

The **Public Sector Equality Duty** (Section 149 of the Equality Act) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people carrying out their activities.

The Equality Duty supports good decision making – it encourages public bodies to be more efficient and effective by understanding how different people will be affected by their activities, so that their policies and services are appropriate and accessible to all and meet different people’s needs. The Council’s Equality and Safety Impact Assessment (ESIA) includes an assessment of the community safety impact assessment to comply with Section 17 of the Crime and Disorder Act and will enable the Council to better understand the potential impact of proposals and consider mitigating action.

| <b>Name or Brief Description of Proposal</b> | <ol style="list-style-type: none"> <li>To increase HRA rents in line with the Government Cap of 7%</li> <li>To increase HRA Service Charges by 9%</li> <li>To increase Landlord Controlled Heating charges in line with the table outlined below</li> </ol>   |                 |                |                 |            |   |        |          |      |   |        |          |     |   |        |          |     |   |        |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |        |        |     |  |
|--|---|-----------------|----------------|-----------------|------------|---|--------|----------|------|---|--------|----------|-----|---|--------|----------|-----|---|--------|----------|-----|---|----------|----------|-----|---|----------|----------|-----|---|----------|----------|-----|---|----------|----------|-----|---|--------|--------|-----|--|
|  | <table border="1"> <thead> <tr> <th>Band</th> <th>2022/23 Charge</th> <th>Proposed Charge</th> <th>% increase</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>550.16</td> <td>1,106.96</td> <td>101%</td> </tr> <tr> <td>B</td> <td>686.40</td> <td>1,329.06</td> <td>94%</td> </tr> <tr> <td>C</td> <td>824.72</td> <td>1,551.16</td> <td>88%</td> </tr> <tr> <td>D</td> <td>960.44</td> <td>1,773.26</td> <td>85%</td> </tr> <tr> <td>E</td> <td>1,098.76</td> <td>1,995.36</td> <td>82%</td> </tr> <tr> <td>F</td> <td>1,236.56</td> <td>2,232.76</td> <td>81%</td> </tr> <tr> <td>G</td> <td>1,372.80</td> <td>2,473.56</td> <td>80%</td> </tr> <tr> <td>H</td> <td>1,510.08</td> <td>2,717.76</td> <td>80%</td> </tr> <tr> <td>J</td> <td>206.44</td> <td>384.46</td> <td>86%</td> </tr> </tbody> </table> | Band            | 2022/23 Charge | Proposed Charge | % increase | A | 550.16 | 1,106.96 | 101% | B | 686.40 | 1,329.06 | 94% | C | 824.72 | 1,551.16 | 88% | D | 960.44 | 1,773.26 | 85% | E | 1,098.76 | 1,995.36 | 82% | F | 1,236.56 | 2,232.76 | 81% | G | 1,372.80 | 2,473.56 | 80% | H | 1,510.08 | 2,717.76 | 80% | J | 206.44 | 384.46 | 86% |  |
| Band   | 2022/23 Charge  | Proposed Charge | % increase     |                 |            |   |        |          |      |   |        |          |     |   |        |          |     |   |        |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |        |        |     |  |
| A  | 550.16  | 1,106.96        | 101%           |                 |            |   |        |          |      |   |        |          |     |   |        |          |     |   |        |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |        |        |     |  |
| B  | 686.40  | 1,329.06        | 94%            |                 |            |   |        |          |      |   |        |          |     |   |        |          |     |   |        |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |        |        |     |  |
| C  | 824.72  | 1,551.16        | 88%            |                 |            |   |        |          |      |   |        |          |     |   |        |          |     |   |        |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |        |        |     |  |
| D  | 960.44  | 1,773.26        | 85%            |                 |            |   |        |          |      |   |        |          |     |   |        |          |     |   |        |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |        |        |     |  |
| E  | 1,098.76  | 1,995.36        | 82%            |                 |            |   |        |          |      |   |        |          |     |   |        |          |     |   |        |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |        |        |     |  |
| F  | 1,236.56  | 2,232.76        | 81%            |                 |            |   |        |          |      |   |        |          |     |   |        |          |     |   |        |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |        |        |     |  |
| G  | 1,372.80  | 2,473.56        | 80%            |                 |            |   |        |          |      |   |        |          |     |   |        |          |     |   |        |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |        |        |     |  |
| H  | 1,510.08  | 2,717.76        | 80%            |                 |            |   |        |          |      |   |        |          |     |   |        |          |     |   |        |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |        |        |     |  |
| J  | 206.44  | 384.46          | 86%            |                 |            |   |        |          |      |   |        |          |     |   |        |          |     |   |        |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |        |        |     |  |
|  | <p><b>The Rent Increase</b> for 2023/24 will be capped by the Government at 7%</p> <p>It is necessary to increase rents to ensure a balanced Housing Revenue Account in 2023/24, to be able to continue to maintain homes through repairs and a robust capital programme, and to ensure the long-term sustainability of the business plan over the next 40 years.</p> <p>The proposed <b>Service Charge</b> increase is 9% for the 2023/24 financial year. Below current rates of inflation. It is necessary to increase service charges to pay for the services that these charges cover.</p>  |                 |                |                 |            |   |        |          |      |   |        |          |     |   |        |          |     |   |        |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |          |          |     |   |        |        |     |  |

