

WARDS AFFECTED:ALL

Leicester
City Council

HOUSING SCRUTINY COMMITTEE

15th JANUARY 2004

DRAFT REVENUE STRATEGY FOR THE HOUSING DEPARTMENT 2004-07

Report of the Corporate Director of Housing and the Chief Finance Officer

1. Introduction

1.1 The purpose of this report is to seek views of the Scrutiny Committee on the draft revenue strategy for the Housing Department, which have been requested by the Cabinet Link Member.

2. Summary

2.1 As Members will be aware, the Council is committed to a system of medium-term financial planning.

2.2 The draft corporate revenue strategy requires departments to plan their budgets within the context and framework of the corporate strategy. It does this by:

- (a) identifying the Council's corporate priorities for any additional spending;
- (b) establishing budget planning figures for each department for each year until 2006/07;
- (c) requiring each director to prepare a forward looking departmental revenue strategy, identifying all budget pressures, and means of achieving the budget planning figure;
- (d) enabling draft strategies to be discussed with scrutiny committees, partners and trade unions with effect from January prior to the commencement of the budget year.

2.3 The current draft corporate revenue strategy will be finalised by the Council in February, following a period of consultation.

2.4 Departmental draft revenue strategies reflect the considerable financial pressure faced by the Council requiring savings, increases in council tax, or a combination of the two. Budgets are expected to remain under pressure for the duration of the three year strategy, although the most significant adjustment is required in 2004/05.

2.4 Attached as appendix one to this report is the draft revenue strategy for the Housing Department, which has been prepared by the Corporate Director in

consultation with the Cabinet Link Member. Its status is purely a draft for consultation. No formal decisions will be made until the proposals, together with Scrutiny comments, are considered by the Cabinet in February.

2.5 The Cabinet Link Member has asked for the views of your Committee on the attached strategy, and in particular has asked:

- (a) whether your Committee endorses the draft strategy as the best way forward in the context of the strategic framework;
- (b) whether your Committee has any alternative proposals it would wish the Cabinet to consider;

2.6 In giving its views, your Committee is asked to be mindful of the obligation to balance the Department's budget for the next 3 years within the planning figures.

2.7 Members are asked to note that the corporate revenue strategy itself (including the planning figures) will be reported separately to the Finance, Resources and Equal Opportunities Scrutiny Committee for comment.

3. Recommendations

3.1 The Committee is asked to consider the draft revenue strategy at Appendix A and make its comments to the Cabinet.

4. Financial and Legal Implications

4.1 This report is exclusively concerned with financial issues.

4.2 As this report deals with next year's budget, Section 106 of the Local Government Finance Act, 1992 applies to members in arrears of council tax.

5. Other Implications

Other Implications	Yes/No	<u>Paragraph References within Supporting Papers</u>
Equal Opportunities	Yes	Throughout
Policy	Yes	Throughout
Sustainable and Environmental	Yes	Throughout
Crime & Disorder	Yes	Sect 6 (p32)
Human Rights Act	No	

Mike Forrester
Corporate Director

Mark Noble
Chief Finance Officer

DRAFT

HOUSING:

DEPARTMENTAL REVENUE STRATEGY

2004/05 – 2006/07

INDEX

Chapters

- 1 Introduction
- 2 Departmental Structure
- 3 Housing Revenue Account
- 4 Housing General Fund
 - Services
 - Costs
 - Comparisons
 - Performance
- 5 Raising Additional Income
- 6 Spending and Resource Issues

Appendices

- 1 Summary Organisation Chart
- 2 Organisation Charts
- 3 HRA Outturn 2002/03, Budget 2003/04
- 4 HGF Outturn 2002/03, Budget 2003/04
- 5 Spending & Resource Forecast 2004/05 to 2006/07
- 6 Growth Summary
- 7 Reduction Summary
- 8 Growth – Detailed Proposals
- 9 Reduction – Detailed Proposals
- 10 Discretionary Charges
- 11 Comments of Voluntary Sector on Budget Proposals
- 12 Other comments on Budget Proposals

The overall aim of the Housing Department is:

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

HOUSING DEPARTMENT

REVENUE BUDGET STRATEGY 2004/05 – 2006/07

1. INTRODUCTION

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

2. DEPARTMENTAL STRUCTURE

2.1 The Department operates through four Branches. The Management and Technical Branches are mainly charged to the Housing Revenue Account. The Renewal and Options Branch is charged entirely to the General Fund (GF). The Resources Branch is split between the two (HRA and GF).

2.2 Overall, the Department employs 1670 people. The service is predominantly decentralised, and staff operate from 27 locations across the City. A summary functional organisation chart is shown at Appendix 1 and detailed charts are shown at Appendix 2.

2.3 The Department's budget for the HRA is attached as Appendix 3 and the General Fund as Appendix 4 for Members information.

3. HOUSING REVENUE ACCOUNT

3.1 The Council manages and maintains c24,500 dwellings. This is financed through rents and the capital programme. Capital expenditure is on major repairs and improvements including disabled adaptations and environmental works. The majority of the capital expenditure is targeted at meeting the government's 'Decent Homes' standard.

The budget for 2003/04 shows the following breakdown of revenue expenditure:-

	£m
Landlord services	14.1
Revenue Repairs	19.3
Capital financing charges	15.5
Negative subsidy	<u>11.0</u>
Total	59.9

(Capital Repairs are excluded - £12.7m)

3.2 Rent Restructuring and Convergence

The Government has decided there is an incoherent rent structure in the social housing sector. To overcome this it has decided that all social landlords will set their rents according to a single formula. It has also decided there are 'unjustifiable differences' between council house rents and those of housing associations. It has therefore decided that council rents will rise faster than housing association rents and faster than inflation. This will continue until 2012.

The impact of rent restructuring is broadly neutral for Leicester as a landlord. It does however take away almost all its powers of discretion. It is left with the power to decide rents within a 5% tolerance around the formula as long as increases and decreases balance each other.

Rents are to be set on a property specific basis for the first time from April 2004. Tenants on the whole will be worse off because rent rises will be on average around 1% above inflation in Leicester (the national average is higher at 1.5%). There will however be individual winners and losers within this average because of the impact on different property types. The result of applying the formula is perverse for Leicester as it results in greater percentage increases for the 'hard to let' bedsits and one bedroom flats. Members have done what they can by using the 5% tolerance to reduce the extent of the increase. Tenants are protected to the extent that the maximum annual increase is set at inflation + ½ % + £2.

Leicester will not be allowed to keep the above inflation element of the rent increase as it will be taken away by the Government in the form of negative subsidy.

3.3 Stock Option Appraisal

There is now a Government requirement to carry out a 'fit for purpose' options appraisal, which will involve looking at alternative organisational and financial arrangements. The alternatives would include, maintaining the status quo, moving to an Arms Length Management Organisation, Large Scale Voluntary Transfer to a housing association, or use of the Private Finance Initiative. A consultant to carry out this work has been appointed and is expected to report in the late Summer/Autumn this year. Tenants and other stakeholders will be fully consulted.

3.4 HRA Performance & Benchmarking

Housing Maintenance

Leicester's Maintenance Service is one of only two in the Country to have been awarded three stars by the Best Value Inspectorate. It has also been awarded Beacon Status. It measures performance through a number of indicators including those developed with tenants. These are shown in the section's business plan.

There are three Best Value indicators for the service:

	01/02 Actual	02/03 Target	02/03 Actual	03/04 Target
i) % of LA homes which were non-decent at 1/4/02	new	new	40%	35%
ii) % change in proportion of non-decent LA homes between 1/4/02 and 1/4/03	new	new	12%	15%
% of responsive repairs during 2002/03 for which the authority both made and kept an appointment.	90.7%	95%	90.3%	91.0%
Energy Efficiency – the local SAP rating of LA owned dwellings	57.5	59.5	60	62

Appointments: The definition has now been changed to include only those properties where access is required to people's homes.

Energy Efficiency: The Authority is in the top quartile.

Housing Management

Comparison of National & Local Best Value Performance Indicators

The following performance information shows the performance of the service against targets.

- BVPI66a - % Rent Collected (Key & PSA target)

	01/02 Actual	02/03 Target	02/03 Actual	03/04 Target
Proportion of rent collected	89.25%	95%	94.7%	97%

For 2001/2002 Leicester City Council was in the bottom quartile of the National Best Value league table for Metropolitan Councils. Our performance at that time was adversely affected by the Housing Benefit crisis due to IT

problems and changes in legislation. In 2002/2003 our performance improved to 94% putting the Authority in the mid quartile. A range of improvement measures have been put in place. The Department is working to reach the top quartile by next year.

- BVPI74a – Satisfaction of tenants with the overall service (CPA, PSA & KEY target)

	01/02 Actual	02/03 Target	02/03 Actual	03/04 Target
Satisfaction of tenants with the overall service	59%	78%	Results due Nov 2003	78%

The actual figure for 2001/2002 is taken from the Status Survey, last conducted in 2000, which put the Authority in the bottom quartile. An update survey is currently underway and the results are expected in the next couple of months. However, the results of customer satisfaction surveys conducted over the last 12 months as part of the Best Value Service Assessment show that satisfaction is much higher now at over 75%, which could put the Authority in the top quartile. The service has introduced several new initiatives over the last 12 months to increase satisfaction levels.

- No. of days taken to re-let a property (KEY & PSA target)

	01/02 Actual	02/03 Target	02/03 Actual	03/04 Target
Number of days taken to re-let a property	47.5	40	40 estimated	37

The actual performance for 2001/2002 was 47.5 days putting Leicester in the mid quartile. The actual for 2002/2003 is estimated at 40 days, pending further guidance from the Audit Commission on calculation methods.

During the past 3 years the service has taken a systematic approach to dealing with long-term void properties. This includes the selective demolition of unpopular and high maintenance dwellings. Properties have been leased to Refugee and Advance Housing Association and dwellings with structural problems are sold on to RSL's or to the private market. A number of initiatives designed to improve performance are listed in the improvement plan.

% of rent lost through local Authority dwellings becoming vacant (PSA target)

	01/02 Actual	02/03 Target	02/03 Actual	03/04 Target
Percentage of rent lost through LA dwellings becoming vacant.	3.11%	2.8%	2.6%	2.2%

The percentage of rent lost through vacant dwellings will reduce further as the number of empty properties reduces.

3.5 Financial Position of HRA

Government decisions on the HRA are made towards the end of the calendar year. Next year is likely to be particularly volatile, because we have lost capital funding, following the creation of the Regional Housing Board, so we are having to meet more expenditure directly from revenue, including utilizing the prudential borrowing facility. There was also a significant change to the financial position, for the better, following the Government's review of the M&M allowances and the MRA. In addition, a phased provision has had to be included to resurrect the painting programme, which will require an additional £1m of resources. The 2003/04 budget is shown at Appendix 3 for Members information.

HOUSING GENERAL FUND

4. Information on Services:

4.1 **Policy, Management & Support**

These services are carried out on behalf of both the Housing Revenue Account and the General Fund. The costs shown below are the total costs of the services. They are subsequently apportioned to the accounts to which they relate.

