

# Integrated Impact Assessment (IIA)

## Informing our approach to fairness

Proposal:	Housing Transition Programme
Date of assessment:	09 November 2023
Lead Officer:	Mark Nicholson
Assessment team:	Saskia Neibig, Alizon Carr Louise Reeve, Angela Hamilton, Kevin Johnston
Portfolio Area:	Dynamic City
Version:	1
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### Section A: Current service

#### 1. What does the service / function / policy do?

The Council owns over 24,000 homes. Since 2004, Your Homes Newcastle (YHN) has managed that housing for the Council. YHN colleagues deliver valued services and make an important contribution to people's homes and lives.

#### 2. Who do we deliver this service / function / policy for?

YHN delivers housing services to all Council tenants and leaseholders. There are 24,578 homes for rent, and 1,830 leasehold homes. The customer contact centre serves all residents of Newcastle.

#### 3. Why do we deliver this service / function / policy?

The council have legal responsibilities as a landlord, which YHN fulfils for the Council. These services help tenants and leaseholders.

The Council has said that it is a priority to make sure that everyone has access to housing that is fit for purpose.

#### **4. How much do we currently spend on this service / function / policy**

**Gross expenditure of YHN (not including YHN group subsidiaries):** £39,212,440

**Gross income of YHN (not including YHN group subsidiaries):** £37,987,770

**Net budget:** £1,224,670

**Gross expenditure budget of the Housing Revenue Account:** £125,322,470

**Gross income Budget of the Housing Revenue Account:** £124,609,020

**Net Budget:** £713,450

#### **Comments:**

Income and expenditure budgets held by YHN will transfer to the Council along with related services and colleagues.

The Housing Revenue Account (HRA) is a landlord account which keeps income from council tenancies separate from the General Fund. This income can only be used for certain defined transactions. Budget figures above comprise the entire ring-fenced budget. Only certain elements of this are included in this assessment, primarily the management fee paid to YHN every year to deliver landlord services (£28,051,210) and lease income from YHN house (£242,000).

#### **5. How many people do we employ to deliver this service / function / policy?**

**Number of employees:** YHN has 749 employees.

**Comments:** All of these colleagues are in scope of the legal process for transferring employees.

## **Section B: Proposal for future service**

### **How do we propose to change the service / function / policy?**

The Council reviewed the current arrangements for housing services and presented options to Cabinet in July. Transferring the management of housing services to the council was the option found to have the most benefits for tenants. Residents' opinion on this proposal was gained in September and October.

The proposal is to transfer services, employees and finances to the council in July 2024.

### **What evidence have we used to inform this proposal?**

The Council reviewed the management arrangements for housing services and presented options to [Cabinet in July](#). The options were informed by insights from other councils, and advice from Savills Affordable Housing Consultancy. This was informed by interviews with colleagues in the Council and YHN, as well as the budget and accounts of YHN, the HRA and the Council.

Residents' opinions on the proposals were gained in September and October.

The above work, and some scoping by the Council and YHN, has been used to inform a business case for this proposal.

### **What will be the financial impact of this proposal?**

Income and expenditure budgets held by YHN will transfer to the Council along with services and colleagues.

There will be some one-off costs to making the transfer. These costs are currently estimated to be in the region of £0.8m over the lifetime of the programme.

Managing housing services in a single organisation would present opportunities for efficiency. This could come from reducing the cost of governance and by integrating services. The estimated savings amount to £0.9m every year from 2025/26, with some of those savings beginning to be seen in 2024/25. The payback period is under two years, with net savings to the HRA from the financial year 2025/26. Total savings by 2033 are over £6m net.

A loan from NCC to YHN would need to be repaid from cash balances prior to transfer. A plan for debtors and creditors and cash balance repayments will be implemented, with minimal overall effect on balance sheets. The cost of leasing fleet vehicles would transfer from YHN to NCC with no impact. An NCC responsibility in relation to a pension guarantee would be removed on transfer, as all employees transferring to NCC would transfer along with their pension fund arrangements held in the Tyne and Wear Pension Fund.

Loans from the Council to Leazes Homes could continue as Leazes Homes remains a separate entity with a future outside of the Council or YHN Group. It is financially viable and loans are secured against properties. Continuing with these loans would help to benefit residents by supporting tenants of Leazes Homes, including those for whom the Council commissions care.

## **What will be the impact upon our employees of this proposal?**

Transfer of Undertakings (Protection of Employment) Regulations (2006), also known as TUPE, apply in this transfer. This protects the rights of employees when the work they do is transferred from one organisation to another. All 749 YHN staff will be in scope of a TUPE process, but people have a choice about transfer right up until the date of transfer, meaning that the total change in the Council's headcount won't be known with 100% certainty until the 1 July 2024. This process includes meaningful consultation with our recognised trade unions and staff affected in both organisations from the point of the decision to the point of transfer.

