

# **HOUSING DEPARTMENT**

## **DRAFT DEPARTMENTAL REVENUE STRATEGY**

**2007/08 to 2009/10**

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**The overall aim of the Housing Department is:**

**A decent home within the reach of every citizen of Leicester**

## HOUSING DEPARTMENT

### DRAFT REVENUE BUDGET STRATEGY 2007/08 – 2009/10

#### **1. INTRODUCTION**

This is the last occasion that separate budgets for the Housing and Adult & Community Services Departments will be prepared. In future budgets will be prepared for the newly formed Adults & Housing Department.

The former Housing Department operates two separate accounts:

##### **1.1 The Housing Revenue Account (HRA)**

Local Authorities are required to account separately for the management and maintenance of their housing stock. The HRA must be operated as a ring fenced account with no subsidy to or from the general fund.

##### **1.2 The Housing General Fund (HGF)**

This account covers housing related services financed from the general fund and various government grants.

The two accounts are treated separately in this Departmental Revenue Strategy.

#### **2. DEPARTMENTAL STRUCTURE**

2.1 The Department operates through three Branches. The Technical Services and Financial Support Branch, the Renewal, Options and Development Branch and the Accommodation and Tenancy Support Branch.

2.2 Overall, the Department employs around 1600 people. The service is predominantly decentralised, and staff operate from 25 locations across the City. A summary functional organisation chart is shown at Appendix 1.

2.3 The Department's outturn for 2005/06 and budget for 2006/07 for the HRA is attached as Appendix 2 and for the General Fund as Appendix 3 for Members information.

### **3. HOUSING REVENUE ACCOUNT (HRA)**

#### **3.1 General**

The Council manages and maintains c23,000 dwellings. This is known as the landlord function and is financed through rents, housing subsidy and the capital programme. Capital expenditure is on major repairs and improvements including disabled adaptations and environmental works. Most capital expenditure is targeted at meeting the government's 'Decent Homes Standard'.

#### **3.2 Priorities**

The council's main priorities as a social landlord are to:

- Meet the decent homes standard
- Improve energy SAP ratings
- Improve tenant satisfaction
- Improve opportunities to participate
- Improve access to services
- Achieve the equality standard
- Reduce harassment/anti social behaviour
- Increase HRA income
- Reduce empty properties
- Increase availability of larger properties
- Make environmental improvements
- Efficiency improvements inc Gershon agenda

#### **3.3 Rent Convergence**

The government requires social landlords to set rents according to a prescribed formula. Its objective in doing this is to bring local authority rents up to the level charged by housing associations by the year 2012. The formula has resulted in above inflation charges for a number of years and this will continue. Leicester's average increase will be 5.0% next year. The government uses its subsidy system to claw back the additional income from local authorities.

#### **3.4 HRA Budget for 2007/08**

This is subject to a separate report.

## **4 HOUSING GENERAL FUND KEY SERVICE INFORMATION**

### **4.1 Technical Services and Financial Support Branch**

- 4.1.1 Strategy and Performance. This section is responsible for, amongst other things, preparing the Housing Strategy, preparing the Equality Policy, helping to ensure CPA targets are met, compiling stock condition data, providing business and performance advice, overseeing the production of service plans and carrying out research.
- 4.1.2 Information Technology. This section provides advice and technical support to users of computer systems, procures, maintains and administers hardware and software, develops e-government applications and administers the housing network and email system. It is currently under review as part of the Business Improvement Programme.
- 4.1.3 Finance. This section are responsible for interpreting and implementing financial legislation, ensuring adherence to financial regulations, setting and monitoring budgets, completing year end accounts, making grant claims and providing financial advice. It is currently under review as part of the Business Improvement Programme.
- 4.1.4 Financial Operations. This section is responsible for purchasing, accounts payable, processing re-chargeable works, checking claims for payment, stock checks and calculating payable bonus. It is currently under review as part of the Business Improvement Programme.
- 4.1.5 Rent Accounts, Right to Buy and Administration. This section accounts for rent and other payments for the council's dwellings and the service and repair charges for leaseholders. It also administers the Right to Buy process and carries out a variety of administrative functions.

All the above services are carried out on behalf of both the Housing Revenue Account and Housing General Fund.

- 4.1.6 Housing Benefits. Housing and Council Tax Benefit are statutory means tested benefits administered by the authority on behalf of the Department for Work and Pensions (DWP). The authority has little discretion over the rules governing the scheme but has a responsibility to deliver an efficient, accurate and cost-effective service. It pays out over £100m of benefit annually.

The rules governing the scheme are complex and involve the use of detailed application forms and customers often require help. Leicester is fully compliant with the Government's Verification Framework designed to minimise both error and fraud.

- 4.1.7 Local Taxation Section. The Local Taxation Section bills and collects all sums payable to the Council in respect of Council Tax and National Non Domestic Rates (Business Rates). For 2006/07 the charge to be collected for Council Tax (after deducting Council Tax Benefit) is £71.2m and for Business Rates £89.9m. The service covers 122,000 domestic properties and 12,000 commercial properties.

## 4.2 Renewal, Options and Development Branch

4.2.1 Renewal, Grants and Empty Homes. The Renewal & Grants Service administers means tested Home Improvement Grants in renewal areas to qualifying homeowners in order to tackle unfitnes and to bring houses up to a 'decent homes standard'. The section also oversees environmental improvements.

The work of the section has been affected recently by the introduction of government targets concerned with decent homes for vulnerable people in the private sector. This is covered further in chapter 8 of the DRS.

The section also provides a citywide Home Maintenance Service. Advice, assistance and on occasions targeted grants are provided to homeowners for home improvement and maintenance. This is covered further in chapter 8 of the DRS. Other services provided include a 'handyperson' service and various home security projects funded from a range of sources including SRB, New Deal and the Home Office. There is also a home accident prevention scheme being undertaken in partnership with Leicestershire Health.

Mandatory Disabled Facilities Grants are provided in conjunction with the Adult and Community Services Department. These are means tested grants that the Council has a duty to provide where adaptation works are identified as being necessary and appropriate to assist a disabled occupant.

The Renewal Service was awarded Beacon Status in 2004.

