



Leicester
City Council

MEETING OF THE CABINET

DATE: MONDAY, 12 JULY 2010
TIME: 1PM
**PLACE: TEA ROOM, TOWN HALL, TOWN HALL SQUARE,
LEICESTER**

Members of the Cabinet

Councillor Patel (Chair)
Councillor Dempster (Vice-Chair)

Councillors Bhatti, Dawood, Naylor, Osman, Palmer, Russell, Wann and Westley

Members of the Cabinet are invited to attend the above meeting to consider the items of business listed overleaf.

for Director of Corporate Governance

MEMBERS OF THE PUBLIC:

YOU ARE VERY WELCOME TO ATTEND TO OBSERVE THE PROCEEDINGS. HOWEVER, PLEASE NOTE THAT YOU ARE NOT ABLE TO PARTICIPATE IN THE MEETING.

*Officer contact: Heather Kent/ Julie Harget
Democratic Support,
Leicester City Council
Town Hall, Town Hall Square, Leicester LE1 9BG
Tel: 0116 229 8816/8809 Fax: 0116 229 8819
email: Heather.Kent@Leicester.gov.uk*

INFORMATION FOR MEMBERS OF THE PUBLIC

ACCESS TO INFORMATION AND MEETINGS

You have the right to attend Cabinet to hear decisions being made. You can also attend Committees, as well as meetings of the full Council. Tweeting in formal Council meetings is fine as long as it does not disrupt the meeting. There are procedures for you to ask questions and make representations to Scrutiny Committees, Community Meetings and Council. Please contact Democratic Support, as detailed below for further guidance on this.

You also have the right to see copies of agendas and minutes. Agendas and minutes are available on the Council's website at www.cabinet.leicester.gov.uk or by contacting us as detailed below.

Dates of meetings are available at the Customer Service Centre, King Street, Town Hall Reception and on the Website.

There are certain occasions when the Council's meetings may need to discuss issues in private session. The reasons for dealing with matters in private session are set down in law.

WHEELCHAIR ACCESS

Meetings are held at the Town Hall. The Meeting rooms are all accessible to wheelchair users. Wheelchair access to the Town Hall is from Horsefair Street (Take the lift to the ground floor and go straight ahead to main reception).

BRAILLE/AUDIO TAPE/TRANSLATION

If there are any particular reports that you would like translating or providing on audio tape, the Democratic Services Officer can organise this for you (production times will depend upon equipment/facility availability).

INDUCTION LOOPS

There are induction loop facilities in meeting rooms. Please speak to the Democratic Services Officer at the meeting if you wish to use this facility or contact them as detailed below.

General Enquiries - if you have any queries about any of the above or the business to be discussed, please contact Heather Kent or Julie Harget, Democratic Support on (0116) 229 8816/8809 or email heather.kent@leicester.gov.uk or call in at the Town Hall.

Press Enquiries - please phone the Communications Unit on 252 6081

PUBLIC SESSION

AGENDA

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members are asked to declare any interests they may have in the business to be discussed and/or indicate that Section 106 of the Local Government Finance Act 1992 applies to them.

3. LEADER'S ANNOUNCEMENTS

4. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 21 June 2010, have been circulated to Members and the Cabinet is asked to approve them as a correct record.

5. MATTERS REFERRED FROM COMMITTEES [Appendix A](#)

Overview and Scrutiny Management Board – 17 June 2010

Review Of The Vehicle Crossing Policy

The following was agreed at the above meeting. The full minute extract is attached at Appendix A.

RESOLVED:

that Cabinet is asked to revoke the current policy and seek to adopt a policy in line with both Derby and Nottingham City Councils by assessing each request on a case by case basis.

**6. REPORT OF THE ADULTS AND HOUSING SCRUTINY [Appendix B](#)
TASK GROUP: HOUSING REPAIRS REVIEW**

The Adults and Housing Task Group Leader submits a report that provides Cabinet with the findings of the Adults and Housing Task Group's review into the Housing Repairs Service in Leicester.

Relevant minute extracts of meetings of the Overview and Scrutiny Management Board and a divisional response are attached.

**7. REPORTS OF THE ADULTS AND HOUSING [Appendix C](#)
SCRUTINY TASK GROUP: HOME COME**

The Adults and Housing Task Group Leader submits a report that provides Cabinet with the findings of the Adults and Housing Task Group's review into HomeCome, a limited company set up by the Council in 2004 to create new affordable housing.

Relevant minute extracts of meetings of the Overview and Scrutiny Management Board and a divisional response report are attached.

8. PROPOSED CHANGES TO THE SCHOOL BALANCE CONTROL MECHANISM [Appendix D](#)

Councillor Dempster submits a report that seeks support for proposals for a new School Balance Control Mechanism to be introduced during 2010-11 that will apply to school balances held at 31 March 2011. Cabinet is asked to approve the recommendations set out in Paragraph 2 of the report,

A minute extract from the meeting of the Children and Young People Scrutiny Committee held on 6 July 2010 will be circulated when it is available.

9. FULLHURST COMMUNITY COLLEGE STRUCTURAL SOLUTIONS FOR NATIONAL CHALLENGE SCHOOLS - LAND TRANSFER [Appendix E](#)

Councillor Dempster submits a report that updates Members on the Land Transfer process and seeks approval for the disposal of the site to the Trustees at nil consideration in order to progress National Challenge Co-operative Trust Status. Cabinet are asked to consider the terms proposed for the transfer of the school site and confirm approval for a disposal at nil consideration.

A minute extract from the meeting of the Children and Young People Scrutiny Committee held on 6 July 2010 will be circulated when it is available.

10. BABINGTON COMMUNITY COLLEGE STRUCTURAL SOLUTIONS FOR NATIONAL CHALLENGE SCHOOLS - LAND TRANSFER [Appendix F](#)

Councillor Dempster submits a report that updates Members on the Land Transfer process and seeks approval for the disposal of the site to the Trustees at nil consideration. Cabinet are asked to consider the terms proposed for the transfer of the school site and confirm approval for a disposal at nil consideration.

A minute extract from the meeting of the Children and Young People Scrutiny Committee held on 6 July 2010 will be circulated when it is available.

11. WORK EXPERIENCE AND EMPLOYMENT OPPORTUNITIES FOR CHILDREN AND YOUNG PEOPLE WITH LEARNING DISABILITIES IN LEICESTER CITY COUNCIL [Appendix G](#)

Councillor Dempster submits a report that provides an update on the work completed across the City Council to develop work experience and employment opportunities for children and young people and adults with learning disabilities across Leicester City Council. Cabinet is asked to approve the recommendations set out in Paragraph 2 of the report.

A minute extract from the meeting of Children and Young People Scrutiny Committee held on 6 July 2010 will be circulated when it is available.

12. STRUCTURAL REPORT ON NEW WALK CENTRE [Appendix H](#)

Councillor Patel submits a report that outlines the actions that the Council are required to take in the light of the conclusions of the structural report on New Walk Centre. Cabinet is recommended to note the content and conclusions of the Ove Arup report and note the commencement of an options appraisal project in response.

A minute extract from the meeting of the Overview and Scrutiny Management Board held on 8 July 2010 will be circulated when it is available.

13. COUNCIL TAX DISCRETIONARY RELIEF - LOCAL DISCOUNTS [Appendix I](#)

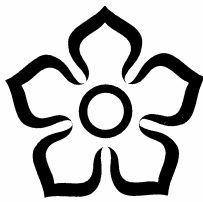
Councillor Patel submits a report that proposes a framework for applying Council Tax Discretionary Relief under Section 13A of the Local Government Finance Act 1992 (LGFA 1992) as inserted by Section 76 of the Local Government Act 2003 (LGA 2003). Cabinet is asked to approve the recommendations set out in Paragraph 2.1 of the report.

14. NATIONAL SPENDING CUTS - RESPONSE [Appendix J](#)

Councillor Patel submits a report that advises that the Government has made cuts to local authority grants in 2010/11 and plans to accelerate the speed of spending reductions between 2011/12 and 2014/15. Cabinet is asked to approve the recommendations set out in Paragraph 1.1 of the report.

15. ANY OTHER URGENT BUSINESS

This page is left blank intentionally.



Leicester
City Council

APPENDIX A

MINUTE EXTRACT

Minutes of the Meeting of the
OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Held: THURSDAY, 17 JUNE 2010 at 5.30pm

PRESENT:

Councillor Grant– Chair

Councillor Bajaj
Councillor Joshi
Councillor Scuplak

Councillor Clair
Councillor Newcombe
Councillor Suleman

Also In Attendance

Councillor Draycott
Councillor Kitterick

Coleman Ward Councillor
Castle Ward Councillor

11. REVIEW OF THE VEHICLE CROSSING POLICY

The Director, Regeneration, Highways and Transportation submitted a report that informed the Overview and Scrutiny Management Board of certain current standards in the Vehicle Crossing Policy that were included in the Council's Transport Asset Management Plan (TAMP).

The Head of Highways Management introduced the report and stated that the report considered the size and angle of vehicle hard standings in the Council's current Vehicle Crossing Policy and compared them with other local authorities. The Board heard that in January 2009, it was agreed that 5 metres was a reasonable length as it accommodated the majority of cars.

Contained within the report was information relating to the standards set by neighbouring authorities. Further to that information, it was stated that Derby City Council imposed no minimum length of their vehicle crossing hard standings.

The Head of Highways Management also reported that the authority did not approve footway crossings where the parking hard standing would have to be at an angle in order to achieve the measurement, as this posed dangers. It was therefore made clear that officers currently strictly enforced the standard

MINUTE EXTRACT

length to 5 metres at 90 degrees to the highway.

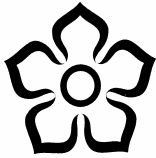
The Chair permitted Councillors Draycott and Kitterick to address the committee in relation to this item. They were both of the view that the council should assess each request for a hard standing on a case by case basis. They felt that a standard 5 metre length was problematic when situated outside small and narrow properties.

Members generally supported the views of Councillors Draycott and Kitterick and it was felt that the Council should adapt a more flexible policy. Concern was expressed around designing a hard standing to a specific length that would not suit a future occupant, and would therefore require modification.

In response to a question around enforcement, Members heard that it was the police who were responsible for enforcing the current standards and that Council officers did not share these powers.

RESOLVED:

That Cabinet be asked to revoke the current policy and seek to adopt a policy in line with both Derby and Nottingham City Councils by assessing each request on a case by case basis.



Leicester
City Council

OVERVIEW AND SCRUTINY MANAGEMENT BOARD

11 FEBRUARY 2010

Report of the Adults & Housing Scrutiny Task Group

Final Report - "Housing Repairs Review"

Report of Councillor Potter, Task Group Leader

1. Summary

- 1.1 This report provides the Overview and Scrutiny Management Board with the findings of the Adults & Housing Task Groups review into the Housing Repairs Service in Leicester. This review was undertaken to explore specific areas for improvement within the current service.
- 1.2 Members regularly receive complaints and concerns in relation to the housing repairs and maintenance service. Therefore, this review will benefit members to have a better understanding of how the service is operated and can be improved.
- 1.3 This report sets out the findings, conclusions and recommendations of the Adults & Housing Task Group.

2. Recommendations

The Overview and Scrutiny Management Board is asked to endorse the following recommendations of the Housing Repairs Task Group.

- 2.1. That the Housing Improvement and Repairs Service Mission Statement, adopted by Cabinet in July 2007, be noted and supported as still relevant, see Appendix A.
- 2.2. That the new Housing Repairs Mobile Working Scheme be fully supported and further developed to improve the overall service.
- 2.3. That annual monitoring takes place of the complaints received by the Cabinet Lead for Housing relating to the Housing Repairs & Maintenance Service.
- 2.4. That the members receive updates on the structure, key contacts and roles of lead staff within the Housing Repairs & Maintenance Service.
- 2.5. That the Housing Repairs & Maintenance Service develop further links with Ward Community meetings, Patchwalks and Neighbourhood events.

- 2.6. That the Housing Repairs & Maintenance Service improve the publicity of outreach work in the community e.g. information caravan roadshows.
- 2.7. That the Housing Repairs & Maintenance Service improve the joint-working relationship with Neighbourhood Housing Officers to offer a seamless and unified service to customers.
- 2.8. That Leicester City Council, as a corporate parent, invest in the creation of more apprentice type posts within the housing service to provide opportunities for young people in the city.
- 2.9. That Leicester City Council, as the landlord, ensures that regular monitoring takes place to ensure that all tenants are maintaining property to a certain standard.
- 2.10. That the Housing Repairs & Maintenance Service hold regular 'Information Sharing Events'.
- 2.11. That the Housing Repairs & Maintenance Service develops, where appropriate, a system of keeping tenants and leaseholders informed throughout the cycle of their repairs work.

3. Background

- 3.1 At its meeting in March 2008 the Overview and Scrutiny Management Board agreed for the Adults & Housing Task Group to undertake a review of Housing Repairs Service in Leicester.
- 3.2 The Task Group met on 3 occasions. In addition to these meetings the Task Group have attended workshop sessions and carried out a site visit to the Housing Repairs and Maintenance Depot in Blackbird Road for the purpose of gathering evidence.
- 3.3. The Overview and Scrutiny Management Board have received regular progress reports on the work of the Task Group.

4. Membership of the Task Group

- 4.1 The members involved in the Task Group were: Councillors Potter (chair), Newcombe, Glover, Lloyd-Harris, Thomas, Joshi, Marriott, Mayat, Allen and Naylor
- 4.2 The officers from the Housing Department involved in this review were Dave Pate, Service Director and Ian Craig, Head of Direct Services

5. Acknowledgements

- 5.1 The Task Group wishes to thank the lead officers involved in this review plus the Heads of service within the housing repairs and maintenance division.

6. Aim of the Review

- 6.1 The Housing Repairs Scrutiny Task Group was set up to investigate how the Housing Repairs Service is operated with a view to further explore specific areas for improvement.

7. Method of investigation

- 7.1 To carry out this review we have used a range of methods:
- Site visit to the operational side of the service
 - Information day and workshops to raise awareness and address issues
 - Presentations from service lead officers
 - Table top review of council documents

8. KEY FINDINGS

Leicester City Council currently has 22356 dwellings across the City, and as landlord, the Authority has a duty to repair and maintain the homes of council tenants.

The service deals with on average 137,700 requests for repairs a year, as follows:

- Emergency Out of Hour Repairs (3 hour)	26,017
- Emergency and 24 hour Repairs	21,860
- Day to Day repairs (10 day)	27,506
- Programmed work (9 week)	24,245
- Work on Void Property	1,498
- Gas Servicing	19,227
- Gas Emergency and 48 hour repair service	17,348

Of the above, over three quarters of all repairs are done under our appointment system, at a time and date to suit the tenant.

The net Housing Repairs & Maintenance Service budget for 2009/10 is £26.550m. The Housing Repairs budget, as a percentage of the Council's total budget, is 5.33%.

The housing repairs and maintenance service has received a number of awards over recent years:

- 2001 - Beacon Status award for Improving Housing Maintenance (the first service to win this prestigious award).
- 2002 – 3 star rating with excellent prospects for improvement under the Government's Housing Inspection regime (the first service to achieve this rating for housing maintenance in the Country).

Note last external inspection was by Housing Inspectorate and service received 3 stars

Over the last 18 months the service has shown significant improvements in many areas and these are acknowledged by the Task Group.

8.1 Service Improvements

8.1.1 During the initial meetings of this review the task group recognised that the Housing Repairs service had already started to address the core issues in relation to service improvements. They were informed of the recent improvements made to the Housing Improvement and Repairs Service:

- An audit of the Council's current stock of houses.
- Seven surveys had been undertaken or were currently occurring which would be used to build up a better idea of issues of the houses.
- The Council were now able to repair or replace the tenant's own fittings.
- The remuneration method for the workforce was currently being reviewed.
- A full survey of all tenants had been undertaken.
- A full survey of all Elected Members had been undertaken
- An annual Conference for tenants had been established where service failings could be highlighted and addressed.

8.1.2 The task group raised concerns that some Council properties were not insulated correctly and as a result of this the heating and gas bills would be higher. The service responded by saying that Leicester's SAP rating was 82.4 overall the highest in the Country. In addition, that when the audit of council properties took place, it would be checked if there was a minimum of 6 inches of insulation installed in the property, if not it would be brought up to this level.

8.2 How is the Housing Repairs Service Monitored

8.2.1 For local authorities, the average time taken on urgent housing repairs is monitored through the Comprehensive Performance Assessment framework. Where appropriate and as part of a risk assessment of overall performance, the data may be used to trigger further investigations of performance by the Audit Commission.

8.2.2 Tenants Services Authority

The Housing and Regeneration Act 2008 set up the Tenants Services Authority, a new regulator of social housing which will have powers to set standards and monitor performance for the management of social housing, including on maintenance and repairs. The TSA was set up to put tenants at the heart of regulation, and address their concerns with the housing management service.

8.2.3 The Housing repairs service carry out regular customer satisfaction surveys for their repairs service. The task group were presented with the recently conducted tenants survey, a summary of the results was explained to the task group. A copy of the Action Plan agreed as a result of the survey is attached at Appendix B.

8.3 Decent Homes Standard

- 8.3.1 A decent home is one that meets modern standards of fitness, structure, energy efficiency and facilities. All Housing Executive and registered housing association homes must meet the Decent Homes Standard by 2010.

Strategy Statement for Housing Improvement and Repairs Service

The Housing service has an overarching aim of 'A decent home within the reach of every citizen in Leicester'. This aim is linked to the Council's overall Corporate Objectives and clearly fits in with the Government's stated aim of a Decent Home for all tenants by 2010. Within this overall aim the Housing Repairs Services has developed a Mission Statement that informs and directs the work of this section, at APPENDIX A. This Mission Statement was approved by Cabinet in July 2007.

8.4 Information / Workshop Event

- 8.4.1 The task group members attended a housing repairs information day on 2nd June 2008, at this event the members:

- a) Participated in a workshop session with repairs staff to discuss common complaints and issues. The main themes coming out of the workshop session are listed at APPENDIX B.
- b) Met team leaders from different parts of the housing repairs service.
- c) Received a guided tour of the repairs and maintenance depot at the Ian Marlow Centre.
- d) Viewed the Gas Training Centre and were surprised by the number of apprentice female trainees. The council runs the apprenticeship scheme for craft trades, which covers plastering, carpentry, decorating, bricklaying, plumbing, electrics and gas servicing and maintenance. The course lasts 5 years and there are normally between 10 and 15 vacancies each year. The task group were informed that 2 out of 15 Housing Operative Apprentice Posts were offered to young people in care. The task group felt that Leicester City Council, as a corporate parent, has a responsibility to create as many opportunities as possible for young people in the city.
- e) Received an In-depth demonstration of how the Housing Repairs Call Centre system handled incoming calls. Task Group observed that 606 calls were received by 2pm on the day they were present.
- f) Viewed the CCTV Control room where security officers were able to monitor different parts of the city re: housing stock areas.

Task Group members welcomed the site tour and information sharing day, they found it very interesting and helped them to have a better understanding of the service. The task group agreed that it would be beneficial to hold Information Sharing Day events on a regular basis.

8.4.2 It was acknowledged that some tenants would like small jobs done by the council that are currently the tenants' responsibility, for example changing tap washers. The repairs service needs to ensure that tenants are fully aware of what services are actually provided.

8.4.3 It was recognised that some people who are elderly or have a disability, may find it difficult to do small jobs themselves.

8.5 Mobile Working

8.5.1 The task group held a special meeting at the Ian Marlow Centre (the hub) with lead officers, where they were taken through the processes and procedures of the Mobile Working Scheme, including the supporting I.T. systems and PDA hand held equipment used.

8.5.2 Following the demonstration of the scheme, the task group members could see the potential benefits to the repairs and maintenance service. The overall service should become more efficient and more effective with improved performance levels. The key benefits identified by the task group:

- a) Better control for management.
- b) A more flexible way of working.
- c) Reduced travel times for the operative and improvements in the performance of the housing repairs service.
- d) Allowed the council to match the operatives skills with the jobs that had to be undertaken.
- e) Allowed the staff to have a better work life balance.
- f) Allowed better forward planning capability when distributing work to operatives
- g) An increased ability to reschedule work where staff were off sick.
- h) Operatives would be allowed to complete other work on a repair visit if it could be accommodated.

8.5.3 The task group queried how a date would be arranged for a tenant who was working during the day. Housing Repairs responded that a suitable date would be agreed with the tenant, ideally late appointments should be only set up as an emergency or under the Til 8 service.

8.5.4 The task group queried that there were incidents where elderly or disabled tenants needed more time to answer the door. Housing Repairs responded that with the new system the operative would send a text or phone the tenant before arriving at the property. This would also address the concern relating to incidents where the buzzers in flats did not work.

8.5.5 The task group commented that there had been occasions where operatives had not completed the jobs. Housing Repairs responded that the new system would identify operatives who did not turn up to jobs. Also, after the operative had carried out the work, there would be a customer satisfaction survey sent out to the tenant.

- 8.5.6 The task group queried when the new system would be rolled out to include all services. The service responded that the aim was to put all repair services in the system by the end of March and add all the workforce on the day-to-day repairs system by the end of summer.
- 8.5.7 The task group praised the Housing Repairs service for introducing the new mobile working system, especially because the pilot scheme had shown it to be a success.

8.6 Communication

- 8.6.1 The task group discussed members' casework relating to housing repairs complaints and issues. They highlighted that they received numerous enquiries, some of which were difficult to deal with due to not always knowing who to contact. In order to save time, it would be helpful if all councillors were provided with:
- a) A list of key contacts and telephone numbers in relation to housing repairs common complaints.
 - b) A structure chart of the Housing Repairs & Maintenance division with team leaders, their responsibilities and contact details. Members expressed the view that a structure chart of the Housing Repairs and Maintenance division with relevant contact names and numbers would be beneficial to be included in the Members Handbook.
- 8.6.2 The task group agreed that improved systems should be developed to keep tenants and leaseholders informed of what is happening throughout the cycle of their repair.
- 8.6.3 The task group agreed that communication between different housing offices and the housing repairs and maintenance service should be improved to provide a consistent approach to customers.
- 8.6.4 The task group discussed customer satisfaction feedback processes. It was suggested that these should be monitored to capture the standard and quality of work received.
- 8.6.5 The housing repairs service informed members that it promotes services via various methods e.g. website, leaflets, handbook to tenants, information sharing events and through Leicester Link.

8.7 Housing Repairs Service – Improvement Plan

- 8.7.1 It was recognised by the task group that the housing repairs service is making improvements to be a more centralised and focussed service. The Service Director, Housing Improvements and Repairs informed the task group of some of the future plans of the Housing Repairs service, as follows:
- a) Planning to hold a Tenants Information Day, which would be an annual event that discussed issues that needed addressing.

- b) Planning to introduce events that held discussions with the contractors, members, the workforce, managers and leaseholders.
- c) To introduce a feedback system to deal with complaints received about the service.
- d) A handbook would be sent to tenants, which would help them to identify problems in their houses.
- e) There would be extended working hours for operatives, which would mean working until 8pm on weekdays and some weekend working as well.
- f) Housing tenants would now be required to sign off jobs including future work.
- g) A Clerk of Works post has been created to ensure that quality in the work of the repairs is maintained.
- h) A Procurement Officer post has been created to make sure procurement issues were being dealt with in the correct way.
- i) There was now a dedicated team introduced to deal with vulnerable people in Sheltered Housing and Hostel property and to respond to leaseholder's properties.
- j) There was now a monitoring form introduced to look at the complaints procedure, which the supervisor would have to complete.
- k) Priorities for the service would be shaped by the responses to the residents survey that had been conducted.
- l) The residents survey would also be used to look at the length of time it took for repairs to be carried out.
- m) Introduction of a Management Performance framework to allow better monitoring of individual performance, from operatives up to Management Level, including a monthly appraisal with front line staff to give both positive and Constructive feedback

8.7.2 The task group were informed that tenders for services were evaluated on quality and their ability to deliver as well as price. However, the price would not always be the highest factor. The contractors were scored on measurable key performance indicators. The workforce was measured on Customer Care, quality and performance with supervisors and managers also being accountable. A spreadsheet was presented which displayed the feedback from tenants on the quality of finished jobs.

8.7.3 95% of the respondents from the residents survey had stated that the workers who received the calls were very polite, however it was important to identify the individuals that were 'letting' the team down.

8.8 Housing Finance

8.8.1 The Head of Finance provided the task group with a presentation on the Housing Revenue Account, and outlined the approved Housing Revenue Account budget income and expenditure figures for the period 2008/09.

8.8.2 The budget is used to meet the Council's day-to-day repair responsibilities,

carry out the annual gas servicing and MOT checks; bring void properties back up to an acceptable (legal) standard before reletting; undertake planned programmed work on estates and carry out electrical checks to properties.

8.8.3 The Mobile Working System, although in its early days, has already cut the length of time that a tenant has to wait for a repair e.g. in the case of Plumbing from 6 weeks to three days and reduced the number of operatives required to meet the day-to-day demand for repairs, again for Plumbing from 16 to 13.

8.9 Conclusion

8.9.1 Task Group members praised the service for recognising that there is a need for change and the information day programme proved that improvement measures are in place with new processes, procedures and new ways of working for the future.

8.9.2 The duration of this task group was extended because the task group members felt it was beneficial to follow the new mobile working scheme from the pilot scheme stage in December 2008, through to the city-wide rollout stage. This allowed the task group to monitor the progress of the scheme before concluding this review.

9. **Lessons learned for future reviews**

The Task Group wish to highlight best practice experienced for future reviews:

- a) In the hands-on approach adopted through participating in workshops, conducting site visits, meeting team leaders and demonstrations on how the service is operated.
- b) The experience of conducting a review from the development stage through to the implementation stage of a modernised new system which in this case has greatly improved the service.

10. **Financial Implications**

None identified.

11. **Legal Implications**

None identified.

12. Departmental Response

- 12.1 Senior staff in the Division welcomes the work done by Members on the Task Group and the acknowledgement that officers understood the issues and had an action plan in place to address them.
- 12.2 A lot of the initiatives underway will take time to deliver the full benefits envisaged but officers are confident that given time, the service will improve, complaints will reduce and costs will come down.
- 12.3 The key to driving through the change programme is to take our customers with us and work with all our stakeholders on what the priorities should be and what order they should be tackled in. That is why the tenant conferences and Member and tenant surveys are so important in helping to shape the service and establish its direction of travel.
- 12.4 The four corner stones of this change programme are the introduction of mobile working, the launching of the MOT (now called the Annual Home Check), the move to salaries for the workforce and the introduction of a comprehensive performance management culture throughout the Division.
- 12.5 These four strands will deliver the change necessary, reduce unit costs and improve performance and quality in the future.

13. CONTACT

Councillor Potter, Task Group Leader (Adults & Housing)
Tel: 39 8825 (internal)
Tel: 0116 229 8825 (external)
Email: Barabara.Potter@leicester.gov.uk

Anita Patel, Member Support Officer
Tel: 39 8825 (internal)
Tel: 0116 229 8825 (external)
Email: Anita.Patel@leicester.gov.uk

14. APPENDICES:

APPENDIX A – Overall Strategy Statement for Housing Improvement & Repairs Service.
APPENDIX B - Action Plan linked to Tenants Survey

OVERALL STRATEGY STATEMENT FOR HOUSING IMPROVEMENT AND REPAIRS SERVICE

The Housing Service has an overarching aim of 'A decent home within the reach of every citizen in Leicester'. This aim is linked to the Council's overall Corporate Objectives and clearly fits in with the Government's stated aim of a Decent Home for all tenants by 2010. Within this overall aim the Housing Improvement and Repairs Services has developed a Mission Statement that informs and directs the work of the Section.