4.1.1 Central Establishment Charges

Outturn 2002/03	£1,417k
Budget 2003/04	£1,465k

These are some of the charges to the Housing Department from the Resources, Access and Diversity Department. The largest charge relates to legal services most of which is subsequently charged on to the HRA. Other charges come from the Job Shop, Telephony, Occupational Health and Payroll. Other central charges are made direct to service areas and are not included in the figures above.

4.1.2 Housing Directorate

Outturn 2002/03 £457k
Budget 2003/04 £499k

This budget covers the cost of the Corporate Director of Housing, four Service Directors and secretarial support. The four service directors are responsible for:

Resources (inc Housing Benefits & Council Tax)
Technical Services (inc DSO)
Housing Management & Hostels
Housing Renewal and Options

4.1.3 Policy and Business Section

Outturn 2002/03 £345k
Budget 2003/04 £359k

Policy and Research Team

The main functions of the team are:

((S) = statutory or related to a statutory or legal requirement)

Provision of information for and the formulation of the Housing Strategy (S)
Compilation of Best Value Performance Indicators (S)
Compilation of information for Best Value Performance Plan (S), Corporate Plan, CPA Improvement Plan.
Compilation of statistical returns to Government Departments (S)
Management of information on the Councils Housing Stock condition for the purposes of:
Assessment against Decent Homes Standard (S)
Planning and programming maintenance and refurbishment
Assessment of energy efficiency ratings (SAP) (S)
Compilation of elements of the HRA Business Plan (S)
Formulation, implementation and monitoring of equality policy for services in the Department – instrumental for example in the authorities compliance with the Generic Equalities Standard, Race Equality Scheme etc. (S)
Commissioning/undertaking research projects informing various Housing Policies
Maintenance of Housing Library Resource
Ad hoc investigative projects
Operation of Mapping information system

Business Services

Business services provide business advice and assistance to service managers in relation to:

Preparation of Services for Best Value Review and Inspection (S)
Implementation of Best Value Improvement Plans (S)
Development of Best Value Approaches (S)
Reviews of Organisational Structure, Efficiency of Systems, Methods and Procedures and staffing levels
Trouble shooting and service development/improvement projects
Performance Management (S)
Benchmarking (S)
Business Planning

Other activities include :

Job Evaluation
TAGS investigation and development
Housing Establishment maintenance
Corporate Best Value Review input (S)
One –off advice/assistance items

4.1.4 Information Technology

Outturn 2002/03 £530k
Budget 2003/04 £396k

Housing IT team promotes the provision of quality services through the application of information technology.

Description of Services

- Provide advice and technical support to all users of computer systems in the Housing Department.
- Maintain and administer hardware and software assets
- Develop internet and intranet applications for e-government and specialist database applications
- Network and email administration
- Procure and commission hardware and commercial software packages

Activities

- Technical support for the Integrated Housing Systems project and a number of EDMS projects in the Housing Department
- Lead role in implementation of e-government in Housing Department
- Develop and maintain many database applications, for example the Housing Benefits appointment booking system.
- Administer strategic applications such as allocations, for example provide management information reports and test new software releases.
- Develop web sites and provide IT support for Tenants & Residents Associations

Clients

- Clients are all Housing Department computer users. Limited support for users of housing systems in other departments, eg Internal Audit.
- Some external customers, for example members of Tenants and Residents Associations who receive PC support and web development services.
- Indirectly Housing IT support all customers of the Housing Department

Key Facts and Figures

- 1110 email accounts
- 1200 network connected devices
- 8000 Help Desk calls received per year
- 60% of Critical calls fixed within 2 hours
- 72% of High Priority calls fixed within 4 hours
- 74% of Low Priority calls fixed within 5 days

Comparative Spending information

- ICT staff costs per connected device £103.59
 - ICT costs per support call £10.29
- (source: Best Value Review of ICT December 2002).

Performance Information

- Customer satisfaction level 74%
- (source: SOCITM Benchmarking survey June 2001).

4.1.5 Financial Planning

Outturn 2002/03	£241k
Budget 2003/04	£274k

The Financial Planning Section are responsible for interpreting and implementing financial legislation relating to housing, ensuring adherence to financial regulations, setting and monitoring budgets, introducing financial systems, providing financial advice to management, completing year end accounts, making grant claims, meeting subsidy requirements etc. The main customers of the service are council officers, Councillors, tenants and District Audit.

This section was part of the council's overall Best Value Review of Financial Services. The review concluded the service to be generally effective and low cost. For housing finance outturn for both revenue and capital has been very close to budget for the last five years. A customer satisfaction survey of housing managers carried out last year found the section to be well regarded.

4.1.6 Financial Operations

Outturn 2002/03	£163k
Budget 2003/04	£159k

The Financial Operations Section is responsible for purchasing, paying accounts, calculating bonus for the 500 manual workers, carrying out stock checks (total value of stock £1.2m), checking DSO claims and processing re-chargeable works.

There is one national performance indicator that applies. The section has made a significant improvement in performance over the last two years. Targets are set corporately.

	01/02 Actual	02/03 Target	02/03 Actual	03/04 Target
Percentage of invoices paid within 30 days. Number of invoices processed 35,860 Value of invoices processed £34.8million	84%	95%	92%	92%

The section also monitors performance via a substantial number of internal Pis, which are reported via the business plan. The section is shortly to be subject to best value review.

The service has internal and external customers. The latter include suppliers and tenants.

4.1.7 Rent Accounts, Right to Buy, and Administration

Outturn 2002/03 £219k
Budget 2003/04 £222k

The work of this section is mainly charged to the Housing Revenue Account. They are responsible for calculating the rent and maintaining the accounts for the council's c24,500 dwellings including both basic rent and service charges. The section also administers the Right to Buy process which allows tenants to buy council housing. It also administers the bulk of the Department's post and carries out a variety of administrative functions. As with the Financial Operations this section is shortly to be subject to best value review.

4.1.8 Marketing & Information Unit

Outturn 2002/03 £161k
Budget 2003/04 £164k

The objectives of the team are:

- To promote a positive image of the Housing Department and its services
- To provide comprehensive and accessible information on housing services
- To encourage the take-up of goods and services provided by the Department
- To provide a design and production service for the Department
- To promote effective two-way communication with customers
- To improve service provision and customer care
- To increase public and staff awareness of housing issues nationally and locally

The team also produce City Housing News and organise major conferences, events such as the Jock Moon Lecture, Beacon Visits etc.

There are no national performance indicators. The team has recently been part of a Best Value review. This will lead to benchmarking with other authorities in the region.

4.1.9 Housing Personnel and Payroll

Outturn 2002/03	£368k
Budget 2003/04	£418k

The section provides comprehensive human resource management advice and support. In particular:

- It helps to ensure effective performance management of the workforce in areas of attendance, discipline, capability and fair treatment.
- It provides a comprehensive payroll service.
- It provides recruitment, selection and retention advice and administration.
- It undertakes the development and implementation of departmental and corporate equality and employment initiatives.

In the last 12 months the Section has dealt with:

1,768 Payroll transactions
3,924 overtime claims
1,080 allowance claims
173 recruitment exercises
461 offers of employment
36 disciplinary cases
13 grievances
130 medical cases
2 capability cases
1 TUPE transfer
21 Management investigations
19 maternity cases
10 retirements
4 Employment Tribunal cases
4 flexible working requests
10 recruitment complaints
2 deaths in service

The section received a favourable response from its customers in the Best Value consultation exercise.

4.1.10 Development and Training Service (Inc Health and safety)

Outturn 2002/03	£274k
Budget 2003/04	£286k

The work of the section involves:

- Provision of a Training and Development Service to the Housing department.
- Provision of Corporate Training and development services
- Provision of the Authority's Apprenticeship scheme
- Provision of Health and Safety
- Management of Blackbird Road Training and Conference Centre
- Administrative and management support for Gas and Water Industry Training Organisation and Gas training/assessment

Clients:

Housing staff mainly but also other LCC employees.

Tenant Associations

Members

In the HR BV review this section scored the highest of any HR service in the Council for value for money, efficiency and effectiveness. Health and Safety in Housing scored the second highest.

The section has been instrumental in maintaining the department's performance including its success as a beacon winner twice over, and the highest BV review for its maintenance service.

4.2 Private Sector Housing and Development

4.2.1 Renewal

Outturn 2002/03 £563k

Budget 2003/04 £490k

Since the Council's private housing renewal strategy was adopted in 1976 the Council has followed a broadly area based strategy concentrating resources in areas of poor housing occupied by low income and vulnerable households. At present there are five 'active' renewal areas.

In these areas means tested Home Improvement Grants are provided to qualifying homeowners to tackle unfitnes and to bring houses up to the decent home standard. The Renewal & Grants Service provides these services.

The Public Service Agreement target to make all homes in the social sector decent by 2010 has been extended to include private sector homes. The target for local authorities is to reduce the proportion of vulnerable households who live in non-decent homes.

In 2001 it was estimated that nationally vulnerable households occupied 43% of non-decent private sector homes. The target is to reduce this to 30% by 2010 and to 25% by 2015.

In addition to Home Improvement Grants various environmental improvements are carried out to improve the areas generally.

The citywide Home Maintenance Service provides services across the City through a two-year programme covering each ward in turn. Advice and assistance is provided to homeowners about home improvement and maintenance. In qualifying cases closely targeted modest sized grants are provided to help make the property 'wind & watertight'.

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 Social Care & Health. 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. Despite setting a budget well in excess of the support provided by central government demand continues to increase and outstrips what can be funded.

Comparative Spending Information:

Benchmarking has begun in conjunction with authorities involved in the Urban Renewal Officers Group who are collating information for 2002-03.

Performance Information:

The Renewal & Grants Service business plan sets out a number of performance measures, which are used to monitor the efficiency of the service. These are reported to Housing Scrutiny Committee. The annual report was presented for information at the Scrutiny Committee meeting held on 21st August 2003.

Probably the main performance indicator is the statutory best value performance indicator, BVPI 62. This indicator recognises all the work in our mainstream activity such as renovation grants and group repair schemes in the renewal areas, providing advice and assistance through the citywide Home Maintenance Service as well as the enforcement work undertaken by the Private Sector Housing Group.

	01/02 Actual	02/03 Target	02/03 Actual	03/04 Target
BVPI 62. Proportion of unfit private sector dwellings made fit or demolished as a direct result of action by LA.	2.33%	2.3%	2.4%	2.0%

The Renewal Service is subject to a Beacon Status bid this year.

4.2.2 Development

Outturn 2002/03 £157k
Budget 2003/04 £153k

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

- Implements LCC's 'Empty Homes Strategy' and the acquisition of empty properties

The Team helped to secure £6m of new Social Housing Grant allocations for 2003/04 – 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.

