

London Borough of Enfield

Council

Meeting Date: 23rd February 2023

Subject: Housing Revenue Account (HRA)
Budget 2023/24, Rent Setting and Business Plan Update

Cabinet Member: Councillor George Savva (Social Housing)
Councillor Tim Leaver (Finance & Procurement)

Executive Director: Sarah Cary, Executive Director Place
Fay Hammond, Executive Director Resources

Key Decision: KD5503

Purpose of Report

1. This report sets out the proposed HRA 30-Year Business Plan, the detailed HRA Revenue Budget for 2023/24, the ten-year Capital Programme and Right to Buy (RTB) One for One Receipts programme. In this context the annual rent increase for Council tenants and service charges for tenants and leaseholders is proposed.

Proposals

2. Approve the HRA 30-Year Business Plan shown in Appendix 1.
3. Approve the detailed HRA Revenue Budget for 2023/24 as shown in paragraph 68.
4. Approve the 10-year HRA Capital Programme of £947m and borrowing requirements to deliver 3,500 council led homes.
5. Approve a rent increase of 7% in line with Government guidelines noting the social, affordable, and shared ownership rent levels for the HRA properties in 2023/24.
6. Approve the level of service charges for 2023/24 for those tenants and leaseholders receiving eligible services. These include new and enhanced services that will be implemented from April 2023, in addition mid-year implementation of additional security on Housing estates (from paragraph 36).
7. Approve the charges for garages, parking bay and community halls rents as set out from paragraph 55.
8. Note the heating charges for 2023/24 for those properties on communal heating systems (both electric and gas).

9. Note that future hire of community halls for nurseries charging commercial rates, will be let at private hire rates.

Reason for Proposals

10. This report is presented to Council on annual basis for the following reasons:
 - To ensure that a balanced 30-Year HRA Business Plan is approved by Council.
 - To ensure that the HRA Budget is set by the Council and that this budget does not put the HRA into deficit.
 - To set the affordable and social rent and service charge levels for HRA properties, in line with the Governments Social Housing Rent Policy. This decision must be taken early enough for the tenants to be advised of the change at least 4 weeks prior to the date of that change.

Relevance to the Council Plan

11. Develop affordable homes, ensure we set fair rents, improve existing housing stock to create a lifetime of opportunities in Enfield, providing Good Homes in well-connected Neighbourhoods, and Sustaining Strong and Healthy Communities.

Background

12. In October 2017, the government announced its intention to set a long-term rent deal for both local authority landlords and housing associations. This would permit annual rent increases on both social rent and affordable rent properties of up to CPI + 1% from 2020, for a period of at least five years.
13. This policy recognised the need for a stable financial environment to support the delivery of new homes and to enable registered providers to plan ahead, this policy came into effect from 1st April 2020.
14. In light of exceptional circumstances, the government has since adjusted this policy in order to protect social housing tenants from very large rent increases that would otherwise have been permitted in 2023-24 due to higher-than-expected levels of inflation. For rent periods that begin from 1st April 2023 to 31st March 2024, the CPI +1% limit on annual rent increases is replaced by a 7% 'ceiling'. This means that, in that year, registered providers may increase rents by up to 7%. This restriction applies to both social rent and affordable rent homes, with the exception of supported housing.
15. In October 2022 Savills completed a strategic review of the business plan to ensure the HRA 30-year business plan continues to be remain viable and sustainable in the current and future financial market. This review concluded the following outputs:

- Reviewed the key assumptions for development, investment in existing stock and services against the efficiencies required
- Identified pressures facing the Housing Service and provided strategic advice on where the Council should prioritise deployment of its investment
- Reviewed economic assumptions e.g., on inflation and rents
- Reviewed the HRA financial framework including policy on cash flow management and performance buffers to reduce cash flow pressures
- Identified longer term development capacity so that investment in new council homes can be aligned with other strategic developments in the borough.

Main Considerations for the Council

16. The key changes for Housing since the 2022/23 Rent Setting report which have had implications on the Business Plan:

- Update on the economic position
- CPI update, including ceiling on rent increase
- Revised 10-year capital programme to secure ongoing delivery of new homes and investment in existing homes
- Updated RTB receipts spending proposal
- Enhanced and new service charges to improve the environment and security on estates
- Revenue budget update, including savings proposals

Economic update

17. Like all social housing providers whether they be housing associations or Councils, the HRA is facing significant challenges driven from four main factors:

- Inflationary pressures – applying to all costs (both revenue and capital)
- Rent cap consultation – fixed rent increase of 7% for 2023-24
- Costlier and delayed development programme arising from higher construction cost inflation
- interest rate rises – impacting on the cost of borrowing

18. These factors have had a significant impact on the HRA business plan's affordability to deliver the current plans.

Assumptions

19. HRA 30-year Business Plan – the overarching assumptions in the HRA Business Plan are as follows:

Item	Assumption	Information
Inflation on supplies and services	10.1% Consumer Prices Index (CPI) increase for 2023/24, 5% until 2024/25, then 2%	Based on September CPI of 10.1%
Salaries	4% Pay Award	In consultation period

Rent – Existing council housing tenants	Government rent cap (7%) for 2023/24, then 2% (CPI) ongoing	Government have set rent cap for 23-24
Rents – Council new build affordable homes	Government rent cap (7%) for 2023/24, then 2% (CPI) ongoing	London Affordable Rents (BCHL, Better Council Houses for Londoners) Social Rents (AHP, Affordable Houses Programme))
Repairs & Maintenance cost increases	10.1% Consumer Prices Index (CPI) increase for 2023/24, 5% until 2024/25, then 2%	
Investment Capital Programme	Annual amounts based on the updated estimated cost of replacing components, kitchens, roofs, windows, bathrooms etc. in the year that they fall due for replacement.	Budget reflects a programme approach
Fire Safety Works	Based on estimated costs of fire safety works	All costs budgeted for included in the capital programme. Still awaiting Government guidance on the new Building Safety Standards
Capital Programme – Estate Renewal and Development	Costs of current Programme included in the Business Plan based on the latest capital monitoring information.	3,500 new homes built into the plan over the next 14 years
RTB Sales	60 for 2023/24 then 20 per annum from 2024/25 onwards	Actual RTB sales at period 8 in 2022/23 shows 68 sales
Operation of the Governments RTB One for One Replacement scheme	The Council will operate the scheme in accordance with Government guidelines. The RTB receipts are currently match funded by the HRA on a 40:60 basis.	Retention agreement entered into to allow a further 5 years to spend the receipts
Interest rate on borrowing	5.5% on existing debt 3.48% on self-financing debt 5.5% on new debt in 2023/24 and on-going	Reflects actual debt costs and Treasury Management Strategy
Interest rate on balances	1.0%	Estimated 7-Day London Inter Bank Bid (LIBID) rate
Repayment of Debt	The loan principal will be paid back in full when it falls due. Interest is charged annually over the life of the loan.	HRA debt is expected to increase by £306m over the next 10 years

Proposed Rent Charges for HRA Properties 2023/24

20. The Rent Standard published by the Regulator of Social Housing set out that Councils could set a maximum actual rent increases of CPI + 1% per annum until 2024/25 based on the preceding September published CPI.
21. Rent increases from financial year 2025/26 onwards are assumed in line with the Government's long-term CPI target of 2%. This is considered reasonable and in line with external professional advice.
22. Under current regulations the Consumer Price Index (CPI) for September 2022 determines the increase in the rent for social rent properties which was 10.1%.
23. Due to the rising inflation rates, On 31 August 2022, the Government published a consultation paper proposing a cap on social housing rent increases for 2023/24 with options for the level of cap, period of cap and its application. The Government also plan to consult on social rent policy from 2025/26 later this year.
24. The rent cap increases proposed for 2023/24 are 3%, 5% or 7%. The results of the consultation have determined the rent increase will be 7% for existing rents and 11.1% (CPI +1%) for relet rents.
25. The table below shows examples of the rents for 2023/24 for different HRA property types and sizes across the borough. It should be noted that these will vary for each tenant. The new rents will be operative from 3rd April 2023 (the first Monday in the month) and apply to circa 10,100 properties on social rents.