This Mission Statement is a clear set of objectives that the Branch aims to achieve, short and long-term. It is intended to help focus staffs minds on why we are here and what our priorities are. These priorities have been discussed with and agreed by all stakeholders involved in the service.

The objectives have been developed around the Council's business planning, risk management, options appraisal and procurement considerations.

1 The Mission Statement

1. We will review and consult on our policies, procedures and priorities to ensure they are appropriate and still meet the needs of our tenants at least once a year.
2. We will maximise value for money for our tenants by following best practice in procurement and delivery of services.
3. We will set targets and regularly monitor performance in conjunction with our stakeholders at Community Association meetings.
4. We will work towards continuous improvement in all of our services.
5. We will meet the Government's target of a Decent Home for all tenants by 2010.
6. We will endeavour to set and meet appointments in line with the needs of our tenants.
7. We will aim to complete 90% plus of all Emergency and Urgent jobs on our first visit.
8. Where ever possible we will offer tenants, staff that meet their personal circumstances in terms of ethnicity, gender and sexual orientation, within normal Health and Safety requirements.
9. We will be courteous and respect tenants home and privacy. We will equally expect tenants to be courteous to and respect Council staff.
10. When we get it wrong, we will admit our mistake and take action to resolve the issue as a top priority.
11. We will ensure our services are available to support tenants in crisis 24 hours a day, 365 days a year (366 on a leap year).
12. We will ensure our policies; procedures and purchasing strategies comply with the Council's best practice and limit their impact on the environment.

These twelve aims will form a contract between the service and our stakeholders. The aim of the Mission Statement is to develop and improve services in line with the priorities and delivery timeframe agreed with our stakeholders.

ACTION PLAN LINKED TO TENANTS SURVEY

ADULTS AND HOUSING DEPARTMENT

TECHNICAL SERVICES BRANCH ACTION PLAN 2007

	Planned Improvement	Proposed Action	Lead Officer	Target Date
1.	Review Response Times	Reconsider current categories and see if still appropriate. Should more be added or some removed? Should they be brought more in line with the Government's Best Value targets?	Ian Craig	28/02/07
2.	Improve on our 1 st hit levels – currently 73.5%	Set a target for 90% plus completions on 1 st hit for all Emergency and Urgent repairs.	Ian Craig	01/01/08
3.	Move to a more flexible way of working – e.g. Friday pm and Saturday am appointments	Introduce flexible working for the workforce including Evening working, Friday pm and Saturday am cover.	Ian Craig	Pilot by 01/10/07
4.	Reduce our appointment slots from 4 hours to 2 hours	Introduce reduced bandwidth for appointments from 4 hours to 2 hours.	Ian Craig	Pilot by 01/06/07
5.	Ring tenants' in advance and advise of our estimated time of arrival	Subject to having a telephone contact number, system to be brought in alongside mobile working (item 6 below).	Ian Craig	01/04/07
6.	Take advantage of new technology such as mobile communication systems (hand held devices)	Carry out a pilot project within 6 months for at least 10% of the workforce with the intention, should it prove successful, to rolling it out across the full workforce within 12 months.	Ian Craig	Pilot by 01/07/07 Full by 01/01/08
7.	Take advantage of the internet and provide more direct access to booking services, checking on progress etc., on line	To be developed following full introduction of the Planned Maintenance Module.	Aj Singh	01/10/07
8.	Allow operatives to complete other work on a repair visit	Pilot scheme to be developed and if successful rolled out to all operatives	Ian Craig	Pilot by 01/04/07 Full by

		within 12 months.		01/04/08
9.	Offer new tenants a 'handyperson' service on taking up residency with the first 1(?) hour free of charge and a small hourly charge thereafter	Report to be prepared for consideration by Members.	Dave Pate	01/06/07
10.	Follow up with customer satisfaction surveys 6 and/or 12 months after we have carried out major repairs/modernisations	To be introduced immediately.	John Hallett	01/04/07
11.	Offer tenants a freephone repairs service for reporting repairs	Full report with likely costings to be prepared for consideration by Members.	Dave Pate	01/06/07
12.	Work, longer term, to allocating operatives to specific blocks of property	A working group to be established late summer to consider the practicalities of such an approach, initially starting with WAA's.	Ian Craig	WAA's 01/04/07 Full Review 01/09/07
13.	Improved Communications	Full review of current arrangements to be undertaken including advising tenants what's happening with their outstanding work, what programmes are planned for the future, and when, and who is the named officer when there is a problem or a complaint, including giving tenants regular feedback.	Ian Craig/ Pete Stephens	01/05/07
14.	Customer Care	Develop/Refresh current training on customer care particularly around being helpful and courteous, cleaning up and remove rubbish during and after carrying out work and/or at the end of each working day, parking vehicles in a way that does not cause offence to tenants or their neighbours, Operatives/staff presenting themselves in a clean and tidy uniform with	Ian Craig/ Pete Stephens	Develop and launch a Training Programme by 01/04/07 All staff to be put through it by 01/04/08

		their ID badge clearly visible. Individuals taking ownership of a job and seeing it through to completion. Operatives giving tenants enough time to answer the door before moving on. Advising tenants if appointments cannot be met or if there is going to be a delay.		
16.	Make it easier to complain	Where a problem occurs, or a repair carried out unsatisfactorily, send a different operative to put it right so tenant doesn't feel threatened.	Ian Craig	01/06/07
17.	State of Gardens for new tenants	Could gardens be brought up to an acceptable standard before a new tenant takes up occupation?	Martin Clewlow	01/06/07
18.	Provide Baby Belling Cookers to Tenants in WAAs	Survey to be undertaken and tenants given the choice of having a bench top cooker if preferred.	Pete Stephens/ Jean Denyer	01/05/07
19.	Parking facilities and Car Park Security Dudley House	Investigation to be undertaken to see whether the problems highlighted can be overcome.	Martin Clewlow/ Ron Clarke	01/04/07
20.	Call Centre	Need to improve knowledge of staff in call centre and get better/more accurate information from tenants to reduce need for pre work surveys. All information obtained by call centre staff must be passed on to operatives.	Ian Craig	01/05/07
21.	Emergency Out of Hours Service	Aim should be to complete all work during visit and not just make good.	Ian Craig	Consult by May 07 Live by Sept 07
22.	Communal Areas	All tenants in a block of flats/ maisonettes should be advised when work is being undertaken in communal areas.	Ian Craig/ Pete Stephens	Programmed Work and Appointments 01/04/07

9th February 2007

ACTION PLAN LINKED TO TENANTS SURVEY

ADULTS AND HOUSING DEPARTMENT Housing Improvements and Repair Service 2009 Tenants Information Day, 6th May 2009

The Housing Improvements & Repair Service held their annual Tenants Conference at the Ian Marlow Centre, Blackbird Road, on Wednesday 6th May 2009.

Dave Pate, Service Director, welcomed everyone to the event and presented the results from the recently commissioned customer satisfaction survey of the services provided to Leicester tenants by the department.

Ian Craig, Head of Direct Services, provided feedback on the progress being made on the priority areas of service delivery identified by tenants at last years conference. The response to these issues were grouped in line with the key areas of service delivery where significant improvements were currently being made.

1. Service delivery issues identified at last years Tenants Conference.

Mobile working

- Can OAP's be contacted before operatives call at the door
- Keep tenants informed of materials on order
- Operative should complete a short survey on the job
- Keep operatives working in a small area
- Named contacts for tenants when problems arise
- Why cant tenants speak to a Supervisor when they need to?
- A 'roving' inspector
- What happens if an operative is delayed?
- We need feedback on the mobile working pilot scheme

Action taken to date

The new mobile working procedures will use text communication technology to remind customers, including OAP's, of planned visits. Tenants will be reminded of the visit at several stages before the appointment, including the night before the actual day the appointment is for, and an hour before the planned appointment will take place.

Mobile working procedures are based on operatives taking one job at a time, and taking ownership of that job through to completion. This will ensure, along with other changes, that tenants will be kept more informed about the progress of their job. Taking a single job at a time will also allow us to advise customers more accurately on the actual arrival time should, for any reason, operatives experience delays.

Mobile working technology, using hand held PDA's, will allow tenants to confirm their satisfaction of the work carried at the time of the visit. This should help to avoid a situation

where a tenant is left unsatisfied after the work is fully completed and the operative has left the property.

Operatives will be allocated to a given area, based on the Council Wards. Each area will have its own named Supervisor, who will be fully responsible for all jobs carried out in that area. This will encourage a sense of ownership for the quality of service delivery in that area, and also for problem resolution in that area. We will also provide tenants with a named contact should any problems arise.

Flexible working

- Friday afternoon – depots shut!
- Tenants wanted to have appointments between 8am – 6pm Monday to Friday
- Tenants wanted 2-hour slots appointment slots
- Tenants wanted Saturday appointments

Action taken to date

Tenants are already able to use our 'till 8' service that provides appointments up to 8.00pm Monday through to Friday. This service is limited however.

Future plans are currently being worked on that will include the introduction of more flexible working patterns, including Saturday morning working, to meet the needs of our tenants.

During 2009, we will be making further improvements to our appointment system and are aiming to offer 2-hour rolling appointment slots.

New Repairs Handbook

- Tenants Associations to be consulted over design of handbook
- Need to consider size of print in handbook
- Put gas servicing information in handbook
- Handbook needs to be available 'on-line'

Action taken to date

The new handbook was developed in close partnership with tenants whose requirements were built in to the final version.

The repairs handbook is now available 'on-line' at www.leicester.gov.uk

As with many of our publications, the handbook is available in alternative formats and print sizes upon request.

The handbook provides a range of information relating to the day to day upkeep of tenants homes, the reporting of repairs and a helpful tips section to enable tenants to look after their own home more effectively.

Gas Servicing

- 6 weeks notification for servicing appointment is too long
- Promote servicing programme in local areas when it's due
- Why do we need to visit all electric properties ?

Action taken to date

In 2008 a new computerised appointment system was introduced that enabled more effective planning of the annual gas safety check.

Tenants now receive a system generated appointment letter much closer to the planned appointment date.

Computerised appointments allows for accurate planning, ensuring that properties are visited in the same month each year and within the required 12- month period.

More accurate planning also allows us to publicise our servicing programme to tenants more accurately, and we aim to be notifying tenants in advance through Housing Management Offices when our annual gas safety checks are taking place in their area.

We visit all properties each year to carry out an annual gas safety check, including those properties where our records show no gas appliances are installed. These 'all electric' properties may contain solid fuel fireplaces that need to be checked for safety reasons each year. It is also possible that the tenant might have installed a gas meter during the intervening period and be using gas for cooking or heating needs. For this reason, it is Leicester City Council policy to visit these properties each year in line with the annual gas safety programme.

Repairs Call Centre

- Web access to book appointments
- CRR staff – 'sharp! rude!' – need training
- Password for out of hours calls

Action taken to date

Tenants are now able to request a repair to their home via the Leicester City Council website. On average, around 50 tenants use this service each month.

In 2008 we invested in better call handling technology and during 2009, we are implementing a customer care training programme for all our call centre staff.

We operate a password scheme for all tenants should they feel the need to use it. This is proving particularly popular for older tenants, who require a call outside of normal working hours.

Housing Management Issues

- Information about 'tilt & slide' windows not clear
- Housing Officers need more training
- Induction pack for new tenants needs improving
- More details about burglar alarms needed for tenants
- Why pay for pest control?

Action taken to date

There are limited locations that have tilt and turn windows installed. In the past we have given a fact sheet and placed a sticker explaining the operations of the handle. The sticker, which provides advice in a number of languages, is proving very popular.

Tenancy Services Officers have a planned Induction programme when they first arrive, this is supported by a continuous learning and development programme that is established at each monthly supervision meeting. Any training needs that are picked up are supported by in-house learning programmes, training by the Services specialist teams (e.g. Allocations, Income Management Team and Tenant Advice Centre), external courses and conferences, and training on a one to one basis by the Team Leader. This is finally reviewed and assessed during annual appraisals with their line managers.

The induction pack for tenants has in the last 3 months been reviewed. A revised draft template has been compiled, which includes such information as local schools/doctors surgeries etc.

An article will be trailed in City Housing News on the availability of burglar alarms for rent, at a small charge, from the Council.

Environmental Health Officers undertake the control of pest infestation. Environmental Health will charge homeowners and tenants for the control of certain pests, whilst some are free. To obtain a full list of the charges please contact Customer Services on 252 7000.

Other issues

- Could we have a year round promotional vehicle
- Way lights - tenants need to be informed when it's happening
- Carrying out other work would be a benefit

Action taken to date

During 2008, we introduced the Housing MOT (now renamed as the Annual Home Check). This service will provide an annual survey of the condition of your home by a team of skilled operatives and will provide us with an opportunity to carry out routine maintenance on the properties fixtures and fittings. The Annual Home Check will also provide an opportunity to identify more major works that may be required.

During 2009, we will develop this service further, increasing the amount of 'pro-active' preventative maintenance work carried out at the time of the Annual Home Check. The

aim is reduce the amount of 'reactive' breakdown work during the year. Way-light inspections will form part of the Annual Home Check service.

We are also looking at our capability to take on additional 'non council responsibility' work, in order to provide more value for money services to our tenants.

2. Tour of Central Repairs Reporting Call Centre.

Paul Lowe, Contracts Manager, provided tenants with a tour of the Central Repairs Reporting Call Centre. They also had an opportunity to see the recently implemented mobile working solution, including the new work scheduling system, known as GRASP.

3. Older Persons Housing Strategy.

Gurjit Minhas and Julie Turner, Strategy & Performance Officers, gave a presentation on the Older Persons' Housing Strategy. A question and answer session followed and tenants were given an opportunity to formally input into the development of the new strategy document.

4. Housing MOT. (Now renamed Annual Home Check)

Ian Craig, Head of Direct Services, provided tenants with an overview of the recently introduced Housing MOT. This service provides an annual appointment to all council homes during which a number of routine checks are carried out in the home. These checks, adjustments and minor repairs, identified and dealt with before they become a major issue, aim to reduce the amount of breakdown calls received by the Central Repairs Reporting Call Centre during the year.

Tenants had an opportunity to give the service a new name and out of the many suggestions provided on the day, the overall choice was **Annual Home Check**. Dave Pate, Service Director, announced that this name would be used to promote the service in the future.

5. Future tenant engagement.

Marie Galton, Service Improvement Team Leader, led a discussion about how tenants would like to become more engaged with the Housing Improvements & Repair Service to ensure their concerns were being addressed.

Many of those who attended wanted to establish a TARA and Marie Galton offered help to achieve this. Similar conferences to today's event were requested to be held two or three times a year to provide information and updates on how the service is developing and improving. They want to see promises that are made delivered and to see local improvements, together with a consistent approach to undertaking estate inspections. More information was requested to be provided to tenants through City Housing News and the website.

6. Priorities for 2009.

Dave Pate, Service Director, outlined the key priorities for 2009 and beyond, most of which were related to the development of new mobile working practices and the continued improvements to initiatives already in place.

Mobile working

Further implementation of mobile working practices, with all operatives using PDA technology to receive work and manage jobs more effectively.

Grasp system

Further implementation of the GRASP system technology to schedule, organise and track all pre-planned and responsive repair work more effectively.

Annual Home Check (previously referred to as the Housing MOT)

Gradual roll out of the Annual Home Check, with further development of the service to ensure the maximum value is derived from the service.

Void properties

Greater focus on the quality and performance of Voids management, including what types of work we carry out, the quality standard we carry that work out to, and the length of time it takes to get new tenants into their homes.

Reduce repair times

The combined effects of mobile working, taking one job at a time, and the GRASP scheduling system are already delivering reduced repair times. As more and more of our work is delivered in this way, repair times will reduce further.

In addition, Dave Pate advised that he would be adopting the outcome of the recent Customer Satisfaction Survey on repair timescales and working towards reducing these to 12 hours for emergency repairs, 5 days for urgent repairs and 4 weeks for planned work. He hoped to have the revised targets fully in place within three years.

2-hour rolling appointment slots

Meeting the changing needs of our tenants will require us to work more flexibly than we do at present.

As we become more confident in the new working practices and the technology that supports us, we will be able to offer more tenant friendly appointment times and our aim is to be able to offer appointments within a 2-hour rolling time frame.

Ward ownership

We will be developing further operational areas based on council wards. Each area will have a dedicated team of operatives and Supervisors to encourage a sense of ownership within the team.

The Supervisors will develop a deeper understanding of the specific issues affecting properties in their areas. Supervisors will develop more effective relationships with their local tenants and be more accountable to tenant groups in their areas. The aim is to encourage more collaboration between the Housing Improvements and Repairs Service and local tenants in order to improve the services we deliver and to enable more effective problem resolution. To this end, Dave Pate announced that Supervisors' mobile telephone numbers would be made available to the reps from the **TARAs** and other appropriate tenant groups.

Final address from Dave Pate – Service Director

Dave Pate thanked everyone for coming and for getting so involved in the days event. The day had provided the Housing Improvements and Repair Service with an opportunity to explain where they were going in terms of improving the services provided to tenants. The day had also provided tenants with an opportunity to understand more about how the services are delivered, and to influence the way the service was being developed for the future.

Those who attended the event said that they had found it both useful and interesting as well as feeling that it had been an honest and transparent exchange of information between LCC and its tenants.

Some of the comments received on the day...

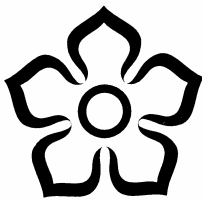
'I was very impressed with the information on the day....the staff made me feel part of their team...many thanks to you all,'

'the event was a huge success and well organised'

'thanks to the friendly, approachable and openness of all council staff, it was a very interesting and informative day'

The Housing Improvements and Repair Service will be running a workshop and will have a stand at the forthcoming Housing Management Tenants and Leaseholders Conference, being held at the Leicester Tigers Stadium on 24 June 2009.

This page is left blank intentionally.



Leicester
City Council

MINUTE EXTRACT

Minutes of the Meeting of the
OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Held: THURSDAY, 11 FEBRUARY 2010 at 5.30pm

P.R.E.S.E.N.T.

Councillor Grant– Chair

Councillor Hall – In the Chair until Minute 49.

Councillor Glover

Councillor Potter

Councillor Thomas

Councillor Newcombe

Councillor Senior

Councillor Suleman

Also In Attendance

Councillor Westley

Cabinet Lead Member for Housing

* * * * *

143. CHAIR OF MEETING

RESOLVED:

Under Scrutiny Procedure Rule 6c, in the absence of Councillor Grant, the meeting agreed that Councillor Hall would Chair the meeting until the arrival of Councillor Grant.

144. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bhatti and Joshi. Apologies for lateness were received from Councillor Glover and Grant.

145. DECLARATIONS OF INTEREST

Members are asked to declare any interests they may have in the business on the agenda, and/or indicate that Section 106 of the Local Government Finance Act 1992 applies to them.

Councillor Senior declared a personal interest in Item 6 'Tracking of Petitions – Monitoring Report' as her partner worked in Transport Strategy and had been involved in dealing with an ongoing petition listed in the report. She also

declared that she had been consulted as a Ward Councillor in respect of the petition opposed to the Spinney Hills Schools Cycle Link.

Councillor Senior declared a personal and prejudicial interest in Item 9 'Culture and Leisure Task Group Review of the Special Olympics Leicester 2009' as she was a volunteer director on the Special Olympics Board. She undertook to leave the meeting during consideration of this item.

Councillor Senior declared a personal interest in Item 10 'Local Development Scheme 2010-2013' as her partner worked in transport strategy.

Councillor Potter declared personal interests in Item 13 'Final Report of the Adults and Housing Task Group Review of HomeCome Limited' and Item 14 'Final Report of the Adults and Housing Task Group Review of Housing Repairs' as she was a Council tenant.

157. FINAL REPORT OF THE ADULTS AND HOUSING TASK GROUP REVIEW OF HOUSING REPAIRS

Councillor Potter submitted a report that provided the Overview and Scrutiny Management Board with the findings of the Adults & Housing Task Groups' review into the Housing Repairs Service in Leicester.

Councillor Potter introduced the report and stated that she was very pleased with the outcomes of the investigation, and in particular, referred to the fact that the service had greatly improved and modernised since the introduction of the Housing Repairs Mobile Working Scheme.

As a Member who was also involved with the review, Councillor Newcombe stated that the new working practices were extremely positive and were generally supported by constituents.

Councillor Westley, Cabinet Lead Member for Housing was in attendance and stated that it was hoped that there would now be quicker turn-around times for housing repairs. He also acknowledged that the number of complaints in relation to housing repairs needed to reduce further, but felt that the new ways of undertaking repairs should help to do so.

RESOLVED:

- (1) That the recommendations of the Task Group be supported; and
- (2) That the report be re-submitted to the Board on 15 April 2010 to include a departmental response.



Leicester
City Council

Overview Scrutiny Management Board

15th April 2010

Report of the Adults & Housing Scrutiny Task Group
"Housing Repairs Review"

Report of the Divisional Director

1. Purpose of the Report

Following the Final report presented to members Feb 11th 2010 Officer's were asked to provide a further report-to-report progress, performance and any saving that had been identified up to this period of the Pilot
Progress on the mobile working Pilot

To conclude, when comparing the first six month of the financial year 08/09 to the current year to date

- a) The quantity of actual operatives employed has decreased from 121 to 102
- b) The quantity of agency operatives employed has decreased from 42 to 10
- c) Jobs completed per FTE operative has increased from 11 to 21
- d) Percentage of jobs completed on first visit has increased from 52% to 82%

The average number of jobs completed per week has stayed fairly stable. However the number of operatives employed has decreased which indicates that the number of jobs completed per operative has increased

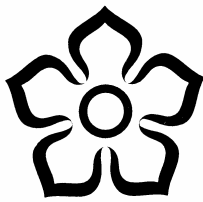
The pilot was introduced 8th December 2008 at that stage the average quantity of operatives employed on Day-to-Day repairs was 164.3, which was the financial period 2008/2009.

The average total quantity of operatives employed in the current period to date is 112 including agency staff this is a reduction of 51.8 operatives (32%) of which 32.3 (62%) of these were agency staff and 19.5 (38% were actual employed operatives.

This has allowed operatives to be transferred to other work such as the annual home check and void property's which as also seen over a 3 month period a

reduction from Jan this year of 185 to 118 resulting in a increasing in rental income.

Members are asked to consider this report along with the final report recommendations "Housing Repairs Review" presented Feb 11th 2010 to sign off



Leicester
City Council

MINUTE EXTRACT

Minutes of the Meeting of the
OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Held: THURSDAY, 15 APRIL 2010 at 5.30pm

P.R.E.S.E.N.T.

Councillor Bhavsar – Vice-Chair (In the Chair)

Councillor Bajaj (for Cllr Glover)	Councillor Johnson (for Cllr Grant)
Councillor Joshi	Councillor Newcombe
Councillor Potter	Councillor Senior
Councillor Suleman	

Also In Attendance

Councillor Westley

Cabinet Lead Member for Housing

* * * * *

187. APOLOGIES FOR ABSENCE

Apologies for absence were received by Councillors Glover and Grant.

188. DECLARATIONS OF INTEREST

Members were asked to declare any interests they had in the business on the agenda, and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them.

Councillor Senior declared a personal interest in Item 6 'Tracking of Petitions – Monitoring Report' as she had been consulted as a Ward Councillor in respect of the petition opposed to the Spinney Hills Schools Cycle Link.

Councillor Senior declared a personal interest in Item 10 'Remodelling of YMCA, East Street, Leicester' as she was a Member of a group that regularly used the room.

Councillor Potter declared personal interests in Item 7 'Youth Justice Planning Improvement Framework 2010-11' and Item 10 'Remodelling of YMCA, East

Street, Leicester' as she was a member of the Safeguarding Children's Panel.

201. DIVISIONAL FEEDBACK ON THE ADULTS AND HOUSING TASK GROUP REVIEW INTO HOUSING REPAIRS

The Director of Housing Services submits a report that provides a response to the Adults and Housing Task Group Review into Housing Repairs.

The Director of Housing Services introduced the report, which outlined progress on the mobile working pilot. He explained that when comparing the first six months of the 2008/09 financial year to the current year to date, the quantity of actual operatives employed on day-to-day repairs had decreased from 121 to 102, with the number of agency operatives decreasing from 42 to 10. The number of jobs FTE operatives had completed had increased from 11 to 23 and the percentage of jobs completed on the first visit had increased from 52% to 82%. This had allowed more resources to be redirected on reducing the number of void properties, which has shown a reduction of 92 (185 down to 93) or over half in the last three months.

Councillor Potter, Adults and Housing Task Group Leader commended the mobile working service, and welcomed the fact that work would only be signed-off when the tenant was satisfied. She did express concern that outdoor work often took place without notifying tenants beforehand. She suggested that the tenant should be informed before any outdoor work took place. The Head of Service (DSO) agreed that operatives should introduce themselves before carrying out outdoor works, and would look at ways of introducing this.

Councillor Westley, Cabinet Lead Member for Housing reported that the number of void properties in Leicester was falling and hoped that this would continue further. He explained that it was vital for properties to be completely safe before new tenants were housed. He further stated that Housing Services had tightened up the regime in terms of prosecuting tenants who leave properties in a state of serious disrepair. Members' welcomed such a regime as they felt that the negative behaviour of a small minority caused unnecessary delays for those who required housing. In response to an additional question, it was also made clear that operatives, wherever possible, worked on properties before a tenancy was to cease in order to minimise the time that a property is vacant.

Members welcomed the decrease in the number of void properties and it was requested that Ward Councillors receive monthly figures on the number of void properties within their wards, and the likely period of time that such properties would remain as empty. In response, Councillor Westley stated that it was very difficult to anticipate the length of time a property would be left void. Furthermore, members were informed that Leicester HomeChoice was to be launched on 21 April 2010 that raises awareness of vacant properties.

RESOLVED:

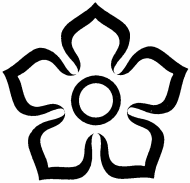
- (1) That the Adults and Housing Task Group Review of Housing Repairs along with the divisional response be

MINUTE EXTRACT

forwarded to Cabinet for their consideration; and

- (2) That officer's look at ways to supply Ward Councillors with information about the number of void properties within their wards.

This page is left blank intentionally.



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

OSMB
Cabinet

11 February 2010
12 July 2010

Report of Adults & Housing Task Group – Final Report “A Review of HomeCome Ltd”

Report of Councillor Potter, Task Group Leader, Adults & Housing

1. Purpose of Report

This report endorses the recommendations set out in the attached report from the Scrutiny Adults and Housing Task Group (Review of HomeCome) and provides additional information on the financial implications with regard to the councils future re-investment or alternative funding to HomeCome Ltd. It also provides more details on the activities of the HomeCome Scrutiny Task Group

2. Summary

This covering report provides cabinet with additional information as requested, to support the Scrutiny Task Group Report.

3. Recommendations

That Cabinet:

- 1) Approve the recommendations set out in the Scrutiny Task Group Report,
- 2) Requests the Director of Housing Services and Chief Finance Officer to consider whether any resources can be made available for new affordable housing when the 2011/12 Housing Capital Programme is considered in January 2011.
- 3) Notes the Director of Housing Services response to the five areas of concern raised by the Overview and Scrutiny Management Board, Appendix C.

