

The purpose of an Integrated Impact Assessment is to evidence that Aberdeen City Council is meeting its legislative duties by assessing the potential impacts of its policies and decisions on different groups of people and the environment. The legislation considered within this assessment is:

- Section 2 [Equality Act 2010 protected characteristics](#)
- Section 3 [Socio-Economic](#)
- Section 4 [Consumer Duty](#)
- Section 5 [Human Rights](#)
- Section 6 [Children and Young People’s Rights](#)
- Section 7 [Environmental impacts](#)

The term ‘policy’ is used throughout this document and applies to policies, proposals, strategies, provision, criteria, functions, practice, budget savings and activities that includes delivery of our services.

1. About the Policy

1.1 Title

HRA Budget 2025/26

1.2 What does this policy seek to achieve?

The Housing Revenue Account (HRA) covers costs related to tenancies, maintenance, and capital financing for social housing. It also funds major upgrades and improvements through revenue contributions to capital projects. As a subsection of the review of the housing revenue account budget proposals, there is a proposal to increase the Heat with Rent Charges. This charge is levied on those properties that benefit from having heating provided directly as part of the property they rent. The table below, available in Appendix 1 of the Housing Revenue Account budget report, shows the proposed weekly increases.

Heat with Rent – 48 week basis			Increase
	Previous	Proposed	per week
	£	£	£
Gas Heated Properties			
Bedsits	11.64	13.25	1.61
1 bed roomed flats	13.41	17.43	4.02
2 bed roomed flats	15.25	17.35	2.10
3 bed roomed flats	17.03	19.38	2.35
Electrically Heated Properties			
Bedsits	12.81	14.48	1.67
1 bed roomed flats	14.49	16.38	1.89
2 bed roomed flats	16.30	18.43	2.13
3 bed roomed flats	17.98	20.33	2.35
CHP Properties			
All 1 Bed roomed Properties	13.61	15.69	2.08
All 2 Bed roomed Properties	15.38	17.73	2.35

Some of the council’s housing properties operate with a communal heating system and the costs for these utilities are recovered from the tenants within these tenancies through a set supplementary charge on their rent account.

As heat with rent is not available to all tenants, the cost of providing the service, must be fully covered by the charge. Historically these charges have fluctuated as they are calculated based on energy costs and average consumption across the various schemes to ensure that increases and decreases in costs are reflected in the charges set.

Blocks within the following areas of the city has accommodation which provides this service, offering a weekly heating charge for tenants in: Seaton, Tillydrone, Stockethill, Linksfield, Cornhill, Woodside, Hazlehead, East Balnagask, Kincorth, Mastrick, King Street, Rosemount, Hilton, Holburn, South Sheddocksley, Balgownie, Gallowgate, Torry, Garthdee/Kaimhill, Middlefield, Sheddocksley, Northfield, Middleton, Denmore, Ashgrove, Summerhill, Dyce, Mannofield, Bucksburn, Peterculter, Rosehill and Old Aberdeen. The scheme is available across our sheltered housing, amenity and multi storey stock in the city. There is no option for tenants to opt out of this charge, and prior to agreeing to accept a property, prospective tenants are advised of this charge, and the fact that it is not eligible to be covered by housing benefit or universal credit.

Across these areas there are currently 3,846 tenancies with a heating charge attributed to their rent account, of these, 3,325 are single tenancies with 52% or these held by female compared to 48% held by males. 3% of tenants with the heating charge are aged between 16-24, 47% are aged between 25-65 and 50% are of state pension age and above. 406 households in tenancies that have the heating charge element have a child(ren) aged under 16 years old as part of the household. 38% of tenancies with the heating charge are in receipt of universal credit or housing benefit, with a total of 1,976 households currently in arrears.

There is targeted support offered by the [Scottish Government](#) for heating costs for those households who:

- Are on low income and who are also:
- Of pension age; or
- Have a disabled adult; or
- Are a family who have responsibility for either a child under the age of 5 or a disabled child.

The rationale for providing support to this group is to mitigate some of the increased costs that occur during the winter and to recognise that these households may be less able to afford the associated costs due to their level of income. In addition, these households are likely to have a higher need to keep their home warm due to disability, having a young child or being older and therefore spending more time indoors. Tenants may be able to access this support.

