



30 January 2023

## **RUGBY BOROUGH COUNCIL**

A special meeting of Rugby Borough Council will be held in the Council Chamber at the Town Hall, Rugby at 7.00pm on Tuesday 7 February 2023.

*Members of the public may also view the meeting via the livestream available on the Council's website.*

**Mannie Ketley**  
**Chief Executive**

### **A G E N D A**

#### **PART 1 – PUBLIC BUSINESS**

1. Apologies for absence.
2. Minutes.  
To approve the minutes of the ordinary meeting held on 14 December 2022.
3. Declaration of Interests.  
To receive declarations of -
  - (a) non-pecuniary interests as defined by the Council's Code of Conduct for Councillors;
  - (b) pecuniary interests as defined by the Council's Code of Conduct for Councillors; and
  - (c) notice under Section 106 Local Government Finance Act 1992 - non-payment of Community Charge or Council Tax.
4. To receive the Mayor's Announcements.

5. Questions pursuant to Standing Order 10.
6. To receive the reports of Cabinet and Committees which have met since the last meeting of the Council and to pass such resolutions and to make such orders thereon as may be necessary:

**(a) Cabinet – 9 January 2023**

(1) Social Housing Decarbonisation Fund proposals – Communities, Homes, Digital and Communications Portfolio.

**(b) Cabinet – 6 February 2023**

(1) Adoption of the Climate Change and Sustainable Design and Construction Supplementary Planning Document (SPD) – Growth and Investment Portfolio.

7. To receive and consider the reports of officers.
  - (a) Draft Housing Revenue Account Capital and Revenue Budgets 2023/24 and Medium Term Financial Plan 2023-27 – report of the Chief Officer – Communities and Homes and the Chief Officer – Finance and Procurement.
8. Notices of Motion pursuant to Standing Order 11 – in accordance with the Council's Constitution, there are no motions on notice to be considered.
9. Correspondence.
10. Common Seal.

To order the affixing of the Common Seal to the various orders, deeds and documents to be made or entered into for carrying into effect the several decisions, matters and things approved by the Council and more particularly set out in the reports adopted at this meeting.

11. Motion to Exclude the Public under Section 100(A)(4) of the Local Government Act 1972.

To consider the following resolution:

“under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of information defined in paragraphs 1 and 3 of Schedule 12A of the Act.”

## **PART 2 – EXEMPT INFORMATION**

1. To receive the reports of Cabinet and Committees which have met since the last meeting of the Council and to pass such resolutions and to make such orders thereon as may be necessary:

**(a) Cabinet – 6 February 2023**

(1) Parks Client Officer – Leisure and Wellbeing Portfolio.

(2) Election of Mayor and Appointment of Deputy Mayor 2023/24 – Finance, Performance, Legal and Governance Portfolio.

## **QUESTIONS AT COUNCIL**

*A Councillor may ask a question at the meeting by giving notice in writing of the question to the Chief Executive no later than midday on Wednesday 1 February 2023. The rules relating to Questions are set out in Part 3a of the Council's Constitution.*

**REPORT OF CABINET**

**9 January 2023**

Councillors Lowe (Chairman), Mrs Crane, Miss Lawrence, Picker, Poole and Ms Robbins.

Councillors Edwards, Mistry, Mrs O'Rourke and Roodhouse were also in attendance.

**Note:** An electronic version of the Cabinet report referred to below can be found [here](#).

**1. SOCIAL HOUSING DECARBONISATION FUND PROPOSALS**

Cabinet considered a report concerning a proposed grant funding bid to facilitate an external wall insulation project to 112 Wimpey No-Fines properties in Long Lawford and the Rokeby estate.

**Recommendation of Cabinet**

Cabinet decided to recommend to Council that –

- (1) in anticipation that the Council's bid to the Midlands Energy Hub is successful, the facilitating of an external wall insulation project to 112 Wimpey No-Fines properties in Long Lawford and Rokeby be approved;
- (2) the allocation of £1.09m grant award, if the bid is successful, to enable the delivery of a programme of energy efficiency improvements to the 112 Wimpey No-Fines properties in Long Lawford and Rokeby be approved;
- (3) a supplementary budget of £2.18m (made up of the £1.09m grant award plus the required £1.09m match funding) be approved in accordance with the match-funding requirements, to be met from the £1.000m HRA Climate Change reserve and the remainder from HRA Major Repairs reserve; and
- (4) regular updates on the progress of any resulting programme of works including risks be provided to the Climate Emergency Working Group.

**Recommended that** – the recommendation of Cabinet be approved.

**COUNCILLOR S LOWE  
CHAIRMAN**

**REPORT OF CABINET**

**6 February 2023**

Councillors in attendance to be confirmed after Cabinet has met on 6 February 2023.

**Note:** An electronic version of the Cabinet report referred to below can be found [here](#).

**1. CLIMATE CHANGE AND SUSTAINABLE DESIGN AND CONSTRUCTION SUPPLEMENTARY PLANNING DOCUMENT (SPD)**

Cabinet will consider a report on 6 February 2023 concerning the proposed adoption of the Climate Change and Sustainable Design and Construction Supplementary Planning Document (SPD).

**Recommendation of Cabinet**

Cabinet is due to recommend to Council that -

- (1) the Climate Change and Sustainable Design and Construction SPD (attached as appendices 1, 1A and 1B) be adopted; and
- (2) delegated authority be given to the Chief Officer for Growth and Investment to make minor grammatical and presentational amendments as necessary to the Climate Change and Sustainable Design and Construction SPD either prior to or following adoption, and prior to it being published.

Any changes to the recommendation will be provided to Members prior to Special Council on 7 February 2023.

**Recommended that** – the recommendation of Cabinet be approved.

**COUNCILLOR S LOWE  
CHAIRMAN**

**AGENDA MANAGEMENT SHEET**

**Report Title:** Draft Housing Revenue Account Capital & Revenue Budgets 2023/24 and Medium Term Financial Plan 2023-27

**Name of Committee:** Special Council

**Date of Meeting:** 7 February 2023

**Report Director:** Chief Officer - Finance and Performance and Chief Officer – Communities and Homes

**Portfolio:** Communities, Homes, Digital and Communications

**Ward Relevance:** All

**Prior Consultation:** Not applicable

**Contact Officer:** Jon Illingworth, Chief Officer – Finance and Performance and Chief Financial Officer 01788 533410 or jon.illingworth@rugby.gov.uk  
Michelle Dickson, Chief Officer – Communities and Homes 01788 533843 or michelle.dickson@rugby.gov.uk

**Public or Private:** Public

**Report Subject to Call-In:** Yes

**Report En-Bloc:** No

**Forward Plan:** Yes

**Corporate Priorities:** This report relates to the following priority(ies):  
 Rugby is an environmentally sustainable place, where we work together to reduce and mitigate the effects of climate change. (C)  
 Rugby has a diverse and resilient economy that benefits and enables opportunities for all residents. (E)  
 Residents live healthy, independent lives, with the most vulnerable protected. (HC)  
 Rugby Borough Council is a responsible, effective and efficient organisation. (O)  
Corporate Strategy 2021-2024  
 This report does not specifically relate to any Council priorities but