The Empty Homes Strategy is aimed at bringing empty properties back into use as residential dwellings. Additional resources were agreed as part of the budget strategy in 2004/05 and 2005/06. In 2005/06 135 homes were brought back into use and this year 88 had been brought back into use by the end of September.

4.2.2 Development. The Housing Development Team:

- Promotes the delivery of new affordable housing
- Liaises and negotiates with private sector partners and developers
- Manages LCC stock redevelopment options and initiatives

The Team helped to secure £12.8m of new Social Housing Grant allocations for 2004/06 – the largest proportion of grant allocation in the East Midlands region. It is also instrumental in securing other significant levels of new development through the planning process, and through housing input to the local plan. It is currently working on the Beaumont Leys re-development and a programme of bringing HRA land sites back into use. This is covered further in chapter 8.

4.2.3 Home Energy Team. The overall aim of the Home Energy Strategy is “to enable all households to have access to affordable warmth within a safe and healthy living environment”. This supports the broader aim of the Housing Department to provide “a decent home within the reach of every citizen of Leicester”.

The Home Energy Team provides advice, information and practical services to assist households with the implementation of energy efficiency improvements. The Team bids for funding, forms partnerships and carries out externally funded projects to implement a range of energy efficiency measures.

4.2.4 Housing Options. The Housing Options Service (HOS) provides the following services:

Housing Advice, Options and information  
Statutory assessment of homelessness  
Maintenance of the Housing Register  
Adapted Housing Matching Service  
Private Landlord & Tenant matters  
Nominations to Registered Social Landlords  
Public reception in New Walk Centre & Bishop Street

The HOS operates under various pieces of legislation. The Housing Act 1996 part VI regulates the allocation of social housing and Part VII places a duty on the local housing authority to secure advice and assistance on homelessness and the prevention of homelessness, free of charge to any person in the district. Furthermore, it places a duty on the local housing authority to secure settled accommodation for any person who is eligible, in priority need and unintentionally homeless.

Preventative work is a key feature of the service's approach to homelessness within the City. As such, the important work undertaken by Housing Options provides people with the opportunity to realise their options, rights and legal entitlements.

The Audit Commission Housing Inspectorate visit in 2002 awarded the HOS 'a good 2 star service, with excellent prospects for improvement'. More recently, the Housing Department has received a beacon status award for its services in 'Tackling Homelessness'.

4.2.5 Marketing and Information. This section promotes a positive image of the Housing Department, provides a design service and provides comprehensive and accessible information on housing services and national issues to tenants, staff and councillors. It is currently under review as part of the Business Improvement Programme.

### **4.3 Accommodation and Tenancy Support Branch**

4.3.1 Housing Personnel and Payroll. This section provides human resource management advice and support and a payroll service for the Department. It also undertakes corporate HR projects and reviews. It is currently under review as part of the Business Improvement Programme.

4.3.2 Training, Development and Health & Safety. This section provides a range of training and development services. It also manages the authority's Apprenticeship Scheme and provides Health and Safety and Risk Management advice. It is currently under review as part of the Business Improvement Programme.

All the above services are carried out on behalf of both the Housing Revenue Account and Housing General Fund.

4.3.3 Hostels. The Hostels Section provides a variety of services, with its overall objective being 'to identify, plan and generate appropriate housing solutions, which enable vulnerable people and individuals with support needs to access and sustain accommodation'.

The Service is essential in

- Reducing the number of rough sleepers (both local and central government targets).
- Reducing street drinking and illegal drug use.
- Reducing anti social behaviour to the general public.
- Minimising the inappropriate use of bed and breakfast.

The extent of service delivery includes:

The provision of emergency accommodation to respond to crisis housing needs,

The provision of semi-supported housing accommodation for vulnerable people, to enable them to move towards independent living,

The identification, referral and tracking of children in temporary accommodation that are in need, and at risk of harm,

Teaching parents coping strategies to care for children whilst in temporary accommodation and more importantly when they move on,

Reducing rough sleeping and tackling daytime street cultures such as begging, ASB and alcohol and substance misuse,

Offering support and assistance to vulnerable people in maintaining a tenancy,

The provision of support and information with the aim of preventing first time and reoccurring homelessness,

Working in partnership to assess and act upon the needs of single homeless and families that may be vulnerable and at risk of losing their accommodation due to housing related support needs.

A new purpose built facility, the Dawn Centre, has recently opened to provide for vulnerable, single, homeless people.

The service has undergone a Best Value review where it was assessed as Good (2 stars with excellent prospects for improvement). It has also been awarded Beacon Status.

The section is self-financing through housing benefit payments, supporting people funding and funding from partner bodies.

4.3.4 Planning and Commissioning. This section commissions work from various voluntary sector bodies.

Purpose of Service:

Build and sustain community cohesion with the provision and commissioning of services for homeless people in accordance with the key priorities outlined in the Homelessness Strategy.

Create a range of opportunities for homeless people to make positive changes towards achieving stable integration with mainstream society.

All projects are reliant on grant aid from the City Council and other sources such as the ODPM, Health, and the Drugs and Alcohol Team.

4.3.5 Floating Support Services. The Council is provider of floating support services; these services provide Housing Related Support to vulnerable single people and families. The key objective of Housing Related Support is to help people to sustain homes and to live independently for as long as possible. Examples of support activities are:

- Setting up and maintaining a home or tenancy
- Developing domestic / life skills
- Developing social skills / behaviour management
- Managing finance and benefit claims
- Gaining access to other services
- Gaining access to education, training and employment
- Establishing social contacts and activities
- Emotional support
- Advice, advocacy and liaison
- Support for older people at risk of being placed in residential or hospitalised care.

The Council provides these services through the STAR (Supporting Tenants and Residents) service and covers three key areas;

- The generic service – This is provided from community-based offices around the city and supports a wide range of people with different needs. Example of why people use the service include; low level mental health issues, financial issues, risk of tenancy failure, vulnerable elderly people, domestic violence, learning difficulties and issues around unacceptable behaviour. Most of the work of the service is aimed at helping people to sustain their tenancy or home where, with out this support, they would probably lose it. The service also assists vulnerable people to resettle into a new home e.g. a family leaving a homeless hostel or someone leaving hospital.
- The homeless resettlement service – This helps single people who fall into repeat homelessness and rough sleeping. The service supports people to develop the necessary life skills to sustain a home and helps them to settle into a new area.