Social Rents	Average Rent 2022/23	Average Rent 2023/24	£ Increase	% Increase
	£	£	£	%
Bedsit	87.64	93.77	6.13	7.0%
1 Bed Flat	92.90	99.40	6.50	7.0%
1 Bed House	105.13	112.49	7.36	7.0%
2 Bed Flat	102.63	109.81	7.18	7.0%
2 Bed House	116.94	125.13	8.19	7.0%
3 Bed Flat	113.64	121.59	7.95	7.0%
3 Bed House	128.12	137.09	8.97	7.0%
4 Bed Flat	120.57	129.01	8.44	7.0%
4 Bed House	134.47	143.88	9.41	7.0%
5 Bed House	146.78	157.05	10.27	7.0%
6 Bed House	169.90	181.79	11.89	7.0%
Average Rent	107.32	114.83	7.51	7.0%

26. Within the formula rent calculation there is the ability to charge up to 5% more on the base social rent levels for specific reasons, for example, a new build council house, these rents exclude service charges. This will continue to apply

to handovers that qualify for this flexibility.

27. In October 2016, Cabinet agreed Affordable Rent levels to apply to all New Homes built or acquired by the Council. The Rent Setting Policy agreed that 'When the Council builds or acquires new or additional properties then consideration will be given to letting these at the higher affordable rent level inclusive of service charges. Affordable rents are based on Local Housing Allowance (LHA) rates and median income in Enfield.
28. Rents for re-provision in regeneration projects will be charged at re-based social rent levels, plus the 5% tolerance recognising the wider financial benefits of living in a home with a higher thermal comfort rate.
29. As part of the GLA grant conditions all future development schemes will be charged the 'London Affordable Rent' or 'Social Rents' instead of 'Enfield Affordable Rent.' Tenants currently on Enfield Affordable rents will remain and increased as part of the Social Rent Policy.
30. The Enfield Affordable Rents, which applies to circa 172 properties, are inclusive of service charges and have been increased in line with the Governments rent cap which is 7%, the rents for 2023-24 are as follows:

Enfield Affordable Rent	2022/23	2023/24	Increase per week
	£	£	£
1 bed	170.17	182.08	11.91
2 bed	206.33	220.77	14.44
3 bed	224.41	240.12	15.71
4 bed	240.36	257.19	16.83

31. In 2016 the Mayor of London introduced the London Affordable Rent on all new schemes funded with Greater London Authority (GLA) grants. These affordable rents will only be applicable on properties delivered through the BCHL GLA programme which have received grant.
32. The London Affordable Rents, which apply to circa 135 properties exclude service charges. and have been increased in line with the Governments rent cap which is 7%, the rents for 2023-24 are as follows:

London Affordable Rents	Rent 2022/23	Rent 2023/24	Increase per week
	£	£	£
Bedsit and one bedroom	168.34	180.12	11.78
Two bedrooms	178.22	190.70	12.48
Three bedrooms	188.13	201.30	13.17
Four bedrooms	198.03	211.89	13.86
Five bedrooms	207.92	222.47	14.55
Six or more bedrooms	217.82	233.07	15.25

33. When purchasing a shared ownership home, you need to pay rent to the Landlord (the Council) for the share you do not own. Its proposed to increase the rent to 7% on the share owned by the Council. This rent charge will increase annually based on the RPI for the last 12 months plus up to 0.5%.
34. The below table shows the increase in Council owned properties over the next 10 years, based on Council Housing's development programme.

Current stock numbers	10,433
RTB sales	-240
GLA grant funded & RTB programme	2,566
Expected stock numbers	12,759

Proposed Tenants Service Charges 2023/24

35. Councils are entitled to recover the costs of these services from tenants and ensuring that residents pay only for the services they receive is a priority. Whilst service charges are not governed by the same factors as rent, authorities are required to comply with expectations to help keep charges affordable for tenants with reference to the agreed rent indexation level.
36. Service charges to tenants have been set for 2023/24 in accordance with Council policy to recover the costs from all tenants receiving the services. Where new or enhanced services are introduced, an additional charge may need to be made, in this instance the Council should consult with tenants.
37. It is recommended that the following service charges per week are made to those tenants in receipt of the services below:

Service	Current 2022/23	Proposed 2023/24	Overall change	Reason for change
	£	£	£	
Concierge	10.97	11.77	0.80	Inflation
CCTV	From 0.17 to 2.12	From 0.19 to 2.33	From 0.02 to 0.21	A new service charge for extra security where residents are supportive will be implemented mid-year following consultation with residents
Grounds Maintenance	2.28	2.49	0.21	Enhanced standard recognising the priority to continuously improve the environment on estates
Caretaking Service	From 2.37 to 6.32	From 2.61 to 6.88	From 0.24 to 0.56	Reviewed all charges for this service - some tenants will be receiving a new charge this year to cover the work the caretakers are

				undertaking in blocks
Sheltered Caretaking	From 1.64 to 3.59	From 1.80 to 3.95	From 0.16 to 0.36	Inflation
Sheltered Housing Management Charges	From 23.86 to 29.95	24.68	From 0.82 to -5.27	Moved to a standard charge for all tenants
Sheltered Cleaning	From 0.92 to 3.03	From 1.01 to 3.34	From 0.09 to 0.31	Inflation
Landlord Communal Service Charge	From 0.30 to 3.39	From 0.33 to 3.73	From 0.03 to 0.34	Inflation
Paladin Bins	n/a	From 0.14 to 1.50	n/a	New service charge
Lift Maintenance	n/a	From 0.57 to 2.89	n/a	New service charge

38. The table above shows the increases to the service charges from 3rd April 2023.

New and enhanced Service charges

39. Following the withdrawal of the policing service contract on our estates, we are reviewing the CCTV and security provision on estates. A new service charge for extra security where residents are supportive will be implemented mid-year following consultation with residents.
40. Grounds Maintenance – Following feedback from residents and members the performance standards of grounds maintenance have been reviewed and enhanced. The additional works will include more frequent cuts in summer, higher standard of shrub maintenance and maintenance of flower beds as well as a targeted planting programme to improve the aesthetic of the green areas. The enhanced standards will have provision for weed removal and moss maintenance and clearance of leaves in autumn.
41. Paladin bins – It is proposed we will introduce a new service charge for paladin bins to tenants from 3rd April 2023. This charge covers the hire and collection of bins for the HRA tenants in receipt of this service. The bins are hired from Waste Operations and frequency rates range from one to three collections per week. This new service charge will impact 6,900 tenants and will range between £0.14-£1.50 per week, depending on number of bins and frequency of collections.
42. Lift maintenance –We have embarked on a lift replacement programme and have new lift maintainers, which will reduce the rate of lift outages. This new service charge effective from 3rd April 2023, will include the ongoing lift maintenance and servicing costs for HRA tenants in receipt of this service. This charge is based on the number of lifts and floor levels for each block. This new service charge will impact 2,078 tenants and will range from £0.57-£2.89 per week.

43. Sheltered housing – In February 2020 three new service charges for residents living in Sheltered Housing schemes with additional support was introduced. At this time, this charge applied only to new residents that moved into sheltered housing from 2020. The three charges were for warden alarm system, maintenance of the warden alarm system and the cost of the intensive housing management service. The warden alarm service is being reviewed this year and may be replaced or may have an alternative solution, on this basis it has been decided to remove the service charges for the warden alarm system/maintenance, while this review is being undertaken. From 3rd April 2023, the intensive housing management service charge will be standardised and charged to all tenants in receipt of this service. The charge is for the Older Persons Management team and is based on staff and running costs of this team.
44. Service charges on mixed tenure estates – From 1st Jan 2023 the council will be delivering estates management on the Electric Quarter estate, a mixed tenure development. Costs will be recovered from Council Tenants, shared owners of the council, an RP via a service charge and from homeowners living on the estate via an Estate charge.

Heating Charges

45. The Council has in the region of 1,800 properties in 68 blocks of flats serviced by communal heating systems, this includes a mix of electric and gas.

Electricity Charges

46. The electricity charges are made up of two elements, the non-commodity standing charge and the non-commodity charges of delivering electricity, balancing the grid, all network costs including maintenance and development and Government taxes and levies.
47. The UK is currently in one of the most unpredictable and unprecedented times in history where both Covid-19 and Brexit causing volatility in equity, commodity, and energy markets. Energy wholesale market prices reached records highs over the last year, with gas and electricity prices increasing on average by 60-100%.
48. Since October, we have seen decreases and stabilisation across the energy market, although they are still higher than average. LASER (energy procurement consultants) is continuing to actively hedge future energy volumes to ensure we mitigate the risk as much as possible. The current Housing energy contract was secured until September 2023, which means that an average energy increase will be recharged to tenants. This has seen an average increase of 20% from the 2022-23 charges.
49. With the market being so volatile, we are continually keeping up to date with Energy updates from our energy consultants and will review the contract following renewal in September 2023. At this point we will consult with residents

to ensure they are up to date with the latest market data. The charge for 2023/24 is secured at 20%, however we want to keep tenants informed for potential rises from 2024/25.