The Empty Homes Strategy is aimed at bringing empty properties back into use as residential dwellings. The method of calculation has recently changed for the BVPI for this work so direct comparison with other authorities is not yet possible. However, for Members information, Leicester was in the top quartile in 2001/02 when the previous form of the indicator was last used.

	01/02 Actual	02/03 Target	02/03 Actual	03/04 Target
BVPI 64. Number of private sector dwellings made fit or demolished as a direct result of action by LA.	n/a	96	113	120

4.2.3 Home Energy Team

Outturn 2002/03 £102k
Budget 2003/04 £123k

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 consists of a Manager along with a core of support staff promoting “Energy Sense” services and providing a framework to bid for funds, form partnerships and carry out externally funded projects. At any one time there are a number of externally funded projects, each employing staff on short term contracts to carry out survey work and to implement a range of energy efficiency measures.

The team is highly successful in generating substantial external funding. In the current year this will be:

SRB 6	£ 26,000 revenue + £90,000 capital
Sure Start (B' Leys)	£ 27,300 revenue + £30,000 capital
Npower	£ 25,000 revenue + Crisis fund (approx £180,000)
NRF	£ 30,690 revenue + £6,000 capital
EEC4	£100,000 capital (approx figure available for measures)
PSA Targets	£ 54,915 (available pump priming monies)

Revenue Income	£ 163,905 (Revenue - potentially available)

Capital = £406,000 approximately

Total external funding £569,905

4.3 **Housing Benefits and Local Tax**

4.3.1 **Housing Benefits**

Outturn 2002/03 £2,804k

Budget 2003/04 £1,857k

The apparent reduction in cost is the result of a change in funding rather than a true reduction in cost. The cost of administering Housing Benefit is now partly funded by a direct grant rather than via the Council's overall revenue support grant.

Description of the Service

Housing and Council Tax Benefit are statutory 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.

Client Group

The Housing Benefit service provides means tested assistance to rent and Council Tax payers across the City. This covers tenants of all tenure types as well as owner-occupiers on low incomes. The demographic of the client group is dominated by nearly 60% of clients being over pension age. The complexity of the rules governing the scheme mean that it involves the use of lengthy detailed application forms and customers often require help with their completion.

The complexity of the scheme also leads to overpayments of Benefit because customers are often slow to notify us of changes in their circumstances. The resulting overpayments are usually recovered by deductions in the weekly benefit paid and this can then lead to arrears of rent and debt problems for those affected. The section has to maintain a difficult balance between paying the customer the correct benefit on time and preventing fraud and error from entering the system.

Leicester is fully compliant with the Government's Verification Framework. This is a more comprehensive checking of claims and does lengthen the time taken to process applications for benefit. The additional staff required to meet this standard are partly funded by additional subsidy from the Department for Work and Pensions (DWP). This was a requirement from the last BFI report.

Customers have been frustrated by the increased waiting times and this has been further exacerbated by the problems experienced with new IT systems during 2002/03 and 2003/04.

Activities:

Administer, Pay and Recover Benefit.

Collect the relevant information together with associated documentary evidence to administer the Benefits system and then ensure that regular and accurate payments are put into effect.

Key Facts and Figures:

	2002/03	2001/02
Average Establishment	134 FTE's	131FTE's
Value of Benefit Payments	£95,220m	£78,294m
Caseload	49,191	47,366

Note1 - The increase in expenditure during 2002/03 was distorted by the clearance of backlog outstanding at the beginning of the financial year.

Cost of Claims Administration

Year	2001/02 Actual	2002/03 Target	2002/03 Actual	2003/04 Target
Cost of administering claims	£65.03	£60.00	£70.89	£70.00
Weighted caseload	59,039		60,207	

Note1 – The weighting of caseload was only introduced with effect from 2000/01. The target for 2003/04 is to stay within the 2002/03-costs range.

Best Value Performance Indicators

Year	2001/02 Actual	2002/03 Target	2002/03 Actual	2003/04 Target
Average time to process Claims in calendar days	126	70	141	70

Note1 – The predicted outturn for 2003/04 is 78 days against a target level of 70 days. For 2004/05 we are aiming to achieve 45 days and by 2006/07 to have reached the upper quartile target of 36 days.

4.3.2 Local Taxation Section

Outturn 2002/03 £1,555k
Budget 2003/04 £1,655k

The Local Taxation Section bills and collects all sums payable to the Council in respect of Council Tax, National Non Domestic Rates (Business Rates) and residual Poll Tax. For 2003/04 the gross charges to be collected for Council Tax are £61m and for Business Rates £83m. The service covers 118,000 domestic properties and 12,000 commercial properties.

Clients

The Local Taxation Service touches the occupiers of all property and the owners of empty property in the City. The Council Tax payers and Business Rate payers often have agents acting on their behalf. This agent could be an accountant or a welfare advice worker.

Because Business Rates are collected on behalf of the Government, returns are submitted four times a year to the Office of the Deputy Prime Minister (ODPM) detailing amounts collected. Each year estimates have to be submitted to the ODPM showing how much NNDR is likely to be collected each year.

Each year a Tax Base Report has to be prepared detailing the number of band D properties there are in the City. This return is used to calculate the Revenue Support Grant payable to the City Council.

All property in the City is either valued or banded by the Valuation Office Agency (VOA), an executive agency of the Inland Revenue. The City Council has a statutory duty to report alteration to property, new property and demolished property to the VOA so that the City Council's tax base is as accurate as possible.

The Housing Benefit Section calculates the Council Tax Benefit payable to those members of the community whose means do not permit full or partial payment of the Council Tax. Council Tax Benefit covers over 20% of the collectable debt.

Unfortunately, not all of our customers pay their Council Tax. As a consequence of this recovery action has to be taken and we appear before the Leicester Magistrates' Court each week to pursue recovery action

Because of the local nature of the Council Tax, customers do contact Councillors for advice. We therefore have a close working relationship with Councillors.

Activities

Bill, Recover and Collect Local Taxes.

Amend a payer's liability if they leave a property. Amend a payer's liability when they occupy a property. Award or rescind exemptions and discounts as may be applicable to each case.

Key Facts and Figures

	2002/03	2001/02
Average Establishment	65.9 FTE's	63.7 FTE's
Debit/ Credit Card Payments taken at Welford House (By phone or in Person)		
Number	13,951	5,494
Value	£1.5m	£0.6m
Visitors to the Counter	21,204	19,768
% seen in 15 minutes	91%	88%
Telephone Calls Received	151,296	149,687
% Answered in 3 minutes	72.2%	55%
Number of Documents Issued	350,302	313,501
Of which		
Reminders	70,893	59,724
Final Notices	53,863	42,335
Summonses Issued	20,615	15,608
Committal Action Taken	1,271 payers	1,077 payers
Complaints	191	192
Justified	91	104

Cost of Collection Per Dwelling

Year	2001/02 Actual	2002/03 Actual
Controllable	£17.70	£18.43
Internal Recharges	£2.05	£5.04
Income	-£2.19	-£5.08
Cost per dwelling	£17.56	£18.39

Best Value Performance Indicators

These indicators show the percentage of debt due in a year collected in a year. For Council Tax purposes, the due debt is the amount payable after deducting Council Tax Benefit.

The following collection figures have been extracted from the QRC4 form submitted to the Office of the Deputy Prime Minister (ODPM) each year.

Leicester is currently in the bottom quartile.

Best Value Performance Indicators

Year	2001/02 Actual	2002/03 Target	2002/03 Actual	2003/04 Target
Council Tax	89.0%	91.0%	92.0%	93.5%
Business Rates	96.6%	98.4%	97.6%	98.4%

4.4 **Miscellaneous Service Provision**

Outturn 2002/03 £309k
Budget 2003/04 £406k

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. The cost of operating and maintaining CCTV cameras and the income from a temporary car park on waste land are also included.

There are no direct performance indicators or cost comparators for Miscellaneous Service Provision. The Housing Department was successful in its bid for a government grant of approximately £2.4 million to set up CCTV cameras on estates and these contribute to the quality of life of the residents through helping to prevent crime and disorder.

4.5 **Housing Options Service**

Outturn 2002/03 £1,674k
Budget 2003/04 £1,559k

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.

The Homelessness Act 2002 extended the priority group categories to include 16 and 17 year olds, care leavers aged 18 – 21, and people assessed as vulnerable by the local authority because of their institutionalised background, such as former prisoners.

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'.

Comparative Spending Information

The cost of providing the Housing Options Service is higher than the average of other local authorities. However, the following information should be taken into consideration, which can demonstrate that Leicester's Homeless Services represents value for money.

Through the Major Cities Benchmarking Group, the service examined and compared the costs of carrying out a homelessness assessment. Leicester's costs were found to be average for the group.

Other authorities, such as Derby, dealt with far fewer complex cases due to eligibility and allocations policy differences and the greater cultural diversity in Leicester. There were relatively fewer adverse decisions at Derby which means most cases are accepted without the in depth investigations that are undertaken in Leicester.

A further benchmarking exercise on housing advice services also revealed that overall Leicester's advice interviews were cost effective compared with the other authorities that took part in the survey.

It is also important to note that statutory homelessness rose in 2001 to 904 acceptances (714 in 2000). In February 2001, Members approved a budget increase so that two additional housing options officers could be appointed in that year to deal with the rising trend.

The number of potentially homeless clients has continued to rise year on year. In 2001/02, a total number of 4715 clients were seen (27% increase from 2001). In 2002/03, a total number of 5993 clients were seen (again an increase of 27% from the previous year). Preventative work is a key feature of the service's approach to homelessness and the number of homelessness acceptances remains low despite external pressures.

The service has also attracted additional resources from the Homelessness Directorate at ODPM to pilot a Prisoner Links scheme, which has enabled housing options officers to hold weekly surgeries at the local prison.

Additional resources from NRF has enabled a Private Rented Sectors (PRS) liaison officer post to be created to develop innovative schemes specifically targeting the PRS and improving access to this form of housing tenure. This work will contribute, in part to the PSA 'floor target' which relates to 'increase the proportion of private housing in decent condition occupied by vulnerable people'.

Performance Information

There are 3 performance indicators that specifically relate to homeless services.

	01/02 Actual	02/03 Target	02/03 Actual	03/04 Target
BV 183 Average length of stay of households which include dependent children or a pregnant woman and which are unintentionally homeless and in priority need (days)				
a) Bed & Breakfast	N/a	N/a	7 est.	7
b) Hostels	N/a	N/a	56 est.	56

This performance indicator has recently been introduced. The Government expects Local authorities to ensure by March 2004 that families only use bed and breakfast in an emergency and then for less than 6 weeks. Leicester aims to be well within this target.

LCHS 9 - the proportion of homelessness applications on which the authority makes a decision and issues written notification within 33 days.

In 2002/03, Leicester achieved 96% against a target of 98%. This places Leicester in the middle quartile.

Enlargement of EU.

With the enlargement of the European Union in April 2004, 10 countries are expected to join. The new countries are: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia. Bulgaria and Romania are expected to join in 2007. Turkey is in negotiation.