- The substance use service – This service specialises in providing housing related support to people who have dependency issues primarily with drugs and alcohol.

Floating support services work across tenure and support local authority tenants, RSL tenants, private sector tenants and owner-occupiers. They are primarily funded through the Supporting People Grant, although the substance use team receives some funding from DaAT.

#### **4.4 Miscellaneous Service Provision**

- 4.4.1 A variety of miscellaneous cost centres are included under this heading. The main charge comes from the HRA and relates to services provided on HRA land including the maintenance of environmental areas including lighting and pavements. These charges will continue to increase with Right to Buy sales.

### **5. THE CURRENT POSITION OF THE HOUSING GENERAL FUND**

- 5.1 Most of the services funded by the housing general fund are statutory.
- 5.2 Housing General Fund expenditure is £28m per annum; excluding Housing Benefit payments of £105m. Much of this expenditure is supported by Government Grant (for example through Housing Benefit or Supporting People Grant) with a net cost of only £6.6m being met from council tax. Cuts in expenditure in those areas met by grant would result in an equivalent reduction in grant or income to the council and would therefore not contribute to savings in the general fund.
- 5.3 The Housing General Fund is under significant pressure. Last year it had a small overspend. In the current year it is expected that the overspend will rise to £470k. This will need to be met from capital on a one-off basis. The two main reasons for the overspend are IT problems with the Housing Benefits system, which has led to the need to employ agencies to clear the resulting backlog and a significant increase in bed and breakfast costs. The Housing Benefit problem should be resolved in the current year but provision in future budgets is required for bed and breakfast costs.
- 5.4 In addition to the above the Department must make provision for unidentified savings from previous budget rounds, loss of one off grant money, and cash limit reductions in the second and third years of the budget strategy. In total for 2007/08 the Department has been asked to find savings of £200k. Given the nature of the department's funding (mainly by grant), and taking into account that support services are being reviewed as part of the Business Improvement Plan, there are only a few areas that can be targeted for budget reductions. These are the same areas that have been visited previously and there are implications for service delivery, the council's CPA rating, the council's LPSA stretch targets and financial impacts elsewhere within the council. These are detailed in section 7.
- 5.5 The Department also faces cuts in Supporting People funding. The extent of these are not known yet and every effort will be made to limit the financial damage to the council's general fund. This will mean service cuts but, even after this, there will be a

residue of overhead cost currently met by Supporting People which, in future, will have to be met from other General Fund activities.

## **6. EFFICIENCY PLANS**

6.1 In accordance with the council's value for money strategy, the Housing Department has carried out a self-assessment based on the Audit Commission's 'Value for Money Profile Report 2005'. This report is based on planned expenditure for 2005/06 and compares Leicester's spending, on a variety of services, with 15 other authorities deemed to be similar. To make the figures more comparable, total costs are divided by population to give a cost per head. The self-assessment process involves identifying areas where Leicester appears comparatively expensive. The reasons for this are then investigated with a view to identifying services which could be subject to efficiency reviews.

### **6.2 Housing Benefits and Council Tax**

The Audit Commission collect information on Housing Benefits and Council Tax expenditure separately. Leicester appears to be high cost on Housing Benefits and low cost on Council Tax. This is almost certainly the result of Leicester's disaggregation methodology. Taken together Leicester is only slightly higher than average. The HB&CT Service bears £1m of central re-charges annually and past benchmarking exercises have shown this to be very high. Nevertheless, savings have been made in the last three years and Leicester continues to improve against its comparators. It is also important to note that since 2003/04 the caseload for Housing Benefits has increased by more than a third (from 28,308 cases to 37,835 cases) while the council tax and non domestic rate collectable debts has risen by 14% (from £161m to £184m).

Housing Benefits CPA score reduced from a Level 3 to a Level 2 for the 2006 assessment, following a major IT computer failure and the software supplier terminating the agreement to support or complete necessary enhancements beyond June 2006. The IT problems created a number of outstanding claims, which resulted in the reduction in the service CPA rating. Subsequently, the Benefits Service has procured a new IT system, with the assistance of DWP monies. This went live in October 2006. Claims are expected to be cleared by the end of 2006 and the benefits service will return back to its Level 3 status for 2008.

Council Tax collection continues to improve and both last year and this year will be records for Leicester in terms of 'in year' collection. The in year collection rate for 2005/06 was 93.8%. There is also a legacy of old debt going back over many years and the section was successful in collecting £6m of this, although £4m new debt was created in the year.

The Housing Benefits & Council Tax efficiency plan will be concerned with continuing to improve collection rates. It is making good progress towards its target of 95% in the current year and this will realise another £1m 'in year' income together with the associated benefits of greater interest on balances and a reduced bad debt provision. The target for council tax collection next year is 96%. If this is achieved the council will move out of the bottom quartile and may be rated as 'above average' (depending

on national performance trends). The cost of securing these improvements is met from Housing Department budgets but the significant benefits that arise fall to the council's corporate budgets.

### 6.3 Housing Indicators

The Audit Commission collect data for only three work areas in Housing and it is not always clear where costs should be allocated. The degree of divergence in the published data is probably indicative of the difficulty each authority has had in deciding what should be included under each heading.

### 6.4 Homelessness

Leicester's comparator authorities show a range of spend per head from £0.27 to £8.67. Leicester's spend per head at £4.53 shows a cost which is above average. However, since the 2005/06 budgets were set there have been a number of changes which have greatly reduced the cost. The main ones are the result of the full efficiency review which was carried out last year, the decision to disband the Community Care Team and a change to the charging methodology. The net result is that spend per head has reduced to £2.90, which is around average. This position is, however, unlikely to be maintained in the short-term due to the worsening position with regards to Bed and Breakfast and the potential loss of Supporting People Funding.

