



Leicester  
City Council

4.2

---

**Housing Revenue Account Budget  
(including HRA Capital Programme)  
2018/19 to 2020/21**

**Full Council: 21<sup>st</sup> February 2018**

---

*Assistant Mayor for Housing: Cllr Andy Connelly*  
Lead director: Chris Burgin

## Useful information

- Ward(s) affected: All
- Report authors: Chris Burgin, Director of Housing & Stuart McAvoy, Principal Accountant

### 1. Purpose

- 1.1 The purpose of this report is for Full Council to consider and approve the proposed Housing Revenue Account (HRA) budget for the 3 years from 2018/19 to 2020/21.
- 1.2 The budget will be set by full Council in the context of the government requirement that rents are reduced by 1% p.a. for the four year period 2016-2020. The proposed budget includes the final two years of the four-year rent reduction.

### 2. Summary

- 2.1 The government's decision to implement a 1% p.a. rent reduction over a four year period has placed the HRA under significant pressure to deliver a balanced budget. A number of other external pressures and changes also brought about by central government place the HRA at further risk including the introduction of Universal Credit, High Value Vacant Homes Levy, inflation pressures and the impact of increasing Right to Buy Sales. All of these changes create a period of significant uncertainty in setting the budget for the HRA.
- 2.2 Despite these pressures and uncertainties, this report recommends that the budget for 2018/19 is set as a balanced budget. The report recommends proposals to address a large part of the pressures for 2019/20 and 2020/21, giving time for the residual savings in these years to be delivered.
- 2.3 Consultation on the proposals within this report has been carried out with the Tenants and Leaseholder Forum and the Housing Scrutiny Commission.

### 3. Recommendations

- 3.1 Taking into account the views of Housing Scrutiny Commission and the Tenants' and Leaseholders' Forum it is proposed;
  - i) To approve the Housing Revenue and Capital budgets for 2018/19
  - ii) To note the financial pressures on the HRA and comment on the proposals for delivering a balanced budget;
  - iii) To note the equality assessment of the proposed revenue and capital reductions required to present a balanced budget;
  - iv) To approve the approach to continue to implement the 1% reduction in rent;
  - v) To approve the proposed increase in service charges of 1% (excluding district heating and communal cleaning) and garage rent of 3.7%;
  - vi) To approve the proposed rents for Hostels;

## 4. Report

- 4.1 The HRA operates in a self-financing environment. Spending priorities are made in the context of needing to achieve the right balance between investing in, maintaining and improving the housing stock, providing landlord services to tenants, building new homes and supporting and repaying housing debt of £216m.
- 4.2 The HRA budget is set using modelling of future levels of income and expenditure. The Government's summer budget statement in July 2015 had a profound impact on assumptions about future rent increases. All housing associations and councils are required to decrease rents by 1% each year for 4 years, compared with the previous national policy of increasing rents by CPI+1%. The combined impact of rent reductions and reducing stock is expected to be £4.3m less income in 2020/21 compared to the current financial year.
- 4.3 The government has announced that rents can be increased by CPI+1% for the 5 years from 2020/21. Whilst any decision in relation to rents beyond 2020 would be taken by Council at the appropriate time, the planning assumption is that rents would increase by CPI+1%.
- 4.4 Central Government's decision to reduce rent by 1% p.a. over a four year period places the HRA under significant pressure to deliver a balanced budget. A number of other external pressures and changes place further burdens upon the HRA:

### 4.4.1 Universal Credit:

The Department for Work and Pensions has commenced the roll out of Universal Credit (UC) nationally which combines 6 different benefits into a single monthly amount. UC full service is due to commence in Leicester from June 2018. This will affect existing live service UC claimants, new claimants of 'legacy' benefits and changes in circumstances. Once introduced, all claimants will be expected to manage their UC claim and job search activities online. Currently a total number of 7,881 council tenants have been identified as being of working age and receiving full or partial housing benefit. These tenants will potentially migrate on to UC over the coming years, at an estimated rate of 173 council tenants each month starting June 2018. The collectable rent from UC claimants in the first year (2018/19) is *estimated* to be £1.66m, rising to £25.2m by 2022/23, when all existing benefit claims have been migrated to UC. Based on experience elsewhere it is estimated that UC will result in an increase in rent arrears of £1.26m, an increase of 86.5%.

### 4.4.2 High Value Vacant Homes Levy:

Within the Housing and Planning Act, Central Government outlined the introduction of a High Value Vacant Homes Levy. The Government has deferred the implementation of this until April 2019 at the earliest. If brought in this may require some properties to be sold when they become vacant in order to fund payment of the levy. It is not yet known how much the levy will be or how many homes may have to be sold. Reserves may be required to pay the levy before receipts from any sales have been received. This would place further pressure on falling rent income and result in stock numbers declining further.

- 4.5 The 1% mandatory rent reduction does not apply to service charges and garage rents. It is proposed to increase service charges for 2018/19 (excluding heating and cleaning charges) by 1% which will raise an extra £19k a year. It is proposed to increase garage

rents by 3.7% (August CPI+1%) which would increase the average weekly rent to £8.79. This would bring in an additional £10k per year.

- 4.6 Hostel rents are also not covered by the mandatory rent reduction and are periodically re-set to ensure that they are aligned with the actual cost of running the service, and this exercise has been undertaken during 2017. If approved by Council this will result in an average increase of 5.04% for rents at the Dawn Centre and 6.22% at Border House. Tenants occupying accommodation at these hostels generally receive Housing Benefit to cover the full cost of this rent.
- 4.7 The Housing Transformation Programme began a programme of efficiency savings in 2013 and has so far reduced expenditure by £9m a year. Spending Review Phases 1, 2 and 3 achieved revenue savings of £5.9m and capital savings of £3.1m. Whilst phases 1 and 2 were focused on service improvement and efficiencies the phases 3 and the proposed phase 4 are required to enable savings to be achieved to address the budget gap of £3,856k in 2018/19 rising to £8,104k in 2020/21.
- 4.8 Unavoidable additional costs for the next 3 years are set out in table 1 below. The third and fourth years of the 1% rent reduction will reduce income from rent by £1.456m. An assumed rent increase of CPI+1% from 2020/21 onwards offsets this pressure (although this will be a decision for Council in 2020). A review of the current rate of sales through Right to Buy has resulted in revised assumptions about the loss of council houses going forward. Employee costs are forecast to rise by £1.999m by 2020/21 reflecting annual pay awards and increases in employer pension contributions. Materials and non-pay inflation is expected to cost an additional £885k. There continue to be significant challenges to collect income as direct payments to tenants are made as part of Universal Credit, as detailed above. The experience of other authorities where the roll-out is at a more advanced stage is that the number of tenants in arrears increases significantly, as does the average debt per tenant.

<b>Table 1: Unavoidable Cost Pressures</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>
Rent Changes	740	1,456	(627)
RTB Stock Loss	1,522	2,852	4,005
High Value Vacant Homes Levy (if implemented nationally)	0	548	902
Employee Costs	756	1,395	1,999
Material Costs	298	593	885
Income Collection Costs	140	140	140
Increased Bad Debt	400	600	800
	<b>3,856</b>	<b>7,584</b>	<b>8,104</b>

### **Proposals for Capital Savings**

- 4.9 The capital expenditure requirement in 2017/18 is £16.28m. The capital expenditure requirement for 2018/19 before any savings or additional pressures have been identified is £15.3m. This reduction of £980k is due to 4 time-limited projects requiring no additional funding.
- 4.10 A reduction of £340k in the re-wiring programme is proposed. The impact of electrical upgrades to date has been positive enabling future savings to be made. Offsetting this is a

£300k growth towards the replacement of CCTV cameras across the estates and a £474k growth in the budget for new affordable housing.

4.11 Appendix B shows the proposed capital programme for 2018/19 to 2020/21. Overall there is a reduction in the capital expenditure requirement of £546k in 2018/19 and a further £774k in 2019/20 which contributes towards mitigating the pressures shown in table 1.

### **Proposals for Revenue Savings**

4.12 The following sets out the proposed areas for savings for 18/19 to 20/21. These generate potential ongoing savings of £5.5m from the Housing Revenue Account.

#### 4.12.1 Savings Already Identified - £2.71m

The 2017/18 budget contains a number of items for which budget is no longer required.

- The budget set aside a one-off amount of £528k for the High Value Vacant Homes Levy so this amount is not needed in 18/19 as implementation has been deferred until at least April 2019. The budget also assumed sales of dwellings as a result of the Levy, with an assumed reduction in rent. The rental income budget is understated by £250k as a result.
- The ending of pay protection for staff affected by previous years' staffing reviews releases budgets of £399k in 18/19, rising to £684k the following year.

Other decisions have been taken in year resulting in savings to the HRA:

- Changes to the length of the Apprenticeship scheme to fit with the demands of the service will save £452k in 17/18 rising to £928k from 19/20.
- Reductions in the level of admin support has delivered £120k of savings.
- A review of the Training Centre of Excellence has delivered a more effective structure whilst delivering savings of £66k in 18/19, rising to £86k from 19/20.
- A number of other, smaller changes have resulted in savings of £55k in 18/19 rising to £83k in 19/20 and £111k in 20/21.

In total these deliver savings of £1.87m in 18/19, rising to £2,68m, in 19/20 and £2.71m in 20/21.

#### 4.12.2 Proposed additional Savings Options - £2.83m

#### 4.12.3 Housing Transformation - £138,000

The proposed savings would be generated from a range of potential options including £113k from operational efficiencies in 18/19 (rising to £138k from 19/20) including an organisational review within the Housing Transformation Team.

#### 4.12.4 Fleet and Transport - £250,000

The proposed savings would be generated from 2018/19 from operational efficiencies including a further reduction in fleet of 20 vehicles across Housing and an associated reduction in fuel.

#### 4.12.5 Repairs - £909,000

£688k of the proposed savings will be generated from a combination of reduced jobs due to a fall in dwelling stock levels and improved productivity including a reduction in materials, reduction in operatives and associated reduction in line management. A further saving of £21k is proposed to be generated from deleting a vacancy within the DCI team for the housing stores and materials audit function. £200k can be achieved by utilising internal staff to undertake capital works. In total £411k of savings will arise in 18/19, rising to £851k in 19/20, and £909k in 20/21.

#### 4.12.6 Gas, Heating and Hot Water - £149,000

The proposed savings would be generated from operational efficiencies related to a reduction in materials used and increased productivity reducing staffing.

#### 4.12.7 Landlord Supplies- £141,000

The proposed savings would be generated from operational efficiencies through invest to save. By investing in energy efficient improvements, such as solar panels and improved LED lighting we will generate savings on electrical costs. The saving rises from £116k in 18/19 to £141k from 19/20.

#### 4.12.8 Rents - £1,000,000

The proposed additional income relates to rents being set on the basis of formula rent when a property comes up for re-let rather than current practice which is for rents to remain the same from one tenancy to the next. Current tenants will not see a rise in their rents as this would only be applied to new tenancies. This would deliver additional income of £200k in 18/19, rising to £600k in 19/20 and £1m in 20/21.

#### 4.12.9 Grounds Maintenance - £100,000

A further £100,000 relating to savings from the grounds maintenance budget.