**Landlord controlled heating**

The increase in energy costs has been developed to ensure that any resident in receipt of Landlord Controlled Heating, should not have to pay more than the average costs under the Government's energy cap, when their LCH and their energy provider costs are combined. The proposed increase is between 80% and 101%, dependent on band, for the 2023/24 financial year. The proposed charges are as follows:

| <b>Band</b> | <b>2022/23 Charge</b> | <b>Proposed Charge</b> | <b>% increase</b> |
|-------------|-----------------------|------------------------|-------------------|
| A           | 550.16                | 1,106.96               | 101%              |
| B           | 686.40                | 1,329.06               | 94%               |
| C           | 824.72                | 1,551.16               | 88%               |
| D           | 960.44                | 1,773.26               | 85%               |
| E           | 1,098.76              | 1,995.36               | 82%               |
| F           | 1,236.56              | 2,232.76               | 81%               |
| G           | 1,372.80              | 2,473.56               | 80%               |
| H           | 1,510.08              | 2,717.76               | 80%               |
| J           | 206.44                | 384.46                 | 86%               |

This impacts on the Housing Revenue Account, tenants, and leaseholders.

**Brief Service Profile (including number of customers)**

There are approximately 15,379 occupied council tenancies in the city in total which will be affected by the increase in rent.

Of the 15,379 there are 10,471 properties (flats) that receive services that they are charged for (houses do not pay service charges). 5,694 of these 10,471 properties (flats) will also be affected by the increase in the landlord-controlled heating charge.

We have 2,072 Leaseholders that will be affected by the increases in service charges, and 302 leaseholders who will be affected by the increase in landlord-controlled heating charge.

**Summary of Impact and Issues**

Since the beginning of the financial year the Council's Housing Revenue Account has been impacted by a number of significant cost pressures

- Inflation on supplies and services (CPI inflation in August was 9.9%, and inflation on building materials specifically is higher and likely to exceed 20%);

- Wage inflation for staff;
- Exponentially increasing energy costs
- Increasing interest rates impacting adversely on borrowing costs.

Increasing energy costs means that there is currently an expected deficit of £3.7m in respect of Landlord Controlled Heating by the end of March 2023

Current market expectation is for increase in costs of near 90% for electricity and 150% for gas with the potential to increase significantly. Whilst the government has announced some support for businesses, this will not address this deficit.

Taking no action is not sustainable financially and risks the financial viability of the HRA which is a ringfenced account for the sole purpose of providing social and affordable housing to eligible residents in Southampton. The only income to the HRA is from rents, service charges and other eligible charges (such as some commercial property charges) and must cover statutory requirements and other costs including (but not exhaustive)

- Services provided including cleaning, grounds maintenance etc
- Repairs and maintenance to properties
- Capital and major works to properties
- Health and Safety works and compliance activities including fire, electrical and gas safety work
- Tenant engagement activity
- Future regeneration and delivery of new homes

SCC currently have 15,379 council tenancies (households) who are provided with these services living in a variety of property types.

Of those 15,379 - 5,810 receive Universal Credit and 5,488 receive Housing Benefit. There are 4,081 tenancies who do not receive either benefit. Increases to rent and service charge costs would be covered in Universal Credit and Housing Benefit payments. In total there are 11,298 tenants – 73% - that would not be affected by the rent and service charge increase.

27% would be required to cover the cost from earned income

The rent increase will be in line with the Government cap which has been set at 7% for 2023-24. Landlord Controlled Heating charges are linked to the Government Energy Cap. Those on Universal Credit & Housing Benefit will not be affected by the increase in rent and service charges as these two benefits include rent and service charges costs. The Government have provided every household in the country with financial help towards their energy costs.

