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MEMBERS ROOM DOCUMENTS

4 UPDATE ON BUDGET FOR 2023/24 ONWARDS AND SAVINGS PLANS (Pages 1 - 44)

Monday, 31 October 2022

Director of Legal and Business Services

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**Budget Proposals 2023/24
Equality and Safety
Cumulative Impact Assessment**

October 2022

Equality and Safety Cumulative Impact Assessment

Introduction

1. Southampton City Council, in line with its statutory responsibilities, undertakes Equality and Safety Impact Assessments (ESIAs). ESIAs provide a systematic way of assessing the impact of policies, strategies, programmes, projects, services or functions on different equality groups - and on poverty and community safety. During the council's annual budget cycle, ESIAs are completed for all proposals identified as requiring them to inform decision making.
2. This document draws into one place a summary of all the ESIAs for the 2023/24 February budget proposals. This assessment focuses on service-based proposals identified as having a direct impact on customers/residents and which will impact on the budget position for the council for the 2023/24 financial year.
3. It is important to fully understand the impact of the budget proposals on equality groups (identified in paragraph 11) and on community safety, poverty and health and wellbeing. The council, working with others, will need to take action to mitigate the collective impact of any such proposals. Mitigating actions could include re-shaping services to target more efficiently and to reduce the potential of disproportionate impacts on equalities groups, community safety, poverty and health and wellbeing.

Context

4. Over recent years, Southampton City Council has had to change significantly in response to ongoing changes in the city's profile, trends in customer behaviour, national and local policies and the impact of the Covid-19 pandemic. This has been accompanied by ongoing challenges in the shape of rising demand in adults and children's social care.
5. The covid-19 pandemic has left an impact on the city and its residents which is shown in increased pressures on adult social care, looked after children and waiting list backlogs across public services. Southampton City Council played a critical role in helping to lead the local response to the pandemic. It continues to support residents, communities and businesses with the recovery.
6. The cost of living crisis is now impacting on residents in the city. It refers to a decline in 'real' income (adjusted for inflation) experienced in the UK since late 2021. The consumer price index (CPI) inflation rate increased from 2% in July 2021 to 10.1% in July 2022. The Bank of England forecast in September 2022 that inflation will peak at around 13% by the end of 2022 and will continue at high levels throughout 2023. Rising energy costs, the war in Ukraine, Brexit and the Covid-19 pandemic are the main factors increasing inflation and living costs.
7. Household energy bills increased by 54% in April 2022 and were due to increase by a further 80% in October 2022. The Energy Price Guarantee will limit this further increase to 27%. This has fuelled price increases including food while wage growth has not kept pace with the rise in costs. Interest rates are 2.25% in October 2022 but are predicted to rise to 6% in 2023 with borrowing rates around 4%. Although rising

costs will affect all, it is expected that more deprived households are experiencing poorer outcomes.

8. It is against this backdrop that decisions are having to be made across a range of services due to rising costs faced by Southampton City Council whilst recognising the deep impact the cost of living crisis is having on residents. The council is providing support in partnership with other providers, and has put together an [online Cost of Living guide](#) to what is available from the community and Government.
9. This Cumulative Impact Assessment covers the budget proposals for the financial year 2022/23 which are being considered by Cabinet in November 2022 and will be proposed to Full Council in February 2023 following a public consultation on the proposals included in the cumulative impact assessment.

Legal Framework – Equalities

10. The Public Sector Equality Duty, section 149 of the Equality Act, came into effect on 5th April 2011 and places a duty on all public bodies and others carrying out public functions.
11. The Public Sector Equality Duty (the Equality Duty) replaced three previous public sector equality duties – for race, disability and gender, and broadened the breadth of protected characteristics to include:
 - Age
 - Disability
 - Gender reassignment
 - Marriage and civil partnership, but only in respect of the requirements to have due regard to the need to eliminate discrimination.
 - Pregnancy and maternity
 - Race – ethnic or national origins, colour or nationality
 - Religion or Belief – including lack of belief
 - Sex
 - Sexual orientation.
12. The Act was designed to ensure public bodies consider the needs of all individuals in their day to day work, including: shaping policy, delivering services and employment of employees. It requires public bodies, such as local councils not to discriminate against any person on the basis of a protected characteristic such as disability. The legislation strengthened existing provisions about discrimination to also include associative and perceptible discrimination as well as direct and indirect discrimination.
13. Direct discrimination occurs when a rule, policy or practice offers less favourable treatment to a group and indirect discrimination occurs by introducing a rule, policy or practice that applies to everyone but particularly disadvantages people who have a protected characteristic. Direct discrimination will always be unlawful. Indirect discrimination will not be unlawful if it can be justified, for instance it can be shown that the rule, policy or practice was intended to meet a legitimate objective in a fair, balanced and reasonable way.
14. In considering whether or not any indirect discrimination is justified, the council must consider whether or not there is any other way to meet their objective that is not discriminatory or is less likely to disadvantage those with protected characteristics.

This may well mean setting out clearly whether or not consideration has been given to other ways of achieving these objectives.

15. The Equality Duty does not impose a legal requirement to conduct an Equality and Safety Impact Assessment, rather it requires public bodies to demonstrate their consideration of the Equality Duty and the conscious thought of the Equality Duty as part of the process of decision-making. This entails an understanding of the potential effect the organisation's activities could have on different people and a record of how decisions were reached. Producing an Equality Impact Assessment post decision making is non-compliant with the Public Sector Equality Duty. For this reason the council requires adherence to the existing impact assessment framework.

Legal Framework - Community Safety

16. Community Safety is a broad term. It refers to the protection of local communities from the threat and consequence of criminal and anti-social behaviour by achieving reductions in relation to both crime and the fear of crime.
17. Section 17 of the Crime and Disorder Act 1998, as amended by the Police and Justice Act 2006, requires responsible authorities to consider crime and disorder, including antisocial behaviour and other behaviour adversely affecting the local environment; and the misuse of drugs, alcohol and other substances in the exercise of all their duties, activities and decision-making. This means consideration must be given to the likely impact on crime and disorder in the development of any policies, strategies and service delivery. This responsibility affects all employees of the council.

Other considerations

18. In line with the [Southampton Health and Wellbeing Strategy 2017-2025](#) the council has committed to ensuring that health inequalities are taken into account in policy development, commissioning and service delivery. This means that consideration will be given to impacts on health and wellbeing in the ESIA's.
19. The council's approach on assessing the impact of its policies, proposals and decisions, is designed to demonstrate that it has acted over and above its statutory duties. This is reflected in including poverty in the ESIA, as the council is committed to addressing the impact on poverty for people in work and unemployed and for other low-income households.
20. The ESIA's also consider any other significant impacts that exist in relation to the proposal and decision.

