Management	23,458	23,813	23,801
Special Services, Rents rates & taxes	16,072	16,859	17,422
Increased provision for bad debts	1,900	1,400	900
Capital Financing charges	18,741	18,604	19,136
GROSS EXPENDITURE	81,966	83,018	84,413
NET COST OF HRA SERVICES	(4,510)	(6,166)	(6,944)
Appropriations			
Revenue Contribution to Capital Outlay (RCCO)	6,062	7,757	8,574
NET POSITION	1,552	1,591	1,630
Balances			
Opening balance	(15,003)	(15,003)	(15,003)
Revenue Contributions from Major Repairs Reserve (Surplus)/ Deficit on HRA	(1,552) 1,552	(1,591) 1,591	(1,630) 1,630
Closing balance	(15,003)	(15,003)	(15,003)

**INDICATIVE HRA CAPITAL PROGRAMME
2013/14 – 2015/16**

	2013-14 £m	2014-15 £m	2015-16 £m	Total £m
<u>Anticipated Expenditure</u>				
<u>Capital Estimates already in place:</u>				
Decent Homes Programme	33.77	46.00	-	79.77
Ocean Estate Regeneration	6.19	-	-	6.19
Blackwall Reach	2.59	-	-	2.59
Dame Colet House / Poplar Baths (HRA Element)	-	-	16.00	16.00
	42.55	46.00	16.00	104.55
<u>Schemes under Development:</u>				
Notional Residual Decent Homes Capital Profiling	20.00	16.47	-	36.47
Non Decent Homes Schemes	15.93	14.12	23.00	53.05
Watts Grove	-	-	22.00	22.00
Indicative HRA Capital Programme	78.48	76.59	61.00	216.07
<u>Summarised Assumed Financing</u>				
Decent Homes Backlog Funding	25.00	46.00	-	71.00
Major Repairs Reserve	15.00	15.00	15.00	45.00
Net Use of HRA and other Balances / Unsupported Borrowing	29.70	15.59	8.00	53.29
Section 106 and Earmarked Capital Receipts (re Ocean Estate and Blackwall Reach)	8.78	-	-	8.78
Credit Approvals	-	-	38.00	38.00
	78.48	76.59	61.00	216.07

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 the property was owned by the local authority or a social housing provider; this is known as rent convergence. Under the HRA Subsidy system each year, the Department of Communities and Local Government issued a “guideline” rent level to which councils should move their present rents in order to help them reach rent convergence in 2015/16. The HRA Self-Financing Final Settlement assumed that Authorities will continue with rent restructuring.

The formula for calculating rent increases in order to follow rent restructuring for local authorities is RPI + 0.5% plus £2 per week. The reference point for RPI is the September in the year preceding the start of the financial year to 31 March.

Who is expected to benefit from the proposal?

The rent increase will directly benefit all those affected (i.e. council tenants), as all rental income is used to fund housing management services and the Housing Capital Programme. The Housing Capital Programme is the means by which the housing stock is bought up to, and maintained at a Decent Homes standard.

The rental income is “ring-fenced” to the Housing Revenue Account, ensuring that it is used for no other purpose.

Is this a policy or function? Policy Function

Is this a new or existing policy or function? New Existing

Is the policy or function strategic, developmental or operational/functional?

Strategic Developmental Operational/Functional

Date when the original policy/function was initiated: Council housing, for which tenants paid a lower market rent, was developed as early as 1919 when council homes were built to meet general needs.

Date on which the policy/function is to be reviewed: Rent levels are reviewed on an annual basis. The last rent review was approved by Cabinet in February 2012.

Names and roles of the people carrying out the Equality Analysis:

- Dyana Browne – Project Lead
- James Caspell – Customer Insight Officer, Diversity, Tower Hamlets Homes
- Katherine Ball – Senior Accountant
- Aman Berhanu – Resources and Business Support Analyst, Tower Hamlets Homes
- Beverley Greenidge – Head of Rents, Tower Hamlets Homes
- Chris Smith – Head of ICT, Risk & Contract Governance, Tower Hamlets Homes

Section 2 – Evidence**Key Findings**

Profile of Council tenants is set out in Annex A to this document.

The average rent increase proposed is £4.39 per week, equating to 4.47%. This increase is below last 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%

¹ SX3 Integrated Housing System Dec 2013)

Table 2 - Age Profile of Tenants

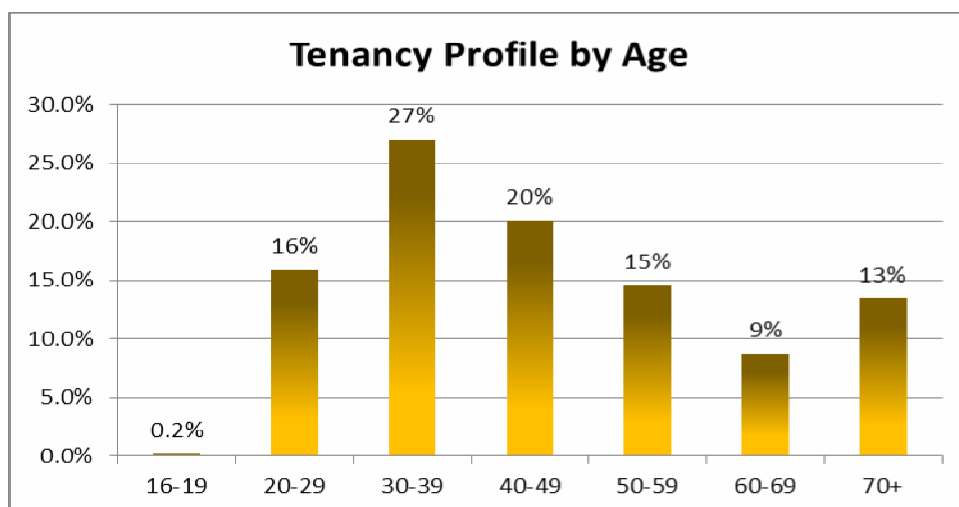


Table 3 - Average Weekly Rent by Bedsize (2013-14)

	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	<p>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.</p> <p>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.</p> <p>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.</p>
Disability		<p>18.5% of Council tenants have some kind of disability. Currently a Disability Living Allowance or an attendance allowance may be claimed.</p> <p>This group will not suffer disproportionately from the proposed rent increase.</p>
Gender	A	<p>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.</p>
Gender		<p>Whilst data collection with regards to this characteristic is in place a large proportion (41.6%) of people prefer not to</p>

ANNEX 1

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</p>

ANNEX 1

Maternity		property rather than households or individuals does not disproportionately disadvantage people with this protected 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?

Section 5 – Action Plan and Monitoring Systems

Recommendation	Key activity	Progress milestones including target dates for either completion or progress	Officer responsible	Progress
<p>Proactively identify and engage households likely to be affected by benefits to minimise the impact</p> <p>Identifying case that needs Employment support and referring them to partner organisations for Advice on alternative housing options.</p>	<p>Identify cases likely to experience shortfall of £100+ bedroom tax impacted households</p> <p>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</p> <p>Hold 'rent surgeries' twice a week.</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>All impacted and affected households for both Bedroom Tax and Benefit Cap to have been seen by end of February 2013.</p>	<p>Beverley Greenidge - THH</p>	

ANNEX 1

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	

ANNEX 1

Recommendation	Key activity	Progress milestones including target dates for either completion or progress	Officer responsible	Progress
<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	
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
-------------------------	------------------------------------