**(C) Climate**  
**(E) Economy**  
**(HC) Health and Communities**  
**(O) Organisation**

<b>Summary:</b>	The primary purpose of this report is to present a draft HRA revenue position (see Appendix A) and a capital position (see Appendix B) for 2023/24 based on the approved programme, plus a HRA Medium Term Financial Plan (MTFP) (see Appendix C).
<b>Financial Implications:</b>	As detailed within the report and appendices.
<b>Risk Management/Health and Safety Implications:</b>	None as a direct result of this report
<b>Environmental Implications:</b>	Please see Climate Change and Environmental Impact Assessment as appended in appendix D of this report
<b>Legal Implications:</b>	As detailed within the report
<b>Equality and Diversity:</b>	Please see Equality Impact Assessment as appended in appendix E of this report.
<b>Options:</b>	<p>Option 1, approve recommendation of this report.</p> <p>Option 2, provide an alternative to the revenue and capital budgets and/or rent and service charge value.</p> <p>Any changes made to any of the recommendations will potentially affect the content of the subsequent appendices. If any changes to the rent setting levels are proposed, it is important to be clear about the effects of the change and to build these in during the consideration of each recommendation.</p>
<b>Recommendation:</b>	<ol style="list-style-type: none"> <li>1. The draft revenue budgets for 2023/24 and the updated medium term financial plan in Appendices A and C be approved inclusive of 7% increase in rent and service charges based on estimated costs;</li> <li>2. The approved capital budget in Appendix B be noted; and</li> <li>3. The contribution to Climate Change reserve and Transformation reserve as set out in paragraph 3.6 and 3.7 be approved.</li> </ol>
<b>Reasons for Recommendation:</b>	<p>To comply with the Codes of Practice</p> <p>Rent increase has been capped at 7%. Budgets for revenue have been proposed based on the</p>

expected requirements for the forthcoming  
financial year



**Special Council - 7 February 2023**

**Draft Housing Revenue Account Capital & Revenue Budgets  
2023/24 and Medium-Term Financial Plan 2023-27**

**Public Report of the Chief Officer - Finance and Performance  
and Chief Officer - Communities and Homes**

**Recommendation**

1. The draft revenue budgets for 2023/24 and the updated medium term financial plan in Appendices A and C be approved inclusive of 7% increase in rent and service charges based on estimated costs;
2. The approved capital budget in Appendix B be noted; and
3. The contribution to Climate Change reserve and Transformation reserve as set out in paragraph 3.6 and 3.7 be approved.

**1. INTRODUCTION**

1.1 The Council is required by the Local Government and Housing Act 1989 (section 74) to keep a Housing Revenue Account (HRA) which records all revenue expenditure and income relating to the provision of council dwellings and related services. The use of this account is prescribed by statute and the Council is not allowed to fund any expenditure for non-housing related services from this account. In addition, the Act ensures that the HRA does not fall into a deficit position.

1.2 In accordance with the constitution, the Council is required to carry out an annual review of rents and notify tenants not less than 28 days prior to the proposed date of change.

1.3 The Council has a retained housing stock of 3,433 homes currently available to let (January 2023) and manages an additional 54 leasehold properties with an annual rent roll of approximately £16.6m.

1.4 The purpose of this report is to present a draft HRA revenue position (see Appendix A) and a capital position (see Appendix B) for 2023/24 based on budget submissions, plus a HRA Medium Term Financial Plan (MTFP) (see Appendix C).

1.5 The estimates contained within this report represent the most up to date information and sensitivity analysis available to officers.

1.6 If any changes to the rent setting levels are proposed, it is important to be clear about the effects of the change.

1.7 This report has previously been presented to Cabinet on 6 February 2023.

## 2. BUDGET AND POLICY FRAMEWORK

2.1 Significant activities within or impacting upon the Housing Revenue Account in 2022/23 to date include:

- 2 property acquisitions have been completed and a further 15 due to complete by financial year end.
- 21 properties sold under Right to Buy
- Member approval for the Biart Place development
- Deconstruction of Rounds Gardens site has commenced

2.2 The two-part review of the Decent Homes Standard, being carried out by Government, remains a work in progress Government anticipate that the main outcome will be a refreshed Decent Homes Standard.

2.3 In February 2022, the government published the Levelling Up the United Kingdom white paper indicating the government's ambition to halve the number of non-compliant rented homes in the social and private rented sector by 2030. This is likely to be a key influence in the revisions to the Decent Homes Standard, along with the new regulations for the safe management of homes which have come via the Fire Safety Act 2021 and the Building Safety Act 2022.

2.4 The Council's approach to reducing the carbon footprint of the housing stock is an evolving one and more detail is outlined in 8.3.

2.5 Rent guidance usually allows increases of CPI + 1% for the four years up to 2024. CPI as of September 2022 was 10.1% meaning that the indicative rise in rents for current tenants would have been 11.1% (10.1% plus 1%). However, with the current cost of living crisis, rent increases for 2023/24 have been capped at 7% as announced in the Autumn Budget Statement on 17 November 2022. For financial planning within the Medium-Term Financial Plan rent uplifts are estimated at 3% (Bank of England CPI target of 2% + 1%).

2.6 On 1 April Department of Levelling Up, Housing and Communities (DLUHC), introduced a cap on the use of Right to Buy receipts for acquisitions to help drive new supply which will be phased in over 2022/23 to 2024/25. Currently the first 20 properties acquired are exempt from the cap and any properties acquired over the cap, Right to Buy receipts can only be used towards 50% of those acquisitions i.e. If 30 properties are purchased, Right to Buy receipts can be used towards 25. The purpose of this cap to encourage authorities to build homes as these are exempt from the cap.

### **The medium-term plan for the HRA has incorporated these changes**

2.7 The Council has a local limit on indebtedness to ensure compliance with the Prudential Code for Capital Finance in Local Authorities. It is recommended that the level remains at £152m approved in 2019/20 which will provide:

- Capacity to increase the Council's HRA Capital Financing Requirement to meet any significant unexpected capital expenditure; and

- Subject to support for the schemes above, capacity to increase the stock base via bids on developer affordable housing projects and/or Council projects.

2.8 The Biart Place and Rounds Garden's schemes have had a significant impact on the borrowing requirement of the HRA. To maximise the opportunity to provide a financially viable scheme, Council took advantage of the PWLB certainty rate to secure £66m at an interest rate of an average of 1.4%. As part of the Treasury Management Strategy, the Council has been managing the difference between the cost of the loan and the investment income that is being generated whilst the final schemes are being established. As PWLB certainty rate is currently 4.42% this demonstrates that it was a prudent decision that was taken.

