

Summary: Intervention & Options

Department /Agency:
**Communities & Local
Government**

Title:
**Impact Assessment of Residential Leasehold Reform -
Providing service charge payers with Regular
Statements of Account**

Stage: Final

Version: 4 (see Ev Base)

Date: November 2007

Related Publications: Consultation paper - "A Consultation Paper on Regular Statements of Account and Designated Client Accounts" - July 2007.

Available to view or download at:

<http://www.communities.gov.uk>

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What is the problem under consideration? Why is government intervention necessary?

Service charge payers can be asked to hand over large sums of money to their landlord or manager (the payee) to pay for the upkeep of their property. Legislation provides some protection for this money including the right to ask for a summary of service charges and to see supporting documents, but regular information does not have to be provided unless the lease requires this of the landlord, making it easier for abuses to take place.

Information received from stakeholders to CLG and LEASE over a number of years has highlighted this as an area that needs addressing through regulation.

What are the policy objectives and the intended effects?

To provide service charge payers with improved transparency and safeguards in respect of the service charges that they pay by making amendments to section 21 of the Landlord and Tenant Act 1985 (the 1985 Act), as amended by section 152 of the Commonhold and Leasehold Reform Act 2002 (the 2002 Act), at the same time as other associated measures. This particular measure will ensure that a minimum level of accounting information is received, explaining in sufficient detail how service charge monies have been spent and any balances held at the end of the accounting period.

What policy options have been considered? Please justify any preferred option.

1. Not implement the amendments and repeal section 152 of the 2002 Act.
2. Commence section 152 of the 2002 Act and the amendments to the 1985 Act, together with supporting regulations (preferred option). This option will provide in conjunction with other measures the transparency and protection sought in relation to service charge monies whilst providing payees with the flexibility that will help to minimise burdens and the costs that will be passed onto service charge payers.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? 10/2012

Ministerial Sign-off For final proposal/implementation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

..... Date:

Summary: Analysis & Evidence

Policy Option: 1

Description: Not implement and repeal section 152

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Landlords/ managers (payees) recovering service charges would not need to provide anything in addition to what they already do, or what existing legislation would require of them when asked to provide a summary. No extra costs would be incurred with this option for either payees or the tenants paying service charges.
	One-off (Transition)	Yrs	
	£ None		
	Average Annual Cost (excluding one-off)		
£ Unchanged		Total Cost (PV)	£
Other key non-monetised costs by 'main affected groups' Continued difficulties would be experienced by some tenants in obtaining sufficient information about what their service charge money is being used for and ensuring it is not being misapplied. Any existing tension between parties caused by a lack of relevant information would continue.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Landlords/managers recovering service charges in the residential sector and the tenants paying those charges will not incur any additional costs.
	One-off	Yrs	
	£ None		
	Average Annual Benefit (excluding one-off)		
£ Unchanged		Total Benefit (PV)	£
Other key non-monetised benefits by 'main affected groups' None identified.			

Key Assumptions/Sensitivities/Risks There is currently no statutory requirement to provide a regular statement accounting for service charges. The existing right for a tenant to request a summary does not guarantee a sufficient level of transparency and is felt to be ineffective.

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £
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What is the geographic coverage of the policy/option?		England/Wales	
On what date will the policy be implemented?		N/A	
Which organisation(s) will enforce the policy?		Local Authority	
What is the total annual cost of enforcement for these organisations?		£ Unknown	
Does enforcement comply with Hampton principles?		Yes	
Will implementation go beyond minimum EU requirements?		No	
What is the value of the proposed offsetting measure per year?		£ N/A	
What is the value of changes in greenhouse gas emissions?		£ No change	
Will the proposal have a significant impact on competition?		No	
Annual cost (£-£) per organisation (excluding one-off)	Micro None	Small None	Medium None
Are any of these organisations exempt?	No	No	N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)	
Increase of £	Decrease of £	Net Impact	£

Key:	Annual costs and benefits: Constant Prices	(Net) Present Value
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Summary: Analysis & Evidence