50. Government passed the legislation for The Energy Bill Relief Scheme (EBRS) on 1st November 2022. This scheme will enable the government to provide financial assistance on energy bills for all eligible non-domestic customers, including businesses, charities, and public sector organisations. This will apply for energy use from 1st October 2022 for an initial period of 6 months.
51. Councils must pass on any financial assistance (discount) to the tenants; however, the amounts can be adjusted if energy increases have been subsidised by Councils i.e., reserve fund used to reduce bills.
52. It should be noted that whilst prices are increasing, Enfield Council have in the past made significant savings on energy through consortium purchasing via LASER (part of Kent County Council) who are experts in energy procurement. They purchase energy for many public bodies enabling Enfield to benefit not only from their expertise but also from cost and price reductions gained through bulk buying. This continues to be the case even in a market with this level of uncertainty.

Gas Charges

53. Gas forecasts have reduced slightly over the past year as prices are driven by warmer temperatures lowering gas demand. The current contract is secured until September 2023, with great uncertainty in the market for the following contract period. Due to the volatile market the proposed increase from April 2023 will be 2%.

Garages

54. The garages which are let to Council tenants, leaseholders and private tenants are standard lock-up. A non-Council tenant premium is charged on all lets to private tenants, and any Council tenant or leaseholder who rents more than 2 garages.
55. The garage charges have increased by an average of 10.1% in 2023/24, the charges per week are as follows:

	2022/23 Charges	2023/24 Proposed	Change
	£	£	%
Standard lock-up Garages	13.90	15.30	10.1%
Private Garage Rental	27.30	30.06	10.1%
Private Garage Rental Concessionary	21.60	23.78	10.1%
Garage Storage	27.30	30.06	10.1%
Garage Storage Concessionary	21.60	23.78	10.1%

Parking Bay	8.70	9.58	10.1%
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Community Halls

56. The HRA Community Halls hire charges have increased by 10.1% (CPI), the hourly charges are as follows:

Community Hall Hourly Rate	2022/23 Charges	2023/24 Proposed	Change
	£	£	%
Private Hire	33.50	36.88	10.1%
Charitable	20.10	22.13	10.1%
Council Housing resident	24.70	27.19	10.1%
Enfield resident rate	27.30	30.06	10.1%

57. This year a review of the fees charged for nurseries using the community halls has been undertaken.
58. There are currently 10 nurseries using the community halls, who pay the Charitable rate (currently £20.10 per hour). Where nursery providers are charging a commercial rate for childcare, they will be charged the private hire rate.

Leaseholder Service Charges

59. The administration and management charge is a flat rate of £4.36 per week, added to the cost of services to cover the preparation of estimates and actual costs, billing consultation on repairs and improvement works and estate management.
60. At the end of each financial year, the actual cost is determined, and an appropriate adjustment made to the charge.
61. The cost of administration and management for 2023/24 is estimated at £1.13m and it is therefore recommended that the charge is set at £226.60 per leasehold unit to cover this cost.
62. The charges below will vary for our leaseholders depending on the services they receive. Adjustments will be made mid-year to reflect actual charges.

	Charge per week 2022/23	Proposed charge per week 2023/24	Change per week	Reason for change
	£	£	£	
Administration & Management Charge	4.17	4.36	0.19	Inflation

Caretaking Service	From 2.37 to 6.32	From 2.61 to 6.88	From 0.24 to 0.56	Inflation
Communal Electricity	From 0.35 to 4.25	From 0.42 to 5.10	From 0.07 to 0.85	20% increase in Electricity charges
Concierge	10.97	11.77	0.80	Inflation
CCTV	From 0.17 to 2.10	From 0.19 to 2.33	From 0.02 to 0.21	A new service charge for extra security where residents are supportive will be implemented mid-year following consultation with residents
Grounds Maintenance	2.28	2.49	0.21	Enhanced standard recognising the priority to continuously improve the environment on estates
Paladin Bins	0.6	From 0.14 to 1.50		Reviewed this charge – based on hire and collection of bins
<i>INSURANCE</i>				
1 Bed	4.59	5.51	0.92	Latest estimate from Insurance Company – 20% increase
2 Bed	5.41	6.49	1.08	
3 Bed	6.52	7.82	1.30	
4 beds	7.09	8.51	1.42	
Flat Repairs (Annual Charge)	0.02	0.02	0	No change
Ground Rent (Annual Charge)	0.19	0.19	0	No change
Estate Charge (Annual Charge)	0.25	0.25	0	No change

Insurance

63. It is anticipated there will be an increase of 20% in property Insurance due to higher costs for building materials and inflation.

Under Occupation Project

64. This three-year project started in 2020/21 to ensure best use of Council stock by moving tenants that are under-occupying Council Homes into suitably sized accommodation thereby freeing up larger accommodation. There was an increase in the incentive and flexible bespoke packages including support that meet the needs of tenants.

65. The charges remain at the 2022/23 approved levels, with an additional incentive for four bedroom or larger properties.

66. The incentives offered are as follows:

£1,250 for giving up 1 x room

£2,000 for giving up 2 x rooms

£2,500 for giving up 3 x rooms

£3,000 for giving up a four bedroom or larger property

2023/24 Revenue Budget

67. The table below sets out the base budget for 2023/24 compared to 2022/23 figures.

Category	2022/23 Budget £'000	2023/24 Proposed Budget £'000	Reason for differences
Bad Debts	610	650	The provision has been increased to reflect the cost-of-living crisis and potential impact on the arrears position
Corporate & Democratic Core	138	138	No change
Cost of Capital	10,983	15,817	Increase in interest payments due to an increase in level of debt
Depreciation	11,283	11,213	The amount set aside for depreciation has reduced to reflect the actual outturn position
Interest on Balances	-186	-205	Reserves have increased slightly - interest based on 1% of reserves position
Rent Rates and other Charges	592	551	decrease in council tax on regeneration void properties charges due to a number of units being demolished
Rents Dwellings	-60,495	-64,372	Rent increase 7%
Rents Shops-Commercial	-2,262	-2,325	Increase in shop rentals
Repairs and Maintenance	13,735	15,101	Contract inflation
Supervision & Management	22,451	22,638	5% pay award and reduction in recharges
Leaseholder Service Charges	-5,075	-5,157	Contract inflation
Self-Financing Contribution	9,092	6,843	Balance the Housing Revenue Account

Non-Dwelling Rents	-866	-892	Inflation
Grand Total	0	0	

Efficiency Savings

68. For the Business plan to remain sustainable, efficiency savings are required. A £1m per annum efficiency saving in Management and Maintenance has been built in to the HRA Business plan until 2025/26. The efficiencies will be partly achieved by:
69. The areas of focus include:
- a. Repairs: driving down the administration costs of the service through the mobilisation of Civica CX.
 - b. Reviewing the management of voids with a view to bringing this in house.
 - c. reviewing staff structures in the management and maintenance areas
 - d. reviewing service charges to tenants and leaseholders to fully recover the costs of services
 - e. reviewing rent charges on our non-dwelling assets – this includes a financial and community optimisation strategy to come forward in the new year.
70. In addition, we are reviewing core and non-core landlord services, with a view to focus on core services provided to our residents – this may lead to reducing the non-core services currently provided. The Governments HRA ring fenced guidance is shown in Appendix 3.

Capital Finance and Prudential Code

71. The Prudential Code for Capital Finance requires the authority to have regard to affordability, prudence and sustainability when considering its capital investment plans and to set and keep under review a range of prudential indicators. In December 2017, the prudential code changed, and it is recognised that indicators of affordability are best determined in the light of local constraints around precepts and ring-fenced and statutory funds such as the HRA and Police Fund. Authorities are encouraged to use local indicators that reflect how capital finance is permitted to be financed locally. For example, for those authorities with an HRA, the ratio of financing costs to net revenue budget should be calculated within the HRA ring-fence and an impact on rents calculated.
72. The General Fund Budget report for 2023/24 along with the Treasury Management Strategy report elsewhere on the agenda sets out the background to the prudential code and shows the indicators for the HRA and the General Fund.
73. The financial framework continues to ensure the Business plan remains financially viable and within affordable limits. This framework enables us to assess future investments decisions. The metrics are Interest Cover Ratio (ICR) and Loan to Value (LTV).