As the existing legislation stands, the implications for Leicester will be significant in that the nationals from these countries will be able to enjoy the same rights as existing EU nationals, hence workers, those with the right to reside and those who are habitually resident will be able to register for social housing from day one.

As recent experience has shown, Leicester has been very attractive to a wide range of ethnic minorities for a number of good reasons. Hence the enlargement of the EU, could see an increase in the number of EU migrants seeking advice, assistance and housing in the City. For example, if an EU migrant family claims homelessness and are eligible for assistance, temporary accommodation has to be provided whilst an investigation is made. If the claim is on grounds of harassment or domestic violence, checks have to be made back to the relevant country. This is expensive and time consuming.

The Housing Options budget will be directly affected and must be appropriately resourced for the anticipated increase of customers to the service,

Summary

Increasing choice for homeless applicants is expected to be a fundamental part of the any Council's Homelessness Strategy. The HOS is committed to providing an effective homelessness prevention strategy and implementing successful proactive prevention measures as part of the continued development and improvements to service delivery. In addition, the Council needs to be aware of and prepared for any implications arising from the enlargement of the EU. No additional resources have been sought for this evolving responsibility as it is assumed that any further costs should be retained within current budgets.

4.6 Asylum Seekers and Refugees Unit

In June 2000, the City Council set up the Asylum Seekers and Refugees Unit to manage the Council's implementation of its duties under the Immigration and Asylum Seekers Act 1999.

The aim of the unit is to develop services and policies to enable the acceptance and resettlement of asylum seekers and refugees in the City. The unit also provides a starting point for supporting the needs of refugees and building community capacity initiatives with existing communities and refugee communities, to enable them to become more integrated into the City.

The unit has been one of the forerunners of setting up the asylum seekers and refugees multi-agency forum, which brings together all agencies working with and supporting asylum seekers and refugees in the City, and meets once a month. The unit provides a connection point between the regional, national bodies and the local agencies, and provides resettlement advice to individuals.

The unit has been engaged in community development/capacity building work to enable maximum benefit to refugees and local residents (incorporating economic, social, environmental and community safety initiatives).

Finance

The unit has a budget of £81,600.

The unit also generates additional income from Home Office grant, Neighbourhood Renewal Fund and delivering training to outside agencies. This amounted to £65,000 in 2002/03.

4.7 **Hostels & Community Care**

Hostels

Outturn 2002/03 (£774k)

Budget 2003/04 (£235k)

The Council is required to provide temporary accommodation, pending an investigation into the applicant's circumstances. The housing department operate four main hostels. Three of these are for single homeless people and one for homeless families. The section also manages the Leicester Night Shelter, which caters for homeless adults and is a key service within the Rough Sleepers Strategy. The section's clients are amongst the most needy in society.

The service is essential to

- Reducing the number of rough sleepers
- Reducing street drinking and illegal drug use
- Reducing threats and nuisance to the general public
- Minimising the costs of Bed and Breakfast to the council

The service has undergone a Best Value Review where it was assessed as 'Good (2 star) with excellent prospects for improvement'. It has also been awarded Beacon Status. It has a Business Plan with a number of performance indicators designed to monitor progress towards increased efficiency and effectiveness.

The hostels section is self-financing through housing benefits payments, supporting people funding and funding from partner organisations. The hostels have had a very high occupancy level and have had problems recruiting staff. This led to the underspend in 2002/03.

4.7.2 Community Care

Outturn 2002/03 £266k

Budget 2003/04 £289k

The overall aim of the section is to identify, plan and generate appropriate housing solutions, which enable vulnerable people to access and sustain accommodation. The team undertakes needs assessments addressing housing, social and cultural needs. Referrals come from a variety of sources; particularly Social Services, Health Workers and Hospitals. The administration and performance monitoring of voluntary sector grants (see below) is also undertaken. The team's services were included in the best value review and they share the assessment of 'Good (2 star) with excellent prospects for improvement'. The service has also been awarded Beacon Status.

4.8 Voluntary Sector

All Voluntary Sector Projects Outturn 2002/03 £459k
All Voluntary Sector Projects Budget 2003/04 £296k

All projects are reliant on Grant Aid, some are jointly funded with Health/DaAT or Social Services Department. All projects have been classified as category A.

The Planning & Commissioning Section collect data from each funded project on a quarterly basis about equal opportunities, services provided and financial performance. The equal opportunities monitoring and the service provision monitoring is then incorporated into a report, which is taken to Cabinet annually. The financial information is reported annually in a separate report to Housing Directorate.

From 2003/04 all projects except one will also have to produce performance indicator results, which will be gathered quarterly, and this will also be included in the annual report to Cabinet.

The project officer attends at least three management committee meetings and an AGM for each project per year. All projects have to sign a Grant Aid Contract, which includes a specification that outlines the services to be provided. All projects follow a quality assurance system, the majority follow PQASSO the compliance of which is a requirement of the Grant Aid Contract.

The individual projects are as follows:

Leicester Mediation Service

Actual 2002/03 £41K
Budget 2003/04 £42K

Provides a conflict management and mediation service available to all residents of Leicester.

Implication of service cuts:

Increase in unresolved anti-social/neighbour nuisance cases.
Increase in caseload to ASB team/Neighbour Nuisance Team.

Care and Repair

Actual 2002/03 £32K
Budget 2003/04 £33K

Provides a home improvement agency service for elderly and disabled people.

Implication of service cuts:

Increased costs of consequential residential care and housing community care cases.

Reduced chances of attracting further funding to City from NHS.

YASC

Actual 2002/03 £33K

Budget 2003/04 £33K

Provides a drop in centre with health care facilities offering advice and support for homeless people.

Implication of service cuts:

Unable to meet commitments of the Homelessness Strategy, non performance against targets loss/reduced ODPM revenue and capital funding for complementary services.

Increased street presence by rough sleepers, increased vagrancy.

Increased rent arrears.

SHARP

Actual 2002/03 £47K

Budget 2003/04 £48.5K

Provides independent advice and information to those in housing need in Leicester.

Implication of service cuts:

Independent advice and advocacy will continue to be funded in the City.

Outreach (CAT)

Actual 2002/03 £67K

Budget 2003/04 £69K

Provides outreach support and advice to those sleeping rough in order to support them in the transition from sleeping rough into temporary emergency accommodation.

Implication of service cuts:

Identified as part of the Single Homeless Strategy. No pro-active anti-street dwelling initiative.

Increase in the number of rough sleepers.

Non attainment of ODPM funding linked targets.

One Off Block Sum

Actual 2002/03 £0K

Budget 2003/04 £3K

One off grants for new projects, which meet housing needs and criteria.

Implication of service cuts:

Fail to meet statutory duty of section 180, Housing Act 1996.

Residents Associations (incorporating Melborne Residents Association)

Actual 2002/03 £1K

Budget 2003/04 £2K

One off small grants for the setting up of resident and tenants associations in renewal areas.

Implication of service cuts:

Unable to meet obligations to consult with residents in the Melborne Road area.

Fewer residents groups able to start up in the new areas.

Anchor Centre

Actual 2002/03 £10K

Budget 2003/04 £10K

Grant paid to cover the cost of the property.

Implication of service cuts:

Centre closure, increased street drinking and using substances.

Wet Day Centre/substance use

Actual 2002/03 £60K

Budget 2003/04 £62K

Provides day centre facilities for homeless people, working towards engaging those people who have drug and alcohol problems or who are excluded from any other service. Provides assessment and support to homeless people and those who are at risk of becoming homeless.

Implication of service cuts:

Increased daytime street drinking, rough sleeping, breakdown of tenancy, vagrancy.

4.9 **Tenancy Support**

Outturn 2002/03 £0k

Outturn 2003/04 (£39k)

The service commenced in 2002 and expenditure gradually built up over the first year and in accordance with government direction funding was mainly met through Transitional Housing Benefit. The service is now funded entirely through the Supporting People Grant.

Description of Services

STAR (Supporting Tenants and Residents) is a community based, client centred housing related support service. The team provides support, advice and practical help to single people, families and older people, who are vulnerable and in danger of losing their accommodation, without support. The team is split into 6 areas, Beaumont Leys (BLISS), Saffron, Humberstone, New Parks, Braunstone, and Centre. The STAR team is funded by Supporting People to provide housing related support to vulnerable people.

Activities

Support Tasks include:

Help finding other accommodation

Access to local community organisations

Support for older people at risk of being placed in residential care/hospitalisation

Developing social skills/behaviour management

Help in managing finances & benefit claims

Help in establishing personal safety and security

Advice advocacy and liaison

Encouraging community cohesion

Staffing

The team is made up of:

1 Tenancy Support Manager

6 Team Leaders

30 Tenancy Support Workers*

1 Administration & Finance Officer

6 Senior Caseworkers*

6 Administration Assistants

* Recruitment for vacant posts is on going for Tenancy Support Workers and shortly for the Senior Caseworkers

Accommodation

All STAR workers are currently based at the Market Centre Offices except the Beaumont Leys team BLISS who are based in a shop front premises at 10 Marwood Road, Stocking Farm. All teams deliver local surgeries and much of the client contact is through home visits.

The expectation is that all teams will eventually work from their area offices. Three sites have been identified and planned to develop into a valuable community resource.

Number of Clients

The service is funded to work with 500 clients. Demand for the service currently outweighs supply. This means we have a waiting list of 50 people across the city. The average time spent on the waiting list is 3 weeks.

The team receives referrals from over 40 agencies. The top referral agencies include: self-referrals. 34% and Leicester City Council Neighbourhood Housing Office 27%, Social Services, Hostels, Health Visitors, Housing Options and Community Care Team.

In the period 20.09.02 to 04.07.03 the team received 1656 referrals.

Reasons for Referrals

Reasons for referrals include: financial issues, housing, tenancy failure, vulnerable elderly, domestic violence, learning difficulties, and harassment.

4.10 Supporting People Funding and Administration

Introduction

In April 2003 the council became responsible for managing the new Supporting People Programme (including the SP grant) on behalf of a partnership body made up of the two Primary Care Trusts, the Probation Service and the Local Authority. The SP grant is ring fenced and has to be used to fund Housing Related Support Services. Leicester City Council (the administering authority) will receive and administer the grant under section 93 of the Local Government Act 2000 for the provision of welfare services (Housing Related Support Services) determined by the Secretary of State. The administering authority will be accountable to the Commissioning Body and ODPM for the grant.

What is the Supporting People Grant?

The grant is paid out to a range of providers to deliver Housing Related Support Services. Each provider holds a contract or Service Level Agreement with the Council, which sets out the services they will deliver.

What are Housing Related Support Services?

Housing Related Support Services are services which help vulnerable people maintain a home in the community e.g. helping someone fill in benefit forms, arrange aids and adaptations to their home, get on with the neighbours.

Providers of these services include Housing Associations, Charitable and voluntary sector, private landlords and the council (Housing and Social Care and Health)

Who do these services go to?

These services go to the full range of vulnerable people including, older people, people with mental health problems, people with learning disabilities,

homeless people, ex-offenders, people fleeing domestic violence, vulnerable young people.

