



**Budget Proposals 2023/24
Equality and Safety
Cumulative Impact Assessment**

February 2023

Equality and Safety Cumulative Impact Assessment

Introduction

1. Southampton City Council, in line with its statutory responsibilities, undertakes Equality and Safety Impact Assessments (ESIAs). ESIAs provide a systematic way of assessing the impact of policies, strategies, programmes, projects, services or functions on different equality groups - and on poverty and community safety. During the council's annual budget cycle, ESIAs are completed for all proposals identified as requiring them to inform decision making.
2. This document draws into one place a summary of all the ESIAs for the 2023/24 February budget proposals. This assessment focuses on service-based proposals identified as having a direct impact on customers/residents and which will impact on the budget position for the council for the 2023/24 financial year.
3. It is important to fully understand the impact of the budget proposals on equality groups (identified in paragraph 11) and on community safety, poverty and health and wellbeing. The council, working with others, will need to take action to mitigate the collective impact of any such proposals. Mitigating actions could include re-shaping services to target more efficiently and to reduce the potential of disproportionate impacts on equalities groups, community safety, poverty and health and wellbeing.

Context

4. Over recent years, Southampton City Council has had to change significantly in response to ongoing changes in the city's profile, trends in customer behaviour, national and local policies and the impact of the Covid-19 pandemic. This has been accompanied by ongoing challenges in the shape of rising demand in adults and children's social care.
5. The covid-19 pandemic has left an impact on the city and its residents which is shown in increased pressures on adult social care, looked after children and waiting list backlogs across public services. Southampton City Council played a critical role in helping to lead the local response to the pandemic. It continues to support residents, communities and businesses with the recovery.
6. The cost of living crisis is now impacting on residents in the city. It refers to a decline in 'real' income (adjusted for inflation) experienced in the UK since late 2021. The consumer price index (CPI) inflation rate increased from 2% in July 2021 to 10.1% in July 2022. Inflation peaked at 11.1% in October 2022 and remains at 10.5% in January 2023 which is significantly higher than the Bank of England target of 2%. It is expected to remain at high levels throughout 2023. Rising energy costs, the war in Ukraine, Brexit and the Covid-19 pandemic are the main factors increasing inflation and living costs.
7. Household energy bills increased by 54% in April 2022 and by a further 80% in October 2022. The current Energy Price Guarantee limits some of the impact to on average a 27% increase. In April 2023 the Price Cap will increase. It is estimated that the default tariff price cap levels will have increased by 212% from Summer 2021 to Q2 of 2023. This has fuelled price increases including food while wage growth has not

kept pace with the rise in costs. Interest rates are 4% in February 2023 but are predicted to rise to 6%. Although rising costs affect all, it is expected that more deprived households are experiencing poorer outcomes with the inflation gap estimated to increase. Southampton City Council recognises that lower income households are also impacted by other associated challenges such as poor access to transport, variations in food prices across the city. Business and community groups may also face financial challenges of inflationary pressures.

8. It is against this backdrop that decisions are having to be made across a range of services due to rising costs faced by Southampton City Council whilst recognising the deep impact the cost of living crisis is having on residents. The City Council is leading a partnership approach to the cost of living by supporting, enabling and promoting the work of other providers, and has put together an [online Cost of Living guide](#) to what is available from the community and Government.
9. This Cumulative Impact Assessment covers the budget proposals for the financial year 2023/24 which are being proposed to Full Council at the Budget setting meeting in February 2023. This follows public consultation on the proposals included in the cumulative impact assessment which took place from 9 November 2022 to 10 January 2023.