Scope and our approach

21. This assessment identifies areas where there is a risk that changes resulting from individual budget proposals, may have, when considered together, negative impacts on particular groups.
22. It is important to note this is an ongoing process. As individual budget proposals are developed and implemented, they will be subject to further assessment. This assessment also describes mitigating actions that will need to be considered.

23. This Cumulative Impact Assessment reflects the latest assessment of impacts of the relevant budget proposals.

City Profile

24. The most recent data available for the population of Southampton is from the Office of National Statistics (ONS) Census which took place on 21 March 2021. In Southampton, the population size has increased by 5.1%, from around 236,900 in 2011 to 249,000 in 2021. The total population in the city in 2021 was estimated to be 261,716. This is lower than the overall increase for England of 6.6%. Southampton ranked 70th for total population size out of 309 local authority areas in 2021. This is the same position it held a decade ago in 2011.

25. Although the overall population has increased, there are variations by age group within the city:

- There was a decrease of 10.4% in the under 5 years population between 2011 (15,400) and 2021 (13,800) which is reflective of decreasing birth rates locally and nationally,
- The population aged 5 to 14 has increased by 20.5% to 28,200,
- The population aged 15 to 24 has decreased by 9.1% which reflects the reduced student residency in the city during the pandemic
- The number of people aged 65 to 84 has increased by 13.4% reflecting the aging population.

26. The number of households in Southampton increased from 98,300 in 2011 to 102,300 in Census 2021, an increase of 4.1%. Further detailed census data will be issued by the ONS between now and summer 2023.

27. Data in the Southampton City Council Statement of Accounts 2022 show:

- 8,045 (4.7%) working age residents are claiming Job Seekers Allowance or work-related Universal Credit as of March 2022.
- There are 109,210 properties in the city with 51% owner occupied, 25% private rented and 24% social rented
- The council provide 16,352 council houses as of April 2022

28. The Indices of Multiple Deprivation (IMD) provide another range of data about the city. This focuses on the geographical profile of poverty but there is also a link between equality strands and risk factors for poverty. The most recent IMD was published in 2019 and shows that over 45% of Southampton's population is classified as living within the 30% most deprived neighbourhoods nationally. Of the 317 local authorities in England, Southampton is ranked 55th most deprived overall, which is similar to 2015.

**Table1:
Budget Proposals: Impact By Protected Characteristics, Community Safety, Health and Wellbeing and Poverty.**

Code	Description of Proposal	Age	Disability	Gender Reassignment	Marriage & Civil Partnership	Pregnancy & Maternity	Race	Religion & Belief	Sex	Sexual Orientation	Community Safety	Poverty	Health & Wellbeing	Other
1	Options for energy cost efficiency and environmental benefit, through the reduction of street lighting	x	x			x			x		x			
9	<ul style="list-style-type: none"> i) Increase HRA rents in line with the Government Cap ii) Increase HRA Service Charges by 9% iii) Increase Landlord Controlled Heating charges 	x	x								x	x	x	
3	Remove the Empty Property Class C Discount													x

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Age

29. People in later life may be more likely to use some council services and so may be more vulnerable than the general population to reductions or changes in those services. This vulnerability will be worsened for those living on low incomes. Some older people may feel the impact of several proposals.
30. The cost of living crisis is also impacting on specific age groups disproportionately with proposals related to price increases having a further cumulative impact. Mosaic groups have been analysed in terms of this impact with the following being the top 3 in Southampton most vulnerable to rising costs:
- Family Basics – families with limited resources who budget to make ends meet. Predominantly 26-35/36-45 year olds. 31% have 2 children, most of which are 5-11yrs old. They have low discretionary income
 - Municipal Tenants – mainly 46-55/56-65 year olds. Renting high density housing from social landlords. They are often single and on low household incomes. 84% do not have children
 - Vintage Value – over 66 years old with a household income lower than £15,000 and often living in fuel poverty.
31. There are two proposals which will potentially have a cumulative impact on those in older age groups. Mitigating actions have been proposed and this protected group will need careful consideration when each proposal is implemented.
32. **1. Options for energy cost efficiency and environmental benefit, through the reduction street lighting at night.** We are considering a range of options, including switching off residential street lighting, that would impact on street lighting during part of the night. A new policy would be introduced to enable the final proposal. There are around 26,000 lighting columns in Southampton. Street lighting is already ‘dimmed’ through a policy in most areas of the city; this regime is subject to exemptions.
33. The increasing cost of electricity has had a significant impact on the increased costs of street lighting forecast for 2023-24. Reducing street lighting at night would result in savings around £450,000 per year against the forecast costs.
34. Extensive research has been carried out to assess the impact that street lighting switch off has on community safety. We will consider developing an agile and comprehensive exceptions scheme so the city should not be subject to an increase in crime as a result of the proposal. There is also evidence and good practice to draw on from other areas which have implemented similar proposals. There would be a reduction in light pollution from the proposal which, evidence suggests, would have a positive ecological impact.
35. We have identified the following impact:
- Potentially a disproportionate impact on some elderly residents outside of their homes for a portion of the night if these residents have poorer eyesight or potential physical frailty.
36. We have identified the following mitigating actions:
- Consider developing a comprehensive exceptions scheme to be put in place for specific locations, such as close to sheltered housing schemes.
 - Consider the public communications about the changes.