2.9 To ensure that the Council has continuing earmarked balances to support the scheme as other major development (notwithstanding central Government financial support) in 2023/24, it is proposed that £3.817m will set aside as Revenue Contributions to Capital Expenditure including £1.000m towards climate change works.

2.10 The updated HRA Medium Term Financial Plan (Appendix C) also contains continuing Revenue Contributions to Capital Expenditure.

### 3. REVIEW OF HRA BALANCES

3.1 The HRA draft budget for 2023/24 (Appendix A) allows for 7% rent increase and 3.0% for each year until 2026/27. The 30-year HRA financial plan has also been updated to reflect changes, including high-rise site redevelopment, where the impact can be forecast.

#### 3.2 HRA Revenue Balance

The estimated HRA Revenue balance on 31 March 2023 will be £2.817m. This level is considered prudent to meet further revenue costs arising from potential risks moving forward over the term of the HRA Medium Term Financial Plan.

#### 3.3 Major Repairs Reserve

The Major Repairs Reserve (MRR) reflects the need to replace major components as they wear out. This funding, together with previous allocations of supported borrowing and revenue contributions, has enabled the Council to maintain the housing stock in a good condition. Balances will require reviewing considering any regulatory changes in future years. The forecast MRR balances reflecting the approved capital programme in Appendix B are as follows:

	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s
<b>Balance b/fwd.</b>	<b>2,418</b>	<b>3,187</b>	<b>3,905</b>	<b>4,197</b>
Depreciation/Appropriation from HRA Revenue	3,120	3,214	3,310	3,409
Capital Financing	(2,351)	(2,496)	(3,018)	(3,018)
<b>Balance c/fwd.</b>	<b>3,187</b>	<b>3,905</b>	<b>4,197</b>	<b>4,589</b>

### 3.4 Housing Repairs Account

The Housing Repairs Account is an earmarked reserve used to mitigate the risks associated with cyclical and responsive repairs over time. The forecast balance over the period of the medium-term financial plan is £0.093m.

### 3.5 Housing Capital Investment Balances

In addition to the above, the Council has also made revenue contributions set aside for capital investment in prior years to fund new build, estate regeneration and other works. The forecast balances over the period of the medium-term financial plan are as follows:

	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s
<b>Balance b/fwd.</b>	<b>17,592</b>	<b>19,092</b>	<b>21,968</b>	<b>25,493</b>
Contributions from HRA	2,716	4,047	4,596	5,703
Capital Financing for New Build / Acquisitions / Other Projects	(1,216)	(1,171)	(1,071)	(1,071)
<b>Balance c/fwd.</b>	<b>19,092</b>	<b>21,968</b>	<b>25,493</b>	<b>30,125</b>

### 3.6 Transformation Reserve

There is a corporate transformation budget which is ring-fenced to supporting General Fund activities. However, there is no similar provision for Housing Revenue Account transformation activities. It is therefore proposed that a HRA transformation reserve of £0.100m be established for 2023/24, to be funded from the Housing Capital Investment balances. This funding will be used to backfilling of posts if internal secondments are utilised, and also for consultancy advice to be brought in to boost capacity for project development and delivery. Any backfilling of roles is essential so that the service can maintain a customer focused approach on the day-to-day management of our portfolio of homes.

Any drawdown of this reserve will be in consultation with Chief Officer and Portfolio holder.

### 3.7 Climate Change Reserve

It is proposed that £1.000m is contributed to the Climate Change Reserve to meet the costs relating to eco works and retrofitting, alongside the £1.000m that was allocated in 2022/23. This work is currently being evaluated in detail but will include the match funding in relation to the recently approved project for and external wall insulation project to Wimpy No-Fines properties.

### 3.8 Right-to-Buy (RTB) Capital Receipts

The Council has a 1-4-1 retention agreement with DLUHC allowing it to retain a greater proportion of receipts upon the condition that they are utilised in provision of replacement housing within 5 years. Receipts that are not utilised must be returned to Her Majesty's Treasury (HMT) and incur an interest charge of Bank of England Base Rate plus 4%. Following on from the update in policy, 40% of the expenditure incurred

on replacement housing may be financed from RTB receipts and a cap has been introduced the reliance on this form on financing will be reduced during the next 3 years.

It is assumed that 28 homes will be sold under the Right-to-Buy scheme per year over the period of the medium-term financial plan producing an average receipt of £0.105m per property (prior to pooling). Forecast balances over the period are as follows:

	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s
<b>Balance b/fwd.</b>	<b>11,230</b>	<b>13,004</b>	<b>14,788</b>	<b>16,552</b>
Net Pooling Contribution	2,448	2,448	2,448	2,448
Capital Financing for New Build / Acquisitions	(674)	(674)	(674)	(674)
<b>Balance c/fwd.</b>	<b>13,004</b>	<b>14,778</b>	<b>16,552</b>	<b>18,326</b>

### 3.9 Assessment of HRA Balances and Earmarked Reserves

During 2023/24 an assessment of required level of reserves needs to be undertaken, taking account of the potential future financial risks faced by the HRA. It is considered prudent to hold sufficient reserves and balances to give the ability to smooth out peaks in expenditure and troughs in income. The assessment is not a forecast use of reserves, it is a summary of all the financial risks that could face the HRA. The findings will be presented as part of future budget reports.

## 4 MEDIUM TERM FUNDING OPTIONS

4.1 An updated HRA medium term financial plan reflecting the above position is included at Appendix C. The remainder of the report concentrates on proposals for 2023/24 including:

- Rent
- Service Charges
- Performance management – voids and debt collection
- Expenditure assumptions
- Housing repairs and capital programme
- Capital financing

### 4.2 Rent

With rent increases being capped at 7%, which is already 4.1% below the usual inflationary increase. The table below identifies the loss of rental income that would be generated if a lower increase is adopted

Alternative Increase	Reduction in income compared to 7% increase £000s
3%	634
5%	317

Any below inflationary increase has several consequences, the first being the compound impact on future generated income. The following table demonstrates that compound impact over the next 5 years with an inflationary increase of 3% from 2024/25 onwards (target inflation + 1%).

Increase %	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
7%	349	359	370	381	393	1,852
5%	666	686	707	728	750	3,537
3%	983	1,012	1,043	1,074	1,106	5,218

Also the reduction in future income will have an impact on future service provision as it is this income which provides funding for the activity in the capital programme.

	2022/23 Budget £000s	2023/24 7% £000s	2023/24 5% £000s	2023/24 3% £000s
Contribution to capital expenditure	3,342	3,817	3,500	3,183
Increase/(Decrease) in contribution		475	158	(159)

The capital programme in Appendix B identifies capital schemes of around £4.500m a year across the MTFP and as well as delivering Decent Homes standards, the Council as a responsible Social Landlord is striving to deliver improvements to deliver the Climate emergency requirements and strive to have a positive impact on tenant's energy bills. The 30-year programme will be dependent on the income generated from rents to support the programme that has been identified.