Capital Programme

74. The table below sets out the overall capital expenditure planned for the next 10 years. These budgets are aligned with the 10-year Capital Strategy report. The programme is broken down into three areas detailed below:

HRA Capital Programme	2023/24	2024/25	2025/26	2026/27	2027/28	2028/33 (5 years)	Total
	£m	£m	£m	£m	£m	£m	£m
Investment Programme	60.0	50.0	16.6	19.7	16.9	97.5	260.7
Development Programme	69.7	77.1	74.9	36.4	46.5	374.6	679.2
Estate Regeneration Programme	5.0	1.1	0.8	0.6	0.0	0.0	7.5
Total	134.6	128.2	92.3	56.7	63.4	472.1	947.4

75. The 10-year capital programme totalling £947m will be funded as follows:

HRA Capital Programme Financing	2023/24	2024/25	2025/26	2026/27	2027/28	2028/33 (5 years)	Total
	£m	£m	£m	£m	£m	£m	£m
External Grants & Contributions	47.1	5.4	65.7	11.2	0.8	150.2	280.5
Capital Receipts	27.6	40.9	12.7	25.9	38.2	74.4	219.7
Major Allowance Repairs	12.3	13.9	13.8	14.6	15.4	68.5	138.5
Earmarked Reserves	2.6	0.0	0.0	0.0	0.0	0.0	2.6
Borrowing	45.0	68.0	0.0	5.0	9.0	179.0	306.0
Total	134.6	128.2	92.3	56.7	63.4	472.1	947.4

Investment in Stock

76. The investment programme continues to experience challenges arising from the current market conditions. The impact of increased inflation on the planned maintenance sector has been substantial with both labour and material shortages pushing up costs by more than general inflation since the COVID lockdowns. The particular pressures that led to the high inflation levels over the past 2 years have subsided, but the sector does not expect prices to reduce in the near future.

77. The updated programme has allocated resources based on a hierarchy of prioritisation with building safety and compliance being the highest ranked priorities, followed by decency as priority 2 and energy efficiency/sustainability priority 3.

78. This programme will move the stock to the desired decency targets as part of a three-year programme meaning targets will be reached in 2025.

79. The 10-year capital programme is as follows:

HRA Capital Programme	2023/24	2024/25	2025/26	2026/27	2027/28	2028/33 (5 years)	Total
	£m	£m	£m	£m	£m	£m	£m
Decency	24.2	33.6	2.2	15.7	16.9	97.5	190.1
Energy Efficiency	0.9	0.0	0.0	0.0	0.0	0.0	0.9
Building Safety	29.8	13.5	13.2	2.5	0.0	0.0	59.0
Statutory Compliance	3.2	2.4	1.2	1.5	0.0	0.0	8.2
Overheads & other investment	1.9	0.5	0.0	0.0	0.0	0.0	2.4
Investment Programme	60.0	50.0	16.6	19.7	16.9	97.5	260.7

Development and Estate Regeneration Programme

80. During 2022/23 the new homes programme experienced the same challenges as the investment programme, with high inflation impacting build contracts.
81. During 2022/23 the new homes programme experienced challenges arising from the current volatile market conditions. To mitigate these risks going forward, we are reviewing partnership models of delivery and short-term looking to achieve new homes targets by acquiring additional homes already in the pipeline. This also has the benefit of underwriting delivery of existing partnership programmes at a time when progress may be reviewed/paused by partners due to market uncertainty. On existing pipeline schemes, we are reviewing the scope and potential for value engineering.
82. In light of these pressures the financial framework for the development programme has been reviewed. The main changes to the underlying assumptions included in the mid-year update are summarised below:

Hurdle Criteria	Current Approved	Proposed
Build cost per unit	£400k new build £450k estate regeneration	£400k new build £450k estate regeneration
Net Present Value (NPV)	-£60k per unit	Between -£60k and a Positive NPV
Internal rate of return (IRR)	3.5% (post financing)	7% (pre-financing)
Repayment period	50 years	50 years (60 years for Joyce & Snells)

83. The table below details the schemes on site and the future programme budgets:

HRA Capital Programme	2023/24	2024/25	2025/26	2026/27	2027/28	2028/33 (5 years)	Total
	£m	£m	£m	£m	£m	£m	£m
Future Programme	40.8	33.4	19.8	11.7	0.8	95.6	202.2
Joyce & Snells	14.1	9.6	34.9	0.0	43.3	276.7	378.7
Bury Street	0.5	0.0	0.0	0.0	0.0	0.0	0.5
Reardon Court	8.4	12.4	0.0	0.0	0.0	0.0	20.8
Exeter Road	0.0	7.0	8.1	0.6	0.0	0.0	15.8
Upton & Raynham	2.0	12.0	12.0	24.1	2.3	2.3	54.8
Bullsmoor Lane	3.9	2.6	0.0	0.0	0.0	0.0	6.4
Development Programme	69.7	77.1	74.9	36.4	46.5	374.6	679.2
Alma Towers	4.6	0.6	0.7	0.6	0.0	0.0	6.5
Ladderswood	0.1	0.2	0.1	0.0	0.0	0.0	0.5
New Avenue	0.3	0.2	0.0	0.0	0.0	0.0	0.5
Estate Regeneration Programme	5.0	1.1	0.8	0.6	0.0	0.0	7.5
Total	74.6	78.2	75.7	37.0	46.5	374.6	686.7

84. New build development units will be charged at London Affordable Rent levels as part of Building Council Homes for Londoners (BCHL) GLA funding programme and social rents will be charged as part of the new 2021-26 Affordable Homes (AHP) GLA funding Programme. The social rents will be based on the 1999 valuation of the property and will be calculated on a formula rent basis.

RTB One for One Replacement Receipts and Expenditure

85. The Government published new legislation on the use of RTB receipts with these changes being effective from 1st April 2021 and gave Councils slightly more flexibilities on how the RTB receipts can be applied.

86. In order to maximise the use of RTB receipts it is proposed these receipts will contribute towards the HRA's acquisition programme and support future development schemes.

87. The proposed five-year programme is shown in the table below, this could be subject to change as there may be delays or unavoidable changes within the programme.

RTB receipts	2023/24	2024/25	2025/26	2026/27	2027/28
Actual spend - total spend required 100%	20.65	19.13	11.90	21.50	18.61
RTB receipts (40% of total spend)	8.26	7.65	4.76	8.60	7.45
Actual spend allocated (100%)					

New Avenue	0.01	0.02	0.00	0.00	0.00
Acquisitions	20.64	19.11	11.90	21.50	18.61
Total spend	20.65	19.13	11.90	21.50	18.61

88. The Council will continue to assess schemes on the basis of grant as % of total scheme costs against the use of unspent Right to Buy receipts to ensure that available resources are directed to the key priorities and grant is maximised on newbuild developments

HRA Balances

89. The estimated position on balances is set out below:

Reserves	Balance at 01/04/2022	Movement	Balance at 01/04/2023
	£m	£m	£m
HRA Balance	3.19	7.14	10.33
HRA Insurance	0.63	0.00	0.63
HRA Repairs Fund	1.58	0.00	1.58
HRA Capital reserve	1.06	0.50	1.56
HRA Major repairs reserve	0.77	0.00	0.77
HRA Capital receipts	0.17	0.00	0.17
Total	7.40	6.64	15.04
HRA RTB one for one receipt	18.16	8.18	26.34
Total Reserves	25.56	15.82	41.38

Safeguarding Implications

90. There are no safe-guarding implications

Public Health Implications

91. Good quality housing plays an essential role in improving public health and wellbeing.
92. Managing council rental income and mitigating welfare reform is an important part of avoiding debt issues and contributes to the general well-being of residents

Equalities Impact of the Proposal

93. The HRA 30-Year Business Plan supports the delivery of high-quality services that promote equality and values diversity.
94. Although the rent increase will negatively impact residents, it is the decision the Council must follow in line with government guidelines.

95. Work is ongoing to support residents with the increasing cost of living. The council has developed resources and training for housing officers to help signpost residents to employment and skills support initiatives. A Route Map resource has been developed - a page on the Enfield Council Website which provided some information around employment support. This currently sits within Tenant Information section of the Council Website.
www.enfield.gov.uk/jobsandtraining .
96. The Council is committed to helping residents who are struggling to pay their bills and have published a wide range of advice on the Councils website. This includes guidance and support to help them manage paying their bills including Council Tax, claim benefits, manage debt, and access help with food, fuel and other essentials if required. In addition, the Rent Income Team are able to offer advice and help arrange payments plans where necessary.
97. Please see Appendix 2 which provides Equality Impact assessment.

Environmental and Climate Change Considerations

98. There are no Environmental and Climate Change considerations

Risks that may arise if the proposed decision and related work is not taken

99. There is always a risk that at any point during the 30-year Business Plan the Government proposes a plan of action it intends to take which could influence the HRA balance. It is imperative that, at the point where there is reliable knowledge that a change is likely to occur, a full review must be taken to allow mitigation against all potential risks.