Policy Option: 2

Description: Amend and implement section 152 together with supporting regulations (preferred option)

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Landlords/ managers recovering variable service charges and the tenants paying those charges. The amended proposals should substantially reduce many of the costs highlighted in responses to previous proposals.
	One-off (Transition)	Yrs	
	£ See Ev Base		
	Average Annual Cost (excluding one-off)		
	£ See Ev Base		Total Cost (PV) £
Other key non-monetised costs by 'main affected groups' Where additional admin burdens (and costs) are incurred by landlords/managers which are passed on to tenants, this could create initial tension between the parties. However, recognising the benefits of this option, any negative impact is expected to be offset by those benefits.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' The increased transparency and stronger sanctions that this and associated measures will produce in relation to service charge monies should mean a reduction in the number of disputes that will arise in relation to those monies and a corresponding reduction in the number of such disputes going to LVTs.
	One-off	Yrs	
	£ See Ev Base		
	Average Annual Benefit (excluding one-off)		
	£ See Ev Base		Total Benefit (PV) £
Other key non-monetised benefits by 'main affected groups' The greater transparency that will be provided to tenants in relation to how their service charge monies are accounted for, the ability to invoke appropriate sanctions where legislation is not complied with and the potential for easier detection of fraud if it occurs, will provide reassurance to those tenants.			

Key Assumptions/Sensitivities/Risks Assumption that the vast majority of landlords/managers will comply creating increased levels of transparency in respect of service charge monies. Risks - increased withholding of service charge monies although this is considered an effective and reasonable means of ensuring compliance.

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £
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What is the geographic coverage of the policy/option?		England and Wales	
On what date will the policy be implemented?		Expected April 2009	
Which organisation(s) will enforce the policy?		Tenants (using rights)	
What is the total annual cost of enforcement for these organisations?		£ 0 (see EV Base)	
Does enforcement comply with Hampton principles?		Yes	
Will implementation go beyond minimum EU requirements?		N/A	
What is the value of the proposed offsetting measure per year?		£ N/A	
What is the value of changes in greenhouse gas emissions?		£ None anticipated	
Will the proposal have a significant impact on competition?		No	
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium Large
Are any of these organisations exempt?	No	No	N/A N/A

Impact on Admin Burdens Baseline (2005 Prices)			(Increase - Decrease)
Increase of £	Decrease of £	Net Impact	£

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

Background to the RIA

The Commonhold and Leasehold Reform Act 2002 (section 152) contains provisions that set out to address the deficiencies highlighted by stakeholders where accounting for service charges is concerned. These have not yet been implemented.

Information arising from the previous consultation paper - "Accounting for Leaseholders Monies & summaries of tenants rights and obligations" carried out in June 2004 on these same issues, has been updated as a result of the latest consultation paper – "A Consultation Paper on Regular Statements of Account and Designated Client accounts" published in July 2007, where possible. Monetary information has been given where possible, taking account of information obtained from the consultation exercises and from continuing dialogue with stakeholders although it should be noted that it has been difficult to establish actual costs with any certainty, in particular any additional costs that may be incurred. This is partly due to the nature of the measure and the fact that any additional costs will only become clear once the detailed requirements to be specified in regulations (and which forms part of the 2007 consultation) are implemented and landlords/managers (payees) are able to assess more accurately the extent to which changes are required to their current practices.

The problem and reason for government intervention

Tenants can be asked to hand over large sums of money (service charges) to payees to pay for works and services. Existing legislation does provide tenants with the right to request a summary setting out the costs upon which their service charges are based, together with the amounts received from and balances held on behalf of tenants required to pay those charges. There are also additional rights to inspect supporting documentation such as accounts and receipts. However, regular information does not have to be provided to service charge payers unless the lease requires this of the landlord, making it more difficult to obtain the information required to assess value for money and detect any fraud. Information received from service charge payers over a number of years leading up to the Commonhold and Leasehold Reform Act 2002, and since, highlights and supports the need for intervention in this area.

The majority of respondents to previous consultation exercises on the subject also agreed that tenants should be supplied with better and clearer accounting information which would when combined with other measures being proposed, help ensure that any misappropriation of funds would be easier to discover.