Currently, 68% of council tenants receive help with the payment of their rent through Universal Credit or Housing Benefit. The financial support received will be adjusted to account for any changes in rent or eligible service charges.

Rent estimates for 2023/24 assume a stock level of 3,443 available to let HRA properties at the start of April 2023. This estimate includes an allowance for Right-to-Buy sales and acquisitions in year. Also, based on recent trend analysis, a void rate of 2.70% is estimated for 2023/24.

#### 4.3 Rent Calculation

The calculations for rents are based on average rents over the entire year. The percentages applied to this may not be the same as the ones applicable when considering a 48 or 49-week rent year.

The following calculations are based on stock numbers as of October 2022.

	2022/23 £'s	2023/24 £'s	Average % Increase	Average £ Increase
Average Weekly Rent (52-week basis)	90.87	97.23	7.0	6.36

Since 2023/24 is a 48-week rent year, the rents will be charged accordingly and therefore the figures shown here are for illustrative purposes. Estimated rental income from dwellings of £16.966m for 2023/24 has been included within the draft HRA revenue budgets as shown in Appendix A. The estimate is based on the central business case of:

- An average 2.70% void rate across the stock;
- A net increase in stock levels of 3 in 2023/24; and
- 7 re-lets where rent is uplifted to target rent

For each 1% change in the void rate the HRA rent loss is equivalent to £0.169m. Each additional RTB sale produces an average rent loss of £5,050 in a full year. The average target rent in 2023/24 (52-week basis) will be £95.03 as compared to the average current rent of £97.23 (see above.)

4.4 Although the average increase is £6.36 a week, the Council is still the landlord with the lowest rents in the Borough. The following tables compares current rent levels across all sectors, based on information as at September 2022:

Cross-sector comparison of current rent levels (£ pw)	Council	Housing Association	Private	“Affordable”
One bed	87.43	92.71	142.55	98.92
Two bed	99.79	103.61	192.09	124.18
Three bed	112.78	110.18	225.96	146.20
Four bed	117.76	128.09	292.12	192.88
Five bed	141.47	159.02	415.38	

#### 4.5 Service Charges

In line with government guidance, service charges are de-pooled from rent charges which enables tenants to see the estimated amount spent on services. Income from service charges is estimated at £1.315m in 2023/24 (including a void allowance of 2.70%).

The average weekly impact upon utilities and cleaning service charges arising from the estimates of costs associated with that service in 2023/24 (on a 52-week basis) is as follows:

Charge Type	Average Charge p/w (52 wk basis) £	Average Change p/w £
<b>Communal Lighting - Electricity</b> (Rebateable – eligible for Housing Benefit)	2.09	1.17
<b>Communal Heating - Gas</b> (Rebateable – eligible for Housing Benefit)	1.81	1.37
<b>Communal Cleaning</b> (Rebateable – eligible for Housing Benefit)	2.97	0.17
<b>Heating – Gas</b> (Non-Rebateable – Very Sheltered Housing only – not eligible for Housing Benefit)	33.50	24.98
<b>Subtotal</b>	40.37	27.69
<b>Independent Living Co-ordinator</b> (to be increased in line with rent rise)	9.57	0.63
<b>Concierge</b>	2.54	0.26

4.6 Gas price increases have been included based on an increase in prices of 285% from 1<sup>st</sup> April 2023 (information from quarter 2 ESPO energy report). This has resulted in a cost pressure of £0.328m. The Ofgem price cap introduced earlier in the year does not apply to business energy supplies.

4.7 The Gas heating charge that is not covered by housing benefit in the table above, only relates to 3 sheltered schemes (Albert Square, Tanser Court and Lesley Souter House). The individual properties, as well as the communal areas run off a single boiler. This charge relates to the gas consumed by individual flats, for their own heating.

From April 2023 the Energy Price Guarantee (EPG) to cover dual-fuel gas and electricity, that the government introduced will rise to £3,000. Our weekly charge for gas equates to £1,742 annually, well below the EPG level. Also, to protect the most vulnerable, in 2023-24 an additional Cost of Living Payment of £900 will be provided to households on means-tested benefits, of £300 to pensioner households, and of £150 to individuals on disability benefits. The government will also raise benefits, including working age benefits and the State Pension, in line with inflation from April 2023, ensuring they increase by over 10%.

#### 4.8 Woodside Park Rents

Pitch fees for Woodside Park are to rise in line with HRA rents. The current pitch fee is £128.99 and will rise in 2023/24 to £138.02 - an increase of £9.03 (7%). These are included as part of the fees and charges schedule to be approved by Council in February.

## 5. PERFORMANCE MANAGEMENT

The financial management of the HRA is directly linked to key performance in several operational areas – void management, rent collection and arrears recovery.



## 5.1 Void Management

There is a direct relationship between the time a property remains void, and the rent foregone. Consequently, ensuring that homes are re-let in the most efficient manner is a key priority for housing and property repairs service staff.

For 2023/24 the target for void property rent and service charge loss will be set at 2.70%, equating to £0.462m based upon the current void levels.

There are several activities in progress in relation to voids management:

- An end-to-end review of the process has been commissioned by the Chief Officer Communities and Homes. The review will be carried out by the Corporate Assurance Team.
- Revisiting how the statistical data is compiled to give an accurate picture of the void's situation. It is industry practice to split the data between regular voids and major voids (insurance claims and similar) so as not to distort the reporting data.
- The commencement of pre inspections ahead of the return of keys to proactively ensure that outgoing tenants understand what they are obliged to put right, and the condition they are required to leave the property in when the keys are returned, to avoid potentially costly recharges.
- A move toward pre allocation of properties ahead of them becoming void. There are potential risks with this approach, for example, should an outgoing tenant rescind their notice to terminate.
- Increased estate inspections as a means of being proactive in identifying properties that are exhibiting signs of poor condition for example, untidy gardens being an indicator of other potential issues and a requirement for early intervention and support.
- Consideration of additional resources within the assets team for property inspections / stock conditions surveys being conducted as a rolling programme to inform future iterations of the Housing Revenue Account Business Plan.

## 5.2 Rent Collection/Bad Debt Provision

The collection rate for rent and service charges and the performance in managing rent debt is critical to the financial position of the HRA and has a direct impact on the amount of bad debt provision that must be set aside.

Arrears greater than 4 weeks amounted to £1.097m as of 24 January and 57% of this total (£0.621m) relates to current tenants. It should be noted that the level of rent arrears can fluctuate throughout the month due to the timing of direct debit runs. Therefore, this position will most likely improve, when the next direct debit payments are received on 26 January. The HRA's contribution to the bad debt provision for

2022/23 was £0.066m, calculations indicate that an additional contribution to the provision is not required for 2023/24, so the provision for now remains unchanged at £0.066m.