37. **2. (i) Increase HRA rents in line with the Government Cap, (ii) Increase HRA Service Charges by 9%, (iii) Increase Landlord Controlled Heating charges.** It is necessary to increase rents to ensure a balanced Housing Revenue Account in 2023-24 to be able to maintain homes through repairs and a robust capital programme and ensure long-term sustainability. The HRA only receives income from rents, service charges and some commercial property charges. With these funds the council needs to meet statutory obligations around housing provision including repairs, maintenance and capital works.
38. The proposed service charge increase is below the current rate of inflation (10.1% in October 2022). This increase will pay for the increased cost of the services provided to tenants. The Landlord controlled heating charges increase will ensure these tenants will not have to pay more than the average cost under the Government's energy cap.
39. 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. There are 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.
40. There are currently 54% of tenancies on landlord controlled heating where at least one of the household is over 55 years of age. Increasing landlord controlled heating charge will therefore have a considerable impact on the 3094 tenancies in this older age group.
41. We have identified the following impact:
- The rise in landlord controlled heating charge will have a disproportionate impact on the over 55 years age group with over half (54%) of those affected by this change being in this age group.
 - Across all tenancies which will face rent increases, 8155 (53%) are aged over 55 years of age. The proposals therefore impact those in an older age group.
42. We have identified the following mitigating actions:
- Government support is available to all households until April 2023 in the form of the energy cap guarantee. Further help may be offered to those most in need after this point but details have not been set out at this time.
 - Older residents are entitled to the Winter Fuel allowance and may be able to get help with costs through Cold Weather Payments and the Warm Home Discount.
 - Eligible households will be able to apply to the Council for assistance if they are unable to pay their rent and 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;
 - Working with our customer payment and debt team to arrange direct payment methods; and
 - 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

Disability

43. According to the Equality Act 2010, a person has a disability if he or she has a physical or mental impairment which has a long term adverse effect on that person's ability to carry out day to day activities. People with a disability may be impacted more by some of the proposals compared to those without a disability, with mitigating actions proposed to help address this.
44. People with a disability can face additional living costs. Research by the charity Scope shows life costs £583 more on average a month if you are disabled. For 24% of families with disabled children extra costs can amount to £1,000 a month. Any proposal which increases costs therefore have the potential to have a more acute impact on a person with a disability.
45. Two proposals will impact on people within this protected characteristic which will have a cumulative impact. Proposals set out a number of mitigating actions aimed at reducing the impact both from practical impacts and financial affects.
- 46. 1. Options for energy cost efficiency and environmental benefit, through the reduction of street lighting at night.** We are considering a range of options, including switching off residential street lighting, that would impact on street lighting during part of the night. A new policy would be introduced to enable the final proposal. There are around 26,000 lighting columns in Southampton. Street lighting is already 'dimmed' through a policy in most areas of the city; this regime is subject to exemptions.
47. The increasing cost of electricity has had a significant impact on the increased costs of street lighting forecast for 2023-24. Reducing street lighting at night would result in savings around £450,000 per year against the forecast costs.
48. Extensive research has been carried out to assess the impact that street lighting switch off has on community safety. We will consider developing an agile and comprehensive exceptions scheme so the city should not be subject to an increase in crime as a result of the proposal. There is also evidence and good practice to draw on from other areas which have implemented similar proposals. There would be a reduction in light pollution from the proposal which, evidence suggests, would have a positive ecological impact.
49. We have identified the following impacts:
- There may be a disproportionate impact on people with physical disabilities who are outside of their homes for a portion of the night as some people with physical disabilities may place additional reliance on having roads and pavements lit.
50. We have identified the following mitigating actions:
- Consider developing a comprehensive exceptions scheme to be put in place for specific locations
 - Consider the public communications about the changes.
- 51. 2. (i) Increase HRA rents in line with the Government Cap, (ii) Increase HRA Service Charges by 9%, (iii) Increase Landlord Controlled Heating charges.** It is necessary to increase rents to ensure a balanced Housing Revenue Account in 2023-

24 to be able to maintain homes through repairs and a robust capital programme and ensure long-term sustainability. The HRA only receives income from rents, service charges and some commercial property charges. With these funds the council needs to meet statutory obligations around housing provision including repairs, maintenance and capital works.

52. The proposed service charge increase is below the current rate of inflation (10.1% in October 2022). This increase will pay for the increased cost of the services provided to tenants. The Landlord controlled heating charges increase will ensure these tenants will not have to pay more than the average cost under the Government's energy cap.

53. 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. There are 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.

54. The council currently have 3310 tenancies (households) who have a support element to their tenancy (22%) this includes those in supported and extra care housing schemes. Of the 3310 tenancies which have a support element 2503 (75%) are in receipt of benefits.

55. We have identified the following impacts:

- The remaining 807 tenancies (25%) who have a support element to their tenancy will have to meet the increased cost through their own income.

56. We have identified the following mitigating actions:

- Government support is available to all households until April 2023 in the form of the energy cap guarantee. Further help may be offered to those most in need after this point but details have not been set out at this time.
- Research by Scope shows that 42% of people over 65 years old are disabled. Older residents are entitled to the Winter Fuel allowance and may be able to get help with costs through Cold Weather Payments and the Warm Home Discount.
- Eligible households will be able to apply to the Council for assistance if they are unable to pay their rent and 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;
 - Working with our customer payment and debt team to arrange direct payment methods; and
 - 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

Pregnancy and Maternity

57.1. **Options for energy cost efficiency and environmental benefit, through the reduction of street lighting at night.** We are considering a range of options, including switching off residential street lighting, that would impact on street lighting during part of the night. A new policy would be introduced to enable the final proposal. There are

around 26,000 lighting columns in Southampton. Street lighting is already 'dimmed' through a policy in most areas of the city; this regime is subject to exemptions.

58. The increasing cost of electricity has had a significant impact on the increased costs of street lighting forecast for 2023-24. Reducing street lighting at night would result in savings around £450,000 per year against the forecast costs.
59. Extensive research has been carried out to assess the impact that street lighting switch off has on community safety. We will consider developing an agile and comprehensive exceptions scheme so the city should not be subject to an increase in crime as a result of the proposal. There is also evidence and good practice to draw on from other areas which have implemented similar proposals. There would be a reduction in light pollution from the proposal which, evidence suggests, would have a positive ecological impact.
60. We have identified the following impact:
- There may be a disproportionate impact on people who are pregnant or who are outside of their homes with young children for a portion of the night as additional reliance may be placed on having roads and pavements lit due to health and safety due to the risk of tripping on uneven surfaces.
61. We have identified the following mitigating actions:
- Consider public communications about the proposed changes.

Sex

- 62. 1. Options for energy cost efficiency and environmental benefit, through the reduction of street lighting at night.** We are considering a range of options, including switching off residential street lighting, that would impact on street lighting during part of the night. A new policy would be introduced to enable the final proposal. There are around 26,000 lighting columns in Southampton. Street lighting is already 'dimmed' through a policy in most areas of the city; this regime is subject to exemptions.
63. The increasing cost of electricity has had a significant impact on the increased costs of street lighting forecast for 2023-24. Reducing street lighting would result in savings around £450,000 per year against the forecast costs.
64. Extensive research has been carried out to assess the impact that street lighting switch off has on community safety. We will consider developing an agile and comprehensive exceptions scheme so the city should not be subject to an increase in crime as a result of the proposal. There is also evidence and good practice to draw on from other areas which have implemented similar proposals. There would be a reduction in light pollution from the proposal which, evidence suggests, would have a positive ecological impact.
65. We have identified the following impact:
- The fear of crime and the risk of assault may be greater for women and girls.
66. We have identified the following mitigating actions:
- Consider determining exceptions based on personal safety and risks will be key factors in determining exceptions.

