

ITEM No ...2.....

REPORT TO: POLICY & RESOURCES COMMITTEE – 23 JANUARY 2023

REPORT ON: HOUSING (HRA) REVENUE BUDGET 2023-26 AND REVIEW OF RENTS AND OTHER HOUSING CHARGES FOR 2023/24

REPORT BY: EXECUTIVE DIRECTOR OF NEIGHBOURHOOD SERVICES

REPORT NO: 33-2023

1 PURPOSE OF REPORT

1.1 The purpose of this report is to advise members of the outcome of the rent consultation exercise in order for them to approve the Housing (HRA) Revenue Budget, rent and other housing charges for financial year 2023/24.

2 RECOMMENDATIONS

2.1 It is recommended that the Committee:

- (i) note the outcome of the rent consultation exercise detailed in section 7 and Appendix 4 to this report and that the proposed rent increase below (iv) is in line with the majority view expressed by tenants through this exercise;
- (ii) approve the Housing (HRA) Revenue Budget for 2023/24 as detailed in Appendix 1 to this report;
- (iii) note the Provisional Revenue Budgets for 2024/25 and 2025/26 detailed in Appendix 1 to this report;
- (iv) approve rents be increased by 3.00% equal to an average increase of £2.41 per week and subject to a maximum increase of £3.00 with effect from 3 April 2023. In comparison and as noted at 4.6, Dundee City Council has in the past aimed to keep option 1 within (or as close as possible to) the current rate of inflation plus 1%. Based on the latest information available, this has been calculated as 14.30%;
- (v) approve that all other housing charges are set as outlined in Appendix 2 to this report with effect from 3 April 2023; and
- (vi) agree that the level of rents held on the Housing (HRA) be similarly applied to miscellaneous houses i.e. the properties which are leased to the Richmond Fellowship, Dundee Health & Social Care Partnership and City Development, subject to categorisation where appropriate.
- (vii) note that the Hardship Fund has also been increased to £1m (increase of £0.500k) to assist those tenants that are struggling to pay their rent and is a one-off increase funded from reserve balances.

3 FINANCIAL IMPLICATIONS

3.1 Approval of the proposed review of rents and other housing charges detailed in Appendix 2 would generate additional income of £1,563,000 and will result in the Housing (HRA) Revenue Budget being self-balancing for financial year 2023/24.

4 BACKGROUND

4.1 Over recent months the Executive Director of Neighbourhood Services and Executive Director of Corporate Services, have reviewed the Provisional Revenue Budget for the Housing (HRA) in financial year 2023/24 and the outcome of this was considered by elected members last October (Article II of the minute of the meeting of Neighbourhood Services Committee on 31

October 2022, Report No: 261-2022 refers). The total expenditure requirement for 2023/24 amounts to £58.926m and is further detailed in Appendix 1 to this report.

- 4.2 The Provisional Revenue Budget for 2023/24 has been updated to reflect any required cost pressures and savings that have been identified through the 2022/23 revenue monitoring process to date. In addition, any new cost pressures that are expected to emerge in 2023/24 are included along with any additional investment that is being made to the budget.
- 4.3 The Provisional Revenue Budget for 2023/24 includes an estimated allowance of 3.5% for a pay award for all staff. Allowance has also been made for other specific and general price inflation, where appropriate. The key overall variances include the following:

Staff Costs (Increase of £333,000)

Reflects assumed pay award of 3.5% for 2023/24 (together with an assumption of 3% for the shortfall from 2022/23) and adjustments for increments payable.

Property Costs (Increase of £1,005,000)

Mainly reflects the increased inflationary cost in providing the extensive responsive repairs and relets service and open space maintenance. Included in here is anticipated pay increases and inflation pressures applicable to the Construction Industry, as well as increased energy costs

Supplies & Services (Increase of £750,000)

Mainly reflects anticipated pay inflation applicable to internal recharges for the caretaking/concierge service, anti-social behaviour team and the quality and performance team. In addition, this includes allowance for annual software licence fees and planned upgrade to the IT software licence. The Hardship Fund has also been increased to £1m (increase of £500k) to assist those tenants that are struggling to pay their rent and is a one-off increase funded from reserve balances. Members will be advised of the projected impact on the R&R throughout the year as part of the budget monitoring process.

