

## APPENDIX 5

### Cabinet - HRA Rent Setting Report

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Reviewed by: Neil Euesden (Director of Housing) / Hamant Bharadia (Asst. Director of Finance)

#### Q1a - What is changing?

*What is the most significant or key change taking place? Can you indicate the type of change in your response (e.g. policy/decision/strategy/ service/procedural/ geographic/procurement etc.) so it is clear what is being equalities assessed? Why is this change happening? What do you aim to achieve? Can you clearly indicate what decision-makers are being asked to take a decision on?*

This change is principally the setting of dwelling rents for the new financial as per Government Policy. The Council has the discretion to set new rents at 1% above the relevant national index and it has chosen to do so. Tenants Forum/Assembly was held on 27th October with Cllr Brathwaite consulting residents.

There are growth and savings items within the report with most being technical finance adjustments such as increasing the bad debt provision, reducing achievable income due to ongoing C-19 conditions or putting aside monies for future salary inflation.

Bedrooms	% of dwelling stock	Avg weekly rent 2020/21	Avg weekly rent 2021/22	Average Increase
Studio	3.6%	£80.48	£81.69	£1.21
1 Bed	27.7%	£93.56	£94.97	£1.41
2 Bed	35.3%	£106.72	£108.33	£1.61
3 Bed	26.4%	£124.13	£125.99	£1.86
4 Bed	5.7%	£142.23	£144.47	£2.24
5 Bed	1.0%	£155.64	£157.98	£2.34
Over 5 Bed	0.4%	£165.01	£167.48	£2.47

#### Q2a - What do we know about the people who will be impacted by this change?

*What does your information tell you about the people who will be affected by this change? Are protected groups impacted? What information do you hold on the protected characteristics of the people affected by the change? (Age, disability, gender reassignment, pregnancy and maternity, race/ethnicity, religion or belief, gender, sexual orientation, health, socio-economic, language) Are there any gaps or missing information?*

Rents affects residents in the HRA i.e. our estates. The majority receive either Housing Benefit or Universal Credit and when rents change, the applicable HB or UC will change too subject to individual circumstances and the wider regime such as benefit caps. The change affects all, whether they share a protected characteristic or otherwise.

#### **Race:**

Not all tenants (circa 10%) share their race/ethnicity details with the Council, but with 90% of tenants' ethnicities made known, there is sufficient data for analysis.

From shared data, the table below shows the effect of the rent increase from 2020/21 to 2021/22. Although all rents are increased by the same percentage, for some ethnicities the spread of rent

increases can be larger or smaller than the average across all types which was an increase of £1.64/week.

Ethnicity	% of tenancies	Average of 2020-21 Rent	Average of 2021-22 Rent	% increase	Rent change	Distance from average
Not shared	10%	113.46	115.16	1.5	1.70	0.06
Asian	3%	112.37	114.05	1.5	1.69	0.04
Other	6%	109.76	111.40	1.5	1.65	0.01
White	30%	109.48	111.12	1.5	1.64	0.00
Black	48%	108.70	110.33	1.5	1.63	-0.01
Mixed	3%	107.38	108.99	1.5	1.61	-0.03
<b>Total</b>	<b>100%</b>	<b>109.53</b>	<b>111.17</b>	<b>1.5</b>	<b>1.64</b>	<b>-</b>

For example, the rents of Asians went up by £1.69/week compared to an average of £1.64/week across all tenancies. This can be explained by the mix of property sizes that each ethnicity occupies. In the table below, there are more Asians who are tenants of properties with 4 bedrooms or more which would have the highest rents.

Row Labels	3 and below	4 and above
Not shared	91%	9%
Asian	86%	14%
Other	93%	7%
White	95%	5%
Black	93%	7%
Mixed	95%	5%

The impact of the rent increase is felt more by Asian households and those who have not shared their details. Data on arrears fairly consistently shows that Asian households are less likely to be in arrears as compared to their prevalence in the wider Lambeth population. The Council is aware of the wider Benefits regime and how changes which may affect larger households, for example caps, would need to be communicated and can work to identify households at financial risk.

