

HOUSING DEPARTMENT

DRAFT DEPARTMENTAL REVENUE STRATEGY

2006/07 to 2008/09

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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 2006/07 – 2008/09

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. 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 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 around 1600 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.

2.3 The Department's outturn for 2004/05 and budget for 2005/06 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 c23,200 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. The majority of the capital expenditure is targeted at meeting the government's 'Decent Homes' standard.

3.2 Stock Options Appraisal

In line with government requirements an Options Appraisal has been carried out. It was completed in January this year and has since been passed as 'fit for purpose' by the Government Office of the East Midlands. This established that, subject to a number of assumptions, Leicester had sufficient resources to bring its houses up to the defined standard by 2010 and maintain them at this level subsequently. Following significant consultation with tenants and others a Leicester Decent Homes Standard was set. This was subsequently approved at council who also decided Leicester would continue to manage and maintain the stock.

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 over the last few years. A further change for 2006/07 will mean rents going up even faster. Leicester's average increase will be 4.88% next year. The government uses its subsidy system to claw back the additional income from local authorities.

3.4 HRA Budget for 2006/07

Details of this are subject to a separate report.

4 HOUSING GENERAL FUND KEY SERVICES

4.1 Policy, Management & Support

This Branch contains the Housing Department Directorate and the main providers of Departmental Support Services. Descriptions of the main outputs of these services are shown below:

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.

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.

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.

Financial Operations. This section is responsible for purchasing, accounts payable, processing re-chargeable works, checking claims for payment, stock checks and calculating payable bonus.

Rent Accounts, Right to Buy and Administration. This section accounts for the 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.

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.

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.

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.

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

4.2 Private Sector Housing and Development

4.2.1 Renewal and Empty Homes

The Renewal & Grants Service administers means tested Home Improvement Grants in renewal areas to qualifying homeowners in order to tackle unfitness and to bring houses up to a decent home 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. The impact is covered further in the efficiency section of the DRS.

The section also provides a citywide Home Maintenance Service. Advice, assistance and on occasions targeted grants are provided to homeowners on home improvement and maintenance. 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.

The Renewal Service was awarded Beacon Status earlier this year.

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. Last year 127 empty homes were brought back into use and this year there were 103 by December.

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.

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.

4.3 Housing Benefits and Local Tax

4.3.1 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.

Housing Benefits achieved a CPA score of 3 in the December 2005 assessment. This rating was based on the results from a combination

of Performance Indicators and Service Standards requirements. This CPA score is likely to be maintained for 2006 and initiatives are in place to reach the top level by 2007.

4.3.2 Local Taxation Section

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 2004/05 the gross charges to be collected for Council Tax are £68m and for Business Rates £86m. The service covers 121,000 domestic properties and 12,000 commercial properties.

The in year collection rate for 2004/05 was 92.3% and in the current year is expected to improve further to 94% in the current year. This would represent Leicester's highest ever performance

4.4 Miscellaneous Service Provision

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.

4.5 Housing Options Service

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'.

4.6 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 level of asylum seeker dispersal to Leicester will reduce from April 2006.

4.7 Hostels & Community Care

4.7.1 Hostels and Housing Community Care Services

The Hostels and Housing Community Care Section provides a variety of services, with its overall objective being 'to identify, plan and generate appropriate housing solutions, which enable vulnerable people, Community Care groups 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. (implications of costs and penalties to the council)

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, require intensive assistance 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,

The provision of specialist support for clients with alcohol or substance misuse issues by offering motivational and harmonisation techniques,

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,

Work 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 presenting 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.

4.7.2 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

4.8 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 and with out the support would probably lose it. The service also assists vulnerable people to resettle into a new home e.g. 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 with primarily drugs and alcohol.

The floating support services work across tenure and support local authority tenants, RSL tenants, private sector tenants and owner-occupiers.

The floating support services are primarily funded through the Supported People Grant, although the substance use team receives some funding from DaAT.