Examination of the existing rights and the enforcement procedures available indicated that these needed to be improved upon to better ensure that tenants receive regular and sufficient detail about the costs that they are contributing towards, and could see whether their service charge monies are being used for the purpose for which they were provided.

The objective

We wish to increase transparency in relation to service charge monies by providing for tenants to receive information that accounts sufficiently for the service charges that they have to pay, make it easier for them to discover any fraudulent activity and introduce more effective sanctions where a payee fails to comply with the law. This is part of a package of measures aimed at improving the rights of tenants to information about their service charge monies.

Extent of Consultation

Public consultation took place on this provision in November 1998 and again in August 2000 as part of the Draft Bill and Consultation Paper. An informal discussion paper was then sent to key stakeholders for comment in January 2003 after the Commonhold and Leasehold Reform Act 2002 (the 2002 Act) received Royal Assent in May 2002) and a public consultation exercise took place in June 2004 on the detail of what should be contained in regulations. A further consultation exercise took place in July 2007 following the redevelopment of the original proposals. Included as part of these consultations were:

Within Government

The Small Business Service
Local Government Association
Association of London Government
London Councils
CLG

Public consultation

Public consultation has taken already place with over 600 stakeholder organisations and individuals. These include:

Association of Residential Managing Agents
Federation of Private Residents Association
Campaign for the Abolition of Residential Leasehold
The Leasehold Advisory Service
Association of Retirement Housing Managers
Council of Mortgage Lenders
Housing Corporation
Housing Ombudsman
Institute of Chartered Accountants in England and Wales
Association of Chartered Certified Accountants
The Law Society
Royal Institution of Chartered Surveyors
British Property Federation
Financial Services Authority
Chartered Institute of Public Finance and Accountancy
National Housing Federation

Various financial institutions were also consulted, together with other leaseholder representative groups and tenants associations, and individuals who had responded to previous consultation exercises on similar issues. A number of face to face meetings and discussions have also been held, as well as visits to stakeholders.

Prior to, during and subsequent to the public consultation exercises, communication and dialogue has taken place with stakeholders and others, including landlords, tenants and managing agents etc. As a result of the extensive stakeholder engagement that has taken place and the comments received section 152 of the 2002 Act has been redeveloped.

Policy Options

Option 1

Not implement the amendments and repeal section 152 of the 2002 Act

Economic costs and benefits

Landlords/Managers (payees) - Their position will remain the same. There will be no additional costs or administration incurred because they will be able to continue with their current regime. The current requirements specify a limited amount of detail about the information that should be supplied when a summary is requested and the overall statutory rules in relation to accounting for service charges do not necessarily deliver what could be seen as an acceptable level of transparency.

Tenants - Their position would remain the same. They would not have to pay any additional costs, but would also not benefit from the additional transparency, protection or sanctions afforded by

option 2 below. There are also concerns about the adequacy of existing sanctions for any failure by a payee to comply with a request by a tenant for a summary of service charges.

Enforcement

Tenants can ask a local authority to take proceedings where a payee fails to comply with the requirement to provide a summary of service charges, but there is no duty on the local authority to do so. Otherwise, tenants would have to take a private action for non-compliance. There is currently no statutory right for a tenant to withhold service charges.

Other Impacts

See annex for further details.

Option 2

Commence section 152 of the 2002 Act and the amendments to the 1985 Act, together with supporting regulations. (preferred option).

Economic costs and benefits

Landlords/Managers (payees) – Some additional costs may arise for some payees if regulations were to prescribe the form and content for the statement and establish specific requirements and guidelines for accountants in relation to reports supporting the statement, since these would not necessarily correspond with how those payees currently account for service charges. This will be the case particularly for those payees who are currently supplying little or no accounting information. There has also been concern from payees about allowing service charge payers to withhold service charge monies if an appropriate statement and report is not provided and that this will lead to cash flow problems for landlords. However the ability to withhold service charges is considered to be an appropriate means of ensuring that tenants receive the required information.