Community Safety

67. **1. Options for energy cost efficiency and environmental benefit, through the reduction of street lighting at night.** We are considering a range of options, including switching off residential street lighting, that would impact on street lighting during the night. A new policy would be introduced to enable the final proposal. There are around 26,000 lighting columns in Southampton. Street lighting is already 'dimmed' through a policy in most areas of the city; this regime is subject to exemptions.
68. The increasing cost of electricity has had a significant impact on the increased costs of street lighting forecast for 2023-24. Reducing street lighting would result in savings around £450,000 per year against the forecast costs.
69. Extensive research has been carried out to assess the impact that street lighting switch off has on community safety. We will consider developing an agile and comprehensive exceptions scheme so the city should not be subject to an increase in crime as a result of the proposal. There is also evidence and good practice to draw on from other areas which have implemented similar proposals. There would be a reduction in light pollution from the proposal which, evidence suggests, would have a positive ecological impact.
70. We have identified the following impact:
- There is a risk of actual crime and the fear of crime increasing.
71. We have identified the following mitigating actions:
- Communications and information will be important in explaining the studies which have not drawn this conclusion. Consider determining exceptions based on community safety.

Poverty

72. **2. (i) Increase HRA rents in line with the Government Cap, (ii) Increase HRA Service Charges by 9%, (iii) Increase Landlord Controlled Heating charges.** It is necessary to increase rents to ensure a balanced Housing Revenue Account in 2023-24 to be able to maintain homes through repairs and a robust capital programme and ensure long-term sustainability. The HRA only receives income from rents, service charges and some commercial property charges. With these funds the council needs to meet statutory obligations around housing provision including repairs, maintenance and capital works.
73. The proposed service charge increase is below the current rate of inflation (10.1% in October 2022). This increase will pay for the increased cost of the services provided to tenants. The Landlord controlled heating charges increase will ensure these tenants will not have to pay more than the average cost under the Government's energy cap.
74. 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. There are 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.

75. Southampton City Council currently has 15,379 council tenancies. Of these 11,298 (73%) are in receipt of either Universal Credit or Housing Benefit which would cover rent and service charge costs. 27% of tenancies would be required to cover the cost from earned income.

76. We have identified the following impacts:

- 27% of tenancies would be required to cover costs of rent and service charge rises from earned income and 5486 tenancies will be affected by the increase in landlord controlled heating. Mosaic analysis of types of residents in the city shows that typically those living in social housing have a lower disposable income. The increase in rent and charges will reduce this further or contribute to increased debt. This will be a greater cost pressure for those affected by all three increases where they are not in receipt of benefits.

77. We have identified the following mitigating actions:

- Government support is available to all households until April 2023 in the form of the energy cap guarantee. Further help may be offered to those most in need after this point but details have not been set out at this time.
- Research by Scope shows that 42% of people over 65 years old are disabled. Older residents are entitled to the Winter Fuel allowance and may be able to get help with costs through Cold Weather Payments and the Warm Home Discount.
- Eligible households will be able to apply to the Council for assistance if they are unable to pay their rent and 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;
 - Working with our customer payment and debt team to arrange direct payment methods; and
 - 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

Health and Wellbeing

78.2. (i) Increase HRA rents in line with the Government Cap, (ii) Increase HRA Service Charges by 9%, (iii) Increase Landlord Controlled Heating charges. It is necessary to increase rents to ensure a balanced Housing Revenue Account in 2023-24 to be able to maintain homes through repairs and a robust capital programme and ensure long-term sustainability. The HRA only receives income from rents, service charges and some commercial property charges. With these funds the council needs to meet statutory obligations around housing provision including repairs, maintenance and capital works.

79. The proposed service charge increase is below the current rate of inflation (10.1% in October 2022). This increase will pay for the increased cost of the services provided to tenants. The Landlord controlled heating charges increase will ensure these tenants will not have to pay more than the average cost under the Government's energy cap.

80. 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. There are 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.

81. We have identified the following impact:

- The impact of these proposals on poverty could have a further impact in the mental health and wellbeing of tenants. Those not on landlord controlled heating with the ability to control their own heating levels may decide to not turn on heating over winter to be able to afford to eat and pay rent and service charges. In this case, there could be an impact on physical health of some tenants.

82. We have identified the following mitigating actions:

- The rent increase will be in line with the Government consultation which is below the maximum allowable increase of CPI plus 1%. 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 until April 2023.

Other Significant Impacts

83.3. Remove the Empty Property Class C Discount – this proposal removed the one month council tax exemption for empty and unfurnished properties. The proposal would impact anyone with an empty and unfurnished property currently liable for council tax. The current system means that the first month is not payable. The proposal would mean that no exemption would be offered from April 2023. The number of customers who could potentially be impacted was projected by assessing 2021/22 data. In 2021/22 11,511 exemptions were granted, comprising 1,204 Southampton City Council properties and 10,307 properties from other landlords.

84. This proposed policy change aims to incentivise owners to bring empty properties back into use to ensure they are not a wasted resource for both the owner and the council. It has potential benefits to increase supply of housing in the city and raising additional income to be used to deliver services. Based on these figures, the proposed annual income to the General Fund is approximately £600,000 and the additional annual cost to the Housing Revenue Account has been estimated at approximately £94,000.

85. There are separate exemptions in Council Tax to cover the situations when a property is empty because the resident has entered a care home, or because the property is awaiting probate. These exemptions mean people in those situations do not have to pay council tax and councils do not have discretion to change these areas. Tenants receiving housing benefit, universal credit or council tax support would not be impacted by this proposal as their benefits are based on being in the property.

86. The immediate impact of the proposals, if implemented, will mean that owners of empty and unfurnished properties will have to pay 100% of council tax payable as soon as the dwelling becomes empty.

87. Recently there have been a number of other negative impacts on landlords. Tax reforms introduced in 2020-21 included tapering of mortgage interest tax relief and

changes to Capital Gains Tax. The Renters Reform Bill (to be introduced in May 2023) The Renters Reform Bill will bring in changes to protect tenants. Government want to upgrade properties to higher energy performance standards by 2030.