Support Services (Increase of £176,000)

Increase mainly reflects the assumed level of inflation, this recharge mainly relates to staffing and therefore also fluctuate in line with assumed pay inflation.

Capital Financing Costs (Increase of £141,000)

The overall capital financing costs included have increased to support the delivery of the latest approved Housing HRA Capital Plan 2023-28, that provides for gross investment of more than £120m over this five-year period (Article VIII of the minute of the meeting of Policy & Resources Committee on 21 November 2022, Report No: 309-2022 refers).

These borrowing costs will continue to support the delivery of key housing investment priorities included in this plan such as maintaining Council houses at Scottish Housing Quality Standard, progressing towards meeting the Energy Efficiency Standards in Social Housing and the continuation of the Council's new build council housing programme.

- 4.4 The Provisional Housing (HRA) Revenue Budget 2023/24 detailed in Appendix 1 makes a number of assumptions relating to other housing charges for financial year 2023/24. These charges include a proposal to increase the sheltered service charge by 3%. The cost of the sheltered warden service is fully recovered by the service charge and almost three quarters of the expenditure for the service relates to staff costs which are subject to inflationary increases.
- 4.5 In addition, these charges propose an increase for car parking in garage / lock ups and garage sites by 3% to recover the cost of maintaining these properties. Details of all these charges are included in Appendix 2.
- 4.6 Dundee City Council has in the past aimed to keep option 1 within (or as close as possible to) the current rate of inflation plus 1%. This is calculated using a 'basket of indices' comprising a weighted proportion of the consumer prices index, producer prices index and local government pay awards then adding 1%. Based on the latest information available, this rate of inflation plus

1% has been calculated as 14.30%. Through prudent planning, we have sought to ameliorate the effect of inflation on HRA rent charges, and had proposed rent increase options of 3.00%, 3.25% and 3.50% for consultation.

- 4.7 When determining standard rents to which the Housing Revenue Account relates, a local authority should not consider the personal circumstances of tenants. Under the relevant Housing legislation rents can be fixed at a level which creates a surplus on the Housing Revenue Account and this surplus can be transferred to the General Fund. If any surplus accrues it will be retained for Housing Revenue Account purposes. There is no statutory limit on the amount by which council house rents can be increased although, under the Prudential Code, Councils must demonstrate that any borrowing costs included within their Revenue Budget are affordable, prudent and sustainable. This is evidenced through the preparation of prudential indicators that were included in the report on the Annual Treasury Management Activity 2021/22, (Article VIII of the minute of the meeting of Policy & Resources Committee on 26 September 2022, Report No: 250-2022 refers).
- 4.8 The report previously considered by Neighbourhood Services Committee in October outlined the following rent increase consultation options for 2023/24. Further detail of these options including the specific impact on service delivery are detailed in Appendix 3.

Option	Increase (%)	Average Weekly Increase	Maximum Weekly Increase
1	3.00	£2.41	£3.00
2	3.25	£2.62	£3.25
3	3.50	£2.82	£3.50

- 4.9 Rents in Dundee are fixed in relation to percentages of the Gross Annual Values (GAV). The GAV is intended to reflect the rent which the house might be expected to attract on the open market in ideal circumstances where there is neither a glut nor a shortage of accommodation. In these circumstances, the GAV can be assumed to have taken account of the size, type and age of the house, the area of location and amenity value. This basis has been accepted as reasonably fair and rents calculated and applied in this way maintain, generally, the proper differentials and spread the burden of increased costs over the tenants in relation to the independently assessed value of the accommodation and amenity enjoyed by them.
- 4.10 In preparing the above statements, the Executive Director of Neighbourhood Services has taken into account the key strategic, operational and financial risks facing the Council over the period. The main factors considered were:
- the possibility of new cost pressures or responsibilities emerging during the course of the financial year;
 - the inherent uncertainty surrounding matters such interest rates and price inflation;
 - the impact of the Prudential Code for Capital Finance;
 - the on-going impact of Welfare Reforms;
 - continuing impact of Covid-19 and particular any impact on tenants' ability to pay their rent.