4.9 Supporting People Funding and Administration

The council is responsible for managing the Supporting People Programme (including the SP grant) on behalf of a partnership body (the Commissioning 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) receives and administers 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 is accountable to the local Commissioning Body and ODPM for the grant. The grant for 2005/6 is £16.8m. There are around 60 separate providers and 170 different schemes. Approximately 7,500 people are supported.

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)

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. Administration costs for the team are approximately £0.5 million (approximately half of this comes from ODPM as a grant).

5 THE OVERALL POSITION OF THE HOUSING GENERAL FUND

Most of the services funded by the housing general fund are statutory.

Although Housing General Fund expenditure is £44.2m per annum, excluding HB payments, much of this is supported by Government Grant (for example through Housing Benefits Administration Grant 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.

In addition to its required savings the Department is having to deal with significant other financial pressures.

£150k of unidentified savings remain in the budget from earlier years. The Housing Options saving of £85k identified as part of last year's budget strategy has not been implemented because it has not been possible to identify and commission a suitable building. £113k of additional staff costs need to be funded as a result of grading increases over the last year.

The net result of the above is that the Department needs to find £348k in addition to any required savings for the next 3 years.

Grant Reductions

Some Housing Services are being affected by cuts in external funding; mainly Supporting People and NRF funding. These are effectively service cuts as external funding ends and no mainstream funding can be found to replace it.

Supporting People Grant

The Government are expected to cut Supporting People funding to Leicester by £277k in 2006/07 and by a further £785k in 2007/08. Schemes supported under this programme will have to be reduced accordingly, pound for pound. SP funding finances housing services such as the Community Care Team and Children's and Family Support Team. There will be cuts as a result of the withdrawal of Supporting People Funding.

The Community Care Team will need to make cuts of £66k. This will mean a reduction of 2.5 staff. There will be fewer hospital visits to elderly, sick or disabled people concerning their housing problems and less work with those affected by learning or mental health issues.

Children and Family Support in hostels. There will need to be cuts of £20k in 2006/07 and £40k after that. These cuts will particularly affect crèche facilities and training for parents on issues such as dealing with teenage anger and difficult infants. Alternative funding will be sought

from the Children's Fund, but latest information is that it is unlikely to be agreed.

Further cuts in Supporting People funding are likely to impact on housing services in future years.

6 GROWTH ITEMS

All three growth items reflect pressures from earlier years.

	2006/07	2007/08	2008/09
G1. Unidentified savings from prior years	150	150	150
G2. Unimplemented Housing Options Saving	85	30	0
G3. Grading & Establishment Changes	113	104	104
Total Growth	348	284	254

- £150k of unidentified savings remain in the budget from earlier years
- The Housing Options saving of £85k identified as part of last year's budget strategy has not been implemented. A suitable building has yet to be identified.
- £113k of additional staff costs need to be funded as a result of grading increases over the last year

The net result of the above is that the Department needs to find £348k in 2006/07 in addition to the required savings for the next 3 years.

7 REDUCTION ITEMS

It is not possible to be precise, at present, about the nature and absolute value of all the savings as some will be identified through reviews which are currently underway. It is likely that most reductions will be from reduced staffing but at this point it is not possible to determine the impact of redundancy and associated costs in the first year.

7.1 Housing Options (R1&R8)

	2006/07	2007/08	2008/09
R1. Service reductions	37	37	37
R8. Efficiency savings	75	75	75
Total savings to be found	112	112	112

The main aim is to minimise homelessness in the City by enabling access to a range of tenures thereby ensuring social tenancies are sustained and communities maintained.

Savings can be found in three areas: -

1. It is proposed to extensively review the Housing Allocations Policy with the aim of reducing the number of points categories. These changes will be brought to Housing Scrutiny later in the year and will be subject to statutory consultation. If agreed this will result in savings on assessing, inputting and updating housing applications.
2. Reductions in management and some front line staff are proposed when the service moves to one location. These proposals are subject to a staffing review under the agreed protocol and identifying capital for refurbishment of the new location. Reductions will reduce the capacity for developing new initiatives, the capacity to deal with peaks in Housing Applications and visitors to reception and management support on branch and departmental issues (Complaints, Appeals, Reviews, Interview Panels etc).
3. There has been an increase in households coming for Housing Options interviews but a decrease in those making statutory homelessness declarations. This is due to the new emphasis on prevention work and allows an efficiency reduction in Housing Options Officers. Such reductions will limit the capacity to deal with future peaks in demand.