88. We have identified the following impacts:

- The main impact of this proposal will be on landlords. In light of the other pressures on landlords highlighted above, this may lead to more landlords leaving the private rented sector. This would lead to less affordable rented stock in the city at a time of rising demand on affordable accommodation due to the increasing cost of living.
- It could also result in more people presenting as homeless if landlords decide to sell properties as a result of these combined pressures, which this proposal could further contribute towards.
- Property owners are ultimately responsible for Council Tax in the absence of an occupier so this proposal will mainly affect landlords as tenanted properties are the most likely to become empty. They will face the additional financial cost from this. The exact cost will vary depending on property size.
- In addition to landlords, others that would be affected financially are:
 - owners of properties that are for sale but not occupied
 - owners / landlords of properties that are being substantially refurbished, but do not qualify for the class A exemption. (For example: after destructive tenants or very long term lets or after purchase)
 - tenants that have signed a tenancy but do not take up residence (very rare cases)
 - people who have inherited property but are unable to sell during the time frames. (Mitigation - referral to allocations, property could be let short term whilst for sale)
 - people whose property is due to be repossessed and sold but is still in that process, but no longer resident
 - The City Council's housing portfolio – the Housing Revenue Account (HRA) will have to pick up the cost of this for their properties that become vacant.

89. We have identified the following mitigating actions:

- Landlords will be encouraged to contribute to the consultation and will be reached via lettings agencies in the city.
- Advice will also be taken from the National Residential Landlords Association about how best to engage with the range of landlords in the city to ensure they are aware of the consultation.
- Colleagues in Housing have contributed to this proposal and will be consulted to ensure that the impact on the HRA is fully understood when a decision is made.

Other Protected Characteristics

90. We have identified no direct impacts for the following:

- Race
- Gender reassignment
- Marriage and Civil Partnership
- Religion or Belief – including lack of belief
- Sexual orientation.

Public Consultation

91. A programme of consultation will be undertaken between the between 9 November 2022 and 10 January 2023. Public consultation will be undertaken with residents, businesses and stakeholders. Southampton City Council is in a challenging financial position, at a time when demand for certain services such as adult and children's social care continues to increase and residents face the impact of significant rising costs to every day living. Therefore the aim of this consultation is to:

- Communicate clearly and make residents aware of the financial pressures the council is facing
- Ensure residents understand what is being proposed in the draft 2023/24 budget and are aware of what this will mean for them
- Enable any resident, business or stakeholder who wishes to comment on the proposals the opportunity to do so, allowing them to raise any impacts the proposals may have
- Ensure that the results are analysed in a meaningful, timely fashion, so that feedback is taken into account when final decisions are made
- Provide feedback on the results to the consultation and how these results have influenced the final decision.

92. Every effort will be made to ensure consultation is:

- Inclusive: so that everyone in the city has the opportunity to express their views.
- Informative: so that people have adequate information about the proposals, what different options mean, and a balanced and fair explanation of the potential impacts, particularly the equality and safety impacts.
- Understandable: by ensuring that the language we use to communicate is simple and clear and that efforts are made to reach all stakeholders, for example people who are non-English speakers or disabled people.
- Appropriate: by targeting people who are more likely to be affected and using a more tailored approach to get their feedback, complemented by a general approach to all residents, staff, businesses and partners.
- Meaningful: by ensuring decision makers have the full consultation feedback information so they can make informed decisions.
- Reported: by letting consultees know what we have done with their feedback.

93. The consultation will be based around an online questionnaire and paper copies will also be made available. Consultation feedback or queries can also be emailed to yourcity.yoursay@southampton.gov.uk

94. This Cumulative Impact Assessment will be updated and developed based on the final proposals and detail of individual ESIA's. It will also be informed by the feedback from residents and stakeholders as part of the public budget consultation.



Equality and Safety Impact Assessment

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.

Name or Brief Description of Proposal	To remove the one month council tax exemption for empty and unfurnished properties (Empty Property Class C Discount). Removing this exemption is expected to lead to an increase in income due to additional council tax received.
Brief Service Profile (including number of customers)	
This budget income proposal would impact anyone with an empty and unfurnished property currently liable for council tax. The current system means that the first month is not payable. The proposal would mean that no exemption would be offered from April 2023. The number of customers who could potentially be impacted was projected by assessing 2021/22 data. In 2021/22 11,511 exemptions were granted, comprising 1,204 Southampton City Council properties and 10,307 properties from other landlords.	
Summary of Impact and Issues	
The loss of the Empty Property Class C Discount of one month is more likely to affect landlords as these discounts are generally awarded for small periods of void between one tenant moving out and another moving in. This would impact the council as well as landlords in the private rented sector. Other parties that would be affected are: <ul style="list-style-type: none"> • owners of properties that are for sale but not occupied • owners / landlords of properties that are being substantially refurbished, but do not qualify for the class A exemption. (For example: after destructive tenants or very long term lets or after purchase) • tenants that have signed a tenancy but do not take up residence (very rare cases, for example during a trial separation) • people who have inherited property but are unable to sell during the time frames. (Mitigation - referral to allocations, property could be let 	

short term whilst for sale)

- people whose property is due to be repossessed and sold but is still in that process, but no longer resident
- The City Council's housing portfolio – the Housing Revenue Account will have to pick up the cost of this for their properties that become vacant

There are separate exemptions in Council Tax to cover the situations when a property is empty because the resident has entered a care home, or because the property is awaiting probate. These exemptions mean people in those situations do not have to pay council tax and Local Authorities do not have discretion to change these areas.

Tenants receiving housing benefit, universal credit or council tax support would not be impacted by this proposal as their benefits are based on being in the property.

If implemented, the one month council tax exemption would be removed for all residents, so would be applied equally. This change would therefore not impact any member of a protected group more than any other resident.

Local Authorities in England, Scotland and Wales have considerable discretion over the levels of council tax discount available on unoccupied properties. They may require full council tax payment from the owners of empty second homes, properties undergoing major repair, or properties that are 'unoccupied and substantially unfurnished'.

Council Tax regulations do not require the Authority to gather equality data. Asking for such data would be considered to be excessive for the purpose of tax collection and therefore would not be GDPR compliant.

The immediate impact of the proposals, if implemented, will mean that owners of empty and unfurnished properties will have to pay 100% of council tax payable as soon as the dwelling becomes empty.