The 2004 paper put forward specific proposals for the content of the statement of account and the requirements for the supporting accountant's certificate. A large number of respondents stated that there would be initial costs in setting up new IT systems and thereafter an increase in running costs. However there were particular concerns from local authorities and some registered social landlords about the potential costs of the proposals. For local authorities these concerns were based upon how they are currently required to account for expenditure on their housing stock under other legislation (the Housing Revenue Account).

The significant additional costs previously identified as being incurred for social landlords because of specific amendments needed to their statements of account would be minimised by the amended proposals. For example, one of the larger London authorities previously estimated that their set up costs in order to produce the information in the statement proposed in the consultation exercise of 2004 could be up to £1.4m, with ongoing costs of £0.9m per year. While the same authority has commented on the redeveloped proposals in the 2007 consultation paper and raised a number of issues, no confirmation of the original estimates was provided.

Following the 2004 consultation paper, estimates were also put on the cost of providing the accountant's certificate that would have been required, which ranged from £12.24 per lessee to total costs of £1.86m for a registered social landlord. One housing association member of the NHF estimated that the certificate could cost £25k across their estate to provide. More recently proposals have been developed by members of a working party which included the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants, the Association of Residential Managing Agents and CLG to replace the requirement for a certificate with a more flexible approach involving the provision of a report. Whilst providing greater certainty about the work required this should also allow the accountant some flexibility in deciding the checks that are most appropriate in each particular case. The working party considered that the cost of providing an accountant's report (rather than a certificate) could be around £1500 for service charge expenditure up to £20k rising to £4k for expenditure up to £50k. However the actual cost in each case will depend upon a number of factors such as the record keeping of the landlord and the size and complexity of the relevant transactions. Therefore some responses to the 2007 paper that have highlighted and based any cost estimates on the £1500 figure may not be that representative and the actual figure could be lesser or greater depending on the individual circumstances. Revised exemption(s) from the need to provide a report have been considered in this light in order to help ensure that whilst disproportionate costs are not incurred in the provision of such reports, they are provided where thought necessary.

Some additional information has been forthcoming following the 2007 consultation exercise in respect of potential costs for local authorities (LAs) or RSLs in particular, although it has proved difficult to extrapolate it into possible costings that could be regarded as reliable. This has been the case with previous consultation exercises. In some instances the figures provided may have been based upon an assumption that there was less flexibility available within the provisions than is in fact the case. In addition, whilst some landlords estimated the cost of providing the report required (as outlined above), others based their costings upon the ballpark figure of £1500 identified in the Consultation Paper.

The information provided most recently by LAs & RSLs was based upon different criteria in each instance, ranging from £3 to £15 per unit for the accountant's report compared to £17 per unit for one off costs and £16 pa per tenant for ongoing costs of providing the statement and a £25 increase on the average service charge bill in total. These figures do need to be considered alongside the fact that leaseholders have sought improvements to their position where service charge accounting is concerned and the benefits that will eventually result. It is also unclear from the information received whether the figures provided are for additional costs or whether in fact they include costs that may already be incurred where service charge information is provided.

However it would seem that the amended requirements included in the latest proposals should mitigate many of the costs originally identified as applying to all payees. This includes the removal of the need for an individual statement which itself was estimated as likely to cost an additional £10 per tenant, and more flexibility being allowed in both information that can be included in each regular statement and how it can be presented. Procedures are also being developed that will provide more clarity on the duties of the accountant required to 'report' on the statement whilst establishing minimum requirements, to allow procedures that are more appropriate to the circumstances of each case to be adopted. This should help to mitigate the associated costs.

There may be additional costs in complying with the associated requirements that will also be needed where a payee operates one designated account holding service charge funds that is not covered in a single statement of account. However this is not expected to impose additional costs on the industry or service charge payers in those many instances where landlords or managers are already operating separate bank accounts for each building or estate and the greater overall flexibility within the provisions as a whole should mean that any burdens and additional costs that are incurred will be kept to a minimum.