4. Financial Implications (Rod Pearson x8800)

- 4.1 The Council has many pressures on its Housing Capital Programme and relies heavily on capital grants and capital receipts to fund expenditure. At the present time, given the election of a new Government with an agenda to cut public expenditure, there is a lot of uncertainty around funding streams. However one area that is earmarked for new affordable housing is receipts generated under S106 provision (commuted sums). If any

amounts become available we would consider the relative benefits of investing in HomeCome, an RSL or using the money to building ourselves.

- 4.2 Given the uncertainty around funding it is recommended that Cabinet request the Director of Housing Services and Chief Finance Officer to consider whether any resources can be made available for new affordable housing when the 2011/12 Housing Capital Programme is developed in January 2011.
- 4.3 Recent Headlines - Investment into Housing in Leicester:
- In April 2010, Leicester succeeded in securing nearly £3million of Government funding to provide 63 new affordable homes in the city to be built by housing associations.
 - In January 2010, Leicester was awarded £2.5million towards the development of 53 new council houses and flats, in addition to the £5m funding for 93 units awarded in September 2009 for the Council to build new housing.

There are currently over 600 affordable units in the pipeline and just over 400 units of these are under construction the rest have been allocated funding but building has not yet started. This equates to over £140m of house building investment in the City including nearly £50m of public subsidy from the Homes and Community Agency and other sources.

Over 100 new wheelchair adapted homes will be built in Leicester during the next 12 months. The Council and five different Housing Associations at affordable rents will rent them out.

- 4.4 The task group noted that HomeCome would welcome the opportunity to extend its work with Leicester City Council to create a greater number of homes for families in need, if new funding is available.

5. Activities of the Task Group

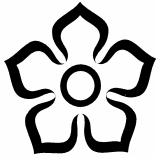
- 5.1 The HomeCome Task Group held 4 meetings and in addition to these meetings the following activities were carried out by task group members to gather evidence:
- a) Focus group consultation session with HomeCome tenants
 - b) 2 visits to occupied properties to view outstanding repairs, at the request of tenants.
 - c) Site visit to view a ready to let HomeCome property
 - d) 2 Site visits to view a vacant HomeCome property, before and after work had been carried out.

However, in terms of the overall timescales that were set out for this review, it has taken longer to complete than anticipated and this was due to a combination of resource issues and diary dates.

6. Report Author

Anita Patel

Members Support Officer, Tel. 229 8825, Anita.Patel@leicester.gov.uk



Leicester
City Council

OVERVIEW AND SCRUTINY MANAGEMENT BOARD
Cabinet

11 FEBRUARY 2010
12 July 2010

Report of the Adults & Housing Scrutiny Task Group – Final Report
Review into “Homecome Ltd”

Report of Councillor Potter, Task Group Leader

1. Summary

- 1.1 This report provides the Overview and Scrutiny Management Board with the findings of the Adults & Housing Task Groups review into ‘Homecome Ltd’, a social housing company. This review was undertaken to ensure that HomeCome Ltd provides a value for money and quality service.
- 1.2 Leicester City Council approved the creation of HomeCome Ltd in 2004 to create new affordable housing in Leicester. HomeCome is managed by a Board of Directors and is a not-for-profit limited company owned by its members. Leicester City Council is a member of HomeCome with 49% voting rights.
- 1.3 The Task Group were informed that the council ceased funding in 2008. The ‘Homecome Annual Report’ was considered by the Overview and Scrutiny Management Board in February 2008 and members requested further information before any decisions were to be made.
- 1.4 This report sets out the findings, conclusions and recommendations of the HomeCome Task Group.

2. Recommendations

The Overview and Scrutiny Management Board is asked to endorse the following recommendations of the HomeCome Task Group.

These recommendations have been split into 2 parts:

2.1 to 2.5 City Council, as a **stakeholder** in the company ‘HomeCome Ltd’.

2.2 to 2.10 City Council, as a **contractor** to ‘HomeCome Ltd’, responsible for the interface with tenants plus housing repairs & maintenance to properties.

- 2.1. The Task Group submit a report as strong supporting evidence at APPENDIX A, 'Strategic Assessment of the Role of HomeCome', which supports the view that HomeCome has benefited the council by creating new housing stock that has resulted in reducing the councils housing register.
- 2.2. Leicester City Council to recognise the benefits to the Housing Revenue Account (current payment £223K) from HomeCome. To note that City Council is the main contractor providing letting, rent collection and repairs & maintenance services.
- 2.3. The Council to consider, either a re-investment into HomeCome or to explore options for future alternatives.
- 2.4. The Council to note that it has the powers to influence HomeCome in a variety of ways, aswell as with its 49% stake in the company.
- 2.5. That the Council supports a request to the Regional Loan Fund to make available funds to Private Sector Landlords, such as HomeCome, to improve the condition of their properties.
- 2.6. That Leicester City Council continues to work in partnership with HomeCome and other social landlords to increase the stock of Affordable Housing in the city.
- 2.7.** Leicester City Council to ensure that the Housing Services Division delivers the same standard of customer service and guidance to all HomeCome tenants, as it does to its council tenants.
- 2.8. Leicester City Council to ensure that the Housing Services Division develops a process to consult with all HomeCome tenants on an annual basis to monitor performance and customer satisfaction of the housing services provided.
- 2.9. That Leicester City Council and HomeCome Ltd ensures that all future inspections carried out on HomeCome properties are to the same Decent Homes Standard as council housing properties.

3. Background

- 3.1 At its meeting in September 2008 the Overview and Scrutiny Management Board agreed for the Adults & Housing Task Group to undertake a review of HomeCome Ltd, which is a social housing company in Leicester.
- 3.2 The Task Group met on 4 occasions. In addition to these meetings the Task Group have conducted a focus group session and carried out site visits for the purpose of gathering evidence.
- 3.3. The Overview and Scrutiny Management Board have received regular progress reports on the work of the Task Group.

4. Membership of the Task Group

- 4.1 The members involved in the Task Group are: Councillors Potter (chair), Newcombe, Glover, Thomas, Lloyd-Harris, R. Blackmore, Joshi, Mayat, and Allen. The lead officers involved in this review - Ann Branson, Service Director and Ian Craig, Head of Housing Repairs plus Joanna Bunting, Head of Commercial & Property Law.

5. Acknowledgements

- 5.1 The Task Group wishes to thank:
Housing Service leads – Ann Branson and Ian Craig
Legal Services lead – Joanna Bunting
HomeCome Ltd representatives - Mike Forrester and Brian Jarman (plus tenants)

6. Aim of the Review

- 6.1 The HomeCome Scrutiny Task Group was set up to investigate:
- how homecome as a company is operated,
 - the performance of homecome,
 - to compare the costs associated with homecome purchasing property,
 - the relationship of homecome with Leicester City Council.

7. Method of Investigation

- 7.1 The Task Group gathered information to inform this review through:
- presentations from Homecome
 - questioning homecome representatives
 - presentations from the Housing Service Director and related officers
 - table top review of documents and relevant reports
 - focus group with a selection of homecome tenants
 - visit to homecome properties.

8. Introduction

- 8.1 Ann Branson, Housing Service Director explained that HomeCome was set up by the Council in 2004 to create new **Affordable Housing***(see *definition below*), initially as a way of keeping properties that required a large amount of renovation accessible to the housing register.
- 8.2 Ann Branson submitted a report prepared specifically for the task group: 'Strategic Assessment of the Role of HomeCome' at APPENDIX A. This report provided the task group with a detailed account of:
- a) the current position and background information,
 - b) costs of homes and purpose of HomeCome Ltd,
 - c) the councils control and influence over HomeCome Ltd, and
 - d) the benefits of HomeCome.

- 8.3 It was explained that HomeCome properties were financed with an Affordable Rent Grant (ARG) from the Council and a loan taken out by HomeCome. The Council's Housing Capital Programme made available:
- £3m in 2005/06,
 - £2.75m in 2006/07,
 - £1.75m in 2007/08

***Definition of Affordable Housing**

Affordable Housing is homes for people whose needs are not met by the market.

Affordable Housing includes:

- (i) social rented housing – homes for rent which have rents determined through the national rent regime or equivalent arrangements (this includes council houses and homes owned and/or managed by Registered Social Landlords for rent);
- (ii) Intermediate affordable housing – homes at prices and rents above those of social rent but below market price or rents (this includes shared equity products like Homebuy, other low cost homes for sale and intermediate rent, **like HomeCome properties**).

Because affordable housing is rented or sold at a price below the market level, subsidy is needed to create it.

9. KEY FINDINGS

How is HomeCome Operated

- 9.1 The task group investigated the function of HomeCome by interviewing Homecome representatives. Mike Forrester and Brian Jarman from HomeCome gave evidence to the Task Group, which included an explanation of the organisation, in summary:
- HomeCome Ltd was created as a not for profit organisation
 - The Board was made up of three Elected Members and six Directors
 - The Company was financed through an Affordable Rent Grant and a Bank Mortgage with Lloyds TSB
 - The property portfolio comprised of 184 properties, of which 15 were leased from Leicester City Council and a further 35 leased from Private Sector Landlords
 - All properties were maintained to the Decent Homes Standard
 - Tenants were all nominated from the Leicester City Council housing register
 - Assured Short Hold tenancies were provided to tenants on a rolling basis, subject to the requirements of the tenancy agreement
 - All rents charged were within Housing Benefit levels
 - Repairs and Maintenance were all still provided through the Leicester City Council Housing Repairs Service
- 9.2 The task group examined specific documents relating to HomeCome, such as:
- Business Plan and Service Level Agreement

- Annual accounts
- List of HomeCome properties
- Comparison to HomeCome property rents

9.3 Task Group members questioned HomeCome regarding the financing and management of the company, summary of responses received:

- Homecome is a not-for-profit limited company owned by its members. The council, as one of its members owns a 49% stake, and Homecome was financed partly by the council and partly through the banks.
- There was a difference between the members and board of directors, as the members effectively owned the company, and the Board of Directors managed it (comprising Ian Harkness, as chair, Councillor Aqbany, Chris Cronogue, Jaffar Kapasi, John Townsend and Martin Traynor).
- Homecome pays for a company secretary and services of an acquisition manager (2 members of staff only). The company secretary is appointed by the directors.
- Homecome has no premises and the work is undertaken through contractors.
- The main contractor is the City Council providing letting, rent collection and repairs and maintenance services. The current payment from Homecome to the Housing Revenue Account is **£223K**.
- The majority of the homes owned by Homecome had been bought from private ownership and made available to people on the housing register.

9.4 Joanna Bunting, Head of Commercial & Property Law stated that HomeCome had a five-year business plan. This was confirmed by Mike Forrester from HomeCome who explained:

- The business plan had to be agreed by the bank;
- The bank expected to see rising rent levels in line with rises in Council house rent;
- They needed to balance profit with the best deal for residents of Leicester;
- The company was being managed in the best possible way; and
- Private sector properties were being taken on at no extra cost to Leicester City Council.

9.5 In response to Members questions, Brian from HomeCome stated that financial support for Private Sector Landlords to improve homes was no longer available through HomeCome due to the financial position of the organisation. HomeCome was only able to work with Private Sector Landlords that had sources of finance available or if their properties already met the Decent Homes Standard.

9.6 The Task Group questioned how the membership to the company was appointed. In response Mike Forrester confirmed that membership was made up of Tenants Association, Chamber of Commerce and Leicester City Council members.

9.7 The task group agreed that the benefit of the company was that the Council retained a stake in the properties as there was no right to buy, and it also enabled homes to be brought up to the **Decent Homes Standard***(see definition below).

***Decent Home Standard** is defined as one which meets modern standards of fitness, structure, energy efficiency and facilities. All Housing Executive and registered housing association homes must meet the Decent Homes Standard by 2010.

Homecome Tenants

- 9.8 All Homecome tenants are nominated from the city council housing register. The alternative for Homecome tenants is the private rented sector. No Registered Social Landlords accept 100% nominations in perpetuity.
- 9.9 Homecome tenants remain on the city council housing register and are still able to receive offers. The turnover of Homecome tenants is relatively low and there are 110 tenants (84%) who have lived in their home for over 2 years.
- 9.10 All the normal landlord services for Homecome tenants are provided by city council under contract to Homecome for which Homecome is charged a fee. These services include access to city council cash offices, city council staff providing arrears and other tenancy advice and repairs services.

Consultation with Homecome Tenants

- 9.11 The task group held a consultation focus group session inviting Homecome tenants to give their views and opinions to the task group. Also present at the focus group meeting was city council housing officers and a Homecome representative. Although only a small selection of tenants participated, the evidence gathered helped to inform the review. Summarised feedback from the focus group session, questions and responses, is attached at Appendix B.
- 9.12 Following the focus group session, the task group summed up that tenants were confused about:
- Who their point of contact was (was it Homecome or city council)
 - How city council provides a service to tenants on behalf of HomeCome
 - Who to contact with issues and complaints
 - Why the rent levels vary compared to non-HomeCome tenants
 - What the tenancy agreement with HomeCome really means
- 9.13 At the focus group session, many of the tenants referred to individual repairs and maintenance issues, these were recorded by the Housing Repairs officer who agreed to chase up and action.
- 9.14 The task group were reassured that in the future Homecome tenants along with all tenants will be able to raise issues and voice opinions through a new national body 'Tenants Services Authority'. This body has been created by the Government to take responsibility for statutory consultations with tenants from the social housing sector.

Visits to HomeCome Properties

- 9.15 Task Group members visited 2 HomeCome void properties. The purpose of these visits was to inspect the condition of HomeCome properties prior to being let out.
- 9.16 A HomeCome property in the Momacre area was visited on 2 occasions for inspection. A list of repairs work and issues as identified by the members was passed onto the local housing office for action to be taken. A HomeCome property in the Netherhall area was visited on 1 occasion and this was far more positive.
- 9.17 In summary, the following observations were made by members of the task group:

Momacre area property

- Health & safety concerns raised due to this 3 bed & 1 bathroom property being converted to a 4 bed property with the bathroom moved downstairs. The 4th bedroom seemed too small with a tiny window which would not allow emergency access (**however housing officers have since stated that this bedroom meets both size standards & does not contravene health & safety**).
- A variety of internal and external repairs works had not been completed even though 2 visits had been made to the same property, therefore this property deemed not fit for purpose in its current state.

Netherhall area property

- This property was viewed as one which was complete and ready for let.
- Provided with a check list of works to help view this property.
- Vey impressed with this property, was of a very high standard and quality specification.
- Apart from some minor works, in our opinion this property was deemed as a very desirable property fit for let.
- The property also had an energy efficiency pack which we were impressed with.

Comparison of Costs with HomeCome Property

9.18 TABLE 1 - Comparisons of Private Sector/HomeCome/Housing Associations/Council Weekly Rents (December 2009)

	Local Housing Allowance (Housing Benefit for Private Sector December 2009)	HomeCome owned	Average target rents for Housing Associations as at December 2009	City Council average rents as at December 2009
2 Bed house	£114.23	£95.00	£64.54	£60.05
3 Bed House	£126.92	£95.00	£71.38	£65.20
4 Bed House	£173.08	£117.00	£82.79	£74.94

(**Homecome properties** are classed as intermediate affordable housing – which is homes at prices and rents above those of social rent, but below market price or rents)

9.18 TABLE 2 - Homecome Lets (July 2009)

No	Ownership	1bed	2bed	3bed	4bed	5bed	6bed
132	Owned houses	0	25	51	48	7	1
27	Private leased houses	0	5	10	8	4	0
15	Council owned properties	13	1	1	0	0	0

9.19 TABLE 3 – Homecome Rents (July 2009)

No	Ownership	1bed	2bed	3bed	4bed	5bed	6bed
132	Owned houses	None	£95	£95	£117	£135	£147
27	Private leased houses (LHA)	None	£115	£129	£173	£219	£219
15	Council owned properties (LCC)	£55	£69	£82	-	-	-

9.20 Homecome lets – It is very unusual for city council to have a 4bed house to offer yet there is significant demand for such large properties. Homecome currently lets 56, 4+ bed houses and in the last year let 6.

9.21 In comparing HomeCome with the private rented sector, it is recognised that:

- the comparison of living conditions, rent and security of tenure make a HomeCome property very attractive to families waiting years in private rented accommodation for a council house
- without HomeCome 180 families would be suffering poor private sector tenancies with the health and educational disbenefits arising from damp, overcrowded and insecure tenancies.
- HomeCome provided homes for families who cannot access council housing that meets their needs in terms of rooms or location, similarly access to RSL homes.

9.22 No Homecome tenant pays rent above Benefit level. The rents for the private leased properties are higher to allow sufficient rent to be paid to the owners to be of interest to them.

9.23 In comparison to a private property, Homecome tenants felt that they received value for money. However, in comparison to city council property, some Homecome tenants felt that they do not receive value for money (although the task group noted that city council subsidises its rents).

9.24 The task group questioned how secure the tenancy of each tenant was. In response, HomeCome confirmed that each tenancy was renewed on a rolling basis and that private leased properties were subject to a five-year lease, after which if it was not renewed they would work with the Council to find a replacement property.

9.25 The task group were informed that both Homecome owned and Homecome leased properties are let to tenants on assured shorthold tenancies:

- a) For Homecome owned properties tenants are given an assurance that their tenancies will not be ended unless they breach the tenancy conditions.

- b) Homecome leased homes are leased from private landlords for 5 years at a time. These tenants are told that their tenancies may come to an end when the lease ends because the landlord may want the property back. That stage has not yet been reached on any properties. Tenants are told when they sign up how long there is left on the lease. They are told that Housing Options will advise them on their housing rights and options when their tenancies end, based on their circumstances at the time.
- 9.26 The Task Group highlighted a potential 'poverty trap', whereby HomeCome tenants who received housing benefit could be disadvantaged when finding employment, due to the higher rent, compared to Council tenancies. Members were informed that this was fully explained to potential tenants prior to acceptance of an offer, and that refusal of an offer did not count towards the two allowed refusals for Council tenancies. Current rules regarding housing benefit were also explained.
- 9.27 Mike Forrester from HomeCome confirmed that 88% of HomeCome tenants were currently on Housing Benefit. The Task Group raised concerns about the high number of HomeCome tenants on benefits, potentially being vulnerable if faced with financial difficulties.
- 9.28 In response to Members questions relating to the higher level of rent charged for HomeCome properties, it was stated that the rent was structured to reflect the need to cover HomeCome mortgage payments, insurances and the management & maintenance fee charged by Leicester City Council. It was also stated that, although the rent levels were comparatively higher than those charged by Leicester City Council, none of the rent levels contravened Housing Benefit guidelines.
- 9.29 In response to questions from Task Group members on the extra £15 per week given to HomeCome tenants (a government regulation housing benefit allowance), the theory of the £15 reward was to encourage tenants to shop around until a £15 reduction in rent was found. Chris Burgin from City Council Housing confirmed that a government review of the regulations is considering the scrapping of the £15 allowance.
- 9.30 Several Task Group members indicated that they were not convinced that HomeCome contributed to more affordable housing and that tenants could have got a privately rented property for the same amount as a HomeCome property. In response, Homecome stated that it has provided the only 4 bed plus properties in the city for the last 3 years.
- 9.31 Task Group members wanted to know how many of the HomeCome stock were former Council houses and how many were former privately owned acquisitions, HomeCome confirmed 130 out of 132 purchased. HomeCome stated that they manage and rent out a total of 184 homes to households from the city's housing register, 132 of these homes are owned by Homecome, the rest are leased by Homecome from the private sector and the Council.

Relationship of HomeCome with Leicester City Council

- 9.32 The Task Group members were informed that the Council's Chief Financial Officer and Internal Audit has previously done assessments of Homecome to their satisfaction.
- 9.33 The Council can influence / determine the future of Homecome in four ways:

- As a member with a 49% ownership. It, therefore, needs the support of one other member to change the constitution.
 - Nomination of one Director.
 - By provision of capital funding.
 - Through the terms of the affordable rent grant agreement.
- 9.34 The Affordable Rent Grant agreements which apply to all properties owned by Homecome mean:
- the council has a stake in the property (an indexed linked equity charge)
 - Homecome cannot sell properties without council permission
 - Homecome is required to report on its business to council.
 - In addition, the grant agreement secures that Homecome must take all its tenants from the Council's Housing Register.
- 9.35 Ann Branson, Housing Service Director explained to the Task Group the benefits of City Councils relationship with HomeCome:
- had had a positive impact in bringing private and public sector housing up to the Decent Homes Standard,
 - had made larger properties available on an affordable basis,
 - had contributed to reducing the number of empty homes throughout Leicester City,
 - had also successfully managed to identify and occupy redevelopment sites, not ready for redevelopment to commence, on a short-term basis.
 - Further, as Home Come Ltd no longer received investment grant from Leicester City Council, they had been required to lease more properties from Private Sector Landlords, therefore bringing more private sector homes up to the Decent Homes Standard.
- 9.36 Members questioned why there hadn't been a greater pursuit of recognition for the concept of HomeCome with the Government. In response, it was stated that through greater recognition, alternative funding opportunities might have been identified.
- 9.37 Members also questioned who was responsible for assessing the repairs required to bring properties up to a decent standard. In response it was stated that Leicester City Council Officers, with representatives from HomeCome, assess all properties to identify the work required.

Homecome Funding

- 9.38 Members questioned the financial position of HomeCome, in the view of the financial climate at the time, and questioned whether Leicester City Council could consider making loans available to HomeCome from any surplus as this would enable a much greater level of affordable housing to be provided across Leicester City on a more sustainable basis.
- 9.39 In response it was confirmed that HomeCome continued to make it's mortgage repayments with Lloyds TSB and that more funding from Leicester City Council would be welcome. Mike Forrester explained and that no dividend was received by the directors.

- 9.40 The Homecome owned houses were bought with city council grant which gives the council a percentage ownership of the property and a bank loan raised by Homecome. This significantly increased the number of properties that could be bought with the funding city council had available. However, due to the need for Homecome to repay the loans plus interest, Homecome rents for its owned houses are higher than those of the council. So this arrangement created homes for more families by having higher rents.
- 9.41 Ann Branson confirmed to the Task Group that the Regional Housing Board were setting up a Regional Loan Fund and that Officers from the Council would be exploring this further. Specifically, they were investigating whether loans could be made available to Private Sector Landlords to improve the condition of their properties.
- 9.42 The Task Group members enquired about eventual ownership of HomeCome Ltd, Mike Forrester confirmed that once the loans are paid off the Council owns 50% *and the remaining 50% be for the well being of the City*. Joanna Bunting explained further, and stated that the Council is the closest match to an organisation that could deliver the service for the greater good of the City, and therefore theoretically is most likely to own the company and the entire stock, if the Company were dissolved.
- 9.43 Joanna Bunting, Head of Commercial & Property Law, confirmed that Cabinet was due to consider a report with the purpose of supplementing the supply of Council houses. There was a possibility that new funding may have become available for this. In the past the Council had been receiving approximately 400 right to buy applications per year but this had recently tailed off and since the “credit crunch” were down to very few.

Does Homecome provide Value for Money and a Quality Service

10. CONCLUSION

- 10.1 In addressing the future of housing needs, the City Council has recently been successful in attracting new funding and is set to build new council homes following the city councils successful bid for Government funding. Last year the government gave the city council more than £4.5m so it could build its own houses for the first time since 1977.
- 10.2 The Task Group supports the councils aim to create stable communities in the city and in relation to the councils allocations policy, to give tenants more choice to which area they wish to live. Leicester City Council is currently faced with 8,194 people on the councils housing register, including 4,000 families waiting for 2 or 3 bedroom homes. More than 500 people are in hostels.
- 10.3 The task group recognise that Leicester City Council is unique in having the experience of HomeCome that demonstrates how a higher rent sub Benefit model can create twice as many properties for the same amount of funding. Homecome has said that it would welcome the opportunity to extend its work with Leicester City Council to create a greater number of homes for families in need.
- 10.4 At present the supply of social housing in Leicester is unable to meet demand. Fewer and fewer city council properties are available to let each year due to RTB and reduced

turnover. Registered Social Landlords are building houses, but not enough and over the last 10 years too many flats have been created by Registered Social Landlords and private developers - which are generally unsuitable for families.

- 10.5 The Task Group also recognise that the city council has benefited from HomeCome in relation to the increase in the Housing Revenue Account (current payment £223K).
- 10.6 The Task Group recognises that HomeCome does provide a good service with homes for families who cannot access council housing that meets their needs in terms of rooms or locations, similarly, access to RSL homes. In comparison to the private rented sector, a HomeCome property offers a better deal to tenants.
- 10.7 The task group suggested that improvements be made to address the issues of concern highlighted by this review, in the main relating to:
 - a) the possibilities of Homecome tenants facing financial difficulties 'the poverty trap' due to the rent levels being higher than council tenants.
 - b) homecome tenants finding themselves locked into tenancy agreements and not fully understanding the procedures.
 - c) homecome tenants confused about how to access customer services and repairs and maintenance services.
 - d) the standard of works carried out and inspections to Homecome properties being prepared for let.
- 10.8 Overall, the task group recognise that strategically, HomeCome has been the main driver for the council to have extra properties to offer to families on the Housing register, therefore for this reason HomeCome has provided value for money.

11. LEGAL IMPLICATIONS - Joanna Bunting

- 11.1 These are contained in the body of the report. ARG is designed to benefit tenants through the provision of affordable rents and homes to the decent homes standard. The principal power the Council is using is s2 Local Government Act 2000 (well being powers) HomeCome is not a controlled or regulated company and is not subject to group accounting as part of the Councils accounts. HomeCome is a private company limited by guarantee, and is not able to make a distribution to its members.

12. FINANCIAL IMPLICATIONS – Rod Pearson

- 12.1 Details of the financial relationship between the Council and HomeCome are set out in the report above.
- 12.2 Because of the pressure on the Council's capital programme, it has not been possible to make Affordable Rent Grants to HomeCome for the purchase of properties since 2008.
- 12.3 The charges to HomeCome for maintenance and management are set to reflect as nearly as possible the actual cost to the Council so as to have a neutral effect on the Housing Revenue Account.

13. BACKGROUND PAPERS – Local Government Act 1972
 - 13.1 Report of the Corporate Director of Adults and Housing :
HomeCome Annual Report 14.02.08 to Overview & Scrutiny Management Board.

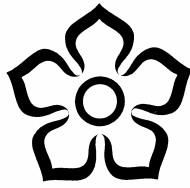
14. CONTACT
Councillor Barbara Potter, Task Group Leader (Adults & Housing)
Tel: 39 8825 (internal)
Tel: 0116 229 8825 (external)
Email: Barbara.Potter@leicester.gov.uk

Anita Patel, Member Support Officer
Tel: 39 8825 (internal)
Tel: 0116 229 8825 (external)
Email: Anita.Patel@leicester.gov.uk

15. APPENDICES:

Appendix A – Strategic Assessment of the Role of HomeCome
Appendix B - Focus Group Consultation with HomeCome Tenants
Appendix C – Housing Services Response to the report of the Task Group

This page is left blank intentionally.



Leicester
City Council

APPENDIX A

SCRUTINY TASK GROUP

14 OCTOBER 2008

STRATEGIC ASSESSMENT OF THE ROLE OF HOMECOME

REPORT OF THE CORPORATE DIRECTOR OF ADULTS AND HOUSING

1. WHAT IS HOMECOME/COUNCIL CONTROL AND INFLUENCE

1.1 HomeCome is a company set up by the Council in 2004 to create new affordable housing. HomeCome offers a decent home for people on the Council's Housing Register, who are unable to obtain a Council or RSL home in the near future, within housing benefit rents, that are lower than the private sector. It currently owns 132 homes and leases 12.

