

Council: 20 February 2013

**Housing Revenue Account
(incl. Capital Programme)
Budget 2013/14**

Lead Director: Ann Branson

Useful information:

- Ward(s) affected: All Wards
- Report authors: 1. Ann Branson, Director of Housing
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1. Decisions required:

- i) to consider the Housing Revenue Account (HRA) budget for 2013/14 as given in Appendix A, including approval of the growth items which are included in that budget and are detailed in Section 5.1.4 of the report.
- iii) to consider the level of rents and service charges (excluding district heating charges) to be applied in 2013/14, as considered in Sections 5.1.2 and 5.1.6 of the report and Appendices B,C and D
- iv) to consider the HRA Capital Programme for 2013/14 and draft programmes for 2014/15 and 2015/16, as given in Appendix F, including giving approval to the use of £5m of new HRA prudential borrowing (fully utilising the HRA's 'borrowing headroom') towards the financing of the programmes.
- v) to note that the approval of a 3.4% rent increase and 2.6% service charge increase will require savings of £563k to be made from the HRAS revenue and capital budgets for 2013/14.

2. Why it is needed?

- i) Council is required to approve the revised level of HRA rents and service charges to be applied from 1st April 2013, to enable the authority to comply with the statutory requirement to give tenants at least a month's notice of any variation in their rents and service charges.
- ii) The HRA funds capital work to meet the following key priorities :-
 - a. provide quality rented homes;
 - b. create thriving safe communities so neighbourhoods are attractive and safe places where people want to live;
 - c. make Leicester a low carbon city and reduce fuel poverty;
 - d. provide appropriate housing to meet peoples' changing needs; and
 - e. make Leicester a place to do business.

This report sets out spending programmes to achieve these aims (Appendices E & F).

3. Recommendations:

- i) to support a rent increase of 3.4% for 2013/14, or an increase of 4.1% in line with the Government's 'rent-restructuring' formula, or an alternative option.
- ii) to support an increase in service charges (excluding district heating charges) and garage rents for 2013/14 of 2.6% or an increase of 3.1% (per Government 'guidelines'), or an increase of a different amount.
- iii) to agree to the growth items proposed for 2013/14, as detailed in Section 5.1.4 of the report.
- iv) to agree to the capital spending proposals as set out in Appendix F.
- v) to agree that where savings are required they will be identified by the Director of Housing in consultation with the Assistant City Mayor for Housing, subject to normal limits of delegated power.
- vi) to agree that should further capital resources become available during the year, they are allocated by the Director of Housing to schemes that meet the priorities, in consultation with the Assistant Mayor, subject to normal limits of delegated power

4. Tell us how this issue has been externally scrutinised as well as internally?

The HRA budget and capital programme were discussed in detail with the Tenants' Forum at two special workshops. Tenants' views are reported in Appendix G.

5. Financial, legal and other implications

5.1 Financial implications

5.1.1 'Self-financing' for the HRA

- (i) 2012/13 is the first year of the HRA 'self-financing system, under which the HRA no longer has to make payments of negative subsidy to the Government. However, the HRA also no longer receives any government support for capital expenditure (such as Major Repairs Allowance) and has to pay interest charges on the debt allocated to it by Government. There is no requirement for the HRA to repay any part of the allocated debt although, obviously, any reduction in the debt will reduce the interest charges payable in future years.

- (ii) The Government expects that HRAs will continue to adopt rent increases consistent with the rent-restructuring /formula rents process until 2015/16, at which time it is intended that HRA rents will have converged with those of housing associations.
- (iii) A key feature of the new system is that the HRA Capital Programme will, in general, be entirely funded direct from the HRA revenue account. This compares to the old system where HRA capital was funded by a combination of government grants, subsidy, borrowing (supported or prudential) and revenue contributions.

5.1.2 Rent Increase for 2013/14

- (i) For information, the Government commenced its 'restructuring' process for HRA rents in 2002/03. Under the formula rents system, HRA rents are intended to rise at a faster rate than Housing Association rents (which started the process generally much higher than HRA rents and which themselves are increasing at RPI + 0.5% per annum) so that by the end of the restructuring process in 2015/16 rents in the two sectors will be similar.
- (ii) While there is no statutory obligation for the HRA to comply with annual rent-restructuring increases, the ability of the HRA to have a rent increase greater than the formula amount is severely restricted by the Government's 'limit rent' (or 'rent cap'). The Government only provides full reimbursement of the Council's cost of providing Housing Benefit to HRA tenants as long as the HRA's average rent does not exceed the limit rent. Any increase in the HRA's actual average rent above the limit rent would result in the HRA only benefitting from the proportion of rental income not met by housing benefit (currently about 35%), with the remainder of the extra rental income being required to fund the additional cost of rebates due to the rent increase. The gap between the formula rent and the limit rent will be equivalent to a 0.9% rent increase in 2013/14, although under rent-restructuring this gap will decrease in later years until the formula and limit rents are the same in 2015/16.
- (iii) The table in Appendix B shows a range of options for the 2013/14 rent increase, including the impact on average rents for different types of property, and the impact on income levels for the HRA. An increase of 4.1% (i.e. the September 2012 RPI of 2.6% plus a convergence factor of 1.5%) is consistent with the Government's rent-restructuring formula and produces additional rental income of £3.061m. An increase of 5.0% is the maximum increase that can be adopted while avoiding rent-cap penalties; this produces additional rental income of £3.733m (i.e. £672k more than the 4.1% increase) but will require reduced rental increases in the final two years of rent-restructuring (2014/15 and 2015/16) to avoid rent-cap penalties in those years.
- (iv) For members' information, Appendix C gives comparative information on

rent levels in the housing rental sectors in the Leicester area.

- (v) About 65% of the HRA's income from rents and service charges is currently paid directly to the City Council through Housing Benefit.

5.1.3 Impact on HRA of Welfare Reform

- (i) As noted above, some 65% of the HRA's rent and service charge income is currently paid directly to the Council in the form of Housing Benefit. However, a number of welfare reform changes are commencing in 2013/14, particularly:-

- a cap on total household benefit;
- under -occupation' penalties for working-age social tenants; and
- the commencement, in October 2013, of direct payment of Universal Credit to tenants, to be phased in over the next four years or so. Under Universal Credit, landlord payments will become the exception rather than the norm and therefore, in future, rents and service charges will have to be recovered from the tenant who will receive the benefit directly.

- (ii) The forthcoming benefit changes will almost certainly lead to a greater turnover of HRA tenancies and to the direct payment to tenants as part of the Universal Credit being less than the Housing Benefit currently received. The financial impact on the HRA will therefore be significantly higher rent collection costs, a greater risk of arrears (and bad debts) occurring and higher voids costs/ rent loss from a higher turnover of tenancies. A number of the 'growth' proposals for the 2013/14 HRA budget, as detailed in Section 5.1.4 below, relate to the changes in the welfare system.

5.1.4 'Growth' proposals for the 2013/14 HRA budget

- (i) Approval is sought for the inclusion of the following 'growth' items in the 2013/14 HRA budget :-

	2013/14 £k	Full year £k
<u>Repairs & Maintenance</u>		
(a) Provision for the impact on the repairs budget of the higher voids turnover and increased mutual exchanges expected due to welfare reform.	400	400
(b) Provision to cover the withdrawal of government funding for the training of gas engineers	160	315
Total Growth – Repairs & Maintenance	560	715

Tenancy Management

(a)	Funding to continue the provision of 'Leicestercare' alarms for only a nominal fee to HRA tenants in receipt of Housing Benefit, following the withdrawal of Supporting People grant	319	319
(b)	Funding to continue the provision of free support services to tenants of sheltered housing in receipt of Housing Benefit, following the withdrawal of Supporting People grant	220	220
(c)	Provision for an increase in debt advisors in the Income Management Team to address the likely increase in rent arrears cases due to welfare reform.	60	60
(d)	Provision for an increase in 'STAR' support for clients leaving hostels and moving into HRA tenancies.	200	200
(e)	Provision for fire inspections at tower blocks, flats, etc. due to more onerous regulations and enforcement.	200	200
Total Growth – Tenancy Management		999	999

The above growth proposals have been incorporated into the HRA budget forecasts for 2013/14 and later years given in Appendix A.

5.1.5 District Heating Charges

- (i) About 3,000 HRA tenants are provided with heating and hot water by the district heating scheme. This service is now being operated by Cofely and charges for the service will be subject to a separate report, once Cofely's pricing proposals for 2013/14 are received (expected in December 2012).