7.2 Disbanding Community Care Team (R2)

	2006/07	2007/08	2008/09
Staffing and other cuts	0	130	130

This proposal, taking effect from 2007/08, would mean the total end of the team and its services.

- There would be no specialist staff to visit elderly, sick or disabled people in hospital or in non council dwellings on housing issues
- No lead on housing strategy for Learning disabilities
- No main link to Mental Health Services, specialist work would be lost
- No lead on bed blocking initiatives with Social Care and Health and Acute Hospitals.

The work of the Team impacts on both hospital discharges and admissions; they can often get the right services in to keep people out of hospital (both elderly people and those with mental health issues). Also they have been very active in re-housing Learning Disability clients coming out of institutions.

7.3 Compensating Grading Savings (R3)

	2006/07	2007/08	2008/09
Compensating grading savings to be found	30	21	21

Various areas of the Department affected by increased costs due to grading changes which have occurred over the last year will find compensating savings.

7.4 Supporting People Administration (R4)

	2006/07	2007/08	2008/09
Efficiency Savings	28	28	28

This reduction is in line with the reductions in the Supporting People Fund.

7.5 Senior Management Reduction (R5)

	2006/07	2007/08	2008/09
Staffing Reduction	17	20	20

This reduction is dependent on decisions taken as part of the corporate review of Support Services. The amount of the reduction reflects the extent to which expenditure is met by the Housing Revenue Account.

7.6 Housing Benefits and Council Tax (R6)

	2006/07	2007/08	2008/09
Efficiency Savings	129	139	251

An efficiency review is seeking to identify savings in several areas. These include:

The transfer of the HB Fraud Investigating Team from RAD to Housing. The Benefits and Fraud Inspectorate have identified low performance levels in this area. Transferring the team to Housing will reduce costs and improve performance. The team will work closely with benefits administrators, be more focussed and duplication will be minimised.

In line with the Department's drive to improve income collection, officers expect to receive additional income through increased summoning activity.

The section is taking action to ensure more payments are made by direct debit. This will not only improve collection rates but reduce costs through lowering the current level of cashiering charges.

Paying HB to private tenants by BACS instead of by cheque will lead to further savings.

The Department is planning to employ an external training company to deliver training on legislative changes rather than carrying out this work in-house.

A new electronic document management system will lead to improved workflows and productivity.

Future moves towards home-working will bring savings.

Performance in Housing Benefit administration and Council Tax collection continues to improve. Improved collection performance over the next 3 years will not only increase income but also, through improved cash flow, interest on balances. The Department is already on target this year to increase income by £1m and the plan is to increase it by a further £1m over the next two years. Although the Housing Department incurs additional costs in achieving higher collection rates the benefit of the additional income and interest benefits corporate finances. They have therefore not been included above.

7.7 Renewal & Grants (R7)

	2006/07	2007/08	2008/09
Efficiency Review	96	113	113

Proposals have already gone to Housing Scrutiny. Recommendations included reducing the number of offices in use, changing the management structure and reducing staff in line with changed workloads.

Staff will be moving to Ross Walk. The Melbourne Road and Evington Road Offices will continue to open on a surgery basis while a review of usage is carried out to determine whether they are closed on a permanent basis.

7.8 Energy Team (R9)

	2006/07	2007/08	2008/09
Alternative one-off funding	30	0	0

The Department has been able to meet its contribution to joint venture schemes by utilising and redirecting in-house staff, which will result in a saving next year of £30k.