#### Gender:

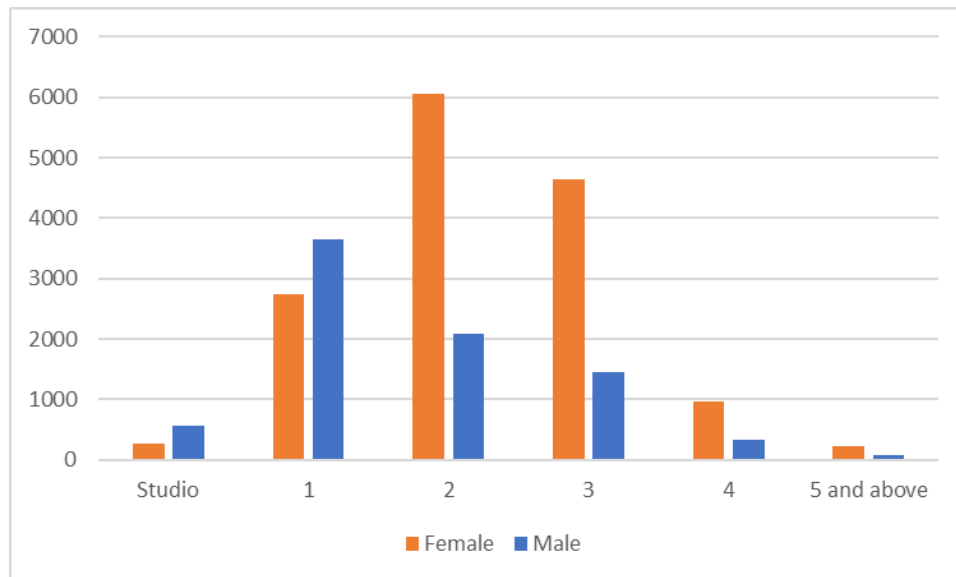
Not all the main tenants shared their gender details with the Council.

From shared data, the table below shows the effect of the rent increase from 2020/21 to 2021/22. Although all rents are increased by the same percentage, for female heads of households the rents increased by an average of 5p per week more than average and for male heads of households, the rents increased by 9p less than the average which was £1.64/week.

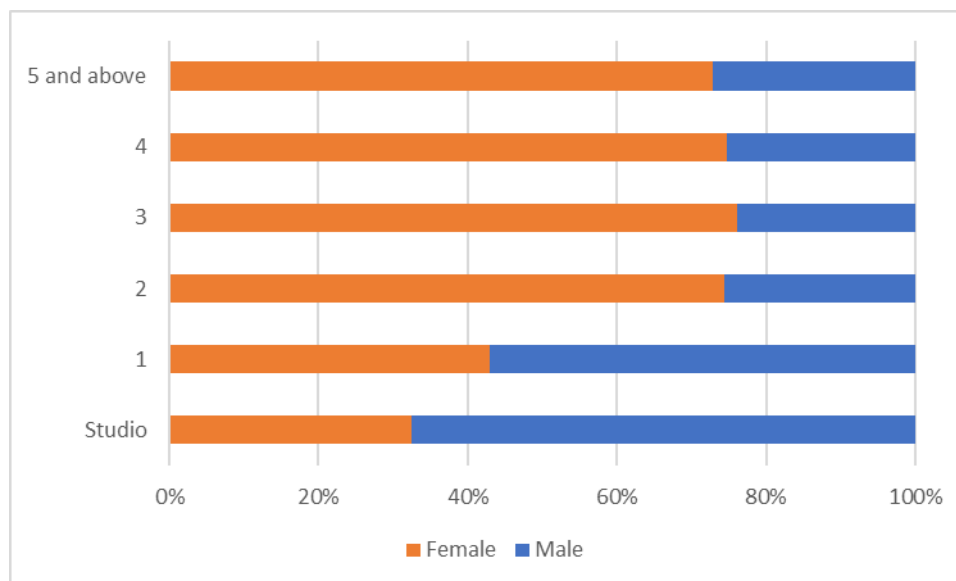
Gender	% of tenancies	Average of 2020-21 Rent	Average of 2021-22 Rent	% increase	Rent change	Distance from average
Female	65%	112.67	114.36	1.5	1.69	0.05
Male	35%	103.81	105.37	1.5	1.56	-0.09
<b>Grand Total</b>		<b>109.53</b>	<b>111.17</b>	<b>1.5</b>	<b>1.64</b>	

This effect arises from the different bed sizes of households headed by females as compared with males. The below two charts show the same data in two different ways.