5.1.6 Service Charges (excluding district heating)

- (i) The setting of service charges (mainly for services provided at flats such as the cleaning of communal areas, waylighting, concierge/door-entry, and cable TV) and garage rents is within the discretion of local authorities, although the Government does issue a suggested (or 'guideline') increase which is 0.5% above the inflation rate as measured by the September RPI; for 2013/14 this would give an increase of 3.1% and produce additional income of £77k for service charges and £10k for garage rents. These increases are included in the HRA budget forecast for 2013/14 in Appendix A.
- (ii) The recommendations for the levels of associated and miscellaneous

charges and payments to be applied in 2013/14 are given in Appendix D

5.1.7 Debt Repayment and the HRA Capital Programme

- (i) Although there is no statutory requirement for the HRA to repay any of its debt, prudent accounting practice requires that an appropriate annual charge is made to the HRA for the 'consumption' of assets. This requirement is satisfied currently, since the proposed level of annual capital investment funded directly from the revenue account (over £20m) is substantially in excess of what would be regarded as a prudent charge to revenue for either debt repayment or depreciation (e.g 4% of the HRA 'borrowing cap' of £224.2m is about £9m); therefore there is no necessity to allow for any debt repayment in the 2012/13 to 2015/16 budget periods under consideration. This maximises the funding available for the HRA Capital Programme (subject to HRA balances remaining at a minimum of £5m to cover unforeseen expenditure or shortfalls in income).
- (ii) Appendix E gives details of how priorities were assessed for HRA expenditure. Appendix F gives the proposed HRA Capital Programme for 2013/14 and draft programmes for 2014/15 and 2015/16. The proposed programmes include provision of £2.060m in 2013/14, £2.210m in 2014/15 and £1.243m in 2015/16 for 'Increasing Affordable Housing' to be mainly funded by new HRA borrowing of £5m, utilising the HRA's 'borrowing headroom'. This borrowing will result in estimated interest charges of £45k in 2013/14, £135k in 2014/15 and £225k in years thereafter. These amounts have been included in the budgets for interest charges shown in the HRA projections at Appendix A (Line E.6) and will be largely offset by rental income on the new properties.
- (iii) Based on current commitments and proposals in this report, the following table gives details of the HRA's Limit on Indebtedness :-

	2012/13 Approved £m	2012/13 Revised £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
HRA Capital Financing Requirement (CFR)	221.4	219.2	221.0	223.0	224.2
HRA 'Debt Cap'	226.4	224.2	224.2	224.2	224.2
Difference ('borrowing headroom')	5.0	5.0	3.2	1.2	0

5.1.8 HRA Projections 2012/13 to 2015/16

- (i) Appendix A gives projections of HRA budgets for the period 2012/13 to 2015/16 inclusive, and includes explanatory notes regarding the calculation of the figures.
- (ii) The budget for 2013/14 is the final budget for the year, subject to the Executive's approval, and incorporates the following (all of which have been considered earlier in this report) :-

- a 3.4% rent increase;
- a 2.6% increase in garage rents and flat service charges (excluding district heating);
- growth of £560k in the Repairs and Maintenance budget and growth of £999k in the Tenancy Management budget;
- direct revenue funding of £23.669m (£21.477m plus 'slippage' of £2.192m) is available to finance the 2013/14 Capital Programme. This excludes the provision for 'Increasing Affordable Housing' which is financed from RTB receipts and HRA borrowing (utilising the HRA's £5m borrowing 'headroom').

(iii) Projections of HRA budgets for 2014/15 and 2015/16 are included.

5.2 Legal Implications (Brian Stewart, Legal Services, Ext 29-6322)

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). There is discretion as to the amount of rent set but this is constrained by this requirement to balance the budget.

Under the new self-financing system there are limits placed upon the amount the Council can borrow for the HRA. These are set out in determinations made by the Secretary of State pursuant to s171 Localism Act. The limit is termed 'borrowing headroom' (as referred to in para 5.1.7 above).

The Council decisions are also constrained by the requirement to ring-fence the HRA (s75 and Schedule 4 Local Government and Housing Act 1989) which are in essence that only monies received and spent for the obligations and powers under the Housing Act 1985 can be paid into and out of the Housing Revenue Account.

5.3 Climate Change and Carbon Reduction implications (Mark Jeffcote, Ext 29-6765)

Leicester City Council's Housing Services continue to make a significant contribution to achieving the city-wide target to reduce carbon dioxide emissions to 50% of the 1990 level by 2025/26. This has been achieved through capital works on council housing and connections to district heating, which are planned to continue. Together with additional commitments to ensure that no properties have a SAP rating of below 75, tenants receive energy saving advice and the maximisation of funding opportunities the HRA budget will continue to contribute towards Leicester becoming a low carbon city.

5.4 Equality Impact Assessment

The Equality Impact Assessment is given at Appendix H to this report.

6. Background information and other papers:

- (i) Report of the Director of Housing to the Executive 9th January 2012 and Council 26th January 2012 on 'Housing Revenue Account Budget 2012/13'.
- (ii) Report of the Director of Housing to the Executive 9th January 2012 and Council 26th January 2012 on 'Council Housing Capital Programme 2012/13 – 2014/15'.
- (iii) The Housing Revenue Account Self-Financing Determinations (CLG, February 2012).

7. Summary of appendices:

Appendix A – HRA forecasts 2012/13 to 2015/16

Appendix B – Rent Increase Options for 2013/14

Appendix C – Comparison of 2012/13 average rents in Leicester

Appendix D – Recommendations for Miscellaneous Charges and Payments 2013/14

Appendix E – How priorities were assessed for HRA Expenditure

Appendix F – Proposed HRA Capital Programme

Appendix G – Summary of Tenants' views

Appendix H – Equality Impact Assessment

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

Is this a “key decision”?

Yes, it covers major expenditure and affects all wards in the city.

HRA Forecasts 2012/13 to 2015/16

	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
<u>Income</u>				
I.1. Dwelling Rents	75,005	77,208	80,213	83,634
Other Income (Garage & shop rents, district heating & other service charges)	6,136	6,433	6,607	6,785
I.2. Total Income	81,141	83,641	86,820	90,419
<u>Expenditure</u>				
E.1. Repairs & maintenance	30,733	32,284	33,250	34,081
E.2. Tenancy management	18,055	19,347	19,831	20,327
E.3. Funding for HRA Capital Programme	20,443	21,477	22,283	24,265
E.4. Capital Programme slippage	(2,192)	2,192	0	0
E.5. Contribution to Bad Debts Provision	400	800	1,200	1,400
E.6. Interest charges	10,657	10,702	10,792	10,882
E.7. Debt repayment	0	0	0	0
Savings to be identified		(536)	(536)	(536)
Total Expenditure	78,096	86,266	86,820	90,419
Net Expenditure	(3,045)	2,625	0	0
Balance b/fwd	(4,580)	(7,625)	(5,000)	(5,000)
Balance c/fwd	(7,625)	(5,000)	(5,000)	(5,000)

Notes	
I.1.	Dwellings rents are assumed to increase by 3.4% for 2013/14 Loss of income due to RTB sales is based on 100 sales in 2012/13 and 120 sales per annum thereafter.
I.2.	Garage rents and service charges for flats have been increased for 2013/14 by 2.6%. All other charges and rents are assumed to increase by 2.5% per annum, except for district heating charges which are currently showing no annual increase while we await Cofely's pricing proposals, expected in December 2012.
E.1.	The 2013/14 Repairs and Maintenance budget is net of £104k on-going savings expected from the housing senior management review, subject to staff consultation, and includes a general inflation allowance of 1.75%. Growth of £560k for 2013/14 (and £715k per annum in later years) is included, as detailed in Section 5.1.4 of the main report. Years after 2013/14 include a general inflation allowance of 2.5% per annum.
E.2.	The 2013/14 Tenancy Management budget includes inflation allowances of 1% for pay and 1.75% for all other net costs. Growth of £999k for 2013/14 (and £999k per annum in later years) is included, as detailed in Section 5.1.4 of the main report. Years after 2013/14 include a general inflation allowance of 2.5% per annum.
E.3. E.4.	These lines show the funding that is available from the revenue account for the HRA Capital Programme, while maintaining HRA balances of at least £5m. This excludes financing for the line in the HRA Capital Programme for 'Increasing Affordable Housing' which is financed from a combination of borrowing (utilising the HRA's 'borrowing headroom' of some £5m) and 'Right to Buy' receipts.
E5	<p>Allowances have been made in all years after 2012/13 for substantial consecutive increases in the contribution to the bad debts provision. These increases are necessary due to the 'welfare reform' changes commencing in 2013/14, particularly: -</p> <ul style="list-style-type: none"> (i) a cap on total household benefit; (ii) 'under-occupation' penalties for working-age social tenants; and (iii) (from October 2013) the commencement of direct payment of Universal Credit to tenants. <p>All of the above will have an adverse and growing impact on the level of rent arrears and annual bad debt write-offs.</p>
E6	The budgets for interest charges allow for additional interest charges due to the use of the HRA's borrowing headroom to fund capital expenditure on 'Increasing Affordable Housing'. It is assumed that no repayment of debt will be made in any of the financial years being considered (see note at E.7. below).