Facts and Figures

In Leicester the final grant is estimated to be £17.3m. There are around 60 separate providers and 200 different schemes. Around 7,500 people are supported in Leicester. Over two thirds of these are older people.

Administration of the Programme

The Supporting People Team administer the programme on behalf of the partnership and the Council. They are responsible for paying providers on a monthly basis, administering the charging system, managing the contracts with providers, monitoring the schemes and reviewing each scheme every 3 years. They also responsible for writing the SP strategy, planning and developing existing and new services, consulting with service users and gathering needs information. There is 10 staff on the team. Administration costs for the Team are £370,000 (£250,000 comes from ODPM as a special grant to fund the Team).

5. RAISING ADDITIONAL INCOME VIA DISCRETIONARY CHARGING

A list of discretionary charges is shown at Appendix 10.

The department reviews its charges each year at this time.

For the HRA, rents have to be set according to the formula set by the government. The majority of service charges are eligible for Housing Benefit and are constrained by national limits and caps. For those not eligible for Housing Benefits the government has said that the charge must not be in excess of the cost of provision.

In the Housing General Fund the main charges are:

- hostel charges which are constrained by Housing Benefits and Supporting People grant
- fees for managing renovation grants which are already set to cover the associated costs
- the emergency alarm service where charges are already set to cover costs, excluding capital

There is currently very little scope to increase charges given government constraints as well as the limited ability of many of our clients to pay.

6. SPENDING AND RESOURCE ISSUES

GROWTH ITEMS

Community Development Officers

The Community Development Team was set up in October 2001. There are currently six officers, one working in each of the six Community Association areas in the city. The Community Development Manager is centrally based and has the strategic lead.

The officers have had a major impact on developing and supporting tenants and residents associations in the city. The aim of the team is to work in partnership with its tenants to improve the quality of housing services. Much of this work relates to BV74 and 75 and to the aims of the Communities Plan under sustainable communities.

The team has also been part of supporting participation from the Leicester Federation of Tenants Associations.

The work of the team has developed rapidly and is now at a point where there is not sufficient staff time, in some areas of the city, to work with new groups or new initiatives.

This is particularly true in the Centre of the city. Currently there is one Community Development Officer, (CDO), who also works half time for the LFTA. This means that there is only 18½ hrs to work with the five current TARAs. There are large areas of the Centre CA where we need to look at developing TARAs and many of these areas have high proportions of traditionally hard to reach groups, such as members of the BME communities in the city.

The Humberstone CA is another area where additional resources are needed. It covers a very large area and there are a large number of TARAs. Some of these are new and therefore require a higher level of support.

In order to develop and resource a strategy to ensure hard to reach groups are included in participation, and to ensure that the city has adequate coverage for TARA development and support, the team needs an additional two officers. This would mean that there would be one fulltime officer in the Centre CA, the Humberstone CA would be divided in two and the CDO working from the LFTA half time, would lead on citywide hard to reach groups for the other half of their post.

These posts would be funded 30% HGF and 70% HRA

Neighbour Nuisance Team

The Neighbour Nuisance Team works on serious cases of Anti-Social Behaviour. Their role encompasses intervention and enforcement work.

They currently operate cross-tenure in the SRB5 and SRB6 areas, as well as working citywide within Leicester City Council estates.

The NNT has been very successful in their work and are supported by tenants, elected members, and others, who would like to see their work continue. The current funding for the project expires at the end of March 2004. A bid has been put in for NRF 2004-2006 funding for a 'Leicester Anti-Social Behaviour Unit' (LASBU). The proposed structure and role of LASBU pulls in the NNT, which will form the 'response' wing of the unit, carrying out the intervention and enforcement work on a citywide cross-tenure scale (the LASBU also includes project officers for development work).

The total funding required is £200k. The proposal is subject to the NRF bid being successful in which case the cost to Housing would be:

2004/05	2005/06	2006/07	Ongoing
£29k	£29k	£200k	£200k

YMCA

This growth item is the transfer of funding for medical services from Social Care and Health in order to consolidate the activities of projects within the Multi-Disciplinary Centre.

REDUCTION ITEMS

Housing Benefit and Council Tax Administration Savings.

Housing Benefits and Council Tax are going through substantial changes caused by the introduction of new technology, re-organisation and changing legislation. Performance in both areas has suffered as a consequence and the benefits from new technology and systems have yet to be realised. At the same time the costs of both services have grown and are above average. Introducing new technology is causing costs to rise in the short term and existing work patterns and services are disrupted. The Department is therefore committed to making savings in the medium and long term whilst at the same time minimising disruption to its clients. The savings will mainly come from reductions in temporary and agency staff, reduced costs associated with the new Integrated HB/CT Computer System and a move to new joint accommodation.

Support Service Costs

The Department expects to make savings in support costs as a result of the introduction of new IT systems.

Hostels Income

The Council's hostels continue to operate at an exceptionally high capacity. This will result in increased income. A further issue is in connection with the Government's review of Supporting People and depending on the outcome of this, may result in further long-term savings being available to the Council.

SHARP

SHARP is funded from several different funding sources. The Housing Department grant is understood to represent 20% of their budget. The Housing department funds the service at a cost of £49k per annum to provide housing advice and low level advocacy to those in housing need. SHARP receives funding from the Community Legal Services Commission to employ a full time solicitor to give a specialist independent advice and advocacy service to clients.

The implications of reduced funding will have little impact on the housing advice services that already exist in the City. SHARP, Leicester Law Centre and a private solicitor are funded via the Community Legal services Commission to do this work. In addition, the Housing Departments' own Housing Options Service is seen as the main provider of good quality housing advice assistance and low-level advocacy.

SHARP's comments on the budget proposals are shown at Appendix 11.

Efficiency Savings

Further efficiency savings need to be identified in the next two years to make the necessary on-going reductions to meet the 2006/07 cash limit.

Impact Assessment – Race Relations Amendment Act (2000)

Under the above act there is a general duty placed upon the Council to promote race equality and budget proposals need to be assessed in this context. The council's overall strategy to achieve race equality and progress to date are described in the covering report to the budget strategy. The Housing Department is a main participant in this overall strategy and has developed its own strategies within this context. In particular 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.

The Department have carried out an assessment of the impact of the proposed budget changes. The Department's budget reductions include Housing Benefit and Council Tax efficiency savings, support service reductions increases in hostels income and general efficiency savings. None of these saving will have an adverse impact on equality of opportunity or on the relations between difference racial groups. As described earlier, reduced funding to SHARP is not expected to have any significant impact given the existence of alternative service providers. As far as the growth proposals are concerned, both the Neighbourhood Nuisance Team and the Community Development Team are expected to have a beneficial impact on race relations.

Comments on Budget Proposals

SHARP's comments on the budget proposals are shown at Appendix 11. The comments of the public, trade unions and staff are shown at Appendix 12.

Earmarked Reserves

Housing Maintenance Trading Services Reserve

This reserve has been generated from work undertaken for the HRA, and is held primarily to fund capital works required by the Trading Services Division. In 2004/05 it will purchase a replacement radio alarm system as outlined in the Housing Capital Programme.

The projected 2004/05 balances on the reserve are:

	£
Balance at 1/4/04	(352,858)
Depreciation	(10,225)
Radio Alarm replacement	<u>320,000</u>
Balance at 31/3/05	<u>(43,083)</u>

Tenancy Support Building Reserve

The Tenancy Support Service is organised on an area basis and the charges (initially through Transitional Housing Benefit Subsidy and subsequently Supporting People Grant) included the cost of adapting and running suitable premises. Work on these area offices is being carried out in 2003/04 and 2004/05 and the Building Reserve is used to set aside the necessary funding. The reserve stood at £177,000 at the start of the 2003/04 financial year and is expected to reach £300,000 by the end of that financial year.

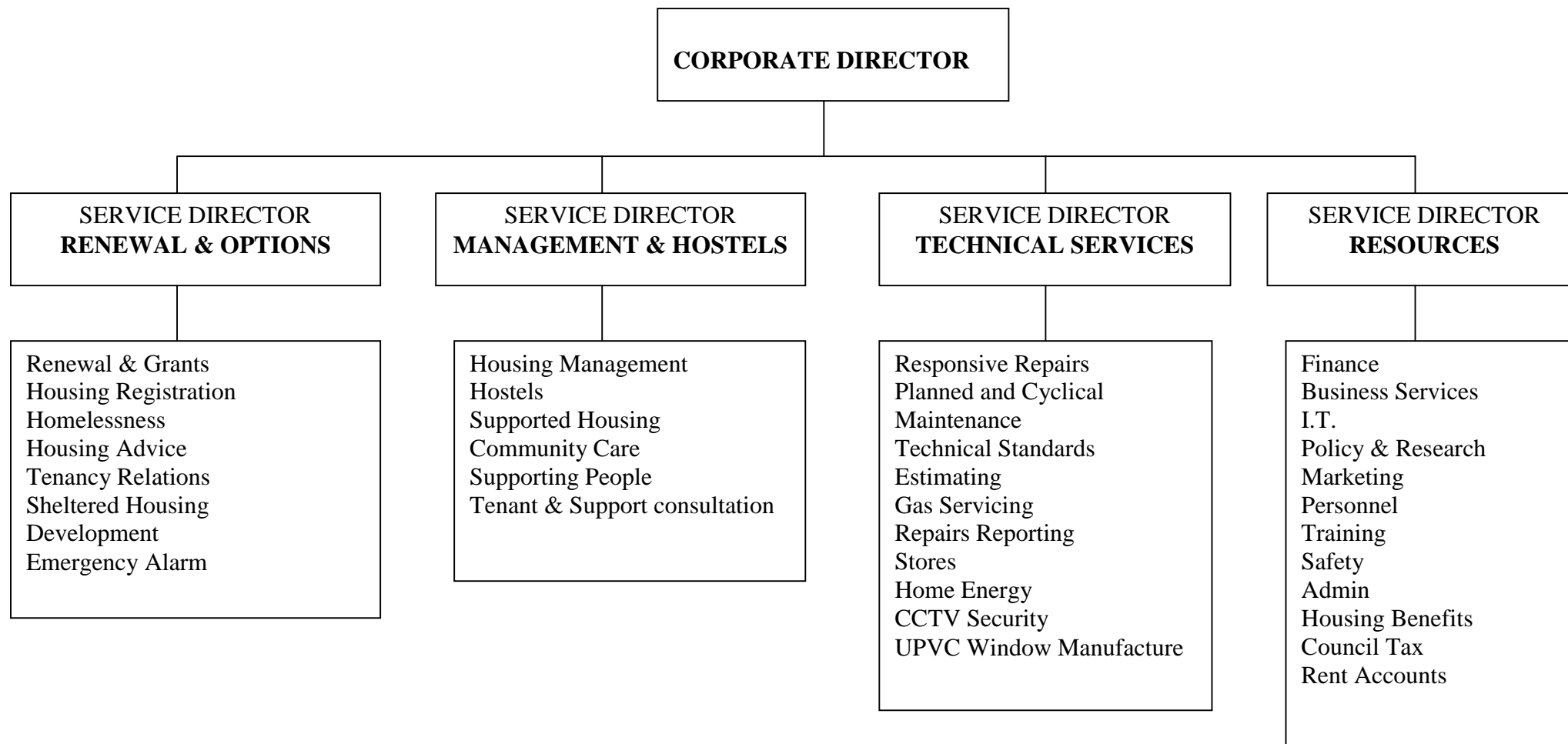
Estimated Balance	1.4.04	£300,000
	31.3.05	Nil