#### 4.12.10 ABSO review - £150,000

The proposed savings would be generated from operational efficiencies created through rationalisation of ABSO resource with reduced requirement following the TNS programme and increased channel shift of customer service.

4.13 A list of the savings and reductions outlined above are included at Appendix C. Appendix A shows a high level breakdown of the proposed HRA budgets for the next 3 years. The savings proposed for 2018/19 meet the amount required to balance the budget. There remains a shortfall in savings of £1,206k in 2019/20 rising to £1,240k in 2020/21. Throughout the following year further savings schemes will be identified to bridge the remaining shortfall, and the budget assumptions will be kept under review.

<b>Table 2: HRA 3-Year Summary Position</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>
Budget Pressure	3,856	7,584	8,104
Savings & Reductions Identified	3,856	6,378	6,864
<b>Savings to be Identified</b>	<b>0</b>	<b>1,206</b>	<b>1,240</b>

## HRA Reserve Position

4.14 At the end of 2017/18, in addition to the minimum £5m working balance, the expected available revenue reserves are £17.3m as set out in table 3, below. Borrowing within the HRA is restricted by the debt cap, and available borrowing for capital investment is forecast to reach £8m over the next 3 years.

	<b>£m</b>
Future Schemes Fund	4.6
Major Repairs Fund	9.7
Forecast 2017/18 Surplus	3.0
<b>Total Available Reserves</b>	<b>17.3</b>

4.15 Drawing down on reserves in an attempt to avoid the need to make savings is only viable as a short-term approach to meeting any budget shortfall. Reserves are better utilised in the support of delivering long-term efficiencies and in the replenishment of dwelling stock to increase the long-term financial viability of the HRA.

4.16 The Council has had an invest to save scheme for a number of years, which has worked well in providing up-front investment to reduce on-going costs. The HRA has been unable to access this fund and so in order to drive innovation it is proposed that an invest to save scheme is set up using HRA reserves, with up to £5m being made available. Options may include such items as estate based improvement works that remove ongoing revenue cost, technological or internal process improvements that require an initial capital injection to enhance the business and reduce ongoing revenue costs and channel shift beyond what is planned. It is proposed that this scheme is overseen by a Corporate team to consider and challenge scheme submissions with the driver of generating income or reducing ongoing revenue costs.

## 5. Financial, legal and other implications

### 5.1 Financial implications

5.1.1 This report is exclusively concerned with financial issues.

**Stuart McAvoy, Principal Accountant (37 4004)**

### 5.2 Legal implications

5.2.1 The Council is obliged to set a budget for an accounting year that will not show a deficit (S76 Local Government and Housing Act 1989).

5.2.2 The Council is also required to ring-fence the HRA to ensure that only monies received and spent for obligations and powers under the Housing Act 1985 can be paid into and out of the HRA (S75 and Schedule 4 Local Government and Housing Act 1989).

**Jeremy Rainbow - Principal Lawyer (Litigation) - x371435**

### 5.3 Climate Change and Carbon Reduction implications

5.3.1 Leicester City Council has a corporate target to reduce city wide carbon dioxide emissions to 50% of the 1990 level by 2025 and Housing Services play a significant role in meeting this target. Maintained capital investment in schemes that will improve the energy efficiency of the council housing stock, ie. boilers, re-roofing and windows is welcomed. The proposed 'invest to save' in energy efficiency improvements such as LED lighting and solar panels as part of Landlord Supplies will save money and further contribute to the target

**Mark Jeffcote, Environment Team (x372251)**

#### **6. Background information and other papers:**

None

#### **7. Summary of appendices:**

Appendix A: Proposed HRA Budget 2018/19

Appendix B: Proposed HRA Capital Programme

Appendix C: Table of Revenue & Capital Reductions

Appendix D: Leicester average rents comparison

Appendix E: Other charges and payments 2018/19

Appendix F: How priorities were assessed for Expenditure

Appendix G: Feedback from consultation with Tenants Forum

Appendix H: Minutes of the Housing Scrutiny Commission

Appendix I: Equality Impact Assessment (EIA)

#### **8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

#### **9. Is this a "key decision"?**

No, as the decision will be taken by full Council.



## Proposed 2018/19 HRA Budget

Proposed 2018/19 HRA Budget	17/18 Budget £000	Inflation £000	Growth £000	Savings & Reductions £000	Proposed 18/19 Budget £000
<b>Income</b>					
Rent	(75,001)	0	2,662	(450)	(72,789)
Service Charges & Other Income	(6,981)	0	0	(29)	(7,010)
Bad Debt Provision	1,400	0	0	0	1,400
	<b>(80,582)</b>	<b>0</b>	<b>2,662</b>	<b>(479)</b>	<b>(78,399)</b>
<b>Expenditure</b>					
Management & Landlord Services	17,379	360	140	(910)	16,969
Repairs & Maintenance	25,897	694	0	(1,437)	25,154
Interest on Borrowing	9,495	0	0	0	9,495
Set aside for High Value Vacant Homes Levy	528	0	0	(528)	0
Charges for Support Services	5,728	0	0	0	5,728
Contribution to General Fund Services	5,274	0	0	44	5,318
	<b>64,301</b>	<b>1,054</b>	<b>140</b>	<b>(2,831)</b>	<b>62,664</b>
<b>Capital Expenditure Requirement</b>					
	<b>16,281</b>	<b>0</b>	<b>0</b>	<b>(546)</b>	<b>15,735</b>
(Savings to be Identified)	0	0	0	0	0
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>1,054</b>	<b>2,802</b>	<b>(3,856)</b>	<b>0</b>

### Proposed 2019/20 HRA Budget

Proposed 2019/20 HRA Budget	Proposed 18/19 Budget £000	Inflation £000	Growth £000	Savings & Reductions £000	Proposed 19/20 Budget £000
<b>Income</b>					
Rent	(72,789)	0	2,794	(400)	(70,395)
Service Charges & Other Income	(7,010)	0	0	(28)	(7,038)
Bad Debt Provision	1,400	0	0	0	1,400
	<b>(78,399)</b>	<b>0</b>	<b>2,794</b>	<b>(428)</b>	<b>(76,033)</b>
<b>Expenditure</b>					
Management & Landlord Services	16,969	280	0	(263)	16,986
Repairs & Maintenance	25,154	654	0	(1,057)	24,751
Interest on Borrowing	9,495	0	0	0	9,495
Set aside for High Value Vacant Homes Levy	0	0	0	0	0
Charges for Support Services	5,728	0	0	0	5,728
Contribution to General Fund Services	5,318	0	0	0	5,318
	<b>62,664</b>	<b>934</b>	<b>0</b>	<b>(1,320)</b>	<b>62,278</b>
<b>Capital Expenditure Requirement</b>					
	<b>15,735</b>	<b>0</b>	<b>0</b>	<b>(774)</b>	<b>14,961</b>
(Savings to be Identified)	0	0	0	(1,206)	(1,206)
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>934</b>	<b>2,794</b>	<b>(3,728)</b>	<b>0</b>

### Proposed 2020/21 HRA Budget

Proposed 2020/21 HRA Budget	Proposed 19/20 Budget £000	Inflation £000	Growth £000	Savings & Reductions £000	Proposed 20/21 Budget £000
<b>Income</b>					
Rent	(70,395)	0	(376)	(400)	(71,171)
Service Charges & Other Income	(7,038)	0	0	(28)	(7,066)
Bad Debt Provision	1,400	0	0	0	1,400
	<b>(76,033)</b>	<b>0</b>	<b>(376)</b>	<b>(428)</b>	<b>(76,837)</b>
<b>Expenditure</b>					
Management & Landlord Services	16,986	270	0	0	17,256
Repairs & Maintenance	24,751	626	0	(58)	25,319
Interest on Borrowing	9,495	0	0	0	9,495
Set aside for High Value Vacant Homes Levy	0	0	0	0	0
Charges for Support Services	5,728	0	0	0	5,728
Contribution to General Fund Services	5,318	0	0	0	5,318
	<b>62,278</b>	<b>896</b>	<b>0</b>	<b>(58)</b>	<b>63,116</b>
<b>Capital Expenditure Requirement</b>					
	<b>14,961</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,961</b>
(Savings to be Identified)	(1,206)	0	0	(34)	(1,240)
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>896</b>	<b>(376)</b>	<b>(520)</b>	<b>0</b>

## HRA Capital Programme 2018/19 to 2020/21

	17/18 Budget £000	2018/19		2019/20		2020/21	
		Proposed Changes £000	Proposed 18/19 Budget £000	Proposed Changes £000	Proposed 19/20 Budget £000	Proposed Changes £000	Proposed 20/21 Budget £000
<b>Capital Schemes Requiring No Further Budget Approvals</b>							
Northgate	300	(300)	0		0		0
Mobile Working	100	(100)	0		0		0
Exchange Demolition	80	(80)	0		0		0
Tower Block Redevelopment	500	(500)	0		0		0
	<b>980</b>	<b>(980)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Investment in Council Housing</b>							
Kitchens	2,800		2,800		2,800		2,800
Bathrooms	1,200		1,200		1,200		1,200
Boilers	3,500		3,500		3,500		3,500
Re-wiring	2,200	(340)	1,860		1,860		1,860
Re-roofing	300		300		300		300
Soffits & Facia	350		350		350		350
Windows and Doors	150		150		150		150
Door Entry	150		150		150		150
	<b>10,650</b>	<b>(340)</b>	<b>10,310</b>	<b>0</b>	<b>10,310</b>	<b>0</b>	<b>10,310</b>
<b>Environmental and Communal Works</b>							
Communal Improvements & Environmental Works	750		750		750		750
Disabled Adaptations	1,200		1,200		1,200		1,200
Fire Risk Works	850		850		850		850
Safety Works including Targeted Alarms	300		300		300		300
Loft Insulation	100		100		100		100
Waylighting	150		150		150		150
Sheltered Housing Improvements (ASC)	100		100		100		100
Supporting Neighbourhood Hubs	100		100		100		100
Concrete Paths Renewal	100		100		100		100
CCTV	0	300	300	(300)	0		0
	<b>3,650</b>	<b>300</b>	<b>3,950</b>	<b>(300)</b>	<b>3,650</b>	<b>0</b>	<b>3,650</b>
<b>Policy Provisions</b>							
Affordable Housing	1,000	474	1,474	(474)	1,000		1,000
	<b>1,000</b>	<b>474</b>	<b>1,474</b>	<b>(474)</b>	<b>1,000</b>	<b>0</b>	<b>1,000</b>
	<b>16,280</b>	<b>(546)</b>	<b>15,734</b>	<b>(774)</b>	<b>14,960</b>	<b>0</b>	<b>14,960</b>