Financial Implications

100. The Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of estimates and the adequacy of proposed financial reserves. The 2023/24 HRA estimates have been prepared considering the following:
- The estimated impact of inflationary pressures. Allowance has been made for cost increases over and above the general rate of inflation where these are known;
 - The estimated impact of increasing demands on resources where these are unavoidable;
 - The estimated impact of underlying costs pressures, evidence by financial monitoring reports in the current year;
 - An assessment of key risks and uncertainties; and
 - The impact of borrowing requirements on the 30-year business plan.
101. It should be noted the HRA Business Plan remains affordable and sustainable, with a robust budget and prudent balances

Legal Implications

102. Local authorities have the power, under Section 24 of the Housing Act 1985 to determine their own rent levels and must review rents from time to time and make such changes as circumstances require but must charge reasonable rents for tenants in its own housing stock. In exercising their functions under this section, the Council is required to have regard in particular to any relevant standards set for them under section 193 of the Housing and Regeneration Act 2008 [Standards relating to consumer matters set by the Housing Regulator i.e., maintenance, estate management etc.]. The Council must therefore take account of Government guidance (Guidance on Rents for Social Housing, DCLG, May 2014) and the Rent Standard as set by the regulator of social housing when setting rents.
103. In addition, Part VI of the Local Government and Housing Act 1989 which governs, inter alia, the Council's duties in relation to the Housing Revenue Account places a duty on the Council to secure that the HRA for any year does not show a debit balance. However, there is no absolute duty to prevent a debit balance as this may occur, for example, as a result of unforeseen circumstances. Any debit balance that does occur in any year must be carried forward within the ring-fenced HRA to the following year. Under Section 76 of the Local Government and Housing Act 1989, the Council is required to prepare proposals in January and February each year relating to the income of the authority from rents and other charges, expenditure in respect of repairs, maintenance, supervision, and management of HRA property and other prescribed matters. The proposals should be based on the best assumptions and estimates available and should be designed to secure that the housing revenue account for the coming year does not show a debit balance. In the event that the Council, on review, determines that this requirement will not be satisfied then the Council is, by virtue of Section 76(6), required to make such revisions of the proposals as are reasonably practical towards securing that the proposals (as so revised) satisfy those requirements. The duty in relation to best assumptions and estimates referred to in this report applies equally to such revised proposals.
104. The requirement to charge reasonable rents applies to most secure and introductory tenancies, although there are some exceptions for example for affordable rents and tenants with high incomes. Reasonable rents are set by a reference to a formula which is set out in Government Guidance (Ch.2 Guidance on Rents for Social Housing, DCLG, May 2014). The aim of the formula-based approach is to ensure that similar rents are paid for similar properties. The current formula is devised on the basis that rents take account of the condition and location of a property, local earnings, and the number of bedrooms in a property.
105. From 1 April 2016, the Welfare Reform and Work Act 2016 and amendment regulations required registered providers of social housing, including local authorities in England, to reduce social housing rents by 1% a year for 4 years from a frozen 2015 to 2016 baseline and to comply with maximum rent requirements for new tenancies. The reduction applied only to the rent element and not to service charges.

106. The local authority is required to serve a notice of variation on each tenant at least four weeks before the date on which the rent change takes effect in line with sections 102 and 103 of the Housing Act 1985 the local authority must consult with tenants before serving a notice of variation to the terms of a secure tenancy. Where a notice of variation is required, then before serving a notice of variation on the tenant the landlord shall serve a preliminary notice informing the tenant of the landlord's intention to serve a notice of variation, specifying the proposed variation and its effect, and inviting the tenant to comment on the proposed variation within such time, specified in the notice, as the landlord considers reasonable. The landlord (i.e., the Council) shall consider any comments made by the tenant within the specified time.
107. In respect of setting service charges, The Landlord and Tenant Act 1985 sets out the basic rules for service charges, defining what is considered a service charge, setting out requirements for reasonableness and for prior consultation of leaseholders. Section 18 (1) of the Act defines a service charge as 'an amount payable by a tenant of a dwelling as part of or in addition to the rent:
- a. which is payable, directly, or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management; and
 - b. the whole or part of which varies or may vary according to the relevant costs.
108. Leasehold service charges are required to be transparent and reflect the actual cost of the services incurred and where they are incurred on the provision of services or the carrying out of works, only if the services or works are of a reasonable standard in accordance with the Landlord and Tenant Act 1985. Where the service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction of subsequent charges or otherwise. The Leasehold Valuation Tribunal may make a determination of reasonableness in this regard.
109. In respect of setting rent for parking spaces and garages the Council is permitted by section 93 of the Local Government Act 2003 to charge for discretionary services provided that taking one financial year with another the income from charges for discretionary services does not exceed the cost of provision. In other words, the Council may not make a profit from the delivery of these discretionary services.
110. The Council is required to act in accordance with the public sector equality duty under the Equality Act 2010 and have due regard to the duty when carrying out its functions, which includes making decisions in the current context. The Council also has a duty to show they have consciously addressed their mind to carrying out an Equality Impact Assessment (which includes any decision to increase or introduce charges to tenants).
- Legal imps updated by AOM on 25/01/2023*

Workforce Implications

111. Additional resources to deliver capital programme and comprehensive developments may be a requirement however there are no requirements to increase the team's capacity to deliver projects in the short term.

Property Implications

112. The majority of the proposals in this report relate to HRA properties, and the implications for these are to be found throughout the report.

113. There are some property implications that relate to corporate properties. These are the halls and youth centres that are managed under the banner of "Community Spaces" in tandem with the HRA community halls. For consistency, the hire charges for the corporate properties will be increased in line with the HRA properties. The charging arrangements for both corporate and HRA halls will be harmonised as part of the review of the charging policy that is identified in this report's proposals.

Other Implications

114. There are no other implications

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Appendices

Appendix 1 - 30-year Revenue Budget

Appendix 2 - Equality Impact Assessment

Appendix 3 - Operation of the Housing Revenue Account Ring-fence Guidance

Appendix 1 – 30 Year Revenue Budget

HRA Revenue Budget 30 year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/2053
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Dwelling Rents	61.4	67.8	70.8	73.7	79.2	81.7	84.0	86.7	89.5	92.7	2,282.5
Service Charges Tenants	3.6	3.7	3.9	4.0	4.2	4.3	4.4	4.6	4.7	4.8	117.7
Service Charges Leaseholders	5.2	5.7	5.8	5.9	6.0	6.1	6.3	6.4	6.5	6.6	164.9
Voids	-0.6	-0.7	-0.7	-0.8	-0.8	-0.8	-0.9	-0.9	-0.9	-0.9	-23.2
Non-Dwelling Rents	3.5	3.6	3.7	3.8	3.9	3.9	4.0	4.1	4.2	4.3	105.6
RTB Administration Income	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.0
Total Income	73.1	80.3	83.5	86.7	92.5	95.3	97.9	100.9	104.0	107.6	2,648.6
Responsive Repairs	15.1	16.1	16.6	17.6	18.2	18.7	19.2	19.6	20.1	20.7	513.9
Supervision & Management	15.1	16.1	16.5	17.5	18.1	18.6	19.0	19.5	19.9	20.5	506.7
Special Services	7.8	8.2	8.3	8.5	8.7	8.8	9.0	9.2	9.4	9.6	236.4
Rents Rates Taxes & Other Charges	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	9.4
Bad Debt	0.6	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	0.9	21.9
Depreciation of Fixed Assets Total	11.2	12.0	12.5	13.0	13.7	14.2	14.6	15.0	15.4	16.0	391.7
Expenditure	50.4	53.6	55.2	57.8	60.0	61.6	63.1	64.7	66.2	68.1	1,680.0
Net (Cost) Of Services	-22.8	-26.7	-28.3	-28.9	-32.4	-33.7	-34.9	-36.2	-37.8	-39.5	-968.6
Loan Interest	15.8	19.6	20.5	20.8	22.2	23.3	21.6	26.3	28.0	30.0	528.9
Interest Income	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-15.6
Notional Cash Interest	-0.1	-0.2	-0.1	-0.2	-0.4	-0.4	0.0	0.0	0.0	-0.3	-31.2
Capital Account Adjustments	15.4	19.1	20.1	20.3	21.5	22.5	21.3	25.9	27.5	29.3	482.1
Net Operating Income / (Expenditure)	7.3	7.7	8.2	8.6	10.9	11.2	13.6	10.3	10.3	10.2	486.5

Appendix 2 - Equality Impact Assessment

Section 1 – Equality analysis details

Title of service activity / policy/ strategy/ budget change/ decision that you are assessing	HRA Budget 2023/24, Rent Setting and Business Plan Update
Team/ Department	Council Housing
Executive Director	Sarah Cary/Fay Hammond
Cabinet Member	Councillor Savva/Councillor Leaver
Author(s) name(s) and contact details	Joanne Drew/Claire Eldred
Committee name and date of decision	Cabinet 8th February Council 23rd February

Date the EqIA was reviewed by the Corporate Strategy Service	18th January 2023
Name of Head of Service responsible for implementing the EqIA actions (if any)	Karen Lucas
Name of Director who has approved the EqIA	Joanne Drew

Section 2 – Summary of proposal

Please give a brief summary of the proposed service change / policy/ strategy/ budget change/project plan/ key decision

Please summarise briefly:

What is the proposed decision or change?