1.2 HomeCome is a not-for-profit limited company owned by its members. It must apply its profits for affordable housing in Leicester and for the well being of Leicester. The current members of HomeCome are the City Council and Leicestershire Chamber of Commerce and David Brazier. The City Council has 49% voting rights. HomeCome is managed by a Board of Directors comprising Ian Harkness (Chair), Councillor Hanif Aqbany, Chris Cronogue, Jaffa Kapasi, John Townsend and Martin Traynor. HomeCome has no staff or premises and the work is undertaken through contractors. The main contractor is the City Council providing letting, rent collection and repairs and maintenance services. The current payment from HomeCome to the HRA is £140k.

HomeCome pays for a Company Secretary and services of an Acquisition Manager. The Company Secretary is appointed by the Directors.

The Council's Chief Financial Officer and Internal Audit has previously done assessments of HomeCome.

1.3 The Council can influence/determine the future of HomeCome in four ways:-

- a) as a Member with 49% ownership. It, therefore, needs the support of one other member to change the constitution. Directors are appointed by members.
- b) nomination of one Director

- c) by provision of capital funding.
- d) through the terms of the affordable rent grant agreement.

1.4 The Affordable Rent Grant agreements which apply to all properties owned by HomeCome mean:-

- a) the Council has a stake in the property (an indexed linked equity charge)
- b) HomeCome cannot sell properties without Council permission.
- c) HomeCome is required to report on its business to Council.

In addition, the grant agreement secures that HomeCome must take all its tenants from the Council's Housing Register.

2. HOW HOMECOME CONTRIBUTES TO ACHIEVING THE COUNCIL'S HOUSING AIMS

2.1 Leicester's Housing Strategy, and recent work for Vision 25 for Leicester identifies the following housing priorities: to bring public and private sector housing up to the Decent Homes Standard, to provide more Affordable Homes, to reduce the number of Empty Homes, to provide homes and support for vulnerable groups and improve home energy efficiency.

Affordable Housing

2.2 The Government defines affordable housing as homes provided to those whose needs are not met by the market. There are two types of affordable housing: **social rented**, i.e., from a Council or Housing Association and **intermediate**. Intermediate can be for rent or sale, but must be below market cost, and available for future households. HomeCome is therefore recognised as providing **Intermediate Affordable Housing**, because its rents are within Housing Benefit levels and lower than market rents. 88% of HomeCome tenants receive Housing Benefits. Its rent is affordable because the Council pays HomeCome an Affordable Rent Grant.

2.3 The Housing Needs Survey identified the need for an additional 1,181 per annum, to deal with the backlog of need in the City within 5 years and provide for predicted new households, taking into account the loss from right to buy and demolitions.

2.4 Over the last four years the City Council has enabled provision, on average of 217 affordable homes per year of which HomeCome provided an average of 32, i.e., 15% of provision. For the next two years, 07/08 and 08/09 there are, respectively 140 and 143 affordable homes in the pipeline and there is no capital programme provision for future acquisition by HomeCome. (Note that in 09/10 a significant increase in provision is predicted from pipeline schemes, potentially up to 500+). Although nationally Government is making more money available for

Affordable Housing, access to sites makes it difficult to increase provision in Leicester. There are peaks and troughs in sites and schemes becoming developable. The shortfall in the next two years is going to cause problems for those in housing need.

- 2.5 The Council could potentially receive £2.4m in commuted sums from housing developers over the next 3 years. However, there is no guarantee these private schemes will go ahead. These sums must be used to provide affordable housing and the Council could use them to fund Affordable Rent Grants to an RSL or HomeCome (or any organisation which could provide affordable homes). The predicted output for the next two years includes an assumption that the commuted sums will be invested either with an RSL or HomeCome, to create about 10 homes. These commuted sums are expected towards the end of 2008/09.

Conclusion

- 2.6 HomeCome has contributed 15% of new affordable housing in the City over the last 4 years. The next two years will show a significant drop in new affordable housing provision from all sources, including the investment of potential commuted sums. Loss of capital programme investment in HomeCome contributes to this.

Size of Homes

- 2.7 The Housing Need Survey identified a shortfall in 1, 2 and particularly 4 bedroom homes. An analysis of the Housing Register of those in 'priority need' (over 195 points), show that those needing a 1, 2 or 3 bedroom house have a high likelihood of being rehoused within 1 year if they are prepared to consider any part of Leicester. Those needing a 4 bedroom house have a 1 in 4 likelihood and for those needing 5 bedroom plus, very little likelihood.
- 2.8 There are 685 households on the Register awaiting 4 bedroom or larger homes. HomeCome has been particularly successful in acquiring 4 bedroom and larger homes and now owns 57, which is 47% of all the new affordable large family homes provided in the last four years.
- 2.9 Last year 58 large families were rehoused from the Housing Register, of which HomeCome provided 40% (23 homes) of all new social lettings to this group.

Conclusion

- 2.10 HomeCome has made a significant contribution to housing large families, a group that the Council cannot readily help.

Allocation Policy and Management

- 2.11 The City Council nominates tenants from the Housing Register in accordance with its Allocation Policy, and in the same way as it makes nominations to Housing Associations. The characteristics of tenants housed should therefore be the same as those who get Council or RSL lets, subject to the size and location of the dwellings offered. HomeCome provides 100% nominations in perpetuity, RSL's are required to provide 100% nominations of new properties and 50% thereafter. In practice some RSLs give the City 100% nominations.
- 2.12 Households who are statutory homeless can refuse an offer from HomeCome and do not lose their homeless points. A few applicants will wait for a Council offer because they want the Right to Buy. There has been no difficulty, however, in finding tenants for HomeCome.
- 2.13 Management is provided by the Council's Landlord Services and the same policies for rent arrears, tenancy management and anti-social behaviour are applied. Three tenants have been evicted (two for anti social behaviour and one for rent arrears). The full day to day repair service is available. HomeCome pays for all these services.
- 2.14 Ethnic breakdown of tenants is:

	HOMECOME %	CITY COUNCIL %
Asian	9.6	9.4
Black	24.0	6.0
White	41.6	51.2
Mixed & Chinese	4.0	1.0
Other	4.0	2.0
Not given/unknown	16.8	30.4

Conclusion

The homes are managed and maintained by the City Council to the same standards as Council housing. There is a higher proportion of black and ethnic minority tenants than in Council housing, but the number of tenants is relatively very small (130 compared to 22,625) and tenancies are more recent.

Decent Homes

- 2.15 It is policy to bring all Council homes up to Decent Homes Standard by 2010 and to continue to tackle the 9,000 private sector homes that are below that standard.
- 2.16 One of the original reasons for setting up HomeCome was to acquire those Council houses where work costing over £10,000 was required, in order to fund the Decent Homes Programme.
- 2.17 In practice, HomeCome has acquired most of its stock from the private sector, acquiring only 18 from the Council.
- 2.18 All HomeCome homes are brought up to Decent Homes standards with the aid of a Council Affordable Rent Grant. Most private properties acquired by HomeCome are below the standard when acquired. Of 892 private sector homes which were brought up to standard by the Council in 05/07 (2 years), 10% of these were done by HomeCome.

Conclusion

- 2.19 HomeCome contributes to bringing private housing up to Decent Homes standard.

Prevention of Homelessness/Supporting Vulnerable Tenants

- 2.20 By providing homes only to those nominated by the Council from the Housing Register, HomeCome is helping to house homeless families and those at risk of homelessness. In 2006/07, HomeCome provided 53 lets, RSL's provided 389 and the City Council 1,519.
- 2.21 Increasingly, Housing Options refer homeless and potentially homeless families to the private rented sector, offering advice to both tenants and landlords, and rent deposits. However, the private sector uses Assured Shorthold Tenancies, which can be ended every 6 months, so the private rented sector does create homelessness. By contrast although HomeCome uses AST's they only evict families for breach of tenancy conditions.
- 2.22 It has also provided tenancies to people with disabilities for whom the Council has care duties.

Conclusion

- 2.23 By providing a steady flow of affordable tenancies HomeCome is helping to house homeless families and those at risk of homelessness, and reducing some of the care costs met by the Council.

Empty Homes

- 2.24 There are currently over 1,400 privately owned homes that have stood empty for more than 18 months. The Empty Homes Team has brought back into use over 450 properties over the last 3 years, and uses a range of incentives to owners. HomeCome has helped in two ways. In a small number of cases the Council has acquired property under Compulsory Purchase Power. HomeCome has acquired four out of 15. Often these properties require too much work or are too expensive for HomeCome and, therefore, auctioned.
- 2.25 An estimated 25-30% of the houses that HomeCome bought on the open market were repossessions and were therefore empty at time of purchase. The length of time they were vacant is not recorded. In all probability, they would have been sold anyway as the vendor in such cases is keen to sell.
- 2.26 HomeCome has set up a scheme called Improve to Let – in support of the Council’s Empty Homes Strategy. It leases empty homes in the private sector, improves them and then rents at Local Housing Allowance rent. The Council refers tenants to these houses.

Conclusion

- 2.27 HomeCome has only been able to acquire four Compulsory Purchased properties from the Council. The new Improve to Let scheme could be very helpful, but it is too early to see the extent of empty home owners’ response.

Cost of HomeCome Homes/Cost to City Council

- 2.28 Properties are financed with an Affordable Rent Grant (ARG) from the Council and a loan taken out by HomeCome. The Council takes a second charge on each property which covers the additional amount of grant. The Council has set a limit on the ARG of 75% of the property value and all properties have been purchased within this framework. The average grant for 3 beds and less is £52k and £66k for 4 beds). This shows a continuing improvement over previous years where the capital cost to the Council for HomeCome to acquire each home has reduced.

To date the Council has invested £8.15m in HomeCome.

- 2.29 By contrast, Housing Association properties funded by the Housing Corporation have required average grant of £56k for 2/3 bedroom home and £75k for a 4 bedroom home. Housing Association homes will be newly built to modern standards and at level 3 of sustainable homes. HomeCome are to Decent Homes standard, which will have a lower level of energy efficiency and may have either a modernised bathroom or kitchen, not necessarily both. HomeCome properties may be to higher space standards for historical reasons.
- 2.30 The Council can and does fund Housing Associations with Affordable Rent Grant (ARG). In 2008/09 Housing Capital Programme contribute to the Backlands

Batch 1 Scheme, which will bring 7 derelict HRA sites back into use and provide 42 homes. The Council is contributing free land and an average of £16,000 grant per property. The homes will be to sustainable code level. EMHA and the Housing Corporation are contributing large amounts of grant aid.

Conclusion

- 2.31 HomeCome is giving good value for money, roughly comparable to Housing Association new build for 2/3 bedroom homes and cheaper for 4 bedroom, but for a refurbished house, not new build.
- 2.32 The Council can make much smaller grant contributions per property to enable some marginal Housing Corporation/Housing Association funded schemes to go ahead where there are other benefits from doing so, e.g., dealing with backland sites. However, there will be only limited opportunities each year to do so, and the Council foregoes a potential receipt for the land.

Change of Tenure of existing stock

- 2.33 For many years Housing Associations acquired private sector homes and refurbished for letting. This supported the Renewal Strategy (private sector decent homes), the Empty Homes Strategy (including buying properties that the Council had compulsorily purchased), and created social rented homes in inner city areas that were largely owner occupied.
- 2.34 The Housing Corporation no longer funds purchase for refurbishment. HomeCome is therefore the only agency doing this work. However, while it is helping create decent homes, its cost constraints mean that it has not been able to support Empty Homes work to any degree.
- 2.35 HomeCome acquisitions are on Council estates and often former Right to Buy. HomeCome has not been able to acquire properties in inner city areas where there is very high demand (particularly from ethnic minorities) and limited social rented stock.
- 2.36 Housing Associations are finding it increasingly difficult to acquire land to build on. 80% of Leicester proposed Growth Point dwellings will be built on private sites, which means more affordable housing will have to be secured through the planning system, so future levels of new affordable housing are uncertain. Changing the tenure of existing stock could become a more important and reliable supply.

Conclusion

- 2.37 HomeCome is the only agency providing Intermediate Affordable Housing by changing the tenure of existing stock, albeit in areas with high proportions of

social rented housing. With the right to buy continuing to deplete Council stock and limited land availability in the City, changing tenure of existing stock makes a useful contribution to the supply of affordable housing.

NewBuild

- 2.38 Attempts have been made to find a way for HomeCome to provide new build homes. When Backlands Site Batch 1 was tendered, developers were invited to submit a price for building homes for sale to HomeCome. There were no bids. More recently the same invitation to bid was made in the disposal of Hamelin Road/Queensmead sites in Braunstone. Bids were received which offered to build for HomeCome but they were not the overall best tenders.

Conclusion

- 2.39 To date, a mechanism that allows HomeCome to buy new build homes has not been found.

Procurement Time

- 2.40 Because HomeCome buys existing stock it can react quickly when funds are made available, subject to market conditions. By contrast RSL's have long lead in times, typically at least 2 years and often much longer, from scheme identification to delivery.

Conclusion

- 2.41 If the affordable housing shortfall predicted over the next two years is to be addressed then HomeCome is in a position to help, but requires subsidy.

HomeCome as an aid to Council Redevelopment Schemes

- 2.42 The Council currently leases 11 homes to HomeCome that are awaiting redevelopment.

Conclusion

- 2.43 This is a useful service to the Council, providing short term homes and income to the Housing Revenue Account from properties that would otherwise be empty.

3. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

3.1. Financial Implications : Rod Pearson

There are no direct financial implications arising from this report.

3.2 **Legal Implications: Joanna Bunting**

These are contained in the body of the report. ARG is designed to benefit tenants through the provision of affordable rents and homes to the decent homes standard. The principal power the Council is using is s2 Local Government Act 2000 (well being powers) HomeCome is not a controlled or regulated company and is not subject to group accounting as part of the Councils accounts. HomeCome is a private company limited by guarantee, and is not able to make a distribution to its members.

3.3 **Other Implications**

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities	YES		
Policy	YES		
Sustainable and Environmental	YES		
Crime and Disorder	YES		
Human Rights Act	YES		
Elderly/People on Low Income	YES		

4. **BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972**

Report of the Corporate Director of Adults and Housing :
HomeCome Annual Report 14.02.08 to Overview & Scrutiny Management Board.

5. **CONSULTATIONS**

HomeCome.

6. **REPORT AUTHOR**

Ann Branson – Service Director, Housing Renewal, Options and Development
Tel: 0116 2526802.

This page is left blank intentionally.

Consultation with HomeCome Tenants - Focus Group

Summary of questions and responses from the focus group session

Q - Why is it that HomeCome tenants do not have the same rights as housing association tenants?

A - HomeCome is not a housing association, it is set up as a not for profit private company.

Q - Why do Riverside Housing and De Montfort Housing have secure tenancy, but HomeCome do not?

A - HomeCome is not a housing association and tenants are made aware of the details in their tenancy agreement.

A - How long do tenants have to wait to be allocated a house?

Q - The council's waiting list is based on need.

Q - Why does it take so long to get repairs sorted out?

A - HomeCome property repairs and works are done by city council housing repairs, not HomeCome directly.

Q - Why do I pay more rent than city council tenants?

A - HomeCome properties are classed as intermediate affordable housing – which is homes at prices and rents above those of social rent, but below market price or rents.

Q - Does HomeCome own all the properties that it rents out?

A - HomeCome manage and rent out a total of 184 homes to households from the city's housing register (132 of these homes are owned by HomeCome, the rest are leased by HomeCome from the private sector or from City Council.

Q - I have complained several times about the same issue, but still no response received?

A - HomeCome take all complaints and feedback from tenants seriously and pride themselves on providing a good service. However complaints are made to City Council under their corporate complaints procedure & are not always communicated to HomeCome.

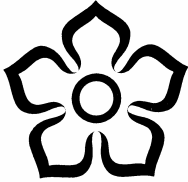
Q - I want to speak to HomeCome directly about my tenancy rights?

A - HomeCome does not have a direct interface with its tenants, it is set up to operate through the city council housing service.

Q - What will happen if I am unable to pay my rent due to financial circumstances?

A - HomeCome tenants do not have secure tenancy rights. HomeCome are not legally bound to provide secure tenancy to tenants, however they can apply for Housing Benefit as a Council tenant would do.

This page is left blank intentionally.



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
OSMB

15 April 2010

HomeCome - Response to the report of the Task Group

Joint report of Director of Housing Services and Director Housing Strategy and Options

1. Purpose of Report

On 11th February 2010 OSMB considered a report from Councillor Potter that gave the findings of the Adults and Housing Task Group's review of "HomeCome".

OSMB asked officers to respond to five areas of concern.

2. Summary

2.1 Some HomeCome tenants will face the 'poverty trap' if they come off full Housing Benefit, as will tenants on high rents in the private sector. The benefit tapers are set by Government.

2.2 Members may wish to consider the position of HomeCome tenants in the forthcoming review of the Housing Allocation Policy, but giving more priority to any one group of applicants will disadvantage another group at a time when supply cannot meet demand.

2.3 The Director of Housing Services has put arrangements in place to improve information for HomeCome tenants, involve them in consultation and ensure repair and maintenance services are the same as for Council tenants.

3. Recommendations

That OSMB considers the response to the five areas of concern and decides whether further action or information is required.

4. Report

The five issues are considered individually:

4.1 Issue 1

The possibility of HomeCome tenants facing financial difficulties ‘the poverty trap’, due to the rent levels being higher than Council tenants.

4.2 Tenants on Passported Benefits

The majority of HomeCome rents are within the maximum Housing Benefit level, which is known as the Local Housing Allowance. If the HomeCome tenant receives one of the following benefits, then they will get maximum Housing Benefit and Council Tax Benefit.

The benefits are:

- Income Support
- Jobseekers Allowance (Income Based)
- Employment and Support Allowance (Income Related)
- Pension Credit (Guarantee)

4.3 Many low-income families will get Income Support, but problems can arise when they are no longer eligible.

The ‘Poverty Trap’ can start once a low-income family is no longer in receipt of a passported benefit. This is because they will be expected to pay towards their housing costs (rent and council tax) as maximum Housing Benefit and Council Tax Benefit will be lost.

This is seen as a disadvantage in starting work as families will be unsure how much help will be given to them from the benefits system and will become responsible for meeting housing costs payments that become due.

4.4 Tenants not on Passported Benefits

Each household will have an identified “applicable amount”.

An “applicable amount” is the figure used in calculating Housing Benefit and Council Tax Benefit to reflect the basic living needs of the claimant and their family. Government sets these and they are the starting point of any means tested benefit.

An “applicable amount” is made up of two elements:

- Personal Allowances – based on the age and status of the customer; and
- Premiums – based on disabilities, caring responsibilities and family make up

An “applicable amount” is based on an individual families need.

Appendices 1 and 2 set out some examples of how the taper works.

4.5 Government sets the ‘Taper’ and for Housing Benefit this is set at 65% and for Council Tax Benefit it is 20%. This means that for every pound of income over their “applicable amount” the customer loses 65p of Housing Benefit and 20p of Council Tax Benefit.

At present there are 125 HomeCome tenants that are being paid Housing Benefit. 43 claims do not receive maximum Housing Benefit – this is 34.4% of this client group.

4.6 Issue 2

HomeCome tenants finding themselves locked into tenancy agreements and not fully understanding the procedures.

- 4.7 Tenants are not “locked” into tenancy agreements. They can give 4 weeks (28 days minimum) notice at any time.

Written information on what a HomeCome tenancy means is sent to prospective tenants when they are told of the vacancy. In future this information will be on the Leicester HomeChoice website. Applicants will need to decide if they want to express an interest in the HomeCome property. Applicants can discuss this with the Lettings Team or Housing Options if they wish. Once an applicant accepts an offer, further written information is given at sign up, which takes place face to face at the Neighbourhood Office.

- 4.8 OSMB expressed concern that once an applicant has accepted a HomeCome tenancy they will lose their points on the Housing Register.

All offers of HomeCome tenancies are made under the Council’s Allocation Policy. This means that a HomeCome property will only be offered if it *meets the applicant’s needs* eg right number of bedrooms, level access if required etc.

- 4.9 Points are awarded to households on the Register, based on their *existing and current housing need* eg overcrowding, temporary accommodation, need for ground floor accommodation. *Once that need has been met then the applicant is no longer in “housing need”* and therefore is given no points. If their housing circumstances change while they are a HomeCome tenant (eg need ground floor accommodation) they will be allocated points in accordance with policy.

- 4.10 HomeCome tenants do not have the right to buy and rents are higher than Council rents and for this reason some applicants would rather wait for an offer of a Council tenancy. On the other hand, the rents are often lower than the private sector, they will have much more security and a responsive repair service. Applicants will weigh up what is most important, depending on their needs at the time. Once they are a HomeCome tenant they can remain on or leave the Housing Register. Their points will change as their housing circumstances change. This is how all applicants on the register are treated whether in private rented sector, existing Council or Housing Association tenant or owner occupier. Officers will ensure this is made clear on the Leicester HomeChoice website.

- 4.11 The same situation applies if an applicant accepts an offer of a Housing Association property or arranges to rent a private house that meets their needs.

- 4.12 The Allocation Policy will be reviewed this summer in response to new Government guidance entitled ‘Fair and Flexible’. Council’s have some flexibility to have local policies, but overall should give priority to those in greatest housing need.

4.13 OSMB may wish to consider this issue as part of the review of Housing Allocation Policy later this year, noting that giving more priority to any one group of applicants will disadvantage another group at a time when supply cannot meet demand.

4.14 Issue 3

HomeCome tenants are confused about how to access Customer Services and repairs and maintenance services.

Housing Services have developed an Action Plan setting out the changes that are to be implemented to improve Housing Management services to Homecome tenants following the recommendations of this report. The key areas that this action plan focuses upon include:

- Improving communication with Homecome tenants
- Reviewing and improving information provided to Homecome tenants
- Developing staff to be able to provide improved customer service
- Monitoring Housing Services effectiveness of service delivery to Homecome tenants

Key areas that will be developed over the course of this year are set out below:

Communication

Provide clear information in Welcome Packs and in newsletters about the Complaints procedure or how to make comments or suggestions.

Develop clear information for tenants on the repairs service – including how to report a repair, repairs response times/priorities.

Develop dedicated Homecome section of the website, in consultation with tenants, and keep updated.

Information

Add Homecome tenants to the distribution list for City Housing News.

Undertake consultation with tenants to develop a checklist of the information they would like to receive.

Training

Develop training for front line staff on all issues relevant to Homecome to ensure staff are aware of their responsibilities towards tenants.

Estate Management Officers to lead on Homecome issues, to oversee communication and information, answer basis queries and signpost to more specialised advice and support.

Monitoring

Develop customer satisfaction survey for HomeCome tenants and undertake on an annual basis.

Develop a mystery shopping programme to identify areas of improvement for the services being provided.

Establish Tenants' Focus Group to help review the welcome pack and receive monitoring information.

4.15 Issue 4

The standard of works carried out and inspections to HomeCome properties being prepared for let.

The Void Officers based in the Property Lettings Team carry out the inspection when the property first becomes vacant. A specification identifying all repair work required to bring the property up to an agreed standard is produced. Once the repair work is complete the Void Officer inspects the property to check that all specified work has been carried out. The process for HomeCome owned properties is the same as for our own council properties.

4.16 Issue 5

Property in Mowmacre Hill where a former bathroom has been converted to a small bedroom

Officers have carried out further investigations into this property in relation to the 4th Bedroom.

Officers have spoken to Building Control who have confirmed that the 4th bedroom, does not contravene any building regulations. However, HomeCome have agreed to install a large window into the bedroom which the tenant has agreed to.

HomeCome have been asked if they would re-designate the property to a 3 bedroom, they have stated their position has not changed and therefore the property in their view is a 4-bedroom property.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

Improvement to service will be met from existing budget.

5.2 Legal Implications

Members should refer to the previous report to OSMB for general legal implications regarding the Council's legal arrangements with HomeCome.

This report discusses proposals to alter the allocation policies for Council housing. These are obviously subject in themselves to procedures (in particular as to consultation) under the Housing Act. Care needs to be taken in framing changes in housing allocation policy not to bring about unintended discrimination. Officers have therefore put in place arrangements to monitor the effect of changes, but in this case recommended that the need for an equalities impact assessment be strongly considered.

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities	No		
Policy	No		
Sustainable and Environmental	No		
Crime and Disorder	No		
Human Rights Act	No		
Elderly/People on Low Income	Yes		
Corporate Parenting	No		
Health Inequalities Impact	No		

7. Background Papers – Local Government Act 1972

Report of the Adults & Housing Scrutiny Task Group – Final Report
Review into “Homecome Ltd” – 11th February 2010

8. Consultations

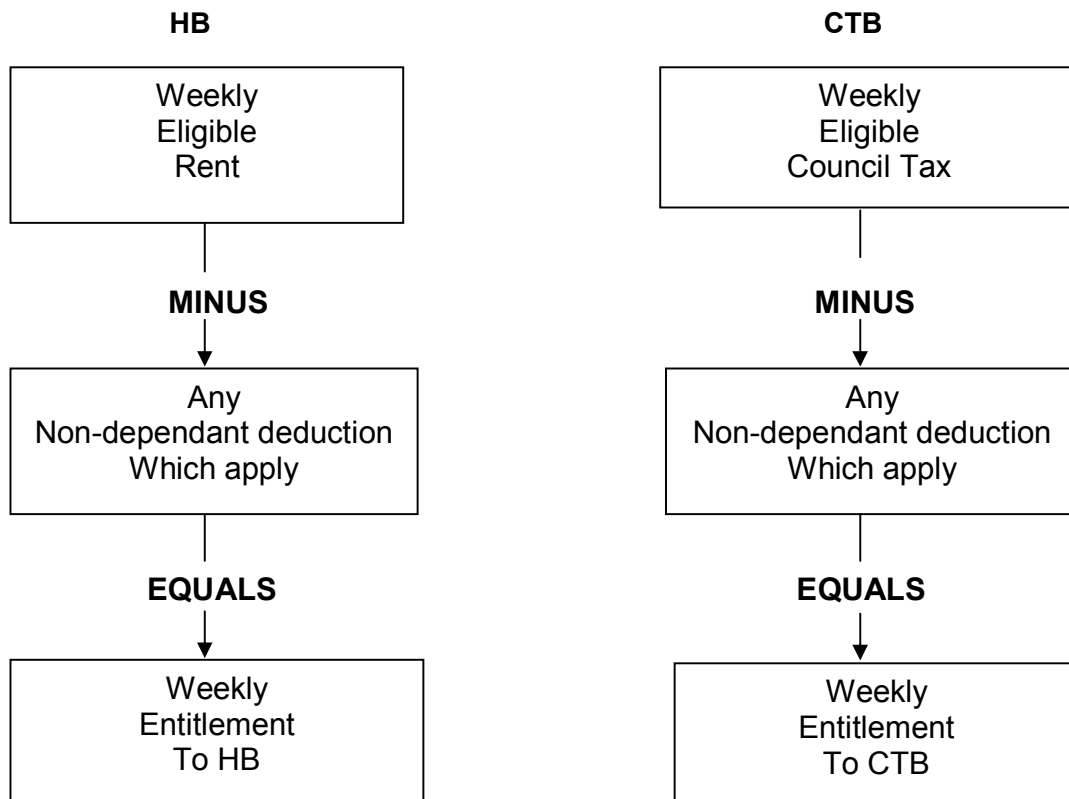
8.1 No consultations. Issues arose from consultation led by the Task Group.