## **6 EXPENDITURE – ASSUMPTIONS**

### **6.1 Employee costs**

The HRA budgets are based on the current staffing establishment. The pay award for 2022/23 is a flat rate increase of £1,925 across all salary points. An increase in pay of 4.00% has been assumed in the budget for 2023/24. Progression through pay scales and increased employer contributions to the Local Government Pension Scheme and Employers National Insurance have also been included in the base budget.

Several members of staff spend their time on both HRA and General Fund activities and as a result staff costs are split based on percentages of time relevant to services.

### **6.2 Utility Costs**

Energy costs have soared because of the conflict in Ukraine, this has reduced supplies of gas and additionally the demand for energy has significantly increase since Covid-19 restrictions have ended. This has led to an estimated increase in the cost of gas of 285% in 2023/24. For electricity an estimated increase of 66% in 2022/23 and 40% from in 2023/24. Utility inflation continues to be a significant risk for the HRA, the impact of prices increasing higher than the assumed rates will incur a budget pressure in the year.

### **6.3 Central Recharges**

These costs have been calculated at £2.918m in 2023/24 and include the HRA's proportion of Corporate Property, ICT, Legal, Human Resources, Payroll, and other costs.

### **6.4 Charges for Capital**

Depreciation is used to provide a measure of the cost of the economic benefits embodied in an asset that have been consumed during the year. Estimates for 2023/24 charges will be based around Chartered Institute for Public Finance and Accountancy (CIPFA) and DLUHC guidance. If there is a variance on final depreciation charge the excess or deficit is transferred to the Major Repairs Reserve to ensure the smoothing of costs for major works over the medium term.

### **6.5 Amounts set aside for the repayment of debt/ Revenue Contributions to Capital Expenditure**

Unlike the General Fund, there is no statutory requirement to set aside money from revenue for debt repayment within the HRA allowing flexibility to adjust debt repayment considering HRA business planning needs in future years.

The HRA business plan initiated at the point of self-financing assumed that all in-year surpluses would be utilised in the repayment of debt, subject to the maintenance of a

prudent HRA working balance. Prior to the introduction of the 1% rent cut and the redevelopment projects at high rise sites, estimates were that the HRA self-financing debt allocation of £72.949m would be repaid in 2024 (12 years following the settlement). The final loan relating to self-financing, will be repaid in March 2023, using the advance borrowing taken out for the high-rise developments.

## **7 HOUSING REPAIRS & MAJOR WORKS**

### **7.1 Housing Repairs**

Housing repairs expenditure covers both planned and responsive maintenance, some of which is capital funded. The funding is split between:

- the Housing Repairs Account for revenue expenditure such as boiler servicing, electrical inspections, etc.; and
- the Major Repairs Reserve (MRR) for capital works including the replacement of significant components (kitchens, bathrooms, central heating, etc.)

The transfer to the Housing Repairs Account in 2023/24 will be £4.304m (£3.899m 2022/23). Works within this total include:

- £0.386m - Gas servicing and maintenance works;
- £2.909m - Responsive repairs and voids;
- £0.140m - Smoke alarm replacements; and
- £0.314m - Electrical inspections and maintenance.

### **7.2 Capital Programme**

The approved 2023/24 capital programme of £4.241m is included at Appendix B. This does not include any reprofiled budgets from 2022/23. Material items within the programme include:

#### Acquisitions (£1.685m)

To maintain compliance with its retained Right-to-Buy 1-4-1 Agreement with MHCLG, and to access homes made available via S106 agreement with developers the Council will acquire approximately 12 properties in 2022/23. The average cost of acquisition is estimated at £0.150m of which a maximum 40% (£0.060m) is currently funded via Right-to-Buy sales receipts. The balance (60%) is funded via Housing Capital Investment balances. Where larger new build or acquisition schemes are envisaged, such as those outlined in section 2, reports will be brought to Council outlining operational and financing recommendations.

#### Kitchens (£0.560m)

The proposals for 2023/2024 will allow a replacement programme of just under 140 kitchens to ensure compliance with Decent Homes (i.e., replace after 20 years). A similar number of renewals will be required for 2024/2025 and 2025/2026. Following this, a requirement of approximately 400 replacements for 2026/2027 will be required.

## Bathrooms (£0.358m)

The proposals for 2023/24 include a bathroom replacement programme of approximately 120 properties to ensure continuing compliance with Decent Homes standards. A further 290 replacements will be undertaken in the period 2024/25 to 2025/26 at an approximate 145 properties per year. Funding is via the Major Repairs Reserve.

### 7.3 Transition to Net Zero

The Council is required to produce a capital programme which takes account of the requirement for major works for the period of the MTFP. As part of a wider capital strategy, schemes over the next 10 years are being coordinated to aid strategic planning. The plan will be established to incorporate to outline how the capital programme for the HRA can help the Council to deliver the climate change commitments as identified in the Corporate Strategy. In achieving this there will also be benefits to the tenants as the schemes will support them with lower cost utilities and energy efficient homes.

Stock modelling software have been purchased, which allows us to develop plans for tackling potential issues in a strategic way, feeding into both the soon to be refreshed asset management strategy and a new HRA business plan. When plans are being developed, those properties that have the lowest EPC rating will be targeted first to improve their energy efficiency.

Officers also work closely with EON and in doing so have access to their software which enables an understanding as to which of our stock is potentially most vulnerable to the effects of cold. This data helps inform plans for improvement and potential bids for funding. This modelling also allows us to assess the impact of any retrofit measures.

Officers have recently submitted a bid to the Social Housing Decarbonisation Fund to access support for a potential external wall insulation project, for the benefit of solid wall properties in Long Lawford and Rokeby. A decision on the bid is expected end of March 2022.

Recently completed was a LADS 2 scheme which included measures to reduce heat demand in our hard to heat properties. Installations were completed at 41 properties in total comprising of the following:

- 5 air source heat pumps to replace storage heating systems
- 33 solar PV
- 3 full loft insulations including appropriate ventilation

The take up among tenants was lower than anticipated, therefore the unused grant monies will be returned.