E7	These forecasts assume there is no repayment of debt in the period under consideration. This issue is considered in Section 5.1.7 of the main report.
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Property Type	2012/13 Average weekly rent	Rent increase for 2013/14				Difference in weekly rent 4.1% vs. 3.4% increase
		3.4%		4.1%		
		Average rent increase	New average rent	Average rent increase	New average rent	
	£	£	£	£	£	£
Bedsit	50.43	1.71	52.14	2.07	52.50	0.36
1 bed flat	56.63	1.93	58.56	2.32	58.95	0.39
1 bed house	61.29	2.08	63.37	2.51	63.80	0.43
2 bed flat	67.01	2.28	69.29	2.75	69.76	0.47
2 bed house	70.37	2.39	72.76	2.89	73.26	0.50
3 bed flat	74.32	2.53	76.85	3.05	77.37	0.52
3 bed house	76.32	2.59	78.91	3.13	79.45	0.54
4+ bed house	88.77	3.02	91.79	3.64	92.41	0.62
All stock	68.36	2.32	70.68	2.80	71.16	0.48
Extra income from increase		£2.539m		£3.061m		
Difference vs. 4.1% increase		-£0.522m		£0		

Note :-

Rents are shown on a 50 week basis.

A 4.1% rent increase is consistent with the Government's rent formula.

Comparison of 2012/13 Average Rents in Leicester

Property Type	HRA £	Housing Association £	Private Sector £
Bedsit	50.43		
1 bed flat	56.63	67.77	90.00
1 bed house	61.29		
2 bed flat	67.01	80.00	114.00
2 bed house	70.37		
3 bed flat	74.32	87.25	132.00
3 bed house	76.32		
4+ bed house	88.77	101.23	167.00
All stock	68.36		

Notes:

1. All rents are shown on a 50 week basis.
2. The Private Sector rents are from the current 'Local Housing Allowances' for Housing Benefit purposes. They show rents at the lower-end of the private market, since they are based on a survey of all local private sector rents and are then set at a level which is 30% up from the lowest rent.
3. Council housing is the cheapest in the city.
4. All council housing now reaches 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).
5. Leicester City Council's homes have 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).
6. Housing Association rents will increase by an average of 3.1% for 2013/14.

Other Service Charges and Payments

The Housing Division administers a number of charges associated with providing services to tenants as part of their rent. Officers propose the following for Members' consideration:

(i) Use of Guest Room (Sheltered Housing Schemes)

The current charge for use of the guest room at Sheltered Housing Schemes is £9.00 per night. It is recommended that a 30p increase be applied to this charge for 2013/14 in line with the proposed 2.6% general increase in service charges.

(ii) Replacement Rent Swipe Cards

The Council replaced Rent Cards with Rent Swipe Cards on 6th April 2009 and agreed a charge of £2.50 for replacing lost cards under the new system, which was the same as the charge previously made for lost Rent Cards. The charge was increased to £3.00 for 2011/12 and it is recommended that it remains at this level for 2013/14.

(iii) Information on Mortgages and Property Types/Conditions etc.

The Housing Division continues to receive a large number of requests from mortgage providers and solicitors for ad hoc information in connection with mortgages and property type/condition, etc. As the work involved is very time consuming, it is felt appropriate to levy the charge on all requests for information in connection with mortgages and property types and condition, etc., excluding those requests from tenants for information in connection with tenants' statutory rights under Right to Buy legislation. The charge is currently £106 and it is proposed that it be increased to £109 for 2013/14.

(iv) Other HRA Properties

There are 8 properties in the HRA that have a protected rent. In these cases it is proposed to increase their rents by 2.6% in line with the September 2012 Retail Price Index (RPI).

(v) Other Charges (including garages, cleaning of communal areas, waylighting, concierge/door entry and cable television services)

All other charges to by the September 2012 RPI of 2.6%.

Miscellaneous Payments

These comprise disturbance allowances and decorating allowances. They were increased by 25% from 4th April 2011 (having previously not been increased for a number of years) and it is therefore recommended that they remain unchanged for 2013/14.

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.

Decorating allowances are paid to a new tenant upon occupation of an LCC property. The amount paid is based on the condition of the property in relation to decoration and is paid on a per-room basis. We are currently procuring the award of the decorating allowance scheme so that it can be administered electronically by a supplier; this will also result in a rebate being returned to us based on the total value of the contract.

Allowance amounts:-	
Bathroom	£40
Kitchen	£62.50
Lounge	£75
Dining Room	£75
WC (where separate)	£45
Halls (flats/bungalows)	£50
Hall/Stairs/Landing	£87.50
Large Bedroom	£75
Middle Bedroom	£62.50
Small Bedroom	£40

How priorities were assessed for HRA Expenditure

1. The overall aim of Leicester City Council's housing services is to provide a decent home within the reach of every citizen in Leicester. This appendix sets out how we can best meet our five major priorities for investment in our 21,935 council homes and their neighbourhoods. These plans support the City Mayor's priorities of looking after our built and natural environment, supporting communities and neighbourhoods, making Leicester a low carbon city and a place to do business. They have been discussed with our tenants.

The priorities are:

- Providing quality rented homes
- Making our communities and neighbourhoods into places 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.

We have also made a commitment to our tenants to provide our services in an economic and effective way.

Leicester's Housing Service has a long history of delivering continuous improvement and has a national reputation as being at the forefront of innovation and service delivery. 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 Quality Rented Homes

Why is this a priority and what did we achieve in 2012/13?

2. Nearly one in five homes in Leicester is a Council house, flat or maisonette. It is crucially important that the City looks 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 3 or 4 years and not let the programmes for essential items with long life spans fall behind. eg. boilers, wiring, kitchens and bathrooms.

3. Providing quality 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.
4. The Government's decent homes target was met in 2011/12 however to meet the standard on an on-going basis future investment for major works is required.
5. Major works are planned for all Council properties following an assessment of condition, age, tenant priorities and other criteria set as part of the Decent Homes Standard.
6. The Governments definition of a decent home is one that satisfies all of the following four criteria:
 - it meets the current statutory minimum standard for housing;
 - it is in a reasonable state of repair;
 - it has reasonably modern facilities and services; and
 - it provides a reasonable degree of thermal comfort.
8. As well as achieving the Decent Homes Standard we also take on board tenants priorities. The majority of tenants see improvements made within their home as their priority and the priority element for improvement is kitchens and bathrooms. As of March 2012, 12,127 (55%) of all council properties have had either a 'Leicester standard' kitchen or bathroom.
9. Below are some of the main criteria we use to plan major works in Council properties:

Component for Replacement	Leicester's Replacement Condition Criteria	Decent Homes Standard Minimum Age
Bathroom	All properties to have a bathroom for life by 2030	40 years / 30 years
Central Heating Boiler	Based on assessed condition (from annual service)	15 years (future life span of new boilers is expected to be on average 12 years)
Chimney	Based on assessed condition (from Stock Condition Survey/ HHSRS)	50 years
Windows & Doors	Based on assessed condition (from Stock Condition Survey/HHSRS)	40 years
Electrics	Every 30 years	30 years
Kitchen	All properties to have an upgraded kitchen by 2030	30 years / 20 years
Roof	Based on assessed condition	50 years (20 years for

	(from Stock Condition Survey/HHSRS)	flat roofs)
Wall finish (external)	Based on assessed condition (from Stock Condition Survey/HHSRS)	80 years
Wall structure	Based on assessed condition (from Stock Condition Survey/HHSRS)	60 years

10. We have a total of 354 Craft operatives (out of which 142 work primarily on Day to Day Responsive Repairs) & 84 Apprentices. In 2011/12 we completed a total of 99,856 repair jobs.
11. In 2011/12 over 95% of repairs had been completed within the time agreed with the tenant.
12. The percentage of tenants that rated their satisfaction positive with the Repairs & Maintenance Service in 2011/12 was 80.7%.

What do we want to achieve in future?

