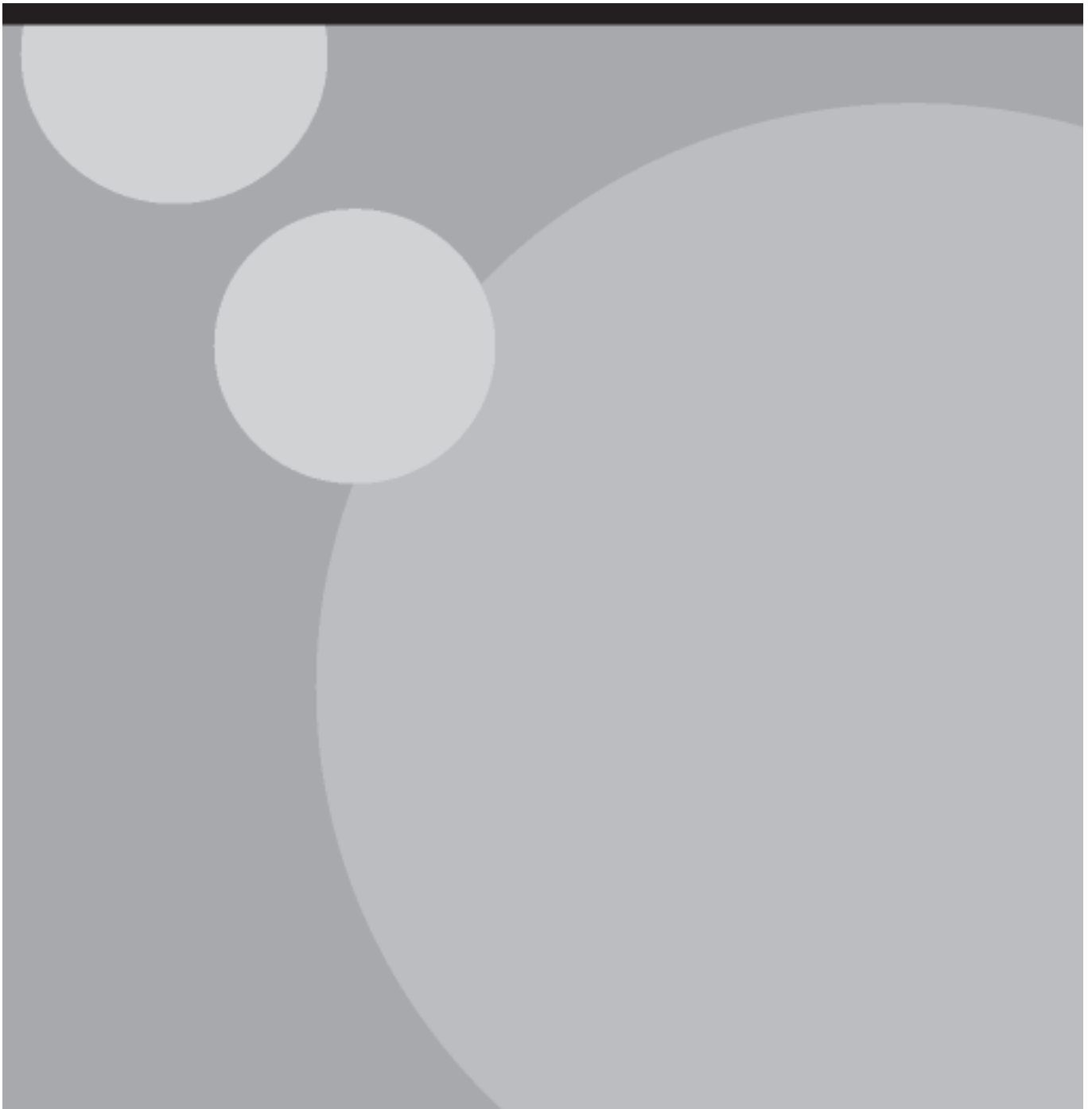




Full Equality Impact Assessment for Affordable Rent



© Crown copyright, 2011

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: psi@nationalarchives.gsi.gov.uk.

This document/publication is also available on our website at www.communities.gov.uk

If you require this publication in an alternative format please email:
alternativeformats@communities.gsi.gov.uk

Any enquiries regarding this document/publication should be sent to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

June 2011

ISBN: 978-1-4098-2981-2

1. Which group(s) of people has been identified as being disadvantaged by your proposals? What are the equality impacts?

The Spending Review announced a £4.5bn investment in new affordable housing to deliver up to 150,000 new affordable homes over the Spending Review period, of which it has been announced £1.8bn will be invested in Affordable Rent and Affordable Home Ownership products. Housing associations will have the flexibility to let an Affordable Rent property at up to 80 per cent of the market rent for an equivalent property for that size and location, and will have the option to offer both fixed-term and lifetime tenancies. Existing social tenants will retain their existing rent and tenancy arrangements while they remain in their current home, and where they are required by their landlord to move to an Affordable Rent home.