What are the reasons for the decision or change?

What outcomes are you hoping to achieve from this change?

Who will be impacted by the project or change - staff, service users, or the wider community?

Any local housing authority that owns 200 or more social dwellings are required to account for them within their Housing Revenue Account (HRA). How social housing rents are set is determined by government.

The Rent Standard published by the Regulator of Social Housing set out that Councils could set a maximum actual rent increases of CPI + 1% per annum until 2024/25 based on the preceding September published CPI.

Under current regulations the Consumer Price Index (CPI) for September 2022 determines the increase in the rent for social rent properties which was 10.1%.

Due to the rising inflation rates, On 31 August 2022, the Government published a consultation paper proposing a cap on social housing rent increases for 2023/24 with options for the level of cap, period of cap and its application. The Government also plan to consult on social rent policy from 2025/26 later this year.

The results of the consultation have determined the rent increase will be 7% for affordable rents in 2023-24.

Although the rent increase will negatively impact residents, it is the decision the Council must follow in line with government guidelines. The previous period of rent reductions has affected capacity in the Business Plan to fund services and investment in homes in Enfield and therefore it is a necessary decision.

Section 3 – Equality analysis

Age

This can refer to people of a specific age e.g., 18-year-olds, or age range e.g., 0–18-year-olds.

Will the proposed change to service/policy/budget have a **differential impact [positive or negative]** on people of a specific age or age group (e.g., older, or younger people)?

Please provide evidence to explain why this group may be particularly affected.

It is estimated that the rent increase will negatively impact all local residents, regardless of their age.

As at 1 October 2022 there are 3,274 council tenants claiming Universal Credit with the housing cost and 4,281 council tenants in receipt of Housing Benefit; this means that for 7,555 – 74% - of tenants their full housing cost is met as long as they do not under occupy their home

Older People

There are currently approximately 42,000 people aged 65 and over living in Enfield, making up around 13% of the total population. These figures are set to increase by 23% to 52,500 people aged 65 and older by 2025.

Older residents are more likely to under occupy their home; those claiming Housing Benefit, living in a social rented sector tenancy, aged between 16 and pension age will be affected by a reduction in the amount of housing benefit paid to them and the rent increase.

Families, Children and Young People

Around 9% of council tenants are under 35 years of age.

Enfield has relatively high proportions of children and young people under the age of twenty – higher than both London and England averages. According to official Department for Work and Pensions statistics (2019/20) 18% of children under 16 in Enfield live in low-income families.

Larger families may be affected by the benefit cap – the cap on the amount of benefit that working aged people can claim – in Greater London, the current caps are:

	Monthly amount	Weekly amount
Families w children & couples -	£1916.67	£442.31

Mitigating actions to be taken

Although the rent increase will negatively impact residents, it is the decision the Council must follow in line with government guidelines. The previous period of rent reductions has affected capacity in the Business Plan to fund services and investment in homes in Enfield and therefore it is a necessary decision.

The council proactively supports tenants who are under occupying their home to move to a smaller, more affordable home; this includes access to pan-London and National mobility schemes. Grants are available for residents who choose to move to a smaller home as well as help with removal costs.

Work is ongoing to support residents with the increasing cost of living. The council has developed resources and training for housing officers to help signpost residents to employment and skills support initiatives. A Route Map resource has been developed - a page on the Enfield Council Website which provided some information around employment support. This currently sits within Tenant Information section of the Council Website. www.enfield.gov.uk/jobsandtraining .

The Council is committed to helping residents who are struggling to pay their bills and have published a wide range of advice on the Council's website. This includes guidance and support to help them manage paying their bills including Council Tax, claim benefits, manage debt, and access help with food, fuel and other essentials if required. In addition, the Rent Income Team are able to offer advice and help arrange payments plans where necessary.

Disability

A person has a disability if they have a physical or mental impairment which has a substantial and long-term adverse effect on the person's ability to carry out normal day-day activities.

This could include: physical impairment, hearing impairment, visual impairment, learning difficulties, long-standing illness or health condition, mental illness, substance abuse or other impairments.

Will the proposed change to service/policy/budget have a **differential impact [positive or negative]** on people with disabilities?

Please provide evidence to explain why this group may be particularly affected.

It is estimated that the rent increase will have a negative impact on all residents regardless of whether they have a disability or a disabled member of their household.

10% of Enfield council tenants have a declared disability.

The Department for Levelling Up, Housing and English Housing Survey, 2020/21, states that Disabled people are more likely to live in the social rented sector. According to the English Housing Survey 2020/21, over half (55%) of households in the social rented sector had one or more household members with a long-term illness or disability.

Scope have also highlighted the significant impact of the cost-of-living crisis on disabled people, in particular rising energy costs.² National research highlights that disabled people are more likely to report feeling worried about the cost-of-living crisis.

According to ONS survey data collected between April and May 2022 over four in five (82%) of disabled people reported feeling worried about the rising costs of living compared with 75% of non-disabled people. Disabled people were also more likely to be very worried (35%) about the rising costs of living than non-disabled people (22%).

The impact of rent increase on tenants with a disability or who have a disabled member of their household reflect both negative impacts of the welfare benefit system, and access to employment opportunities for disabled people.

Mitigating actions to be taken

Although the rent increase will negatively impact residents, it is the decision the Council must follow in line with government guidelines. The previous period of rent reductions has affected capacity in the Business Plan to fund services and investment in homes in Enfield and therefore it is a necessary decision.

Housing staff working with tenants have received training on welfare benefits and are able to identify and signpost people who may not be in receipt of all benefits available to them.

The work developed to assist residents with the increased cost of living includes career support initiatives available specifically to people with special educational needs, disabilities, or mental health challenges.

- IAPT NHS - a free NHS, psychological therapy service -offers a range of support, including talking therapies, cognitive behavioural therapy and support and advice around employment and mental health.
- There are a range of other national and local services in Enfield who can

support tenants with mental health challenges.

- London Working or the Work and Health Program, who can provide support for individuals with significant barriers to help them into work and training

The Council is committed to helping residents who are struggling to pay their bills and have published a wide range of advice on the Councils website. This includes guidance and support to help them manage paying their bills including Council Tax, claim benefits, manage debt, and access help with food, fuel and other essentials if required. In addition, the Rent Income Team are able to offer advice and help arrange payments plans where necessary.

Gender Reassignment

This refers to people who are proposing to undergo, are undergoing, or have undergone a process (or part of a process) to reassign their sex by changing physiological or other attributes of sex.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on transgender people?

Please provide evidence to explain why this group may be particularly affected.

For the first time in 2021, the Census asked a voluntary question on gender identity to respondents aged 16 years or over. People were asked “Is the gender you identify with the same as your sex registered at birth?” and had of the option of selecting “Yes” or selecting “No” and writing in their gender identity.¹

In Enfield 91.42% of the borough’s residents aged 16 years and over responded to the question.

Gender identity	Enfield population aged 16 years and over	Percentage of residents aged 16 years and over
Gender identity the same as their sex registered at birth	232,329	90.34%
Gender identity different from their sex registered at birth but no specific identity given	1,652	0.64%
Trans woman	518	0.2%
Trans man	486	0.19%
Non-binary	74	0.03%
Another gender identity	58	0.02%
Did not answer	22,065	8.58%

It is estimated that the rent increase will have a negative impact on all residents regardless of whether they have undergone or are undergoing gender reassignment.

Mitigating actions to be taken

Although the rent increase will negatively impact residents, it is the decision the Council must follow in line with government guidelines. The previous period of rent reductions has affected capacity in the Business Plan to fund services and investment in homes in Enfield and therefore it is a necessary decision.

The Council is committed to helping residents who are struggling to pay their bills and have published a wide range of advice on the Councils website. This includes guidance and support to help them manage paying their bills including Council Tax, claim benefits, manage debt, and access help with food, fuel and other essentials if required. In addition, the Rent Income Team can offer advice and help arrange payments plans where necessary.