## Proposed Reductions 2018/19 to 2020/21

Proposed Reductions		Service description	2018/19 £000	2019/20 £000	2020/21 £000
<b>Capital Expenditure</b>					
Capital Schemes	Overall net change in the capital expenditure requirement, reflecting schemes coming to an end, a £340k reduction in re-wiring and a £300k growth for CCTV.		546	1,320	1,320
<b>Savings Already Identified</b>					
HVVHL	Removal of the budget set aside for the High Value Vacant Homes Levy.		528	528	528
Rental Income	This reflects a change in the assumption for the number of homes sold from that which was included within the 17/18 budget.		250	250	250
Staffing Pay Protection	This relates to staff pay protection coming to an end.		399	684	684
Apprenticeship Scheme	This saving is from changes to the length of the scheme.		452	928	928
Admin Support	These savings are from reductions in the level of admin support across the department.		120	120	120
Training Centre of Excellence	These savings are from a review of the structure of this service.		66	86	86
Other Decisions Already Taken	Reflecting the savings associated with a number of other decisions taken throughout 2017/18.		55	83	111
			<b>1,870</b>	<b>2,679</b>	<b>2,707</b>
<b>Revenue Savings</b>					
Housing Transformation	This saving would result from organisational review of teams.		113	138	138
Fleet & Transport	This saving would arise from a reduction in vehicles and associated fuel.		250	250	250
Repairs	Saving from a combination of staff operatives, management and materials.		411	851	909
Gas & Hot Water	Savings from operational efficiencies through reduced materials and staffing.		100	149	149
Landlord Supplies	Saving on electrical costs from more efficient LED lighting and solar panels		116	141	141
Rents	Increased income from letting new tenancies at formula rent rather than current rent.		200	600	1,000
Grounds Maintenance	Saving on the grounds maintenance budget.		100	100	100
ABSO	Further saving on admin and business support costs.		150	150	150
			<b>1,440</b>	<b>2,379</b>	<b>2,837</b>
<b>Total Savings Identified</b>			<b>3,856</b>	<b>6,378</b>	<b>6,864</b>

## Leicester average rents comparison

Property type	HRA 2017/18	Formula Rent 2017/18	Housing Association 2016	Private Sector (LHA rate) 2017	Private Sector (city wide) 2016/17
	£	£	£	£	£
Room only	-		-	59.59	72.23
Bedsit (studio)	51.49	£75.50	58.51	-	84.92
1 bed	60.15	£75.39	71.15	86.30	102.23
2 bed	70.99	£78.67	85.40	109.32	122.31
3 bed	78.61	£81.17	93.80	126.58	143.08
4 bed	90.17	£83.29	111.42	163.16	(4+) 222.00**
5 bed	96.93	£85.44	114.26	163.16	
6 bed	112.15	£88.23	130.81	163.16	

1. All rents are shown on a 52 week basis
2. Private Sector rents (LHA) are from the current 'Local Housing Allowances' for Housing Benefit purposes (2017). They are based on a survey of all local private sector rents and are set 30% up from the lowest rent.
3. Formula Rent is the rent for a property following government 'Guidance on Rents for Social Housing'. The calculation is based on the value of the property, Leicester income levels and the size of the property.
4. All council housing meets the 'Decent Homes Standard' while 41% of private rented homes in the city fail to meet this standard (source: 2009/10 Private Sector Stock Survey *latest data available*).
5. Leicester City Council's homes had an average energy efficiency ("SAP") rating of 83.1 as at 1st April 2011. This compares to a private sector equivalent rating of 42.0 (source: 2009/10 Private Sector Stock Survey *latest data available*).
6. The housing association rents are from the Housing Association Statistical Data Return 2016 to the Homes and Communities Agency.
7. Private sector (city wide) rents taken from the government's Valuation Office Rental Market Statistics recorded between 1.4.2016 and 31.3.2017. \*\* The Valuation Office only release private sector rent information at the level of 4+ bedrooms.

## Other Service Charges and Payments – proposed 2018/19 charges

There are a number of charges associated with providing services to tenants as part of their rent.

- (i) Use of Guest Room (Sheltered Housing Schemes)  
The current charge for use of the guest room at Sheltered Housing Schemes is £10 per night and it is proposed this remains the same.
- (ii) Replacement Rent Swipe Cards  
The current charge for a replacement swipe card is £5.00 and it is proposed this remains the same.
- (iii) Other HRA Properties  
There are 8 properties in the HRA that have a protected rent. In line with the requirement to reduce rents the rents will be reduced by 1%.

### **Payments**

- (iv) Disturbance Allowance

Disturbance allowances are paid when a full property electrical rewire is required and carried out to an occupied LCC-owned property. A disturbance allowance can also be paid where it is necessary to undertake major works in an occupied property. The disturbance allowance is currently £155 per dwelling. This was increased by 25% in 2011/12 and it is proposed this remains the same.

- (v) Decorating Allowances

Decorating allowances are paid to new tenants. The amount paid is based on the condition of the property in relation to decoration and is paid on a per room basis. The current allowances are paid through a voucher scheme with a major DIY chain this contract will end in March 2018. A procurement exercise is underway to select a new provider for the scheme. Current proposed allowances are set out below.

<u>Allowance amounts:-</u>	
Bathroom	£45.00
Kitchen	£56.25
Lounge	£67.50
Dining Room	£67.50
WC (where separate)	£22.50
Halls (flats/bungalows)	£45.00
Hall/Stairs/Landing	£78.75
Large Bedroom	£67.50
Middle Bedroom	£56.25
Small Bedroom	£36.00

## How priorities are assessed for HRA expenditure

1. The Overall aim of Leicester City Council's Housing Division is to provide a decent home within the reach of every citizen of Leicester. This appendix sets out how we can best meet our five major priorities for investment in our 20,946 council homes and their neighbourhoods. These plans support the City Mayor's manifesto pledge of building pride in our neighbourhoods and stronger communities. They have been discussed with our tenants.
2. The priorities are:
  - Providing Decent Homes
  - Making our communities and neighbourhoods where people want to live and keeping in touch with our tenants
  - Making Leicester a low carbon city by improving the energy efficiency of homes
  - Providing appropriate housing to match people's changing needs
  - Making Leicester a place to do business by creating jobs and supporting the local economy
3. We have made a commitment to our tenants to provide our services in an economic and effective way. One of the City Mayor's programme of Spending Reviews therefore covers the Housing Revenue Account. The Housing Transformation Programme began a programme of efficiency savings in 2013. To date Spending Review phases 1 and 2 have achieved £5.8m p.a. of savings. Phase 3 has delivered £3.2m of savings so far as a result of reconfiguring services and from reductions to capital budgets. Phase 3 will continue to deliver savings in future years as further efficiency measures are implemented. Since the Programme started all housing associations and council owned housing providers are required to decrease rents by 1% each year for 4 years. Given the significant reductions in income now expected, to deliver a balanced budget each year until the end of 2020 / 21, service reductions will also be required. It is proposed that the Executive consider the continued outcome of work on the HRA Spending Review phase 3 to identify a total reduction in spending of £8.1m p.a. by 2020 / 21. Where this work proposes changes to services to tenants then the Tenants' and Leaseholders' Forum is consulted and the proposals are considered by the Housing Scrutiny Commission.
4. The Technical Services Programme is looking at how the council maintains and manages our buildings. The aim is to create a joined up maintenance and management service which will save money, bring in additional income and deliver a better experience for staff and for external customers.

The programme successfully completed its first year of reducing costs and increasing income through the implementation of a single "Corporate Landlord" function, delivering a good



quality corporate building management service. The programme is also overseeing the work in relation to the reduction of depots (including the Ian Marlow site where a large proportion of Housing staff work), small and large open spaces review and continues to make headway on a managed service for Housing Stores, which is anticipated to be in place in 2018. The programme is due to complete in 2020 and is on course to do that.

5. Leicester's Housing service has a long history of delivering continuous improvement. Strong partnership and consultative working with tenants and other organisations has been the key to the improvement and progress achieved to date.

## **Priority one – Providing Decent Homes**

### **Why this is a priority and what is our planned approach to achieving this?**

6. Nearly one in six homes in Leicester is a council house, flat, maisonette or bungalow. It is crucially important that we look after these assets, not just for current tenants but for those who will live in them for many years to come. When we plan the Housing Capital Programme we must consider what investment will be needed over at least the next 40 years, not just the next three or four years and not let the programmes for essential items with long life spans fall behind, for example roofs, boilers, wiring, kitchens and bathrooms.
7. Providing decent homes is not just about 'bricks and Mortar', it can also lead to improvements in educational achievement and health, help tackle poverty and reduce crime.
8. The Government's Decent Homes target was met in 2011 / 12. However, to meet the standard on an on-going basis further investment for major works is required.
9. Major works are planned for all council housing following an assessment of condition, age, tenant priorities and other criteria set as part of the Decent Homes Standard.
10. The Government's definition of a Decent Home is one that satisfies all of the four criteria:
  - It meets the current statutory minimum standard for housing;
  - It is in a reasonable repair;
  - It has reasonably modern facilities and services; and
  - It provides a reasonable degree of thermal comfort
11. As well as achieving the Decent Homes Standard we also address tenants' priorities. The majority of tenants see improvements made within their home as a priority and the priority element for improvement is kitchens and bathrooms. We have made a commitment to refurbish all kitchens and bathrooms by 2030.
12. From time to time major refurbishment or redevelopment projects are required. The current ones are the kitchen and bathroom refurbishment programme, St Peter's tower block

refurbishment, central heating and boiler upgrades and the electrical improvement programme.

13. It is crucial we continue to repair and maintain homes. The Responsive and Planned Repairs Improvement Programme identified more effective ways to provide our day-to-day repairs service and deal with emergencies. Changes to our service offer and responsive timescales were implemented in October 2017. As a result of this there has been a reduction in the number of outstanding jobs that are out of category. At the end of 2016 / 17 there were 1,570 outstanding and out of category jobs, this has been reduced to 547 at the end of August 2017.
14. A review of the repair and improvement work undertaken when properties become vacant has taken place as part of the Housing Transformation Programme. Improvements have been made to our processes to reduce the length of time homes are vacant to ensure that new tenants are rehoused into suitable accommodation as quickly as possible and loss of income is minimised. This work has included the development of a Letting Standard to increase the consistency of repairs carried out on vacant properties. At the end of June 2016 the average re-let times for normal voids was 59.4 days, at the end of June 2017 this had been reduced to 48.7 days.
15. Below are some of the main criteria used to plan major works in Council properties:

<b>Component for replacement</b>	<b>Leicester's replacement condition criteria</b>	<b>Decent Homes Standard minimum age</b>
Bathroom	All properties to have a bathroom for life by 2030	30 - 40 years
Central heating boiler	Based on assessed condition from annual service	15 years (future life expectancy of boilers is expected to be on average 12 years)
Chimney	Based on assessed condition for the Stock Condition Survey / Housing Health and Safety Rating System	50 years
Windows and doors	Based on assessed condition for the Stock Condition Survey / Housing Health and Safety Rating System	40 years
Electrics	Every 30 years	30 years
Kitchen	All properties to have an upgrade kitchen by 2030	20 – 30 years
Roof	Based on assessed condition for the Stock Condition Survey / Housing Health and Safety Rating	50 years (20 years for flat roofs)

Component for replacement	Leicester's replacement condition criteria	Decent Homes Standard minimum age
	System	
Wall finish (external)	Based on assessed condition for the Stock Condition Survey / Housing Health and Safety Rating System	80 years
Wall structure	Based on assessed condition for the Stock Condition Survey / Housing Health and Safety Rating System	60 years

### **Achievements in 2017 / 18 and proposals for 2018 / 19**

16. In 2017 / 18 £25.9m has been invested in maintaining our homes and a further £12m for improvements through the Capital Programme.