By way of exemplification, the following table shows the potential financial impact of any variations against the current key budget assumptions:

Budget Area	Current Assumption	Example Variation	Financial Impact
Pay Awards	3.5%	+0.5%	£31k
Price Inflation	Various	+0.5%	£165k
Interest Rate (CLF Average Rate)	3.5%	+0.5%	£35k

- 4.11 In recognition of the cost of living crisis, the Scottish Government have approved The Cost of Living (Tenant Protection) Scotland Bill on 6 October 2022 which provides legislation to temporarily restrict landlords from increasing the rent they charge on residential tenancies by capping rents and imposing a moratorium on evictions until at least 31 March 2023.

- 4.12 COSLA and the Scottish Federation of Housing Associations (SFHA) published [statements](#) setting out their members' intentions for rent in 2023/24. COSLA committed to keeping local authority rent increases to an average of no more than £5 a week.

On the 12 January 2023, Scottish Government published their first report to the Scottish Parliament on the Cost of Living (Tenant) Protection (Scotland) Act 2022, covering the period 28 October 2022 to 31 December 2022. The report gives consideration and explanation of proposed action in relation to the rent cap as regards to the social rented sector and confirms Scottish Governments intentions to expire the social rented sector rent cap provisions from 01 March 2023. This being the case then it will have no impact on the HRA in 2023/24.

5 CLIMATE CHANGE

- 5.1 Dundee City Council declared a climate emergency in June 2019, followed by the launch of Dundee's Climate Action Plan in support of the transition to a net-zero and climate resilient future. With this declaration and action plan, the Council will develop further projects and initiatives in the coming years to assist in tackling this issue.

- 5.2 The Council is committed to implementing measures that improve the carbon footprint of the city and the spending proposals within this budget will provide significant resources for tackling climate change. Housing projects that are already underway and are being considered as part of the longer-term capital plan include the following:

- continued investment in external wall insulation for existing stock;
- other energy saving programmes such as loft insulation and cavity wall insulation;
- further energy saving measures included within the design of new council housing;
- installation of motion censored LED lighting within communal areas;
- other energy efficiency initiatives including installation of solar panels;
- linkages into new district heating schemes as these come on line;
- piloting emerging carbon reduction technologies as they become available.

6 LOCAL AUTHORITY TENANT HARDSHIP FUND & DISCRETIONARY HOUSING PAYMENTS

- 6.1 Discretionary Housing Payments (DHP) are fully devolved to the Scottish Government. The under-occupancy charge continues to be fully mitigated by funding provided from the Scottish Government which is included within the General Fund Revenue Budget.

- 6.2 The Benefit Cap also restricts the level of benefit households can receive. From January 2023 Scottish Government are providing full mitigation against the Cap via DHP. This is an additional £79,000 for the period Jan – Mar 23. The Council is waiting on details of the 23/24 allocation. The Council's Benefit Delivery and Advice Services Team will identify and support tenants affected by the Benefit Cap to ensure maximum take up.

- 6.3 Universal Credit continues to be rolled out, and it is expected full migration of cases from Housing Benefit to Universal Credit will not be complete until the end of 2024 at the earliest. Universal Credit continues to have an impact on the level of tenant rent arrears, this is monitored on an ongoing basis and support provided to tenants where appropriate.

- 6.4 The purpose of the Hardship Fund is to assist Council tenants experiencing financial hardship. The 22/23 fund is on track to be fully utilised to support Council Tenants to remain in their properties.