13. We want to continue to maintain the Council Housing stock to the decent homes standard and undertake other works that ensure the long-term sustainability of the housing stock.

How can housing capital investment support this priority in the future?

14. We will have a focused programme of capital investment based on a whole life assessment of our stock.

Programmed Element	Investment Required
Kitchen & Bathroom	Investment is calculated to ensure all council homes have a new kitchen and bathroom by 2030. We plan to install 1031 in 2013/14.
Rewiring	Investment is calculated to ensure that by 2020 all wiring is less than 30 years old. All current wiring is tested for safety. We plan to rewire 1500 homes in 2013/14.
Central Heating Boiler	Investment is calculated to target c.1,200 energy inefficient back boilers in the next 3 years. Replacing these boilers increases the SAP rating by 18 pts.
Roofing / Chimneys	Investment is calculated at a level to maintain the decent homes standard. We estimate we will deal with 30 properties in 2013/14.
Central Heating	We have c.350 tenants who have chosen not to have central heating installed. Provision is made in the programme so when these properties become vacant or tenants choose to have central heating we can install. We will also connect individual properties in St

	Matthews to the District Heating system.
Windows & Doors	Investment is required to replace any windows and doors that are not yet uPVC double glazed and also there are c.3,000 windows that were fitted before our own window factory was operating that have some quality issues and may need to be replaced. We calculate we will work on 59 properties in 2013/14.
Structural Works	Investment is required to address any structural works identified each year. We estimate that the effects of climate change could increase the number of structural works required by up to 15 properties a year.
Soffits, fascias & guttering	By replacing these items with uPVC ones there will be no items that require painting, thus reducing long term maintenance costs. We now have a planned 13 year programme. We will work on 400 properties in 2013/14.
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. We calculate we will work on 990 properties in 2013/14.
Safety works and Fire risk works	Investment is required to respond to newly identified needs. A planned programme of fire safety work, based on fire assessments carried out jointly with the Fire Service, is being developed.

15. From time to time particular investment is required in one-off projects

Programmed Work	Investment Required
St Peters Tower Block refurbishment including lifts	Investment is required to remove asbestos at four tower blocks in St Peters. Once asbestos is safely removed work will be done to upgrade pipework and risers for district heating and new lifts installed. At the same time new kitchens and bathrooms will be refurbished through the kitchen & bathroom programme. The total cost of this project is £9.98m and it will be carried out over 4 years. The work will begin on the first Tower Block, Framland House, in November 2012. 340 properties will benefit from this project.
e-communications for repairs service	We are investing in software and new hand held devices that ensure we can efficiently allocate repair jobs to craft operatives. Improvements for other staff are being assessed.

How can revenue spending support this priority in the future?

- Provide a cost effective repairs service that completes repairs right first time.
 - Reduce the number of responsive repairs undertaken and increase planned maintenance.
16. Responsive day to day repairs are a priority for tenants and so we are always looking for ways to improve performance and capacity. Our aim is to provide a quicker and more responsive service that reduces complaints and expenditure on out of hours services and overtime.
17. We have been considering the feasibility of introducing a programme of Annual Home Check & Repairs. The outcome of this study is that we do not think this will address our needs, so we will now develop a Programme of Improvements and consult tenants on our proposals.

Priority Two – Making our communities and neighbourhoods into places where people want to live and keeping in touch with our tenants

Why is this a priority and what have we achieved in 2012/13?

18. Creating sustainable communities is about more than housing – it means cleaner, safer, greener neighbourhoods in which people have confidence and pride.
19. The Environmental Works and Communal Areas Fund helps to deliver significant environmental improvements on estates such as landscaping, new security measures, community facilities, pocket parks, fencing and communal area improvements. Tenants and Tenant Group representatives and Ward Councillor help decide where this money should be spent, based on their local needs and priorities. These schemes have helped to improve the overall image, appearance and general quality of life within our estates
20. In 2012/13 £1.22M will be spent shared equally between all 6 Management areas. In Braunstone, local representatives, Tenant Associations and councillors chose to invest in the remodelling of stock, changing a small number of 3 bed houses to 2 and also 4 bed houses to 3 in order to address poor layout property design and small cramped bathrooms. The fund also invested in the creation of front walls along key arterial routes around the City, enhancing the visual perception of the area.
21. Environmental works will also be done through the new Leicester at Work Scheme (see priority 5) including painting, cleaning of alleyways, removal of graffiti and other works to improvement the look and feel of the local environment.

22. We will invest in the new neighbourhood hub on St Matthews. Public consultation is helping define what needs to be done.
23. New equipment has been installed at four playgrounds, at Bendbow Rise, Mulberry Avenue, Yew Tree Drive and on St. Marks.

What do we want to achieve in future?

- Continue to make all our housing estates attractive and safe places, where people want to live.
- Continue to prevent and reduce Anti-Social Behaviour in local neighbourhoods.

How can housing capital investment support this priority in the future?

24. Area Plans will be developed in partnership with tenants to identify local environmental and communal areas improvements. The total environmental works budget will continue to be allocated pro-rata on the number of properties within each area and will be approved by the Director of Housing in consultation with the Assistant City Mayor for Housing. Plans will also be developed to link to employment opportunities and skills enhancement opportunities in the local area (see priority 5).
25. Funds will be made available for other neighbourhood hubs if other opportunities arise in the coming year.
26. On Eyres Monsell, one side of the The Exchange (nos 9-31) is expected to be demolished during 2013/14, subject to the opening of the new retail shopping centre. The new shopping centre is expected to start on site in November 2012 and is due to be finished in June/July 2013. The timing of demolition of the remaining side (10 -32) is uncertain, as some of the retail leases do not expire until 2017, therefore early demolition is dependent on all retail leases being terminated by negotiation. The latest that the demolition will occur is 2017.
27. The programme of upgrading door entrance schemes will continue based on our conditions surveys. In 2013/14 we will upgrade properties in Rowlatt's Hill and Saffron.
28. The programme of upgrading playgrounds across our estates continues with sites currently being considered within Saffron, Eyres Monsell, Mowmacre and New Parks.

How can revenue spending continue to support this priority in the future?

29. Wherever possible we provide our services from local neighbourhood housing offices so that our staff know the neighbourhoods and communities in which they work. Estate Management officers are out and about on their 'patches' and craft workers are now based in local offices.
30. We publish City Housing News three times a year, delivered to every tenant.
31. We publish an Annual Report to tenants.
32. We run a telephone advice line in working hours where tenants can report repairs and tenancy issues and an out of hours emergency line.
33. We respond vigorously to reports of anti-social behaviour and have CCTV on many parts of our estates.
34. We support local Tenants and Residents Associations and the newly formed Tenants Forum.

Priority Three – Making Leicester a low carbon city by improving the energy efficiency of homes

Why is this a priority and what have we achieved in 2012/13?

35. Leicester City Council and its partners have committed to cut carbon emissions by 50%, relative to 1990 levels by 2025. Part of this target is to reduce residential CO2 emissions from 651,000 tonnes in 2006 to 530,000 tonnes by 2012, this is a reduction of 121,000 tonnes. Council Housing accounts for 18% of all residential housing in the city therefore its pro-rata contribution towards the carbon reduction target is 21,780 tonnes. Through the Housing Capital Programme CO2 emissions from council houses has reduced by 44,146 tonnes between 2006 and March 2013, exceeding its pro-rata contribution two-years ahead of target.
36. 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.
37. Opportunities for match funding and grants are always sought. The Community Energy Saving Programme (CESP) will end in December 2012. This year we have continued our relationship with Eon and secured further CESP funding, and this has increased the total number of council houses with external wall insulation to 1065. In total we will have received £8 million worth of CESP funding.