The assessment carried out identified further detail shown below:

Landlord	Number exemptions granted 21/22	Value claimed
SCC	1,204	£93,721.22
Other landlords	10,307	£593,889.40
Totals	11,511	£687,610.62

Band	Number of properties	Annual charge 21/22	Monthly sum (currently not payable)
A	5957	1,096.26	317651.1
B	3197	1,278.97	193205.1
C	1649	1,461.68	117195.7

D	511	1,644.39	40051.03
E	148	2,009.81	13947.53
F	41	2,375.23	4479.03
G	8	2,740.65	1081.25
H	0	3,288.78	0
Total	11,511		£687,610.62

It also identified that the council benefits financially from the one month council tax exemption as it is not payable on empty council accommodation.

Based on these figures, the proposed annual income to the General Fund is approximately £600,000 and the additional annual cost to the Housing Revenue Account has been estimated at approximately £94,000.

Potential Positive Impacts

This proposed policy change aims to incentivise owners to bring empty properties back into use to ensure they are not a wasted resource for both the owner (economic) and the council (social and economic). It has potential benefits to increase supply of housing in the city and raising additional income to be used to deliver services.

Responsible Service Manager	Andrew Armour
Date	1/9/2022
Approved by Senior Manager	Vanessa Shahani
Date	04/10/2022

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	No impact identified	None
Disability	As above	As above
Gender Reassignment	As above	As above
Marriage and Civil Partnership	As above	As above
Pregnancy and Maternity	As above	As above
Race	As above	As above
Religion or Belief	As above	As above

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Sex	As above	As above
Sexual Orientation	As above	As above
Community Safety	No known impact	
Poverty	<p>Property owners are ultimately responsible for Council Tax in the absence of an occupier so this proposal will mainly affect landlords as tenanted properties are the most likely to become empty.</p> <p><u>Impact of Covid19</u></p> <ul style="list-style-type: none"> • Government legislation suspending possession action so landlords unable able to escalate recovery action to the point of eviction • Following Covid, there has been a rise in evictions from the private sector • Between January 2022 and March 2022 there has been a 37% increase in homelessness approaches 	<p>Colleagues in housing have contributed to this proposal and will be consulted to ensure that the impact on the HRA is fully understood when a decision is made. Landlords will be encouraged to contribute to the consultation and will be reached via lettings agencies in the city. Advice will also be taken from the National Residential Landlords Association about how best to engage with the range of landlords in the city to ensure they are aware of the consultation.</p>
Health & Wellbeing	<p>If the proposal results in increased numbers of people presenting as homeless (see below – other significant impacts) this would have an impact on their health and wellbeing.</p> <p>Whilst it is difficult to assess, there is the potential for an overall impact on the health and wellbeing of Landlords impacted by the effects of Covid19 on their livelihoods due to the factors outlined above.</p>	<p>Colleagues in housing have contributed to this proposal and will be consulted to ensure that the impact on the HRA is fully understood when a decision is made. Landlords will be encouraged to contribute to the consultation and will be reached via lettings agencies in the city. Advice will also be taken from the National Residential Landlords Association about how best to engage with the range of landlords in the</p>

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		city to ensure they are aware of the consultation
Other Significant Impacts	<p>As the main impact of this proposal will be felt by landlords, it is worth considering the tax reforms introduced from 20/21. Two key changes are:</p> <ul style="list-style-type: none"> • tapering of mortgage interest tax relief (landlords currently are only able to offset 20% of mortgage interest payments) and • a change to Capital Gains Tax, making this liable for payment within 30 days of selling a property (previously had over a year) <p>Renters Reform Bill to be introduced by May 2023:-</p> <ul style="list-style-type: none"> • Section 21 'no fault' evictions to be abolished • Periodic tenancies to become standard • Notice periods for rent increases to be doubled • Minimum decent homes standards introduced • Tenants given more rights to keep pets • It will become illegal for landlords to have blanket bans on renting to families with children or those in receipt of benefits • Government's plans to 	<p>Colleagues in housing have contributed to this proposal and will be consulted to ensure that the impact on the HRA is fully understood when a decision is made. Landlords will be encouraged to contribute to the consultation and will be reached via lettings agencies in the city. Advice will also be taken from the National Residential Landlords Association about how best to engage with the range of landlords in the city to ensure they are aware of the consultation</p>

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
	<p>upgrade as many homes as possible to EPC band C by 2030</p> <ul style="list-style-type: none"> • The Renter’s Reform Bill and move to EPC band C, on top of the legacy of Covid, may mean more landlords leave the private rented sector • There is little affordable private rental accommodation in the city • There is local pressure for affordable accommodation linked to Ukraine families being made homeless from the Friends and Family visa scheme, as well as demand to house refugees from Afghanistan, currently housed in a local Bridging Hotel • The tax reforms and Covid impact may mean some landlords with smaller portfolios choose to move out of the rental market. This would reduce the potential for savings highlighted in this paper • This could in turn increase the number of people presenting as homeless to the council, which would increase pressure on that service • This proposal could also strain the relationships with private landlords that the council is currently trying to 	

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
	strengthen	

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Equality and Safety Impact Assessment

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.

Name or Brief Description of Proposal	Reduce street lighting at night.
Brief Service Profile (including number of customers)	
<p>Highway street lighting is sited on most roads in the city and the light source impacts on every resident, business and after-dark visitor to the city. There are around 26,000 lighting columns in Southampton. Street lighting is already ‘dimmed’ (generally a percentage reduction in brilliance) through a policy in most areas of the city; this regime is subject to exemptions.</p> <p>Street lighting in Southampton is maintained as part of a 25-year Street Lighting Private Finance Initiative (PFI) - which commenced in 2010 - between Southampton City Council and Tay Valley Lighting, with services delivered by ENERVEO.</p> <p>The first five years of the contract involved the upgrade of the council’s street lights using the latest technology. This:-</p> <ul style="list-style-type: none"> ○ Provides essential energy savings; ○ Minimises light pollution; and ○ Reduces the overall number of street lights across the city to provide a more sustainable system for the future. <p>For the remaining 20 years of the contract, the focus is on maintaining and operating the city council’s lights to a very high standard and looking at future innovation (for example LED technology). A LED conversion project which, at its completion, will result in around 50% of the lighting stock being converted to LED, is in progress.</p> <p>The Council’s street lighting currently emits approximately 1,514 tons of CO2 per annum.</p>	

The switch off of lighting – like dimming – is controlled remotely through a sophisticated system and reversal of dimming or switch off of street lighting at specific lighting columns or streets can be achieved quickly.