Legal Framework – Equalities

10. The Public Sector Equality Duty, section 149 of the Equality Act, came into effect on 5th April 2011 and places a duty on all public bodies and others carrying out public functions.
11. The Public Sector Equality Duty (the Equality Duty) replaced three previous public sector equality duties – for race, disability and gender, and broadened the breadth of protected characteristics to include:
 - Age
 - Disability
 - Gender reassignment
 - Marriage and civil partnership, but only in respect of the requirements to have due regard to the need to eliminate discrimination.
 - Pregnancy and maternity
 - Race – ethnic or national origins, colour or nationality
 - Religion or Belief – including lack of belief
 - Sex
 - Sexual orientation.
12. The Act was designed to ensure public bodies consider the needs of all individuals in their day to day work, including: shaping policy, delivering services and employment of employees. It requires public bodies, such as local councils not to discriminate against any person on the basis of a protected characteristic such as disability. The legislation strengthened existing provisions about discrimination to also include associative and perceptive discrimination as well as direct and indirect discrimination.
13. Direct discrimination occurs when a rule, policy or practice offers less favourable treatment to a group and indirect discrimination occurs by introducing a rule, policy or practice that applies to everyone but particularly disadvantages people who have a protected characteristic. Direct discrimination will always be unlawful. Indirect

discrimination will not be unlawful if it can be justified, for instance it can be shown that the rule, policy or practice was intended to meet a legitimate objective in a fair, balanced and reasonable way.

14. In considering whether or not any indirect discrimination is justified, the council must consider whether or not there is any other way to meet their objective that is not discriminatory or is less likely to disadvantage those with protected characteristics. This may well mean setting out clearly whether or not consideration has been given to other ways of achieving these objectives.
15. The Equality Duty does not impose a legal requirement to conduct an Equality and Safety Impact Assessment, rather it requires public bodies to demonstrate their consideration of the Equality Duty and the conscious thought of the Equality Duty as part of the process of decision-making. This entails an understanding of the potential effect the organisation's activities could have on different people and a record of how decisions were reached. Producing an Equality Impact Assessment post decision making is non-compliant with the Public Sector Equality Duty. For this reason the council requires adherence to the existing impact assessment framework.

Legal Framework - Community Safety

16. Community Safety is a broad term. It refers to the protection of local communities from the threat and consequence of criminal and anti-social behaviour by achieving reductions in relation to both crime and the fear of crime.
17. Section 17 of the Crime and Disorder Act 1998, as amended by the Police and Justice Act 2006, requires responsible authorities to consider crime and disorder, including antisocial behaviour and other behaviour adversely affecting the local environment; and the misuse of drugs, alcohol and other substances in the exercise of all their duties, activities and decision-making. This means consideration must be given to the likely impact on crime and disorder in the development of any policies, strategies and service delivery. This responsibility affects all employees of the council.

Other considerations

18. In line with the [Southampton Health and Wellbeing Strategy 2017-2025](#) the council has committed to ensuring that health inequalities are taken into account in policy development, commissioning and service delivery. This means that consideration will be given to impacts on health and wellbeing in the ESIA's.
19. The council's approach on assessing the impact of its policies, proposals and decisions, is designed to demonstrate that it has acted over and above its statutory duties. This is reflected in including poverty in the ESIA, as the council is committed to addressing the impact on poverty for people in work and unemployed and for other low-income households.
20. The ESIA's also consider any other significant impacts that exist in relation to the proposal and decision.

Scope and our approach

21. This assessment identifies areas where there is a risk that changes resulting from individual budget proposals, may have, when considered together, negative impacts on particular groups.
22. It is important to note this is an ongoing process. As individual budget proposals are developed and implemented, they will be subject to further assessment. This assessment also describes mitigating actions that will need to be considered.
23. This Cumulative Impact Assessment reflects the latest assessment of impacts of the relevant budget proposals.