38. The Council also explored innovative ways of attracting finance for more solar panels (photovoltaic). Work started to start in October 2012 on a scheme financed through private capital.
39. 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 the corporate target and will improve energy efficiency for individual tenants and reduce fuel poverty.
40. We are also concerned about fuel poverty the national Standard Assessment Procedure (SAP) is used to rate the overall energy efficiency of homes. The higher the SAP rating the more energy efficient a home is, resulting in potentially lower fuel bills. Leicester City Council's homes have an average SAP rating of 84.1 as of 31st March 2012. This level is within the top quartile for all unitary authorities and compares with an average SAP rating in private sector residential properties of 42 (2009/10 Private Sector Stock Survey). In the Midlands the recommended SAP rating for affordability is 74. We have therefore been making additional investments to tackle the 3391 homes that were below this because these will be more difficult to heat homes. The number of properties below SAP 75 is now 2769 a reduction of 672.
41. 2,800 tenants and leaseholders have district heating. This year the Leicester District Energy Company have installed combined heat and power boilers in existing boiler houses and laid pipes to link them together. Other Council buildings near the pipework will join link in. Combined heat and power boilers generate electricity with heat as a by-product and help the scheme to provide significant carbon reductions of 12,000 tonnes per annum by the end of 2014 with a target of 20,000 tonnes by the end of 2019 and a stretch target of 50,000 tonnes by 2020.
42. Not only will the scheme provide significant carbon reductions, the 25 year partnership commitment with Cofely District Energy and the creation of Leicester District Energy Company provides the City, the Council, and the residents with many other benefits:
- Ensures an efficient, reliable and resilient heat supply.
 - Brings a total of £15 million investment into the City of Leicester (£14 million from Cofely and £1 million attracted from CESP funding from the government).
 - Provides the potential for the Council (and others) to purchase both heat and electricity from locally-generated sources.
 - Ensures sustainability and future-proofing – whilst the scheme will initially be based on gas-fired combined heat and power (CHP) there is a commitment to move towards renewable fuels to further

reduce carbon emissions and reduce reliance on conventional fuels.

- Through the development of a city-wide district heating infrastructure, enables developers to comply with Local Plan requirements relating to energy and carbon.
- Ensures the Council can make Carbon Reduction Commitment (CRC) cost savings.
- Increases the potential for partnership working, already demonstrated by the University of Leicester being in the scheme from the start.
- Gives an opportunity to achieve c.5% of our City reduction target and 5.7% of the Councils own target.
- Funds a pilot scheme of installing individual meters.

What do we want to achieve in future?

- Aim to ensure no properties have a SAP rating of below 75.
- Tenants to receive energy advice so they maximise the benefits of their physically efficient homes.
- Maximise the funding opportunities to reduce energy costs for tenants and reduce carbon emissions.

How can housing capital investment support this priority in the future?

43. We will continue to invest funds in basic efficiency measures across all stock, for example by installing more efficient boilers, increasing loft insulation and putting in double glazed doors and windows in all properties to a minimum of 250mm. We will continue the planned programme of work on the 2769 council properties with a SAP rating below 75.
44. The governments CESP scheme ends in December 2012 so we are looking into how the new Green Deal Scheme can be best used in Leicester and propose we set aside some funds that could be used for match funding if this is required.

How can revenue spending help support this priority in the future?

45. Where capital works have been undertaken to improve energy efficiency and reduce carbon we propose to offer energy advice to Council tenants. A project by a social landlord in Worthing showed that where tenants also receive energy efficiency training tenants saw an additional 25% reduction in their fuel bills compared with only relying on the impact of the capital works. A post of Tenants Energy Adviser was proposed last year and this project will continue.
46. The results of the metering pilot for 50 tenants on the District Heating Scheme will be available during the year.

Priority Four – Providing Appropriate Housing to match people’s changing needs

Why is this a priority and what have we achieved in 2012/13?

47. 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 home. In September 2012 there were 9726 households on the Housing Register, this was an increase of 3% from the corresponding period in 2011. The main issue for households applying for social housing is overcrowding, there are 3206 households (33%) on the Housing Register living in overcrowded conditions. This includes 575 households who are severely overcrowded i.e. needing 2 or more bedrooms to meet their needs.
48. Right to Buy reduces the amount of social rented housing and in April 2012 the government greatly increased the discount for sales to tenants. By September 257 applications had been received, a 106% rise, but it is too early to say if this will result in much higher actual sales.
49. The Strategic Housing Market Assessment Update 2010 identified that Leicester’s net affordable housing shortfall is 1,055 homes per year for the next 7 years to meet current and future demand from households who cannot afford to enter the private housing market.
50. Over the last 5 years the Council has enabled the development of 819 new social rented and affordable rented homes and 299 intermediate affordable homes, mostly built by Housing Associations, but including 146 Council houses. These are 1, 2, 3, 4 bedroom and larger houses, to meet the needs identified in the Housing Market Assessment.
51. All relets of adapted housing from both the Council and the Housing Associations are matched to applicants on the Housing Register who need adapted housing and in 2012/13 we allocated 32 wheelchair adapted Council properties of which 15 were our newly built stock. Currently there are 110 applicants on the Housing Register with 91 cases having been awarded the highest priority. 25 of these cases have been waiting in excess of 2 years. To address this, when a property becomes vacant that may meet the needs of the applicant, it is considered for adaptation. A recent example of this is where a 6 bed property became available and was suitable for adapting to meet the needs of a large family with 2 children in wheelchairs.
52. Each year the Capital Programme funds the adaptation of tenants existing homes where Adult Social Care identify that the current tenant needs those adaptations. Unlike in the private sector, (Disabled Facilities Grants) there is no backlog of work. In 2012/13, £1.4m was allocated for this work.

53. 71 dwellings within the Council stock are designated for letting to people nominated by Adult Social Care, who arrange additional support. We also have 394 Sheltered Housing flats which are let to people over 50. Further suitable properties are being identified with ASC officers as part of the programme of work of the Supported Living Programme Board. Where alterations are needed these are jointly funded by ASC and the HRA.
54. In addition, we make provision to enable redevelopment and new build schemes (e.g. at Eyres Monsell, The Exchange redevelopment), or provide affordable rent grants to HomeCome or Housing Associations or selling land at a discount.

What do we want to achieve in future?

- Aim to ensure there are sufficient wheelchair adapted homes to meet demand from the Housing Register.
- Provide a timely response to requests for adaptations of existing homes as assessed by Adult Social Care.
- Provide suitable supported and general needs housing to meet the need for housing for people identified by Adult Social Care's Supported Living Programme (people with physical disabilities, mental health problems, learning difficulties and older people).
- Reduce severe overcrowding.
- Find the best way for the HRA to enable new affordable housing.
- Support our tenants to keep their tenancies.

How can housing capital investment support this priority in the future?

55. Leicester's Affordable Housing Strategy sets out the ways in which the Council can continue to enable new affordable housing to be built in the City. The HCA's funding programme for the Leicester and Leicestershire Housing Market Area for 2011-2015 does not include sufficient funds for us to achieve the same amount of new supply of affordable housing as we have managed to deliver over the last few years. (601 completions in the past two years, 2010-12, the predicted completions for the next 3 years, 2012-2015, is a maximum of 341).
56. It is proposed that the HRA borrows up to £5m over the next 3 years to fund new Council housing. The first proposed schemes will produce 41 new homes. These are on old Saffron Depot sites, Hamelin Road garage site, the conversion of Upper Tichborne Street hostel to family homes and work at 100 Welford Road and 63 Upper Tichborne Street for letting to adult social care clients. (estimate £4m)
57. Further schemes to the value of £1m will be identified during the year.
58. The Capital Programme will continue to fund small scale work to support the conversion of general needs housing to low level supported housing

and fund Disabled Adaptations where recommended by Adults Social Care for existing tenants.

59. Goscote House is to be used to house tenants whilst the tower blocks in St Peters are being refurbished. This refurbishment work is currently planned to end in March 2015 and it is proposed to look at the feasibility of converting existing bedsits on the lower floors at Goscote House to 2 bed flats. This is a popular area of the city and will give more options to relieve some of the overcrowding of families who want to live here.

How can revenue spending support this priority in the future?

60. We will continue to advertise our vacant properties on Leicester Homechoice and implement improvements identified by customers in our review this year.
61. We provide debt advice to tenants and offer other sorts of support through our locally based STAR service.
62. We will work with those tenants who will be affected by the new housing benefit and council tax systems and other welfare reforms, to help them to afford to stay in their homes or move to somewhere smaller

Priority Five – Making Leicester a place to do business, by creating jobs and supporting the local economy.

Why is this a priority and what have we achieved in 2012/13?

63. A workforce of over 800 staff is funded by the HRA. We also employ contractors to undertake a large amount of capital work, who in turn create employment. On all new contracts we include local labour clauses.
64. The Housing Division has been creating apprenticeships for 25 years; originally in single trades and for the last 8 years the multi-skilled apprentice maintenance technician (AMT). We have achieved national recognition in improving representation in the construction field and are considered an exemplary employer by the Equal Opportunities Commission. There are currently 84 apprentices working and training in Housing Services. In 2012/13 we expect to spend £1.85 million on the apprenticeship scheme.
65. A new Housing Neighbourhood Improvement project has been established this year, as part of the Council's Leicester to Work initiative. This has involved setting up a Sector Based Work Academy (SBWA) in partnership with Leicester College and the Job Centre Plus. SBWAs are one of the Government's 'Get Britain Working' programmes, designed to help those who are ready for work and

receiving benefits into secure employment. The scheme provides pre-employment training, a period of work experience and a guaranteed job interview with the Housing Division. The Division will invest £1.4million in this project over the next 3 years and hope to employ up to 160 people on 6 month contracts. Undertaking estate based neighbourhood improvement schemes chosen in consultation with Tenants Associations. They will be paid the minimum wage.