Multi Disciplinary Centre

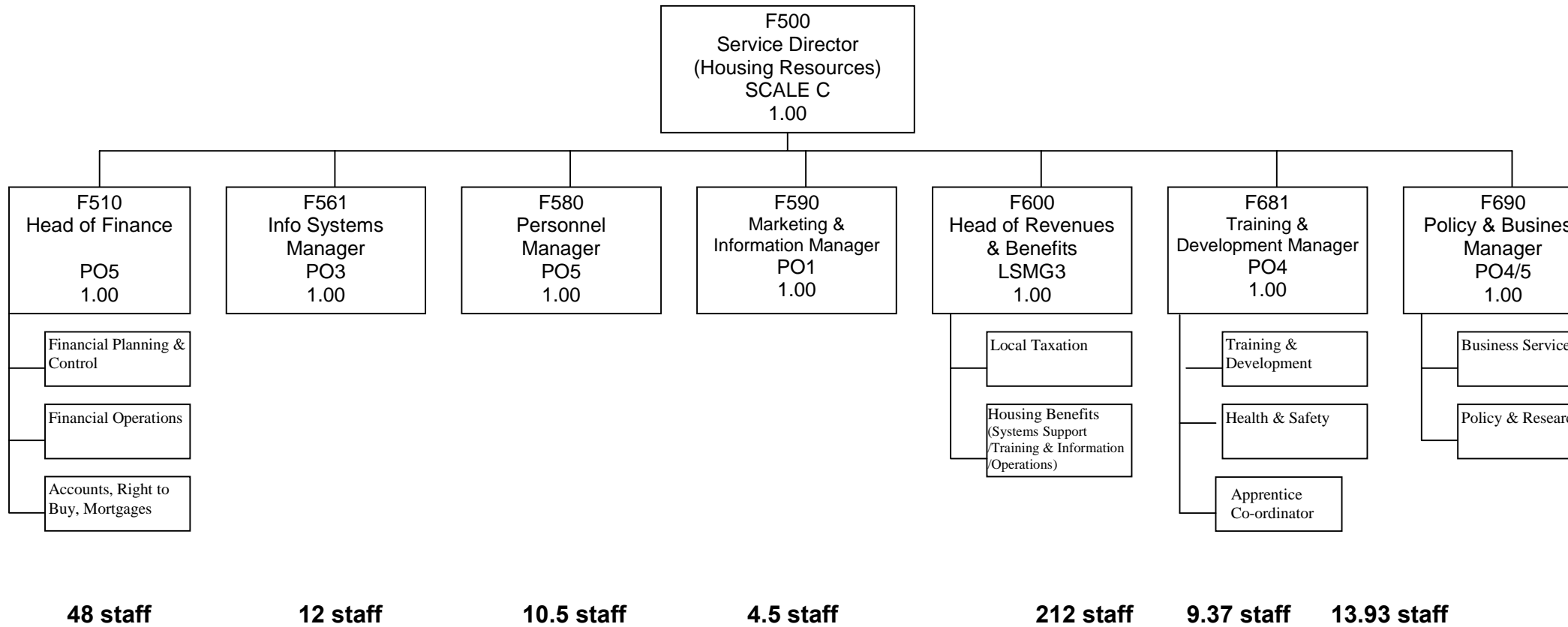
Leicester Nightshelter operated as a trading account and any revenue surpluses were carried forward in a reserve to meet the cost of future improvements. It has now been decided to replace the Nightshelter with the Multi-Disciplinary Centre and the reserve will now be used to meet part of the capital cost of the new building.