The Council is currently considering a range of options for energy cost efficiency and environmental benefit, through the reduction of street lighting, including residential street lighting. The final proposal would result in the part-night switch off of a proportion of street lighting.

Summary of Impact and Issues

Energy Costs and Pressure

- The annual cost of street lighting energy in 2021/22 was £ 954,000.
- Since the commencement of the Covid 19 pandemic there have been huge fluctuations in wholesale energy prices, particularly gas.
- At times the wholesale market gas prices have been over 500% higher than pre pandemic levels.
- Due to the Council's procurement strategy it has been protected from the worst of the increases; however, there will continue to be unprecedented price rises for the foreseeable future.
- For guidance, it is currently estimated (based on a 'mid case') that electricity cost will rise by 156% in 2022-23 and 222% in 2023-24 against 2020-21 prices and it is estimated that the Council's overall energy bill could rise by approximately £4.7M between 2021-22 and 2023-24. These are broad forecasts and actual figures will be impacted by the volatility and pricing in the markets.
- It is now estimated that the 12 month energy cost for the streetlighting account from October 2022 (with no changes) will be £3,017,000 and forecast expenditure is being revised to reflect this pressure.

Crime and lighting studies

1. Reduced street lighting in England and Wales is not associated with road traffic collisions or crime, according to research published in the [Journal of Epidemiology and Community Health](#). This 2015 study led to the following conclusions:

'Researchers analysed 14 years of data from 62 local authorities across England and Wales who had implemented a range of reduced street light strategies, including switching lights off permanently, reducing the number of hours that lamps are switched on at night, dimming lights, and replacing traditional orange lamps with energy efficient white light LED lamps.'

To assess road safety, the researchers looked at all roads in participating authorities, examining what type of street lighting was used and the number of traffic collisions that happened at night relative to the day during 2000-13. There was no evidence of an association between reduced street lighting and night-time collisions across England and Wales.

To assess crime, researchers looked at data from 2010-13 [1] to analyse how many crimes took place in an area and what types of street lighting were used there. They focused on offences more likely to occur at night, including burglary, theft of or from a vehicle, robbery, violence and sexual assault. Overall, there was no evidence of an association between reduced street lighting and increased crime across England and Wales.

Study co-author Professor Shane Johnson of UCL Security and Crime Science, said: "The study findings suggest that energy saving street lighting adaptations have not increased area level crime in the neighbourhoods studied. This is very encouraging but it is important to note that it does not mean that this will be the case under all conditions, and so changes to lighting should be managed carefully." "

2. The Cambridgeshire Research Group report (August 2015 attached), indicates that *'the best conclusion that can be drawn from the research literature is that the general benefit of street lighting in reducing crime is unproven but in very specific circumstances, where there is an existing crime hot-spot and current lighting is poor then improvements may prove beneficial.'*



Street-Lighting-Policy (Cambridgeshire).p

3. This year's Guardian report [Street lighting increases theft from cars, rather than deterring opportunists | Society | The Guardian](#) in reference to the potentially positive effects of turning off street lights in reducing opportunist car crime.
4. The College of Policing. Street Lighting: increasing the levels of lighting on the street or in other public spaces [Street lighting | College of Policing](#) This concludes that *'evidence suggests improved street lighting can reduce crime'* (with some further clarity given over what this means in practice).

Overall, these studies are far from conclusive and draw some conflicting conclusions, but there is reasonable evidence that - with an agile and comprehensive exceptions scheme – the city should not be subject to an increase in crime as a result of these proposals and that there may even be a reduction in some crime types.

Other highway authorities

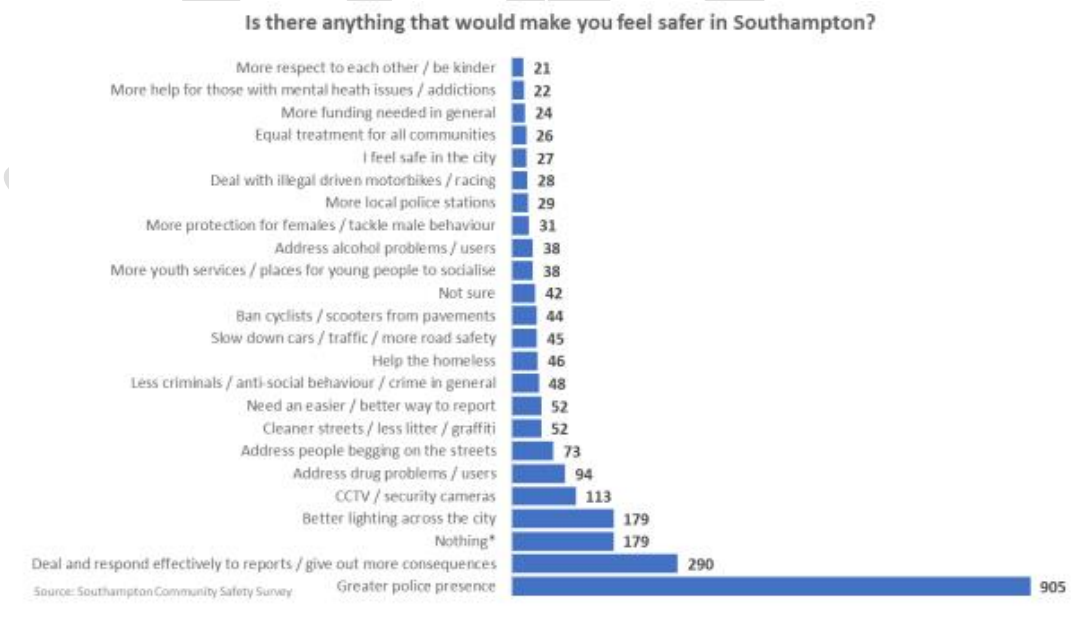
There are a range of County Council policies in operation for street lighting switch off but research to date has not identified any Unitary or City Council with a City-based part-night switch off regime. It is, of course, noted that whilst towns and cities within County Council areas may have similar features to Southampton, that significant parts of the area covered will have more rural features compared to Southampton's urban environment.

It should also be noted that other areas have exception schemes and that these can be significant and include town centres such as [Part night lighting | Hampshire County Council \(hants.gov.uk\)](http://hants.gov.uk) From the research to date, the following approaches are in place – in particular the approach to residential areas should be noted:-

Council	Approach
Hampshire CC	Part night lighting operates in most residential areas (off between 1am and 4am)
Surrey CC	Selected roads switched off between 1am & 5am
Dorset CC	Part night lighting applied to most quiet, urban residential and rural roads (off between approx. 1am and 5:30am)
Oxfordshire CC	Residential area street light switch-off between 12:30am and 5:30am

Community Safety Survey

The last Community Safety Survey identified street lighting as one of the key things which would make people feel safer:



Potential Positive Impacts

Financial

It is estimated that the financial saving for the switch off of street lighting for part or all of the night would result in a saving of circa £450,000 per annum against the forecast costs.