66. The Division also currently works in partnership with InTraining and Job Centre Plus to provide work experience opportunities for unemployed people. This involves clients undertaking neighbourhood improvement work for 8 weeks, whilst still in receipt of Job Seekers Allowance (JSA). We are able to have up to 10 clients with us at any one time. We also take on graduates for up to 1 year to provide work experience.
67. The Division has worked with the Probation Service for several years, providing work experience for their referrals, usually grounds maintenance work on housing estates. We also work with the Leicester Youth Offending Service to create work experience opportunities for young people who are required to undertake reparation work.
68. We have begun to invest in a painting programme for our shops, to help boost local trade on estates.

What do we want to achieve in future?

69.
 - Create work experience and job opportunities within the local economy.
 - Contribute to tackling local worklessness.
 - Maintain all shopping precincts on estates so they have thriving businesses that meet the needs of the local community.

How can housing capital investment support this priority in the future?

70. Across all departments, the Council is currently updating the way we communicate with local suppliers, and actively encouraging dialogue with local small and medium businesses (known as SME's). The council procurement rules have recently been revised specifically to stimulate the local economy with the hope that this has a positive impact on local employment.
71. We will ensure our shop premises for local businesses are well maintained and explore opportunities for new facilities and employment. For example, the current redevelopment at The Exchange includes work with a private developer to provide 6 new modern shops.

72. The programme of externally painting the shops will continue, tackling the worst first.

How can revenue spending support this priority in the future?

73. Within the Housing Revenue Account Repairs and Maintenance Budget we will continue our excellent record of training local apprentices so that they can develop the necessary skills and knowledge to enable them to join our workforce and help maintain our stock.
74. We will continue to fund the Leicester at Work Scheme and support other work experience initiatives.

Priority Six – Operational Investment

Why is this a priority?

74. We are continuously looking at ways of improving efficiency and have to invest to meet changes in technology.

What do we want to achieve?

75. To continue to invest in new IT and other technology where this will help to provide effective services in most economic way.

How can capital investment achieve this priority in the future?

76. Housing System Retendering – the existing Open Housing System contract expires in 2014 with development work commencing in 2012 and implementation during 2013 /14. The total cost of the scheme is £1.4m. The current system contains data relating to all the activities of the Housing Division e.g. Housing Stock Repairs & Maintenance, Rent accounts etc. The new system aims to make the department more efficient and remove peripheral systems.
77. So as to improve operational efficiency at both Central and Leycroft Road Stores work commenced in 2012-13 and will continue into 2013-14. This includes building a mezzanine floor and external storage sheds at Leycroft Road and providing additional racking at both sites. We are also working on improving and reviewing IT systems, including stock control and goods delivery.
78. Changeover to digital reception has meant installing new digital receiving aerials across the city. The programme will be completed next year.

	2011-12 Actuals	2012/13 Revised Programme Including Slippage	P6 Forecast 2012-13	2013-14	2014-15	2015-16
HRA	£k	£k	£k	£k	£k	£k
Providing Quality Rented Homes						
Kitchens & Bathrooms	4,740	6,687	6,687	6,500	6,500	6,500
Rewiring	1,729	1,930	1,930	2,300	2,500	2,750
Re-roofing	502	300	300	300	300	500
Structural Works/Damp Proof Courses	682	400	400	400	400	400
St Peter's Tower Block Refurbishment including lifts	0	1,780	861	1,613	1,086	908
Soffits & Fascia	0	500	500	500	500	500
Safety Works	351	615	615	500	520	530
Fire Risk Works (Communal Works)	0	370	370	400	400	900
E Communications for the Repairs Service (Mobile Working)	88	912	280	650	230	100
Elevated Walkways	0	0	0	150	150	150
Sub-total	£8,092	£13,494	£11,943	£13,313	£12,586	£13,238
Creating Thriving, Safe Communities						
Environmental Works / Communal Area Improvements	1,045	1,224	1,224	1,020	1,087	1,242
Exchange Redevelopment	0	210	100	450	200	200
Upgrading Door Entry systems	286	300	300	300	350	350

Playground Equipment	53	55	55	50	50	50
Supporting Neighbourhood Hubs	0	100	20	180	100	100
Waylighting	0	0	0	150	150	150
Sub-total	£1,384	£1,889	£1,699	£2,150	£1,937	£2,092
Reducing Our Carbon Footprint						
Central Heating Boiler Replacements	3,822	3,648	3,648	3,648	4,300	5,300
New Central Heating	153	200	200	200	200	200
Condensation Initiatives	0	400	400	400	400	425
Window & Door replacement	405	550	350	350	350	350
Energy initiatives for difficult to heat homes	0	350	350	450	500	550
Match Funding For ECO Initiatives	1,211	450	229	100	100	100
District heating scheme initiatives linked to ESCO	76	650	650	0	0	0
Loft Insulation	87	200	100	150	150	150
Sub-total	£5,754	£6,448	£5,927	£5,298	£6,000	£7,075
Providing Housing Appropriate to Need						
Disabled Adaptations	1,349	1,400	1,400	1,400	1,400	1,400
Supported Housing Improvements (ASC)	60	200	200	200	200	200
LeicesterCare Alarms	5	10	10	10	10	10
Increasing Affordable Housing	0	43	43	2,060	2,210	1,243
Sub-total	£1,414	£1,653	£1,653	£3,670	£3,820	£2,853
Investing in Skills and Enterprise						
Investment in shops	14	50	0	100	50	50
Sub-total	£14	£50	£0	£100	£50	£50
Operational Costs						
Housing Information System Retendering	0	0	300	1,100	0	£0

Stores	0	0	68	48	0	£0
Technological Advancements	239	400	152	50	100	200
Sub total	£239	£400	£520	£1,198	£100	£200
Grand Total HRA	£16,897	£23,934	£21,742	£25,729	£24,493	£25,508
Available Funds HRA Revenue				£21,477	£22,283	£24,265
Available Funds Carried Forward				£2,192	£0	£0
Available Funds HRA Borrowing				£1,803	£1,954	£1,243
Available Funds RTB Receipts				£257	£256	£0
			Difference	-£0	£0	-£0

**Housing Revenue Account & Capital Programme
Tenants & Leaseholders Forum feedback November 2012**

- The Tenant & Leaseholders Forum agreed to the proposals within the capital programme.
- The Forum requested information about the number of properties affected by larger budgets such as the Kitchen and Bathroom programme for future consultations.
- The following comments were also made for each Housing Service priority and Operational Costs:
 - **Providing Quality Rented Homes**
 - *Are these the right schemes and programmes?*
 - “Yes, to achieve quality homes”
 - “Yes they cover basic needs & wants”
 - “Fine”
 - “Most”
 - *Will they achieve the priority?*
 - “Yes”
 - “Yes they will be giving low income families and people in need a substantial property”
 - “Fine”
 - “Yes if programmes are followed”
 - *If there was less money, what would you cut?*
 - “E Communications for the repairs service (mobile working)”
 - “Kitchens & Bathrooms”
 - “Soffits & Fascia”
 - *If there was more money, what would your priority for spending be?*
 - “Fire Risk Works”
 - “Roofing”
 - “Maintenance Improvements – Painting / Decorating, especially communal areas ”
 - **Creating Thriving, Safe Communities**
 - *Are these the right schemes and programmes?*
 - “Yes, but Exchange redevelopment is not important”
 - “Yes creating safety. Plus upgrading door entry systems and by upgrading playground equipment so they have somewhere to play instead of looking for places to vandalise”
 - “Good”
 - “Some”
 - *Will they achieve the priority?*
 - “Yes”
 - “Not the playground equipment – unless they can be locked – will cause more ASB – drink / drugs etc”