The Homelessness Service achieved Beacon Status in 2004. Performance Indicator information is shown below:

BV 183 (i) Average length of stay in bed and breakfast accommodation of households which include dependent children or a pregnant woman and which are unintentionally homeless and in priority need is 1 week (Top quartile).

BV 183 (ii) Average length of stay in hostel accommodation of households which include dependent children or a pregnant woman and which are unintentionally homeless and in priority need is 13 weeks. (Below average but not in bottom quartile).

BV 203 The percentage change in the average number of families placed in temporary accommodation = -20.6% (Top quartile). The council is, however, going to fall into the bottom quartile by the end of the current year due to its Bed and Breakfast problems.

BV 214 The percentage of households accepted as statutory homeless who were accepted as statutory homeless by the same Authority within the last two years is 1.24% compared to 3% in 2004/05. This is above average.

The homelessness service was subject to a major efficiency review last year. At this point in time it is considered that further cuts to the service would be counter productive and could lead to a more than equivalent rise in B&B costs.

## 6.5 Supporting People

The cost per head for Supporting People ranges from £0 to £108.74. Several authorities show nil expenditure, which implies they have incorrectly netted off their Supporting People Grant. In any event the amount of grant received by different authorities is not related to efficiency. The Supporting People Team carries out a rolling programme of efficiency reviews.

## 6.6 Other Housing

'Other housing' covers a variety of services and is therefore not very useful as a way of identifying how Leicester's costs compare with others. The cost per head ranges from £0.67 to £42.91. Leicester's cost is £14.70.

## 6.7 **Housing Efficiency Reviews**

### 6.7.1 Payment Cards

In conjunction with other parts of the council, the Department is currently investigating the use of payment cards. For the Housing Department the areas under consideration are rent and council tax payment. Payment cards allow customers to make payments to the council at a variety of locations including paypoints and post offices. There are benefits and costs associated with payment cards and a business case will be prepared.

### 6.7.2 Council's Use of Energy

Energy consumption in council buildings is rising and there have recently been huge increases in energy prices. In addition to helping to meet climate change and Local Area Agreement targets, investment in energy usage reduction measures will bring financial savings that will benefit the authority. Work has already begun on a number of projects. Investment appraisal techniques will be used to help identify other projects which will bring efficiency savings. Typically these projects require capital investment and realise revenue savings. Capital investment sources include the use of Leicester's share of the Local Authority Energy Fund (LAEF) and prudential borrowing. The consequent savings are used firstly to finance the capital investment and then, wherever possible, for subsequent investment in further self financing projects.

### 6.7.3 Choice Based Letting and the Housing Waiting List

The costs and benefits of choice based letting are being considered together with the impact of such a scheme on the management of the waiting list.

## 7. PROPOSED GROWTH ITEMS

None of the growth items below are service enhancements. They are all the result of budget pressures.

7.1	Growth Item	2007/08	2008/09	2009/10
	<b>G1 Unidentified savings from previous years</b>	<b>34</b>	<b>34</b>	<b>34</b>

This item relates to unidentified savings from prior years.

7.2	Growth Item	2007/08	2008/09	2009/10
	<b>G2 Loss of short term grant money</b>	<b>156</b>	<b>156</b>	<b>156</b>

This item relates to LPSA target related reward money which has been used to support general fund services for two years and which ceases from 2007/08.

7.3	Growth Item	2007/08	2008/09	2009/10
	<b>G3 Increased Homelessness - costs of bed and breakfast</b>	<b>200</b>	<b>200</b>	<b>200</b>

The costs associated with putting people into bed and breakfast accommodation are very volatile. Increased demand for Hostel spaces and a decrease in Council and Housing Association properties for move-on has led to greater use of bed and breakfast accommodation in 2006/07 and an overspend of £200k is predicted in the current year.

The pressures that led to use of bed and breakfast described above are more likely to grow than recede. The Director of Adults and Housing is reviewing the situation.

## 8. REDUCTION ITEMS

The department has very limited options for making budget cuts. Many services are externally funded so a cut in service would result in an equal cut in funding, resulting in reduced services but no financial gain. Under the current Business Improvement Programme savings in support services fall to the council's efficiency agenda. The projected savings arising from the forthcoming merger of the Adults and Housing Departments have all been counted as savings to the current Adult and Community Services Department.

The Housing Department has therefore had to revisit those areas which were subject to efficiency savings last year. Putting aside the Conduit Street windfall the result is service reductions rather than efficiency savings.

8.1	Reduction Item	2007/08	2008/09	2009/10
	<b>R1 Conduit St Rental Income</b>	<b>100</b>	<b>83</b>	<b>0</b>

This item relates to rental income for Douglas Bader House.

8.2	Reduction Item	2007/08	2008/09	2009/10
	<b>R2 Development</b>	<b>35</b>	<b>35</b>	<b>35</b>

This reduction involves cutting one of four Development Officer posts. This would severely limit progress in a number of areas including the council's Backlands Development Programme which has, over the last 18 months, identified solutions for 18 sites and is currently assessing a further 15. The 18 sites will secure 55 affordable homes plus the receipt from sale of a further 59 plots. There are 200 further sites to be investigated.

There would be a lost opportunity to secure other funds towards development. On sites so far, the following has been secured:

- £73k Housing Corporation Investment
- £1.65m in Housing Associations' own funds
- Potential £400k receipt for Housing Capital Programme
- Further potential to realise £2m receipts for affordable rent grants/housing capital programme.

Performance Issues:

LAA target SSC10.4 is to develop 190 affordable homes per annum (3 year rolling average). This would not be achieved.

LAA, LPSA and CPA targets on the use of temporary accommodation for homeless people would be threatened.

8.3	Reduction Item	2007/08	2008/09	2009/10
	<b>R3 Decent Homes Officer</b>	<b>18</b>	<b>18</b>	<b>18</b>

This service reduction would impact on the number of non-decent private sector homes made decent. It involves the deletion of one, out of two, Decent Homes Officer posts. The revenue saving is reduced because part of the cost is met from capital.

There are LAA and LPSA2 targets for bringing up to standard the number of non-decent homes occupied by vulnerable people. The targets require a total of 940 homes over a 3 year period (2005-08) to be brought up to the decent homes standard. This target is affected by the work of various staff in the Renewal and Grants Service and therefore this reduction is part of a bigger picture. If the target is not achieved, or only partially achieved, up to £475,000 of reward money could be lost.