7.9 Asylum & Refugee Review: total £63k (R10)

	2006/07	2007/08	2008/09
Staffing reductions	63	63	63

From April 2006 the level of asylum seekers dispersal to Leicester will reduce as a result of governmental policy changes. The residual functions can be carried out elsewhere in the Department. The Staff Review has now been completed. There have been some concerns raised about the reduction in support to the Refugee and Asylum Multi-Agency Forum.

7.10 Supporting People Fund (R11)

	2006/07	2007/08	2008/09
Reduced SP Grant from ODPM	(277)	(1062)	(1062)
Reduced SP Spend by LCC	277	1062	1062
Total	0	0	0

The level of Supporting People funding to Leicester is expected to fall as the ODPM move towards formulaic distribution. There will be less paid out in grants in line with this.

8 IMPACT ASSESSMENT – RACE RELATIONS AMENDMENT ACT (2000)

8.1 General

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 Housing Department is a main participant in the council's 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. Narrative on those areas potentially affected by budget recommendations follows below.

8.2 Homeless Options Reductions

The proposal to review the Housing Allocations Policy aims to simplify the Policy, make it more transparent for applicants and reduce administrative costs. When the review of this policy takes place it will be subject to statutory consultation, which will feed into a full equality impact assessment.

An Equality Impact Assessment has already been completed on the relocation of the Housing Options Service to one site. The assessment found that there would be no adverse impact on any particular groups in the City. In fact moving to one location will improve service access to all users. It was noted that a suitable location once found should be DDA compliant.

A reduction in frontline Housing Options staff will have no detriment to service users across the community. Recent analysis of workload has shown that over the last 6 months there has been a decrease in casework, which has meant that vacant posts have not been recruited to. Hence this opportunity can be utilised to delete vacant posts from the establishment without any affect on service.

8.3 Disbanding the Housing Community Care Team

The withdrawal of this service will impact mainly on disabled vulnerable people. An equality impact assessment has been carried out and the following recommendations have been made to counter the adverse impact on service users:

- Explore other funding mechanisms for continuation of work currently provided by the community care team.
- Consult with stakeholders to monitor impact of disbanding the community care team.
- Explore options for other housing department teams to provide the service.

8.4 Renewal

- Advice sessions are to continue at the Melbourne Road and Evington Road offices. Offices will no longer be open all day during weekdays therefore residents will have to attend the advertised advice sessions for assistance and support. An equality impact assessment has been carried out which makes recommendations to ensure the service remains as accessible as possible for local people.

8.5 Asylum Seeker and Refugee Unit

The disbanding of this unit is linked to the reduction of dispersal of Asylum seekers to Leicester 2006 and functions being carried out elsewhere in Department. Therefore there would not appear to be any adverse impact on any particular group. An equality impact assessment has been carried out and the following identified:

- Refugees will continue to receive housing and housing related advice from the Housing Options Service
- The Housing Department cannot fully provide other functions including community liaison and development, liaison with stakeholders and training. Talks are taking place with other agencies and the Leicester Partnership.

9 EARMARKED RESERVES

Description	Estimated Balance 1/4/05 £'000	Planned additions and withdrawals 2005/06 £'000	Estimated Closing Balance 31/3/06 £'000
Tenancy Support Building Reserve. Provision of office accommodation for Supporting People service providers. Financed through SP payments.	200	(0)	200
Supporting People Grant. Underspend of grant to be carried forward for future years.	1,599	(149)	1,450

10 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.

11 RISKS TO DELIVERY OF THE REVENUE STRATEGY

First year savings may be difficult to achieve if there are delays to efficiency reviews. It is not possible to be accurate about redundancy costs. Otherwise it is expected that the projected savings will be achieved.

12 CONSULTATION ON BUDGET PROPOSALS

Unions and staff are being consulted as part of the efficiency review process.

Unions have been made aware of the budget proposals.

Proposals have already gone to Housing Scrutiny on the Renewal Efficiency Review. Ward Councillors have now been informed that Melbourne Road and Evington Road offices will close. A petition about Melbourne Road office has been received by the Ward Councillors.

