

DATA LABEL: PUBLIC



**Integrated Relevance Assessment Form**

<b>1. Details of proposal</b>			
<b>Policy Title</b> (include budget reference number if applicable)	2024/25 Housing Revenue Account Budget and Rent Level		
<b>Service Area</b> (detail which service area and section this relates to)	Housing, Customer and Building Services		
<b>Lead Officer</b> (Name and job title)	Julie Whitelaw, Interim Head of Housing, Customer and Building Services		
<b>Other Officers/Partners involved</b> (list names, job titles and organisations if applicable)	Kirsty Weir, Performance and Change Manager Laura Davis, Service Development Officer Jodie Fullerton, Service Development Officer Alison Smith, Housing Operations & Community Safety Manager Karen Stevenson, Senior Service Accountant Tenant participation group and CX surveyed tenants Tenants' Panel		
<b>Date relevance assessed</b>	17/01/2024		
<b>2. Does the council have control over how this policy will be implemented?</b>			
YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
<p><b>3. The General Duty of the Equality Act 2010 requires public authorities, in the exercise of their functions, to have due regard to the need to:</b></p> <ul style="list-style-type: none"> <li>• Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct</li> <li>• Advance equality of opportunity between those who share a protected characteristic and those who do not; and</li> <li>• Foster good relations between those who share a protected characteristic and those who do not</li> </ul> <p>NB: In this section you must also consider the Human Rights Act and the key PANEL (Participation, Accountability, Non-Discrimination, Empowerment and Legality) principles of Human Rights (further detail on what these are, are provided in the guidance document)</p> <p>Which groups of people do you think will be, or potentially could be, impacted upon by the implementation of this policy? You should consider employees, clients, customers and service users (Please tick below as appropriate)</p>			
Age – Older people, young people and children	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability – people with disabilities/long standing conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment – Trans/Transgender Identity – anybody who’s gender identity or gender expression is different to the sex assigned to them at birth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage or Civil Partnership – people who are married or in a civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy and Maternity – woman who are pregnant and/or on maternity leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race – people from black, Asian and minority ethnic communities and different racial backgrounds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or Belief – people with different religions and beliefs including those with no beliefs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex – Gender Identity - women and men (girls and boys) and those who self-identify their gender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation – lesbian, gay, bisexual, heterosexual/straight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Do you have evidence or reason to believe that this policy will or may impact on socio-economic inequalities? Consideration must be given particularly to children and families			
Socio-economic Disadvantage	Impact – please tick below as appropriate)		
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	✓		
Low and/or no wealth – enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future			
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure and hobbies			
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)			
Socioeconomic Background – social class i.e. parents education, employment and income			
5. Integrated impact assessment required? (Two <b>ticks</b> (✓) above = full assessment necessary)			
YES		NO	✓
6. Decision rationale – if you have ticked no above, use this section to evidence why a full IIA is not required			
<p>The Equality and Human Rights Commission (EHRC) Non-Statutory Guidance on “Making Fair Financial Decisions” 2015 outlines a duty to consider the impact of fiscal planning decisions on equality. The impact for tenants of the ongoing UK Government Welfare Reform Act roll-out, Universal Credit in particular, places a duty of care and an ethical obligation as a responsible landlord on the council to consider the social-economic impact of financial decisions on the local economic climate. In particular, there is a duty to consider the needs of those vulnerable to financial hardship or poverty as a result of these decisions. It should be noted that a separate IIA has been conducted on the implementation of Universal Credit in West Lothian during May 2018.</p> <p>Previous related rent setting proposals seeking formal committee approval and IIA screened for relevance are as follows:</p> <ul style="list-style-type: none"> <li>• Approval for the rent strategy consulted on with tenants setting out 3.5% increases from 2023/24 to 2027/28.</li> <li>• The 2023/24 to 2027/28 HRA 3.5% rent strategy which will fund current service needs and a five-year housing capital investment programme.</li> <li>• Approval for the HRA budgets over financial years 2023/24 to 2027/28.</li> <li>• Approval for rent and garage charge changes over financial years 2023/24 to 2027/28.</li> <li>• Changes to rents and service and support charges for Sheltered Housing properties and Homeless properties over financial years 2023/24 to 2027/28.</li> </ul> <p>This assessment deals with the proposals for 2024/25 which are as follows:</p> <ol style="list-style-type: none"> <li>1. A rent increase of 3.5% in 2024/25 which will fund current service needs and the housing capital investment programme;</li> <li>2. A 3.5% increase in garage rents in 2024/25;</li> <li>3. An increase of 3.5% in rents and service and support charges for Sheltered Housing and Homelessness properties for 2024/25.</li> </ol>			