Programmed element	Achievements and proposals
Kitchens and bathroom	We expect to have installed 600 kitchens / 250 bathrooms in 2017 / 18. During 2018 / 19 we are expected to install another 600 kitchens / 250 bathrooms. As of the 1 <sup>st</sup> April 2017 72% of all council properties have had either a Leicester Standard kitchen or bathroom. The council has made a commitment to refurbish all kitchens and bathrooms by 2030.
Rewiring	We expect to have rewired 875 homes in 2017 / 18 and 790 during 2018 / 19
Central heating boilers	Investment is calculated to replace boilers ever 15 years based on condition data from the annual gas service. We expect to have replaced 1315 boilers in 2017 / 18 and 1300 2018 / 19
Roofing and chimneys	We expect to have installed 90 new roofs in 2017 / 18 and 100 in 2018 / 19
Central heating systems	We have 179 properties without any form of central heating. In these cases tenants have refused to have central heating installed. Provision is made in the programme to install central heating on tenant request or when these properties become vacant.
Windows and doors	Excluding properties in Conservation Areas where there are often restrictions on the use of UPVC, we have 54 properties that do not have UPVC double glazed windows. In these cases tenants have refused our previous offers of installing double glazing. Provision is made in the programme to install windows / doors on tenant request or when these properties become vacant. Future investment will be targeted at installing secondary glazing to properties in Conservation Areas.
Structural works	Investment is required to address any structural works identified each year. As well as dealing with structural problems such as subsidence, issues such as woodwork treatment and failed damp

Programmed element	Achievements and proposals
	proof courses are also dealt with when identified
Soffits, fascias and guttering	By replacing these items with UPVC we reduce long term maintenance costs. We now have a 13 year programme. We expect to complete work on 95 properties in 2017 / 18 and 95 in 2018 / 19
Condensation works	Investment is required to target those properties that have been identified as being more susceptible to condensation related problems as a result of their construction type or location. A multi option approach is being adopted along with the use of thermal imaging technology to produce property specific solutions. In 2017 / 18 we expect to complete work on 800 properties and a further 800 in 2018 / 19. Advice to tenants is also important as their actions can alleviate condensation problems, for example opening windows when cooking.
Safety and fire risk work	Investment is required to implement the planned programme of fire safety measures, as agreed with the Fire Service (see point 18.)
St Peters Tower Block refurbishment, including lifts	A major programme is coming to an end to refurbish four tower blocks in St Peters. This work has involved fitting new bathrooms and kitchens, installing individual heat meters to give tenants more control over heating bills, removing asbestos, upgrading pipework and risers for district heating and providing new lifts. The total cost of this project is £9.98m and is due for completion in April 2019.
E communications for repairs service	We are currently in a procurement exercise for new mobile working software so we can efficiently allocate tasks to staff out in the field. We are also looking at new hand held device provision. Longer term this technology could be extended to other staff who work remotely.

17. We expect to carry out approximately 96,000 responsive repairs during 2017 / 18.

18. Fire safety is of paramount importance to us as a landlord. We have policies and procedures in place to reduce the risk of fires, for example our Housing Assistants carry out regular fire inspections to properties with communal areas such as flats, maisonettes and houses in multiple occupation. All these buildings have their own fire risk assessments and people are provided with a personal evacuation plan in case a fire starts. We have a no tolerance policy on items left in communal areas. If found these are removed so evacuation routes remain clear and combustible items are not left to encourage the spread of fire. Our fire safety work includes implementing recommendations made by the fire service. Following the tragic fire at Grenfell Tower in London we have rigorously reviewed our approach to fire safety in our 6 tower blocks. None contain external cladding, which might have contributed to the spread of fire at Grenfell Tower, nor do any of them have a gas supply. The tower blocks have weekly fire safety inspections and there is a 'stay put' policy for tenants if a fire does start. We will

be reviewing this policy in association with the Fire Service to ensure it is the most appropriate approach to take. St Leonards Court has passive fire protection measures in place, for example, communal fire doors and emergency lighting. A second lift is due to be installed during this financial year. The tower blocks in St Peters have or will be having passive fire protection upgraded as part of the refurbishment work already taking place. None of our tower blocks have sprinkler systems but a decision has been made to install these in all the blocks. Investigations are currently taking place on how best to progress this work. Letters have gone out and visits made to all our tenants in tower blocks to re-assure them of the safety measures we have in place and what they should do in the event of a fire.

## **Priority two – Making our communities and neighbourhoods places where people want to live and keeping in touch with our tenants**

### **Why this is a priority and what is our planned approach to achieving this?**

19. Creating sustainable communities is about more than housing, it means cleaner, safer, greener neighbourhoods in which people have confidence and pride.
20. The environmental works and communal areas fund helps deliver significant environmental improvements on estates, such as landscaping, new security measures, community facilities, pocket parks, fencing and communal area improvements. Tenants and ward councillors help decide where this money should be spent, based on their local needs and priorities. These schemes have helped improve the overall image, appearance and general quality of life within our estates.
21. We base staff in local area offices so they can understand local issues and be involved with local stakeholder groups. As part of the council's Transforming Neighbourhood Services programme housing offices are now in shared buildings in Saffron, Eyres Monsell, St Matthews, New Parks, Beaumont Leys, Mowmacre and Braustone. Work is currently taking place to look at the shared working options for St Peters, Rowlatts Hill and Humberstone housing offices.

### **Achievements in 2017 / 18 and proposals for 2018 / 19**

22. In 2017 / 18 the budget for environmental and communal works was £750,000. It was shared across the city in all neighbourhood housing areas. Works included parking improvements, resurfacing courtyards, their appearance, improving the security of estates by the installation of gates and removal of bushes. Specific examples are:
  - A garden boundary clarification scheme in Braunstone
  - Improved parking in Eyres Monsell to improve bus access
  - Removal of overgrown bushes and the paving of front gardens in Highfields
  - Painting of communal areas and replacement of flooring in St Matthews
  - Removal of overgrown bushes and the turfing of verges along Beatty Avenue to improve the appearance and security of the area

- Resurfacing courtyards in Beaumont Leys and Mowmacre
  - Improved recycling facilities in New Parks
  - External painting of 19 blocks of flats on Abbey Lane and Thurcaston Road.
23. The Leicester to Work scheme (see also priority 5) carries out painting, clearing of alleyways, removal of graffiti and other works to improve the look of the local environment.
24. The programme of upgrading door entrance schemes will continue based on condition surveys. We expect to upgrade 6 door entrance schemes during 2017 / 18 and a further 6 in 2018 / 19.
25. We continue to provide our housing management service with local teams so that our staff know the neighbourhoods and communities in which they work. Housing Officers are out and about on their 'patches' and our craft workforce is fully mobile.
26. District Managers attend ward community meetings and other local forums. We work closely with the police and are involved in the local Joint Action Groups.
27. We publish an Annual Report to tenants and information is also communicated through the Your Leicester electronic newsletter and the Council's Twitter and Facebook accounts.
28. The Customer Services Centre runs a telephone advice line during working hours where tenants can report repairs and tenancy issues. Out of hours emergency calls are taken by an external provider. Last year the Customer Services Centre received 257,175 calls during the working day on the tenants' advice line, a decrease of 12,468 from the previous year. A further 13,070 calls were made out of hours.
29. We have reviewed our website pages so the majority of our housing related information is available on line. We are now working on a programme to provide greater on line access to our services over the next 12 months. Examples of what this will enable tenants to do include:
- Making a rent payment
  - Setting up a direct debit
  - Viewing their rent account
  - Reporting a repair and enable them to select a convenient date and time for the appointment
30. We respond vigorously to reports of anti social behaviour and have CCTV on many parts of our estates. A review of these is currently taking place to establish how effectively these are being used. In 2016 / 17 we received 724 reports of anti social behaviour that were investigated and where necessary action was taken against perpetrators. This was 82 fewer reports than the previous year. In the first 3 months of 2017 / 18 we had received a total of 229 reports. A review is also taking place on our approach to tackling anti social behaviour to ensure our response is provided in the most efficient and cost effective way.

31. We work closely with the Tenants' and Leaseholders' Forum which has representatives from across the city. During 2017 / 18 the topics the Tenants and Leaseholders' Forum have been consulted on include:

- Our proposed Letting Standard
- Proposed changes to the estate warden service
- Transforming Neighbourhood proposals
- Responsive and planned repairs improvement programme
- The Council's new on line facility 'Your Account'
- These 2018 / 19 HRA budget proposals

### **Priority three – Making Leicester a low carbon city by improving the energy efficiency of homes**

#### **Why is this a priority and what is our planned approach to achieving it?**

32. The council and its partners have committed to cut carbon emissions by 50%, relative to 1990 levels by 2025. Part of this target was to reduce residential CO2 emissions from 651,000 tonnes in 2006 to 530,000 tonnes by 2012, a reduction of 121,000 tonnes. Council housing accounts for 16.75% of all residential housing in the city. Therefore its pro rata contribution towards carbon reduction target is 20,268 tonnes. Through the Housing Capital Programme CO2 emissions from council houses reduced by 58,523 tonnes between 2005 and March 2017. This means that we have already exceeded our target by 180%.

33. This has been achieved by window replacements, new central heating installations, new energy efficient boilers and controls, internal and external wall and roof insulation and solar panels.

34. The most cost effective opportunities for carbon savings in the council stock are diminishing now that all properties have double glazed UPVC windows and all cavity walls have been insulated. However, any further reductions will help towards to city target and will improve energy efficiency for individual tenants and reduce fuel poverty.

35. There are three areas of energy efficiency work to prioritise as funds become available. These are:

- Completing external wall insulation on all suitable properties (1,340 properties left to do)
- Installing individual meters for tenants on district heating schemes (2,545 properties)
- Doing specialist work on the most hard to heat houses. For example, those properties with small wall cavities which are not suitable for typical wall installation programmes. There are 1,237 of this type.

## **Achievements in 2017 / 18 and proposals for 2018 / 19**

36. During 2017 / 18 we continued our programme of installing more efficient boilers as boilers need replacing, increasing loft insulation to 250 mm and putting in double glazed windows and doors as demand arises. This work will continue in 2018 / 19.
37. In 2017/18 we have successfully started an extension to the installation of external wall insulation for an additional 135 properties. In 2018 / 19 we will continue to assess the opportunities for installing external wall insulation to our remaining solid wall properties. The number of properties tackled will be dependent on the level of match funding received from our partner organisations.
38. Approximately 2,891 properties are on our district heating scheme. These tenants can control the heat in their radiators. However, without individual heat meters they cannot be charged exactly for the heating and hot water they use. A pilot scheme of installing 50 meters showed that, on average, tenants saved 33% when they could see the link between their heating and hot water consumption and the bill they pay.
39. We have been installing heat meters to our homes as part of the St Peters tower block scheme. 255 properties have been fitted with meters so far with a further 85 to be fitted by the end of the programme. Future consideration will be given to extending the scheme to the remaining properties using district heating.

