

APPENDIX 2

IMPACT ANALYSIS1. Introduction

A detailed impact analysis (taking account of the Council's duty under section 149 of the Equality Act 2010) is undertaken for all key executive decisions which involve changes in service delivery in year.

These changes inform the budget for the following year. However, most decisions that specifically relate to budget-setting reflect changes that are not linked to specific groups of people but apply equally across the whole borough to all residents. The following are felt to be the main areas where particular groups within the population may be affected.

2. Changes in housing rents and housing-related charges

As previously reported, in accordance with the Welfare Reform and Work Act 2016, the Council as a registered provider of social housing is required to reduce social housing rents by 1% a year for 4 years with effect from 1 April 2016. The proposed 2019/20 budget takes into account the final 1% reduction in accordance with the Act and resulting in a reduction income of £158,000. A further reduction in rent is also expected due to there being fewer properties as a consequence of Right to Buy Sales and the requirement to account for void periods.

The reduction in rents is designed to benefit all tenants and will also have an impact on the welfare bill as it is anticipated that Housing Benefit payments will reduce in proportion to the fall in rental income.

In 2019/20 there shall be 53 rent weeks charged from April 2019 to March 2020 with 4 rent free weeks. The additional week is because the rent is due on the Monday of each week and an additional Monday falls within the financial year. The budget however has been determined on the number of days in the financial year, based upon sound accounting principles.

During November 2018, a Housing Needs Assessment was undertaken which included a new Housing Revenue Account (HRA) Business Plan. The Business Plan requires further update to take into account the latest 2019/20 budget estimates. The update will take place in the next few months and reported to the Housing Committee on 5 June 2019.

The Government's Universal Credit programme is to continue to be rolled out across the Borough. Universal Credit replaces a number of benefits with one. The amount due is paid direct to the claimant which is a substantial change for some claimants where housing benefits is paid directly to the landlord such as the Council. The Council is working with tenants and other agencies to ensure a smooth transition. The budget includes an increase in bad debt provision of £60,000.

The budget proposals also include estimates for increases in garage rents which have been taken into account in the budget figures approved by the Housing Committee on 16 January 2019.

It has been previously agreed that garage rents will increase by CPI plus 1%. This results in an increase of 3.4% to £37.64 per month for 2019/20.

The changes in rent levels will affect all tenants while the changes to garage rents will only affect those specific tenancy types. An Equality Impact Assessment was undertaken for the proposed changes in policy during the 2019/20 budget setting exercise. This indicated that there are no recognised groups within the Equalities Act that would be adversely affected by the change. No further changes would affect this conclusion.

3. Liberty Leisure

The budget proposals include a provision for an annual management fee of £995,000 for Liberty Leisure in 2019/20. This is a wholly owned company of the Council which delivers leisure services and events and is responsible sports and arts development and management of the D H Lawrence Birthplace Museum.

The Company was established on 1 October 2016. The cost of borrowing and provision for repayment of debt relating to property and other capital assets remain with the Council which retains ownership of the capital assets of the company. All other costs are included within the management fee payable annually. Due to tax efficiencies and other changes the net result of this change is intended was to reduce the costs to the Council of providing Leisure Services.

As Liberty Leisure is a wholly-owned company, the Council retains overall control. Any changes to service provision must be agreed by the Council. In respect of 2019/20 the management fee has been reduced by £35,000 from £1,030,000 in 2018/19. There are, therefore, no proposed changes in services which would have a direct impact on customers or local communities

4. Other changes to the establishment

The budget proposals include estimates for staff cost reductions in 2019/20, relating to two voluntary redundancies approved by Policy and Performance Committee on 6 February 2019. The Council's policy is to reduce workforce costs in a controlled manner and to avoid compulsory redundancies if at all possible. The Council's voluntary redundancy policy currently includes a temporary increase in entitlement based on an actual week's pay rather than the capped statutory entitlement. On 18 May 2016, the Policy and Performance Committee resolved to extend this temporary policy to the date of new regulations that are not yet implemented.

The proposed staffing reductions would be drawn from different service areas across the Council, and none of the recognised groups under the Equalities Act should be affected disproportionately.