## **Section C: Consultation**

### **1. Who did we engage with to develop this proposal?**

#### **Who we have engaged with to develop this proposal**

The Council reviewed the management arrangements for housing services and presented options to [Cabinet in July](#). The options were informed by insights from other councils, and advice from Savills Affordable Housing Consultancy. This was informed by interviews with colleagues in the Council and YHN, as well as the budget and accounts of YHN, the HRA and the Council.

Residents' opinions on the proposals were tested in September and October 2023 – please see the section below for more details.

The above work, and some scoping by the Council and YHN, has been used to inform a business case for this proposal.

### **2. Who provided feedback during the consultation process? (to be completed post-consultation)**

#### **Who provided feedback in the consultation process**

4,323 tenants and leaseholders responded to the consultation. This makes up 14.7% of tenants and leaseholders. 202 residents who are not tenants or leaseholders responded to the consultation.

## **When / how**

Social Engine were commissioned to conduct the consultation. They conducted two short surveys, one of tenants and leaseholders, and one of the general public. The surveys ran for six weeks, from 1 September to 15 October 2024.

This was promoted on the Council website, social media channels and posters across the city. An invitation to respond to the survey and information explaining the proposed changes were sent to all tenants and leaseholders, via email, text message, a postal survey or a phone call. The outcomes of phone calls were:

- 51.6% of calls were not answered.
- 18.8% were the wrong number
- 11.3% were interviewed on the call
- 9.3% did not want to complete the survey
- 5.3% resulted in a message being left
- 2.1% arranged a call back
- 0.9% preferred to complete online
- 0.5% received a postal survey
- 0.2% had already completed the survey

Reminders were sent to tenants and leaseholders who had not yet completed the surveys. For the second half of the survey period, the reminders targeted tenants and leaseholders in wards where response rates were low relative to the share of council housing.

Information about the consultation was made available in easy-read, British Sign Language video and other formats. People could respond in person at the Jobs Fair in the Civic Centre, the Galafield Centre, West End CSC, St Martins Community Centre, City Library and Kenton CSC.

Voluntary and community service organisations were asked to respond.

Tenants, leaseholders and other residents were asked: “Do you support the proposal to transfer housing services managed by YHN back into the council?”

Tenants and leaseholders were asked: “Do you understand that the proposed changes will not affect your tenancy, rent or lease conditions?” People were also asked to comment on the proposals and asked for ideas for service improvement.

## **Main issues raised:**

85.7% of tenants and leaseholders supported the proposals. There was support for the proposals regardless of age, ethnicity, religion, sex, sexual orientation or disability. Although only a minority of Jewish respondents supported the proposal, the number of responses (3) was too small to provide a reliable finding, with a margin of error of +/-57%.

79.9% of all respondents who weren't tenants or leaseholders supported the proposals. The majority of tenants and leaseholders (87.1%) understood that the proposed changes would not affect their tenancy, rent or lease conditions. This was regardless of age, religion, sex, sexual orientation, disability or ethnicity. However, a minority did not understand that,

and there is a risk that tenants and leaseholders experience unnecessary worry and stress if they believe they are losing some of their rights. This risk is not equal across ethnic groups, as respondents of Asian / Asian British; Black / Black British and other ethnic backgrounds were less likely to understand that the terms of their rent, tenancy or leasehold would continue. This was statistically significant.

The comments on proposals and ideas for service improvement have been analysed by theme. Hopes for service improvements were a theme for those responding in favour of the proposals, and there were positive comments about YHN's support and services from those opposing the changes.

The appended report by Social Engine outlines the process and findings of the full consultation.

## **Section D: Impact assessment**

The section below sets out actual or potential disadvantages or benefits that may arise from implementing this proposal. This assessment is set out for people with characteristics protected by the Equality Act 2010 and other broader areas of potential impact.

### **People with protected characteristics**

#### **Age**

**Type of impact:** None.

**Detail of impact:** N/A

**How will this be addressed or mitigated?** N/A

#### **Disability**

**Type of impact:** None.

**Detail of impact:** N/A

**How will this be addressed or mitigated?** N/A

#### **Gender reassignment**

**Type of impact:** None

**Detail of impact:** N/A

**How will this be addressed or mitigated?** N/A

#### **Sex**

**Type of impact:** None

**Detail of impact:** N/A

**How will this be addressed or mitigated?** N/A

#### **Marriage and civil partnership**

**Type of impact:** None

**Detail of impact:** N/A

**How will this be addressed or mitigated?** N/A

## **Pregnancy and maternity**

**Type of impact:** None

**Detail of impact:** N/A

**How will this be addressed or mitigated?** N/A

## **Race and ethnicity**

**Type of impact:** Potential disadvantage

**Detail of impact:** The majority of tenants and leaseholders across all ethnic groups understood that there would be no impact on the terms of their rent, tenancy or leasehold wouldn't be affected by the transfer, however small number of people did not understand this. There is a risk that tenants and leaseholders could potentially experience unnecessary worry and stress, if they believe they are losing some of their rights. This risk is not equal across ethnic groups, as respondents from Asian/Asian British; Black/Black British and other ethnic backgrounds were less likely to understand the terms of their rent, tenancy or leasehold would continue. This was statistically significant.