This chart shows the genders and the total number of tenancies according to bed sizes. It is clear that there are more female heads of households than male overall as represented by the height of the vertical brown bars.



The graph below makes it more clear that female headed households compose more than 70% of the households at 3 bedrooms and higher. It also shows that male headed households number close to 70% in studio accommodation and close to 60% in 1 bedroom accommodation.



The Council is aware of consequential impacts of household finances being strained, for example on dependants and young adults as well as the main household head especially where Welfare Reform has affected larger sized households with benefit caps. For example the HRA specifically funds a service (currently Centre 70) whose main aim is to identify and assist tenants who have multiple debts or are struggling to afford their priority or everyday expenses where there has been a change to benefits.

**Vulnerability / Disability:**

Not all the main tenants shared their vulnerability/disability details with the Council.

Where shared, the impact of the rent increase which is uniform across tenancies in terms of the percentage, nevertheless displays a difference in the distance from the average for vulnerable/disabled main tenancy holders versus others.

	% of tenancies	Sum of 2020-21 Rent	Sum of 2021-22 Rent	Distance from average
<b>Vulnerable / disabled</b>	14%	109.23	110.87	-0.30
<b>Non-vulnerable / disabled</b>	18%	109.58	111.22	0.05
<b>Total</b>	100%	109.53	<b>111.17</b>	

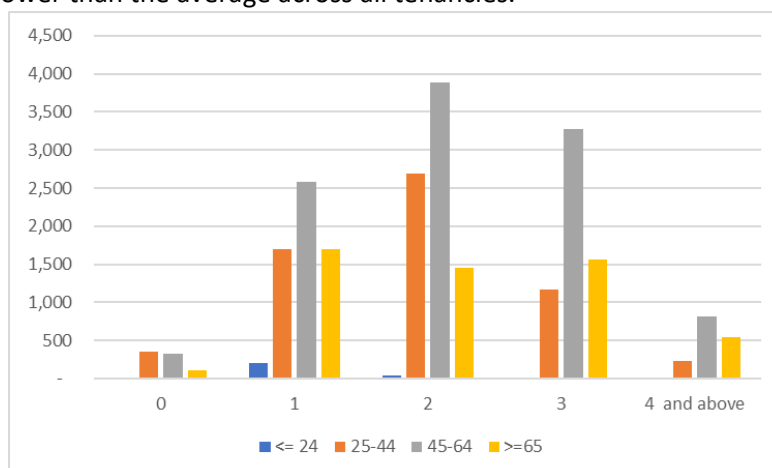
For example Lambeth has the Every Pound Counts team who specifically see significantly vulnerable residents and can help them navigate benefit pathways, support and manage claims as well as resolve benefit disputes. About a third of their clients are drawn from residents who live on estates. The Council also has a Discretionary Housing Payments scheme which a higher proportion of disabled residents access and receive support from. This scheme's guidance has particular nuances such as support for disabled people living in significantly adapted accommodation in relation to under-occupation or support for disabled people who need an additional bedroom for an overnight carer.

#### Age:

The table below sets out the percentage of tenancies in various age bands where this information was shared with the Council. Although the rents were increased by the same percentage across all properties, with the average annual increase taking weekly rent to £111.17; for the under 24 age group in particular, the average rent is far lower than the average across all groups.

Age band	% of tenancies	Average Rent 2020-21	Average Rent 2021-22	Distance from average
<b>&lt;= 24</b>	1%	97.06	98.52	-12.65
<b>25-44</b>	27%	105.66	107.24	-3.92
<b>45-64</b>	48%	111.03	112.70	1.53
<b>&gt;=65</b>	24%	111.46	113.14	1.97
<b>Total</b>	100%	109.52	<b>111.17</b>	-

The below graph shows that the those under 24 (blue) are less than 1% of total tenancies and are almost exclusively in 1 bedroom or studio accommodation. Therefore their average rent would be correspondingly lower than the average across all tenancies.



**Sexual Orientation:**

The incidence of sharing such information with the Council has increased. For instance in 2013, 86% of tenants did not share this information and in 2020, 62% have not shared it; with the largest respondent group being heterosexual at 33%. It is felt that an impact assessment based on this protected characteristic would not be meaningful due to a limited number of respondents.

**Religion/ Faith:**

The incidence of sharing such information with the Council has increased. For instance in 2013, 81% of tenants did not share this information and in 2020, 62% have not shared it; with the largest respondent group being Christian at 25%. It is felt that an impact assessment based on this protected characteristic would not be meaningful due to a limited number of respondents.