The new delivery model will be more flexible with providers using existing assets to help reduce the amount of public funding needed to deliver new supply. It will therefore allow increased delivery of new affordable homes and provide more sub-market rent accommodation than would otherwise have been the case.

The types of Affordable Rent properties delivered will be generated by local priorities and the identification of local needs, which the new supply is intended to assist. Investment offers submitted by housing associations to the Homes and Communities Agency will set out the anticipated number of new homes to be delivered; the indicative location; the anticipated mix e.g. larger homes; any specific provision being offered such as housing for older people and, where known, specific needs such as faith groups, disabled people, black and minority ethnic groups. Offers which meet a diverse range of needs - including supported housing and housing for the elderly - and housing in rural areas will be strongly encouraged by the Homes and Communities Agency.

Affordable Rent will be one of a number of options that landlords will be able to offer prospective tenants from within their local nominations and allocations framework. Although some households are not likely to realise the same degree of benefits as would have been the case had they been allocated a social rented property (e.g. in terms of the introduction of time-limited tenure and potential for higher rents) the policy will also bring substantial advantages to the same type of households by increasing supply – i.e. in the absence of this policy limited supply could have had the effect that they would not have received any form of social tenancy and would have remained in the private rented sector.

The introduction of Affordable Rent interacts with policies being developed by the Department for Work and Pensions on Housing Benefit. A number of changes could arise from proposals described in the Department for Work and Pensions' White Paper 'Universal Credit: Welfare that Works'. The equalities impacts of changes to housing support associated with the introduction of a Universal Credit will be assessed by the Department for Work and Pensions. The impacts of changes to the Housing Benefit system upon the Affordable Rent model will be considered by both departments as part of ongoing monitoring and analysis.

2. In brief, what changes are you planning to make to your current or proposed new or changed policy, strategy, procedure, project or service to minimise or eliminate the adverse equality impacts?

Please provide further details of the proposed actions, timetable for making the changes and the person(s) responsible for making the changes on the resultant action plan.

Housing associations will be required to include information on properties let on Affordable Rent in their CORE* returns. A new separate CORE log is being introduced for Affordable Rent lettings from April 2011 to allow ongoing monitoring of the types of households occupying properties let on Affordable Rents, type and length of tenancy and whether the household is eligible for Housing Benefit.

*CORE (COntinuous REcording) is a national information source, funded jointly by the Tenant Services Authority and the Department for Communities and Local Government, that records information on the characteristics of both housing association and local authority new social housing tenants and the homes they rent and buy. Policy makers and practitioners regard the system as an essential tool for monitoring housing costs, assessing affordability and developing policy.

The CORE database will allow analysis of new housing association tenants by the following characteristics:

- gender
- age
- ethnicity
- disability
- household type.

3. Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision. Please note that you are required to involve disabled people in decisions that impact on them.

In November 2010 the Coalition Government published its consultation paper, *Local decisions: a fairer future for social housing*¹, setting out its proposals to reform social housing. The paper sets out the Government's intention to change the legislation governing the way social housing is allocated; how local authorities may discharge their main homelessness duty; and the types of tenancies granted to social housing tenants.

A summary of the consultation responses² was published on 28 February 2011.

Although the Affordable Rent model was outside the scope of the consultation - the Government's decision to fund an additional housing product does not require consultation - some respondents chose to raise a number of general issues on Affordable Rent, such as; how rent levels would be set; how properties would be allocated; the relationship with wider welfare reform proposals and the need for local authorities to work with housing associations when developing the tenancy strategy for their area. These comments helped to inform the Department and the Homes and Communities Agency in their work to finalise the details of the model.

The Tenant Services Authority published a statutory consultation paper, *Affordable Rent - Revisions to the tenancy standard*³, in December 2010 seeking views on proposed modifications to the current standards relating to rent and terms of tenancy, to enable registered providers to offer Affordable Rent homes. As a public authority carrying out public functions the Tenant Services Authority will assess the impacts on equality of the proposals in the consultation. It will also take into account the consultation responses to assist registered providers to ensure they consider the needs of all their tenants, while also identifying potential steps to promote equality and avoid discrimination in their service delivery.