Estimated Balance	1.4.04	£511,000
	31.3.05	Nil

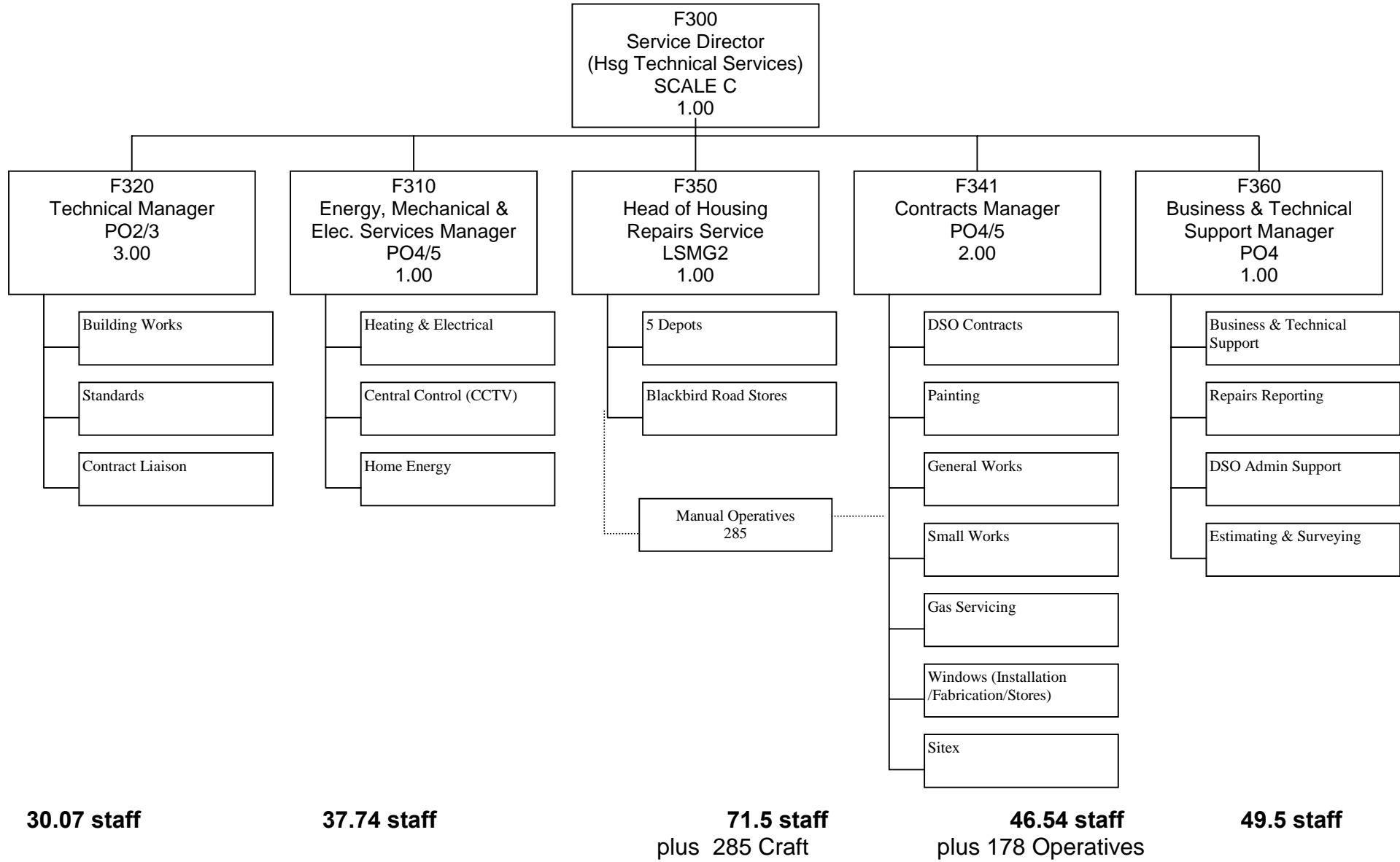
HOUSING DEPARTMENT FUNCTIONAL ORGANISATION CHART



ORGANISATION CHART - RESOURCES BRANCH

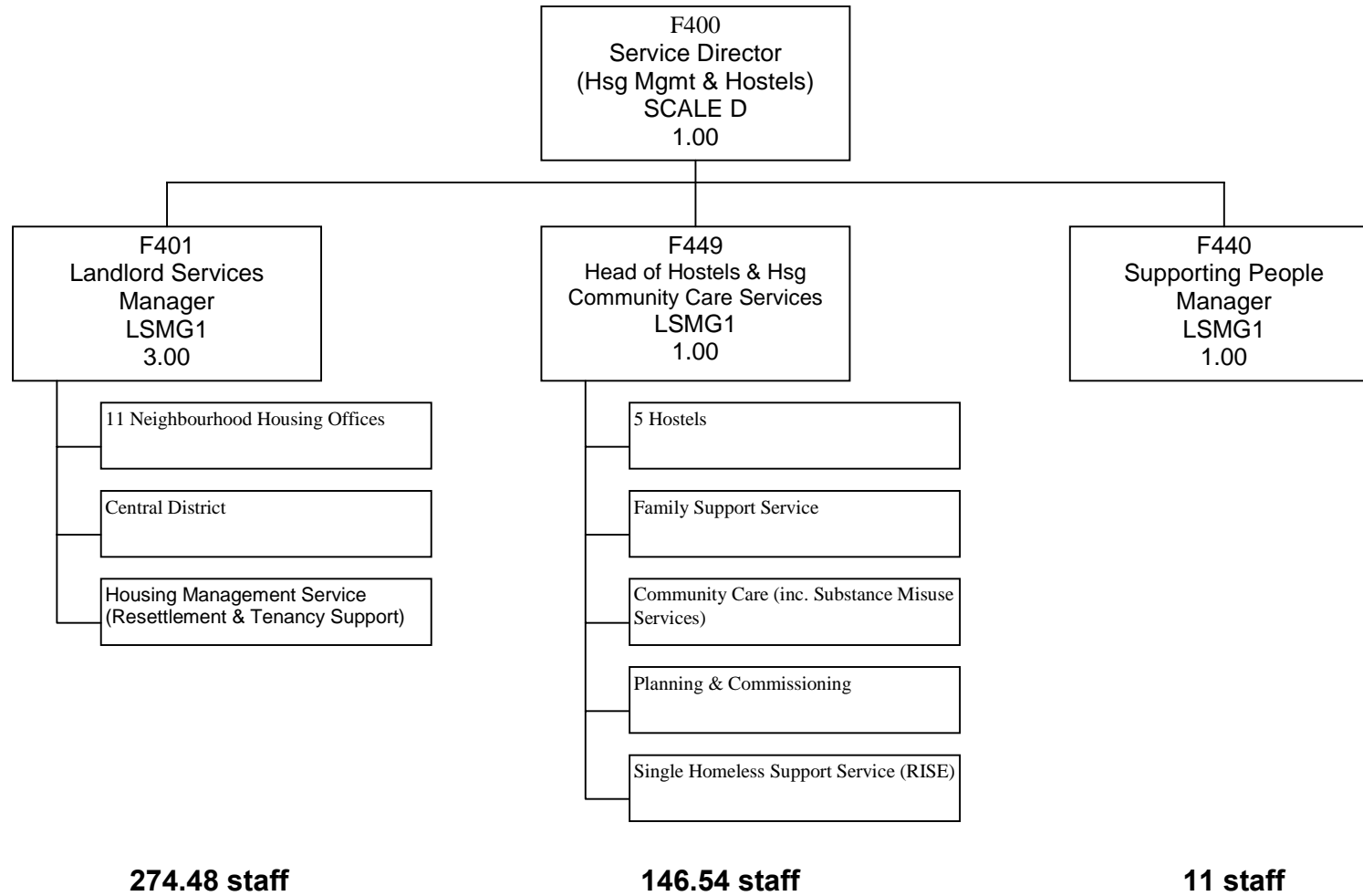


TECHNICAL SERVICES BRANCH

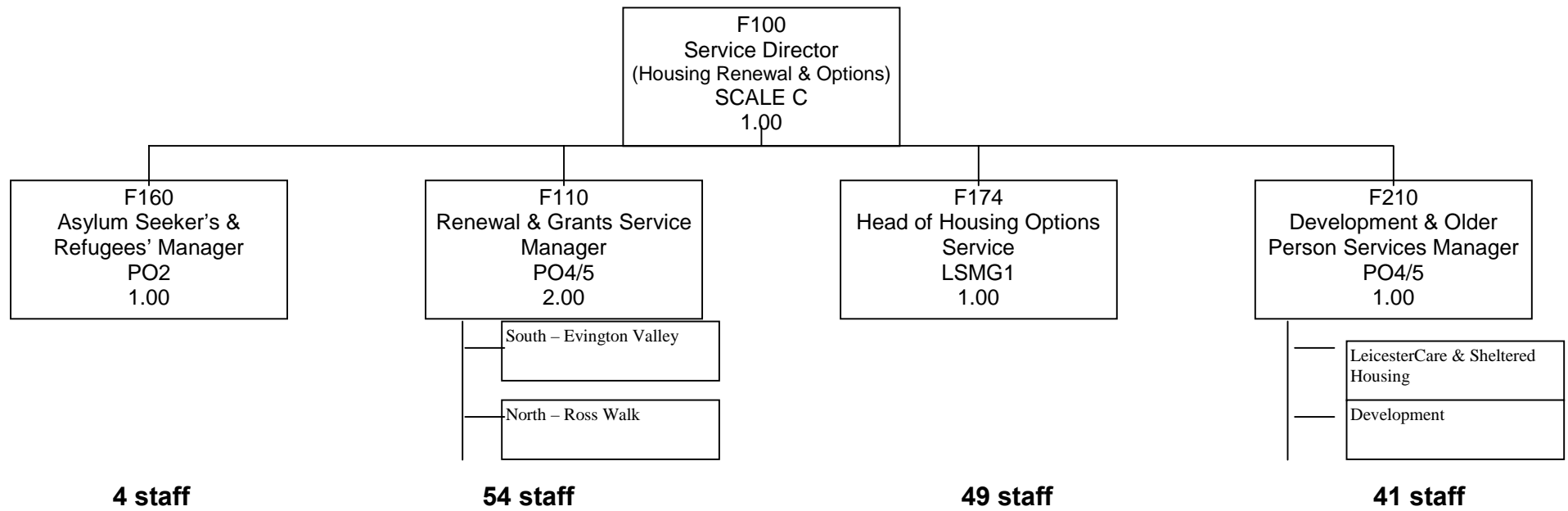


MANAGEMENT & HOSTELS BRANCH

APPENDIX 2 (3)



RENEWAL & OPTIONS BRANCH



APPENDIX 3**HRA - OUTTURN 2002/03 and BUDGET 2003/04**

	2002/03 Outturn £000s	2003/04 Budget £000s
Income		
Rent – dwellings	56,095	56,704
Other Income	2,792	2,800
Subsidy – Major Repairs Allowance (MRA)	13,159	12,743
Total Income	72,046	72,247
Expenditure		
Landlord Services	13,964	14,100
Revenue Repairs	19,728	19,300
Capital Repairs – MRA	13,159	12,743
Capital Financing	15,591	14,984
Capital Financing from Revenue	-	500
Payments to Government: Negative Subsidy	10,017	10,988
Total Expenditure	72,459	72,615
Deficit for Year	413	368
Working Balance b/fwd	(2,698)	(2,285)
WORKING BALANCES c/fwd	(2,285)	(1,917)

HOUSING GENERAL FUND - OUTTURN 2002/03 and BUDGET 2003/04

	2002/03 Outturn £000s	2003/04 Budget* £000s
Renewal and Development of Private Sector Housing	822.1	767.0
Council Tax and Housing Benefit Admin	4,359.4	3,512.0
Miscellaneous Service Provision	309.9	406.0
Hostels, Homelessness and Re-housing	1,180.7	
Grants to Voluntary Organisations	459.3	
Hostels & Community Care		300.0
Housing Options		1,559.0
Tenancy Sustainment		(74)
Supporting People Funding and Administration		136.0
Policy, Management & Support	142.0	0.0
Total Controllable Budgets	7,273.4	6,606.0

* Post virement

APPENDIX 6**Housing Department****General Fund - Budget Growth**

	2004/05 £000	2005/06 £000	2006/07 £000
<u>Service Enhancements</u>			
Neighbour Nuisance Team	29.0	29.0	200.0
Community Development Officers	14.5	14.5	14.5
Total Service Enhancements	43.5	43.5	214.5
<u>Decisions already taken</u>			
Total Decisions already taken	0	0	0
<u>Other</u>			
YMCA	29.8	35.7	35.7
Total Other	29.8	35.7	35.7
TOTAL GROWTH	73.3	79.2	250.2

Housing Department

General Fund - Budget Reductions

	2004/05 £000	2005/06 £000	2006/07 £000
<u>Service Reductions</u>			
SHARP	49.0	49.0	49.0
Total Service Reductions	49.0	49.0	49.0
<u>Decisions already taken</u>			
Total Decisions already taken	0	0	0
<u>Efficiency/Restructuring Savings & Additional Income</u>			
Housing Benefit & Council Tax	300.0	395.5	395.5
Reductions in Support Services	20.0	20.0	20.0
Efficiency Savings	0	0	60.0
Total Efficiency/Restructuring Savings & Additional Income	320.0	415.5	475.5
<u>Other</u>			
Hostels Income	200.0	240.0	290.0
Total Other	200.0	240.0	290.0
TOTAL REDUCTIONS	569.0	704.5	814.5

GROWTH DETAILED PROPOSALS
HOUSING DEPARTMENT GROWTH PROPOSAL
2004/2005

<u>SERVICE AREA</u>	<u>Proposal No:</u>		
Development			
<u>Details of Proposal:</u>			
Neighbour Nuisance Team			
<u>Type of Growth</u>			
Service Improvement			
<u>Justification for Proposal:</u>			
<p>Proposal to expand the service City wide and meet the needs of people suffering nuisance from other neighbours or the children of neighbours.</p> <p>This proposal is subject to an NRF bid being successful. The figures shown in 2006/7 are the ongoing costs to the Council once NRF funding ceases.</p>			
<u>Service Implications</u>			
Improved services to people suffering harassment from neighbours.			
<u>Environmental Implications</u>			
None			
<u>Date to be implemented from:</u>			
1 st April 2004			
<u>Current Budget</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Amount of Growth	£29k	£29k	£200k
<u>Staffing Implications</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Current service staffing (FTE)	0	0	0
Extra post(s) (FTE)	1	1	6
Signature:.....			
Date:			

GROWTH DETAILED PROPOSALS

HOUSING DEPARTMENT GROWTH PROPOSAL
2004/2005

<u>SERVICE AREA</u>	Development			<u>Proposal No:</u>	
<u>Details of Proposal:</u>					
Community Development Officers					
<u>Type of Growth</u>					
Service Improvement					
<u>Justification for Proposal:</u>					
<u>Service Implications</u>					
Improved services to people living on estates and improved support for groups wishing to develop TARA's and for the LFTA. The posts would also be charged with developing a strategy to ensure that hard to reach groups in the community were contacted and brought into the participation network for the Council. These posts are funded 30% HGF and 70% HRA					
<u>Environmental Implications</u>					
None					
<u>Date to be implemented from:</u>					
1 st April 2004					
<u>Current Budget</u>	<u>2004/05</u> <u>£000s</u>	<u>2005/06</u> <u>£000s</u>	<u>2006/07</u> <u>£000s</u>		
Amount of Growth	£14.5k	£14.5k	£14.5k		
<u>Staffing Implications</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>		
Current service staffing (FTE)	6	6	6		
Extra post(s) (FTE)	2	2	2		
Signature:.....					
Date:					

GROWTH DETAILED PROPOSALS

<p><u>HOUSING DEPARTMENT GROWTH PROPOSAL</u> <u>2004/2005</u></p>
--

<u>SERVICE AREA</u>	<u>Proposal No:</u>		
Development			
<u>Details of Proposal:</u>			
YMCA			
<u>Type of Growth</u>			
Service Improvement			
<u>Justification for Proposal:</u>			
Transfer of funding stream from Social Care and Health as part of consolidating the activities of projects and funding within the MDC.			
<u>Service Implications</u>			
<u>Environmental Implications</u>			
None			
<u>Date to be implemented from:</u>			
1 st April 2004			
<u>Current Budget</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Amount of Growth	29.8	35.7	35.7
<u>Staffing Implications</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Current service staffing (FTE)			
Extra post(s) (FTE)			
Signature:.....			
Date:			

REDUCTIONS – DETAILED PROPOSALS

**HOUSING DEPARTMENT REDUCTION
PROPOSAL 2004/2005**

<u>SERVICE AREA</u>	<u>Proposal No:</u>		
SHARP (Shelter Housing Aid and Research Project)			
<u>Details of Proposed Reduction:</u>			
Cease Grant Aid Funding to SHARP for the provision of housing advice and advocacy services.			
<u>Type of Reduction</u>			
Efficiency/Restructuring Savings.			
<u>Justification for Proposal and Service Implications:</u>			
<p>Alternative funding has been made available to SHARP since the establishment of advice franchises through Community Legal Services Commission. There are no service implications directly affecting the Housing Options Service. Advice is already provided by the Housing Options Service. There are also other advice agencies in the City that can offer independent housing advice. The Community Legal Services Commission now fund independent housing advice and advocacy in the city through franchises. SHARP were awarded a franchise in 2000/01 which now has the value of c £49k. The Community Legal Services Community is therefore the more appropriate public agency to fund and monitor the work and SHARP are funded by them.</p>			
<u>Environmental Implications</u>			
None			
<u>Date to be implemented from:</u>			
1 st April 2004			
<u>Current Budget</u>	<u>2004/05</u> <u>£000s</u>	<u>2005/06</u> <u>£000s</u>	<u>2006/07</u> <u>£000s</u>
Amount to be Saved	49.0	49.0	49.0
<u>Staffing Implications</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Current service staffing (FTE)			
Posts deleted (FTE)			
Current Vacancies (FTE)			
Individuals at Risk (FTE)			
Signature:.....			
Date:			