## **Priority four – Providing appropriate housing to match people’s changing needs**

### **Why is this a priority and what is our planned approach to achieving this?**

40. Leicester is a city with relatively low household incomes. For many, renting from the council or a housing association is the only hope of a decent and settled home. At the end of 2016 / 17 there were 11,403 households on the Housing Register but this reduced to 7,597 in September 2017. The reason for this reduction is due to changes in our Allocations Policy. Bands 4 and 5 of the Housing Register, and applicants within these bands, have been removed. People in these bands were on the Register but had no or a low level of housing need. As a result of this it was unlikely that we would ever be in a position to offer them a property. Removing the lower bands means that we focus on helping those people who are in priority need for housing. Another reason for the reduction in the number of applicants on the Housing Register is the removal of applicants who have enough money to consider other housing options, that is, buying their own property or shared ownership.
41. Right to Buy sales reduce the number of council houses available at an affordable rent. Since 2012, when the government increased the maximum discount and reduced the qualifying period, Right to Buy sales have increased. In 2016 / 17 we sold 446 homes, an increase of 202 on the previous year. Up until the end of September 2017 we have sold 161



homes. When flexible tenancies commence through the Housing and Planning Act 2016, it is likely these sales will continue to rise.

42. The Housing and Economic Development Needs Assessment 2017 identified that Leicester's net affordable housing need is 786 additional affordable housing homes per year to meet current and future demand from households who cannot afford to enter the private housing market. The city's average new supply of affordable homes has been less than a quarter of this need over the past 9 years.

43. Issues affecting our ability to provide new affordable housing include:

- Significant uncertainty on the Government's approach to Affordable Housing. This includes the Government's recent announcement of a wide ranging review of social housing leading to a Social Housing Green Paper and the delay in clarifying how supported housing revenue costs will be addressed in future. The Prime Minister Theresa May outlined plans to set up a £2bn fund to build affordable housing at the Conservative conference in October 2017, which could deliver 25,000 homes across the country. However, it is uncertain what freedoms councils will be given to actually deliver these.
- The limited land available in the city for residential development (including for Affordable Housing.) The council has been reviewing its landholdings and, as part of its new Local Plan process, inviting others to put forward sites in any ownership which might be suitable for development.
- The Government's requirement that funds available to invest in the new supply of Affordable Housing from either the Communities Agency's programme or from Right to Buy receipts can only meet a portion of the total costs of new supply. The balance of the costs must be funded by other means.

Current projections show that we expect to achieve a total of 764 new Affordable Housing homes between 2017 – 21. Regular monitoring reports to show progress are taken to the Affordable Housing Programme Board.

44. Each year the Capital Programme funds the adaptations of tenants existing homes where Adult Social Care and Children's Services identify the current tenant or family members need those adaptations.

45. The service also works closely with Children's Services to help looked after children, foster families, children leaving care and other vulnerable families.

46. By giving priority through the Housing Register the council continues to seek to reduce overcrowding and address other priority needs, many of which can have an impact on health and mental health.

47. The Supporting Tenants and Residents (STAR) service provides one-to-one support for council tenants who might otherwise lose their homes. Priority is given to support those in rent arrears, those who have been previously homeless and those who have other problems which mean they are not coping or complying with tenancy conditions.
48. During 2017 Housing Officers started a programme of Tenancy Visits to tenants who may be vulnerable. This is an opportunity for us to check whether the tenant is coping in their home and where appropriate we sign post or refer people to support services. This is a preventative measure to help sustain tenancies, ensure people are safe, well and enables us to take action before a crisis point is reached.

### **What will we achieve in 2017 / 18 and what are we proposing for 2018 / 19?**

49. The Affordable Housing Programme delivered 133 new homes in 2016 / 17 and it is predicted a further 79 for 2017 / 18.
50. We are exploring ways to increase the supply of new housing in Leicester, including the possibility of setting up a Housing Company to build more homes in the city. A housing company is a way for the council to intervene in the local housing market to deliver more private sale and rented housing, along with affordable housing products, including shared ownership homes in the city. We are currently looking at the financial feasibility of setting up a housing company and what form this would take.
51. This year it is expected that work will be done in 1509 homes (minor work to 1256 properties, under £500 and major work to 253 properties, over £500) to make them more suitable for existing council tenants with disabilities or for those who have waited a long time on the Housing Register. This work will continue in 2018 / 19 in response to assessments by Adult Social Care.
52. Vacant council and housing association properties are advertised through Leicester HomeChoice. Last year (2017/18) 204 council tenants transferred within the stock to homes better suited to their need and 883 households became new council tenants. A further 394 tenants obtained housing association tenancies. Up until the 15<sup>th</sup> September 2017, some 111 tenants transferred properties, there were 353 new tenants and 137 obtained housing association tenancies.
53. During 2016 / 17 we piloted a scheme to help tenants who are in overcrowded or under-occupied accommodation. This is particularly for people who have a lower priority on the Housing Register and it is unlikely they would be allocated a property through HomeChoice in the foreseeable future. The pilot promoted the HomeSwapper website that enables tenants to register and find a property that may be suitable for a mutual exchange. During May and June 2017 227 tenants registered onto the scheme, an increase of 166 on the previous year. We are monitoring the situation to establish whether the pilot will result in an increase in mutual exchanges taking place which enables tenants to resolve their housing needs.

54. The Income Management Team continues to ensure rent is paid and tenants with arrears are given support to clear their debt. In 2016 / 17 99.26% of rent was collected, which is a high percentage rate when compared with other similar sized authorities. Total rent arrears, at the end of 2016 / 17, stood at £1,461,354. The team works closely with the Housing Benefits service and makes referrals for Discretionary Housing Benefit. In 2016 / 17 £326,386 in Discretionary Housing Benefit payments were made to council tenants. There will be greater challenges ahead to collect rental income as direct payments to tenants, through Universal Credit, is widened in Leicester from June 2018. Other authorities, where this has already been introduced, have seen a substantial increase in their level of rent arrears. Another future challenge will be if the Pay to Stay scheme, from the Housing and Planning Act 2016, is implemented. This is where rent levels need to be set according to a tenant's income, above a certain threshold.
55. 87.5% of tenancies were sustained in 2016 / 17. This means that 87.5% of people who became new tenants in 2015 / 16 remained in their tenancy 12 months later. For the first quarter of 2017 / 18 this sustainment had increased to 88.4%. The STAR service supported 1,849 tenants during 2016 / 17 to help sustain their tenancy, and a further 401 (some of these may have continued their support from the previous year) in 2017 / 18. The STAR service also provided an intensive package of support to help Syrian refugees settled into their new homes.

## **Priority five – Making Leicester a place to do business, by creating jobs and supporting the local economy**

### **What is our planned approach for achieving this?**

56. Contracts are placed through the corporate procurement unit which takes steps to use council spending to stimulate the local economy. Most higher value contracts have local labour clauses.
57. The service will continue the excellent record of training craft apprentices so they can develop the skills and knowledge to join the workforce and help maintain the stock. Many steps are taken to encourage women and people from ethnic minority backgrounds to join the craft workforce.
58. The councils Leicester to Work initiative provides opportunities to the long unemployed and work experience for school students, graduates and ex-offenders.

### **Achievements in 2017 / 18 and proposals for 2018 / 19**

59. The total value of external contracts, funded through the HRA is £15m in 2017 / 18. The Housing Division employs a workforce of over 850 staff funded through the HRA.

60. 23 Apprentice Maintenance Technicians successfully completed their apprenticeships in 2017 and successfully achieved permanent employment with Leicester City Council and 15 people started their apprenticeships this year. This scheme will be reviewed regularly to ensure it meets the needs of the service and the apprentices. In addition proposals are currently under development to provide extended employment from 6 to 12 months for Neighbourhood Improvement Operatives to create a pathway into the apprenticeship programme at no additional expense. It is also intended to further promote these employment opportunities to hard to reach groups.
61. Housing's Neighbourhood Improvement scheme continues to help the long term unemployed by giving pre-employment training and a period of work experience. During 2016 / 17, some 37 people were employed on 6 month fixed contracts as Neighbourhood Improvement Officers and up until September 2017 a further 9. Their work on our estates includes painting, cleaning overgrown areas, tidying unsightly spots, cleaning UPVC windows and removing rubbish.
62. The Division has funding to employ 3 graduates or undergraduates on 11 month fixed term contracts each year.

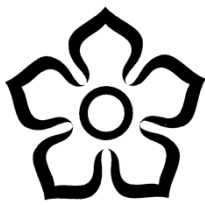
**Tenants' and Leaseholders' Forum meeting****7<sup>th</sup> December 2017****Feedback on the proposed HRA Rent Setting and Budget for 2018/19****Tenants and Leaseholder Forum- Consultation feedback**

On the 7<sup>th</sup> December 2017 the Tenants' and Leaseholders' Forum met and were presented with the proposals for the Housing Revenue Account rent setting and budget for 2018/19. The Tenants and Leaseholders Forum were to consider and make comments on the proposals contained within the report.

<b>Proposal</b>	<b>Tenants' and Leaseholders' Forum feedback</b>
The HRA rent setting report is set as a balanced budget	All Forum members agreed to this proposal noting the current challenges the Council faces. Forum members sought reassurances around future spending reviews and asked to be kept informed.
Note the proposed increase in service charges of 1% (excluding district heating and communal cleaning) and garage rent of 3.7%;	All Forum members noted this proposal
Housing Transformation Team	Forum members noted the importance of saving money, and the reason why we have had to make some changes within the team, but sought reassurance that the Tenants & Leaseholders Forum would still be supported to enable tenants to have a voice.
Fleet and Transport	Forum members sought reassurance that any reduction would be done in a planned way to ensure the Council did not dispose of vehicles which may later be required. They are sought reassurances about which areas would be affected by this to ensure this was not disproportionate.

Proposal	Tenants' and Leaseholders' Forum feedback
Gas, Heating and Hot Water	Forum members expressed concern that a potential reduction of staff could have a negative impact on performance and that this would be should be managed in a planned way. Tenants also asked for reassurances around performance levels and confirmation that they would still have quality materials used in their properties.
Grounds Maintenance	Tenants expressed concerns regarding this service around a lack of grass cutting taking place and asked that this be looked at carefully to ensure that any changes meet the needs of local estates.
ABSO (Admin)	Members accepted the need for changes but expressed a need that remaining staff be knowledgeable and appropriately trained to support the changes to Channel Shift.
Capital Saving	Members were pleased with the work that had been undertaken in this area to date and asked that re-wiring should be continue to be completed where needed to ensure they did not become neglected.
General comments from the Forum	<p>The Forum expressed concern about reducing staffing levels in the districts particularly for more vulnerable residents and those with language barriers and sought reassurances that this would be addressed moving forward</p> <p>The Forum noted they had received a presentation on this but also asked for more information regarding the TNS Programme to understand the ongoing work in this area and to discuss the impact on residents of reducing offices and staffing in these offices and support to more vulnerable tenants with channel shift forthcoming.</p> <p>The Forum noted the changes taking place as part of Channel Shift but asked</p>

Proposal	Tenants' and Leaseholders' Forum feedback
	<p>for further consultation on the in 2018 to ensure their views are taken on Board and that the Council does not create a two tiered system between those who can use IT and those who can't.</p> <p>The Forum asked that their feedback be provided back on the need for more affordable housing to reflect local needs.</p>



Leicester  
City Council

APPENDIX H

Minutes of the Meeting of the  
HOUSING SCRUTINY COMMISSION

Held: MONDAY, 18 DECEMBER 2017 at 5:30 pm

P R E S E N T :

Councillor Cank (Chair)  
Councillor Alfonso (Vice Chair)

Councillor Aqbany

Councillor Halford

Councillor Hunter

In attendance

Councillor Connelly – Assistant City Mayor, Housing

\* \* \* \* \*

**54. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Byrne.

**55. DECLARATIONS OF INTEREST**

Members were asked to declare any interests they might have in the business to be discussed.