Private Sector Decent Homes is a Regional Housing Board (RHB) target and our £2.1m annual capital allocation will be under threat if it is not achieved. From

2008/09 100% of the RHB capital allocation will be allocated on previous year's performance.

The knock-on effects of poor health brought about by living in cold, damp or poor conditions will place a further burden on the NHS. Where children are part of these families there are likely to be more school absences affecting educational achievements and eventual ability to earn a living.

8.3	Reduction Item	2007/08	2008/09	2009/10
	<b>R4 Home Maintenance Advisors</b>	<b>47</b>	<b>47</b>	<b>47</b>

This proposal involves deleting the two Home Maintenance Advisor (HMA) posts.

This is a citywide service available to owner-occupiers, living within the city boundary, who do not qualify for any grant aid to improve their property. They thus rely on advice and help from the HMA to improve/repair their property by using their own resources.

The HMA gives help by providing, repair schedules, estimates of cost of works, builders list, advice on energy efficiency measures and referrals to other agencies. The HMA also provides contract supervision on a percentage fee basis.

Each HMA visits around 400 properties per year, produces 300 schedules of works, provides 200 clients with financial advice and 250 clients with general maintenance advice. Contract supervision is provided to 16 householders, generating fee income of £2500.

Approximately 30% of householders issued with a schedule get the works done. At an average cost of £4000 per property this equates to £360k of private leverage per HMA and therefore £720k in total.

This service contributes towards helping older people live independently in their homes (LAA target HCOP3) and prevents private sector decent homes falling back into disrepair.

8.4	Reduction Item	2007/08	2008/09	2009/10
	<b>R5 Future Years Efficiency Reviews</b>	<b>0</b>	<b>29</b>	<b>58</b>

These are general efficiency savings, as yet unidentified, to be found in future years.

## **9 IMPACT ASSESSMENT – RACE RELATIONS AMENDMENT ACT (2000)**

### **9.1 General**

Under the above Act there is a general duty to work towards the elimination of unlawful discrimination and to promote equality of opportunity and good relations between persons of different racial groups. The budget proposals will need to be

assessed against these requirements. The Department has produced a Black and Minority Ethnic (BME) Housing Strategy, which complies with the spirit and requirements of the Act. This strategy identifies the housing needs of BME communities in Leicester and sets out how the department and its partners will address these needs. Narrative on those areas potentially affected by budget recommendations follows below.

## **EQUALITY IMPACT**

### **9.2 Development**

The Equality Impact Assessment findings are that the decision to cut a Development Officer post would delay the provision of affordable housing and specifically large family homes and wheelchair accessible accommodation.

Large family homes are in highest demand from BME groups and there would be a disproportionate effect on this group if procurement of new rented homes slows. There would also be a disproportionate effect on wheelchair users.

This proposal may contradict the duty to promote race equality and the disability equality duty as prescribed by equality legislation depending on other investments being made by the Council in these areas.

### **9.3 Decent Homes Officer (DHO)**

The Equality Impact Assessment findings are: -

Over the last 18 months 62% of households assisted were from BME groups.

The proposal to cut a DHO will result in a slower rate of progress in tackling vulnerable households living in decent homes. These include a high proportion of households from BME backgrounds, disabled people, families with children, people with a long term illness and older people. Cutting the service could therefore have an adverse impact on these groups.

Although home improvement funding will be spent in the City, a reduction in DHOs could decrease opportunities for joint working to maximise the effectiveness of service outputs.

### **9.4 Home Maintenance Advisors**

The Equality Impact Assessment findings are: -

This is a citywide service available to owner occupiers, living within the City boundary, who do not qualify for any grant aid to improve their property. They thus rely on advice and help from HMAs to improve/repair their property by using their own resources.



The Service contributes towards older people living independently in their homes (LAA target HCOP3) and prevents private sector decent homes falling into disrepair.

Although the service is available to any owner occupiers within the City, last year 30% of the householders were 60 and 40% were from an ethnic minority background.

## 10 **EARMARKED RESERVES**

<b>Description</b>	<b>Estimated Balance 1/4/06 £'000</b>	<b>Planned additions and withdrawals 2006/07 £'000</b>	<b>Estimated Closing Balance 31/3/07 £'000</b>
<b>Tenancy Support Building Reserve.</b> Provision of office accommodation for Supporting People service providers. Financed through SP payments.	278	0	278

## 11 **LINKS TO CORPORATE PLAN**

The Corporate Plan and its aims, strategic objectives and key priorities have been taken into account via the Service Planning framework which links the Corporate Plan to the budget setting process.

## 12 **RISKS TO DELIVERY OF THE REVENUE STRATEGY**

A risk assessment has been carried out and it is expected that the projected savings will be achieved.