- 6.5 The hardship fund will be increased to £1m (increase of £500k) in recognition of the current cost of living crisis and to assist those tenants who are struggling to pay their rent. This is a one-off increase.

- 6.6 For financial year 23/24 the scope of the Hardship Policy has been widened to include tenants who are not in receipt of Housing Benefit or Universal Credit Housing Costs. An award equivalent to the recommended rent increase will be credited to these rent accounts in April 23.

7 RENT CONSULTATION

- 7.1 Under the terms of Section 25(4) of the Housing (Scotland) Act 2001, tenants must be consulted on any proposed increase in rents or other service charges, and the likely effect on the tenant and regard must be given to the representations made.
- 7.2 The 2023/24 rent consultation was approved in October (Article II of the minute of the meeting of Neighbourhood Services Committee on 31 October 2022, Report No: 261-2022 refers). Further details including the results and various responses from Registered Tenants' Associations are included in Appendix 4 to this report.

8 CONCLUSION

- 8.1 The proposed rent increase will ensure sufficient financial resources are in place to meet the key housing priorities included in the Council Plan 2022-2027 (Article II of the minute of the meeting of the Policy & Resources Committee on 5 December 2022, Report 280-2022 refers). In addition, this increase will contribute towards the delivery of the overall significant capital investment programme that is planned over the next 5-year period.

9 POLICY IMPLICATIONS

- 9.1 This report has been subject to an Integrated Impact Assessment to identify impacts on Equality & Diversity, Fairness & Poverty, Environment and Corporate Risk. An impact, positive or negative, on one or more of these issues was identified and is noted within Appendix 5. An appropriate senior manager has checked and agreed with this assessment. A copy of the Integrated Impact Assessment showing the impacts and accompanying benefits of / mitigating factors for them is included as an Appendix to this report.

10 CONSULTATIONS

- 10.1 The Council Leadership Team were consulted in the preparation of this report and agree with the content.

11 BACKGROUND PAPERS

- 11.1 None.

ELAINE ZWIRLEIN
EXECUTIVE DIRECTOR OF NEIGHBOURHOOD SERVICES

6 January 2023

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HOUSING REVENUE ACCOUNT**PROVISIONAL REVENUE BUDGET 2023-2026**

	Final Revenue Budget 2022/2023 £000	Provisional Revenue Budget 2023/2024 £000	Provisional Revenue Budget 2024/2025 £000	Provisional Revenue Budget 2025/2026 £000
<u>EXPENDITURE</u>				
STAFF COSTS				
Salaries and Wages (including NI and Supn):	5,863	6,196	6,318	6,443
Supplementary Superannuation Charges	<u>200</u>	<u>200</u>	<u>204</u>	<u>208</u>
TOTAL STAFF COSTS	<u>6,063</u>	<u>6,396</u>	<u>6,522</u>	<u>6,651</u>
PROPERTY COSTS				
Rents	168	168	168	168
Non-Domestic Rates	205	210	214	219
Property Insurance	560	560	560	560
Repairs and Maintenance	12,149	12,882	13,140	13,402
Health and Safety Contracts	150	150	150	150
Energy Costs	608	747	761	775
Fixtures and Fittings	25	24	24	24
Cleaning Costs	24	24	24	24
Lost Rents and Bad Debts	2,235	2,248	2,293	2,339
Open Space and Garden Maintenance	<u>2,319</u>	<u>2,435</u>	<u>2,484</u>	<u>2,533</u>
TOTAL PROPERTY COSTS	<u>18,443</u>	<u>19,448</u>	<u>19,818</u>	<u>20,194</u>
SUPPLIES & SERVICES				
Liabilities Insurance	558	558	558	558
Clothing, Uniforms and Laundry	4	4	4	4
Printing, Stationery and General Office Expenses	103	103	103	103
Professional Fees	90	90	90	90
Postages	40	40	40	40
Telephones	49	50	50	50
IT Software Maintenance	98	144	144	144
Hardship Fund	500	1,000	500	500
Internal Recharges	2,344	2,551	2,602	2,654
Services	438	458	468	468
Other Supplies and Services	<u>576</u>	<u>552</u>	<u>552</u>	<u>552</u>
TOTAL SUPPLIES & SERVICES	<u>4,800</u>	<u>5,550</u>	<u>5,111</u>	<u>5,163</u>
TRANSPORT COSTS				
Repairs and Maintenance and Other Running Costs	7	7	7	7
Transport Insurance	2	2	2	2
Car Allowances	<u>39</u>	<u>39</u>	<u>39</u>	<u>39</u>
TOTAL TRANSPORT COSTS	<u>48</u>	<u>48</u>	<u>48</u>	<u>48</u>
THIRD PARTY PAYMENTS				
Voluntary Organisations	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>
TOTAL THIRD PARTY PAYMENTS	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>
SUPPORT SERVICES				
Recharge from Central Support Departments	<u>3,527</u>	<u>3,703</u>	<u>3,777</u>	<u>3,853</u>
TOTAL SUPPORT SERVICES	<u>3,527</u>	<u>3,703</u>	<u>3,777</u>	<u>3,853</u>