Recommendations on Housing Allocations Policy will be brought to Housing Scrutiny later this year and will be subject to statutory consultation. If agreed this will result in savings on assessing, inputting and updating housing applications.

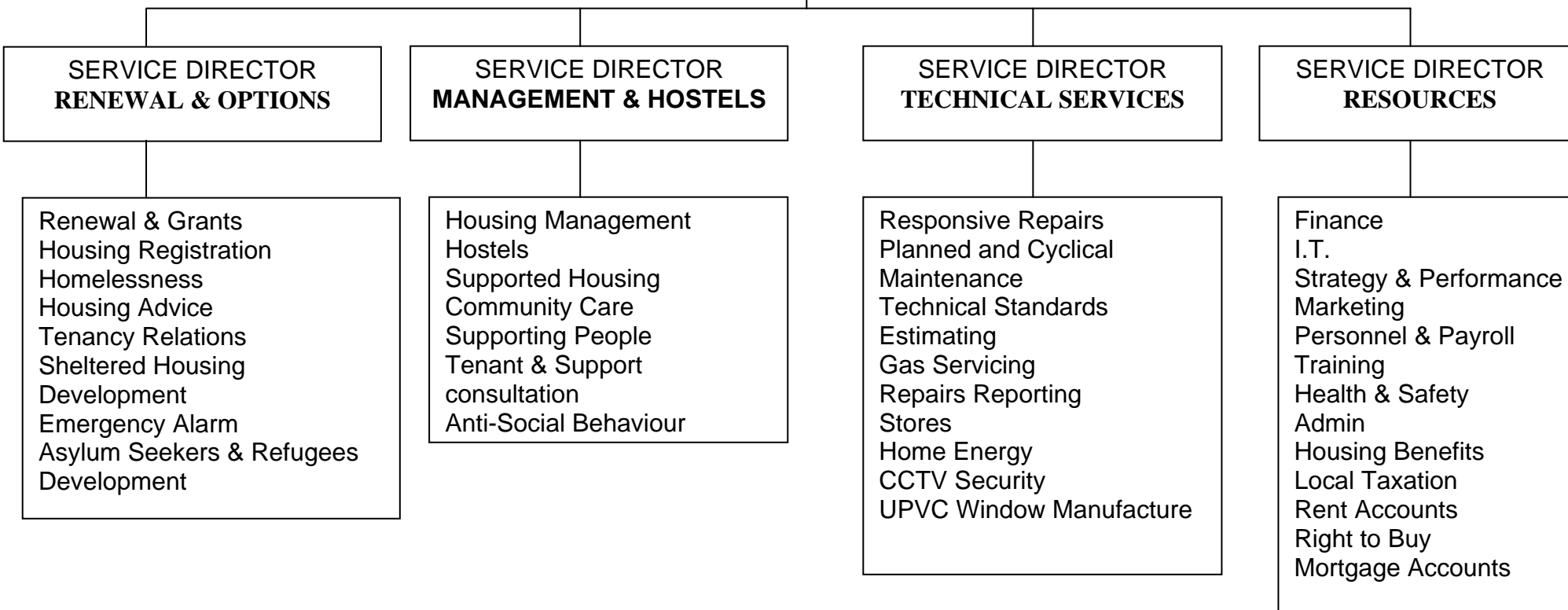
13 IMPACT ON STAFFING

The overall impact on staffing cannot be determined yet as some areas are subject to review. Where information is known this has been included in the Appendix 6 proformas.

In addition to the above reductions there will be further reductions due to the loss of external funding. The Children and Family Support Team will reduce by 2 posts and the Community Care Team by 2.5 posts as a result of cuts in Supporting People funding.