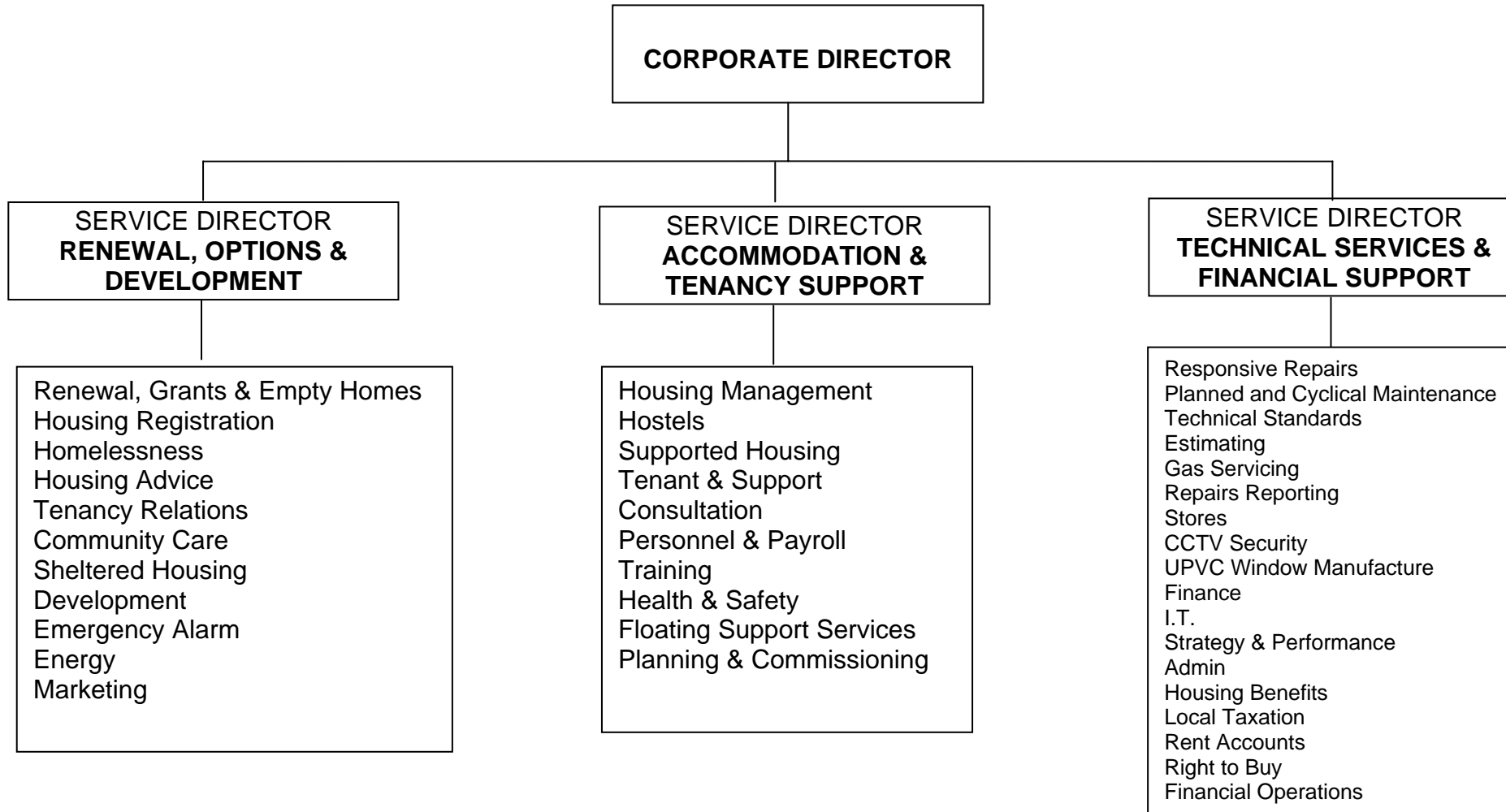
## 13 **CONSULTATION ON BUDGET PROPOSALS**

Unions and staff have been made aware of the budget proposals.

## 14 **IMPACT ON STAFFING**

There are no additional posts resulting from the growth items. There would be a loss of 4 posts resulting from the reduction items at Appendix 6.

## HOUSING DEPARTMENT FUNCTIONAL ORGANISATION CHART





**APPENDIX 2****HRA - OUTTURN 2005/06 and BUDGET 2006/07**

	<b>2005/06 Outturn £000s</b>	<b>2006/07 Budget £000s</b>
<b>Income</b>		
Rent – dwellings	56,473	58,274
Other Income	5,050	5,058
<b>Total Income</b>	<b>61,523</b>	<b>63,332</b>
<b>Expenditure</b>		
Landlord Services	15,731	16,622
Repairs & Maintenance	22,334	22,430
Capital Financing	11,105	12,689
Capital Financing from Revenue	5,500	4,000
Payments to Government: Negative Subsidy	7,977	9,308
<b>Total Expenditure</b>	<b>62,647</b>	<b>65,049</b>
<b>Deficit / (Surplus) for Year</b>	<b>1,124</b>	<b>1,717</b>
Working Balance b/fwd	(4,495)	(4,012)
<b>WORKING BALANCES c/fwd</b>	<b>(3,371)</b>	<b>(2,295)</b>

### APPENDIX 3

#### HOUSING GENERAL FUND - OUTTURN 2005/06 and BUDGET 2006/07

	<b>2005/06 Outturn £000s</b>	<b>2006/07 Budget £000s</b>
Private Sector Housing & Development	871	811
Local Taxation and Housing Benefit Administration	3,457	3,572
Miscellaneous Service Provision	619	920
Hostels & Community Care	64	(273)
Housing Options	1,534	1,547
Tenancy Sustainment	(211)	(225)
Supporting People Funding and Administration	267	263
Policy, Management & Support	22	47
Energy		30
<b>Total Controllable Budgets</b>	<b>6,623</b>	<b>6,692</b>

**Housing****Revenue Budget 2007/08 to 2009/10 - Spending & Resources Forecast**

	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
	£'000	£'000	£'000
<b>2007/08 Cash Target</b>	<b>6,474.5</b>	<b>6,474.5</b>	<b>6,474.5</b>
<b>Add Total Service Enhancements</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
G1 Unidentified savings from previous years	34.0	34.0	34.0
G2 Loss of short term grant money	156.0	156.0	156.0
<b>Add Total Decisions already taken</b>	<b>190.0</b>	<b>190.0</b>	<b>190.0</b>
G3 Increased Homelessness - Bed & Breakfast Costs	200.0	200.0	200.0
<b>Add Total Other</b>	<b>200.0</b>	<b>200.0</b>	<b>200.0</b>
<b>Sub Total - Growth</b>	<b>390.0</b>	<b>390.0</b>	<b>390.0</b>
<b>Less Total Service Reductions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
R1 Conduit St Rental Income	100.0	83.0	0.0
<b>Less Total of Decisions already taken</b>	<b>100.0</b>	<b>83.0</b>	<b>0.0</b>
<b>Less Total Efficiency/Restructuring Savings</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
R2 Development	35.0	35.0	35.0
R3 Decent Homes Officer	18.0	18.0	18.0
R4 Home Maintenance Advisors	47.0	47.0	47.0
R5 Future Years Efficiency Reviews		29.0	58.0
<b>Less Total Other</b>	<b>100.0</b>	<b>129.0</b>	<b>158.0</b>
<b>Sub Total - Reductions</b>	<b>200.0</b>	<b>212.0</b>	<b>158.0</b>
<b>TOTAL. Reductions less growth.</b>	<b>190.0</b>	<b>178.0</b>	<b>232.0</b>
<b>Planning Total (2007/08 Price Base)</b>	<b>6,664.5</b>	<b>6,652.5</b>	<b>6,706.5</b>