There were no declarations of interest.

**56. PETITIONS**

The Monitoring Officer reported that no petitions had been received.

**57. QUESTIONS, REPRESENTATIONS OR STATEMENTS OF CASE**

The Monitoring Officer reported that no questions, representations or statements of case had been received.



## 58. HOUSING REVENUE ACCOUNT BUDGET 2018/19 TO 2020/21

The Chair noted the purpose of this special meeting and thanked Officers for preparing the report.

The Director of Housing presented a report which sought the views of the Commission on proposals for setting the Housing Revenue Account (HRA) budget for the three years from 2018/19 to 2020/21, before being taken to Executive and then Full Council.

Key points presented by the Director of Housing in the report included:

- A number of factors had placed the HRA under significant pressure to deliver a balanced budget including the government's decision to implement a 1% rent reduction over a four year period, Universal Credit, High Value Vacant Homes Levy, inflation pressures and the impact of Right to Buy sales.
- The report recommended that the budget for 2018/19 was set as a balanced budget and set out proposals to address the pressures of 2019/20 and 2020/21 giving time to make the necessary savings which was shown in appendix A.
- It was noted that the proposed increase in hostel rents was to align costs between running the service, of which the Dawn Centre and Border House would be affected.
- The Housing Transformation Programme began a programme of efficiency savings since 2013 which reduced expenditure by £9m a year with the latter phase proposals being required to enable savings to address the budget gap of £3,965k in 2018/19 and £8,028k in 2020/21.
- Proposals for the revenue savings set out in 4.12 to 4.13 of the report and proposed reductions (Appendix C) were noted for considerations.
- The commission were informed that despite all the proposed savings, there would still be a shortfall in savings of £1,130k in 2019/20 and £1,164k in 2020/21 demonstrated in table 2 of the report.
- The expected HRA Reserve position at the end of 2017/18 was noted as £17.3m. Over £6m was set aside to be spent on the refurbishment of Goscote House.
- In the recommendations a HRA invest to save scheme was proposed to deliver new and innovative ways of reducing ongoing revenue expenditure and/or to generate additional income.
- On the 7th December 2017 the Tenants' and Leaseholders' Forum met and were presented with the proposals for the Housing Revenue Account rent setting and budget for 2018/19. The Tenants and Leaseholders Forum considered and made comments on the proposals contained within the report. The Director of Housing presented the comments and feedback to the commission. (A member of the forum was also present at this meeting).

**Agreed;** A copy of the comments on proposals provided by the Tenants and Leaseholders' Forum would be inserted to the report (as an appendices) and feedback provided to the Executive.

Arising from Members questions, the following was noted:

- Explanation for hostel rent increase - This was clarified that the proposed increase was to ensure balanced accounts in this business area with actual cost of running service. Most tenants occupying hostel accommodation were noted as being in receipt of housing benefit.
- Reduced stock levels - Each year 460 stock was noted to be lost through RTB. It was noted as necessary that stock numbers were reduced, calculations could be done by working out the number of repair jobs done, and the amount of resources including staff to deliver services.

**Agreed:** Further to a query regarding repair team numbers, it was agreed that a staff structure breakdown of the Housing repair teams would be provided to the Commission.

- A member had concerns that as housing stock became older, would it cost more to repair older houses? And would cutting repairs not have an impact on the service provided. The response was that stock conditions were assessed continually, each year and for many years previously there has been capital investment to maintain and improve Council Housing and the Council house stock is in very good condition, which reduced the amount of responsive repairs and allowed for planned repairs.
- Details of the governments current position with RTB were explained including the proposed government scheme with RTB for Housing Associations. Further details were still being awaited from central government on this second element.
- The cost impact of High Value Vacant Homes was queried. It was noted that the budget had set aside a one off amount in preparation for this should the government move forward with it.
- A pilot scheme to install individual heat meters to several homes had taken place. The results showed that on average tenants saved money and could see what energy was being used. However, some complexities of installing these heat meters were noted in other blocks, for instance challenged at the Aikman Avenue blocks which were due to pipework. The installation was also noted to be very costly.
- Future consideration was to be given to extending the scheme to remaining properties using district heating and the relevant officers were currently looking into how this would be charged and implemented.

**Agreed:** Further details regarding district heating would be provided to the commission in the future.

- Universal Credit (UC) – A member had concerns about the potential of high number of rent arrears which could escalate from tenants being paid directly and whether any support was in place for tenants once the UC rolled out in June. It was noted that;
  - a) A recent UC plan report was recently sent to the Assistant Mayor for Housing setting out all the work the Housing Division was doing to meet this major challenge and this included requesting additional resources to meet it.

- b) Works with the Department of Work and Pensions (DWP) were taking place, part of which was for DWP Officers to support UC recipients and LCC IMT officers working alongside DWP staff.
- c) Hardware devices had been requested in order for assistance to be provided within recipients homes when dealing with DWP/UC claims
- d) Part of the plan was to implement additional resources. LCC are pushing to become a 'trust of partner' which would allow direct processing and application for some appropriate payment to the landlord for tenants with arrears which had escalated past a certain number of weeks.
- e) Direct debit payments were also being encouraged

**Agreed:** The report for consideration of setting up a housing company was requested by the Chair and agreed to be provided by the Director of Housing.

**Agreed:** For further details on Housing Benefit (HB) entitlement for certain age groups and proposed reductions to be provided in a future report. It was noted that further information was also being awaited from central government.

Other points raised about the report included;

- Adult Scrutiny Commission (ASC) and the transition from care to adult care was highlighted. The commission were informed that this month all heads of Housing and ASC came together to enhance joint working arrangements and to work to continue to improve this with a list of necessary improvements. All the items were then allocated to the relevant Officers. One of the aims was to ensure the services were working for specific individuals.
- A number of services were reported to now be available online. Future aims also included the online 'my account' service for matters such as rents and repairs. It was noted that the rent aspect of this service was hoped to be implemented by Spring 2018 and the repairs aspect was aspired by Autumn 2018. This would see a further reduction in phone calls and encourage savings for channel shift improvements.
- A member requested more information for services such as my account, online services and recycling to be more available publicly for instance; posters in libraries and community centres. Another member did have concerns that staffing at these places was not necessarily available.
- The representative from the Tenants and Leaseholders forum agreed to provide information in the future about their recent meeting with a Minister in London, of which the main discussion was homelessness.
- Following a members positive response to the transformed hostel on Lower Hastings Street and request for more buildings of this type. It was noted that there was only a small borrowing head room to build more, which limited what could be achieved within the HRA account.
- The Chairs final note was that fire safety remained a priority.

Assistant Mayor for Housing, Councillor Connelly thanked Officers regarding the work on budgets and was happy to bring a report along on the new housing company which would potentially be introduced. Happy Christmas celebrations were expressed to all.

The Chair thanked Councillor Connelly, The Director Housing, all the Officers including Scrutiny and extended appreciation for the reports.

**59. CLOSE OF MEETING**

The Chair declared the meeting closed at 6.35pm

## Equality Impact Assessment (EIA) Template: Service Reviews/Service Changes

Title of spending review/service change/proposal	Housing Revenue Account Budget 2018/19 to 2020/21
Name of division/service	Housing
Name of lead officer completing this assessment	Helen McGarry, Business Change Manager, Ext 5129 <a href="mailto:helen.mcgarry@leicester.gov.uk">helen.mcgarry@leicester.gov.uk</a>
Date EIA assessment completed	18 <sup>th</sup> December 2017
Decision maker	Full Council
Date decision taken	21 <sup>st</sup> February 2018

<b>EIA sign off on completion:</b>	<b>Signature</b>	<b>Date</b>
Lead officer	Charlotte McGraw	
Equalities officer	Hannah Watkins	
Divisional director	Chris Burgin	

**Please ensure the following:**

- (a) That the document is understandable to a reader who has not read any other documents, and explains (on its own) how the Public Sector Equality Duty is met. This does not need to be lengthy, but must be complete.
- (b) That available support information and data is identified and where it can be found. Also be clear about highlighting gaps in existing data or evidence that you hold, and how you have sought to address these knowledge gaps.
- (c) That the equality impacts are capable of aggregation with those of other EIAs to identify the cumulative impact of all service changes made by the council on different groups of people.

## 1. Setting the context

Describe the proposal, the reasons it is being made, and the intended change or outcome. Will current service users' needs continue to be met?

The Housing Revenue Account Budget report is proposing a 1% reduction in council home rents in 2018/19 and 2019/20. The budget is being proposed in the context of the Government requirement that rents are reduced by 1% p.a. for a four year period from 2016 to 2020. Due to the continuing reduction in income savings of £3,856k need to be made in 2018/19 and a further £3,728k in 2019/20 to deliver a balanced budget, without using reserves. The budget report is proposing the savings are achieved through a combination of revenue savings and adjustments to the capital programme. The following options are being put forward within the budget report:

- Increase service charges and garage rents by 3.7%, excluding district heating and communal cleaning charges.
- Increase rents for the Dawn centre by an average of 5.04% and for Border House of 6.22%.
- £138,000 savings from Housing Transformation to include operational efficiencies, an organisational review of the Housing Transformation Team.
- A £250,000 saving from reducing the number of vehicles across Housing by 20.
- £909,000 within the repairs service generated from operational efficiencies, reduction in operatives, line management and deleting a vacancy within the DCI team for housing stores and material audit function, and undertaking capital works which are currently procured.
- £149,000 for gas, heating and hot water services through operational efficiencies, reduction in materials used and reducing staffing.
- £340,000 saving relates to a reduction in the re-wiring programme.
- £500,000 relates to a proposed saving from the Tower Block Refurbishment Programme, which is due for completion.
- £80,000 relates to the Exchange demolition budget which is due for completion.

- £400,000 relates to the Hardware rollout and mobile working budget which is due for completion
- £141,000 proposed savings generated from operational efficiencies through invest to save, investing in energy efficient improvements.
- £1,000,000 relates to rents being set on the basis of a formula rent when a property comes up for re-let rather than the current practice which is the rents remaining the same from one tenancy to the next.
- £100,000 savings from the Grounds Maintenance budget.
- £150,000 saving from the rationalisation of the ABSO review as a result of the TNS programme and increased channel shift of customer service.

The main service need of tenants is that they have a suitably sized, Decent Home, maintained through an effective repairs service with quality tenancy and estate management services. Current service user needs will continue to be met, however, some non-urgent schemes and services will need to be re-prioritised, resulting in longer waiting times for services.