HOUSING REVENUE ACCOUNT

PROVISIONAL REVENUE BUDGET 2023-2026

	Final Revenue Budget 2022/2023 £000	Provisional Revenue Budget 2023/2024 £000	Provisional Revenue Budget 2024/2025 £000	Provisional Revenue Budget 2025/2026 £000
CAPITAL FINANCING COSTS	<u>19,268</u>	<u>19,409</u>	<u>20,341</u>	<u>21,271</u>
PLANNED MAINTENANCE	<u>4,338</u>	<u>4,338</u>	<u>4,338</u>	<u>4,338</u>
<u>TOTAL GROSS EXPENDITURE</u>	<u>56,521</u>	<u>58,926</u>	<u>59,989</u>	<u>61,552</u>
<u>INCOME</u>				
Internal Recharge to Other Housing (Non-HRA)	62	62	62	62
Rents, Other Fees & Charges	53,572	53,599	53,599	53,599
Interest	60	75	75	75
Sheltered Housing Service Charge	2,589	2,696	2,696	2,696
Other Income	238	431	431	431
Contribution from Renewal & Repair Fund	<u>0</u>	<u>500</u>	<u>0</u>	<u>0</u>
<u>TOTAL INCOME</u>	<u>56,521</u>	<u>57,363</u>	<u>56,863</u>	<u>56,863</u>
<u>TOTAL NET EXPENDITURE</u>	<u>-</u>	<u>1,563</u>	<u>3,126</u>	<u>4,689</u>

REVENUE BUDGET 2023/2024**REVIEW OF CHARGES**

Services for which charges are / could be levied	Present Charge £	Proposed Charge £
Sheltered Housing Accommodation		
Service charge	28.58	29.44
<u>Heating charges</u>		
Brington Place	6.46	8.17
Baluniefield	7.11	9.81
Car Parking ⁽²⁾		
Garages / lock ups	10.00	10.30
Garage sites	2.85	2.95
Other Housing Charges		
<u>Multi-storey laundrette</u>		
Auto wash (per use)	1.90	1.90
Tumble dryer (per use)	1.10	1.10
Cabinet dryer (per use)	1.10	1.10
<u>Communal Stair Cleaning</u>	1.88	1.99
<u>Other Housing (Non-HRA Budget)</u>		
Travelling People Site - Rent Charge	69.90	72.00
Temporary Accommodation Properties		
Lily Walker Centre		
Supported Complex – Honeygreen Road ⁽³⁾	187.90	187.90
	217.90	217.90
<u>Network Flats⁽³⁾</u>		
1 Apartment		
2 Apartment	82.45	82.45
3 Apartment	207.05	207.05
4 Apartment	308.20	308.20
5 Apartment	417.85	417.85
	526.00	526.00

Notes

(1) Unless stated otherwise, all above charges are on a 52-week basis.