Marriage and Civil Partnership

Marriage and civil partnerships are different ways of legally recognising relationships. The formation of a civil partnership must remain secular, where-as a marriage can be conducted through either religious or civil ceremonies. In the U.K both marriages and civil partnerships can be same sex or mixed sex. Civil partners must be treated the same as married couples on a wide range of legal matters.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people in a marriage or civil partnership?

Please provide evidence to explain why this group may be particularly affected.

We do not record the relationship of cohabiting couples who are council tenants.

It is estimated that the rent increase will have a negative impact on all residents regardless of whether they are married or in a and civil partnership.

Mitigating actions to be taken

Although the rent increase will negatively impact residents, it is the decision the Council must follow in line with government guidelines. The previous period of rent reductions has affected capacity in the Business Plan to fund services and investment in homes in Enfield and therefore it is a necessary decision.

The Council is committed to helping residents who are struggling to pay their bills and have published a wide range of advice on the Councils website. This includes guidance and support to help them manage paying their bills including Council Tax, claim benefits, manage debt, and access help with food, fuel and other essentials if required. In addition, the Rent Income Team are able to offer advice and help arrange payments plans where necessary.

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Pregnancy and maternity
 Pregnancy refers to the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on pregnancy and maternity?
 Please provide evidence to explain why this group may be particularly affected.

We do not record data on whether or not tenants are pregnant, although 63% of tenants are female.
 It is estimated that the rent increase will have a negative impact on all residents regardless of whether they are pregnant.

Mitigating actions to be taken

Although the rent increase will negatively impact residents, it is the decision the Council must follow in line with government guidelines. The previous period of rent reductions has affected capacity in the Business Plan to fund services and investment in homes in Enfield and therefore it is a necessary decision.
 The Council is committed to helping residents who are struggling to pay their bills and have published a wide range of advice on the Councils website. This includes guidance and support to help them manage paying their bills including Council Tax, claim benefits, manage debt, and access help with food, fuel and other essentials if required. In addition, the Rent Income Team are able to offer advice and help arrange payments plans where necessary.

Race
 This refers to a group of people defined by their race, colour, and nationality (including citizenship), ethnic or national origins.

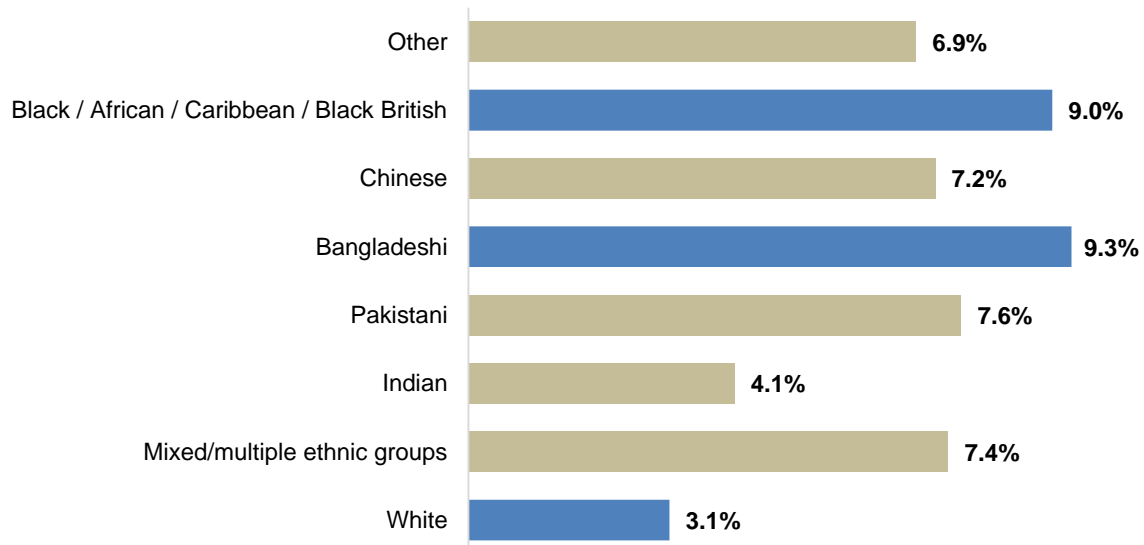
Will this change to service/policy/budget have a **differential impact [positive or negative]** on people of a certain race?
 Please provide evidence to explain why this group may be particularly affected.

It is estimated that the rent increase will have a negative impact on all residents regardless of their ethnicity or national origins.
Census 2021 ethnicity data is shown below:

Ethnicity	Estimated population size	Percentage of total population
Asian or Asian British	37,973	11.5%
Bangladeshi	8,123	2.5%
Chinese	2,611	0.8%
Indian	11,870	3.6%
Pakistani	3,674	1.1%
Any other Asian background	11,615	3.5%
Black, Black British, Caribbean, or African	60,512	18.3%
African	36,463	11%
Caribbean	16,990	5.1%
Any other Black, Black British, or Caribbean background	7,059	2.1%
Mixed or multiple ethnic groups	19,558	5.9%
White and Black Caribbean	5,165	1.6%
White and Black African	2,994	0.9%
White and Asian	3,818	1.2%
Any other Mixed or multiple ethnic background	7,581	2.3%
White	171,884	52.1%
English, Welsh, Scottish, Northern Irish or British	103,140	31.3%
Irish	5,969	1.8%
Gypsy or Irish Traveller	374	0.1%
Roma	1,121	0.3%
Any other White background	61,280	18.6%
Other Ethnic Group	40,058	12.1%
Arab	2,535	0.8%
Any other ethnic group	37,523	11.4%

Employment opportunities are likely to be lower for people in certain race groups, with the national data summarised below:

UK unemployment rates by ethnicity (Jan-March 2022)



This data assists authorities to assess the impact of rent increases in certain race groups and can assist in identifying households that may need additional assistance as a result of the rent increases.

Whilst ethnic diversity is one of our biggest assets, ethnic minorities experience inequality in housing, education, employment, health, and criminal justice in Enfield, as is the case across the UK. This needs to be addressed.

Mitigating actions to be taken

Although the rent increase will negatively impact residents, it is the decision the Council must follow in line with government guidelines. The previous period of rent reductions has affected capacity in the Business Plan to fund services and investment in homes in Enfield and therefore it is a necessary decision.

The Council is committed to helping residents who are struggling to pay their bills and have published a wide range of advice on the Council's website. This includes guidance and support to help them manage paying their bills including Council Tax, claim benefits, manage debt, and access help with food, fuel and other essentials if required. In addition, the Rent Income Team are able to offer advice and help arrange payments plans where necessary.

Religion and belief

Religion refers to a person's faith (e.g., Buddhism, Islam, Christianity, Judaism, Sikhism, Hinduism). Belief includes religious and philosophical beliefs including lack of belief (e.g., Atheism). Generally, a belief should affect your life choices or the way you live.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people who follow a religion or belief, including lack of belief?

Please provide evidence to explain why this group may be particularly affected.

We do not have robust data on the religion of existing tenants of Council homes or on those on our housing register which can be used to consider potential differential impact of the strategy on people of different religions – 53% of residents do not specify a religion.

Where it is specified the two largest groups represented among tenants are Christians – 28% - and Muslim – 12%.

It is estimated that the rent increase will have a negative impact on all residents regardless of their religion or beliefs.

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Sex

Sex refers to whether you are a female or male.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on females or males?

Please provide evidence to explain why this group may be particularly affected.

It is estimated that the rent increase will have a negative impact on all residents regardless of their sex.

63% of Enfield's tenants are female. As females are disproportionately represented in Council housing and on the housing register, this rise may disproportionately impact the female sex.

Females are more likely to be single parents – 94% of single parents on Enfield's

Housing Register are mothers. Females are more likely to be on lower incomes and lower paid work than men. National statistics show that in 2019 females earned on average 17.3% less than their male counterparts.

Households requiring a home of 4 bedrooms are more likely to be headed up by a female (mothers) rather than males.

The rent increase will impact all residents regardless of whether they are females or males. However, employment opportunities and income averages are lower for females and therefore they may be at greater risk of struggling to pay the proposed rent increase.

Mitigating actions to be taken

Although the rent increase will negatively impact residents, it is the decision the Council must follow in line with government guidelines. The previous period of rent reductions has affected capacity in the Business Plan to fund services and investment in homes in Enfield and therefore it is a necessary decision.

The Council is committed to helping residents who are struggling to pay their bills and have published a wide range of advice on the Council's website. This includes guidance and support to help them manage paying their bills including Council Tax, claim benefits, manage debt, and access help with food, fuel and other essentials if required. In addition, the Rent Income Team are able to offer advice and help arrange payments plans where necessary.