9. Report Author

Ann Branson, Director Housing Strategy and Options

Calculation of Housing Benefit (HB) / Council Tax Benefit (CTB)

If a customer is in receipt of a passported benefit e.g. Income Support, Job Seekers Allowance (Income Based), Employment and Support Allowance (Income Related) or Pension Credit (Guarantee) then the award of HB/CTB will be the maximum amount of benefit that can be awarded.



If for example the customer was entitled to the LHA one bedroom rate then the maximum HB will be the LHA rate of £91.82.

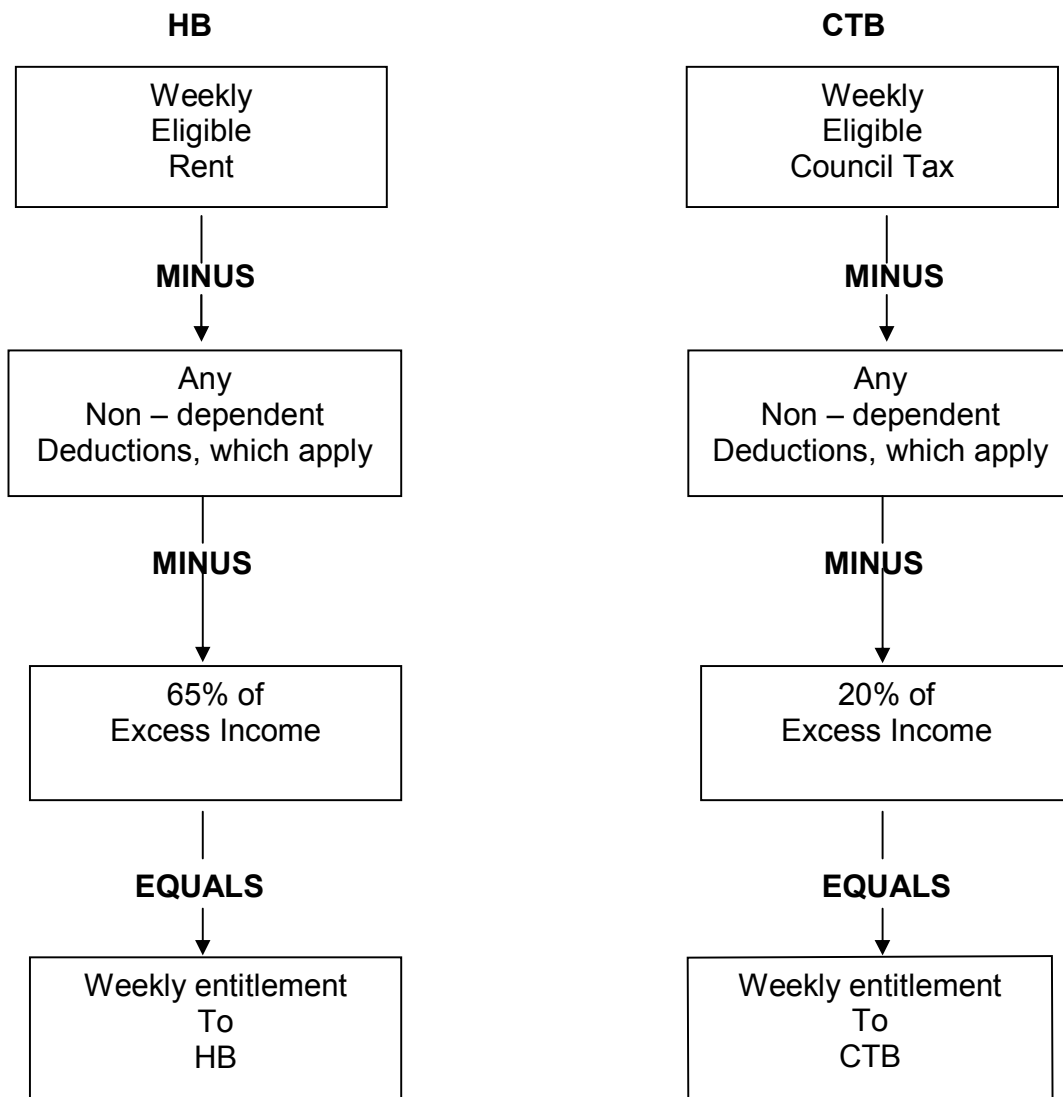
If that customer then has a change to their circumstances and begins work for arguments sake then their HB / CTB is reduced to reflect this.

A taper reduces the benefit; this is calculated as shown below:

For **HB** the taper is **65%** - this means that for every pound of income over the customer's applicable amount they will lose 65p in benefit.

For **CTB** the taper is **20%** - this means that for every pound of income over the customer's applicable amount they will lose 20p in benefit

The calculation of HB/ CTB therefore now looks like the following: -



For example if a customer was 26, living in a one room accommodation so the LHA rate is £91.82, his council tax charge is £13.12 after SPD awarded, his take home pay is £105.00 per week, his calculation for benefit would be as follows:

Wages	£105.00
Less earnings disregard	<u>£ 5.00</u>
Eligible income	£ 100.00
Less applicable amount	<u>£ 64.30</u>
Excess income	£ 35.70

The taper calculation is therefore applied to the excess income of £35.70

65% of £ 35.70 is	£ 23.21
20% of £ 35.70 is	£ 7.14

Therefore the HB award now becomes LHA rate £91.82 minus the tariff income calculation £23.21 means a **HB award of £ 68.61 per week.**

The CTB award now becomes CTAX liability of £ 13.12 minus the tariff income calculation £7.14 means a **CTB award of £ 5.98 per week.**

Impact of the Housing Benefit and Council Tax Taper and the £15 Allowance

Example 1 : Lone Parent

In the following scenario there is a Lone Parent living in a 2-bedroom property with her one child and working 21 hours per week and living in a HomeCome property with rent of £95.00 per week. (These details are taken from an existing Home Come tenant):

Applicable Amounts are the starting point for the assessment of Housing Benefit as these are determined by Government of the amount that a person in the same situation are expected to live on, they are made up of allowances and premiums and are based on the circumstances of the benefit household.

In this instance the Applicable Amount for a lone parent with one child would be as follows:

Personal Allowance for a lone parent	£ 65.45 per week
Allowance for dependant child	£ 57.57 per week
Family premium	<u>£ 17.40 per week</u>
Total Applicable Amount	£140.42 per week

This basically means that if customer's weekly income were below this figure they would be entitled to maximum housing benefit. Anything over this amount their maximum housing benefit is reduced by a taper of 65% of any excess income above the applicable amount.

The **weekly income** that this customer has is:

Earnings	£ 134.15 per week
Child Benefit	£ 20.00 per week
Child Tax Credit	£ 176.46 per week
Working Tax Credit	<u>£ 70.30 per week</u>
Total weekly income	£400.91 per week

The Regulations then allows certain disregards from this income

Income received **less** the disregards applied in this case:

Standard Earnings Disregard for Lone Parent	£ 25.00 per week
Additional Earnings Disregard as works more than 16 hours per week	£ 17.10 per week
Child Benefit	£ 20.00 per week
Child Care Costs (Up to a maximum of £175.00 pw) based on what the customer pays	<u>£ 137.50 per week</u>
Total disregards	£199.60 per week

Therefore the income taken into account in the calculation of Housing Benefit is:

Weekly income	£400.91
Less	
Disregards	<u>£199.60</u>
Total Income	£201.31

The next stage of the calculation is to carry out the means test; looking at the total weekly income to be used in the calculation of Housing Benefit against the customers' applicable amount, in this instance:

Income £201.31 minus applicable amount £140.42 gives an excess income of **£60.89 per week**

The Regulations then state that you apply the 65% taper to this excess income figure –

65% of £60.89 = **£39.58 per week** – this is the figure that is taken from the eligible rent on the property.

In this customers situation – living in a Home Come property the weekly rent is £95.00 per week, however the Local Housing Allowance (LHA) is £110.00 per week.

Regulations allow for the difference between the eligible weekly rent and the LHA rate to be used in the calculation of the housing benefit award up to a maximum of £15.00 per week. There was a proposal with central Government to remove this £15.00 per week top up from April 2010, however following a review of this proposal it has been **agreed in March 2010** that the **£15.00 top up payment will continue** to be applied in LHA cases where the LHA rate is more than the contractual rent up to a maximum of £15.00 per week.

Therefore in this situation the eligible rent used in this customers benefit assessment is £110.00 per week the LHA rate and not the contractual rent of £95.00 per week.

Therefore the benefit calculation is:

LHA rate	£ 110.00 per week
Less Taper income	<u>£ 39.58 per week</u>
Giving Housing Benefit of	£70.42 per week

The HomeCome tenant in this situation will have to pay the landlord **£ 24.58** per week. This is the difference between the rent charged of £95.00 per week and the housing benefit award of £70.42 per week.

If this same customer were to be living in a Leicester City Council property with a weekly eligible rent of £60.00 per week her weekly top up of rent would be:

Eligible rent	£ 60.00 per week
Less Taper income	<u>£ 39.58 per week</u>

Giving Housing Benefit of

£ 20.48 per week

Conclusion for Example 1

In this situation the Council tenant would be paying **£39.58** per week towards her rent, therefore she would be worse off than the customer living in the HomeCome property because of the £15.00 allowance.

Example 2 : Large Family

This is not based on an existing claim and the figures used are fictitious. This customer is part of a couple, has 4 dependant children living in the household and is living in a 4-bedroom HomeCome property with rent of £183.00 per week.

The weekly rent is charged for the Home Come property is £183.00 per week (this is a correct rent that is charged through this scheme) and the LHA rate, at the time of making the claim for Housing Benefit is £173.08 per week. This leaves the customer with a **£9.92 weekly top up** even if they were entitled to maximum housing benefit.

However they are not in receipt of a passported benefit.

Their applicable amount is made up as follows:

Personal Allowance for a couple (where 1 or more is over 18)	£ 102.75 per week
Child Allowance (4 children X £57.57 child allowance)	£ 230.28 per week
Family Premium	<u>£ 17.40 per week</u>
Total Applicable Amount	£ 350.43 per week

They have declared the following income:

Earnings (based on 37 hours at minimum wage £5.80)	£ 214.60 per week
Child benefit for eldest child	£ 20.00 per week
Child benefit for 3 subsequent children (3 X £13.20)	£ 39.60 per week
Child Tax Credit	£ 194.70 per week
Working Tax Credit	<u>£ 124.10 per week</u>

Weekly declared income **£ 593.00 per week**

Less weekly disregards as stated in the Regulations

Standard Earnings Disregard for a couple	£ 10.00 per week
Additional Earnings Disregard as work more than 16 hours	£ 17.10 per week
Child Benefit for eldest child	£ 20.00 per week
Child Benefit for subsequent children	<u>£ 39.60 per week</u>

Total weekly disregard **£ 86.70 per week**

Therefore the income taken into account for HB purposes is:

Income	£ 593.00 per week
Less	
Disregards	<u>£ 86.70</u> per week
Total Income	£506.30 per week

The next stage of the calculation is to carry out the means test; looking at the total weekly income to be used in the calculation of Housing Benefit against the customers' applicable amount, in this instance:

Income £506.30 minus applicable amount £350.43 gives an excess income of **£156.17 per week**

The Regulations then state that you apply the 65% taper to this excess income figure –

65% of £156.17 = **£101.51 per week** – this is the figure that is taken from the eligible rent on the property.

Therefore the calculation of Housing Benefit is the LHA rate of £173.08 per week less the taper income of £101.51 per week, giving an award of Housing Benefit of £71.57 per week.

The customer will then have to pay the landlord a weekly **top up of £111.43 per week**, this being the difference between the rent charged of £183.00 per week and the Housing Benefit award of £71.57 per week.

If this same customer were to be living in a Leicester City Council property with a weekly eligible rent of £75.00 per week their situation would be:

Eligible rent	£ 75.00 per week
Less Taper income	<u>£ 101.51</u> per week
Giving Housing Benefit of	£ 0.00 per week

Conclusion for Example 2

In this situation the Council tenant would be paying £75.00 per week towards her rent, while the HomeCome tenant would pay £111.43 per week.

In conclusion

Once a customer comes off a passported benefit, (Income Support, Job Seekers Allowance (income based), Employment and Support Allowance (income related) and Pension Credit Guarantee) they **will lose 65 pence for every £ earned above their applicable amount**, this can therefore be the start of the poverty trap as payments then need to be made towards their housing costs and council tax.

The more the wages or any other income received increases so the housing benefit will reduce in line with the taper income calculation, this in itself can be a barrier for customers to come off benefits and into work as they will be unsure how much housing costs they will need to pay.



Leicester
City Council

Minutes of the Meeting of the
OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Held: THURSDAY, 11 FEBRUARY 2010 at 5.30pm

P.R.E.S.E.N.T.

Councillor Grant– Chair

Councillor Hall – In the Chair until Minute 49.

Councillor Glover

Councillor Potter

Councillor Thomas

Councillor Newcombe

Councillor Senior

Councillor Suleman

Also In Attendance

Councillor Westley

Cabinet Lead Member for Housing

* * * * *

143. CHAIR OF MEETING

RESOLVED:

Under Scrutiny Procedure Rule 6c, in the absence of Councillor Grant, the meeting agreed that Councillor Hall would Chair the meeting until the arrival of Councillor Grant.

144. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bhatti and Joshi. Apologies for lateness were received from Councillor Glover and Grant.

145. DECLARATIONS OF INTEREST

Members are asked to declare any interests they may have in the business on the agenda, and/or indicate that Section 106 of the Local Government Finance Act 1992 applies to them.

Councillor Senior declared a personal interest in Item 6 'Tracking of Petitions – Monitoring Report' as her partner worked in Transport Strategy and had been involved in dealing with an ongoing petition listed in the report. She also

declared that she had been consulted as a Ward Councillor in respect of the petition opposed to the Spinney Hills Schools Cycle Link.

Councillor Senior declared a personal and prejudicial interest in Item 9 'Culture and Leisure Task Group Review of the Special Olympics Leicester 2009' as she was a volunteer director on the Special Olympics Board. She undertook to leave the meeting during consideration of this item.

Councillor Senior declared a personal interest in Item 10 'Local Development Scheme 2010-2013' as her partner worked in transport strategy.

Councillor Potter declared personal interests in Item 13 'Final Report of the Adults and Housing Task Group Review of HomeCome Limited' and Item 14 'Final Report of the Adults and Housing Task Group Review of Housing Repairs' as she was a Council tenant.

156. FINAL REPORT OF THE ADULTS AND HOUSING TASK GROUP REVIEW OF HOMECOME LIMITED

Councillor Potter submitted a report that provided the Overview and Scrutiny Management Board with the findings of the Adults & Housing Task Group review into 'Homecome Ltd', a social housing company.

Councillor Potter introduced the report. She spoke of concern regarding the inconsistent standard of HomeCome properties following visits to such properties by herself and other members of the Task Group. She explained that the condition of one HomeCome property visited in Netherhall was exceptional, whilst one visited in Mowmacre Hall was said to be in a far worse condition. Particular problems with this property were reported and included the conversion of a bathroom into a fourth bedroom, which was too small for use of a bedroom, had no fire escape, and still retained the bathroom pull-cord. As a Task group member who also attended the visits to HomeCome properties, Councillor Newcombe echoed the concerns outlined by Councillor Potter and further stated that other similar properties in the area used the fourth bedroom as a bathroom, and was also concerned that the extra bedroom came at an additional monthly cost of £88.

In response to these observations, Councillor Westley, Cabinet Lead Member for Housing, explained that the property had been officially classed as four-bed roomed and complied with government regulations. Ann Branson, Director, Housing Strategy and Options, further stated that the Council had approached HomeCome to ask them to reconsider listing the property as three-bed roomed but that HomeCome had rejected this. Dave Pate, Director, Housing Services, reported that the Council had been advised that the property properly complied with all Health and Safety regulations, but stated that he would be happy to look at the property again in light of the comments raised by Members. This was supported and the Board requested that all members of the Task Group be informed of what would be recommended in respect of the property once it had been looked at again.

Councillor Potter also expressed dissatisfaction around the fact that HomeCome tenants were in receipt of an extra £15 per week, though it was stated by officers present and Councillor Westley that a government review of this regulation was considering to rescind this allowance, and that this decision could not be taken locally. Councillor Potter stated that she would strongly support such a move by the government, and felt this policy was currently unfair as council tenants did not similarly benefit.

A Member of the Board was of the view that the high rents charged by HomeCome often meant that the properties became poverty traps for tenants. Councillor Westley acknowledged this view and felt that the alleviation of poverty was essential but stated that tenants were aware of the rent levels when they agreed to sign a tenancy agreement. He also reminded Members that HomeCome provided affordable housing, and if they did not provide housing in Leicester, then there would be an additional 400 people on the housing waiting list.

As part of the review, Councillor Potter explained that she interviewed several HomeCome tenants, and she was the first Task Group Chair to conduct such interviews with them. It was also agreed with them that they would meet with the Task Group Leader and officers on a six monthly basis, and officers confirmed that they would ensure that this arrangement was put in place. Councillor Potter also informed Members that many HomeCome tenants felt that housing staff were not fully aware of all the regulations that related to HomeCome properties. Councillor Westley agreed that it was vital that all staff were fully equipped to deal with the public on a face-to-face basis.

Councillor Senior, seconded by Councillor Potter, moved that as part of the the divisional response to the Task Group Report, officers be asked to look at improvements to be made to address the issues of concern highlighted by the review, in relation to:

- a) the possibilities of Homecome tenants facing financial difficulties 'the poverty trap' due to the rent levels being higher than council tenants.
- b) homecome tenants finding themselves locked into tenancy agreements and not fully understanding the procedures.
- c) homecome tenants confused about how to access customer services and repairs and maintenance services.
- d) the standard of works carried out and inspections to Homecome properties being prepared for let.

Upon being put to the vote the motion was CARRIED.

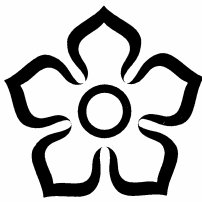
Councillor Westley thanked Councillor Potter for conducting the review and accepted all of the recommendations. He also welcomed the development of a process to regularly consult with all HomeCome tenants.

RESOLVED:

- (1) That the recommendations of the Task Group be

supported.

- (2) That the report be re-submitted to the Board on 15 April 2010 to include a divisional response; and
- (3) That, as part of the response to the Task Group report, the Board ask officers to look at improvements to be made to address the issues of concern highlighted by the review, in relation to
 - a) the possibilities of Homecome tenants facing financial difficulties 'the poverty trap' due to the rent levels being higher than council tenants.
 - b) homecome tenants finding themselves locked into tenancy agreements and not fully understanding the procedures.
 - c) homecome tenants confused about how to access customer services and repairs and maintenance services.
 - d) the standard of works carried out and inspections to Homecome properties being prepared for let.
- 4) That officers be asked to look again at the four-bedroomed HomeCome property in Mowmacre Hill in light of comments raised by Members, and to report findings back to all Members of the Adults and Housing Task Group.



Leicester
City Council

Minutes of the Meeting of the
OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Held: THURSDAY, 15 APRIL 2010 at 5.30pm

P.R.E.S.E.N.T.

Councillor Bhavsar – Vice-Chair (In the Chair)

Councillor Bajaj (for Cllr Glover)	Councillor Johnson (for Cllr Grant)
Councillor Joshi	Councillor Newcombe
Councillor Potter	Councillor Senior
Councillor Suleman	

Also In Attendance

Councillor Westley

Cabinet Lead Member for Housing

* * * * *

187. APOLOGIES FOR ABSENCE

Apologies for absence were received by Councillors Glover and Grant.

188. DECLARATIONS OF INTEREST

Members were asked to declare any interests they had in the business on the agenda, and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them.

Councillor Senior declared a personal interest in Item 6 'Tracking of Petitions – Monitoring Report' as she had been consulted as a Ward Councillor in respect of the petition opposed to the Spinney Hills Schools Cycle Link.

Councillor Senior declared a personal interest in Item 10 'Remodelling of YMCA, East Street, Leicester' as she was a Member of a group that regularly used the room.

Councillor Potter declared personal interests in Item 7 'Youth Justice Planning Improvement Framework 2010-11' and Item 10 'Remodelling of YMCA, East

Street, Leicester' as she was a member of the Safeguarding Children's Panel.

200. DIVISIONAL FEEDBACK ON THE ADULTS AND HOUSING TASK GROUP REVIEW OF HOMECOME LEICESTER

The Director of Housing Services and Director Housing Strategy and Options submitted a joint report that provided a response to the Adults and Housing Task Group Review into HomeCome Leicester.

The Director, Housing Services introduced the report and explained that it considered five areas of concern that were detailed in the Task group report. In response to the first issue around the possibility of HomeCome tenants facing financial difficulty due to the rent levels being higher than Council tenants, it was explained that all tenants were entitled to apply for housing benefits. It was also stated that out of 125 HomeCome tenants, 34.4% of them did not receive maximum housing benefit.

In response to the issue of HomeCome tenants finding themselves locked in tenancy agreements and not fully understanding the procedures, Members heard that tenants were never locked in such agreements as they had the ability to give four weeks notice at any time. The Director, Housing Services, acknowledged that tenants expressed confusion about how to access customer services and repairs and maintenance services. He gave several examples of ways in which this was to improve.

The Task Group had previously expressed concern around the standard of works carried out and inspections to HomeCome properties being prepared for let. In relation to this, the Director, Housing Services confirmed that the standards should be same for both HomeCome and City Council properties.

In response to a specific issue raised by the Task Group report in relation to a property in Mowmacre Hill where a former bathroom had been converted to a small bedroom, it was noted that officers had carried out further investigations into the property and it had been confirmed that it not contravene building regulations. It was also explained that HomeCome had agreed to install a large window into the bedroom.

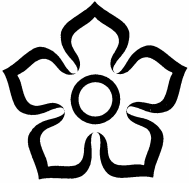
Councillor Potter, Adults and Housing Task Group Leader, stated that she accepted the responses supplied by officers. She also suggested that an additional recommendation be put forward to ask officers to consult with HomeCome tenants on an annual basis. This suggestion was supported by the Board and agreed by the Director of Housing Services. She did question the result of the health and safety inspection to permit the use of the former bathroom as a bedroom at the Mowmacre Hill property, and a copy of the health and safety assessment was requested. Councillor Westley, Cabinet Lead Member for Housing was in attendance and shared the concerns around the property, but gave further assurances that it met the appropriate regulations. He also stated that the tenant had expressed no dissatisfaction in terms of the property.

The decision round granting £15 a month allowance to HomeCome tenants was questioned. It was stated in response that this was a Government initiative for private sector tenants and it would not be feasible to consider giving City Council tenants £15 per month, and that this was supplied to HomeCome tenants to compensate for them occupying properties with rents below the market average for that type of property. It was also pointed out that only 10 HomeCome tenants were in receipt of the additional £15pm. In response to a question regarding the communication around repairs and maintenance services, it was reported that clear information for tenants on the repairs service was being prepared. Furthermore, all HomeCome tenants were now in receipt of City Housing news and a consultation with tenants was to be undertaken in respect of a checklist of the information they would like to receive.

RESOLVED:

- (1) That the Adults and Housing Task Group Review of HomeCome Leicester Final Report along with the divisional response be forwarded to Cabinet for their consideration.
- (2) That Cabinet is also asked to support a further recommendation to instigate a mechanism to consult with HomeCome tenants on an annual basis.

This page is left blank intentionally.



Leicester
City Council

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Children and Young People Scrutiny Committee
Cabinet

06 July 2010
12 July 2010

Proposed Changes to the School Balance Control Mechanism

Report of the Strategic Director, Investing in Our Children

1. Purpose of Report

- 1.1 The purpose of this report is to seek support for proposals for a new School Balance Control Mechanism to be introduced during 2010-11 that will apply to school balances held at 31 March 2011. These proposals are based upon feedback from a formal consultation and revised national guidance for local authorities.

2. Recommendations

- 2.1 Children and Young People Scrutiny Committee and Cabinet are asked to:-
- note the report;
 - support and/or comment upon the proposed new School Balance Control Mechanism (Appendix 2) to be introduced during 2010-11 and applied to school balances held at 31 March 2011 and annually thereafter;
 - support and/or comment on the intent of Schools Forum to promote the use of any clawed back excess school balances to support collaborative projects to improve educational and well-being outcomes for City learners; and to
 - note that the approval of the new scheme, taking into account these comments, will rest with the Schools Forum.

3. Summary

- 3.1 Purpose of the School Balance Control Mechanism: The aim of the School Balance Control Mechanism [SBCM] is to promote the effective and planned use of balances so that more of the funding schools receive is spent on the children currently in the schools. Schools are still able to hold a reasonable amount in reserve to meet unforeseen circumstances. The overall intended outcome from the Balances Control Mechanism is that balances are used in the best way to benefit children and young people, and as a result the levels of balances reduce to acceptable levels and are not placed at risk.
- 3.2 Background to School Balances in Leicester City: School Balances in Leicester City schools are in aggregate too high. There are some contributory factors to justify this (e.g. provisions for the new Single Status scheme and Building schools for the Future

[BSF]), but there is also a need to change the culture and practice regarding budget management in some schools and also for the City Council to support schools in effecting this change to address this issue. The Council is not seeking to routinely claw-back funds from schools and would much prefer schools to utilise funding in an effective and timely manner at a local level. It is essential, however, to have a robust SBCM scheme in place, which of necessity includes provision to claw-back excessive balances.

- 3.3 External pressures for change: There is significant external pressure on local authorities to have a robust control mechanism to control surplus balances and to claw-back funds where schools have excessive balances. In view of the current economic climate, unless action is taken locally, there is a very real risk that central government may impose a method that claws back the money to the detriment of City schools. There is national expectation that school balances will reduce.
- 3.4 Action taken locally: A set of proposals has been developed with the Schools Forum, which formed the basis of a consultation with schools and any other interested parties. Schools have also been asked to review their financial planning arrangements, as there is evidence to support the view that most schools do not plan to have the level of balances that materialise. We have also asked school headteachers and governors in a letter dated 25 May 2010 to begin to consider the impact of the proposed scheme now, as it is intended that this will apply to balances held at 31st March 2011. Work will continue in reminding governors and headteachers of their responsibilities in being accountable to make appropriate use of funds provided for today's children, and the level of balances will also feature as a key consideration when responding to requests for additional funds.
- 3.5 Analysis of the consultation responses and proposed new scheme: The formal consultation closed on 31st March 2010, with broad support amongst schools for the majority of the proposals. The most recent national guidance to local authorities on school balances highlights that the 5% (of budget) limits on school balances for secondary schools and 8% for primary / special schools are not targets, and emphasise that where balances exceed these limits the whole of the balance needs to be challenged.
- 3.6 Use of clawed back funds: The City Council, in consultation with Schools Forum, will seek to ensure that any funds clawed back are spent productively within the scope of the overall Schools Budget. Schools Forum has indicated that it would expect excessive balances to be clawed back for recycling into collaborative initiatives to be agreed by the Council and the Forum that are designed to bring about a step change in children's preparedness for learning and secure improved achievement in City schools. These measures will also seek to improve well being and narrow the performance and well being gaps in and between City Schools.
- 3.7 Decision making process: Schools Forum approves, as part of the Scheme for Financing Schools, the SBCM. The scheme is then administered by the City Council in consultation with the Schools Forum as appropriate. This report sets out proposals for a new scheme and seeks comments from a range of stakeholders. Cabinet will consider the proposals on 12 July 2010 and it is expected that Schools Forum will be asked to formally approve the new scheme on 23 September 2010.