City Profile

24. The most recent data available for the population of Southampton is from the Office of National Statistics (ONS) Census which took place on 21 March 2021. In Southampton, the population size has increased by 5.1%, from around 236,900 in 2011 to 249,000 in 2021. The total population in the city in 2021 was estimated to be 261,716. This is lower than the overall increase for England of 6.6%. Southampton ranked 70th for total population size out of 309 local authority areas in 2021. This is the same position it held a decade ago in 2011.
25. Although the overall population has increased, there are variations by age group within the city:
 - There was a decrease of 10.4% in the under 5 years population between 2011 (15,400) and 2021 (13,800) which is reflective of decreasing birth rates locally and nationally,
 - The population aged 5 to 14 has increased by 20.5% to 28,200,
 - The population aged 15 to 24 has decreased by 9.1% which reflects the reduced student residency in the city during the pandemic
 - The number of people aged 65 to 84 has increased by 13.4% reflecting the aging population.
26. The number of households in Southampton increased from 98,300 in 2011 to 102,300 in Census 2021, an increase of 4.1%. Further detailed census data will be issued by the ONS between now and summer 2023.
27. Data in the Southampton City Council Statement of Accounts 2022 show:
 - 8,045 (4.7%) working age residents are claiming Job Seekers Allowance or work-related Universal Credit as of March 2022.
 - There are 109,210 properties in the city with 51% owner occupied, 25% private rented and 24% social rented
 - The council provide 16,352 council houses as of April 2022
28. The Indices of Multiple Deprivation (IMD) provide another range of data about the city. This focuses on the geographical profile of poverty but there is also a link between equality strands and risk factors for poverty. The most recent IMD was published in 2019 and shows that over 45% of Southampton's population is classified as living

within the 30% most deprived neighbourhoods nationally. Of the 317 local authorities in England, Southampton is ranked 55th most deprived overall, which is similar to 2015.

**Table1:
Budget Proposals: Impact By Protected Characteristics, Community Safety, Health and Wellbeing and Poverty.**

Code	Description of Proposal	Age	Disability	Gender Reassignment	Marriage & Civil Partnership	Pregnancy & Maternity	Race	Religion & Belief	Sex	Sexual Orientation	Community Safety	Poverty	Health & Wellbeing	Other
1	Options for energy cost efficiency and environmental benefit, through the reduction of street lighting	x	x			x			x		x			
2	<ul style="list-style-type: none"> i) Increase HRA rents in line with the Government Cap of 7% ii) Increase HRA Service Charges by 9% iii) Increase Landlord Controlled Heating charges 	x	x								x	x	x	
3	Remove the Empty Property Class C Discount													x

Age

29. People in later life may be more likely to use some council services and so may be more vulnerable than the general population to reductions or changes in those services. This vulnerability will be worsened for those living on low incomes. Some older people may feel the impact of several proposals.
30. The cost of living crisis is also impacting on specific age groups disproportionately with proposals related to price increases having a further cumulative impact. Mosaic groups have been analysed in terms of this impact with the following being the top 3 in Southampton most vulnerable to rising costs:
- Family Basics – families with limited resources who budget to make ends meet. Predominantly 26-35/36-45 year olds. 31% have 2 children, most of which are 5-11yrs old. They have low discretionary income
 - Municipal Tenants – mainly 46-55/56-65 year olds. Renting high density housing from social landlords. They are often single and on low household incomes. 84% do not have children
 - Vintage Value – over 66 years old with a household income lower than £15,000 and often living in fuel poverty.
31. There are two proposals which will potentially have a cumulative impact on those in older age groups. Mitigating actions have been proposed and this protected group will need careful consideration when each proposal is implemented.
32. **1. Options for energy cost efficiency and environmental benefit, through the reduction of street lighting at night.** We are considering a range of options, including switching off residential street lighting, that would impact on street lighting during part of the night. There are around 26,000 lighting columns in Southampton. Street lighting is already 'dimmed' through a policy in most areas of the city; this regime is subject to exemptions.
33. The increasing cost of electricity has had a significant impact on the increased costs of street lighting forecast for 2023-24. Reducing street lighting at night would result in cost savings to the council.
34. Extensive research has been carried out to assess the impact that street lighting switch off has on community safety. An agile and comprehensive exceptions scheme is being developed so the city should not be subject to an increase in crime as a result of the proposal. There is also evidence and good practice to draw on from other areas which have implemented similar proposals. There would be a reduction in light pollution from the proposal which, evidence suggests, would have a positive ecological impact.
35. We have identified the following impact:
- Potentially a disproportionate impact on some elderly residents outside of their homes for a portion of the night if these residents have poorer eyesight or potential physical frailty.
36. We have identified the following mitigating actions:
- Consider developing a comprehensive exceptions scheme to be put in place for specific locations, such as close to sheltered housing schemes.
 - Consider the public communications about the changes.