The Rent Strategy has been fully consulted on with council tenants, individually and via tenant representative groups. The service engages with tenants each year on the annual increase to enable comment and feedback on any further impact. The HRA budgets and rent levels being proposed consists of a rent strategy, with a 3.5% per annum rent increase covering the period 2024/25 to 2027/28. The council has undertaken significant investment in its housing stock over recent years. The 3.5% increase will enable delivery of a balanced HRA revenue budget, and will allow high quality and responsive housing services to be maintained for tenants and ensure continued investment in housing infrastructure, improving existing homes and new build programme all of which will have a positive impact on equality and support for those within various protected characteristics.

Delivering affordable, socially rented accommodation built to a high standard of specification helps the council meet some of the rising demand for such accommodation within the community and increases housing options for vulnerable people. By investing significantly in our existing stock to meet SHQS and EESSH standards, regenerating local communities, and investing in energy efficiency improvement works, the service will mitigate the effects of rent increases through improving the energy efficiency of older properties that cost more to heat – working towards the outcome of helping vulnerable tenants avoid the threat of fuel poverty.

If the proposed rent increase is approved, and based on the latest stock report as at 1 January 2024, the average weekly rental for homes will be £86.13 in 2024/25, increasing from £83.22 in 2023/24. The equivalent weekly figure for garages is £6.48 in 2024/25, increasing from £6.26 in 2023/24.

If council rents go up by 3.5%, the eligible rent on which the Housing Benefit calculation is based will also go up by 3.5%, so those on full benefit will not suffer further financial detriment. Over 85% of tenants on Universal Credit and/or Housing Benefit receive full housing costs. The council’s focus on rent arrears from a preventative standpoint should assist those who are negatively impacted by the 3.5% raise as Housing officers continue to work in partnership with the Advice Shop to maximise income and improve budgeting skills.

The indicative rent level for HRA properties and garages across the five-year period is detailed in the table below:

*Table 1: Average Weekly Rent*

<b>Average Weekly Rent</b>	<b>2023/24 (£)</b>	<b>2024/25 (£)</b>	<b>2025/26 (£)</b>	<b>2026/27 (£)</b>	<b>2027/28 (£)</b>
HRA Properties	83.22	86.13	89.14	92.26	95.49
Garages	6.26	6.48	6.71	6.94	7.18

**Service and Support Charges**

In line with previously agreed strategies, it is proposed that service charges for Sheltered Housing properties will be increased by 3.5% in 2024/25. A 3.5% increase for support charges in relation to Homelessness Properties for 2024/25 is also proposed.

**Other Factors**

As a result of either a freeze or minimal uprating for most working-age benefits from 2016 to 2020, the financial situation for benefit tenants has been challenging during the period of the Rent Strategy. A ministerial statement on Welfare was issued by the UK Government on 13 January 2020, which announced that this freeze would end in April 2020. Local Housing Allowance rates were increased in line with the Consumer Price Index (CPI). This increase meant the majority of people in receipt of housing support in the Private Rented Sector saw their housing support increase as of mid-2020, on average

benefiting by around £10 per month. This uplift exceeds the rent increase for the vast majority of tenants in receipt of LHA, and will therefore mitigates the impact of a rent increase for most.

Additionally, unlike rents in the private sector, through the Local Housing Allowance limits if council rents go up by 3.5%, the eligible rent on which the Housing Benefit calculation is based will also go up

by 3.5%, so those on full benefit will not suffer further financial detriment. Someone entitled to full Housing Benefit with a £100 rent whose rent increases to £103.50 will see their benefit increase to £103.50. Agenda Item 6

While payment arrangements were impacted by the implementation of Universal Credit in West Lothian in May 2018, a range of initiatives were undertaken separately to manage and mitigate the impact of this. The service continues to monitor the impact of Universal Credit on tenants weekly as part of the income management approach. Affordability in terms of council tenants on benefits is unlikely to be affected, but rather the process for payment.