- “Yes, by environmental works in communal areas, upgrading door entry and supporting Neighbourhood Hubs”
- *If there was less money, what would you cut?*
 - “Little bit of money off each”
 - “Supporting neighbourhood Hubs”
 - “Cut it equally”
 - “Playground equipment”
- *If there was more money, what would your priority for spending be?*
 - “Communal area improvements”
 - “Putting a little bit extra on each of them”
 - “Upgrading door entry systems”
 - “Exchange development + cut the grass on old pub site”
- **Reducing Our Carbon Footprint**
- *Are these the right schemes and programmes?*
 - “Yes”
 - “Most”
 - “Yes, but loft insulation and green energy – look at EU schemes that are available”
 - “Yes, to help reduce carbon as best as possible”
- *Will they achieve the priority?*
 - “Yes”
 - “Yes it will”
 - “Hopefully they will reduce carbon footprint to the best of the Council’s ability”
- *If there was less money, what would you cut?*
 - “District heating scheme (ESCO)”
 - “Yes, by cutting a bit off from each”
 - “loft insulation”
- *If there was more money, what would your priority for spending be?*
 - “Yes, by adding a bit of money back to them”
 - “Green energy”
- **Providing Housing Appropriate to Need**
- *Are these the right schemes and programmes?*
 - “Yes”
 - “Good”
- *Will they achieve the priority?*
 - “We won’t know until we experience it”

- “Yes”
- “Good”
- “Yes, by providing adequate improvements and resources”
- *If there was less money, what would you cut?*
 - “Yes, by deducting a bit of money but looking at the different ones they do really not need touching”
 - “Nothing, take money from E – Comm’s”
- *If there was more money, what would your priority for spending be?*
 - “Yes, but more money spent on Social Housing – not Housing associations”
 - “Property improvements (Homes)”
 - “Yes, by adding money to them as the categories need money not less”
 - “More housing”
- **Investing in Skills and Enterprise**
- *Are these the right schemes and programmes?*
 - “Yes”
- *Will they achieve the priority?*
 - “Yes”
- *If there was less money, what would you cut?*
 - “N/A only one item”
- *If there was more money, what would your priority for spending be?*
 - “N/A only one item”
- **Operational Costs**
- *Are these the right schemes and programmes?*
 - “Yes”
 - “OK”
- *If there was less money, what would you cut?*
 - “Nothing all needed”
- *If there was more money, what would your priority for spending be?*
 - “Tech, advancements”
 - “Stores”

Equality Impact Assessment for Service changes / Budget proposals

An EIA is a tool which will help you assess whether there are any positive or negative equality impacts on people affected by proposed changes requiring formal decision.

Service change involves redesigning or reshaping, (and in some cases the removal of) current service provision – whether directly provided by Council officers or commissioned by the Council for provision by an external provider.

Budget proposals should arise from service changes that you are considering throughout the year in light of the current financial climate. The EIA for budget proposals should cover the same issues as considered for service changes.

Our public sector equality duty requires us to ensure that we do not discriminate against any protected group or person with protected characteristics (see below) covered by the Equality Act 2010 when taking decisions that affect them. Potential negative impacts that we disregard or ignore could mean discrimination. We also have a duty to actively promote positive impacts that advance equality of opportunity. The protected characteristics covered by the Equality Act 2010 are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation.

What to do: The service change / budget proposal EIA contains 3 steps:

Step 1 The proposal

This part of the EIA examines the proposed change to the service and potential equality impacts takes place at the start of the planning process.

Step 2 Consultation

This part of the EIA covers the outcome of the consultation with service stakeholders about service change proposals.

Step 3 The recommendation

The final part of the EIA presents the recommendation for decision along with potential positive and negative equality impacts of the recommended action.

Any issues identified in the above EIA process requiring action should be addressed in a SMART EIA action plan.

Remember to keep your supporting information and analysis as your evidence base (including any needs assessments informing the start of the planning process) in case of challenge to the contents of your EIA, your interpretation of the evidence used to support the EIA, or your interpretation of protected groups affected.

Equality Impact Assessment for service changes / budget proposals

Name of service	Housing
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Date of assessment:

Start date	Completion date
1.11.12	__ - __ - ____

Lead officer and Contact details	Helen McGarry – Service Improvement Manager Ext. 296202, e mail helen.mcgarry@leicester.gov.uk
List of other(s) involved	

What is this EIA about?

(Please tick✓)

Budget proposal for existing service or service contract to achieve savings	<input checked="" type="checkbox"/>
Budget proposal for new or additional service expenditure	<input type="checkbox"/>
Budget proposal for capital expenditure	<input checked="" type="checkbox"/>
Commissioning a new service or service contract	<input type="checkbox"/>
Changing or removing an existing service or service contract	<input type="checkbox"/>

Step 1: The proposal (how you propose to change the service)

Question 1:

What is the proposal/proposed change?
<p>The Housing Revenue Account (HRA) budget report is proposing a 4.1% average rent increase for council tenants across the city for 2013/14. This will contribute towards a total income of £84,177 to the HRA budget. The income will be spent on:</p> <ul style="list-style-type: none"> • Repairs and maintenance • Tenancy management • Funding for the HRA Capital Programme • Capital Programme slippage • Contribution to bad debts provision • Interest charges <p>The report is also proposing a 3.1% general increase in service charges, which will impact upon council tenants and approximately 660 leaseholders across the city.</p> <p>It is proposed that £25,729,000 will be invested in Leicester Council homes and estates during 2013/14, through the Capital Programme.</p>
Who will it affect and how will they likely be affected?

Appendix 1 gives a demographic breakdown of Leicester City Council Tenants.

The proposals will affect all Leicester City Council tenants across the city. With the proposed budget, the repairs and maintenance and tenancy management services will be maintained for all tenants. A capital programme will be resourced to meet our service priorities, agreed by the Tenants' and Leaseholders'.

Most tenants in receipt of full housing benefit will continue to have any rent increase covered by their benefit entitlement. Therefore, there will be no requirement for them to pay any more. We know that 37% of tenants receive full housing benefit. The negative impact of having to pay more rent will affect 63% of tenants who are in receipt of partial housing benefit or none at all.

In addition to this we know that 2182 tenants will be affected by the Welfare Reforms that are due to be implemented from April 2013. These people could currently be receiving full, partial or no Housing Benefit. For these people any rent increase may not be covered by their Housing Benefit entitlement. This will particularly affect people of a working age, those that are under occupying properties and larger families. This could disproportionately affect households from a BME background where larger families are more likely.

The impact will be dependent on tenants' financial situation, family circumstances and bedroom occupancy rates.

Despite the proposed rent increase our research shows that council rents still remain lower than registered social landlords operating in the city and lower than those charged by private landlords.

The Housing Capital Programme generally benefits all tenants and residents 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.

Over the next 3 years we are proposing that a substantial amount of money is invested in the refurbishment of the 5 St Peter's tower blocks. This will affect 440 properties in this area of the city. We know that about 50% of tenants in the Centre area of the city are of a BME background and therefore this project will have the greatest impact on this protected group.

The proposed £50 000 investment on play equipment will benefit children living on our estates.

Investment in disabled adaptation will benefit our tenants with a disability, to enable them to live more independently in the home. We currently have 265 tenants identified as having a disability. We know there is an under recording in this area, so the investment proposal will impact on a larger number of tenants with a disability than currently identified.

We are proposing to invest in LeicesterCare Alarms which generally provide extra security for elderly people living in their homes. We know that 39% of our tenants are over the age of 55, therefore, this proposal could impact on over a third of our tenants.

The budget proposes £220,000 to continue funding the provision of free support services to tenants of sheltered housing in receipt of Housing Benefit, following the withdrawal of the Supporting People grant. This will positively impact on tenants over the age of 55, with support needs.

Question 2:

Will the proposal have an impact on people because of their protected characteristic? Tick the anticipated impact for those likely to be affected by protected characteristic.

	No impact	Positive impact	Neutral impact ¹	Negative impact	Impact not known
Age		√		√	
Disability		√		√	
Gender reassignment		√		√	
Pregnancy and maternity		√		√	
Race		√		√	
Religion or belief		√		√	
Sex (gender)		√		√	
Sexual orientation		√		√	

Question 3:

For those likely to receive a positive impact, describe the likely positive impact for each group sharing a protected characteristic. How many people are likely to be affected?

The proposals within the HRA budget will have a positive impact for all our tenants through the ongoing maintenance and improvement of our housing stock. This will ensure homes are provided to a decent standard for current tenants and people accessing council housing in the future.

The proposals will have a positive impact for those tenants in receipt of full Housing Benefit, who will not be impacted upon by Welfare Reforms (up to 37% of tenants). The proposed rent increase will be covered by their housing benefit entitlement, so these tenants will not need to pay anything extra.

The HRA budget report proposes an additional spend of £200,000 towards supporting vulnerable tenants via Supporting Tenants and Residents (STAR). This will have a positive impact on all vulnerable tenants across the city, by providing support to live independently, particularly those within the protected characteristic groups.