The Route Map resource which provides some information around employment support, includes specific training, and support available to women which includes:

- Smart Works, a UK charity that provides high quality interview clothes and interview training to unemployed women in need.
- Enfield Women's Centre who can offer advice, information and training to women who would like to build their skills and embark on a career. They run a range of courses throughout the year.

Sexual Orientation

This refers to whether a person is sexually attracted to people of the same sex or a different sex to themselves. Please consider the impact on people who identify as heterosexual, bisexual, gay, lesbian, non-binary or asexual.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people with a particular sexual orientation?

Please provide evidence to explain why this group may be particularly affected.

For the first time in 2021, the Census included a voluntary question on sexual orientation for all respondents aged 16 and over. The different sexual orientations that people could choose from included:

- Straight or heterosexual
- Gay or lesbian
- Bisexual
- Other sexual orientation (respondents were then asked to write in the sexual orientation with which they identified)

In Enfield, 90.3% of the borough's residents aged 16 and over responded to this question.

Sexual orientation	Enfield population aged 16 years and over	Percentage of Enfield residents aged 16 years and over
Straight or heterosexual	226,705	88.15%
Gay or lesbian	2,342	0.91%
Bisexual	2,073	0.81%
Pansexual	944	0.37%
Asexual	74	0.03%
Queer	35	0.01%
All other sexual orientations	151	0.06%
Not answered	24,858	9.67%

It is estimated that the rent increase will have a negative impact on all residents regardless of their sexual orientation.

Mitigating actions to be taken

Although the rent increase will negatively impact residents, it is the decision the Council must follow in line with government guidelines. The previous period of rent reductions has affected capacity in the Business Plan to fund services and investment in homes in Enfield and therefore it is a necessary decision.

The Council is committed to helping residents who are struggling to pay their bills and have published a wide range of advice on the Council's website. This includes guidance and support to help them manage paying their bills including Council Tax, claim benefits, manage debt, and access help with food, fuel and other essentials if required. In addition, the Rent Income Team are able to offer advice and help arrange payments plans where necessary.

Socio-economic deprivation

This refers to people who are disadvantaged due to socio-economic factors e.g., unemployment, low income, low academic qualifications or living in a deprived area, social housing, or unstable housing.

Will this change to service/policy/budget have a **differential impact [positive or**

negative] on people who are socio-economically disadvantaged?

Please provide evidence to explain why this group may be particularly affected.

Enfield is the 9th most deprived London borough and has the 11th highest rate of child poverty in the country.² Enfield's median household income is £35,300, which is the 9th lowest of the 33 London boroughs and lower than the London average. Within the borough, there are clear differences in household income between the western and eastern parts. Median incomes in the most affluent neighbourhoods are twice those of the least affluent.

The increases vary from £6.13-£11.89 per week for social rents and £11.178-£15.25 per week in LAR, however for 74% of tenants their full housing cost is met by either UC or housing benefit. Additionally, from December 2021 changes in the Universal Credit taper mean residents who qualify for the work allowance will keep more of their benefits.

Changes to Universal Credit 2021

From December 2021 changes in the Universal Credit taper mean residents who qualify for the work allowance will keep more of their benefits.

Currently residents lose 63p for every £1 they earn of their Universal Credit benefits; from December they will reduce by 55p for every £1 earned.

Someone earning the National Living Wage, which increased to £9.50 an hour on 1 April 2022, would earn £190 for doing 20 hours of work. Under the old rules, they would see their Universal Credit reduced by £119.70; from December 2021 the benefit would be reduced by £104.50.

Mitigating actions to be taken.

Work is ongoing to support residents with the increasing cost of living. The council has developed resources and training for housing officers to help signpost residents to employment and skills support initiatives. A Route Map resource has been developed - a page on the Enfield Council Website which provided some information around employment support. This currently sits within Tenant Information section of the Council Website. www.enfield.gov.uk/jobsandtraining .

Housing staff working with tenants have received training on welfare benefits and are able to identify and signpost people who may not be in receipt of all benefits available to them.

The Council is committed to helping residents who are struggling to pay their bills and have published a wide range of advice on the Councils website. This includes guidance and support to help them manage paying their bills including Council Tax, claim benefits, manage debt, and access help with food, fuel and other

essentials if required. In addition, the Rent Income Team are able to offer advice and help arrange payments plans where necessary.

Section 4 – Monitoring and review

How do you intend to monitor and review the effects of this proposal?

Who will be responsible for assessing the effects of this proposal?

Metrics concerning social housing delivered by Enfield Council are monitored on a quarterly basis using internal databases. Monitoring information contains demographic data to ensure that the services are not precluding any protected characteristic. This information will be used to monitor and respond to any emerging trends so that our provision is fit for purpose.

Section 5 – Action plan for mitigating actions

Any actions that are already completed should be captured in the equality analysis section above. Any actions that will be implemented once the decision has been made should be captured here.

Identified Issue	Action Required	Lead officer	Timescale/By When	Costs	Review Date/Comments
Impact of rent increase will negatively impact on all identified groups of residents	Signpost residents to advice on the council's website using a variety of communication methods i.e., Housing News, public meetings etc	Karen Lucas	June 2023	n/a	July 2023 Include in Council Housing communication plan.
	Income recovery team and Council Housing Service to continue to provide advice and assistance to residents.	Karen Lucas	Ongoing	n/a	July 2023 Monitor level of rent areas.

Appendix 3

Operation of the Housing Revenue Account Ring-fence Guidance (Published 10 November 2020)

Management and maintenance services

The landlord is often best placed to provide wider services for neighbourhoods and communities that go beyond their traditional remit. When taking decisions locally, authorities need to demonstrate transparency to both tenants and Council Taxpayers that there is a fair apportionment of costs between the HRA and the General Fund.

To assist in determining what should and what should not be charged to the HRA, management and maintenance services can be expressed as core, core plus or non-core services.

Core services may be regarded as the 'bricks and mortar' functions of housing management, maintenance, major repairs, and any associated debts and so forth. They are generally provided for the principal benefit of the landlord's tenants and leaseholders, not the wider community. Core plus services are those provided as additional services ancillary to the primary purpose of housing provision, which may have wider benefits to the overall community. A service that cannot be defined as core or core-plus should be accounted for in the council's General Fund.

Core services

- Repair and maintenance
 - Responsive
 - Planned and cyclical
 - Rechargeable repairs
- General tenancy management
 - Rent collection and arrears recovery
 - Service charge collection and recovery
 - Void and re-let management
 - Lettings and allocations of HRA properties only, any work carried out in respect of non HRA properties should be charged to the General Fund
 - Management of repairs
 - Antisocial behaviour: low level
 - General advice on tenancy matters
- General estate management
 - Communal cleaning
 - Communal heating and lighting
 - Grounds maintenance
 - Community centres
 - Play areas
 - Estate officers and caretakers
 - Neighbourhood wardens
 - Concierge
 - CCTV

- Policy and management
 - HRA share of strategic management costs
 - Setting of rent levels, service charges, and supporting people charges
 - Administration of the Right to Buy

Core plus services

- Contribution to corporate antisocial behaviour services. Where the service is entirely charged to the General Fund it may be appropriate for the HRA to contribute to these costs
- Tenancy support
- Maintenance of tenant gardens - unless a separate charge is made for the service
- Supporting people services - HRA housing related support services only, for example:
 - Sheltered accommodation wardens
 - Alarm services

Non-core services

It is the view of MHCLG that it is inappropriate to assume that these services will be wholly charged to the HRA. Their costs should be met from the General Fund.

- Administration of a common housing register – costs should be split appropriately between the HRA and General Fund
- Street lighting
- Dog wardens
- Personal care services
- Homeless administration
- Housing advisory service

The landlord should decide, within the requirements of existing legislation, whether it is appropriate to account for a proportion of these in the HRA or in the General Fund, using the 'Who benefits' principle. If the benefits of the service accrue primarily to the wider community, it is probable that the cost is a better fit in the General Fund, though it would be permissible to recoup a portion of any such cost from the HRA where it can be demonstrated that there is a benefit to HRA tenants or properties.

This does not imply any general discretion to transfer resources across the ring-fence; rather it is for the authority to apportion any costs or income for a service appropriately between accounts to reflect the benefit enjoyed by HRA tenants and leaseholders on one hand and the wider council taxpayer on the other.

Where a local authority is taking decisions concerning the correct place to account for new services or is reviewing existing practice in the light of evolving circumstances, the government would expect that tenants should be consulted, or involved in the decision-making process.