Tenants - Should benefit from being supplied with regular information relating to service charges and being able to withhold payments if the relevant documents are not supplied within 6 months of the end of the accounting period. Prescribing the minimum amount of accounting information to be provided will also mean that the service charge payer will be in a better position to challenge unreasonable costs and identify whether funds have been misappropriated. There may be some additional costs associated with the amended overall accounting regime (which includes service charges being held in designated accounts) where access is required to information in relation to other statements of accounts needed to explain balances held in a bank account containing money belonging to a number of groups of tenants. However whilst any additional costs that are incurred through the requirement upon landlords to provide a statement and report are likely to be passed onto service charge payers these should be kept to a minimum as a result of the amendments made to previous proposals.

Other benefits

Landlords/Managers and Tenants - The overall package being put in place in relation to accounting for service charges should ensure that all tenants are able to receive the information they need to see what their monies are paying for and that they are being applied correctly. Any additional costs that may be incurred are believed to be outweighed by the overall benefits to service charge payers as a whole in knowing that they must automatically receive a minimum level of information, the improved transparency and the rights they have to take action if information is not received.

Enforcement

There are 2 types of enforcement/sanctions that could apply if a payee fails without reasonable excuse to comply with the measures being introduced. The service charge payer's new right to withhold payment of a service charge where the landlord fails to provide a statement of account and accompanying accountant's report (where required), is seen as a powerful sanction. This sanction costs nothing to enforce, and is aimed at avoiding the need for court or tribunal action

where possible. Withholding service charges could in the longer term affect the maintainance of the building, but the payee (landlord/manager) will in any case be under a duty to maintain the property under the terms of relevant leases and so should be encouraged to more readily comply with the legislation. Secondly, action could otherwise be taken for a summary offence which would be subject to a fine not exceeding level 4 on the standard scale (£2,500) on conviction. In this case the local housing authority has the power to bring proceedings, or proceedings can be brought by the tenant concerned.

Other Impacts

See Annex for further information.

Summary: Analysis & Evidence (Annual cost (£-£) per organisation) - explanation

Whilst payees (landlords/managers) will incur the costs in the first instance, these will most likely be passed on to service charge payers through their service charges. Establishing a cost per 'organisation' in this instance is not possible as it would require information including the number of payees (landlords and managers - including Resident Management Companies) and the number of flats they manage where service charges are payable. The likely costs would also vary widely in each case and circumstance. It would also require detailed information about accountancy costs which again will vary depending on the circumstances, including each firm's involvement and the work that is required.

2007 Consultation exercise (amended proposals) – Support and cost information

The amended proposals received a large amount of general support from respondents compared to the original proposals, which was either unqualified or accompanied by comments or suggestions as to content of the statement and its practical application, as well as the accountants' report, as follows;

	Overall support (unqualified & qualified)	No overall support/No comment	Not supported	Total responses
Individual Leaseholders	9	6	3	18
Property Management Companies	6	1	2	9
Residents' Management Companies	2	2	0	4
Surveyors	3	0	0	3
Accountants	3	0	0	3
Local Authorities & ALMOS	10	8	2	20
Registered Social Landlords *	10	5	1	16
Representative/trade /other organisations	11	8	2	21
Others	3	2	0	5
Totals	57	32	10	99

*Some responses were from 'Groups' that comprise or represent more than one housing association and therefore a large number of units (E.g. AnchorTrust – 24,000 sheltered housing units; Whitefriars Housing Group – 17,000 tenancies; Affinity Sutton Group – 50,000 homes; Orbit Group – 27,000 homes).

As highlighted in option 2 above, little consistent costing information was provided in response to the latest consultation for the cost of compliance with the proposals although many respondents indicated that any such costs were not considered to be significant. While some costs were provided by a few respondents this did not elicit any further information that could reasonably be applied on a more general basis to allow costs of a reliable nature to be narrowed down further, either at organisation or individual level. This was particularly so in respect of any possible additional costs bearing in mind

that the majority of payees and those tenants affected by this measure are likely to already be incurring some costs where service charge information is already supplied, either in connection with terms of leases, existing legislation, compliance with a relevant Code of Practice or general agreement.