4. Report

Background to School Balances in Leicester City

- 4.1 The level of school balances held by Leicester City schools has been subject to concern for a number of years. Although there are many local contributory factors (including Single Status, BSF reserves etc) there is a need for action to address this. The nationally recommended headline figures are 8% and 5% of primary / special and secondary school budgets respectively, although it is emphasised that these are guidance levels and not targets.
- 4.2 At 31st March 2009, in aggregate Leicester City schools held the 4th highest headline school balances in England, with secondary schools having the highest headline balances in England. Leicester's school balances were reported nationally at £20.6m (or 12.4% of budget allocation). These figures include provision for Single Status and BSF; which are particular local issues for which the Council has asked schools to set aside funds. Once these provisions are removed then all schools drop to 32nd highest, with secondary schools becoming the 16th highest. Although in aggregate balances held at 31st March 2010 reduced to £15.9 million, a reduction of £4.7 million, there is still a need for further reductions.
- 4.3 Although it is important to recognise the wide variations in practice across the City and some very effective prudent local management, the overall position in Leicester suggests that a much sharper focus on financial planning and monitoring is required in some schools. Analysis shows that the majority of schools do not set out at the start of each financial year to accumulate the level of balances that materialise at each year-end. The underlying principle is that the funding received each year should be applied for the benefit of children in that year, and that reasonable estimates of income and spending should be made at the start of the year and kept under review as the year progresses.
- 4.4 The Council is not seeking to routinely claw-back funds from schools and would much prefer schools to utilise funding in an effective and timely manner at a local level. It is essential, however, to have a robust School Balance Control Mechanism [SBCM] scheme in place, which of necessity includes provision to claw-back excessive balances.

External pressure for change

- 4.5 A number of national publications have placed the spotlight on the size and the potential use of school balances: The Audit Commission report "Valuable lessons: Improving economy and efficiency in schools" (July 2009); the DCSF (now the DfE) documents: "Securing our Future: Using our Resources Well" (November 2009) and "Investing for the future, protecting the front line: school funding 2010-13" (March 2010).
- 4.6 On 15th March 2010 the DCSF (Now the DfE) issued further guidance which emphasised that "*Local authorities should continue to monitor balances and use their powers to claw-back excessive uncommitted surplus balances. If we do not see a*

substantial reduction in excessive surplus balances, the Government will consider further action from 2011-12 to bring the total down". It was also emphasised that "ongoing costs should be funded on a sustainable basis and not from balances".

Action taken locally

- 4.7 Schools have been made aware of the need to change the mechanism for managing surplus balances. It has also been emphasised that schools need to have a clear understanding as to the planned level of balances that will materialise, to ensure that they are not excessive, and for the need to have a clear rationale for their intended use. The most recent communication was dated 25 May 2010 and this asked all schools to begin to consider the impact of the proposed scheme now, as it is intended that this will apply to balances held at 31st March 2011, and to contact the City Council if they anticipated that they would exceed the Normal Maximum Level. Most important is the requirement to develop a change in the financial management, culture and attitude in schools, and to ensure a multi-divisional approach which ensures that balances held by schools are underpinned by a strong rationale with appropriate challenge made by Children's Services, Learning Services and Learning Environment. It is also important to reinforce to school headteachers and governors the need to be accountable and to plan to fund ongoing costs on a sustainable basis not from balances; and to continue to use funds available to raise the levels of attainment for current children.
- 4.8 A formal consultation was agreed with Schools Forum and issued to schools on 11th February 2010. The purpose of this process was to develop, through consultation, a shared view locally about what is a reasonable balance for a school to hold, and crucially, to ensure that funds are spent on raising standards for today's children. By consulting on these proposed new rules at an early stage, schools will have preparation time, in which to secure sound plans for spending any potential surpluses above the likely limit. The consultation closed on 31st March 2010.
- 4.9 It is proposed that the new scheme would be introduced during the autumn term of 2010 and would apply to balances held at 31st March 2011. This may result in funds being clawed back from schools, although they may only be used for schools in accordance with the national School Finance Regulations. The total of any amounts "clawed back" from the schools' would be returned to the overall Schools Budget for redistribution to schools or deployment for wider block purposes within the Dedicated Schools Grant [DSG]. This would be based upon proposals made by the Strategic Director for Investing in our Children, in consultation with Schools Forum. The level and incidence of school balances will also be a consideration of the Formula Funding Review Group, who has a remit to review funding mechanisms for the provision of education to pupils aged 2-19 years of age, and to make recommendations to Schools Forum.

Analysis of the consultation responses and proposed new scheme

- 4.10 The proposed new scheme is based upon feedback to the consultation and guidance issued to local authorities by the DCSF (now the DfE). A comparison of the current scheme and the new proposals is provided in Appendix 1. The current scheme is based around a 5% threshold for secondary schools and 8% for primary / special schools, with a number of exceptions which would be permissible in addition to these thresholds e.g.

summer term Standards Funds, Prior Year Commitments etc. The proposed scheme (Appendix 2) is based around agreed maximum thresholds (which would now include School Standards Grant [SSG] and School Development Grant [SDG]), with agreement required from the City Council as part of the Balance Management Process being required for a number of exceptions which have much tighter criteria attached to them.

- 4.11 Within the scheme much stronger challenge is proposed with the thresholds being seen as maximum thresholds rather than targets. To support schools with substantial capital commitments on the horizon the development of a capital reserve scheme is being introduced, where schools met certain requirements. An initial opportunity for schools to contribute to a capital reserve was made available in March 2010 and a more detailed scheme will be introduced during the Autumn Term. Schools Forum is aware that it is intended to introduce the scheme during 2010-11 and to apply it to balances held at 31st March 2011. Transitional arrangements have been incorporated to ensure that schools with significant balances are not encouraged to utilise them rapidly in a way that does not demonstrate value for money.
- 4.12 Twenty-seven schools made a response to the consultation (out of 106 schools), sixteen responses from primary schools and eleven responses from secondary / special schools. Although the consultation was made available widely, no responses were received from any other group. However it is noted that the consultation proposals had been supported by Schools Forum. The consultation responses have been previously considered in detail by the Leadership Team, Schools Forum, Priority Board and the Strategic Management Board. Full details of the responses received may be found at <http://consultations.leicester.gov.uk/feedback.aspx?Con1=305> and an analysis of the responses in the context of the new scheme is provided in Appendix 3.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

This report is concerned throughout with financial implications, focusing on the level of School Balances held, and the manner in which they should be deployed - Colin Sharpe, Head of Finance and Efficiency, CYPS, ext. 29 7750.

5.2 Legal Implications

This report has no direct legal implications. There is a requirement in s.48 of The School Standards and Framework Act 1998 for local authorities to prepare a Scheme for Financing Schools, and Schedule 14 thereof imposes a requirement to consult thereon. The report notes that consultation has been undertaken with schools and other partners, and that consultation on the proposals has taken place with Schools Forum. This complies with the obligations imposed by the School Finance Regulation 2008 - Kamal Adatia, Barrister, Resources, ext. 29 7044.

5.3 Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Equal Opportunities	Yes	Entire report
Policy	Yes	Section 2
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

7. Background Papers – Local Government Act 1972

7.1 Not applicable.

8. Consultations

8.1 School Balance Control Mechanism (commenced 10th February 2010, ended on 31st March 2010)

9. Report Authors

9.1 Trevor Pringle, Divisional Director (Planning and Commissioning), Ext 29 7702
Colin Sharpe, Head of Finance (Investing in our Children), Ext 29 7750

Key Decision	Yes
Reason	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)

SUMMARY OF 'PROPOSED' SCHOOL BALANCE CONTROL MECHANISM [SBCM] EXCEPTION CRITERIA

Allowable under Current SBCM Exemption Rules	Balances at March 2010	Balances at March 2011 and beyond
1. School Development Plan		
1.1. Maintenance	This must be linked to asset management plan	Generally no longer eligible – ordinarily costs should fall in the year that goods/services are received.
1.2. Building Projects or Major ICT purchases	Eligible, but 'commitment' should be evidenced, and Devolved Formula Capital balance exhausted or firmly committed to a future project in agreement with the Council	No longer eligible unless supported by plans and formally approved under new procedure. Funding for future capital projects may be passed to the Council and set aside in a capital reserve
1.3 BSF Reserves	No restriction	To be supported by plans and formally approved under new procedure, or set aside in a capital reserve
1.4 Standards Funds	Unspent Standards Fund, to be spent in the summer term, giving details of the type of fund and amount	No general exemption for SDG and SSG. Schools would be able to retain a maximum of 5%/8% of the aggregate of the delegated budget, SSG and SDG. Possible exemption for ring fenced Standards Funds.
1.5 Short Term Provisions	Short term provisions eligible	Ordinarily no longer eligible – costs should fall in the year that goods / services are received. Exceptions are limited to support short term strategic one-off requirements e.g. to support temporary down-turn in pupil numbers.
2. Prior Year Commitments	Items that have been ordered but not paid for. If this is greater than 2% of budget a list must be provided	No longer eligible – costs should fall in the year that goods/services are received, in accordance with standard accounting policies.
3. Job Evaluation / Single Status	Provision for back pay in relation to job evaluation	Will be reviewed as details of the scheme and the implications become known. Special arrangements for March 2011 will be required
4. Payments in Advance	Payments in Advance not accounted for as part of the closure arrangements (detail to be provided)	No longer eligible, as should be accounted for correctly, i.e. as a receipt or payment in advance.
5. Income received from external bodies such as lottery funders	Receipt in Advance as part of year end procedures. Late allocations identified after the year end closedown which had not been spent may be eligible.	No longer eligible, as should be accounted for correctly, i.e. as a receipt in advance.

Proposed Scheme: School Balance Control Mechanism

1. **Purpose of the School Balance Control Mechanism:**

The aim of the School Balance Control Mechanism is to promote the effective and planned use of balances so that the funding schools receive is spent on the children currently in the schools. Schools are still able to hold a reasonable amount in reserve to support multi-year budgeting and meet unforeseen circumstances. The overall intended outcome from the Balance Control Mechanism is that balances are used in the best way to benefit children and young people, and as a result the levels of balances are within acceptable levels.

2. **Introduction of the new Mechanism**

The proposed scheme, following various consultations, will be considered for approval by Schools Forum on 23 September 2010. The scheme will be introduced during the autumn term of 2010 and applies to balances held at 31st March 2011 and 31st March each year thereafter.

3. **Policy:**

This section details the key aspects of the proposed School Balance Control Mechanism, which would form the basis of the formal scheme to be set out in the Scheme for Financing Schools.

3.1 **Financial Planning and Balance Management Process**

The management of surplus balances should not be seen as just a year-end issue. Instead, it should be integrated with multi-year school budget planning and monitoring. Given the importance of having an understanding as to the level of reserves that schools are planning, and to ensure that this allows sufficient time for schools to change plans under challenge, both the City Council and schools will participate in a Balance Management Process. Schools will provide early in the new financial year (prior to 31st May) a Budget Plan which will additionally include the intended use of any planned anticipated reserves at the end of the financial year over the Normal Maximum Level, including Standards Funds (NML). Such plans will be reviewed by the City Council and discussed with the school to ensure that the intended level and use of balances will be effective, leading to approval or otherwise of the plans by the Director of Children's Services.

Additionally, it is proposed that schools will be asked to prepare an in-year budget revision in the Autumn Term prior to 15th October. This will provide a further opportunity for any school that has significant changes to its original Budget Plan to set out a revised year end forecast, which also sets out the intended use of any new or additional reserves over and above the NML anticipated at the end of the financial year. Such plans will be reviewed by the City Council prior to the end of November, leading to approval or otherwise of the plans by the Director of Children's Services.

After the end of the financial year, schools will submit a statement of how any balances are to be used (whether below or above the NML). Any balances above the NML not approved by the Council in the original or revised budget will be discussed with the school and would potentially be subject to claw-back. Such discussions would encompass the school's entire balance.

3.2 **Normal Maximum Threshold for School Balances**

The normal maximum level of a school's balance is calculated by the City Council and notified to the school before the start of the financial year. This will be limited to 5% (in secondary schools) or 8% (in primary / special schools) as a percentage of the aggregate of the school's delegated budget plus School Development Grant and plus School Standards Grant. This is termed the "Normal Maximum Level". These thresholds are not targets and schools with balances above the threshold will be challenged on their whole balance.

3.3 **Exemptions**

The scheme incorporates scope for schools to apply for exemptions and transitional relief in certain circumstances. Schools Forum has indicated that it will expect City Council officers to apply more challenge to schools with balances over the standard threshold and that it would also expect excessive balances to be clawed back for recycling into initiatives to be agreed by the Council and the Forum.

Proposals should form part of the initial budget plan and the in-year budget revision, which should be approved by the Governing Body prior to submission to the City Council for approval. This process would help promote a dialogue with the City Council where balances are anticipated to be above the Normal Maximum Level and enable schools to apply for approval from the Council to retain such balances. It is important to have an understanding as to the level of resources that schools are planning, and to ensure that this allows sufficient time for schools to change plans under challenge. Such plans will be reviewed by the City Council.

3.3.1 **Transitional Arrangements**

To ensure that schools which had significant balances at 31st March 2009 (which predominantly relate to unspent standards funds) do not utilise them rapidly in a way that could not demonstrate value for money, then transitional arrangements are incorporated for balances held at 31st March 2011 only.

This will apply where a school had unspent Standards Funds (SDG and SSG) in excess of a threshold (£50,000 for primary schools and £200,000 for special and secondary schools) at 31st March 2009 with such schools able to retain a maximum of 5/17ths (being the 5 months Summer Term funding out of the 17 months in which Standards Funds may be spent) of their 2010-11 Standards Funds (SSG and SDG) grants, where there are clear plans to utilise these funds during the summer term of 2011.

This measure will only apply to a small number of schools and is designed to support these schools if it can be demonstrated that resources can be more

effectively deployed for the benefit of teaching and learning over a longer period in a planned way.

3.3.2 **Revenue Funding of Capital Projects and BSF**

The DCSF (now the DfE) has previously stated that schools would not normally be expected to use their revenue balances for capital projects, but they are able to do so and indeed this was suggested in a more recent commentary by the DCSF (now the DfE) on school balances. Revenue funding cannot be 'converted' to capital in school accounts until it is spent. Surplus revenue balances to be set aside for a future capital scheme could, however, be transferred to a City Council reserve for capital schemes. An interim scheme, which was set out in a letter to schools on 19th April, has been implemented. It is intended to develop a longer term scheme in consultation with Schools Forum and schools.

3.3.3 **Exceptional circumstances related to planning for uncertainty**

In exceptional cases a school may be able to demonstrate that a set of circumstances shows that it is prudent to maintain a reserve over the 5%/8% threshold in the short-term. For example, to support short term costs whilst a sustainable budget plan is implemented or a short term change in circumstances occurs. This can assist in the development of long-term solutions for events such as falling levels of pupil numbers or changes in staffing or in addressing matters detailed in the policy relating to schools facing exceptional cost pressures, preferably using a multi-year budget planning tool. Schools should provide calculations/plans/projections to demonstrate this. Proposals would be considered on a case by case basis, and it is expected that these would be agreed with the Council in accordance with the Balance Management Process.

3.3.4 **Standards Funds**

In exceptional cases the City Council may permit an exemption for Standards Funds (or other external funding) which is ring-fenced or issued late in the year. In such cases notification of this exemption will be issued by the City Council to all relevant schools prior to 31st December (where possible) in advance of the year end.

3.4 **Deciding to Claw-back Balances**

There is a presumption that the Council will claw-back funds from schools whose out-turn (actual at end of year) balance exceeds the Normal Maximum Level or such higher figure as has been agreed between the Council and the School in advance. Before the Council decides on the level of claw-back from such a school, schools will have an opportunity to explain why such an excess balance has occurred and the school's plans for how it would be used if not clawed back.

It is expected that the Normal Maximum Level would be sufficient to accommodate routine amounts of additional income or changes to costs in the final outturn compared to the budget. Justifications supplied would need to be significant changes compared to the budget plan, which the school could not reasonably have foreseen or controlled.

Any proposals for claw-back would be considered by a Partnership Panel comprising of City Council officers and Schools Forum representatives. This panel would make

recommendations to the Director of Children's Services who will take the final decision. Usually claw-back will be determined by the end of September after the year end.

3.5 **Use of clawed back funds**

Local authorities, in consultation with their Schools Forum, should ensure that any funds clawed back are spent productively within the scope of the overall Schools Budget. Schools Forum has agreed that it would expect excessive balances to be clawed back for recycling into initiatives to be agreed by the Council and the Forum. The City Council will be seeking to utilise any clawed back funds to undertake collaborative activity to finance strategies to help address local educational and efficiency priorities, subject to robust monitoring and evaluation by Schools Forum and its Formula Funding Review Group, in consultation with headteachers and Chairs of Governing Bodies. The City Council will be seeking to make proposals to Schools Forum to utilise any clawed back funds to support strategic resourcing recommendations that are designed to bring about a step change in children's preparedness for learning and secure improved achievement in City schools. These measures will also improve well being and narrow the performance and well being gaps in and between City Schools. Consideration will also be given to supporting the development of efficiency initiatives (e.g. procurement arrangements, sharing back office functions with other schools and exploring federations and other partnership models).

3.6 **Appeals**

The decision of the Director of Children's Services will be final and there will be no appeal mechanism.

Analysis of Consultation Responses in the context of the Proposed Scheme

The key aspects of the proposed scheme and recommendations based upon the consultation responses and the latest guidance from the DCSF (now the DfE).are provided below:-

(i) Normal Maximum Threshold for School Balances

Schools were asked whether the normal maximum level of a school's budget should be limited to 5% (in secondary schools) or 8% (in primary / special schools). This was supported by 63% of schools with 22% of schools disagreeing with this proposal, and 15% not expressing an opinion. This proposal will be a central feature of the new scheme, with the added emphasis that the "5% and 8%" thresholds are not seen as targets and that schools with balances over the thresholds are challenged on their whole balance

(ii) Standards Funds (SDG and SSG)

The consultation highlighted that the main allocations of School Development Grant (SDG) and School Standards Grant (SSG) are effectively now annual allocations known before the start of the financial year with some predictability, and are treated by many schools as part of their core budget. As a consequence it was proposed to include SSG and SDG within the calculations of the 5% / 8% normal maximum level. This would effectively set the maximum threshold as a percentage of the aggregate of the school's delegated budget plus SDG and plus SSG. This was considered to be an important lever to encourage the use of funds held by schools. This proposal was broadly supported by primary schools but there was a mixed response from secondary schools.

(iii) Transitional Arrangements

In response to requests from schools, and also to ensure that schools with significant balances (which predominantly relate to unspent standards funds) do not utilise them rapidly in a way that could not demonstrate value for money, a proposal to include transitional arrangements whereby this demonstrates a more effective use of resources was incorporated in the scheme. The majority view was that there should be transitional arrangements, with 62% of respondents favouring a transitional period of one year. The proposed scheme makes provision that where a school had unspent Standards Funds (SDG and SSG) in excess of a threshold (£50,000 for primary schools and £200,000 for special and secondary schools) at 31st March 2009, then these schools may retain a maximum of 5/17ths (being the 5 months Summer Term funding out of the 17 months in which Standards Funds may be spent) of their 2010-11 Standards Funds (SSG and SDG) grants, where there are clear plans to utilise these funds during the summer term of 2011. This measure will only apply to a small number of schools and is designed to support these schools if it can be demonstrated that resources can be more effectively deployed for the benefit of teaching and learning over a longer period in a planned way.

(iv) Exemptions related to the Revenue Funding of Capital Projects and BSF

The DCSF (now the DfE) has previously stated that schools would not normally be expected to use their revenue balances for capital projects, but they are able to do so and indeed this was suggested in a recent commentary by the DCSF (now the DfE) on school balances. Revenue funding cannot be 'converted' to capital in school accounts until it is spent. Surplus revenue balances to be set aside for a future capital scheme could,

however, be transferred to a City Council reserve for capital schemes. An interim scheme, which was set out in a letter to schools on 19th April 2010, has been implemented. It is intended to develop a longer term scheme in consultation with Schools Forum and schools. This set of proposals was strongly supported by schools.

(v) **Exemptions under exceptional circumstances related to planning for uncertainty**

In exceptional cases a school may be able to demonstrate that a set of circumstances shows that it is prudent to maintain a reserve over the 5%/8% threshold in the short-term to support short term costs whilst a sustainable budget plan is implemented or a short term change in circumstances occurs. This can assist in the development of long-term solutions for events such as falling levels of pupil numbers or changes in staffing or in addressing matters detailed in the policy relating to schools facing exceptional cost pressures, preferably using a multi-year budget planning tool. This proposal was strongly supported by schools, and it is anticipated that this would be applied in limited circumstances.

(vi) **Exemptions under exceptional circumstances related to committed or planned spending**

In exceptional circumstances a school may have substantial spending commitments over and above the 5% / 8% threshold that justify the need to retain a reserve e.g. a substantial revenue maintenance programme which continues beyond 31st March and the revenue aspects of the BSF “war chest” that the Council has encouraged schools to retain. It is recognised that special consideration will be required for those schools where balances at 31 March 2011 exceed the 5% / 8% threshold due to provisions set aside for any backdating of the new Single Status agreement. This proposal was strongly supported by schools. It is anticipated that this would be applied in limited circumstances and reviewed in the context of government policy related to BSF.

(vii) **Balance Management Process**

The management of surplus balances should not be seen as just a year-end issue. Instead, it should be integrated with multi-year school budget planning and in-year monitoring.

Given the importance of having an understanding as to the level of reserves that schools are planning, and to ensure that this allows sufficient time for schools to change plans under challenge it is proposed that a Balance Management Process be introduced. Schools would provide early in the financial year (prior to 31st May) a Budget Plan approved by the Governing Body (as at present), which would additionally include the intended use of any planned anticipated reserves at the end of the financial year over the Normal Maximum Level, including Standards Funds (NML). Such plans would be reviewed by the City Council and discussed with the school to ensure that the intended level and use of balances will be effective, leading to approval or otherwise of the plans by the Director of Children’s Services.

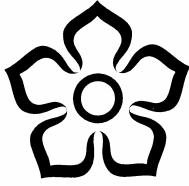
Additionally, it is proposed that schools will be asked to prepare an in-year budget revision in the Autumn Term prior to 15th October. This will provide a further opportunity for any school that has significant changes to its original Budget Plan to set out a revised year end forecast, which also sets out the intended use of any new or additional reserves over and above the NML anticipated at the end of the financial year. Such plans would be

reviewed by the City Council prior to the end of November, leading to approval or otherwise of the plans by the Director of Children's Services.

After the end of the financial year, schools would submit a statement of how any balances are to be used (whether below or above the NML). Any balances above the NML not approved by the Council in the original or revised budget would be discussed with the school and would potentially be subject to claw-back. Such discussions would encompass the school's entire balance, as required by the DCSF (now the DfE). The majority of schools supported this proposal.

(viii) **Use of clawed back funds**

Schools Forum has agreed that it would expect excessive balances to be clawed back for recycling into initiatives to be agreed by the Council and the Forum. The City Council, in consultation with Schools Forum, will need to ensure that any funds clawed back are spent productively within the scope of the overall Schools Budget in accordance with the requirements of the School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2010. The City Council will be seeking to utilise any clawed back funds to undertake collaborative activity to finance strategies to help address local educational and efficiency priorities, subject to robust monitoring and evaluation by Schools Forum and its Formula Funding Review Group, in consultation with headteachers and Chairs of Governing Bodies. These groups will consider strategic resourcing recommendations that are designed to bring about a step change in children's preparedness for learning and secure improved achievement in City schools. These measures will also improve well being and narrow the performance and well being gaps in and between City Schools. Consideration will also be given to supporting the development of efficiency initiatives (e.g. procurement arrangements, sharing back office functions with other schools and exploring federations and other partnership models).



Leicester
City Council

**WARDS AFFECTED:
BRAUNSTONE PARK
& ROWLEY FIELDS WARDS**

**CYPS SCRUTINY COMMITTEE
CABINET**

**6 JULY 2010
12 JULY 2010**

FULLHURST COMMUNITY COLLEGE STRUCTURAL SOLUTIONS FOR NATIONAL CHALLENGE SCHOOLS - LAND TRANSFER

Report of the Strategic Director, Children

1. Purpose of Report

- 1.1. Following the report of 19th April 2010 to update Members on the Land Transfer process and seek approval for the disposal of the site to the Trustees at nil consideration in order to progress National Challenge Co-operative Trust Status.

2. Recommendations

- 2.1. That the Children and Young People Scrutiny Committee notes the report and makes any observations to Cabinet.
- 2.2. That Cabinet Members consider the terms proposed for the transfer of the school site and confirm approval for a disposal at nil consideration.

3. Summary

- 3.1. This report outlines progress to date and proposals for the asset transfer to Trust Status requiring Cabinet approval for a disposal at nil consideration.

4. Report

- 4.1. The Cabinet report of 19th April 2010 recommended a further report on the process involved in Land Transfer if the colleges proposed in that report gained National Challenge Co-operative Trust Status.
- 4.2. When a school's proposal to change category has been approved, all land held and used by the transferor immediately before the implementation date for the purposes of the school will transfer to and vest in the transferee to be held for the purposes of the school. Normally this will include the school's buildings, hard and soft play areas, all weather sports areas, games courts, playing fields, habitat areas, roads, paths and car parks. Where a shared school community facility (e.g., leisure centre or sports hall) is transferred to

the school, it will have to honour any existing contracts or agreements. If they make any reference to maintenance or other requirements, then the school is bound to honour them.

- 4.3. The Governing Body met to consider the consultation responses on 13th April 2010 and considered the issues raised.

The consultation was promoted widely and approximately 1800 consultation documents were distributed.

There were 15 response forms returned and 11 of these were supporting the proposed change, one was supporting a change of category but not the adoption of the Trust, two were unsure and one was against.

Three written replies were received in response to the consultation. One from Association of School and College Leaders (ASCL) who stated there was no objection to the proposals. The other two replies were from the Teaching Associations who opposed the introduction of a National Challenge Trust and particularly the inclusion of The Becket School on the basis of its Roman Catholic ethos being inappropriate for a non faith school. Both Teaching Association letters were supportive of Rushey Mead School but proposed a soft federation arrangement.

Following careful consideration of the responses to the consultation, the Governing Body decided that the only adjustment required was to change the date of implementation to the 1st June 2010.

The members of the trust are:

Leicester Children & Young People’s Services	1 Trustee
Rushey Mead School	1 Trustee
The Becket School	1 Trustee
Co-operative College	1 Trustee
Stakeholder Forum (to be established during 1 st Yr) Made up of	1 Trustee

- learners attending the college;
- parents and carers of those attending the college;
- staff working at the college;
- members of the local community; and
- local community organisations)

Governance Structure

Governor type	Proposed
Local Authority	1
Parent	1
Staff	3
Community	1
Sponsor	0

Trust/Foundation	7 (3)*
Total	13

*Under the Trust/Foundation category, the number in brackets is the number of Trust appointed governors who, at the time of their appointment, are eligible for election or appointment as parent governors to ensure that at least one third of governors are parents.

4.4 Statutory Notices

Statutory notices for Fullhurst were issued and published at noon April 19th starting the 4 week Statutory Representation period which ended at noon on May 17th.

No representations were received at Fullhurst during the four week period allowed for representations and the Proposals have not been referred to the Schools Adjudicator.

The Interim Executive Board (IEB) at Fullhurst voted to progress to Trust status to take effect on June 1st at their meetings on Tuesday May 18th.