- 37.2. (i) Increase HRA rents in line with the Government Cap of 7%, (ii) Increase HRA Service Charges by 9%, (iii) Increase Landlord Controlled Heating charges.**
- It is necessary to increase rents to ensure a balanced Housing Revenue Account in 2023-24 to be able to maintain homes through repairs and a robust capital programme and ensure long-term sustainability. The HRA only receives income from rents, service charges and some commercial property charges. With these funds the council needs to meet statutory obligations around housing provision including repairs, maintenance and capital works.
38. The proposed service charge increase is below the rate of inflation (10.1% in October 2022) at the time the proposal was set and still below the most recent inflation rate (9.2% December 2022). This increase will pay for the increased cost of the services provided to tenants. The Landlord controlled heating charges increase will ensure these tenants will not have to pay more than the average cost under the Government's energy cap.
39. There are approximately 15,379 occupied council tenancies in the city in total which will be affected by the increase in rent. Of the 15,379 there are 10,471 properties (flats) that receive services that they are charged for (houses do not pay service charges). 5,694 of these 10,471 properties (flats) will also be affected by the increase in the landlord-controlled heating charge. There are 2,072 Leaseholders that will be affected by the increases in service charges, and 302 leaseholders who will be affected by the increase in landlord-controlled heating charge.
40. There are currently 54% of tenancies on landlord controlled heating where at least one of the household is over 55 years of age. Increasing landlord controlled heating charge will therefore have a considerable impact on the 3094 tenancies in this older age group.
41. We have identified the following impact:
- The rise in landlord controlled heating charge will have a disproportionate impact on the over 55 years age group with over half (54%) of those affected by this change being in this age group.
 - Across all tenancies which will face rent increases, 8155 (53%) are aged over 55 years of age. The proposals therefore impact those in an older age group.
42. We have identified the following mitigating actions:
- Government support is available to all households until April 2023 in the form of the energy cap guarantee. This has been revised for 2023-24 with a higher cap in place from April 2023 for a further 12 months.
 - Older residents are entitled to the Winter Fuel allowance and may be able to get help with costs through Cold Weather Payments and the Warm Home Discount.
 - Eligible households will be able to apply to the Council for assistance if they are unable to pay their rent and service charges. This includes:
 - Application to the Household Support Fund for food and white goods vouchers, and access to a range of local and community support such as food banks;
 - Working with our customer payment and debt team to arrange direct payment methods; and

- Working with our Welfare Benefit team to see if they are eligible for any other benefits or assistance e.g. Discretionary Housing Payments, Disability related benefits, age related benefits

Disability

43. According to the Equality Act 2010, a person has a disability if he or she has a physical or mental impairment which has a long term adverse effect on that person's ability to carry out day to day activities. People with a disability may be impacted more by some of the proposals compared to those without a disability, with mitigating actions proposed to help address this.
44. People with a disability can face additional living costs. Research by the charity Scope shows life costs £583 more on average a month if you are disabled. For 24% of families with disabled children extra costs can amount to £1,000 a month. Any proposal which increases costs therefore have the potential to have a more acute impact on a person with a disability.
45. Two proposals will impact on people within this protected characteristic which will have a cumulative impact. Proposals set out a number of mitigating actions aimed at reducing the impact both from practical impacts and financial affects.
46. **1. Options for energy cost efficiency and environmental benefit, through the reduction of street lighting at night.** We are considering a range of options, including switching off residential street lighting, that would impact on street lighting during part of the night. There are around 26,000 lighting columns in Southampton. Street lighting is already 'dimmed' through a policy in most areas of the city; this regime is subject to exemptions.
47. The increasing cost of electricity has had a significant impact on the increased costs of street lighting forecast for 2023-24. Reducing street lighting at night would result in cost savings to the council.
48. Extensive research has been carried out to assess the impact that street lighting switch off has on community safety. An agile and comprehensive exceptions scheme is being developed so the city should not be subject to an increase in crime as a result of the proposal. There is also evidence and good practice to draw on from other areas which have implemented similar proposals. There would be a reduction in light pollution from the proposal which, evidence suggests, would have a positive ecological impact.
49. We have identified the following impacts:
- There may be a disproportionate impact on people with physical disabilities who are outside of their homes for a portion of the night as some people with physical disabilities may place additional reliance on having roads and pavements lit.
50. We have identified the following mitigating actions:
- Consider developing a comprehensive exceptions scheme to be put in place for specific locations.
 - Consider the public communications about the changes.