HOUSING DEPARTMENT FUNCTIONAL ORGANISATION CHART

CORPORATE DIRECTOR



APPENDIX 2

HRA - OUTTURN 2004/05 and BUDGET 2005/06

	2004/05 Outturn £000s	2005/06 Budget £000s
Income		
Rent – dwellings*	55,424	55,134
Other Income*	4,733	4,580
Total Income	60,157	59,714
Expenditure		
Landlord Services	15,140	15,827
Repairs & Maintenance	21,935	22,300
Capital Financing	10,781	11,410
Capital Financing from Revenue	0	2,500
Payments to Government: Negative Subsidy	10,383	8,143
Total Expenditure	58,239	60,180
Deficit / (Surplus) for Year	(1,918)	466
Working Balance b/fwd	(2,577)	(2,646)
WORKING BALANCES c/fwd	(4,495)	(2,180)

HOUSING GENERAL FUND - OUTTURN 2004/05 and BUDGET 2005/06

	2004/05 Outturn £000s	2005/06 Budget* £000s
Private Sector Housing & Development	838.0	870.1
Local Taxation and Housing Benefit Administration	3599.0	3557.4
Miscellaneous Service Provision	600.0	529.5
Hostels & Community Care	(287.0)	(28.6)
Housing Options	1583.0	1535.2
Tenancy Sustainment	(190.0)	(242.8)
Supporting People Funding and Administration	255.0	282.5
Policy, Management & Support	564.0	108.0
Total Controllable Budgets	6962.0	6611.3

APPENDIX 4

Revenue Budget 2006/07 to 2008/09 - Spending & Resources Forecast

HOUSING	2006/07	2007/08	2008/09
	£000	£000	£000
2006/07 Cash Target	6,849.4	6,849.4	6,849.4
Add Total Service Enhancements	0.0	0.0	0.0
G1 Unidentified savings from prior years	150.0	150.0	150.0
G2 Unimplemented Housing Options Saving	85.0	30.0	0.0
G3 Grading & Establishment changes	113.0	104.0	104.0
Add Total Decisions already taken	348.0	284.0	254.0
Add Total Other	0.0	0.0	0.0
Sub Total - Growth	348.0	284.0	254.0
R1 Housing Options Reductions	37.0	37.0	37.0
R2 Disbanding Community Care Team	0	130.0	130.0
Less Total Service Reductions	37.0	167.0	167.0
Less Total of Decisions already taken	0.0	0.0	0.0
R3 Compensating Grading Savings	30.0	21.0	21.0
R4 Supporting People Administration	28.0	28.0	28.0
R5 Senior Management Reduction	17.0	20.0	20.0
<u>Housing Efficiency Reviews</u>			
R6 Housing Benefit & CT Administration	129.0	139.0	251.0
R7 Renewal (113k became 96k as offices not closing)	96.0	113.0	113.0
R8 Housing Options	75.0	75.0	75.0
Less Total Efficiency/Restructuring Savings	375.0	396.0	508.0
R9 Energy Funding	30.0	0.0	0.0
R10 Asylum	63.0	63.0	63.0
R11 Reduced SP Grant from ODPM	(277.0)	(1,062.0)	(1,062.0)
R11 Reduced SP Spend by LCC	277.0	1,062.0	1,062.0
Less Total Other	93.0	63.0	63.0
Sub Total - Reductions	505.0	626.0	738.0
TOTAL Reductions less Growth	157.0	342.0	484.0
PLANNING TOTAL (2006/07 Price Base)	6,692.4	6,507.4	6,365.4

SERVICE AREA:	Proposal No: G1			
<div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p><u>Details of Proposed Project(s) Growth:</u></p> <p>This item relates to unidentified savings from prior years.</p> </div>				
<u>Type of Growth (delete as appropriate)</u>				
Other				
<u>Justification for Proposal (including service implications)</u>				
Related Service Plan & Reference:				
Objective (including reference):				
<u>Date of Implementation</u>				
				Date: <input style="width: 100px;" type="text"/>
<u>Financial Implications of Proposal</u>				
		<u>2006-07</u> £000s	<u>2007-08</u> £000s	<u>2008-09</u> £000s
One-Off Costs of Change				
<u>Staff</u>				
Non Staff Costs				
Income				
Effects of Changes on budget				
	Existing Budget			
<u>Staff</u>				
Non Staff Costs				
Income				
Net Total		150	150	150
Staffing Implications				
		2006-07	2007-08	2008-09
Current service staffing (FTE)				
Extra post(s) (FTE)				