Other protected characteristics such as Pregnancy/Maternity status and Marriage/Civil Partnership are not collected as part of tenancies.

There is recognition of intersectionality - for instance Lambeth recognises a Latino X category where there are households of Latin American origin and descent whose incomes can be lower than the average. It is felt that current data shared by tenants does not allow for meaningful analysis of this, for example it does not always follow that if a main tenant shares that they speak Brazilian-Portuguese or Spanish, that this by proxy can identify those with lower incomes or with more limited access to benefits or work for example through a perceived or experienced language barrier.

Q2b - How will they be impacted by the change?

*Would you assess the impact as positive, adverse, neutral? Do you have any uncertainty about the impact of your proposal? Is there a likelihood that some people will more impacted than others? Can you describe the ways in which they will be affected? How might this change affect our 'general duty'*

As part of the communication with residents and rent changes, the letter that goes out to all residents mentions/signposts:

- what to do if residents pay by direct debit / standing order or by rent card
- what to do if residents receive Universal Credit e.g. notifying the job centre
- a leaflet is included with the letter as well as a useful information section around HB and UC

The front page of the letter is signed by Cllr Brathwaite and the second page by the Director of Housing.

The impact is broadly neutral as a rent rise is accompanied by an adjustment in Housing Benefit as this is done within the Council. If the resident receives Universal Credit, then this is outside of the direct control of the Council, but the letter and communications sent out informs/reminds residents of what to do.

Q3a. - How do you plan to promote and deliver any positive impacts of the proposal?

*How might the principles of fairness, equality of opportunity and positive relationships be further promoted as a consequence of this proposal? How do you propose to measure your positive outcomes and the benefits outlined to find out if these have been achieved?*

The letter sent out includes a section on what the Council does with rents and how it is utilized to provide services for residents. This is also part of the consultation at Tenants Forum/Assembly, which this year was done on 27th October.

Q3b. - How do you plan to address and mitigate any negative impacts of the proposal?

*What impact has this evidence had on what you are proposing? What can you do differently that might lessen the impact on people within the timeframes i.e. development-implementation? Who can help you to develop these solutions?*

The Income & Rents team tracks arrears and communicates with residents about this change. Residents are given the statutory notice period within their rent letters and the information necessary to make decisions. Within the HRA Business Plan, given the ongoing pandemic and probable economic consequences, the bad debt provision is being increased. Ongoing contracts for debt advice, assistance with benefits and signposting are within the HRA Business Plan.

Q4. - How will you review/evaluate your proposal, mitigating actions and/or benefits? Who will be responsible for this?

*Who will you be accountable to for the above actions/outcome? How will those responsible know these actions have worked? What performance indicators will you use to demonstrate this? Are there any other forms of evidence you can use to support this assessment of their effectiveness?*

Director of Housing and service team, via existing framework for monitoring things such as level of arrears, calls and communication from residents around difficulty in making payments and continued working in partnership with other arms of the Council to enable residents to maximise their take up of applicable HB/UC. The directorate is augmenting its digital and dashboard based view of Lambeth as a Place - for instance, there are concerns about child poverty and increased incidence of needing assistance with food.

The Council does monitor for example the level of arrears according to various characteristics. Please see graph overleaf.

# Lambeth Housing Rent Arrears

as at 29 November 2020

**£8.69M**

Total arrears for current tenants last week

**7,723**

Current tenants are in rent arrears

**£93.92K**

Rent arrears increase since last week

**53**

New current tenants in arrears since last week

## Ethnicity

Ethnicity(h)	Persons (%)	Lambeth population (%)
<input type="checkbox"/> <b>BAME</b>	<b>40.1%</b>	<b>46.6%</b>
<input type="checkbox"/> Black/African/Caribbean/Black British	33.8%	24.2%
<input type="checkbox"/> Asian/Asian British	3.8%	12.9%
<input type="checkbox"/> Mixed/Multiple ethnic groups	2.5%	7.1%
<input type="checkbox"/> Other ethnic group	0.0%	2.3%
<input type="checkbox"/> <b>Not recorded</b>	<b>38.9%</b>	<b>0.0%</b>
<input type="checkbox"/> <b>White</b>	<b>21.0%</b>	<b>53.4%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Age group