¹ www.communities.gov.uk/documents/housing/pdf/1775577.pdf

² www.communities.gov.uk/documents/housing/pdf/1853054.pdf

³ www.tenantservicesauthority.org/upload/pdf/Affordable_Rent_-_Revs_tenancy_standard.pdf

The Homes and Communities Agency supported by the Department have held a number of events across the country to explain the Affordable Homes Framework model to delivery partners including housing associations and local authorities. A reference group made up of Homes and Communities Agency investment partners has been constituted to test the development of the Affordable Rent model.

In February 2011 the Department issued a consultation seeking views on a technical change to Annex B of the Planning Policy Statement 3: Planning for Housing, to clarify that Affordable Rent should be considered as affordable housing for planning purposes. Views were sought in particular from local planning authorities, housing associations and private sector developers with responses due by April 2011.

A summary of the consultation responses⁴ and the technical revision to Annex B of Planning Policy Statement 3⁵ were published on 9 June 2011.

⁴ www.communities.gov.uk/publications/planningandbuilding/pps3annexsummary

⁵ www.communities.gov.uk/publications/planningandbuilding/pps3housing

4. Can the adverse impacts you identified during the initial screening be justified without making any adjustments to the existing or new policy, strategy, procedure, project or service?

Please set out the basis on which you justify making no adjustments.

The aim of the Affordable Rent policy is, within a financially constrained environment to continue to deliver a supply of new affordable housing for those in housing need. In comparison to traditional social rent, Affordable Rent will allow more new units to be delivered for the equivalent amount of funding.

Any households potentially disadvantaged by the new policy are nevertheless expected to benefit from a social housing property with rents set (and maintained) at a minimum of 20 per cent below market rate. Households who are let properties on Affordable Rents who would otherwise have been housed in the private rented sector are likely to experience beneficial impacts such as a lower rent, reduced poverty trap and improved security of tenure.

The new policy set by the Department will be implemented by the Homes and Communities Agency who will work closely with housing associations and local authorities to maximise delivery of new affordable housing supply.

Local authorities and the Homes and Communities Agency will be subject to both the general and specific equalities duties introduced by the *Equalities Act 2010* and from 5 April 2011. This requires the need to eliminate discrimination, advance equality of opportunity and foster good relations in the exercise of their functions.

The Homes and Communities Agency will expect housing associations to confirm that offers, and in particular schemes, as they are developed will meet key priorities (including any equality priorities) that are identified and agreed by local authorities. Housing associations will be asked to confirm that they will work with their local authority partners to agree nomination arrangements which comply with a local authority's allocation policies (which will have been developed in line with the local authority's statutory equalities responsibilities).

The Tenant Services Authority involvement and empowerment standard makes clear that in meeting all of its standards, housing associations must take account of equality and diversity, and tenants with care or support needs.

5. You are legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts.

Please provide details of how you will monitor/evaluate or review your proposals and when the review will take place.

The role of the Department is to provide funding and set the overall policy framework to enable providers and local authorities to deliver the Affordable Homes Programme. Within this context, the Department will ensure monitoring arrangements are introduced to allow analysis of future lettings and sales of affordable homes over time, to consider which types of households groups are being housed and impacted on by the policy. The Affordable Homes Framework states that housing associations will be required to include information on properties let on Affordable Rents in their CORE returns. A separate CORE log will be issued for Affordable Rent lettings from April 2011 and this will allow ongoing monitoring of the types of households occupying properties let on Affordable Rents, type and length of tenancy and whether the household is eligible for Housing Benefit.

The CORE lettings database will be periodically analysed and in addition to the monitoring activities performed by delivery partners, an assessment of take-up will be scheduled one year into the programme. This will consider geographical coverage of Affordable Rent and social rent lettings and household characteristics that include household type, gender, age, ethnicity and disability.

As public bodies, the Homes and Communities Agency and local authorities will be responsible for carrying out equality analysis and reporting monitoring to comply with their own equalities responsibilities.

The types of Affordable Rent properties delivered through the Programme will be generated by local priorities and the identification of local needs through which the new supply is intended to assist. For example, this might include the provision of larger homes, supported housing for older people and targeted housing to meet the needs of disabled people. The precise mix of properties will be monitored by the Homes and Communities Agency, which will include an assessment of their impacts on equalities. A summary of this monitoring information will be regularly reviewed by the Department during Programme delivery.

Name of person signing off the full Equality Impact Assessment:

Terrie Alafat

Role: Director, Housing Growth and Affordable Housing

Date: 9 June 2011