SERVICE AREA: HOUSING OPTIONS		Proposal No: G2					
<p><u>Details of Proposed Project(s) Growth:</u></p> <p>This saving was identified as part of last year's budget proposals. However, the saving is dependent on finding suitable premises. This has not been resolved and the savings are now not expected until part way through 2007/08.</p>							
<u>Type of Growth (delete as appropriate)</u>							
Decisions already taken							
<u>Justification for Proposal (including service implications)</u>							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Related Service Plan & Reference:</td> </tr> <tr> <td style="padding: 2px;">Objective (including reference):</td> </tr> <tr> <td style="height: 100px;"></td> </tr> </table>					Related Service Plan & Reference:	Objective (including reference):	
Related Service Plan & Reference:							
Objective (including reference):							
<u>Date of Implementation</u>							
				Date: <input style="width: 100px; height: 20px;" type="text"/>			
<u>Financial Implications of Proposal</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>			
		<u>£000s</u>	<u>£000s</u>	<u>£000s</u>			
<u>One-Off Costs of Change</u>							
<u>Staff</u>							
Non Staff Costs							
Income							
<u>Effects of Changes on budget</u>							
		Existing Budget					
Staff							
Non Staff Costs							
Income							
<u>Net Total</u>		85	30	0			
<u>Staffing Implications</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>			
Current service staffing (FTE)							
Extra post(s) (FTE)							

SERVICE AREA: Grading and Establishment Changes		Proposal No: G3		
<p><u>Details of Proposed Project(s) Growth:</u></p> <p>This item relates to grading and establishment changes which have taken place in the past year.</p>				
<u>Type of Growth (delete as appropriate)</u>				
Decisions already taken				
<u>Justification for Proposal (including service implications)</u>				
Related Service Plan & Reference:				
Objective (including reference):				
<u>Date of Implementation</u>				
				Date: <input style="width: 100px;" type="text"/>
<u>Financial Implications of Proposal</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
		<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
One-Off Costs of Change				
<u>Staff</u>				
Non Staff Costs				
Income				
Effects of Changes on budget				
		Existing Budget		
Staff				
Non Staff Costs				
Income				
Net Total		113	104	104
Staffing Implications		2006-07	2007-08	2008-09
Current service staffing (FTE)				
Extra post(s) (FTE)				

SERVICE AREA: Housing Options Service Reductions		Ref:R1, R8		
Purpose of Service: To minimise homelessness in the City by enabling access to a range of tenures				
<p>Details of Proposed Reduction: Review of the Housing Allocations Policy, a decrease in the number of households making statutory homelessness declarations and changes in office accommodation will enable savings to be made.</p>				
Type of Reduction (delete as appropriate)				
Service Reduction £37k Efficiency/Restructuring £75k				
Service Implications (including delivery of service plan)				
Related Service Plan & Reference:				
Objective (including reference):				
Date of Implementation				
				Date: <input type="text"/>
Financial Implications of Proposal		2006-07	2007-08	2008-09
		£000s	£000s	£000s
One-Off Costs of Change				
Staff				
Non Staff Costs				
Income				
Effects of Changes on budget		Existing Budget		
Staff	1,073			
Non Staff Costs	398			
Income	0			
Net Total	1,471	112	112	112
Staffing Implications		2006-07	2007-08	2008-09
Current service staffing (FTE)				
Post(s) deleted (FTE)				
Current vacancies (FTE)				
Individuals at risk (FTE)				