**APPENDIX 5**

**HOUSING DEPARTMENT  
BASE BUDGET GROWTH PROPOSAL 2007- 08**

<b>SERVICE AREA</b> MISCELLANEOUS		<b>Proposal No: G1</b>		
<b>Purpose of Service</b>				
<b><u>Details of Proposed Projects(s) Growth:</u></b>				
This item relates to unidentified savings from prior years				
<b><u>Type of Growth (delete as appropriate)</u></b>				
Decisions already taken/Service Improvement/Other				
<b><u>Justification for Proposal (including service implications)</u></b>				
<b>Related Service Plan &amp; Reference:</b>				
<b>Objective (including reference):</b>				
<b><u>Date of earliest implication / date of proposed implication:</u></b>				
<b>Financial Implications of Proposal</b>	<b><u>2006-07</u> <u>£000s</u></b>	<b><u>2007-08</u> <u>£000s</u></b>	<b><u>2008-09</u> <u>£000s</u></b>	<b><u>2009-10</u> <u>£000s</u></b>
<b>One-Off Costs of Change</b>				
Staff				
Non Staff Costs				
Income				
<b>Effects of Changes on Budget</b>	Existing Budget			
Staff				
Non Staff Costs				
Income				
<b>Net Total</b>		34	34	34
<b>Staffing Implications</b>		<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
Current service staffing (FTE)				
Extra post(s) (FTE)		0	0	0

**HOUSING DEPARTMENT**

**APPENDIX 5**



**BASE BUDGET GROWTH PROPOSAL 2007- 08**

<b>SERVICE AREA</b>	<b>Miscellaneous Service Provision</b>	<b>Proposal No: G2</b>		
<b>Purpose of Service</b>				
<b><u>Details of Proposed Projects(s) Growth:</u></b>				
Loss of short term grant money. This item relates to LPSA target related reward money which has been used to support general fund services for two years and which ceases from 2007/08.				
<b><u>Type of Growth (delete as appropriate)</u></b>				
Decisions already taken/Service Improvement/Other				
<b><u>Justification for Proposal (including service implications)</u></b>				
<b>Related Service Plan &amp; Reference:</b>				
<b>Objective (including reference):</b>				
<b><u>Date of earliest implication / date of proposed implication:</u></b>				
<b>Financial Implications of Proposal</b>	<b><u>2006-07</u></b> <b><u>£000s</u></b>	<b><u>2007-08</u></b> <b><u>£000s</u></b>	<b><u>2008-09</u></b> <b><u>£000s</u></b>	<b><u>2009-10</u></b> <b><u>£000s</u></b>
<b>One-Off Costs of Change</b>				
Staff				
Non Staff Costs				
Income				
<b>Effects of Changes on Budget</b>	<b>Existing Budget</b>			
Staff				
Non Staff Costs				
Income				
<b>Net Total</b>		156	156	156
<b>Staffing Implications</b>		<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
Current service staffing (FTE)				
Extra post(s) (FTE)		0	0	0

**APPENDIX 5**

**HOUSING DEPARTMENT**  
**BASE BUDGET GROWTH PROPOSAL 2007- 08**

<b>SERVICE AREA HOUSING OPTIONS</b>		<b>Proposal No: G3</b>		
<b>Purpose of Service</b> To provide statutory housing advice to prevent homelessness and provide statutory services to homeless households				
<b>Details of Proposed Project(s) Growth:</b> Increased homelessness - use of Bed and Breakfast				
<b>Type of Growth (delete as appropriate)</b>  Response to increased demand for a service we are required in statute to provide				
<b>Justification for Proposal (including service implications)</b>  The costs associated with putting people into bed and breakfast accommodation are very volatile. Increased demand for Hostel spaces and a decrease in Council and Housing Association properties for move-on has led to the need to use bed and breakfast more frequently in 2006/07 and an overspend of £200k is predicted in the current year.  The pressures that led to use of bed and breakfast described above are more likely to grow than recede.				
<b>Related Service Plan &amp; Reference:</b>				
<b>Objective (including reference):</b>				
<b>Date of earliest implication / date of proposed implication:</b>				
<b>Financial Implications of Proposal</b>	<b>2006-07 £000s</b>	<b>2007-08 £000s</b>	<b>2008-09 £000s</b>	<b>2009-10 £000s</b>
<b>One-Off Costs of Change</b>				
Staff				
Non Staff Costs				
Income				
<b>Effects of Changes on Budget</b>	Existing Budget			
Staff				
Non Staff Costs	150	200	200	200
Income				
<b>Net Total</b>	150	200	200	200
<b>Staffing Implications</b>		<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
Current service staffing (FTE)				
Extra post(s) (FTE)		0	0	0

**HOUSING DEPARTMENT**  
**BASE BUDGET REDUCTION PROPOSAL 2007- 08**

<b>SERVICE AREA</b> MISCELLANEOUS		Proposal No: R1		
<b>Purpose of Service</b>				
Conduit St Rental Income				
<b><u>Details of Proposed Reduction:</u></b>				
Rental Income: Extension of lease to Eastern PCT for a further 2 years at £50k pa. Further payment from Adult Services to Housing of £50k pa for Douglas Bader House.				
<b><u>Type of Reduction (delete as appropriate)</u></b>				
Decisions already taken, Efficiency/Restructuring, Service Reduction, Other				
<b><u>Service Implications (including delivery of service plan)</u></b>				
<b>Related Service Plan &amp; Reference:</b>				
<b>Objective (including reference):</b>				
<b><u>Date of earliest implication / date of proposed implication:</u></b>				
<b>Financial Implications of Proposal</b>	<u>2006-07</u> <u>£000s</u>	<u>2007-08</u> <u>£000s</u>	<u>2008-09</u> <u>£000s</u>	<u>2009-10</u> <u>£000s</u>
<b>One-Off Costs of Change</b>				
Staff				
Non Staff Costs				
Income				
<b>Effects of Changes on Budget</b>	Existing Budget			
Staff				
Non Staff Costs				
Income				
<b>Net Total</b>		<b>100</b>	<b>83</b>	<b>0</b>
<b>Staffing Implications</b>		<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
Current service staffing (FTE)				
Post(s) deleted (FTE)		0	0	0
Current vacancies (FTE)				
Individuals at risk (FTE)				