(2) Legislation requires that income derived from these facilities be sufficient to meet the necessary expenditure incurred in providing them.

(3) The above figures reflect service charges only and exclude rental charges.

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REVENUE BUDGET 2023/2024**RENT CONSULTATION OPTIONS**

The following table provides details of each option available for tenants to indicate their preference on. For each option includes the details of the impact on service delivery of selecting this option.

<p>Option 1 – Rent Increase 3.0% (or average weekly increase of £2.41)</p> <p>This option would allow for the additional adjustments outlined in paragraphs 4.1 to 4.8 of this report and provides sufficient resources to allow for the current level of service to be maintained and to continue to deliver on key service priorities.</p> <p>This level of service includes the provision of the existing housing repairs service, external cyclical maintenance together with funding to deliver key housing priorities including:</p> <ul style="list-style-type: none"> - tenancy sustainment - reducing the level of households in fuel poverty - ongoing investment in existing stock and creation of new affordable housing - continued investment in environmental improvements programme
<p>Option 2 – Rent Increase 3.25% (or average weekly increase of £2.62)</p> <p>This option would also provide resources for the level of service outlined in Option 1 above.</p> <p>In addition, the higher increase would provide additional income of £130,000 in financial year 2023/24 that would allow be invested in additional borrowing. This borrowing would provide extra capital expenditure of approximately £2.3m which would be targeted specifically to progress towards meeting the Energy Efficiency Standard in Social Housing (ESSH) on all council houses. An example of what this investment can typically provide would be resources to provide external wall insulation for 184 houses</p> <p>As well as the continuation external wall and other insulation programmes these additional resources could be spent on a range of other energy efficiency initiatives including solar panels, new decarbonised heating systems and piloting emerging technologies for our houses to meet the new requirements of ESSH2.</p> <p>It should be emphasised that the above expenditure would be over and above that included in the latest Housing HRA Capital Plan 2023-28. The Council is already investing significant resources to meet these requirements and the above plan includes over £46m for this purpose. The agreement of option 2 would simply increase these resources and give an opportunity for these improvements to be delivered within a shorter timeframe.</p>
<p>Option 3 – Rent Increase 3.50% (or average weekly increase of £2.82)</p> <p>This option would also provide resources for the level of service outlined in Option 1 above.</p> <p>In addition, the higher increase would provide additional income of £260,000 in financial year 2023/24 that would allow be invested in additional borrowing. This borrowing would provide extra capital expenditure of approximately £4.6m which would be targeted specifically to progress towards meeting the Energy Efficiency Standard in Social Housing 2 (ESSH2) on all council houses. An example of what this investment can typically provide would be resources to provide external wall insulation for 368 houses.</p> <p>As well as the continuation external wall and other insulation programmes these additional resources could be spent on a range of other energy efficiency initiatives including solar panels, new decarbonised heating systems and piloting emerging technologies for our houses to meet the new requirements of ESSH2.</p> <p>It should be emphasised that the above expenditure would be over and above that included in the latest Housing HRA Capital Plan 2023-28. The Council is already investing significant resources to meet these requirements and the above plan includes over £46m for this purpose. The agreement of option 3 would simply increase these resources and give an opportunity for these improvements to be delivered within a shorter timeframe</p>

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CONSULTATION PROCESS

As part of the wider tenant engagement strategy, officers held a seminar during the summer to provide tenants with information about what their rent pays for and raise awareness of how rent levels are set. The event provided an opportunity for tenants to learn what the Council's housing priorities are but importantly also gave tenants the opportunity to let the Council know what is important to them. The information from this event helps inform the rent consultation.

The Council is committed to consult with tenants on the budget proposals, rent levels and other housing charges through whatever means possible, these included:

- use of telephone surveying, either directly or when tenants contact the council;
- information displayed on dedicated Dundee City Council website page;
- targeted use of relevant social media platforms;
- information was displayed in offices that were open to public and in communal areas of other buildings e.g. multi storey developments (MSD);
- leaflets were given to tenants at housing interviews
- publication of updated guidance (HRA Methodology) for tenants to understand what their rent pays for;
- through continued collaboration with Dundee Federation of Tenants Association (DFTA) and registered tenants' organisations (RTOs).

