

Diversity impact assessment

TITLE <i>Name / description of the issue being assessed</i>	HRA: ADDITIONAL BORROWING FOR NEW BUILD DEVELOPMENT
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DATE <i>Date the DIA is completed</i>	June 2020
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LEAD OFFICER <i>Name, title and dept of person responsible for carrying out the DIA.</i>	Aisling Sims – Policy and Partnerships Manager
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1 Summary description of the proposed change

- *What is the change to policy / service / new project that is being proposed?*
- *How does it compare with the current situation?*

The Housing Revenue Account (HRA) is seeking to borrow additional funds to enable the service to increase its stock by:

- I. Any potential RTB buy back opportunities.
- II. Options to appropriate land and/or assets to the HRA from the general fund. This could include but not restricted to areas of underutilised green space, car parks or any other general fund building or asset that may be better suited to delivering affordable housing units.
- III. Acquiring/purchasing private land to develop on.
- IV. Purchasing units from the open market.
- V. Major estate regeneration.
- VI. Joint ventures with developers or Registered Providers (RP's)

2 Summary of evidence used to support this assessment

- *Eg: Feedback from consultation, performance information, service user records etc.*
- *Eg: Comparison of service user profile with Medway Community Profile*

The need for housing, and in particular affordable housing is in great demand in Medway. It is predicted that the population of Medway will increase by 22% by 2037 and suitable housing will need to be available to accommodate this. As of April 2020, there were 1,362 households on the Housing Register and the HRA have a role in helping to provide these homes.

The HRA currently owns 3002 properties across the Gillingham, Twydall and Rainham areas of Medway. The right to buy scheme was introduced in the Housing Act 1985 and every year there is an increasing number of properties that are removed from the stock as a result of this. The table below shows the number of right to buy completions over the past couple of years, showing the increasing need to replace those properties sold through the process.

Year	Total	Houses	Flats
2017/18	12	9	3
2018/19	11	8	3
2019/20	17	10	7

During the year 2019/20 there were 23 mutual exchanges and of that 74% were moves within the local authority area. This shows that it is important for the service to provide a range of accommodation for households as their needs and circumstances change.

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The HRA are have successfully completed 3 phases of development over the past 6 years and in the process of selecting contractors to complete phase 4. To date we have completed 62 units, with a further 28 units to be completed by 2022.

Development work so far has been on land already in ownership of the HRA. We have now exhausted the sites that are viable for building on and need to look to alternative ways to expand the housing stock.

3 What is the likely impact of the proposed change?

Is it likely to :

- Adversely impact on one or more of the protected characteristic groups?
- Advance equality of opportunity for one or more of the protected characteristic groups?
- Foster good relations between people who share a protected characteristic and those who don't?

(insert ✓ in one or more boxes)

Protected characteristic groups	Adverse impact	Advance equality	Foster good relations
Age			
Disability			
Gender reassignment			
Marriage/civil partnership			
Pregnancy/maternity			
Race			
Religion/belief			
Sex			
Sexual orientation			
Low income groups		✓	

4 Summary of the likely impacts

- Who will be affected?
- How will they be affected?

The aim of creating additional housing in Medway will have a positive impact on Medway residents. Creating more affordable/social housing will allow greater access to high quality housing at affordable costs that some households may not be able to access through the private market.

The HRA account is funded by rental income, receipts etc. Increasing the borrowing is not likely to have any direct financial impact on current tenants as rents and service charges will remain unaffected and only subject to usual annual increases.

Residents may be affected by certain projects/schemes, but not initially by the decision to allow increased funding options.

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5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

- *Are there alternative providers?*
- *What alternative ways can the Council provide the service?*
- *Can demand for services be managed differently?*

Development projects which arise as a result of the increased borrowing will need to be planned and consulted upon with local residents. Ahead of planning proposals being submitted local residents will be consulted upon and their views considered. This has been the case for previous phases of work and has fostered good relations with residents and given them the opportunity to input their ideas at an early stage.

Purchase, development and regeneration projects funded by the HRA will need to be subject to stringent viability checks to ensure that they are financially sustainable. Each project will be carefully evaluated to ensure costs meet the expectations with 30 year business planning and would not have any detrimental impact on any other part of the service.

If the decision was made not to increase the borrowing limit of the HRA, there are alternative ways in which affordable housing can be delivered in Medway and we would look to work with other providers should this be the case.

6 Action plan

- *Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence*

Action	Lead	Deadline or review date
Write report proposing the increased borrowing limit to be signed off at DMT/CMT.	Head of Housing	June 2020
Develop a cash flow modelling tool to ensure that schemes are financially viable	Housing Development and Special Projects Manager	June 2020
Update, monitor and review the HRA 30 year Business Plan on an annual basis or in line with significant stock changes	Head of Housing	Annually
Consider the implementation of a formal Development Strategy	Housing Development and Special Projects Manager	December 2020

7 Recommendation

The recommendation by the lead officer should be stated below. This may be:

- *to proceed with the change, implementing the Action Plan if appropriate*
- *consider alternatives*
- *gather further evidence*

If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.

To proceed with the report seeking permission to increase the borrowing limit for the HRA.

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8 Authorisation

The authorising officer is consenting that:

- *the recommendation can be implemented*
- *sufficient evidence has been obtained and appropriate mitigation is planned*
- *the Action Plan will be incorporated into the relevant Service Plan and monitored*

Authorising Officer

Mark Breathwick
Head of Housing

Date

June 2020

Contact your Performance and Intelligence hub for advice on completing this assessment

RCC: phone 2443 email: annamarie.lawrence@medway.gov.uk

C&A: (Children's Social Care) contact your normal P&I contact

C&A (all other areas): phone 4013 email: chrismckenzie@medway.gov.uk

BSD: phone 2472/1490 email: corppi@medway.gov.uk

PH: phone 2636 email: david.whiting@medway.gov.uk

Send completed assessment to the Corporate Performance & Intelligence Hub (CPI) for web publication (corppi@medway.gov.uk)