**HOUSING DEPARTMENT**

**APPENDIX 6**

**BASE BUDGET REDUCTION PROPOSAL 2007- 08**

<b>SERVICE AREA</b>	<b>DEVELOPMENT TEAM</b>	<b>Proposal No: R2</b>		
<b>Purpose of Service</b> Promotes the delivery of new affordable housing, negotiations with private sector partners and developers, LCC stock redevelopment options.				
<b>Details of Proposed Reduction:</b> LAA target is to ensure at least 190 additional affordable homes a year are brought into use. This would no longer be achieved. Some re-development projects would cease. There would be a delay or loss in realising capital receipts from land sales and delay or loss in Housing Corporation and Housing Association funding contributions to affordable homes. Could be an impact on LAA, LPSA and CPA temporary accommodation PIs.				
<b>Type of Reduction (delete as appropriate)</b>				
Service Reduction				
<b>Service Implications (including delivery of service plan)</b>				
<b>Related Service Plan &amp; Reference:</b>				
<b>Objective (including reference):</b>				
<b>Date of earliest implication / date of proposed implication:</b>				
<b>Financial Implications of Proposal</b>	<u>2006-07</u> <u>£000s</u>	<u>2007-08</u> <u>£000s</u>	<u>2008-09</u> <u>£000s</u>	<u>2009-10</u> <u>£000s</u>
<b>One-Off Costs of Change</b>				
Staff				
Non Staff Costs				
Income				
<b>Effects of Changes on Budget</b>	Existing Budget			
Staff				
Non Staff Costs				
Income				
<b>Net Total</b>		35	35	35
<b>Staffing Implications</b>		<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
Current service staffing (FTE)		4	4	4
Post(s) deleted (FTE)		1	1	1
Current vacancies (FTE)		1	1	1
Individuals at risk (FTE)		0	0	0

<b>SERVICE AREA</b>		<b>Private Sector Decent Homes</b>		<b>Proposal No: R3</b>	
<b>Purpose of Service</b> To work towards government targets for decent homes for vulnerable people in the private sector.					
<b>Details of Proposed Reduction:</b> Decent homes officers reduced from 2 to 1. Would save £18k revenue and £9k capital. Initial impact on Swainson Rd, Abbey Lane North and Windsor Ave Home Improvement Areas. Also city wide impact. Private sector decent homes is a Regional Housing Board target and there would be a threat to the level of the LCC annual capital allocation of £2.1m. From 08/09 100% of the allocation will be based on the previous year's performance. There are LAA and LPSA2 targets for bringing up to standard the number of non-decent homes occupied by vulnerable people. The targets require a total of 939 homes over a 3 year period (2005-08) to be brought up to the decent homes standard. This target is affected by the work of various staff in the Renewal and Grants Service and therefore this reduction is part of a bigger picture. If the target is not achieved, or only partially achieved, up to £475,000 of reward money could be lost.					
<b>Type of Reduction (delete as appropriate)</b>					
<b>Service Implications (including delivery of service plan)</b>					
<b>Related Service Plan &amp; Reference:</b>					
<b>Objective (including reference):</b>					
<b>Date of earliest implication / date of proposed implication:</b>					
<b>Financial Implications of Proposal</b>		<u>2006-07</u> <u>£000s</u>	<u>2007-08</u> <u>£000s</u>	<u>2008-09</u> <u>£000s</u>	<u>2009-10</u> <u>£000s</u>
<b>One-Off Costs of Change</b>					
Staff					
Non Staff Costs					
Income					
<b>Effects of Changes on Budget</b>		Existing Budget			
Staff					
Non Staff Costs					
Income					
<b>Net Total</b>			18	18	18
<b>Staffing Implications</b>			<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
Current service staffing (FTE)			2		
Post(s) deleted (FTE)			1	1	1
Current vacancies (FTE)			0		
Individuals at risk (FTE)			30	1	

**BASE BUDGET REDUCTION PROPOSAL 2007- 08**

**APPENDIX 6**

<b>SERVICE AREA</b> Home Maintenance Service		<b>Proposal No: R4</b>		
<b>Purpose of Service</b> Provision of private sector home improvement and maintenance advice, assistance and targeted grants.				
<b>Details of Proposed Reduction:</b> The service would close. It is currently used by vulnerable owner occupiers who do not qualify for grant money. HMAs guide these people in using their own resources to secure improvements. Many of these improvements would not be made without HMA intervention. Approximately 30% of householders issued with a schedule get the works done. At an average cost of £4000 per property this equates to £360k of private leverage per HMA and therefore £720k in total. The service assists towards the LAA independent living and private sector decent homes targets.				
<b>Type of Reduction (delete as appropriate)</b> Service Reduction				
<b>Service Implications (including delivery of service plan)</b> This service reduction is contrary to the service plan.				
<b>Related Service Plan &amp; Reference:</b>				
<b>Objective (including reference):</b>				
<b>Date of earliest implication / date of proposed implication:</b>				
<b>Financial Implications of Proposal</b>	<b>2006-07 £000s</b>	<b>2007-08 £000s</b>	<b>2008-09 £000s</b>	<b>2009-10 £000s</b>
<b>One-Off Costs of Change</b>				
Staff				
Non Staff Costs				
Income				
<b>Effects of Changes on Budget</b>	Existing Budget			
Staff				
Non Staff Costs				
Income				
<b>Net Total</b>		47	47	47
<b>Staffing Implications</b>		<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
Current service staffing (FTE)		2		
Post(s) deleted (FTE)		2	2	2
Current vacancies (FTE)		1		
Individuals at risk (FTE)		1		