REDUCTIONS – DETAILED PROPOSALS

<p><u>HOUSING DEPARTMENT REDUCTION PROPOSAL 2004/2005</u></p>
--

<u>SERVICE AREA</u>	<u>Proposal No:</u>									
Housing Benefits Administration & Local Tax										
<u>Details of Proposed Reduction:</u>										
Reductions in administrative costs										
<u>Type of Reduction</u>										
Efficiency Savings.										
<u>Justification for Proposal and Service Implications:</u>										
<p>Housing Benefits and Council Tax are going through substantial changes caused by the introduction of new technology, re-organisation and changing legislation. Performance in both areas has suffered as a consequence, and the benefits from new technology and systems have yet to be realised. At the same time the costs of both services have grown over the recent past and are above average. Introducing new technology has caused costs to rise in the short term and existing work patterns and services are disrupted. The Department is therefore committed to making savings in the medium and long term whilst at the same time minimising disruption to its clients. The savings will mainly come from reductions in temporary and agency staffing, reduced costs associated with the new Integrated HB/CT Computer System and a move to new joint accommodation.</p>										
<u>Environmental Implications</u>										
None										
<u>Date to be implemented from:</u>										
1 st April 2004										
<u>Current Budget</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;"><u>2004/05</u></td> <td style="width: 25%;"><u>2005/06</u></td> <td style="width: 25%;"><u>2006/07</u></td> </tr> <tr> <td style="text-align: center;">£000s</td> <td style="text-align: center;">£000s</td> <td style="text-align: center;">£000s</td> </tr> <tr> <td style="text-align: center;">300.0</td> <td style="text-align: center;">395.5</td> <td style="text-align: center;">395.5</td> </tr> </table>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	£000s	£000s	£000s	300.0	395.5	395.5
<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>								
£000s	£000s	£000s								
300.0	395.5	395.5								
Amount to be Saved	300.0 395.5 395.5									
<u>Staffing Implications</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;"><u>2004/05</u></td> <td style="width: 25%;"><u>2005/06</u></td> <td style="width: 25%;"><u>2006/07</u></td> </tr> </table>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>						
<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>								
Current service staffing (FTE)										
Posts deleted (FTE)										
Current Vacancies (FTE)										
Individuals at Risk (FTE)										
Signature:.....										
Date:										

REDUCTIONS – DETAILED PROPOSALS

<p><u>HOUSING DEPARTMENT REDUCTION PROPOSAL 2004/2005</u></p>
--

<u>SERVICE AREA</u>	<u>Proposal No:</u>		
Support Services			
<u>Details of Proposed Reduction:</u>			
Reductions in administrative and support costs			
<u>Type of Reduction</u>			
Efficiency Savings.			
<u>Justification for Proposal and Service Implications:</u>			
The Department expects to be able to make savings in support costs as a result of the introduction of new IT systems.			
<u>Environmental Implications</u>			
None			
<u>Date to be implemented from:</u>			
1 st April 2004			
<u>Current Budget</u>	<u>2004/05</u> <u>£000s</u>	<u>2005/06</u> <u>£000s</u>	<u>2006/07</u> <u>£000s</u>
Amount to be Saved	20.0	20.0	20.0
<u>Staffing Implications</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Current service staffing (FTE)			
Posts deleted (FTE)	0	0	0
Current Vacancies (FTE)			
Individuals at Risk (FTE)	0	0	0
Signature:.....			
Date:			

REDUCTIONS – DETAILED PROPOSALS

<p><u>HOUSING DEPARTMENT REDUCTION PROPOSAL 2004/2005</u></p>
--

<u>SERVICE AREA</u>	<u>Proposal No:</u>		
Hostels			
<u>Details of Proposed Reduction:</u>			
Increased Income from Hostels			
<u>Type of Reduction</u>			
Increased Income			
<u>Justification for Proposal and Service Implications:</u>			
The Council's Hostels continue to operate with high occupancy levels and therefore the budget can be adjusted to reflect this.			
<u>Environmental Implications</u>			
None			
<u>Date to be implemented from:</u>			
1 st April 2004			
<u>Current Budget</u>	<u>2004/05</u> <u>£000s</u>	<u>2005/06</u> <u>£000s</u>	<u>2006/07</u> <u>£000s</u>
Amount to be Saved	200.0	240.0	290.0
<u>Staffing Implications</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Current service staffing (FTE)			
Posts deleted (FTE)			
Current Vacancies (FTE)			
Individuals at Risk (FTE)			
Signature:.....			
Date:			

REDUCTIONS – DETAILED PROPOSALS

<p><u>HOUSING DEPARTMENT REDUCTION PROPOSAL 2004/2005</u></p>
--

<u>SERVICE AREA</u>	<u>Proposal No:</u>		
Departmental Wide Efficiency Savings			
<u>Details of Proposed Reduction:</u>			
Reductions in administrative and support costs			
<u>Type of Reduction</u>			
Efficiency Savings.			
<u>Justification for Proposal and Service Implications:</u>			
The Department believes that efficiency savings can be delivered in 2006/7 as issues bed in and the costs stabilize.			
<u>Environmental Implications</u>			
None			
<u>Date to be implemented from:</u>			
1 st April 2006			
<u>Current Budget</u>	<u>2004/05</u> <u>£000s</u>	<u>2005/06</u> <u>£000s</u>	<u>2006/07</u> <u>£000s</u>
Amount to be Saved	0	0	60.0
<u>Staffing Implications</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Current service staffing (FTE)			
Posts deleted (FTE)			
Current Vacancies (FTE)			
Individuals at Risk (FTE)			
Signature:.....			
Date:			

DISCRETIONARY CHARGES

Housing Department Charges

Housing - HRA	Charges Made?
Various service charges (eg. provision of fridges)	Y
Housing - General Fund	
Hostel rents	Y
Alarm service	Y
Repairs	Y
Sheltered Accom - use of guest rooms	Y
Replacement of lost keys	Y
Room hire	Y
Provision of training courses	Y

**COMMENTS FROM VOLUNTARY SECTOR ORGANISATIONS ON THE
2004/2005 BUDGET PROPOSALS**

Name Of Organisation: Shelter Housing Aid and Research Project

Date: 2nd February 2004

Name of Contact Person: David Brazier

Form of Contact: -

Telephone

Visit

√

Written

√

Summary of Comments

SHARP has commented:

- Legal obligation for Council to provide housing advice and assistance.
- SHARP is disappointed that the Council proposes to cut *independent* advice and assistance and provide almost exclusively in house.
- Cut will reduce SHARP's Housing advisors from 3 full time equivalent posts to 1 part time post or 1 full time plus admin if charitable funds are used for this purpose. They helped 754 customers in 2002/03.
- 502 less households will be helped.
- The Legal Services Commission grant to SHARP may be jeopardised
- SHARP confirm that the Council grant is 20% of their income, but says it is 63% of monies for housing advice to people in Leicester.
- Remaining SHARP staff will be overwhelmed with demand for the service. It will be difficult to 'filter' those who need the specialist CLSC services.
- The Council grant is the building block for SHARPs provision of Housing Advice & Assistance, remove it and the entire Housing Advice Service may well collapse.
- The reduction represents less than ¾ of 1% of the General Fund Budget and the savings could be found elsewhere.
- SHARP is the only voluntary sector group to be subject of a cut in the Housing Department Revenue strategy. SHARP is well known and easily identified agency and the only housing agency in Leicester to provide an holistic approach to homelessness and serious housing need. It is unique in providing an immediate link if required to in house legal expertise and practical help in kind or cash for households with children.

SHELTER (national charity) has commented:

- Concern that clients who do not meet Supporting People or Legal Services Commissioning criteria will not have help.
- Refers to our Beacon Status and seeks assurance that the needs will be met elsewhere.
- Reduction in preventing homelessness can increase costs elsewhere.

Legal Services Commission has commented:

- LSC are conducting a full review of their specialist level advice contracts in Leicester in light of the Budget reductions (this includes housing advice, money advice, welfare benefits, immigration and debt advice). The review will be completed in late March.
- LSC have concerns about the viability of all its 'not for profit' contracts in Leicester in the light of the Budget reductions, SHARP is one of these contracts.
- LSC request the Council to delay the decision on the reductions for SHARP until the Council has completed its Corporate Advice Services Review.

Officer Response

- The Council meets its legal obligation to provide housing and assistance through the Housing Options Service. It recognises and values the need for independent advocacy and this is now funded by the Community Legal Services Commission (CLS). SHARP confirm that 178 households were dealt with under this contract last year.
- The Service Director believes that many of the other 502 (less than 2 per day) households seen by SHARP for housing advice will be existing customers of the Housing Options Service which had 34,066 callers last year (131 per day). The impact of the withdrawal of funding to SHARP will therefore be manageable.
- Discussions have been held with CLS. They confirm the continuing need for housing advice contracts in the city, but have expressed concerns, see comments above. SHARP is one of their three housing advice franchises.
- The comments from CLS about the Advice Services Review are noted but officers consider funding to SHARP will not adversely affect advice services in the city.
- SHARP receive grant aid/income from Supporting People, ODPM, SHELTER, CLS and fundraising. SHARP state that income for their work with Probation and providing Housing Support will increase from £57k in 2002/2003 to £180k in 2003/04.

Officer to contact: **Ann Branson**

Tel/ext: **6802**

HOUSING DEPARTMENT: COMMENTS FROM STAFF, TRADE UNIONS and PUBLIC ON THE 2004/2005 BUDGET PROPOSALS.

Meetings have been held with managers (who have in turn briefed staff) and departmental trade union representatives on the budget proposals. Although there have been discussions and issues to be clarified there have been no alternative proposals put forward or strong concerns expressed.

Most of the budget reduction proposals involve efficiency savings (eg Housing Benefits and Council Tax and Support Service reductions) with no impact on customers. The increase in hostel charges is in accordance with standard practice. Virtually all hostel related charges are met by Housing Benefit and the Supporting People Fund.

The increase in Community Development Officers (a growth item) is supported by the Housing Management Board following consultation with tenant and community representatives. Funding from the Housing Revenue Account has already been approved by council.

The Neighbour Nuisance Team (a growth item) works on serious cases of anti-social behaviour (ASB). It was originally set up with the help of SRB funding after public consultation had identified that dealing with ASB was a major priority. Tenants groups and the police consider the project to have been successful and support its continuation and expansion.

Funding for the medical service within the YMCA is not in reality a growth item but a transfer of responsibility from Social Care to Housing. This project will be part of the Multi-Disciplinary Centre.