Increased pressure continues to be placed on our Discretionary Housing Payment cash which the council utilises to mitigate the shortfall for those who are in receipt of part benefit. The council's focus on rent arrears from a preventative standpoint should assist those who are negatively impacted by the 3.5% raise as Housing staff continue to work in partnership with the Advice Shop to maximise income and improve budgeting skills.

### **Consultation and Engagement**

Under Section 25 of the Housing (Scotland) Act 2001, the council has a statutory duty to inform and consult tenants on its rent policy. Formal consultation on the five-year strategy took place from 25 October 2022 until 12 December 2022. Following the initial formal consultation on the five-year strategy which took place from 25 October to 12 December 2022, a further consultation which included all existing tenants was held during November and December 2023. Annual statutory consultations will continue to take place throughout the strategy period.

### **Understanding Customer Experiences**

In light of the increasing pressures on households, and the need to design services and support around tenant need, the service launched the Customer Experience (CX) Affordability project in July 2021. Under the project, the service conduct one on one sessions with our tenants to understand their lived experiences of services. The team are building deeper understanding of our customers, their circumstances, pressures and aspirations through virtual sessions, in-depth conversations, and online data gathering. This is reshaping policy and practice to meet customer needs, improve outcomes and enables swift interventions. This is the new approach to collaboration in the service, with ongoing feedback on the developments stemming from our work, building trust, real transformation and better services.

Ensuring affordable social housing in the current landscape of universal credit, food and fuel poverty is crucial. We have entered into partnership with Housemark Scotland using their sector-leading Affordability Model to enable insight into tenant finance. This ensures future rents and budgets reflect tenants' real life experiences, and balances tenant incomings and outgoings to assess the affordability of the rent they pay.

The CX Affordability project is a key strand of this work. The objectives for the project are to undertake surveying activity on a one to one basis with our tenants to understand their experiences, pressures and aspirations. Understanding financial constraints and how affordable the current and planned future rent levels are is integral to achieving this understanding. CX officers make immediate referrals to supporting services to get help quickly. This has resulted in many referrals for financial support and further help.

This approach breaks down barriers with historically non-engaging customers to source the support they need and joins up services in the council, and compliments the data driven income management work of the service with real-life experiences. In order to ensure equitable representation of the council's tenants, the approach has been to use a random sampling of all tenants, with parameters to ensure that a proportionate number of those in arrears, those on Universal Credit, and those who use different methods of payment are included in the sample. This ensures that the views collected on affordability reflect the range of tenants' experiences. In the sample group, 100% of customers stated that, had the team not called, they would not have sought the help they needed due to stigma around mental health, debt and isolation. The team produce a comprehensive report to senior management team at the end of each quarter on the key elements of affordability, financial pressures and tenant views on their income vs outgoings.

Reflecting the recent Fairer Scotland duty, the integrated relevance assessment was refreshed. The service is mindful of the likely impact of Covid-19 on tenants' financial stability, however, to date, performance shows no indication of any significant impact. The service continues to monitor this closely; interventions and links with support continue to be in place for any tenants experiencing financial difficulty in terms of affordability.

The Scottish Social Housing Charter sets the standards and outcomes that all social landlords should aim to achieve when performing their core housing activities. Indicator 25 requires all landlords to establish what percentage of tenants feel that the rent for their property represents good value for money. The biennial tenant satisfaction survey was conducted between October 2019 and January 2020, combined with CX Survey data during 2021/22. 2,215 tenants answered the question regarding how they feel about the rent they pay and 80.63% responding that they are satisfied/very satisfied that rent levels represented good value for money. This is attributable to the intensive work undertaken by the CX team through a continually running affordability project, designed to evaluate tenant financial profile, assess affordability of rents, and identify where interventions and support can be put in place.

The service enables complete transparency of rent and how it is spent each year, and presents this in a manner tenants have told us they prefer – showing what proportion is spent on running costs, and what is spent on investment and improvements to homes – linking into our capital investment plan. This enables tenants to see in practical terms what their rent pays for. We also ensure we benchmark our rent against other local RSL's, and the private sector, so tenants understand the range of rents in the local housing market.

This project will continue, and is projected to grow into more partnership working with our Advice Shop, to access earlier financial interventions and budget support sooner.