- 51.2. (i) Increase HRA rents in line with the Government Cap of 7%, (ii) Increase HRA Service Charges by 9%, (iii) Increase Landlord Controlled Heating charges.** It is necessary to increase rents to ensure a balanced Housing Revenue Account in 2023-24 to be able to maintain homes through repairs and a robust capital programme and ensure long-term sustainability. The HRA only receives income from rents, service charges and some commercial property charges. With these funds the council needs to meet statutory obligations around housing provision including repairs, maintenance and capital works.
52. The proposed service charge increase is below the rate of inflation (10.1% in October 2022) at the time the proposal was set and still below the most recent inflation rate (9.2% December 2022). This increase will pay for the increased cost of the services provided to tenants. The Landlord controlled heating charges increase will ensure these tenants will not have to pay more than the average cost under the Government's energy cap.
53. There are approximately 15,379 occupied council tenancies in the city in total which will be affected by the increase in rent. Of the 15,379 there are 10,471 properties (flats) that receive services that they are charged for (houses do not pay service charges). 5,694 of these 10,471 properties (flats) will also be affected by the increase in the landlord-controlled heating charge. There are 2,072 Leaseholders that will be affected by the increases in service charges, and 302 leaseholders who will be affected by the increase in landlord-controlled heating charge.
54. The council currently have 3310 tenancies (households) who have a support element to their tenancy (22%) this includes those in supported and extra care housing schemes. Of the 3310 tenancies which have a support element 2503 (75%) are in receipt of benefits.
55. We have identified the following impacts:
- The remaining 807 tenancies (25%) who have a support element to their tenancy will have to meet the increased cost through their own income.
56. We have identified the following mitigating actions:
- Government support is available to all households until April 2023 in the form of the energy cap guarantee. This has been revised for 2023-24 with a higher cap in place from April 2023 for a further 12 months.
 - Research by Scope shows that 42% of people over 65 years old are disabled. Older residents are entitled to the Winter Fuel allowance and may be able to get help with costs through Cold Weather Payments and the Warm Home Discount.
 - Eligible households will be able to apply to the Council for assistance if they are unable to pay their rent and service charges. This includes:
 - Application to the Household Support Fund for food and white goods vouchers, and access to a range of local and community support such as food banks;
 - Working with our customer payment and debt team to arrange direct payment methods; and
 - Working with our Welfare Benefit team to see if they are eligible for any other benefits or assistance e.g. Discretionary Housing Payments, Disability related benefits, age related benefits

Pregnancy and Maternity

57. **1. Options for energy cost efficiency and environmental benefit, through the reduction of street lighting at night.** We are considering a range of options, including switching off residential street lighting, that would impact on street lighting during part of the night. There are around 26,000 lighting columns in Southampton. Street lighting is already 'dimmed' through a policy in most areas of the city; this regime is subject to exemptions.
58. The increasing cost of electricity has had a significant impact on the increased costs of street lighting forecast for 2023-24. Reducing street lighting at night would result in cost savings to the council.
59. Extensive research has been carried out to assess the impact that street lighting switch off has on community safety. An agile and comprehensive exceptions scheme is being developed so the city should not be subject to an increase in crime as a result of the proposal. There is also evidence and good practice to draw on from other areas which have implemented similar proposals. There would be a reduction in light pollution from the proposal which, evidence suggests, would have a positive ecological impact.
60. We have identified the following impact:
- There may be a disproportionate impact on people who are pregnant or who are outside of their homes with young children for a portion of the night as additional reliance may be placed on having roads and pavements lit due to health and safety due to the risk of tripping on uneven surfaces.
61. We have identified the following mitigating actions:
- Consider public communications about the proposed changes.