Eligible households will be able to apply to the Council for assistance under a variety of ways if they are unable to pay their rent/service charges this includes

- Application to the Household Support Fund for food and white goods vouchers, and access to a range of local and community support such as food banks

|   |   |
|---|---|
| <ul style="list-style-type: none"> <li>Working with our customer payment and debt team to arrange direct payment methods</li> <li>Working with our Welfare Benefit team to see if they are eligible for any other benefits or assistance (e.g. Discretionary Housing Payments)</li> </ul> |   |
| <b>Potential Positive Impacts</b>   |   |
|   |   |
| <b>Responsible Service Manager</b>  | Steve Smith<br>Head of Stronger Communities, Neighbourhoods & Housing |
| <b>Date</b>   |   |
| <b>Approved by Senior Manager</b>   | Claire Edgar<br>Executive Director for Wellbeing & Housing            |
| <b>Date</b>   | 07/02/2023  |

#### Potential Impact

| Impact Assessment | Details of Impact  | Possible Mitigations   |
|-------------------|--|--|
| <b>Age</b>        | <p>In relation to increase in rents &amp; service charges tenants and leaseholders will have increased housing and service charge costs.</p> <p>In relation to the heating charge increase those paying for the service will be impacted by an increase in charge. There are currently 3094 tenancies (54% of total council tenancies on the landlord controlled heating) where at least one of the household is over 55 years of age and who have the landlord controlled heating. There are currently 8155 tenancies (53%) with someone over 55 years of age which will be impacted by rent increases.</p> | <p>The rent increase will be in line with the Government Cap of 7%.</p> <p>Landlord Controlled Heating charges are linked to the Government Energy Cap.</p> <p>Those on Universal Credit &amp; Housing Benefit will not be affected by the increase in rent and service charges as these two benefits include rent and service charges costs.</p> <p>The Government have provided every household in the country with financial help towards their energy costs and extra help is available to older residents in terms of extra Winter Fuel and Cold Weather Payments</p> |

| Impact Assessment        | Details of Impact   | Possible Mitigations   |
|--------------------------|---|--|
|                          |   | <p>and the Warm Home Discount.</p> <p>Eligible households will be able to apply to the Council for assistance under a variety of ways if they are unable to pay their rent/service charges this includes</p> <ul style="list-style-type: none"> <li>• Application to the Household Support Fund for food and white goods vouchers, and access to a range of local and community support such as food banks</li> <li>• Working with our customer payment and debt team to arrange direct payment methods</li> <li>• Working with our Welfare Benefit team to see if they are eligible for any other benefits or assistance e.g. Discretionary Housing Payments, Disability related benefits, age related benefits i.e fuel allowance etc</li> </ul> |
| <p><b>Disability</b></p> | <p>In relation to increase in rents and service charges tenants and leaseholders will have increased housing and service charge costs.</p> <p>In relation to heating charge increase those paying for the service will be</p> | <p>The rent increase will be in line with the Government Cap of 7%.</p>  |

| Impact Assessment | Details of Impact  | Possible Mitigations   |
|-------------------|--|--|
|                   | <p>impacted by an increase in charge. We currently have 3310 tenancies (households) who have a support element to their tenancy this includes those in our supported and extra care housing schemes. Of the 3310 tenancies which have a support element 2503 (75%) are in receipt of benefits.</p> | <p>Landlord Controlled Heating charges are linked to the Government Energy Cap.</p> <p>Those on Universal Credit &amp; Housing Benefit, 75% of tenancies in this group will not be affected by the increase in rent and service charges as these two benefits include rent and service charges costs.</p> <p>The Government have provided every household in the country with financial help towards their energy costs.</p> <p>Eligible households will be able to apply to the Council for assistance under a variety of ways if they are unable to pay their rent/service charges this includes</p> <ul style="list-style-type: none"> <li>• Application to the Household Support Fund for food and white goods vouchers, and access to a range of local and community support such as food banks</li> <li>• Working with our customer payment and debt team to arrange direct payment methods</li> <li>• Working with our Welfare Benefit team to see if they are eligible for any other benefits or assistance</li> </ul> |

| Impact Assessment                     | Details of Impact  | Possible Mitigations   |
|---------------------------------------|--|--|
|                                       |  | <p>(e.g. Discretionary Housing Payments).</p> <p>Disabled tenants can also apply for modifications to their property under the Housing adaptations scheme that will improve their environment and reduce energy costs</p>                                  |
| <b>Gender Reassignment</b>            | No identified impact   |  |
| <b>Marriage and Civil Partnership</b> | No identified impact   |  |
| <b>Pregnancy and Maternity</b>        | No identified impact   |  |
| <b>Race</b>                           | No identified impact   |  |
| <b>Religion or Belief</b>             | No identified impact   |  |
| <b>Sex</b>                            | No identified impact   |  |
| <b>Sexual Orientation</b>             | No identified impact   |  |
| <b>Community Safety</b>               | <p>It is feasible that the increase in charges could result in specific community safety issues, although it is difficult to be specific as to what. Increased stress and anxiety related to the increasing costs of living could place families and communities under strain.</p> | <p>Continued good work with neighbourhood wardens and resident groups to understand community tensions and issues</p> <p>Continued work to support tenants who experience ASB and or Domestic Abuse, maintenance of the councils DAHA accreditation to</p> |