## 2. Equality implications/obligations

Which aims of the Public Sector Equality Duty (PSED) are likely be relevant to the proposal? In this question, consider both the current service and the proposed changes.

	<b>Is this a relevant consideration? What issues could arise?</b>
<p><b>Eliminate unlawful discrimination, harassment and victimisation</b> How does the proposal/service ensure that there is no barrier or disproportionate impact for anyone with a particular protected characteristic</p>	<p>From this equality impact assessment no significant impacts have been identified.</p>

<p><b>Advance equality of opportunity between different groups</b> How does the proposal/service ensure that its intended outcomes promote equality of opportunity for users? Identify inequalities faced by those with specific protected characteristic(s).</p>	<p>The proposals continue to commit to the provision of decent homes to council tenants and equality of opportunity for people to have decent homes to live in. The standard of accommodation in council owned properties is higher than in some areas of the private sector.</p>
<p><b>Foster good relations between different groups</b> Does the service contribute to good relations or to broader community cohesion objectives? How does it achieve this aim?</p>	<p>Maintaining properties and making improvements on estates creates an environment where people are satisfied with their homes and the area they live in, reducing the likelihood of anti social behaviour and community tensions.</p>

<p><b>3. Who is affected?</b></p>
<p>Outline who could be affected, and how they could be affected by the proposal/service change. Include current service users and those who could benefit from but do not currently access the service.</p>
<p>The proposal to reduce rents will affect all Leicester City Council tenants across the city. Approximately 30% of tenants are in receipt of full housing benefit at present and will continue to have any rent payable covered by their benefit entitlement. The positive impact of having to pay less rent will affect approximately 70% of tenants who are in receipt of partial or no housing benefit. The impact of the rent reduction will be dependent of tenants' financial situations rather than any protected characteristic.</p> <p>Service charges are added to a property when improvement work has been completed in a property or extra services are provided, for example door entry or security systems. All tenants who pay these charges will need to pay 1% more each week for these. The charge will depend on what improvement work has taken place over time at each property. Work is carried out as a result of the condition of a property through the capital programme and is therefore not based on a persons protected characteristic. Approximately 30% of tenants are in receipt of full housing benefit and they will continue to have any service charge payable covered by their benefit entitlement. The negative impact of having to pay more for service charges will affect approximately 70% of tenants who are in receipt of partial or no housing benefit. The impact of the service charge increase will be dependent on tenants' financial situations rather than any protected characteristic.</p> <p>It is proposed that rents for the Dawn Centre are increased by, on average, 5.04% and 6.22% for Border House. As with council tenants the impact of this will be dependent on the financial situation of the people being temporarily accommodated at these</p>



premises and not their protected characteristics. Our records show that the majority of people who stay at the Dawn Centre and Border House are in receipt of full housing benefit, which will be paid to cover the increase in rent charged.

Council owned garages are rented out to members of the public generally, not just council tenants. The charge is not covered by housing benefit. We currently have 1305 garages available for rent, so the proposed 3.7% increase could impact upon 1305 people, dependant on how many garages are actually let at any one time. Our protected characteristic profiling information in relation to people renting garages is currently limited so it is not known whether there will be a bigger impact on a particular group. However, the impact is more likely to be as a result of their financial situation and ability to pay the extra rent rather than as a result of having a particular protected characteristic.

As the current hardware project to roll out mobile working to front line staff is due for completion the ongoing budget of £100,000 will no longer be required. Going forward the removal of this budget will have no impact on customers or staff. However, all tenants will benefit from the mobile hardware now in place, irrespective of whether they have a protected characteristic, through improved service delivery. It has been identified that the £300,000 budget for the Housing System Replacement is no longer required. Again, there will be no impact on staff or customers with this proposal.

It is proposed that there will no longer be a need for 20 vehicles across the division. Operational efficiencies have enabled this to happen without an impact on service delivery and therefore there will be no direct impact on customers, including those with a protected characteristic. There will be no change to the service customers receive through this proposal.

The proposals for the repairs, gas, heating and hot water services relate to internal working arrangements. There are no proposals to change the services currently received by customers, therefore there will be no impact on them, including those with a protected characteristic. Changes to the internal structure of the services will have an impact on existing staff for which an organisational review may be required. If this happens a specific equality impact assessment will take place.

The Housing Capital Programme generally benefits all tenants in the city. Projects to improve individual properties are decided on their condition or to meet health and safety regulations, rather than a protected characteristic of a tenant. Decisions on the Capital Programme are based on the age of properties, the predicted lifespan of when items will need replacing and health and safety regulations. The decisions are not area or tenant based. It has been identified that through operational efficiencies there is scope to reduce the re-wiring programme to make savings. However, those properties requiring a re-wire will still have this work completed as we have a legal obligation to do this through health and safety regulations. This work will be identified through property condition surveys and not based on the protective characteristics of a tenant. It is proposed that we use

internal staff to undertake other capital works that are currently procured externally, but does not propose to change the service received by customers in other ways. Therefore there should be no impact on customers, including those with a protective characteristic. However, the proposal will impact on internal staff and those currently providing the service externally. An organisational review may need to take place to implement the change, for which a specific equality impact assessment will need to be completed.

It is proposed that savings are made from the Tower Block Refurbishment Programme and the Exchange demolition budgets as a result of this work coming to an end. Going forward the removal of these budgets will have no impact on customers or staff. However, all tenants within the tower blocks and living within Eyres Monsell, irrespective of their protected characteristics, will benefit from the improvements these projects have delivered.

Setting a rents formula to properties becoming vacant will not impact on current tenants. They will see no change to their rents, except as currently with the annual rent setting process. This relates to all current tenants, including those with a protected characteristic. This proposal will impact on all new tenants who are allocated vacant properties in the future. Offers of accommodation are made based on housing need. It is proposed the rent formula is applied to all vacant properties, irrespective of who the incoming tenant is or whether they have a protected characteristic. Incoming tenants who are entitled to full housing benefit will have the extra charged covered by this benefit. It will therefore be those receiving partial or no housing benefit who will need to pay the increased rent for the property. If current trends continue this will equate to approximately 70% of new tenants. The impact will therefore depend upon a new tenants' financial position and not their protected characteristic. Budgets available for grounds maintenance work are allocated on the condition of an area and is not related to the protected characteristics of people living in these.

The proposal to rationalise the ABSO resource will impact upon staff currently in these positions. This rationalisation may require an organisational review for which a specific equality impact assessment will need to be completed as part of this process. This proposal will not have a direct impact on customers as they will continue to receive services. However, the TNS and channel shift projects may impact on how or where customers access these services. Separate equality impact assessments have been developed for these projects.

#### 4. Information used to inform the equality impact assessment

What **data, research, or trend analysis** have you used? Describe how you have got your information and what it tells you. Are there any gaps or limitations in the information you currently hold, and how you have sought to address this, e.g. proxy data, national trends, etc.

Tenant profiling information has been collected and analysed from the Northgate IT system (Appendix 1). This includes information on ages, ethnic origin, disability, gender, sexuality and religion. There are gaps in data in relation to gender re-assignment, marriage and civil partnership, pregnancy and maternity and sexual orientation. There is also little information collected specifically about impairments. Improved systems to collect monitoring data is taking place and over time the profiling information available will increase.

#### 5. Consultation

What **consultation** have you undertaken about the proposal with current service users, potential users and other stakeholders? What did they say about:

- What is important to them regarding the current service?
- How does (or could) the service meet their needs?
- How will they be affected by the proposal? What potential impacts did they identify because of their protected characteristic(s)?
- Did they identify any potential barriers they may face in accessing services/other opportunities that meet their needs?

A meeting of the Tenants' and Leaseholders' Forum took place on the 7<sup>th</sup> December 2017 and were presented with the proposals for the Housing Revenue Account rent setting and budget for 2018 / 19. The feedback they provided was as follows: All Forum members agreed to the proposal to set a balanced budget and noted the current challenges the council is facing. Forum members sought reassurances around future spending reviews and asked to be kept informed.

Forum members noted the proposal to increase service charges by 1% and garage rent by 3.7%.

Forum members noted the importance of saving money and the reason why proposals were being made to changes within the Housing Transformation Team. They sought reassurances that the Tenants' and Leaseholders' Forum would still be supported to enable tenants to have a voice.

In terms of the reduction in the number of vehicles owned by the division Forum members sought reassurances that any reduction would be done in a planned way to ensure the council did not dispose of vehicles which may later be required. They sought reassurances about which areas would be affected by this to ensure this was not disproportionate.

In terms of the proposals relating to Gas, Heating and Hot Water Forum members expressed concern that a potential reduction of staff could have a negative impact on performance and this should be managed in a planned way. Forum members wanted confirmation that they would still have quality materials used in their properties.

Forum members expressed concern regarding the savings proposed for Grounds Maintenance, particularly around a lack of grass cutting taking place and asked that this be looked at carefully to ensure that any changes meet the needs of local estates. Members accepted the need to change in relation to the proposed savings identified for administration within the division. However, they expressed a need that remaining staff be knowledgeable and appropriately trained to support the changes to Channel Shift.

Members were pleased with the Capital Programme work that had been undertaken to date and asked for re-wiring to be continued where this was needed.

The Forum raised concerns about reducing staffing levels in the districts and how this might impact on more vulnerable people and those with language barriers, especially as a result of the TNS programme and channel shift initiative.

The Forum stated more affordable housing was required to reflect local needs.

## 6. Potential equality Impact

Based on your understanding of the service area, any specific evidence you may have on service users and potential service users, and the findings of any consultation you have undertaken, use the table below to explain which individuals or community groups are likely to be affected by the proposal because of their protected characteristic(s). Describe what the impact is likely to be, how significant that impact is for individual or group well-being, and what mitigating actions can be taken to reduce or remove negative impacts.

Looking at potential impacts from a different perspective, this section also asks you to consider whether any other particular groups, especially vulnerable groups, are likely to be affected by the proposal. List the relevant that may be affected, along with their likely impact, potential risks and mitigating actions that would reduce or remove any negative impacts. These groups do not have to be defined by their protected characteristic(s).