The ongoing effect of general economic conditions and Welfare Reform changes, including direct housing costs to tenants on Universal Credit and the cost of living crisis, continue to present risk and uncertainty to all social landlords. Pressure on rent collection will be closely monitored following the implementation of Universal Credit within West Lothian.

As a responsible landlord, the council continues to actively pursue housing arrears and there is a continued focus on reducing arrears balances. The service will continue to maximise rental income through effective management of council houses and work mentioned previously to mitigate the impact of welfare reform. The service is now in year four of the successful launch of a redesigned arrears approach, which involved a move to the automation of a proportion of the rent arrears process, where low balance arrears trigger an automatic engagement with the tenant, prompting early intervention with housing staff to act before the balance accumulates any further.

The first focus for council staff is to provide support, advice and interventions as soon as possible for any tenant experiencing arrears. The evidence to date this year is that this approach is seeing improved outcomes and is helping to mitigate the impact of Universal Credit (with non-UC related arrears being reduced) and support to tenants through arrangements and alternative payment methods proving beneficial in managing finances. A corporate approach to debt continues to be taken forward to ensure resources are most appropriately targeted and that services are working in partnership to break the cycle of debt in complex and high-level arrears cases where tenants have instances of multiple debts.

This planned programme of ongoing income management, including the comprehensive monitoring and reporting at committee and Local Area Committees, demonstrates that the claim process has had an impact on claimants' ability to avoid accumulating arrears. The processing time can vary as any change in circumstances results in further delays. The Department for Work and Pensions (DWP) aim to process and make the first payment to claimants within five weeks of a new claim. However, difficulties and further delays can arise where applicants have to change their circumstances resulting in the 'zeroing' of the process back to the start. This is not unusual for households in temporary accommodation or when people are in crisis. Historically, this has resulted in a minimum of five weeks' delay in rent payments, with the impact that arrears balances accumulate during this delay and 65.4% of Universal Credit claimants carry some form of arrears balance, with an average value of £797.

This is not a process that the council has any control or influence over and the system effectively cuts the service out of the claims process where previously the service had the ability to assist and ensure information was accurate helping to minimise impact and delays. However, the strategy to mitigate the harshest impacts of UK Government welfare reforms on those most vulnerable to poor socio-economic effects has been to radically change the approach to arrears management, lowering trigger points, instigating much earlier interventions and signposting/referring those who need additional financial support and assistance.

The service has worked with Anti-poverty partners as a key member of the Anti-Poverty board in planning and delivering activities to lessen impact on those most in need. Campaigns and communication have changed to encourage conversations as early as possible before arrears can accumulate. This has been a successful approach to date. The service has redesigned and reviewed the entire customer arrears journey to ensure critical interventions are aligned with the information available on when tenants begin to become worried about finances and when they retreat from communication with the service. By initiating a discussion early, we can prevent this from happening, maintain better contact, and ensure all possible steps are taken for tenants to get through the claims process as quickly as possible.

The move to ensure monies paid direct to the service for those on managed payments reach tenants' account more quickly is a positive step in reducing technical rent arrears. The previous system would show tenants in arrears due to processing delays and payments being made on a fixed cycle that did not match rent due dates, causing avoidable distress. The reviewed process has accelerated the application of payments to accounts, and gives a more accurate view of current arrears with payments reaching tenants' rent accounts closer to rent due dates.

The current income reporting and monitoring illustrates that there is still little evidence of any material impact on the service collection as a result of the pandemic or cost of living crisis at this point. The extensive monitoring of revenue and impacts will continue to highlight any new threats to income and tenant finances posed by the wider cost of living situation.

As a result, it is not considered necessary for a full IIA to be carried out at this point, however, any notable decline in income or further budgetary proposals or amendments to the rent strategy or rent levels, will be screened for IIA relevance where required.

Housing, Customer and Building Services Senior Management Team, the Senior Service Accountant, income management staff and the service equality lead were involved in the consultation of this assessment. The details of the budget proposals within this report support these findings and it is unnecessary that a full Integrated IIA be carried out at this point.

<b>Signed by Lead Officer</b>	Julie Whitelaw
<b>Designation</b>	Interim Head of Housing, Customer and Building Services
<b>Date</b>	22/02/2024
<b>Counter Signature</b> (Head of Service or Depute Chief Executive responsible for the policy)	Graeme Struthers, Depute Chief Executive
<b>Date</b>	22/02/2024