**Name of Meeting:** Special Council

**Date of Meeting:** 7 February 2023

**Subject Matter:** Draft Housing Revenue Account Capital & Revenue Budgets 2023/24 and Medium-Term Financial Plan 2023-27

**Originating Department:** Finance and Performance and Communities and Homes

**DO ANY BACKGROUND PAPERS APPLY**  YES  NO

**LIST OF BACKGROUND PAPERS**

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

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Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

**DRAFT REVENUE BUDGETS 2023/24 SUMMARY****HOUSING REVENUE ACCOUNT**

	2022/23 Draft Budget £000s	2022/23 Revised Budget £000s	2023/24 Draft Budget £000s	Notes
<b>INCOME :-</b>				
Rent Income From Dwellings	(16,107)	(16,107)	(16,966)	1
Rent Income From Non - Dwellings	(123)	(123)	(118)	2
Charges For Services	(905)	(905)	(1,236)	3
Contributions Towards Expenditure	(161)	(161)	(133)	4
<b>Total Income</b>	<b>(17,296)</b>	<b>(17,296)</b>	<b>(18,452)</b>	
<b>EXPENDITURE :-</b>				
Transfer To Housing Repairs Account	3,899	3,899	4,304	5
Supervision & Management	5,157	5,157	5,717	6
Rents, Rates, Taxes & Other Charges	125	125	125	
Depreciation and Impairment	3,239	3,239	3,120	7
Debt Management Cost	24	24	24	
Provision For Bad or Doubtful Debt	66	66	66	
<b>Total Expenditure</b>	<b>12,510</b>	<b>12,510</b>	<b>13,355</b>	
HRA Share of Corporate & Democratic Core Costs	291	291	318	
<b>NET COST OF HRA SERVICES</b>	<b>(4,495)</b>	<b>(4,495)</b>	<b>(4,779)</b>	
<b>HRA SHARE OF OPERATING INCOME &amp; EXPENDITURE INCLUDED IN THE WHOLE AUTHORITY INCOME &amp; EXPENDITURE ACCOUNT</b>				
Interest Payable & Similar Charges	1,295	1,295	1,104	8
Interest & Investment Income	(191)	(191)	(191)	
<b>NET OPERATING EXPENDITURE</b>	<b>(3,391)</b>	<b>(3,391)</b>	<b>(3,866)</b>	
Revenue Contributions to Capital Expenditure	3,342	3,342	3,817	9
Contributions to (+) / from (-) Reserves	49	49	49	
<b>Surplus(-)/Deficit for year</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## Notes

- 1 Rent estimates based on rent increase of 7.0% and estimated 12 Right to Buy sales, 15 purchases in year and voids at 2.7%.
- 2 Garage rents income has been reduced to reflect current income levels.
- 3 The net change in service charge income reflects any inflationary rises noted within the report (largely gas and electricity) and includes a void allowance of 2.70%.
- 4 Income has been reduced to reflect the current level of court costs being received and the relocating of mobile phone masts to non HRA land/property.
- 5 The main adjustments to the Housing Repairs Account for 2023/24 are:

	£000s
Salaries (incremental and pay award costs)	275
Planned repairs and maintenance	30
Depreciation charged directly to service	40
Utilities	31
Other net changes less than £10,000	29
Total changes to Housing Repairs Account	<hr/> 405

- 6 The main adjustments from the supervision & management revised budget for 2023/24 are:

	£000s
Salaries (incremental and pay award costs)	115
Estimated increases in Gas and Electricity charges	321
Increases for internal recharges to reflect costs chargeable from general fund	195
Insurance	(96)
Other net changes less than £10,000	25
Total change in Supervision & Management budget	<hr/> 560

- 7 MHCLG and CIPFA have produced guidelines regarding council dwelling depreciation to co-incide with the introduction of HRA self-financing. Estimates for 2021/22 have been prepared on this basis.
- 8 A loan will be paid off during 2022/23 resulting in a lower interest charge.
- 9 Overall net changes for income and expenditure detailed above are reflected in the amount contributed to capital expenditure.

## Approved Housing Revenue Account (HRA) Capital Programme 2022/23 and onwards

	Approved 2022/23 Capital Programme £000s	Approved 2023/24 Capital Programme £000s	Approved 2024/25 Capital Programme £000s	Approved 2025/26 Capital Programme £000s	Approved 2026/27 Capital Programme £000s
<b>Improvements &amp; Capitalised Repairs</b>					
Bathrooms	391	358	358	65	65
Bathrooms - Voids	175	100	100	100	100
Bathrooms - Unplanned Renewals	84	50	50	50	50
Fire Risk Prevention Works	105	100	100	100	100
Fire Risk Prevention Works Voids	105	70	70	70	70
Fire Risk Prevention Works - Unplanned Renewals	40	50	60	60	60
Heating Upgrades	1,022	20	60	20	20
Kitchen Improvements	812	560	655	1,510	1,510
Kitchen Improvements - Voids	200	200	200	200	200
Kitchen Improvements Unplanned Renewals	52	52	52	52	52
Driveways	45	25	25	25	25
Rewiring	201	160	160	160	160
Rewiring Unplanned Renewals	100	100	100	100	100
Soffit / Gutter Improvements	130	100	100	100	100
Roofing	50	50	50	50	50
Replacement Footpaths	182	100	100	100	100
External Walls	113	50	50	50	50
Housing Window Replacement **	20	10	0	0	0
Roof Refurbishment - Tanser Court	175	0	0	0	0
Entrance Doors / Door Entry Systems	126	0	0	0	0
Electrical Upgrades - Community Rooms	50	0	0	0	0
Boiler Works - Tanser Court	114	0	0	0	0
LED Lighting	5	0	0	0	0
Laundry Equipment	113	0	0	0	0
<b>Housing Management System</b>	175	60	60	60	60
<b>Carbon Management Plan</b>	739	0	0	0	0
<b>Automated Repairs System</b>	74	0	0	0	0
<b>Disabled Adaptations **</b>	216	250	250	250	250
<b>Lifeline Renewal Programme</b>	56	60	60	0	0
<b>Property Repairs Vehicle Replacement</b>	86	85	40	0	0
<b>Roof Refurbishment Victoria House</b>	70	0	0	0	0
<b>Purchase of Council Homes</b>	12,672	1,685	1,685	1,685	1,685
<b>Rounds Gardens Capital</b>	2,166	0	0	0	0
<b>Rounds Gardens Demolition</b>	5,000	0	0	0	0
<b>Biart Place</b>	17,875	0	0	0	0
<b>TOTAL</b>	<b>43,539</b>	<b>4,295</b>	<b>4,385</b>	<b>4,807</b>	<b>4,807</b>
<b>Draft Financing: -</b>					
Revenue Contributions / RTB Receipts	38,913	1,890	1,845	1,745	1,745
Major Repairs Reserve	4,626	2,405	2,540	3,062	3,062
<b>TOTAL</b>	<b>43,539</b>	<b>4,295</b>	<b>4,385</b>	<b>4,807</b>	<b>4,807</b>
** Includes supplementary budget requests pending Cabinet approval					



**MEDIUM TERM FINANCIAL PLAN - HOUSING REVENUE ACCOUNT (HRA): 2023/24 - 2026/27**

	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s
<b>INCOME</b>				
Dwelling Rent	(16,966)	(17,491)	(18,299)	(19,693)
Non Dwelling Rent	(118)	(117)	(115)	(113)
Service Charges	(1,235)	(1,251)	(1,289)	(1,328)
Contributions towards expenditure	(133)	(137)	(141)	(145)
<b>TOTAL</b>	<b>(18,452)</b>	<b>(18,996)</b>	<b>(19,844)</b>	<b>(21,279)</b>
<b>EXPENDITURE</b>				
Repairs & Maintenance	4,304	4,404	4,504	4,604
Supervision & Management	5,717	5,860	6,006	6,157
Rents, Rates, Taxes	125	125	125	125
Charges for Capital	3,120	3,214	3,310	3,409
Debt Management	24	25	25	26
Provision for Bad Debts	66	68	69	71
HRA Share of Corporate & Democratic Core Costs	318	326	334	342
Net Interest Payments	913	913	894	898
Revenue Contributions to Capital Expenditure	3,817	4,012	4,524	5,594
Contribution to/from(-) reserves	49	50	52	54
<b>Total</b>	<b>18,452</b>	<b>18,996</b>	<b>19,844</b>	<b>21,279</b>