As part of achieving the financial sustainability of the HRA, it is proposed to approve the increase in the heat with rent charges, to ensure that costs are met through the charging, these increased charges would take effect from 07 April 2025.

1.3 Is this a strategic programme/proposal/decision?

Yes

1.4 Is this a new or existing policy?

Existing

1.5 Is this report going to a committee?

Yes

1.6 Committee name and date:

Council: 11 December 2024

1.7 Report no and / or Budget proposal number and / or Business Case reference number:

CORS/24/356

1.8 Function and cluster:

Corporate Services, Finance

Impacts

Aberdeen City Council has a legal requirement as a public sector organisation to assess the impact of its work on equality groups and assess against human rights, children’s rights and our socio-economic duty. This is our Public Sector Equality Duty (PSED). The PSED has three key parts:

- Eliminate unlawful discrimination, harassment, victimisation or any other prohibited conduct.
- Advance equality of opportunity.
- Foster good relations by tackling prejudice, promoting understanding.

This following five sections in the Integrated Impact Assessment demonstrate that these considerations that have been made in the policy, that the impact of proposals made is understood and accepted, and what mitigating steps can be taken to reduce any negative impact of the policy.

2: Equality Act 2010 - Protected Characteristics

Aberdeen City Council wants to ensure everyone is treated fairly. This section identifies what impact the policy may have on people with [protected characteristics](#).

2.1 What impact could this policy have on any of the below groups?

Protected Characteristic	Negative			Neutral	Positive
	High	Medium	Low		
Age		√			
Disability		√			
Gender Reassignment			√		
Marriage and Civil Partnership			√		
Pregnancy and Maternity		√			
Race			√		
Religion or Belief			√		
Sex			√		
Sexual Orientation			√		

2.2 In what way will the policy impact people with these protected characteristics?

The increased charges will have a potential adverse impact on some groups with protected characteristics. The heating charge is an ineligible service charge for benefits, which means it is not, and would not be covered directly by housing related benefits (UC or Housing Benefit). It is also worth noting that there is not an option to opt out of this charge, for some tenants within blocks that are not covered by this scheme they may make a decision not to heat their homes, this charge is set (dependent on the type of the scheme) and is levied irrespective of individual usage.

Age: 3% of tenants with the heating charge are aged between 16-24, 47% of tenants with the heating charge are aged between 25-65 and 50% of tenants with the heating charge are state pension age and above. People who are on a low fixed income, including income provided through benefits, and those on a state pension are likely to have a medium negative impact by this increase.

Disability: Our Housing System (NEC) does not hold accurate data on disabilities/health as people may not wish to disclose this information, or it may have not been collected. Data was extracted from the Financial Inclusion Team case management system covering the last two years of Council tenants who have been supported by the service in dealing with rent arrears. This evidenced that 68% of clients had a recorded health issue, it is not however possible to map this 68% across the tenancies that have a heat with rent charge to better understand the impact on this group. However, data published by the Scottish Government evidence nationally poverty remains high for households in which somebody is disabled compared to those where no-one is disabled ([Poverty and Income Inequality in Scotland 2020-23](#)). We have been unable to analyse if this difference is felt more acutely by households who do or do not have the heat with rent charge applied.

Pregnancy and Maternity: Pregnancy brings a period of sudden increased financial pressure and sustained financial challenges are a key consideration following the birth of a baby. This can increase the risk of entering poverty, especially for families who are living just above the poverty line prior to the birth of their child.

Race: There is a higher proportion of tenants with the heating charge who are of a white ethnic origin (94.2%), and the remaining 5.8% is split between 0.3% of mixed ethnic groups, 0.4% of Asian ethnic groups, 0.5% of Black ethnic groups, 0.6% of other ethnic groups, and 4.0% where no data is recorded.

Sex: There are 3,325 single tenancies with 52% of these held by female versus 48% held by males. 4% of females are likely to have a higher impact than males.

