

## APPENDIX 1

**IMPACT ANALYSIS**1. 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 to all residents across the whole Borough. 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

A refreshed Housing Business Plan was presented to the Overview and Scrutiny Committee on 29/30 January 2024, in a report which included the Housing Revenue Account (HRA) 2024/25 budget estimates (also included in this report).

With effect from April 2020, local authorities are able to set their own rent levels, though Government Guidance recommends that rent increases should be not more than the Consumer Price Index (CPI) plus 1% from 2020/21 for the following five years. On 2 February 2021, the Housing Committee approved the Council's Rent Setting Policy which in summary stated Housing Rents are to increase by September CPI plus 1%. This is reflected in the annual update of the financial model that accompanies the HRA 30-year Business Plan.

Government policy was temporarily changed for 2023/24, in view of economic conditions and high inflation, with a social housing rent cap of 7% for 2023/24. This has now reverted back to the earlier policy for 2024/25 where rents can be increased by CPI plus 1%. The CPI inflation figure at September 2023 was 6.7%, thereby allowing for a potential rent increase of up to 7.7%.

The proposals presented for consideration by Cabinet in this report include the HRA rent income budgets prepared with a 7.7% rent increase as recommended by the Deputy Chief Executive and Section 151 Officer.

The increase in rents will impact on all tenants. It will also have an impact on the welfare bill as it is anticipated that housing benefit payments will increase in proportion to the increase in rental income. Around two-thirds of tenants get Housing Benefit or the rent element of Universal Credit, although not all will get the full amount.

An increase of 7.7% increase would equate to an average weekly rent of £89.98, which is still amongst the lowest in the East Midlands. This increase will provide vital in additional revenues to help manage the cost of staffing and further investment in service delivery, repairs and maintenance and capital investment.

The Government's Universal Credit programme continues to be rolled out with the managed migration of working age Housing Benefit cases to Universal Credit expected during 2024/25. Universal Credit replaces a number of working age benefits with one. The amount due is paid directly to the claimant, which is a substantial change for some claimants where housing benefits were previously paid to the landlord. The Council is working with tenants and other agencies to ensure a smooth transition.

The budget proposals also include a freeze in Garage Rents and other fees and charges which have been taken into account in the budget figures considered by Overview and Scrutiny Committee on 29/30 January 2024.

The changes in Housing 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 earlier budget setting exercises. This indicated that there are no recognised groups within the Equalities Act that would be adversely affected by any changes. No further changes would affect this conclusion.

### 3. Liberty Leisure Limited

Liberty Leisure Limited was established on 1 October 2016 and is a wholly owned company of the Council which delivers leisure and associated services.

The budget proposals include a provision for a reduced annual management fee of £369,000 for Liberty Leisure Limited (LLL) in 2024/25 (£519,000 in 2023/24). This budget saving of £150,000 was identified as part of the Business Strategy approved by Cabinet on 7 November 2023. This saving can be achieved by implementing the external efficiency review of the company, which identified additional savings and income totalling £300,000. It is assumed that 50% of the review will be implemented in 2024/25

The cost of borrowing and provision for repayment of debt relating to leisure 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 annual management fee.

As LLL is a wholly-owned company, the Council retains overall control. Any changes to service provision must be agreed by the Council. The Council will continue to meet with LLL on a regular basis to review the company's cash-flow position and to provide adequate support to mitigate any risk of insolvency.

#### 4. Other Establishment Changes

The budget proposals include estimates for the existing staffing establishment in 2024/25. Any proposed changes to the Council's staffing structures will be reported to Cabinet before implementation.

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 an increase in entitlement based on an actual week's pay rather than the capped statutory entitlement. This policy is considered as part of the Pay Policy which is approved annually at full Council.

Any 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.