Impact on Average Rent (52 week basis):	£	£	£	£
Prior Year	90.87	97.23	100.15	103.15
Current Year	97.23	100.15	103.15	106.24
Increase £'s	6.36	2.92	3.00	3.09
Increase %	7.00	3.00	3.00	3.00

\*2024/25 - 2026/27 increase % is based on government target inflation of 2% + 1%

# Rugby Borough Council

## Climate Change and Environmental Impact Assessment

### TEMPLATE – NOVEMBER 2022

#### CONTEXT

In 2019 the UK Parliament set a commitment in law to reach net zero carbon emissions by 2050. Achieving this target will require considerable effort with public bodies, private sector organisations, the third sector and individuals working together to take action. Rugby Borough Council declared a climate emergency in 2019, in doing so committed to:

- To move the Council's operations towards Carbon Neutrality by 2030.
- To establish action to tackle climate change as a key driver of all decision-making.
- To provide community leadership in reducing the impact of Climate Change.
- To take action to mitigate the impact of climate change on a Borough wide basis and beyond, through adaptation.

The Council's Corporate Strategy (2021-2024) [link](#) sets ambitious outcomes in relation to Climate Change. These ambitions must now be progressed through the decisions which the Council makes.

It is therefore important that Rugby Borough Council gives due regard to climate change when making decisions. In the context of the Council's business, Climate Change includes carbon emissions, biodiversity, habitat loss and environmental destruction. When putting forward recommendations for decision, officers must assess how these recommendations are likely to influence our climate change commitments by completing the following Climate Change and Environmental Impact Assessment.

A copy of this Climate Change and Environmental Impact Assessment, including relevant data and information should be forwarded to the Deputy Chief Executive.

**If you require help, advice and support to complete the form, please contact Dan Green, Deputy Chief Executive.**

## SECTION 1: OVERVIEW

<b>Portfolio and Service Area</b>	Communities & Homes
<b>Policy/Service/Change being assessed</b>	HRA Rent Setting
<b>Is this a new or existing Policy/Service/Change?</b>	No – annual event
<b>If existing policy/service please state date of last assessment</b>	Feb 2022 – report to Council
<b>Ward Specific Impacts</b>	All wards
<b>Summary of assessment</b> Briefly summarise the policy/service/change and potential impacts	
<b>Completed By</b>	Michelle Dickson & Bill Winter
<b>Authorised By</b>	Michelle Dickson
<b>Date of Assessment</b>	16 January 2023

## SECTION 2: IMPACT ASSESSMENT

Climate Change and Environmental Impacts	No Impact	Positive	Negative	Description of impact	Any actions or mitigation to reduce negative impacts	Action owner	Timescales
Energy usage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Contribution of a further £1m to Housing Climate Change Reserve will enable the service to continue in its approach to supporting the decarbonisation of council homes as per the corporate strategy objective to achieve a reduction by 2030	No known negative impacts	Bill Winter	2023/24
Fleet usage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Sustainable Transport/Travel (customers and staff)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Community leadership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Biodiversity and habitats	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

<b>Climate Change and Environmental Impacts</b>	<b>No Impact</b>	<b>Positive</b>	<b>Negative</b>	<b>Description of impact</b>	<b>Any actions or mitigation to reduce negative impacts</b>	<b>Action owner</b>	<b>Timescales</b>
<b>Impact on other providers/partners</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

### SECTION 3: REVIEW

Where a negative impact is identified, the proposal and/or implementation can be adapted or changed; meaning there is a need for regular review. This review may also be needed to reflect additional data and evidence for a fuller assessment (proportionate to the decision in question). Please state the agreed review timescale for the identified impacts of the policy implementation or service change.

<b>Review date</b>	16 <sup>th</sup> January 2023
<b>Key points to be considered through review</b>	Will feed into the corporate climate strategy, the HRA business plan and the Asset Management Strategy
<b>Person responsible for review</b>	Dan Green / Michelle Dickson & Bill Winter
<b>Authorised by</b>	Michelle Dickson

# EQUALITY IMPACT ASSESSMENT (EqIA)

## Context

1. The Public Sector Equality Duty as set out under section 149 of the Equality Act 2010 requires Rugby Borough Council when making decisions to have due regard to the following:
  - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
  - advancing equality of opportunity between people who share a protected characteristic and those who do not,
  - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
  - age
  - disability
  - gender reassignment
  - marriage/civil partnership
  - pregnancy/maternity
  - race
  - religion/belief
  - sex/gender
  - sexual orientation
3. In addition to the above-protected characteristics, you should consider the crosscutting elements of the proposed policy, such as impact on social inequalities and impact on carers who look after older people or people with disabilities as part of this assessment.
4. The Equality Impact Assessment (EqIA) document is a tool that enables RBC to test and analyse the nature and impact of what it is currently doing or is planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. The questions will enable you to record your findings.
6. Where the EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. Once completed and signed off the EqIA will be published online.
8. An EqIA must accompany all **Key Decisions** and **Cabinet Reports**.
9. For further information, refer to the EqIA guidance for staff.
10. For advice and support, contact:  
Minakshee Patel  
Corporate Equality and Diversity Advisor  
[minakshee.patel@rugby.gov.uk](mailto:minakshee.patel@rugby.gov.uk)  
Tel: 01788 533509

## Equality Impact Assessment

<b>Service Area</b>	Communities and Homes Corporate Resources
<b>Policy/Service being assessed</b>	HRA – Rent Setting 2023/23
<b>Is this is a new or existing policy/service?</b>	Existing
<b>If existing policy/service please state date of last assessment</b>	January 2022
<b>EqlA Review team – List of members</b>	Michelle Dickson Jon Illingworth
<b>Date of this assessment</b>	16 <sup>th</sup> January 2023
<b>Signature of responsible officer (to be signed after the EqlA has been completed)</b>	Michelle Dickson

**A copy of this Equality Impact Assessment report, including relevant data and information to be forwarded to the Corporate Equality and Diversity Advisor.**

**If you require help, advice and support to complete the forms, please contact Minakshee Patel, Corporate Equality and Diversity Advisor via email: [minakshee.patel@rugby.gov.uk](mailto:minakshee.patel@rugby.gov.uk) or 01788 533509**