Gender Reassignment, Religion or Belief and Sexual Orientation:

Information on other characteristics is not available / disclosed at the time of collection and has been marked as neutral or low. While there is no robust data relating to the characteristics, we do acknowledge that there may be other barriers that these groups might face when accessing services.

2.3 What considerations have been made in reaching the above assessment?

What internal or external data has been considered? What does this data tell us?

Internal data held within our housing database has been considered, and is listed below.

There are currently 3,846 tenancies with a heating charge attributed to their rent account, of these, 3,325 are single tenancies with 52% of these held by female versus 48% held by males. 3% of tenants with the heating charge are aged between 16-24, 47% are aged between 25-65 and 50% are of state pension age and above. 406 households in tenancies that have the heating charge element have a child(ren) aged under 16 years old as part of the household. 38% of tenancies with the heating charge are in receipt of universal credit or housing benefit, with a total of 1,976 households currently in arrears.

External data regarding poverty and inequality published by the Scottish Government has also been considered ([Poverty and Income Inequality in Scotland 2020-23](#)). This data shows that whilst child poverty and pensioner poverty has reduced and now remains relatively stable, poverty for those who are of working age is increasing.

The data tells us that some households are already struggling to pay for their heat with rent, as 1,976 households are in arrears.

What consultation and engagement has been undertaken with officers and partner organisations?

The report was consulted on internally, across the following service areas: Financial Inclusion Team, Capital, Corporate Landlord and Housing.

What consultation and engagement has been undertaken with people who may be impacted by this policy?

We do not consult on the Heat with Rent Charges as this charge must be covered by the income received and should not impact on other tenants who do not pay Heat with Rent. The increases proposed are in line with a review of consumption and costs, of the scheme, to ensure that increased energy costs can be offset by increased charges. Due to this charge only being applicable for some tenants, the scheme is designed to ensure costs are fully met through charges.

It is understood that increases in energy prices are impacting many households, including Aberdeen City Council tenants who do not currently benefit from living in a block that is part of the heat with rent scheme. The proposed increases continue to benefit from the 5% VAT charges not being passed on to tenants and continue to be a set amount each week, supporting the opportunity to have certainty around heating costs.

2.4 What mitigations can be put in place?

What can be done to remove or reduce any negative impacts of this policy (if applicable)?

Despite proposed increases to the heat charges for properties covered by these schemes, the overall cost to tenants is still below the Energy Price Guarantee, ensuring tenants can heat their homes at a rate which is below the energy price guarantee. It is proposed that the Rent Assistance Fund is continued into 2025/26 which if continued will provide targeted support for tenants in financial difficulties.

With mitigations in place, what is the new overall rating of the negative impact(s)?

High	
Medium	√
Low	
Negative Impact Removed	

3: Socio-Economic Impacts

Aberdeen City Council has a duty to reduce the inequalities of outcome that can arise from socio-economic disadvantage. This section is used to consider what impact the policy may have on people experiencing socio-economic disadvantage – and how any inequalities of outcome arising from the policy can be reduced.

Use this guide to understand more on socio-economic inequalities: [The Fairer Scotland Duty: Guidance for Public Bodies \(www.gov.scot\)](http://www.gov.scot)

3.1 What impact could this policy have on people who experience the following aspects of socio-economic disadvantage?

	Negative	Neutral	Positive
Low income – those who have insufficient earnings to meet basic needs, such as food, clothing, housing, or utilities.	√		
Low/ no wealth – those who have no savings for unexpected spend or provision for the future.	√		
Material deprivation – those who cannot afford or access goods or services that are considered essential or desirable for a decent quality of life, such as food, clothing, heating, transport, internet, cultural, recreational and social activities.	√		
Area deprivation – those who live in an area with poor living conditions, such as higher levels of crime, pollution, noise, congestion, or lack of infrastructure, amenities, or green spaces.		√	
Socio-economic background – social class, parents’ education, employment, income.		√	

3.2 In what way will the policy impact people experiencing socio-economic disadvantage?

The policy, which results in higher heat with rent charges, will affect those experiencing socio-economic disadvantage however, the overall cost to the tenant is below the Energy Price Guarantee.

3.3 What considerations have been made in reaching the above assessment?

What internal or external data has been considered? What does this data tell us?