The Trust will be known as:

Fullhurst Co-operative Learning Partnership

Final stages: The documents below to be completed and sent to Companies House to register the Trusts May 28th

Articles of Association agreed
 Memorandum of Association signed
 Trust registration document ION1 signed

June 1st

- The Trust is established
- The category of the schools changes from Community to Foundation.
- Staff become employees of the Governing Body

4.5 Once the Trust is established Cobbetts Solicitors, acting for the school, will agree the conveyance terms with the LA Legal Department to determine the Land and Buildings to be transferred. This can take up to six months and has taken up to two years in some instances.

If agreement cannot be reached the decision will then be referred to the School's Adjudicator to make the final decision.

The school's land and buildings will transfer to that Trust to be held on trust for the duration of its relationship with the school. The Trust schools will be in the same situation as existing foundation schools whose foundations (or Trusts) already hold the land, and also similar to existing voluntary schools.

4.6 CYPS officers have now liaised with Property and Legal officers to explore the issues of asset transfer and the following proposals have been proposed and provisionally agreed by the Trustees of the Co-operative Trust.

- I. Freehold Transfer of the site as shown hatched on the attached plan to the Trust who will grant LCC all appropriate rights of access and provision of services in relation to its ongoing interests.
- II. Vocational Centre: The Vocational Centre will be excluded from the Transfer.
- III. Sports Hall (cross hatched black) will be transferred as part of the whole site. This will be subject to New Opportunities Funding terms and conditions, to the extent that these remain in place, performance of the terms and conditions will be a requirement placed upon the college.
- IV. Building Schools for the Future (BSF). BSF contracts will be transferred to the college with LCC acting as agents for the college.

4.7 As the transfer is a disposal to the college at “less than best consideration” under the disposals framework, Cabinet will need to consider whether it considers the disposal justified under the following “wellbeing” provisions:-

Promotion or Improvement of economic wellbeing
Promotion or Improvement of social wellbeing
Promotion of environmental wellbeing

4.8 If Cabinet confirm that the disposal can proceed at “less than best consideration”, the requirement to seek Secretary of State Consent Authority does not apply where the transfer is to:-

- a) to the governing body of a foundation, voluntary or foundation special school or
- b) to persons proposing to establish such a school.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

The transfer of the school to trust status would result in a nominal sum of £1. If the school for any reason was discontinued, the secretary of state would have the power to direct where the land or proceeds are used. In theory, the site could be worth approximately £2.5 million excluding playing fields, but in practice there has been no expectation of any such sale.

The transfer of BSF contracts will include Facilities Management, Lifecycle and ICT. The funding and costs of BSF contracts are currently pooled between BSF schools and in certain circumstances shared with the City Council. This means that the costs incurred on the transferring contracts for a particular school will not match the contribution to be paid by that school under these

current arrangements. This has previously been flagged as a risk and an area for further discussion with schools collectively and individually as the BSF programme is rolled out and alternative models of school governance emerge. It should also be noted in connection with BSF that individual schools have accepted on-going liability for on-going costs occasioned by school-led additions or changes to the original BSF design and facilities and the Council would expect these to continue to be honoured.

5.2. Legal Implications

The prohibition from making disposals of land below market value without the consent of the Secretary of State has been disapplied, by virtue of Part 3 of Schedule 3 to the Schools Standards and Framework Act 1998 in the case of a disposal to the governing body of a foundation school.

In this case, the Governing Body is the decision maker for the purposes of proposals for changes to local school provisions. In making a decision following the consultation, the Governing Body must follow the Statutory guidance.

If the Governing Body has failed to meet the requirements for consultation, it is possible that their decision could be open to challenge. The other route for complaints against the decision would be to the Secretary of State.

In respect of admissions, the Governing Body would be required to honour any decisions taken by the local authority for the existing admissions round.

The change in school category will result in a change of employer and staff contracts will transfer. Legal advice is being provided on staff transfers and pension arrangements in particular.

In respect of land, land held by the Council for the school transfers to the new trustees (i.e. the trustees of the Foundation): This report describes the heads of agreement as to the exclusion of the "Braunstone Skills Centre" which, because of its complex usage, is not considered to be part of the school site and which will remain in the ownership of the Council (who will be responsible for its maintenance).

BSF contracts have been entered into in respect of this school. In this case a non PFI Facilities Management Contract and an ICT Managed Service Contract. The report describes the heads of agreement as to the continuation of the BSF contracts. This will require an agreement with the Governing Body and the Trustees to grant the necessary rights to the Council and the Contractor and other consequential provisions. This school has been profiled within the "affordability gap" calculations to be pooled under the arrangements for contributions from schools but there is an existing Governing Body agreement under which the schools contribution back to the Council for FM and ICT is provided for. There will also need to be a novation of the benefit of the BSF construction contract to the school. There may be a need for consequential changes to the BSF contracts with Leicester Miller Education Company to reflect the new position on the ownership of land and buildings.

Joanna Bunting
Head of Commercial and Property Law - Tel. 29 6450

5.3. Climate Change Implications

None specific as service delivered from site unchanged

6. Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Equal Opportunities	no	
Policy	no	
Sustainable and Environmental	no	
Crime and Disorder	no	
Human Rights Act	no	
Elderly/People on Low Income	no	
Corporate Parenting	no	
Health Inequalities Impact	no	

7. Background Papers – Local Government Act 1972

The Transfer and disposal of school land in England - DCSF

8. Consultations

Legal/Strategic Asset Management.

9. Report Author

Eddie Beilby
Valuation Services and Operational Property Manager (Acting)
Strategic Asset Management
Extn. 298043
Email: eddie.beilby@leicester.gov.uk

Rob Thomas
School Organisation Manager
Heads of Service Learning Environment
Extn. 391637
Rob.Thomas@leicester.gov.uk

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)

FULLHURST COMMUNITY COLLEGE, LEICESTER

NORTH

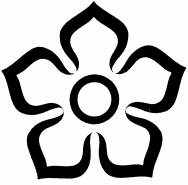


BASED UPON THE ORDNANCE SURVEY MAP WITH THE SANCTION OF THE CONTROLLER OF H.M. STATIONERY OFFICE. CROWN COPYRIGHT RESERVED. LICENCE No. 100019264

DRAWN BYJW..... PLAN No ~~11111~~ 179..... NOT TO CHECKED BY ..EJPB... DATE 20/05/2010..... SCALE

LYNN CAVE, DIRECTOR OF STRATEGIC ASSET MANAGEMENT LEICESTER CITY COUNCIL

This page is left blank intentionally.



Leicester
City Council

**WARDS AFFECTED:
BEAUMONT LEYS WARD**

**CHILDREN & YOUNG PEOPLE SCRUTINY COMMITTEE
CABINET**

**6 JULY 2010
12 JULY 2010**

**BABINGTON COMMUNITY TECHNOLOGY COLLEGE STRUCTURAL SOLUTIONS
FOR NATIONAL CHALLENGE SCHOOLS
- LAND TRANSFER**

Report of the Strategic Director, Children

1. Purpose of Report

- 1.1. Following the report to this Committee on 13th April 2010 and Cabinet on 19th April 2010 to update Members on the Land Transfer process and seek approval for the disposal of the site to the Trustees at nil consideration.

2. Recommendations

- 2.1. That the Children and Young People Scrutiny Committee notes the report and makes any observations to Cabinet.
- 2.2. That Cabinet Members consider the terms proposed for the transfer of the school site and confirm approval for a disposal at nil consideration.

3. Summary

- 3.1. This report outlines progress to date and proposals for the asset transfer to Trust Status requiring Cabinet approval for a disposal at nil consideration.

4. Report

- 4.1. The report to this Committee on 13th April 2010 and Cabinet on 19th April 2010 recommended a further report on the process involved in Land Transfer if the colleges proposed in that report gained National Challenge Co-operative Trust Status.
- 4.2. When a school's proposal to change category has been approved, all land held and used by the transferor immediately before the implementation date for the purposes of the school will transfer to and vest in the transferee to be held for the purposes of the school. Normally this will include the school's buildings, hard and soft play areas, all weather sports areas, games courts, playing fields,

habitat areas, roads, paths and car parks. Where a shared school community facility (e.g., leisure centre or sports hall) is transferred to the school, it will have to honour any existing contracts or agreements. If they make any reference to maintenance or other requirements, then the school is bound to honour them.

4.3 The Governing Body met to consider the consultation responses on 13th April 2010 and considered the issues raised.

The consultation was promoted widely and approximately 1,600 consultation documents were distributed when consultation officially opened. Additionally following requests from a number of parents, the documents were also translated into a number of community languages.

All but one objection came from staff and the comments supporting their views show concern about pay and conditions as being a major factor in their views.

There were 24 response forms returned and 8 of these were supporting the proposed change, 3 were unsure, and 12 were against and one person did not answer this question.

Only one written reply was received from the teacher associations.

Following careful consideration of the responses to the consultation, the Governing Body decided that the only adjustment required was to change the date of implementation to the 1st June 2010.

The members of the Trust are:

Leicester College	3 Trustees
Leicester Children & Young People’s Services	1 Trustee
The Co-operative College	1 Trustee
Stakeholder Forum (to be established during 1 st Yr)	1 Trustee

Made up of:

- learners attending the college;
- parents and carers of those attending the college;
- staff working at the college;
- members of the local community; and
- local community organisations)

Governance Structure

Governor type	Proposed
Local Authority	1
Parent	1
Staff	3
Community	1
Sponsor	0

Trust/Foundation	7 (3)*
Total	13

*Under the Trust/Foundation category, the number in brackets is the number of Trust appointed governors who, at the time of their appointment, are eligible for election or appointment as parent governors to ensure that at least one third of governors are parents.

4.4 Statutory Notices

Statutory notices for Babington were issued and published at noon April 19th starting the 4 week Statutory Representation period which ended at noon on May 17th.

No representations were received at Babington during the four week period allowed for representations and the Proposals have not been referred to the Schools Adjudicator.

The Governing Body at Babington voted to progress to Trust status to take effect on June 1st at their meeting on Tuesday May 18th.

The Trust will be known as
Babington Community Technology College: A Co-operative Trust

Final stages: The documents below to be completed and sent to Companies House to register the Trusts May 28th

Articles of Association agreed
Memorandum of Association signed
Trust registration document ION1 signed

June 1st

- The Trust is established
- The category of the schools changes from Community to Foundation.
- Staff become employees of the Governing Body

4.5 Once the Trust is established, Cobbetts Solicitors, acting for the school, will agree the conveyance terms with the local authority Legal Department to determine the Land and Buildings to be transferred. This can take up to six months and has taken up to two years in some instances.

If agreement cannot be reached the decision will then be referred to the School's Adjudicator to make the final decision.

- The school's land and buildings will transfer to that Trust to be held on trust for the duration of its relationship with the school. The Trust schools will be in the same situation as existing foundation schools whose foundations (or Trusts) already hold the land, and also similar to existing voluntary schools.

4.6 Children and Young Peoples Services officers have now liaised with Property and Legal officers to explore the issues of asset transfer and the following proposals have been proposed and provisionally agreed by the Trustees of the Co-operative Trust.

I. Freehold Transfer of the site as shown hatched on the attached plan to the Trust who will grant Leicester City Council all appropriate rights of access and provision of services in relation to its ongoing interests.

II. Leicestershire Badminton Association. The Transfer is subject to the licence to the LBA and the 28 year extension from the 11th October 2009.

4.7 As the transfer is a disposal to the college at “less than best consideration” under the disposals framework, Cabinet will need to consider whether it considers the disposal justified under the following “wellbeing” provisions:-

Promotion or Improvement of economic wellbeing

Promotion or Improvement of social wellbeing

Promotion of environmental wellbeing

4.8 If Cabinet confirms that the disposal can proceed at “less than best consideration”, the requirement to seek Secretary of State Consent Authority does not apply where the transfer is:-

a) the governing body of a foundation, voluntary or foundation special school or

b) persons proposing to establish such a school.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

The transfer of the school to trust status would result in a nominal sum of £1. If the school for any reason was discontinued, the Secretary of State would have the power to direct where the land or proceeds are used. In theory, the site could be worth approximately £2.5 million excluding playing fields, but in practice there has been no expectation of any such sale.

The school is in the Council's forward Building Schools for the Future (BSF) Programme. Subject to the continuation of the current BSF framework and the necessary local and national approvals, the Council would act as agent for the Trust in respect of a future BSF scheme and the resulting on-going contracts. These contracts will include Facilities Management, Lifecycle and ICT. The funding and costs of BSF contracts are currently pooled between BSF schools and in certain circumstances shared with the City Council. This means that the costs incurred on the transferring contracts for a particular school will not match the contribution to be paid by that school under these current arrangements. This has previously been flagged as a risk and an area for further discussion with schools collectively and individually as the BSF programme is rolled out and

alternative models of school governance emerge. It should also be noted in connection with BSF that individual schools have accepted on-going liability for on-going costs occasioned by school-led additions or changes to the original BSF design and facilities and the Council would expect these to continue to be honoured.

5.2. Legal Implications

The re-prohibition from making disposals of land below market value without the consent of the Secretary of State has been dis-applied, by virtue of Part 3 of Schedule 3 to the Schools Standards and Framework Act 1998 in the case of a disposal to the governing body of a foundation school.

No BSF contracts have been entered into or committed in respect of this school, although this school has been profiled within the "affordability gap" calculations to be pooled under the arrangements for contributions from schools. However, the proposed documentation available for BSF contracts will enable this school to be a BSF project, the Council entering into procurement, development and governing body agreements with the school in due course to enable this.

In this case, the Governing Body is the decision maker for the purposes of proposals for changes to local school provisions. In making a decision following the consultation, the Governing Body must follow the Statutory guidance.

If the Governing Body has failed to meet the requirements for consultation, it is possible that their decision could be open to challenge. The other route for complaints against the decision would be to the Secretary of State.

In respect of admissions, the Governing Body would be required to honour any decisions taken by the local authority for the existing admissions round.

The change in school category will result in a change of employer and staff contracts will transfer. Legal advice is being provided on staff transfers and pension arrangements in particular.

In respect of land, land held by the Council for the school transfers to the new trustees. It is not believed that the school uses land held by another body. It is not proposed to exclude any land of the school from the transfer.

5.3. Climate Change Implications None specific as service delivered from site unchanged

6. Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	

Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

7. Background Papers – Local Government Act 1972

The Transfer and disposal of school land in England - DCSF

8. Consultations

As set out in the report.

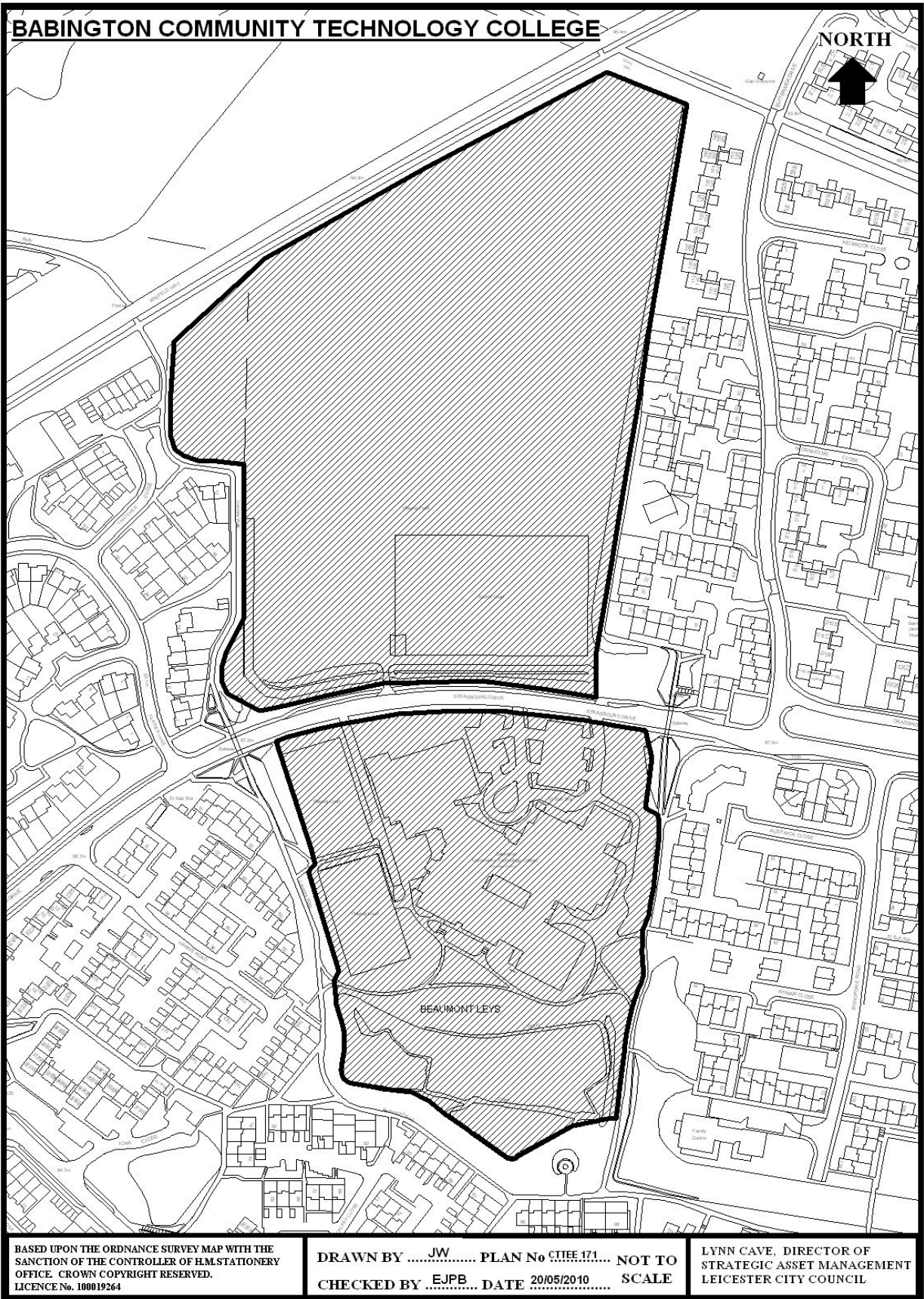
9. Report Author

Eddie Beilby
Valuation Services and Operational Property Manager (Acting)
Strategic Asset Management
Extn. 298043
Email: eddie.beilby@leicester.gov.uk

Rob Thomas
School Organisation Manager
Heads of Service Learning Environment
Extn. 391637
Rob.Thomas@leicester.gov.uk

Rachel Dickinson
Strategic Director, Children

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)



BABINGTON COMMUNITY TECHNOLOGY COLLEGE

NORTH

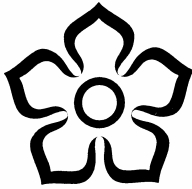
BEAUMONT LEYS

BASED UPON THE ORDNANCE SURVEY MAP WITH THE SANCTION OF THE CONTROLLER OF H.M. STATIONERY OFFICE. CROWN COPYRIGHT RESERVED. LICENCE No. 100019264

DRAWN BY JW PLAN No C11EE 171 NOT TO SCALE
CHECKED BY EJPB DATE 20/05/2010

LYNN CAVE, DIRECTOR OF STRATEGIC ASSET MANAGEMENT
LEICESTER CITY COUNCIL

This page is left blank intentionally.



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Children & Young People Scrutiny Committee
Cabinet

6th July 2010
12th July 2010

Work Experience and Employment Opportunities for Children and Young People & Adults with Learning Disabilities in Leicester City Council

Report of the Divisional Director, Social Care and Safeguarding & Service Manager, Learning Disabilities

1. Purpose of Report

- 1.1 To provide an update on the work completed across the City Council to develop work experience and employment opportunities for children and young people and adults with learning disabilities across Leicester City Council.

2. Recommendations

- 2.1 For the Children and Young People Scrutiny Committee to note the report and to make any observations to Cabinet.
- 2.2 For Cabinet to note the contents of the report and the progress made over the past 12 months.
- 2.3 For Cabinet to note the work currently taking place on mapping opportunities across the City Council and developing a database listing work experience placements across the council.
- 2.4 For Cabinet to invite a further update in 12 months time.

3. Summary

- 3.1 In June 2009 full Council agreed to the development of a core offer for all young people in relation to work experience and employment opportunities. In addition, the City Council has led the way in developing innovative ways to remove barriers to employment for people with learning disabilities, which have been recognised nationally and within government.
- 3.2 A range of developments have been progressed since the original report was agreed by Council in June 2009. In September 2009 the Operations Board agreed

to join up the work taking place with children and young people and adults with learning disabilities in order to more effectively coordinate, manage and maximise opportunities across Leicester City Council. In addition, each Divisional Director has identified a 'Champion' to lead on this area of work and work is now underway, with the assistance of two Graduate interns, on mapping out the range of opportunities which exist across the entire Council, which will lead to the development of a database listing all opportunities and better spread the range of opportunities across the Council.

4. Report

4.1 Background

- 4.1.1. In June 2009 full Council agreed to the development of a core offer for all young people in relation to work experience and employment opportunities. This offer stipulated that the Council should be in a position to deliver for young people, including looked after children and those leaving care, 6 key elements: work experience for pre 16 students; Young Apprenticeships; Flying Fish placements for looked after children; Corporate Apprenticeships and the ring fencing of certain posts for looked after young people and those leaving care.
- 4.1.2. The City Council has led the way in developing innovative ways to remove barriers to employment for people with learning disabilities, which have been recognized nationally and within government. This has included reviewing the entire recruitment process in order to support applications from those who have a disability. New Partnerships have been formed with Leicester College and Remploy, the first of its kind in the UK, to pilot accessible routes to employment for disabled people. The Council is now involved in *Project Search*, a project designed to support people with a learning disability into complex, yet systematic jobs, typically with a high turnover.
- 4.1.3. In September 2009 the Operations Board agreed to join up the work taking place with children, young people and adults with learning disabilities in order to more effectively coordinate, manage and maximise opportunities across Leicester City Council
- 4.1.4. The aims, objectives and aspirations of this work directly links to *One Leicester*. A key aspect of this strategy is a priority to invest in our children, creating safe and thriving communities, investing in skills and enterprise. By making these key top priorities the City Council is demonstrating its commitment to supporting, developing, and offering a range of experiences to enhance the learning of children and young people and adults with learning disabilities. Moreover, in terms of driving out inequalities, it is important to address barriers that prevent individuals from Leicester's learning disabled population from entering employment and learning experiences within the Council

4.2. Summary of progress since June 2009

4.2.1. Identification of 'Champions'

- i) Every Divisional Director has identified a senior officer to act as a 'Champion' to take the lead for identifying and promoting work experience and apprenticeship placements across each division. This has been an important demonstration of Divisional Directors taking ownership of this important initiative.
- ii) At the time of writing this report there have been two meetings involving all the champions. These meetings take place on a bi-monthly basis and are chaired by the Divisional Director for Social Care and Safeguarding. These meetings are important in terms of coordinating and progressing the work.

4.2.2. Mapping opportunities across the council

- i) There are a number of gaps in provision across the council for children, young people and adults with learning disabilities including the lack of any strategic coordination in relation to work experience placements and a clear overview detailing where placements could take place across the Council.
- ii) The initial task all the champions have been involved in is an exercise designed to map across the Council where opportunities already exist for young people and adults with learning disabilities, and crucially where placements / apprenticeships could be developed.
- iii) At the time of writing this report, this work is ongoing and will report in July. However, initial results have already identified placement opportunities that hitherto did not exist, and this is expected to increase as opportunities are mapped out and then coordinated. This has already resulted in placements being identified for young people and adults with learning disabilities.
- iv) Two graduate interns from the Graduate Internship Scheme have recently been taken on by the Council to specifically assist with this work and are directly involved in coordinating this exercise with champions across all divisions. The outcome of this work will be a database capturing all information about placement opportunities for both adults with learning disabilities and young people, which should greatly assist in the Council's ability to strategically coordinate and plan opportunities.

4.2.3. Support for managers providing placements

- i) The lack of support or training for managers when they take on a placement / apprenticeship has previously been a barrier to the Council providing more placements. There are some divisions across the Council that provide few if any work experience placements or apprenticeship opportunities. This needs to change in order for the Council to increase the volume of opportunities as well as the range on offer.
- ii) There is a range of information and support on offer. The problem is that this has all existed in different places and is not well publicised. However, a pack is being developed for managers, which will provide comprehensive information about taking on placements / apprenticeships etc. This should be available in July.

4.2.4. Opportunities for looked after children/care leavers

- i) As a corporate parent the Council has specific responsibilities to children in care and young people leaving care. One of the issues previously reported to Cabinet was that there were no opportunities across the Council for supporting looked after children and young people moving into paid employment. Work has been completed with Human Resources and the recruitment procedures have been amended to reflect that certain posts will be ring fenced for young people leaving the care system who will then be competitively interviewed. There is a specific post within the Social Care and Safeguarding Division that supports young people leaving care in the transition to paid employment.
- ii) The 'Flying Fish' Project run by Leicestershire Cares supports young people in care and those leaving care into mentored work experience placements. Raising the awareness of work experience and apprenticeship opportunities across the Council has enabled the 'Flying Fish' project to support and help care-leavers to access these opportunities to help them into employment, training or education. There has been an increase in referrals to the project and increasingly more placements taking place in the council as well as the private sector.
- iii) The 'Way Ahead' Project sits within Social Care & Safeguarding and is a project focused on securing young people leaving care in employment, education and training. This is a key performance indicator for the City Council and one where the Council has made year on year improvement. The project consists of a Project Manager and despite being a relatively new initiative has already supported the successful placement of two care leavers into an apprenticeship programme in the City Council, plus one into an e2e (Entry to Employment) placement in the Council. The Way Ahead project is also developing links with the Care2Work national employability initiative. This is creating more placements within multi-national companies based in Leicester, the aim of which is to develop placements for care leavers and other young people, which of course may lead to paid employment.

4.2.5. Apprenticeship Scheme

- i) The corporate apprenticeship scheme has proven to be very successful. In the first year, 10 young people were on the scheme and working towards a level 2 Business and Administration qualification. By the end of their apprenticeship in February 2010, 5 young people had completed the full qualification and gained permanent employment in the council. The initial 10 apprentices were made up of 2 looked after young people and 7 young people who were Not in Education, Employment or Training (NEET).
- ii) The council is currently taking on apprenticeships through the Future Job Funds Project. This is a government led scheme where young people aged 18-24 are identified in collaboration with Job Centre Plus and given 6 months work experience (25 hours of work per week paid at the national minimum wage). To use this scheme to the council's advantage, the length of time in employment was increased from 6 to 12 months to incorporate the apprenticeship scheme. Funding was secured from the Working Neighbourhood Fund to do this.
- iii) At the time of writing this report there are 12 young people on the scheme; this includes one looked after child and one young adult with a learning disability. By

the end of May 2010 the council expects to have 59 apprenticeships in post throughout the council as a result of the Future Jobs Fund.

- iv) Alongside the Future Job Fund Scheme, there are also 6 sport apprenticeships and 4 horticultural apprenticeships taking place. At least 1 looked after child is included in this cohort.