The budget proposes £220,000 to continue funding the provision of free support services to tenants of sheltered housing in receipt of Housing Benefit, following the withdrawal of the Supporting People grant. This will positively impact on tenants over the age of 55, with support needs.

Over the next 3 years we are proposing that a substantial amount of money is invested in the refurbishment of the 5 St Peter's tower blocks. This will affect 440 properties in this area of the city. We know that about 50% of tenants in the Centre area of the city are of a BME background and therefore this project will have the greatest impact on this protected group.

The proposed £50 000 investment on play equipment will benefit children living on our estates.

¹ Where likely positive impacts combined with likely negative impacts leave the person no better or worse off

Investment in disabled adaptation will benefit our tenants with a disability, to enable them to live more independently in the home. We currently have 265 tenants identified as having a disability. We know there is an under recording in this area, so the investment proposal will impact on a larger number of tenants with a disability than currently identified.

We are proposing to invest in LeicesterCare Alarms which generally provide extra security for elderly people living in their homes. We know that 39% of our tenants are over the age of 55, therefore, this proposal could impact on over a third of our tenants.

Question 4:

For those likely to receive a neutral impact, describe the likely impacts (both positive and negative) for each group sharing a protected characteristic and how they result in a neutral finding. How many people are likely to be affected?

There are no neutral impacts from the proposals on a particular group.

Question 5:

For those likely to receive a negative impact, describe the likely negative impact for each group sharing a protected characteristic. How many people are likely to be affected?

The negative impact of having to pay more rent will affect 63% of tenants who are in receipt of partial housing benefit or none at all.

In addition to this we know that 2182 tenants will be affected by the Welfare Reforms that are due to be implemented from April 2013. These people could currently be receiving full, partial or no Housing Benefit. For these people any rent increase may not be covered by their Housing Benefit entitlement. This will particularly affect people of a working age, those that are under occupying properties and larger families. This could disproportionately affect households from a BME background where larger families are more likely.

The impact will be dependent on tenants' financial situation, family circumstances and bedroom occupancy rates.

How can these negative impacts be reduced or removed?

Ensure there is a process of early indicators which will monitor tenants with protected characteristics who fall into arrears.

Ensure relevant information is provided and publicised.

Tenancy Management Officers to support tenants at an early stage to maximise income and reduce expenditure and provision in the proposed budget to increase debt advisors in the Income Management Team to address the likely increase in rent arrears cases due to Welfare Reform.

The proposed additional £200,000 funding for STAR will provide extra support for tenants.

Changes to the Allocations Policy that give greater priority to help people move to more suitable accommodation on the grounds of affordability.

Question 6:

Is there other alternative or comparable provision available in the city? Who provides it and where is it provided?
Yes, properties can be rented across the city from Registered Social Landlords and private landlords.
Can this alternative or comparable provision reduce or remove the negative impacts identified in Question 5? If not, why not?
No, our research shows that despite the proposed rent increase Leicester City Council rents remain lower than Registered Social Landlords and private sector rents. Tenants will also be affected by Welfare Reforms in other tenure types.
Would service users negatively affected by the proposal be eligible to use this alternative or comparable provision, and would it meet the service users' identified needs?
People are eligible to apply for Registered Social Landlords or private rented accommodation. However, as their rents are higher than Leicester City Council they may be in a worse financial situation.

Question 7:

Will any particular area of the city be positively or negatively affected by the proposal, compared to other parts of the city? Describe where this is likely to take place, and why.
Properties in the Centre area of the city tend to have proportionally more services charges attached to their properties, due to their design. It could be that people in receipt of partial or no housing benefit in this area of the city will be negatively impacted upon the greatest, needing to pay all or part of the proposed service charge increase.

Question 8:

Is it likely that there may be additional negative impacts arising over the next three years that need to be considered? Describe any additional negative impacts over time that could realistically occur.
More tenants could be affected by Welfare Reform as these are fully implemented and Universal Credit is introduced. This could mean more tenants find themselves in a position where their housing benefit does not cover future rent increases.

Question 9:

What data/information/analysis have you used to inform your equality impact findings?
Analysis of Registered Social Landlords and private landlords rents 2012 Statistical information and reports contained within Housing Services IBS computer system

Date completed

Step 2: Consultation on the final proposal

Question1:

What consultation on the final proposal has taken place? When, where and who with?

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Question 2:

What potential impacts did consultation stakeholders identify?
What positive impacts were identified? For people with which protected characteristics?
What negative impacts were identified? For people with which protected characteristics?

Question 3:

Did stakeholders indicate how positive impacts could be further promoted? How?
Did stakeholders indicate how negative impacts could be reduced or removed? How?

Date completed

Step 3: The recommendation (the recommended decision on how to change the service)

Question 1:

What changes are being recommended?
Who will be affected by these changes?

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Question 2:

What is the anticipated impact of these changes on people who share the following protected characteristics? Tick the anticipated impact below:

	No impact	Positive impact	Neutral impact ²	Negative impact	Impact not known
Age					
Disability					
Gender reassignment					
Pregnancy and maternity					
Race					
Religion or belief					
Sex (gender)					
Sexual orientation					

Question 3:

For those likely to receive a positive impact, describe the likely positive impact for each group sharing a protected characteristic. How many people are likely to be affected?

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Question 4:

For those likely to receive a neutral impact, describe the likely impacts (both positive and negative) for each group sharing a protected characteristic and how they result in a neutral finding. How many people are likely to be affected?

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Question 5:

For those likely to receive a negative impact, describe the likely negative impact for each group sharing a protected characteristic. How many people are likely to be affected?

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How can these negative impacts be reduced or removed?

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Question 6:

**Are there any actions required as a result of this EIA?
If yes complete the EIA Action Plan on the next page. List up to 3 priority actions.**

² Where likely positive impacts combined with likely negative impacts leave the person no better or worse off

Date completed

This EIA has been completed by:

Lead officer (signature)	
Date	

The EIA has been signed off by the Equality Officer:

Equality officer (signature)	
Date	

This EIA has been signed off by the Division Director:

Divisional Director (signature)	
Date	

EIA Action Plan

Please list all the equality objectives, actions and targets that result from the Equality Impact Assessment. These should be included in the relevant service plan for performance management purposes.

Equality Objective	Action required	Target	Officer responsible	By when?
Example: To know equality profile of all service users.	Example: collect monitoring data on disabled users (currently not being provided)	Example: To have data for first performance review	Example: Joe Smith	Example: Start collection of data in April 10

What to do next?

If this EIA has identified any issues that need to be addressed (such as plugging a data gap, or carrying out a specific action that reduces or removes any negative impacts identified), complete the attached EIA Action Plan to set out what action is required, who will carry it out, and when it will be carried out/completed.

Once your EIA has been completed, (signed by the equalities officer **and countersigned by your Director**) the equality officer will work with you to monitor this action plan.

Equality officers: Sonya Osborne 29 7738 Sukhi Biring 29 6954

EIAs will be made widely available and published on the Councils website and intranet.

Demographic break down of Leicester City Council Tenants (2nd November 2012)

Age

Age of applicant	Number of Tenants	% of Tenants
Under 18	31	0.1%
19 to 24	864	3.9%
25 to 44	8,079	36.7%
45 to 54	4,313	19.6%
55 to 74	5,803	26.4%
75+	2,775	12.6%
Unknown	145	0.7%

Ethnic Origin

Ethnicity	Number of Tenants	% of Tenants
Asian	2,348	10.7%
Black	1,808	8.2%
Chinese	26	0.1%
Mixed/Dual Heritage	278	1.3%
White	11,740	53.3%
Other Ethnic origin	385	1.7%
Not given / Unknown	5,425	24.6%

Disability

Disability	Number of Tenants	% of Tenants
Yes	265	1.2%
No	1,283	5.8%
Unknown	20,462	93.0%

Sexuality

Sexuality	Number of Tenants	% of Tenants
Bisexual	30	0.1%
Gay (female / lesbian)	7	0.0%
Gay (Male)	5	0.0%
Heterosexual / straight	1,267	5.8%
Other	42	0.2%
Prefer not to say	176	0.8%
Unknown	20,483	93.1%

Religion

Religion	Number of Tenants	% of Tenants
Atheist	64	0.3%
Bahai	0	0.0%
Buddhist	3	0.0%
Christian	468	2.1%
Hindu	43	0.2%
Jain	1	0.0%
Jewish	0	0.0%
Muslim	286	1.3%
No religion	476	2.2%
Other	76	0.3%
Prefer not to say	123	0.6%
Sikh	10	0.0%
Unknown	20,457	92.9%