Sex

62. **1. Options for energy cost efficiency and environmental benefit, through the reduction of street lighting at night.** We are considering a range of options, including switching off residential street lighting, that would impact on street lighting during part of the night. There are around 26,000 lighting columns in Southampton. Street lighting is already 'dimmed' through a policy in most areas of the city; this regime is subject to exemptions.
63. The increasing cost of electricity has had a significant impact on the increased costs of street lighting forecast for 2023-24. Reducing street lighting at night would result in cost savings to the council.
64. Extensive research has been carried out to assess the impact that street lighting switch off has on community safety. An agile and comprehensive exceptions scheme is being developed so the city should not be subject to an increase in crime as a result of the proposal. There is also evidence and good practice to draw on from other areas which have implemented similar proposals. There would be a reduction in light pollution from the proposal which, evidence suggests, would have a positive ecological impact.

65. We have identified the following impact:

- The fear of crime and the risk of assault may be greater for women and girls.

66. We have identified the following mitigating actions:

- Consider determining exceptions based on personal safety and risks.

Community Safety

67. **1. Options for energy cost efficiency and environmental benefit, through the reduction of street lighting at night.** We are considering a range of options, including switching off residential street lighting, that would impact on street lighting during part of the night. There are around 26,000 lighting columns in Southampton. Street lighting is already 'dimmed' through a policy in most areas of the city; this regime is subject to exemptions.

68. The increasing cost of electricity has had a significant impact on the increased costs of street lighting forecast for 2023-24. Reducing street lighting at night would result in cost savings to the council.

69. Extensive research has been carried out to assess the impact that street lighting switch off has on community safety. An agile and comprehensive exceptions scheme is being developed so the city should not be subject to an increase in crime as a result of the proposal. There is also evidence and good practice to draw on from other areas which have implemented similar proposals. There would be a reduction in light pollution from the proposal which, evidence suggests, would have a positive ecological impact.

70. We have identified the following impact:

- There is a risk of actual crime and the fear of crime increasing.

71. We have identified the following mitigating actions:

- Communications and information will be important in explaining the studies which have not drawn this conclusion. Consider determining exceptions based on community safety.

Poverty

72.2. (i) Increase HRA rents in line with the Government Cap of 7%, (ii) Increase HRA Service Charges by 9%, (iii) Increase Landlord Controlled Heating charges.

It is necessary to increase rents to ensure a balanced Housing Revenue Account in 2023-24 to be able to maintain homes through repairs and a robust capital programme and ensure long-term sustainability. The HRA only receives income from rents, service charges and some commercial property charges. With these funds the council needs to meet statutory obligations around housing provision including repairs, maintenance and capital works.

73. The proposed service charge increase is below the rate of inflation (10.1% in October 2022) at the time the proposal was set and still below the most recent inflation rate (9.2% December 2022). This increase will pay for the increased cost of the services provided to tenants. The Landlord controlled heating charges increase will ensure

these tenants will not have to pay more than the average cost under the Government's energy cap.

74. There are approximately 15,379 occupied council tenancies in the city in total which will be affected by the increase in rent. Of the 15,379 there are 10,471 properties (flats) that receive services that they are charged for (houses do not pay service charges). 5,694 of these 10,471 properties (flats) will also be affected by the increase in the landlord-controlled heating charge. There are 2,072 Leaseholders that will be affected by the increases in service charges, and 302 leaseholders who will be affected by the increase in landlord-controlled heating charge.

75. Southampton City Council currently has 15,379 council tenancies. Of these 11,298 (73%) are in receipt of either Universal Credit or Housing Benefit which would cover rent and service charge costs. 27% of tenancies would be required to cover the cost from earned income.

76. We have identified the following impacts:

- 27% of tenancies would be required to cover costs of rent and service charge rises from earned income and 5486 tenancies will be affected by the increase in landlord controlled heating. Mosaic analysis of types of residents in the city shows that typically those living in social housing have a lower disposable income. The increase in rent and charges will reduce this further or contribute to increased debt. This will be a greater cost pressure for those affected by all three increases where they are not in receipt of benefits.