According to a [report](#) by the Scottish Government, fuel poor households with low levels of energy efficiency are more likely to have at least one member who has a long-term illness or disability (56%) when compared to non-fuel poor households in similarly inefficient homes (41%) across Scotland. This data helps us understand how to better target support where it is needed and how to communicate any changes that might take place.

What consultation and engagement has been undertaken with officers and partner organisations?

The report was consulted on internally, across the following service areas, financial inclusion, capital, corporate landlord and housing.

What consultation and engagement has been undertaken with people who may be impacted by this policy?

We do not consult on the Heat with Rent Charges as this charge must be covered by the income received and should not impact on other tenants who do not pay Heat with Rent. We will write to tenants to advise them what the new charges will be at least 28 days before any agreed increase takes effect.

3.4 What mitigations can be put in place?

What can be done to reduce any negative impacts of this policy (if applicable)?

This policy offers tenants to receive a heat charge which is below the Energy Price Guarantee, however, 62% of all tenants with the heat with rent charge are on benefits so may struggle with this increase.

Awareness campaigns can ensure tenants understand the benefit system and how to access it, using newsletters, social media, and community outreach. Collaboration with the Financial Inclusion Team and SCARF can provide tailored advice on budgeting, debt management, and energy efficiency. This support ensures tenants can make the most of available resources while managing overall household expenses effectively.

Efforts should also focus on promoting the Rent Assistance Fund (RAF) to help tenants struggling with rent arrears. It is proposed that the Rent Assistance Fund is continued into 2025/26 which, if continued, will provide targeted support for tenants in financial difficulties.

Encouraging the use of benefit calculators and offering guidance on applying for unclaimed benefits can increase eligibility for additional schemes, such as the Warm Home Discount. Directly targeting families likely to qualify for these benefits ensures that support reaches those most in need.

If mitigations are in place, does this remove or reduce the negative impact?

No – negative impact remains

Yes – negative impact reduced

Yes - negative impact removed

√

4: Consumer Impacts

The Consumer Scotland Act 2020 places a Consumer Duty on the public sector to put consumer interests at the heart of strategic decision-making, emphasising the need for accessible and affordable public services, especially during times of financial pressure. This person-centred approach is intended to result in better quality services and outcomes for the public as consumers of public services across Scotland.

This section of the IIA is used to consider the impact of the policy on consumers of any services that the policy is intended to change.

Use this guide to understand more on the consumer duty: [How to meet the consumer duty: guidance for public authorities](#)

4.1 What impact could this policy have on any of the below consumer groups?

	Negative	Neutral	Positive
Individuals	√		
Small businesses		√	

4.2 In what way will the policy impact people in these consumer groups?

Individuals who are tenants who receive heat with rent will experience an increase in charges. These impacts have been captured as part of the whole assessment and how it impacts different groups of individuals.

4.3 What mitigations can be put in place?

What can be done to remove or reduce any negative impacts of this policy (if applicable)?

This policy offers tenants to receive a heat charge which is below the Energy Price Guarantee. The mitigations have also been assessed as part of each group and their needs.

It is proposed that the Rent Assistance Fund is continued into 2025/26 which, if continued, will provide targeted support for tenants in financial difficulties.

If mitigations are in place, does this remove or reduce the negative impact?	No – negative impact remains	
	Yes – negative impact reduced	√
	Yes - negative impact removed	

5: Human Rights Impacts

The Human Rights Act 1998 sets out the fundamental rights and freedoms that everyone in the UK is entitled to. It incorporates the rights set out in the European Convention on Human Rights (ECHR) into domestic British law. The Human Rights Act came into force in the UK in October 2000

The Act sets out our human rights in a series of 'Articles'. Each Article deals with a different right.

Use this guide to understand more about [Human Rights](#).