<b>Protected characteristics</b>	<b>Impact of proposal:</b> Describe the likely impact of the proposal on people because of their protected characteristic and how they may be affected. Why is this protected characteristic relevant to the proposal? How does the protected characteristic determine/shape the potential impact of the proposal?	<b>Risk of negative impact:</b> How likely is it that people with this protected characteristic will be negatively affected? How great will that impact be on their well-being? What will determine who will be negatively affected?	<b>Mitigating actions:</b> For negative impacts, what mitigating actions can be taken to reduce or remove this impact? These should be included in the action plan at the end of this EIA.
<b>Age<sup>1</sup></b>	Minor impact that non urgent estate improvement and grounds maintenance work may be delayed or re-prioritised.	No age group will be proportionally impacted upon by this proposal  The current scheme is available to people over the age of 60. The level of impact will depend on the proposals made to change service delivery	Estate improvement work and grounds maintenance work is prioritised on the condition of an area and not based on an individual or group  Other organisations may provide low cost handy person services. Once proposals are developed a specific equality impact assessment should be completed to determine mitigating actions to reduce negative impacts.
<b>Disability<sup>2</sup></b>	Minor impact that non urgent	No group will be proportionally	Estate improvement work and

<sup>1</sup> Age: Indicate which age group is most affected, either specify general age group - children, young people working age people or older people or specific age bands

<sup>2</sup> Disability: if specific impairments are affected by the proposal, specify which these are. Our standard categories are on our equality monitoring form – physical impairment, sensory impairment, mental health condition, learning disability, long standing illness or health condition.

	estate improvement and grounds maintenance work may be delayed or re-prioritised.	impacted upon by this proposal  The current scheme is available to people with a disability. The level of impact will depend on the proposals made to change service delivery	grounds maintenance work is prioritised on the condition of an area and not based on an individual or group  Other organisations may provide low cost handy person services. Once proposals are developed a specific equality impact assessment should be completed to determine mitigating actions to reduce negative impacts.
<b>Gender Reassignment<sup>3</sup></b>	Minor impact that non urgent estate improvement and grounds maintenance work may be delayed or re-prioritised.	No group will be proportionally impacted upon by this proposal	Estate improvement work and grounds maintenance work is prioritised on the condition of an area and not based on an individual or group
<b>Marriage and Civil Partnership</b>	Minor impact that non urgent estate improvement and grounds maintenance work may be delayed or re-prioritised.	No group will be proportionally impacted upon by this proposal	Estate improvement work and grounds maintenance work is prioritised on the condition of an area and not based on an individual or group
<b>Pregnancy and Maternity</b>	Minor impact that non urgent estate improvement and grounds maintenance work may be delayed or re-prioritised.	No group will be proportionally impacted upon by this proposal	Estate improvement work and grounds maintenance work is prioritised on the condition of an area and not based on an

<sup>3</sup> Gender reassignment: indicate whether the proposal has potential impact on trans men or trans women, and if so, which group is affected.

			individual or group
<b>Race<sup>4</sup></b>	Minor impact that non urgent estate improvement and grounds maintenance work may be delayed or re-prioritised.	No group will be proportionally impacted upon by this proposal	Estate improvement work and grounds maintenance work is prioritised on the condition of an area and not based on an individual or group
<b>Religion or Belief<sup>5</sup></b>	Minor impact that non urgent estate improvement and grounds maintenance work may be delayed or re-prioritised.	No group will be proportionally impacted upon by this proposal	Estate improvement work and grounds maintenance work is prioritised on the condition of an area and not based on an individual or group
<b>Sex<sup>6</sup></b>	Minor impact that non urgent estate improvement and grounds maintenance work may be delayed or re-prioritised.	No group will be proportionally impacted upon by this proposal	Estate improvement work and grounds maintenance work is prioritised on the condition of an area and not based on an individual or group
<b>Sexual</b>	Minor impact that non urgent	No group will be proportionally	Estate improvement work and

<sup>4</sup> Race: given the city's racial diversity it is useful that we collect information on which racial groups are affected by the proposal. Our equalities monitoring form follows ONS general census categories and uses broad categories in the first instance with the opportunity to identify more specific racial groups such as Gypsies/Travellers. Use the most relevant classification for the proposal.

<sup>5</sup> Religion or Belief: If specific religious or faith groups are affected by the proposal, our equalities monitoring form sets out categories reflective of the city's population. Given the diversity of the city there is always scope to include any group that is not listed.

<sup>6</sup> Sex: Indicate whether this has potential impact on either males or females

<b>Orientation<sup>7</sup></b>	estate improvement and grounds maintenance work may be delayed or re-prioritised.	impacted upon by this proposal	grounds maintenance work is prioritised on the condition of an area and not based on an individual or group
--------------------------------	---	--------------------------------	---

**Summarise why the protected characteristics you have commented on, are relevant to the proposal?**

All protected characteristics have been commented on because work to improve the environment of estates, including grounds maintenance will have an impact on all tenants. However, for these there is no disproportionate impact on any group. Work will continue to be prioritised on the condition of estates, irrespective of tenants living in our properties. There may be delays for non-urgent work and services but no particular group will be disadvantaged more than another. All urgent and priority services will continue to be provided.

Proposals for the Handy Person service have been referenced for the age and disability characteristic because these groups can currently access the service and may be impacted upon by changes to this.

**Summarise why the protected characteristics you have not commented on, are not relevant to the proposal?**

<b>Other groups</b>	<b>Impact of proposal:</b> Describe the likely impact of the proposal on children in poverty or any other people who we consider to be vulnerable. List any vulnerable groups likely to be affected. Will their needs continue	<b>Risk of negative impact:</b> How likely is it that this group of people will be negatively affected? How great will that impact be on their well-being? What will determine who will be negatively affected?	<b>Mitigating actions:</b> For negative impacts, what mitigating actions can be taken to reduce or remove this impact for this vulnerable group of people? These should be included in the action plan at the end of this EIA.
---------------------	---	--	---

<sup>7</sup> Sexual Orientation: It is important to remember when considering the potential impact of the proposal on LGBT communities, that they are each separate communities with differing needs. Lesbian, gay, bisexual and transgender people should be considered separately and not as one group. The gender reassignment category above considers the needs of trans men and trans women.



	to be met? What issues will affect their take up of services/other opportunities that meet their needs/address inequalities they face?		
<b>Children in poverty</b>	No impact		
<b>Other vulnerable groups</b>	Homeless people may be impacted upon by the proposal to increase rents at the Dawn Centre and Border House	As the majority of people in temporary accommodation are in receipt of housing benefit it is unlikely that this will have a big impact. It will only impact on a very small number of people who are not in receipt of benefit	Support provided by staff at the Dawn Centre and Border House to provide financial advice to residents, support to maximise income and identify permanent, move on accommodation as quickly as possible.
<b>Other (describe)</b>	Council staff and some external organisations may be impacted upon by proposals to change internal processes and structures	It is likely that organisational reviews will need to take place to enable the changes in structures to take place	Full equality impact assessments will take place as part of the organisational review process, where these take place

### 7. Other sources of potential negative impacts

Are there any other potential negative impacts external to the service that could further disadvantage service users over the next three years that should be considered? For example, these could include: other proposed changes to council services that would affect the same group of service users; Government policies or proposed changes to current provision by public agencies (such as new benefit arrangements) that would negatively affect residents; external economic impacts such as an economic downturn.

The key negative impact to the service is the continued Government policy to reduce council rents by 1% up until 2020. This will mean that further savings will need to be identified in future budgets.

### 8. Human Rights Implications

Are there any human rights implications which need to be considered (please see the list at the end of the template), if so please complete the Human Rights Template and list the main implications below:

The budget proposals continue to support the Human Right of protection of property / peaceful enjoyment

### 9. Monitoring Impact

You will need to ensure that monitoring systems are established to check for impact on the protected characteristics and human rights after the decision has been implemented. Describe the systems which are set up to:

- monitor impact (positive and negative, intended and unintended) for different groups
- monitor barriers for different groups
- enable open feedback and suggestions from different communities
- ensure that the EIA action plan (below) is delivered.

Monitoring systems in place include:

- Monitoring and analysing complaints received
  - Feedback received from Tenants and Residents Associations and the Tenants' and Leaseholders' Forum
- Progress on actions resulting from the equality impact assessment will be monitored and reviewed by the Senior Management Team within Housing.

### 10. EIA action plan

Please list all the equality objectives, actions and targets that result from this Assessment (continue on separate sheets as necessary). These now need to be included in the relevant service plan for mainstreaming and performance management purposes.

Equality Outcome	Action	Officer Responsible	Completion date
Identify worsening situations for tenants as a result of the implementation of proposals	Analyse the monitoring information above to see if the proposals have had an impact on any particular group	Senior Management Team	Quarterly monitoring reports

<p>Actions are progressed to mitigate the negative impacts that are associated with the budget proposals</p>	<p>Implement actions from associated equality impact assessments: Homelessness Strategy TNS Channel shift initiative</p>	<p>Lee Warner Channel shift project team</p>	<p>As per specific EIA As per specific EIA</p>
<p>The equality impacts of organisational change are identified and mitigated</p>	<p>Specific equality impact assessments take place for organisational reviews resulting from the proposals</p>	<p>Heads of Service</p>	<p>Timescales to be set at the start of each specific organisational review</p>

## **Human Rights Articles:**

### **Part 1: The Convention Rights and Freedoms**

- Article 2:** Right to Life
- Article 3:** Right not to be tortured or treated in an inhuman or degrading way
- Article 4:** Right not to be subjected to slavery/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
- Article 9:** Right to freedom of thought, conscience and religion
- Article 10:** Right to freedom of expression
- Article 11:** Right to freedom of assembly and association
- Article 12:** Right to marry
- Article 14:** Right not to be discriminated against

### **Part 2: First Protocol**

- Article 1:** Protection of property/peaceful enjoyment
- Article 2:** Right to education
- Article 3:** Right to free elections

## Profiling information – council tenants (known tenant breakdown)

### Breakdown by age band

Age of Applicant	Number of Tenants	Percentage of Tenants
0 to 17	3	0.01%
18 to 19	47	0.23%
20 to 29	1,583	7.64%
30 to 39	3,995	19.29%
40 to 49	4,351	21.01%
50 to 59	4,077	19.69%
60 to 69	3,076	14.85%
70 to 79	2,143	10.35%
80 to 90	1,153	5.57%
90 and over	283	1.36%
<b>Total</b>	<b>20,711</b>	<b>100%</b>

### Breakdown by disability

Disabled	Number of Tenants	Percentage of Tenants
Yes	190	0.91%
No	20,591	99.09%
<b>Total</b>	<b>20,781</b>	<b>100%</b>

### Breakdown by ethnic origin

Ethnicity	Number of Tenants	Percentage of Tenants
Asian	2,474	14.85%
Black	2,079	12.48%
Chinese	22	0.13%
Mixed / Dual Heritage	400	2.40%
White	10,860	65.19%
Gypsy / Romany / Irish Trav	17	0.10%
Other Ethnic Origin	257	1.54%
Prefer not to say	551	3.31%
<b>Total</b>	<b>16,660</b>	<b>100%</b>

### Breakdown by religion

Religion	Number of Tenants	Percentage of Tenants
Atheist	221	2.81%
Buddhist	1,779	22.64%
Christian	1580	20.21%
Hindu	266	3.38%
Jain	2	0.02%
Jewish	3	0.02%
Muslim	1,300	16.55%
No Religion	1,770	22.53%
Other	268	3.35%
Prefer not to say	609	7.75%
Sikh	58	0.74%
<b>Total</b>	<b>7856</b>	<b>100%</b>

### Breakdown by sexuality

Sexuality	Number of Tenants	Percentage of Tenants
Bisexual	117	1.87%
Gay female / lesbian	29	0.46%
Gay male	34	0.54%
Heterosexual / straight	5,114	81.56%
Other	151	2.41%
Prefer not to say	825	13.16%
<b>Total</b>	<b>6270</b>	<b>100%</b>

### Breakdown by Gender

Gender	Number of Tenants	Percentage of Tenants
Male	9,127	43.92%
Female	11,649	56.02%
Prefer not to say	2	0.00%
Transgender	1	0.00%
<b>Total</b>	<b>20,779</b>	<b>100%</b>