CO2 and lighting impact

It is estimated that the CO2 reduction for the switch off of street lighting between during part of the night would result in a CO2 saving estimated between 160 and 600 tonnes per annum.

These figures would vary depending on the precise nature of the scheme adopted and any exceptions, etc.

There would be a significant reduction in light spillage/pollution across the city.

There would be a positive ecological impact as a result of reducing the intrusive impact of street lighting. A study by the universities of York and Newcastle concludes that switching off street lights in the middle of the night to save money and energy could have a positive knock-on effect on nocturnal pollinators. This is primarily because night-lighting disrupts nocturnal pollination by attracting moths upwards, away from the fields and hedgerows so they spend less time feeding and therefore pollinating.

[Street light switch-off benefits night-time pollinators - News and events, University of York](#)

A BBC article sets out the harm to wildlife associated with street and other lighting.

[The argument for switching off lights at night - BBC Future](#)

Responsible Service Manager	Colin Perris
Date	26/10/22
Approved by Senior Manager	
Date	

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	There may be a disproportionate impact on some elderly residents who are outside of their homes during part of the night due to – typically – some of these residents having poorer eyesight and potential physical frailty	Consider exceptions in specific locations for example, close to sheltered housing schemes, and explore lit routes. Consider the public communications about the changes.

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Disability	There may be a disproportionate impact on people with physical disabilities who are outside of their homes during part of the night as some people with physical disabilities may place additional reliance on having roads and pavements lit	Consider an exceptions scheme and explore lit routes. Consider within the public communications about the changes
Gender Reassignment	No known significant additional impact	N/A
Marriage and Civil Partnership	No known significant additional impact	N/A
Pregnancy and Maternity	There may be a disproportionate impact on people who are pregnant or who are outside of their homes with young children during part of the night, additional reliance may be placed on having roads and pavements lit	Consider within the public communications about the changes
Race	No known significant additional impact	N/A
Religion or Belief	No known significant additional impact	N/A
Sex	The fear of crime and the risk of assault may be greater for women and girls.	Consider an exceptions scheme based on crime rates and ASB hotspots and explore lit routes.
Sexual Orientation	No known significant additional impact	N/A
Community Safety	There is a risk of actual crime and the fear of crime increasing.	Communications and information will be important in explaining the studies which have not drawn this conclusion. Consider an exceptions scheme based on crime rates and ASB hotspots and explore lit routes.
Poverty	No known significant additional impact	N/A
Health & Wellbeing	No known significant additional impact	N/A
Other Significant Impacts	N/A	N/A

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Equality and Safety Impact Assessment

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.

Name or Brief Description of Proposal	<ol style="list-style-type: none"> To increase HRA rents in line with the Government Cap, following the publication of the outcome of the Government consultation to cap social rent increases To increase HRA Service Charges by 9% To increase Landlord Controlled Heating charges in line with the table outlined below 																																									
	<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%	
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	<p>The Rent Increase for 2023/24 will be capped by the Government. The proposal is not to exceed whatever cap is announced, despite current inflation rates running far higher than 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 Service Charge increase is 9% for the 2023/24 financial year. Below current rates of inflation. It is necessary to</p>																																									

increase service charges to pay for the services that these charges cover.

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:

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%

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 consultation which is below the maximum allowable increase of CPI plus 1%. 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"> Working with our customer payment and debt team to arrange direct payment methods Working with our Welfare Benefit team to see if they are eligible for any other benefits or assistance (e.g. Discretionary Housing Payments) 	
Potential Positive Impacts	
Responsible Service Manager	Steve Smith Head of Stronger Communities, Neighbourhoods & Housing
Date	
Approved by Senior Manager	Mary D'Arcy Executive Director Communities, Culture & Homes
Date	

Potential Impact

Impact Assessment	Details of Impact	Possible Mitigations
Age	<p>In relation to increase in rents & 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 consultation which is below the maximum allowable increase of CPI plus 1%.</p> <p>Landlord Controlled Heating charges are linked to the Government Energy Cap.</p> <p>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.</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</p>

Impact Assessment	Details of Impact	Possible Mitigations
		<p>and Cold Weather Payments 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"> • 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 • Working with our customer payment and debt team to arrange direct payment methods • 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
Disability	In relation to increase in rents and service charges tenants and leaseholders will have increased housing and service charge costs.	The rent increase will be in line with the Government consultation which is below the maximum allowable increase of CPI plus 1%.

Impact Assessment	Details of Impact	Possible Mitigations
	<p>In relation to heating charge increase those paying for the service will be 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 & 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"> • 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 • Working with our customer payment and debt team to arrange direct payment methods • Working with our Welfare Benefit team to see if they are eligible for any other benefits or assistance

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>
Gender Reassignment	No identified impact	
Marriage and Civil Partnership	No identified impact	
Pregnancy and Maternity	No identified impact	
Race	No identified impact	
Religion or Belief	No identified impact	
Sex	No identified impact	
Sexual Orientation	No identified impact	
Community Safety	<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"> • 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 • Working with our customer payment and debt team to arrange direct payment methods • Working with our Welfare Benefit team to see if they are eligible for any other benefits or assistance (e.g. Discretionary Housing Payments)
Poverty	<p>Rent and Service charges</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 consultation which is below the maximum allowable increase of CPI plus 1%.</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>Landlord Controlled Heating Charges</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>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.</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"> • 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 • Working with our customer payment and debt team to arrange direct payment methods • Working with our Welfare Benefit team to see if they are eligible for any other benefits or assistance (e.g. Discretionary Housing Payments) <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</p>

Impact Assessment	Details of Impact	Possible Mitigations
		<p>controlled heating. SCC tenants in receipt of LCH have also received central 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>Health & Wellbeing</p>	<p>In relation to increase in rents & 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 consultation which is below the maximum allowable increase of CPI plus 1%.</p>

Impact Assessment	Details of Impact	Possible Mitigations
		<p>Landlord Controlled Heating charges are linked to the Government Energy Cap.</p> <p>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.</p> <p>The Government have provided every household in the country with financial help towards their energy costs.</p>
Other Significant Impacts	<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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