**How will this be addressed or mitigated?** This transfer has no impact on tenancy, rent or lease conditions, but the council will communicate with residents to ensure that they are not needlessly concerned about a change to their tenancy, rent or lease conditions. This will include direct communications with tenants and leaseholders, as well as engagement with support and care colleagues. In order to engage with those ethnic groups who are more likely to be unsure, there will be targeted engagement through community champions and certain voluntary or community organisations. This may include providing information in additional languages.

## **Religion and belief**

**Type of impact:** None

**Detail of impact:** N/A

**How will this be addressed or mitigated?** N/A

## **Sexual orientation**

**Type of impact:** None

**Detail of impact:** N/A

**How will this be addressed or mitigated?** N/A

## Other potential impacts

### Carers

**Type of impact:** None

**Detail of impact:** N/A

**How will this be addressed or mitigated?** N/A

### People vulnerable to socio-economic impacts

**Type of impact:** Potential benefit.

**Detail of impact:** There will be greater alignment of housing and neighbourhood services following the transfer. There are opportunities in bringing all housing services together, helping us to put people at the heart of what we do. One of the areas for potential benefit could be support to tenants facing financial difficulty.

**How will this be addressed or mitigated?** In line with a resident-centered service offer, lessons should be learned from the findings of the consultation and used to inform meaningful change. Building on YHN's successes, this could deliver more alignment and accountability in services. Better alignment of strategy and delivery would improve the Council's ability to direct and deliver a whole-housing approach for residents.

### Businesses

**Type of impact:** None.

**Detail of impact:** There would not be any impact on businesses in general. The transfer of YHN services to the Council would involve the transfer of the shares of YHN's commercial trading subsidiary, Abri.

**How will this be addressed or mitigated?**

As a commercial trading subsidiary of YHN, Abri has multiple service offers with social and financial value:

- The Newcastle Furniture Service: Newcastle's affordable furniture service, helps to tackle furniture poverty, prevent debt, sustain tenancies and wellbeing, and reduces voids.
- Ostara 24-hour response and support service for residents who need emergency assistance if they fall or feel unwell.
- Palatine Beds, a manufacturer for both the retail and contract market, with a large customer portfolio. They offer some supported employment of disabled people.

The dividends that the Council has received from Abri Trading have contributed to funding resident services, alleviating pressure on the General Fund. The council would work with the YHN board to agree a transfer of YHN's four voting shares in Abri.



## Geography

**Type of impact:** Potential benefit.

**Detail of impact:** The greater alignment of housing and neighbourhood services following transfer will benefit areas with more council housing stock. The distribution of council housing by ward is as follows:

- Arthur's Hill 4.0%
- Benwell and Scotswood 4.7%
- Blakelaw 6.6%
- Byker 4.9%
- Callerton and Throckley 4.3%
- Castle 2.0%
- Chapel 0.0%
- Dene and South Gosforth 0.5%
- Denton and Westerhope 5.8%
- Elswick 8.3%
- Fawdon and West Gosforth 4.4%
- Gosforth 0.9%
- Heaton 1.0%
- Kenton 7.2%
- Kingston Park South and Newbiggin Hall 6.2%
- Lemington 3.3%
- Manor Park 1.8%
- Monument 1.9%
- North Jesmond 0.1%
- Ouseburn 5.3%
- Parklands 0.7%
- South Jesmond 0.8%
- Walker 13.3%
- Walkergate 5.7%
- West Fenham 3.7%
- Wingrove 2.5%

The distribution of responses to the consultation across wards was broadly geographically representative.

**How will this be addressed or mitigated?** The programme will deliver benefits in accountability, alignment and efficiencies for residents across the city. Residents in almost all wards will benefit.

## Community cohesion

**Type of impact:** None

**Detail of impact:** N/A

**How will this be addressed or mitigated?** N/A

## **Community safety**

**Type of impact:** Potential benefit.

**Detail of impact:** There will be greater alignment of housing and neighbourhood services following transfer. There are opportunities associated with bringing all housing services together, helping us to put people at the heart of what we do. One of the areas for potential benefit could be in tackling criminal or anti-social behaviour.

**How will this be addressed or mitigated?** In line with a resident-centered service offer, lessons should be learned from the findings of the consultation and used to inform meaningful change. Building on YHN's successes, this could deliver more alignment and accountability in services. Better alignment of strategy and delivery would improve the Council's ability to direct and deliver a whole-housing approach for residents.

## **Public Health**

**Type of impact:** None.

**Detail of impact:** N/A

**How will this be addressed or mitigated?** N/A

## **Climate**

**Type of impact:** None.

**Detail of impact:** N/A

**How will this be addressed or mitigated?** N/A