The consultation ran from November 1st 2022 to December 23rd 2022. The rent consultation information outlined the three options for the rent increase and provided details of the level of service offered for each of the choices. The total number of tenants who participated in the process this year was 2149. This equates to returns for 17% of the current housing stock and represents stability in participation, given last year was also 17%. This is considered extremely positive, taking into account the specific challenges over the last couple of years as well as the current economic climate. The continued high participation rate also reflects effective teamwork across Neighbourhood Services, other council service areas in addition to the DFTA and RTOs.

The DFTA Executive Group contacted all RTOs encouraging their participation in this exercise. RTOs were invited to formally submit their preference on the proposed options. However, as most organisations continue to recover from the pandemic, meeting regularly is an ongoing challenge. Support continues to be provided by the DTFA to ensure participation and communication in all housing matters. The DFTA response indicated their support of the recommended option in paragraph 2.1 (iv).

The full results of the consultation can be summarised as follows:

Option	Increase (%)	Average Weekly Increase	Number of Tenants	% of Tenants
1	3.00	£2.41	1525	71%
2	3.25	£2.62	350	16%
3	3.50	£2.82	274	13%
Totals			2149	100%

Responses for Dundee City Council Annual Rent Consultation

'We support the lowest rent increase option of 3%. We would hope that the Scottish Government will provide additional funding into providing more energy efficient measures, rather than asking tenants to absorb this cost into their rents when there are already unfortunately so many increasing financial pressures already on tenants at the moment, and the wider community.'

Dundee Federation of Tenants Association (DFTA) Executive Committee, November 2022.

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Integrated Impact Assessment

Committee Report Number: 33-2023

Document Title: Housing (HRA) Revenue Budget 2023-26 and Review of Rents and Other Housing Charges for 2023/24

Document Type: Other

Description:

The Executive Director of Neighbourhood Services and Executive Director of Corporate Services have reviewed the Provisional Revenue Budget for the Housing (HRA) in financial year 2023/24 and the outcome of this was considered by elected members last October (Article II of the minute of the meeting of Neighbourhood Services Committee on 31 October 2022, Report No: 261-2022 refers).

The provisional budget for 2023/24 has been updated to reflect any required cost pressures and savings identified through the 2022/23 revenue monitoring process to date and the outcome of the consultation noted within.

Intended Outcome:

To advise members of the outcome of the rent consultation exercise in order for them to approve the Housing (HRA) Revenue Budget, rent and other housing charges for financial year 2023/24.

Period Covered: 23/01/2023 to 31/01/2024

Monitoring:

Cost pressures, savings and investment are identified, discussed and monitored through our financial management processes.

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Equality, Diversity and Human Rights Impacts & Implications

Age: Not Known

Response for all categories in this section - Responses to the rent consultation reached in excess of 2,000 people which equates to over 17% of tenants.

All tenants were invited to participate and have their views heard.

Disability: No Impact

Gender Reassignment: No Impact

Marriage & Civil Partnership: No Impact

Pregnancy & Maternity: No Impact

Race / Ethnicity: No Impact

Religion or Belief: No Impact

Sex: No Impact

Sexual Orientation: No Impact

Are any Human Rights not covered by the Equalities questions above impacted by this report?

No

Fairness & Poverty Geographic Impacts & Implications

Strathmartine: No Impact

Lochee: No Impact

Coldside: No Impact

Maryfield: No Impact

North East: No Impact

East End: No Impact

The Ferry: No Impact

West End: No Impact

Household Group Impacts and Implications

Looked After Children & Care Leavers: Not Known

In recognition of the cost of living crisis and the increase in fuel costs while ensuring we can balance our budgets to continue to deliver the investment

programme planned, we have allocated an additional one off payment of £500,000 to the councils hardship fund which is intended to mitigate any rent increase for people not in receipt of universal credit or housing benefit.