77. We have identified the following mitigating actions:

- Government support is available to all households until April 2023 in the form of the energy cap guarantee. Further help may be offered to those most in need after this point but details have not been set out at this time.
- Research by Scope shows that 42% of people over 65 years old are disabled. Older residents are entitled to the Winter Fuel allowance and may be able to get help with costs through Cold Weather Payments and the Warm Home Discount.
- Eligible households will be able to apply to the Council for assistance if they are unable to pay their rent and service charges. This includes:
 - Application to the Household Support Fund for food and white goods vouchers, and access to a range of local and community support such as food banks;
 - Working with our customer payment and debt team to arrange direct payment methods; and
 - Working with our Welfare Benefit team to see if they are eligible for any other benefits or assistance e.g. Discretionary Housing Payments, Disability related benefits, age related benefits

Health and Wellbeing

78.2. (i) Increase HRA rents in line with the Government Cap of 7%, (ii) Increase HRA Service Charges by 9%, (iii) Increase Landlord Controlled Heating charges.

It is necessary to increase rents to ensure a balanced Housing Revenue Account in 2023-24 to be able to maintain homes through repairs and a robust capital programme and ensure long-term sustainability. The HRA only receives income from rents, service charges and some commercial property charges. With these funds the council needs

to meet statutory obligations around housing provision including repairs, maintenance and capital works.

79. The proposed service charge increase is below the rate of inflation (10.1% in October 2022) at the time the proposal was set and still below the most recent inflation rate (9.2% December 2022). This increase will pay for the increased cost of the services provided to tenants. The Landlord controlled heating charges increase will ensure these tenants will not have to pay more than the average cost under the Government's energy cap.
80. There are approximately 15,379 occupied council tenancies in the city in total which will be affected by the increase in rent. Of the 15,379 there are 10,471 properties (flats) that receive services that they are charged for (houses do not pay service charges). 5,694 of these 10,471 properties (flats) will also be affected by the increase in the landlord-controlled heating charge. There are 2,072 Leaseholders that will be affected by the increases in service charges, and 302 leaseholders who will be affected by the increase in landlord-controlled heating charge.
81. We have identified the following impact:
- The impact of these proposals on poverty could have a further impact in the mental health and wellbeing of tenants. Those not on landlord controlled heating with the ability to control their own heating levels may decide to not turn on heating over winter to be able to afford to eat and pay rent and service charges. In this case, there could be an impact on physical health of some tenants.
82. We have identified the following mitigating actions:
- The rent increase will be in line with the Government consultation which is below the maximum allowable increase of CPI plus 1%. Landlord Controlled Heating charges are linked to the Government Energy Cap.
 - Those on Universal Credit & Housing Benefit will not be affected by the increase in rent and service charges as these two benefits include rent and service charges costs.
 - The Government have provided every household in the country with financial help towards their energy costs until April 2023.

Other Significant Impacts

- 83.3. Remove the Empty Property Class C Discount** – this proposal removed the one month council tax exemption for empty and unfurnished properties. The proposal would impact anyone with an empty and unfurnished property currently liable for council tax. The current system means that the first month is not payable. The proposal would mean that no exemption would be offered from April 2023. The number of customers who could potentially be impacted was projected by assessing 2021/22 data. In 2021/22 11,511 exemptions were granted, comprising 1,204 Southampton City Council properties and 10,307 properties from other landlords.
84. This proposed policy change aims to incentivise owners to bring empty properties back into use to ensure they are not a wasted resource for both the owner and the council. It has potential benefits to increase supply of housing in the city and raising additional income to be used to deliver services. Based on these figures, the proposed annual income to the General Fund is approximately £600,000 and the additional annual cost to the Housing Revenue Account has been estimated at approximately £94,000.

85. There are separate exemptions in Council Tax to cover the situations when a property is empty because the resident has entered a care home, or because the property is awaiting probate. These exemptions mean people in those situations do not have to pay council tax and councils do not have discretion to change these areas. Tenants receiving housing benefit, universal credit or council tax support would not be impacted by this proposal as their benefits are based on being in the property.

86. The immediate impact of the proposals, if implemented, will mean that owners of empty and unfurnished properties will have to pay 100% of council tax payable as soon as the dwelling becomes empty.