4.2.6. Adults with Learning Disabilities

- i) There are a number of national policies that explain why having a paid job is the right thing to do for people with learning disabilities to support their inclusion in society, and Leicester has been leading the way nationally in relation to getting adults with learning disabilities into paid employment. In Leicester there are 920 people with learning disabilities who are accessing social care services. There are currently 106 people in employment (as evidenced by NI 146) of which 30 are employed by the council.
- ii) Leicester is at the forefront of the employment agenda and is currently working with the Government to trial three national employment projects: Project Search; Right to Control; and Jobs First.
- iii) Project Search allows individuals to spend a year doing three different jobs called 'Work Trials' whilst also receiving classroom education every day. Leicester was the first area in the country to run the project and has been doing so for two years. Presently 20 individuals are on work trials and are gaining valuable work experience that is being hosted in the council and Leicester College. Three college students that have successfully gone through the work trial have gained paid employment; one has chosen to do volunteering and there are three seeking employment with Remploy.
- iv) Leicester is one of 8 trailblazers for the 'Right to Control' project, which will implement a new way of disabled people getting more choice and control over the government funded services they receive. Planning for the project started in April with the implementation planned for December 2010.
- v) Leicester is one of the 7 national 'demonstrator' sites for 'Job First', which supports people with moderate to severe learning disabilities to use their personal budget to purchase services they need to progress towards paid employment. The project started in April 2010 and is due to work with 20 adults and will run for one year.

FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5. Legal Implications

There are legal implications with regards to the following aspects of the report:

- a) ring fencing of certain posts for young people leaving the care system; and
- b) work experience for pre-16 students and young people leaving the care system.

Limiting training and employment opportunities to young people may constitute age discrimination. The Employment Equality (Age) Regulations 2006 ("Regulations") makes it unlawful for an employer or training provider to discriminate against a person on grounds of age.

In relation to employment the Regulations make it unlawful to discriminate on the basis of:

- the arrangements it makes for the purpose of determining to whom the employment should be offered; or
- the terms on which it offers that person employment; or
- by refusing to offer, or deliberately not offering, a person employment.

In relation to vocational training the Regulations make it unlawful to discriminate on the basis of:

- the arrangements it makes for the purpose of determining to whom the training should be offered; or
- the terms on which it offers that person training; or
- by refusing or deliberately not offering training; or
- by terminating training; or
- by subjecting that person to any other detriment during the training.

To restrict recruitment or training opportunities on the grounds of age will be discriminatory. Recruitment should be on merit. It should be noted that the Council has an additional duty to recruit on merit as required by the Local Government and Housing Act 1989 (section 7).

Where an age restriction is imposed, if it can be shown that it is objectively justified or that there is a genuine occupational requirement for that restriction, it will be lawful.

In order to be objectively justified it must be shown that the age restriction is a proportionate means of achieving a legitimate aim. The aim cannot, of itself, be discriminatory. An age restriction imposed to address an imbalance in the workforce, for example, is unlikely to be a legitimate aim for age discrimination purposes. Where, however the aim is to benefit disadvantaged young people, may be a legitimate aim but the question is whether this is a real need of the employer.

Having established that there is a legitimate aim it will then be necessary to consider whether the measures taken to achieve that aim are proportionate. A question to ask to assist with this is whether the aim could be achieved by other means. The Council will need to demonstrate that the age restriction contributes to the pursuit of the legitimate aim and it should weigh up the importance of the legitimate aim against its discriminatory effects

Genuine occupational requirement does not appear to apply in the circumstances.

Therefore in relation to aspect a) of the report there is a risk of age discrimination claims. To a lesser extent there is a risk of tortious claims for a breach of a statutory duty and judicial review.

In relation to aspect b) of the report there is a risk of age discrimination claims.

Kate James
Solicitor

6. Financial Implications

This report presents a progress update on the work completed across the Council to develop work experience and employment opportunities for children and young people and adults with learning disabilities. As such there are no direct financial implications arising and no additional funding has been requested. It is likely that most of the costs of making available such opportunities will be contained within existing staff time and other budgets, although inevitably some costs will arise that would not otherwise have been incurred. There are potentially longer term financial gains in that the level of unemployment amongst these vulnerable groups will be reduced, which should have a range of social and economic benefits for the individuals concerned and for society as a whole. - Colin Sharpe, Head of Finance and Efficiency, CYPS, ext. 29 7550

7. Climate Change Implications

Not applicable

8. Other Implications

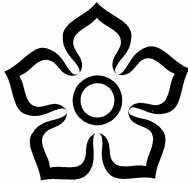
OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Equal Opportunities	Yes	Report addresses issues for Children and Young People & Adults with Learning Disabilities
Policy	Yes	Report addresses issues for Children and Young People & Adults with Learning Disabilities
Sustainable and Environmental	Yes	Report offers opportunities for future employment
Crime and Disorder	N/A	
Human Rights Act	N/A	
Elderly/People on Low Income	N/A	
Corporate Parenting	Yes	Report addresses issues for Children and Young People & Adults with Learning Disabilities
Health Inequalities Impact	Yes	Report addresses issues for Children and Young People & Adults with Learning Disabilities

7. Report Author

7.1 Andy Smith, Divisional Director, Social Care and Safeguarding, tel: 0116 252 8306

7.2 Trish Branson, Service Manager, Learning Disabilities, tel: 0116 256 8379

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)



Leicester
City Council

**WARDS AFFECTED
CASTLE**

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

**OSMB
CABINET**

**8 July 2010
12 July 2010**

STRUCTURAL REPORT ON NEW WALK CENTRE

Report of the Strategic Director of Development, Culture and Regeneration

1. Purpose of Report

- 1.1 This report outlines the actions that the Council are required to take in the light of the conclusions of the structural report on New Walk Centre. The report concludes that based on the assessment of the structure and an interpretation of the investigation test results Arups have shown that the structure falls short of the recommendations in current codes in terms of the current loading. The buildings therefore need structural strengthening to take full office loadings although it is Arups opinion that the buildings have sufficient redundant strength to continue to be used safely while strengthening works are designed and procured and subject to the rigorous management of the overall significantly reduced managed load regime and a series of 'no imposed load zones'. The report outlines the scope of an options appraisal project established in response to the findings.

2. Summary

- 2.1. Ove Arup were commissioned to undertake a full survey of NWC to assess its suitability for continued office use and they have now provided their report, the Executive Summary of which is attached.
- 2.2. The report concludes that based on the assessment of the structure and an interpretation of the investigation test results Arups have shown that the structure falls short of the recommendations in current codes in terms of the current loading. The buildings therefore need structural strengthening to take full office loadings although it is Arups opinion that the buildings have sufficient redundant strength to continue to be used safely while strengthening works are designed and procured and subject to the rigorous management of the overall significantly reduced managed load regime and a series of 'no imposed load zones'. The British Standard loading regime for offices is 2.5+1kN/m² and Arups' assessment of the imposed loading is

1.5kN/m². The structural strengthening works must be designed and procured over the next 12 months ready for works to commence and be completed to an agreed programme during which time further reviews will be necessary to ensure that the load management regime is not being compromised.

In response to this the Council have set up a project within the ODI Board portfolio to assess options available for the future provision of the Council's office estate which will provide costed options for refurbishment and strengthening of NWC, and for relocation to new build or other alternative locations.

3. Recommendations

3.1. It is recommended that Cabinet:-

- i) note the content and conclusions of the Ove Arup report and
- ii) note the commencement of an options appraisal project in response

4. Report

4.1. Ove Arup were commissioned in Autumn 2009 to undertake a structural report on NWC to ascertain its capability to continue to take office loads and their report has now been issued and the Executive Summary is attached.

4.2. In late December 2009 Ove Arup issued an interim report advising that their initial work had indicated a need to reduce load from particular areas of the buildings and since then the Council have been undertaking various moves to clear such "no imposed load zones". As at the end of May over 700 staff have been moved and 78% of the "no imposed load zones" have been vacated. It is anticipated that the remainder of the moves, involving nearly 260 staff, will be finished by the end of July / early August when works to fire damaged B5 are completed. Out of all the above staff 89 people will have had to relocate away from New Walk Centre to other Council owned buildings.

4.3. Since the interim report substantial further testing has been undertaken on the concrete and reinforcement within the structure and Ove Arup have provided their report. This concludes that based on the assessment of the structure and an interpretation of the investigation test results they have shown that the structure falls short of the recommendations in current codes in terms of the current loading. The buildings therefore need structural strengthening to take full office loadings although it is Arups opinion that the buildings have sufficient redundant strength to continue to be used safely while strengthening works are designed and procured and subject to the rigorous management of 'no imposed load zones'. The British Standard loading regime for offices is 2.5+1kN/m² and Arups assessment of the imposed loading is 1.5kN/m². The structural strengthening works

must be designed and procured over the next 12 months ready for works to commence and be completed to an agreed programme during which time further reviews will be necessary to ensure that the load management regime is not being compromised.

4.4. It has been recommended that the B3 computer suite and ground floor Customer Services Centre are propped as further mitigation during this period.

4.5. The effective monitoring of the 'no imposed load zones' is a critical mitigating factor in Arups being comfortable with continued Council occupation while strengthening works are progressed. Options for more formal demarcation of these areas are being considered with a view to ensuring zones are clearly identified and a communications plan will continue to ensure that staff are informed of their responsibilities towards these areas and are vigilant. Weekly inspections will be undertaken of the zones with reporting to Directors should zones be found to be being compromised by static or transient loads.

4.6 Feedback during their work from Ove Arup has been clear that the Council do not have a 'do nothing' option for NWC and in response to this an option appraisal project has been set up within the ODI Board portfolio to look at the options available for the Council for its future provision of offices in the light of the position with NWC. The Project Executive is the Strategic Director of Development, Culture and Regeneration. This project will build upon and refresh past work undertaken on options for future office accommodation, modern ways of working and locational dependencies of staff to provide costed options around:

- 1) refurbishment and strengthening of NWC
- 2) new build alternatives on NWC site or elsewhere
- 3) other relocation opportunities including locating some staff into neighbourhoods.

Options around NWC will inevitably have to look at decant arrangements should staff need to be re-housed during works and a programme for each option will be provided in response to the survey findings and current limitations of NWC. The work will include initial design for NWC strengthening works in accordance with Arups' recommendations.

4.7 The considerations against which the project will assess options include:

- Costs
- Improved use of space
- Opportunity to enhance Neighbourhood Working
- Reducing the City Council's Carbon Footprint
- Disturbance
- Impact on the City centre
- Travel and transport
- Provision of Customer Service facilities

Further complexity will be added by the need to involve our partners in seeking joint solutions and the project being a catalyst for cultural change and greater partnership working. It is anticipated that this work will be completed by September.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications (Nick Booth, Financial Services Extn 297460)

Feedback from Ove Arup regarding NWC has indicated that a do nothing approach to the building is not a viable option, and that significant costs will have to be incurred either at NWC or elsewhere. Options are currently being worked up and it is anticipated that this work will be completed in September. These options will then be the subject of a further report.

The total budget potentially available for the CLABs review is estimated at £54.9 million made up as follows:

CLABs capital provision	£13.8m
Revenue funding for new capital	£39.6m
Revenue savings 09/10	£1.5m
Total	£54.9m

None of the existing options have been costed and there is potential that the costs could exceed the available funding by a significant amount. In such circumstances if costs could not be pared down to budget (which would be the preferred solution) any additional provision would be likely to be have to be found from additional borrowing which would have a consequent impact on the Councils revenue budget which is currently under great pressure.

5.2. Legal Implications (John Mclvor, Legal Services Extn 297035)

The Council is under a statutory duty to ensure the health and safety of its employees and visitors to its premises. As the Council is the occupier of the building the Council will be under a duty of care to any visitors to the building, pursuant to the Occupier's Liability Acts 1957 and 1984. The Council is required to take such care as in all the circumstances of the case is reasonable to see that the visitor will be reasonably safe in using the building for the purposes for which they are invited or permitted by the occupier to be there. The Council must also ensure that any visitors are provided with reasonable protection from risks on the building.

5.3. Climate Change Implications (Helen Lansdown Extn: 296770)

Whilst this report in itself does not contain any significant climate change implications the options that may arise as a result of this report, regarding the future provision of offices, would be expected to have a significant impact on the Council's ability to meet climate change targets. It is possible that some options arising from the appraisal project would reduce the

Council's carbon emissions however, there is also the possibility of options being presented that would lead to an increase in carbon emissions thereby adversely impacting on the Council's ability to meet the climate change targets. Each option will need to be considered on a case by case basis.

Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement

6. Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Equal Opportunities	NO	
Policy	NO	
Sustainable and Environmental	YES	5.3
Crime and Disorder	NO	
Human Rights Act	NO	
Elderly/People on Low Income	NO	
Corporate Parenting	NO	
Health Inequalities Impact	NO	

7. Background Papers – Local Government Act 1972

Ove Arup report

8. Consultations

Financial Services
Environment Team

Report Author

Neil Gamble
Head of Property Development
Extn: 298002
Email: neil.gamble@leicester.gov.uk

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)

Structural Appraisal of New Walk Centre

Executive Summary

Arup have been commissioned by Leicester City Council to assess the structural safety of the New Walk Buildings for current staffing levels and office layouts and to provide strengthening recommendations, if required, to achieve full office loadings that comply with the relevant and current British Standards.

The New Walk Centre comprises two reinforced concrete framed buildings that are eight and thirteen tall and were constructed in 1972.

Over the last few years Leicester City Council have been implementing a Load Management regime to significantly reduce the imposed loads on the building. Our current assessment of the imposed loading has been determined as being 1.5kN/m². This allows for the four desks per bay configuration together with some allowance for congregation of staff at any work station.

The structure of the two blocks of the New Walk Centre have been analysed and a series of intrusive investigations have been undertaken to assess the material strengths of the concrete and reinforcement.

Based on the assessment of the structure and an interpretation of the investigation test results we have shown that the structure falls short of the recommendations in current codes in terms of the current loading. We have recommended, and these are being implemented progressively, a series of 'no imposed load zones'. If these zones, together with the Load Management Regime, are rigorously enforced and identified propping to the computer suit and customer services locations installed, it is our opinion that the building has sufficient redundant strength to continue to be used safely in the short term. The recommended strengthening proposals must be designed, tendered and procured within a 12 month period to ensure that full levels of safety can be reached. Once the proposals have been agreed then further reviews will be necessary during the phased refurbishment programme to ensure that the Load Management regime is not being compromised.

If strengthening proposals are not developed and procured within this time frame we may not be able to provide continued reassurance of the buildings ongoing safety.

It must be recognised that there is no specific time dependent deterioration of the concrete and the reinforcement. The risk of failure of the structural frame is based on the potential for increased loading of the structure. Over time there is an increased risk that the imposed load on the structure will be increased to unacceptable levels. The complacency of maintaining the status quo is not an acceptable solution.

As the computer room and customer services area are located in 'no imposed load zones' temporary propping must be installed at the earliest opportunity to ensure acceptable levels of ongoing safety.

The primary reasons for the structural shortcomings are low reinforcement strength, marginally low concrete strength, lack of consideration to the combined effects of lateral and vertical loading, reinforcement detailing rules relating to minimum link reinforcement not been met and the impact of geometric eccentricities in the columns and edge beams.

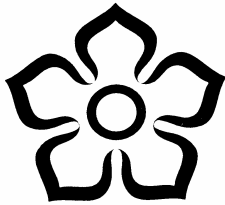
Based on the assessment of the current loading it has also been shown that the structure does not comply with the current standards for the full British Standard loading regime of $2.5+1\text{kN/m}^2$.

Consideration has been given to Fibre Reinforced Plastic (FRP), concrete and steel frame strengthening solutions.

The strengthening solution that is considered to be the most practical and least labour intensive, with the least impact to the building operation, is the provision of a secondary steelwork frame. The spine and edge beams would be supported on steel beams that span on to steel columns, which sit beside the existing concrete columns.

These potential remedial solutions need to be considered as part of the development of a strategic plan for the continued use of the New Walk Centre.

This page is left blank intentionally.



Leicester
City Council

WARDS AFFECTED
ALL WARDS (CORPORATE ISSUE)

Cabinet

12 July 2010

Council Tax Discretionary Relief – Local Discounts

REPORT OF THE CHIEF FINANCE OFFICER

1. Purpose of the Report

- 1.1 This report proposes a framework for applying Council Tax Discretionary Relief under Section 13A of the Local Government Finance Act 1992 (LGFA 1992) as inserted by Section 76 of the Local Government Act 2003 (LGA 2003).

2. Recommendations

2.1 Recommendations:

- (a) Approve that the Chief Finance Officer is given delegated authority to determine applications for Council Tax Discretionary Relief in respect of individual cases of exceptional financial hardship.
- (b) Approve that if an application for relief under Section 13A potentially relates to a class of property it will be decided by Cabinet following consideration of a report from the Chief Finance Officer.
- (c) Require a review of the framework guidelines every three years to ensure it remains fit for purpose. (The first being in 2013.)
- (d) Request the Select Committee to receive an annual report on the use of these discretions.

3. Summary

- 3.1 The LGFA 1992 provides the statutory framework for a variety of reductions in Council Tax charge to be applied provided taxpayers meet certain criteria. The reductions that exist already include exemptions for certain types of dwelling, discounts based on the number and status of adult residents in a property, and a reduction where a disabled person is in occupation and certain additional criteria are met.

- 3.2 Before 2003, The Council had no discretion to grant reductions through the local definition of exemptions or discounts, or remit council tax on hardship grounds. However, Section 76 of the LGA introduced a new section 13A into the LGFA 1992 that created this discretionary power. The legislation allows authorities to create local discounts in respect of individuals due to, for instance, financial hardship, or to a class of properties like those affected by flooding in Yorkshire 2007 and Cumbria 2009; when 100's of people were forced out of their homes for long periods by flooding and the resulting work necessary to bring homes back into use. The understanding however is that any such reductions are made only in local and exceptional circumstances, and on a temporary basis.
- 3.3 Although Section 13A has permitted Council Tax discretionary relief since the legislation became effective in December 2003, the Council has not been asked to consider any such relief. However, the current economic climate has raised the profile of council tax collection together with the recovery and enforcement methods. The Ombudsman has commented on a number of councils' approach to enforcement and made it apparent that billing authorities need to have transparent policies.
- 3.4 Recommended practice now suggests a need for clear guidelines under which any request for a reduction under Section 13A is considered. Each case would be considered on its own merits; however guidelines are intended to ensure that a fair and consistent approach is taken to help applicants understand how any application will be assessed. Appendix A to this report defines the proposed Council Tax Discretionary Relief framework.

4. Financial Implications

The policy's statutory framework is contained within the Local Government Finance Act 1992 and the Local Government Act 2003.

The total cost of any reduction or remission under Section 13A falls to Leicester City Council as the billing authority; there is no cost to the police and fire precepting authorities. As such the annual budget process makes a corporate provision for discretionary relief, which was increased in 10/11 to recognise the current economic conditions. Due to the need for relief only to be awarded in exceptional circumstances, the financial impact is not expected to exceed the budgetary provision. However, the introduction of a particular class of property eligible for relief would reduce the tax base and consequently the Council's potential income.

Alison Greenhill, Principal Accountant (Revenues)

5. Legal Implications

There are no legal implications.

Peter Nicholls, Divisional Director - Legal Services

6. Climate Change Implications

This report does not contain significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.

Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement

7. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting Information
Equal Opportunities	No	
Policy	Yes	The report sets out a new, additional process for administering Council Tax debt.
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	3.2 In cases of exceptional financial hardship.
Corporate Parenting	No	
Health Inequalities Impact	No	

8. Background Papers – None

9. Consultations - Yes

10. Report Author/Officer To Contact

Caroline Jackson
Head of service
Revenues & Benefits
Extn: 38 5100
22 June 2010

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)

Proposed Framework for Council Tax Discretionary Relief

Background

Section 13A of the Local Government Finance Act allows a billing authority to reduce the Council Tax payable after taking into account eligibility for any national benefits, discounts, reliefs and exemptions. The reduction can be applied to an individual or to a defined class of cases.

Eligibility Guidelines

The Council will consider using its powers to reduce Council Tax liability for any Council Tax payer or class of payer, however the Council will need to be satisfied there are exceptional circumstances to justify any reduction, which will only be intended as short term assistance rather than a way of reducing council tax liability on a long term basis.

Applications will be evaluated on their individual merits by reference to the following criteria:

- 1) Applications must fall within one of the following criteria:
 - a) Structural damage to the property which could not reasonably have been rectified within the normal period of exemption and is caused by an external event; or
 - b) Exceptional personal hardship, where the debt could not reasonably have been offset by benefit, and the case does not meet the council's normal write off criteria.
- 2) A full financial statement detailed on a standard application form provided by the Revenues & Benefits Service will need to be submitted to confirm the applicant's household's total income and expenditure.
- 3) The Council must be satisfied that the applicant has taken reasonable steps to resolve their situation prior to making their application.
- 4) The applicant does not have access to other assets that could be used to pay their Council Tax.
- 5) The applicant's eligibility to Council Tax benefit, discretionary housing benefit payment and all other statutory reductions has been assessed.
- 6) The applicant can prove that their current circumstances are unlikely to improve in the following twelve months, making the payment of Council Tax impossible.
- 7) The Council's finances allow for a reduction to be made, on the basis that sufficient money is available in the relevant budget to meet the potential cost of any relief granted, including relief to others who might meet some criteria.
- 8) It is reasonable for the Council to award a reduction having regard to the interests of other local Council Tax payers who have to meet the cost of any relief granted.

Applications

Applications for reductions will need to be submitted in writing to the Revenues and Benefits Service by the taxpayer or a third party authorised to act on their behalf. Applications submitted electronically will be allowed.

The Council may request any reasonable evidence in support of an application, and applicants will be required to provide all information reasonably requested.

The Head of Revenues and Benefits will forward each application along with his/her recommendation to the Chief Finance Officer for consideration once satisfied that sufficient supporting evidence has been supplied.

Failure to provide the information required to support an application without sufficient reason will result in the application being considered without the information. This is likely to result in the request being refused.

There is no entitlement to withhold payment of Council Tax pending the submission and determination of an application, or during any subsequent request for a review of the decision. If a taxpayer has overpaid Council Tax it will be refunded. A reduced payment arrangement will be considered pending the submission and assessment of any application.

Determination of Applications

The Chief Finance Officer will determine applications in respect of individual cases. Applications which relate, or potentially relate, to a class of cases will be determined by Cabinet following consideration and recommendation from the Chief Finance Officer. This system of delegation should ensure proper and consistent consideration is given to all applications.

Period and Amount of Award

A discretionary relief award will not be backdated earlier than the start of the financial year preceding the application's receipt by the Council. This allows a period of consideration to be nearly 2 years relief where circumstances warrant it. The award is designed to be a measure of temporary assistance, and the Council would not normally award a reduction indefinitely, although each case would be considered on its own merits.

The relief will normally cease at the end of a financial year unless an earlier date is specified, however an applicant is not prevented from reapplying for a further award in subsequent years.

Any discretionary relief awarded will usually be a percentage of the net Council Tax liability (the amount payable following the award of any benefit, discount, exemption or relief) for a specified period.

If it is subsequently identified that a reduction has been awarded as a result of false or fraudulent information, the Council reserves the right to withdraw the award and recover the resulting sum due. The council also reserves the right to prosecute the applicant for false representation.

Notification of Award

Decisions will be made normally within six weeks of the application (all supporting information being received), and the decision will be notified to the applicant as soon as practicable thereafter.

Review of Decision

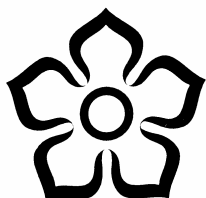
Applicants may request a review of a decision relating to Council Tax discretionary relief. The review request must be made in writing (requests submitted electronically will be allowed) and sent to the Head of Revenues and Benefits within one calendar month of the issue of the letter that confirmed the Council's decision.

It will be considered on its own merits, in the light of all relevant circumstances at the time (as described in the eligibility guidelines).

The re-determination request must give the reasons why the applicant considers the original decision should be amended, and may include new or additional information relevant to the request to change the original decision.

The Chief Finance Officer and relevant portfolio holder will review the original decision and the outcome of the re-determination request will be notified to the applicant normally within 28 days of its receipt.

The only statutory avenue open to challenge such decisions is through judicial review, where the High Court may be asked to consider whether the billing authority has acted within its powers. Unlike the majority of billing authority decisions relating to Council Tax, discretionary decisions cannot be appealed to the Valuation Tribunal that hears Council Tax appeals.



Leicester
City Council

CABINET

12 JULY 2010

NATIONAL SPENDING CUTS - RESPONSE

Report of the Chief Finance Officer

1. Introduction and Recommendation

1.1 The Cabinet is asked to:

- (a) note that the Government has made cuts to local authority grants in 2010/11 and plans to accelerate the speed of spending reductions between 2011/12 and 2014/15;
- (b) approve a moratorium on entering new commitments, as described in this report, pending a review of previously agreed spending plans;
- (c) authorise the Chief Finance Officer, in consultation with the Leader, to grant exceptions to the moratorium on grounds of the need for a quick decision (in practice, a group of three Cabinet members has been created for consultation purposes);
- (d) notwithstanding the loss of grant from Government, to maintain free swimming for children during the summer holidays.

2. Background

- 2.1 On 24 May, the Government announced a programme of £1.2bn cuts to local authority funding in 2010/11. This reduced amounts previously allocated, and the City has lost an estimated £6.9m of direct funding from the Government.
- 2.2 On 22 June, the national budget anticipated real terms cuts in funding for non-protected public services (which includes most of local government) of 25% over four years. This accelerated the programme of spending reductions indicated by the previous government, in order to reduce national debt.
- 2.3 The above will mean significant reductions in resources available to the Council. By 2015, this could amount to £100m in real terms compared with our original plans for 2010/11.
- 2.4 Cabinet has indicated a wish to take stock, and review:

- (a) expenditure funded by the £6.9m grant which has now been cut;
- (b) other existing spending plans (revenue and capital) which are not yet committed.

2.5 This review will be complete and reported to Cabinet on 2 August. The Select Committee will be invited to comment on the proposals on 28 July.

3. Moratorium

3.1 The purpose of a spending moratorium is to ensure that new commitments are avoided during the course of the review.

3.2 Officers have been asked not to:

- (a) enter new contractual or grant aid commitments, subject to a de minimis level of £0.1m;
- (b) implement any growth approved in the 2010/11 budget, or other decisions granting new money, where these have not already been committed.

3.3 The following areas of spending are exempt from the moratorium:

- (a) spending which is 100% funded from external, confirmed sources specific to that expenditure;
- (b) ongoing cyclical maintenance programmes (roads, housing and property) and reactive maintenance;
- (c) contract renewal or retender (although, given the general climate, value for money needs to be a prime consideration in any such contracts);
- (d) works to deal with an emergency;
- (e) the Housing Improvement Programme, and other areas where cutbacks would be required to a programme of works already started (eg disabled facilities grants).

3.4 A means is required to ensure there are no perverse or unintended consequences of a moratorium (eg losing grant money due to delay). A mechanism has been put in place for the Chief Finance Officer, after consulting Cabinet members, to allow exceptions where appropriate.

4. Free Swimming

4.1 The Council currently receives grant of £267,000 (in 2009/10) to provide free swimming for over 60s and under 16s. This grant will now cease on 31 July.

4.2 Decisions arising from this will be taken by Cabinet on 2 August. However, Cabinet is asked to consider maintaining the provision for under 16s during August whilst schools are on holiday. This will cost an estimated £50,000 in lost income (August is the busiest month) and the financial consequences will be dealt with in the 2 August report.

5. Financial, Legal and Climate Change Implications

5.1 Financial Implications

This report is exclusively concerned with financial issues.

5.2 Legal Implications

None.

5.3 Climate Change Implications

None.

6. Other Implications

	<u>YES/NO</u>	<u>Paragraph references within the report</u>
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

7. Report Author/Officer to Contact

Mark Noble
Chief Finance Officer
29 June 2010

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)

This page is left blank intentionally.