5.1 What impact could this policy have on Human Rights?

Human Rights Article	Negative	Neutral	Positive
Article 2: Right to life		√	
Article 4: Prohibition of slavery and forced labour		√	
Article 5: Right to liberty and security		√	
Article 6: Right to a fair trial		√	
Article 7: No punishment without law		√	
Article 8: Right to respect for private and family life, home and correspondence		√	
Article 9: Freedom of thought, belief and religion		√	
Article 10: Freedom of expression		√	
Article 11: Freedom of assembly and association		√	
Article 12: Right to marry and start a family		√	
Article 14: Protection from discrimination in respect of these rights and freedoms		√	
Article 1 of Protocol 1: Right to peaceful enjoyment of your property		√	
Article 2 of Protocol 1: Right to education		√	
Article 3 of Protocol 1: Right to participate in free elections		√	

5.2 In what way will the policy impact Human Rights?

No identified impact on Human Rights has currently been identified. We do however acknowledge that any potential impact may vary depending on an individual's physical or mental health condition, sex, age and other vulnerabilities.

5.3 What mitigations can be put in place?

What can be done to remove or reduce any negative impacts of this policy (if applicable)?

The provision of benefits and support is aimed at mitigating any such negative issues that might arise.

If mitigations are in place, does this remove or reduce the negative impact?

No – negative impact remains

Yes – negative impact reduced

Yes - negative impact removed

6: Children and Young People’s Rights Impacts

The United Nations Convention has 54 articles that cover all aspects of a child’s life and set out the civil, political, economic, social and cultural rights that all children everywhere are entitled to. It also explains how adults and governments must work together to make sure all children can enjoy all their rights.

Children’s rights apply to every child/young person under the age of 18 and to adults still eligible to receive a “children’s service” (e.g. care leavers aged 18 – 26 years old).

There are 4 articles known as the “General Principles”. They help to interpret the other articles. They are:

1. Non-discrimination (Article 2)
2. Best interest of the child (Article 3)
3. Right to life survival and development (Article 6)
4. Right to be heard (Article 12)

For ease, the articles have been grouped in three categories to support assessments against the Convention, those most directly related to the **PROVISION** of services, those most directly related to the **PROTECTION** of children and young people, and those to encourage their active **PARTICIPATION in decision making**. You can [read the full UN Convention \(pdf\)](#), or [just a summary \(pdf\)](#), to find out more about the rights that are included.

6.1 What impact could this policy have on the rights of Children and Young People?

	Negative	Neutral	Positive
PROVISION			
Article 2: non-discrimination	√		
Article 3: best interests of the child provision and protection	√		
Article 5: parental guidance and a child's evolving capacities		√	
Article 16: right to privacy		√	
Article 17: access to information from the media		√	
Article 18: parental responsibilities and state assistance		√	
Article 22: refugee children		√	
Article 23: children with a disability		√	
Article 24: health and health services		√	
Article 26: social security		√	
Article 27: adequate standard of living	√		
Article 28: right to education		√	
Article 29: goals of education		√	
Article 30: children from minority or indigenous groups		√	
Article 31: leisure, play and culture		√	
Article 39: recovery from trauma and reintegration		√	
Article 40: juvenile justice		√	
PROTECTION			
Article 6: life, survival and development	√		
Article 7: birth registration, name, nationality, care		√	
Article 8: protection and preservation of identity		√	
Article 9: Separation from parents		√	
Article 10: family reunification protection		√	
Article 11: abduction and non-return of children		√	
Article 15: freedom of association		√	

Article 19: protection from violence, abuse and neglect		√	
Article 20: children unable to live with their family		√	
Article 21: adoption		√	
Article 25: review of treatment in care		√	
Article 33: drug abuse		√	
Article 34: sexual exploitation		√	
Article 35: abduction, sale and trafficking		√	
Article 36: other forms of exploitation		√	
Article 37: inhumane treatment and detention		√	
Article 38: war and armed conflicts		√	
Article 32: child labour		√	
PARTICIPATION			
Article 12: respect for the views of the child		√	
Article 13: freedom of expression		√	
Article 14: freedom of thought, belief and religion		√	
Article 42: knowledge of rights		√	

6.2 In what way will the policy impact the rights of Children and Young People?

There will some degree of potential impact on children and young people most likely on Articles, 2, 3, 6 and 27 as a direct or indirect result of the impact on their parent or carer who look after and provide for them.

6.3 What mitigations can be put in place?

What can be done to remove or reduce any negative impacts of this policy (if applicable)?