As mentioned, it is believed that the redeveloped proposals should reduce and mitigate the costs compared with the original 2002 Act proposal, and should not add significantly to any costs already being incurred.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	No	Yes
Small Firms Impact Test	No	Yes
Legal Aid	No	Yes
Sustainable Development	No	Yes
Carbon Assessment	No	Yes
Other Environment	No	Yes
Health Impact Assessment	No	Yes
Race Equality	No	Yes
Disability Equality	No	Yes
Gender Equality	No	Yes
Human Rights	No	Yes
Rural Proofing	No	Yes

Specific Impact Tests

Competition Assessment

We have assessed the impact of the preferred option against the Office of Fair Trading checklist criteria and believe that there is unlikely to be a negative competition impact as a result. The provisions will apply to all landlords/managers (payees) that are responsible for collecting variable service charges in respect of private sector residential properties.

Small Firms Impact Test

The majority of landlords and managers of leasehold properties would be considered small businesses, although there are a few landlords with larger portfolios of leasehold property.

As a result of extensive consultation that has previously taken place with stakeholders in the sector affected, including individual leaseholders and landlords, as well as bodies such as Association of Residential Managing Agents, Association of Retirement Housing Managers, Royal Institution of Chartered Surveyors, Institute of Chartered Accountants in England & Wales, Association of Chartered Certified Accountants, Federation of Private Residents Associations, Campaign for the abolition of Residential Leasehold; Leasehold Advisory Service, London Councils, Local Government Association, British Property Federation and others, together with ongoing stakeholder engagement, we propose to adapt the measures originally set out in the Commonhold and Leasehold Reform Act 2002. These reflect the concerns raised by stakeholders in respect of the costs and burdens that are believed would ensue from the original provisions. This will achieve the overall objectives of improved transparency and safeguards where service charges are concerned.

We have discussed these issues with the Small Business Service who are content with our approach.

Legal Aid

There are no anticipated legal aid impacts.

Sustainable Development

The preferred option, which recognises the need for improving tenants' rights, will not have any discernable effect on sustainable development issues.

Carbon Assessment

The preferred option will not have any discernable impact on the sectors or key sources of greenhouse gas emissions. Namely energy, industrial processes, solvents and other product use, agriculture, land-use change and forestry and waste. We do not therefore believe there is a need to undertake a full carbon impact assessment.

Other Environment

The preferred option will not have a serious impact on other environmental issues identified in the environmental impact guidance published by DEFRA. Namely the predicted effects of climate change; a change in the financial costs or the environmental and health impacts of waste management; air quality; the appearance of the landscape or townscape; the degree of water pollution; levels of abstraction of water; exposure to flood risk; disturb or enhance habitat or wildlife; or affect the number of people exposed to noise or the levels to which they are exposed.

Health Impact Assessment

Whilst the preferred option appears to have no direct impact on the health of those it is designed to benefit (service charge payers), the additional transparency and protection provided

should help mitigate any worry or concern that may currently exist by providing an additional level of comfort and clarity in the way service charges are accounted for, and allow a clear course of action to be taken where non-compliance or fraud is suspected. Those required to comply with the measure (payees) and who have to take positive action to do so because they do not already comply, may initially adopt a negative approach to it. However, the longer term effects should benefit all those affected by creating greater certainty leading to greater cohesion and understanding.

Race Equality

Where racial groups are affected by the preferred option they will be affected equally. There is no evidence to indicate that any particular racial group will be affected differently from any other, that it will affect relations between racial groups, or that any one racial group will be unlawfully discriminated against either directly or indirectly. All those affected will also have the same expectations.

Disability Equality

The preferred option will not have any specific impact in relation to disability equality.

Gender Equality

The preferred option will affect those women and men that it applies to equally and will not affect either gender differently or disproportionately.

Human Rights

The preferred option will not engage or affect anyone's Convention rights.

Rural Proofing

The preferred option will not have a different or disadvantageous impact on anyone in rural areas that will be affected by it. It will apply to everyone in exactly the same way, including those in urban areas.