Carers: Not Known

As above

Lone Parent Families: Not Known

As above

Single Female Households with Children: Not Known

As above

Greater number of children and/or young children: Not Known

As above
 Pensioners - single / couple: Not Known
 As above
 Unskilled workers or unemployed: Not Known
 As above
 Serious & enduring mental health problems: Not Known
 As above
 Homeless: Not Known
 As above
 Drug and/or alcohol problems: Not Known
 As above
 Offenders & Ex-offenders: Not Known
 As above

Household Group Impacts and Implications

Socio Economic Disadvantage Impacts & Implications

Employment Status: Not Known
 As above, £500,000 has been allocated to the councils hardship fund to mitigate against additional financial pressure on families not in receipt of universal credit or housing benefit.
 Education & Skills: Not Known
 As above
 Income: Not Known
 As above
 Caring Responsibilities (including Childcare): Not Known
 As above
 Affordability and accessibility of services: Not Known
 As above
 Fuel Poverty: Not Known
 As above
 Cost of Living / Poverty Premium: Not Known
 As above
 Connectivity / Internet Access: Not Known
 As above
 Income / Benefit Advice / Income Maximisation Not Known
 As above
 Employment Opportunities: Not Known
 As above
 Education: Not Known
 As above
 Health: Not Known
 As above
 Life Expectancy: Not Known
 As above
 Mental Health: Not Known
 As above
 Overweight / Obesity: Not Known
 As above
 Child Health: Not Known
 As above
 Neighbourhood Satisfaction: Not Known
 As above
 Transport: Not Known
 As above

Environment

Climate Change Impacts

Mitigating Greenhouse Gases: No Impact
 Adapting to the effects of climate change: Positive
 Increasing the rent allows the continuation of investment in our housing stock to bring properties to the required energy efficient standard supporting the Scottish Government climate change ambitions.

Resource Use Impacts

Energy efficiency & consumption: Positive
 Increasing the rent allows the continuation of investment in our housing stock to bring properties to the required energy efficient standard supporting our climate change ambitions.
 Prevention, reduction, re-use, recovery or recycling of waste: No Impact
 Sustainable Procurement: No Impact

Transport Impacts

Accessible transport provision: No Impact
Sustainable modes of transport: No Impact

Natural Environment Impacts

Air, land & water quality: No Impact
Biodiversity: No Impact
Open & green spaces: No Impact

Built Environment Impacts

Built Heritage: No Impact
Housing: Positive

Increasing rents to balance the budget allows the capital programme to be delivered which includes an increase in the number of social homes in the city, improving standards in terms of SHQS and EESSH2 requirements in our properties.

Is the proposal subject to a Strategic Environmental Assessment (SEA)?

No further action is required as it does not qualify as a Plan, Programme or Strategy as defined by the Environment Assessment (Scotland) Act 2005.

Corporate Risk

Corporate Risk Impacts

Political Reputational Risk: No Impact
Economic/Financial Sustainability / Security & Equipment: No Impact
Social Impact / Safety of Staff & Clients: No Impact
Technological / Business or Service Interruption: No Impact
Environmental: No Impact

Legal / Statutory Obligations: Positive

Under the cost of living (Tenant Protection) Act 2022 rents were frozen until 31st March 2023. In January a statement of intent was published to highlight that the social rented sector will keep rental charges to an average of less than Â£5 a week across the country. The agreed increase of 3% by our tenants keeps us under the Â£5 per week limit.

Organisational / Staffing & Competence: No Impact

Corporate Risk Implications & Mitigation:

The risk implications associated with the subject matter of this report are "business as normal" risks and any increase to the level of risk to the Council is minimal. This is due either to the risk being inherently low or as a result of the risk being transferred in full or in part to another party on a fair and equitable basis. The subject matter is routine and has happened many times before without significant impact.

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