The council's strategic Children's Plan embeds support in the following areas which will remove or reduce negative impact.

- Whole Family Support: supporting families (of all shapes and sizes) with a focus on what support works to keep families together and support wider families to care, ensuring that support feels coherent, holistic and relational
 - Trauma: delivery of early and preventative trauma informed support across all services
 - Children's Rights: embedding a rights-respecting approach into all services and ensuring that rights of the child, their own needs and their voice is at the centre of decisions about what is best for them
 - Poverty: ensuring that our local services know and understand the impact of poverty and work to reduce the number of children growing up in poverty and the negative outcomes associated with that
 - Participation: involve the care community and lived experience in our plans to #KeepthePromise by working with families to redesign the services available to them to make them work better for those that use them

If mitigations are in place, does this remove or reduce the negative impact?

No – negative impact remains

Yes – negative impact reduced

Yes - negative impact removed

√

7: Environmental Impacts

Aberdeen City Council has a duty to meet its legal environmental responsibilities by working towards Net Zero emissions, adapting to climate change, and acting in a way it considers most sustainable. We must also fulfil the [biodiversity duty](#) and [sustainable procurement duty](#).

This section in the Integrated Impact Assessment demonstrates that these considerations that have been made in the policy, that the impact of proposals made is understood and accepted, and what mitigating steps can be taken to reduce any negative impact of the policy.

Use this guide to understand more on the legal climate change duty: [Climate change - gov.scot \(www.gov.scot\)](#) and find out more about how Aberdeen is adapting to Climate Change: [Aberdeen Adapts | Aberdeen City Council](#)

7.1 What is the impact of this policy on any of the below climate, environmental and waste considerations?

	Negative	Neutral	Positive
Council or City-wide carbon emissions			✓
Active and sustainable travel		✓	
Facilities for local living			✓
Resilience and adaptability to flooding and weather events			✓
Biodiversity improvement and wildlife/habitat connectivity		✓	
Water consumption and drainage		✓	
Pollution (air, water, noise, light and land contamination)			✓
Impact on resource use and waste			✓
Sustainable procurement of goods and services		✓	

7.2 In what way will the policy impact the environment?

No negative impacts on Environmental Impacts have been identified. The provision of district heating and heat with rent as a wider policy has positive impacts on carbon emissions, resilience and adaptability, pollution and use of resources. The proposed increase allows the delivery of heat with rent to be sustainable moving forward. We do however acknowledge that any potential impact may vary depending on an individual's physical or mental health condition, sex, age, income and other vulnerabilities.

7.3 What considerations have been made in reaching the above assessment?

What internal or external data has been considered? What does this data tell us?

District heating is widely recognised as reducing carbon emissions and providing a sustainable approach to heating social housing.

What consultation and engagement has been undertaken with local groups, partner organisations, experts etc? Where required, identify any other environmental assessments that have been completed.

No consultation undertaken on heat with rent increases.

7.4 What mitigations can be put in place?

What can be done to remove or reduce any negative impacts of this policy (if applicable)?

Continue to develop our data and understanding around environmental impacts.

If mitigations are in place, does this remove or reduce the negative impact?	No – negative impact remains	
	Yes – negative impact reduced	
	Yes - negative impact removed	

8: Sign Off

Any further positive or negative impacts on individuals or groups that have been considered?

There are no anticipated impacts on staff as a result of this policy. Any changes in increased charges will be implemented digitally.

There are no further positive or negative impacts to highlight.

Does the policy relate to the Council's [Equality Outcomes](#)? If yes, how:

No

Overall summary of changes made to the policy as a result of impact assessment.

No changes

Outline how the impact of policy will be monitored.

Cost of energy is monitored on an ongoing basis.

If there are any remaining negative impacts after mitigation, what is the justification for why this policy should proceed.

Heat with Rent offers tenants energy at below the energy price guarantee. Not all ACC properties have heat with rent therefore won't be offered to every tenant. Where a property has this type of heating, it's a standard additional charge that is applied to the rent account. Support via the Financial Inclusion Team will be offered to those eligible to apply.

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Date	21/11/24
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Date	4/12/24