| Impact Assessment | Details of Impact  | Possible Mitigations  |
|-------------------|--|---|
|                   |  | <p>support victims of domestic abuse</p> <p>Ongoing work to protect vulnerable families and engage early with them in the event of family hardship through the early intervention work provided by Childrens services</p> <p>Eligible households will be able to apply to the Council for assistance under a variety of ways if they are unable to pay their rent/service charges this includes</p> <ul style="list-style-type: none"> <li>• Application to the Household Support Fund for food and white goods vouchers, and access to a range of local and community support such as food banks</li> <li>• Working with our customer payment and debt team to arrange direct payment methods</li> <li>• Working with our Welfare Benefit team to see if they are eligible for any other benefits or assistance (e.g. Discretionary Housing Payments)</li> </ul> |
| <b>Poverty</b>    | <p><b>Rent and Service charges</b></p> <p>Of the 15,379 tenancies (households) - 5,810 receive Universal Credit and 5,488 receive Housing Benefit. There are 4,081 tenancies who do not receive either benefit. Increases to</p> | <p>The rent increase will be in line with the Government Cap of 7%.</p> <p>Those on Universal Credit &amp; Housing Benefit will not be affected by the increase in</p>  |



| Impact Assessment | Details of Impact   | Possible Mitigations  |
|-------------------|---|---|
|                   | <p>rent and service charge costs would be covered in Universal Credit and Housing Benefit payments. In total there are 11,298 tenants – 73% - that would not be affected by the rent and service charge increase.</p> <p>27% would be required to cover the cost from earned income</p> <p><b>Landlord Controlled Heating Charges</b></p> <p>5486 tenancies will be affected by the increase in heating charges</p> <p>In relation to heating charge increase those paying for the service will be impacted by an increase in charge.</p> | <p>rent and service charges as these two benefits include rent and service charges costs.</p> <p>Eligible households will be able to apply to the Council for assistance under a variety of ways if they are unable to pay their rent/service charges this includes</p> <ul style="list-style-type: none"> <li>• Application to the Household Support Fund for food and white goods vouchers, and access to a range of local and community support such as food banks</li> <li>• Working with our customer payment and debt team to arrange direct payment methods</li> <li>• Working with our Welfare Benefit team to see if they are eligible for any other benefits or assistance (e.g. Discretionary Housing Payments)</li> </ul> <p>SCC increased their LCH charges in 22/23 by only 16%. In the year 22/23 most households in the country have seen their energy bills increase substantially more than 16% inc SCC tenants not in receipt of landlord controlled heating. SCC tenants in receipt of LCH have also received central</p> |

| Impact Assessment                    | Details of Impact  | Possible Mitigations   |
|--------------------------------------|--|--|
|                                      |  | <p>government support in the form of energy rebates etc., whilst their bills have been kept much lower than other tenants during 22/23. Therefore there has been an artificial subsidy of this tenant group in this year.</p> <p>The Government have provided every household in the country with financial help towards their energy costs.</p> <p>For those on Universal Credit or Housing Benefit there will be the annual increase in benefits for the 2022/23 year which will help alleviate the impact this increase could have as people will receive additional income to help offset the heating charge increase.</p> <p>Landlord Controlled Heating charges are linked to the Government Energy Cap</p> <p>The mitigations outlined above for rent increases will also apply to those facing difficult</p> |
| <p><b>Health &amp; Wellbeing</b></p> | <p>In relation to increase in rents &amp; service charges tenants and leaseholders will have increased housing and service charge costs.</p> <p>In relation to heating charge increase those paying for the service will be impacted by an increase in charge.</p> | <p>The rent increase will be in line with the Government Cap of 7%.</p> <p>Landlord Controlled Heating charges are linked to the Government Energy Cap.</p> <p>Those on Universal Credit &amp; Housing Benefit will not be affected by the increase in rent and service charges as</p>   |

| Impact Assessment                | Details of Impact   | Possible Mitigations   |
|----------------------------------|---|--|
|                                  |   | <p>these two benefits include rent and service charges costs.</p> <p>The Government have provided every household in the country with financial help towards their energy costs.</p> |
| <b>Other Significant Impacts</b> | <p>The impact of not increasing rents, service charges and LCH charges is that the Council is unable to provide the statutory landlord duties that are required.</p> <p>That health and safety and other key requirement such as urgent repairs and maintenance are not delivered and put residents at risk</p> | N/A  |

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