87. Recently there have been a number of other negative impacts on landlords. Tax reforms introduced in 2020-21 included tapering of mortgage interest tax relief and changes to Capital Gains Tax. The Renters Reform Bill (to be introduced in May 2023) The Renters Reform Bill will bring in changes to protect tenants. Government want to upgrade properties to higher energy performance standards by 2030.

88. We have identified the following impacts:

- The main impact of this proposal will be on landlords. In light of the other pressures on landlords highlighted above, this may lead to more landlords leaving the private rented sector. This would lead to less affordable rented stock in the city at a time of rising demand on affordable accommodation due to the increasing cost of living.
- It could also result in more people presenting as homeless if landlords decide to sell properties as a result of these combined pressures, which this proposal could further contribute towards.
- Property owners are ultimately responsible for Council Tax in the absence of an occupier so this proposal will mainly affect landlords as tenanted properties are the most likely to become empty. They will face the additional financial cost from this. The exact cost will vary depending on property size.
- In addition to landlords, others that would be affected financially are:
 - owners of properties that are for sale but not occupied
 - owners / landlords of properties that are being substantially refurbished, but do not qualify for the class A exemption. (For example: after destructive tenants or very long term lets or after purchase)
 - tenants that have signed a tenancy but do not take up residence (very rare cases)
 - people who have inherited property but are unable to sell during the time frames. (Mitigation - referral to allocations, property could be let short term whilst for sale)
 - people whose property is due to be repossessed and sold but is still in that process, but no longer resident
 - The City Council's housing portfolio – the Housing Revenue Account (HRA) will have to pick up the cost of this for their properties that become vacant.

89. We have identified the following mitigating actions:

- Landlords will be encouraged to contribute to the consultation and will be reached via lettings agencies in the city.
- Advice will also be taken from the National Residential Landlords Association about how best to engage with the range of landlords in the city to ensure they are aware of the consultation.

- Colleagues in Housing have contributed to this proposal and will be consulted to ensure that the impact on the HRA is fully understood when a decision is made.

Other Protected Characteristics

90. We have identified no direct impacts for the following:

- Race
- Gender reassignment
- Marriage and Civil Partnership
- Religion or Belief – including lack of belief
- Sexual orientation.

Public Consultation

91. A programme of public consultation was undertaken with residents, businesses and stakeholders to seek views on the new budget proposals for 2023/24. This took place between 9 November 2022 and 10 January 2023. It included asking for feedback on the following proposals:

- Removal of the one-month council tax exemption for empty and unfurnished properties.
- Energy cost efficiency through the reduction of street lighting and switching to LED lighting.
- Increase in service charges, rent, and landlord controlled heating costs in council owned homes.

92. Southampton City Council is in a challenging financial position, at a time when demand for certain services such as adult and children's social care continues to increase and residents face the impact of significant rising costs to every day living. Therefore the aim of this consultation was to:

- Communicate clearly to residents and stakeholders the budget proposals for 2023/24
- Ensure any resident, business or stakeholder who wished to comment on the proposals had the opportunity to do so, enabling them to raise any impacts the proposals may have, and
- Allow participants to propose alternative suggestions for consideration which they feel could achieve the objectives in a different way.

93. Every effort has been made to ensure consultation is:

- Inclusive: so that everyone in the city has the opportunity to express their views.
- Informative: so that people have adequate information about the proposals, what different options mean, and a balanced and fair explanation of the potential impacts, particularly the equality and safety impacts.
- Understandable: by ensuring that the language we use to communicate is simple and clear and that efforts are made to reach all stakeholders, for example people who are non-English speakers or disabled people.
- Appropriate: by targeting people who are more likely to be affected and using a more tailored approach to get their feedback, complemented by a general approach to all residents, staff, businesses and partners.

- Meaningful: by ensuring decision makers have the full consultation feedback information so they can make informed decisions.
- Reported: by letting consultees know what we have done with their feedback.

94. The consultation was based around an online questionnaire and paper copies were also made available.

95. This Cumulative Impact Assessment has been updated and developed based on the final proposals and detail of individual ESIAs. It has also be informed by the feedback from residents and stakeholders as part of the public budget consultation.