### Details of Strategy/ Service/ Policy to be analysed

<b><u>Stage 1 – Scoping and Defining</u></b>	
(1) Describe the main aims, objectives and purpose of the Strategy/Service/Policy (or decision)?	<p>Communities and Homes / Corporate Resources: The Housing Revenue Account (HRA) is the source of funding for landlord services to council tenants. The aims of the council are to deliver high quality services which are customer focused and cost effective. Council has been asked to approve the following for financial year 2023/24:</p> <ul style="list-style-type: none"> <li>• An increase of 7% in rents for all properties in line with government cap announced in the autumn statement.</li> </ul> <p>Without this increase, we cannot effectively manage resources and reserves to pay for additional works that will help tenants with broader affordability issues – for example affordable warmth works and continuing to meet the requirements of the Decent Homes Standard.</p>
(2) How does it fit with Rugby Borough Council's Corporate priorities and your service area priorities?	<p><b>Corporate Priorities:</b> Enable our residents to live healthy, independent lives; to provide excellent value for money services and sustainable growth.</p> <p><b>Communities and Homes:</b> Ensure residents have a home that works for them and is affordable; understand our communities and enable people to take an active part in them.</p> <p><b>Corporate Resources:</b> Prioritise use of resources to meet changing customer needs and demands.</p> <p>The Council has a statutory duty to set annual HRA capital and revenue budgets, along with the level of increase/decrease for council house rents. Central Government has in place a social housing rent policy which provides guidance about the level of rents that local authorities should set. The draft HRA Revenue Budget report for 2023/24 asks council to decide upon a rent setting option taking into consideration legislation, social housing policy, prior policy, and local capital investment priorities.</p>
(3) What are the expected outcomes you are hoping to achieve?	<p>The services provided with funding from the HRA are designed to meet the needs of council tenants and leaseholders which vary according to the groups displaying protected characteristics as defined by the Equality Act 2010. The services provided are of benefit to a large proportion of lower income families and others whose social and economic status may disadvantage them.</p>

<p>(4) Does or will the policy or decision affect:</p> <ul style="list-style-type: none"> <li>• Customers</li> <li>• Employees</li> <li>• Wider community or groups</li> </ul>	<p>The aims of the council are to deliver high quality services which are customer focused and cost effective. Council has been asked to approve the following for financial year 2022/23:</p> <ul style="list-style-type: none"> <li>• An increase of 7% in rents for all properties in line with government cap announced in the Autumn statement.</li> </ul>
<p><b><u>Stage 2 - Information Gathering</u></b></p>	<p>As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, e.g. service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).</p>
<p>(1) What does the information tell you about those groups identified?</p>	<p>The Housing Service maintains regular contact with its customers and pro-actively identifies those most financially vulnerable. This is enabled through the monitoring of rent accounts and the application of algorithm-based technology (RentSense). In addition, the work of the team is predicated on tenancy sustainment, and where needed, the provision of more intensive tenancy coaching. Officers work with tenants includes signposting to additional support, for example liaison with CAB, utility companies and charities.</p>
<p>(2) Have you consulted or involved those groups that are likely to be affected by the strategy/ service/policy you want to implement? If yes, what were their views and how have their views influenced your decision?</p>	<p>Consultation with Housing Service, Portfolio Holders, Cabinet on 2023/24 Draft Budget. The Council consulted with the tenant panel in 2020 on the Councils current arrears policy.</p>
<p>(3) If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary.</p>	<p>There is no requirement to consult with HRA tenants on their annual rent increase.</p> <p>However, the rent increase proposals include the Gypsy and Traveller Pitches at Woodside Park. These pitches sit outside of the HRA and are governed by different legislation in terms of management (Mobile Homes Act 1983). There is a statutory requirement to consult with them 28 days ahead of the rent increase being applied.</p> <p>By applying the same rent increase to the whole tenant base there is increased transparency and fairness.</p>

<b>Stage 3 – Analysis of impact</b>			
<p><b>(1) Protected Characteristics</b> From your data and consultations is there any positive, adverse or negative impact identified for any particular group, which could amount to discrimination?</p> <p>If yes, identify the groups and how they are affected.</p>	<b>RACE</b> N/A	<b>DISABILITY</b> N/A	<b>GENDER</b> N/A
	<b>MARRIAGE/CIVIL PARTNERSHIP</b> N/A	<b>AGE</b> N/A	<b>GENDER REASSIGNMENT</b> N/A
	<b>RELIGION/BELIEF</b> N/A	<b>PREGNANCY MATERNITY</b> N/A	<b>SEXUAL ORIENTATION</b> N/A
<p><b>(2) Cross cutting themes</b> (a) Are your proposals likely to impact on social inequalities e.g. child poverty, geographically disadvantaged communities? If yes, please explain how?</p> <p>(b) Are your proposals likely to impact on a carer who looks after older people or people with disabilities? If yes, please explain how?</p>	<p>The application of the rent increase will still ensure that council rents are the lowest in the borough – substantially below that of a private rented or housing association property.</p> <p>Tenants will continue to be supported by tenancy sustainment officers as outlined earlier in this document.</p>		
<p><b>(3) If there is an adverse impact, can this be justified?</b></p>	N/A		
<p><b>(4) What actions are going to be taken to reduce or eliminate negative or adverse impact? (this should form part of your action plan under Stage 4.)</b></p>	Effective tenancy management is a business as usual function of the service.		

(5) How does the strategy/service/policy contribute to the promotion of equality? If not what can be done?	Money to provide financing for new capital works, to carry out work on dwellings to ensure they meet the decent homes standard, approving money to facilitate borrowing to finance the council's housing capital programme for housing revenue account dwellings.
(6) How does the strategy/service/policy promote good relations between groups? If not what can be done?	N/A
(7) Are there any obvious barriers to accessing the service? If yes how can they be overcome?	Access to social housing is managed via the Council's housing lettings/allocation policy, the policy addresses, and prioritises those who are the most vulnerable and have a housing need that cannot be satisfied through the exploration of a range of housing options therefore there are no barriers to applicants who have a need for assistance.

<b><u>Stage 4 – Action Planning, Review and Monitoring</u></b>																										
If No Further Action is required then go to – Review & Monitoring  (1) Action Planning – Specify any changes or improvements that can be made to the service or policy to mitigate or eradicate negative or adverse impact on specific groups, including resource implications.	EqlA Action Plan  <table border="1"> <thead> <tr> <th>Action</th> <th>Lead Officer</th> <th>Date for completion</th> <th>Resource requirements</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Action	Lead Officer	Date for completion	Resource requirements	Comments																				
Action	Lead Officer	Date for completion	Resource requirements	Comments																						
(2) Review and Monitoring State how and when you will monitor policy and Action Plan	Carry out the same equality impact assessment in January 2024.																									

Please annotate your policy with the following statement:

**'An Equality Impact Assessment on this policy was undertaken on 16 January 2023 and will be reviewed before February 2024.'**