SERVICE AREA: Community Care Team		Ref: R2			
Purpose of Service					
<p>Details of Proposed Reduction: This would mean the end of the Community Care Team. It provides specialist staff to visit elderly, sick or disabled people in hospital or in non council dwellings on housing issues. It leads on housing strategy for Learning disabilities. It links to Mental Health Services. It leads on bed blocking initiatives with Social Care and Health and Acute Hospitals.</p>					
Type of Reduction (delete as appropriate)					
Service Reduction					
Service Implications (including delivery of service plan)					
Related Service Plan & Reference:					
Objective (including reference):					
Date of Implementation					
				Date:	
Financial Implications of Proposal		2006-07	2007-08	2008-09	
		£000s	£000s	£000s	
One-Off Costs of Change					
Staff					
Non Staff Costs					
Income					
Effects of Changes on budget					
		Existing Budget			
Staff					
Non Staff Costs					
Income					
Net Total		0	130	130	
Staffing Implications		2006-07	2007-08	2008-09	
Current service staffing (FTE)			8	8	
Post(s) deleted (FTE)			8	8	
Current vacancies (FTE)					
Individuals at risk (FTE)					

SERVICE AREA: Compensating Grading Savings		Ref: R3			
Purpose of Service					
<p><u>Details of Proposed Reduction:</u> The costs associated with grading increases over the last year are to be matched by savings from the area in which they occurred.</p>					
<u>Type of Reduction (delete as appropriate)</u>					
<u>Service Implications (including delivery of service plan)</u>					
Related Service Plan & Reference:					
Objective (including reference):					
<u>Date of Implementation</u>					
				Date:	<input type="text"/>
<u>Financial Implications of Proposal</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	
		<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	
<u>One-Off Costs of Change</u>					
<u>Staff</u>					
Non Staff Costs					
Income					
<u>Effects of Changes on budget</u>					
		Existing Budget			
Staff					
Non Staff Costs					
Income					
<u>Net Total</u>		n/a	30	21	21
<u>Staffing Implications</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	
Current service staffing (FTE)					
Post(s) deleted (FTE)					
Current vacancies (FTE)					
Individuals at risk (FTE)					

SERVICE AREA: Supporting People Administration		Ref: R4		
Purpose of Service Administration of the Supporting People Grant				
<u>Details of Proposed Reduction:</u> This reduction is in line with reductions in Supporting People Funding.				
<u>Type of Reduction (delete as appropriate)</u> Efficiency				
<u>Service Implications (including delivery of service plan)</u>				
Related Service Plan & Reference:				
Objective (including reference):				
<u>Date of Implementation</u>				
				Date: <input type="text"/>
<u>Financial Implications of Proposal</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
		<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<u>One-Off Costs of Change</u>				
<u>Staff</u>				
Non Staff Costs				
Income				
<u>Effects of Changes on budget</u>				
		Existing Budget		
Staff	428	28	28	28
Non Staff Costs	125			
Income	270			
Net Total	283	28	28	28
<u>Staffing Implications</u>		2006-07	2007-08	2008-09
Current service staffing (FTE)				
Post(s) deleted (FTE)				
Current vacancies (FTE)				
Individuals at risk (FTE)				

SERVICE AREA: Senior Manager Reduction		Ref: R5		
Purpose of Service				
<p><u>Details of Proposed Reduction:</u></p> <p>Part of the Corporate review of support services.</p>				
<u>Type of Reduction (delete as appropriate)</u>				
Decisions already taken, Efficiency/Restructuring, Service Reduction, Other				
<u>Service Implications (including delivery of service plan)</u>				
Related Service Plan & Reference:				
Objective (including reference):				
<u>Date of Implementation</u>				
				Date: <input style="width: 100px; height: 20px;" type="text"/>
<u>Financial Implications of Proposal</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
		<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<u>One-Off Costs of Change</u>				
<u>Staff</u>				
Non Staff Costs				
Income				
<u>Effects of Changes on budget</u>		Existing Budget		
Staff				
Non Staff Costs				
Income				
Net Total		17	20	20
<u>Staffing Implications</u>		2006-07	2007-08	2008-09
Current service staffing (FTE)				
Post(s) deleted (FTE)		1		
Current vacancies (FTE)				
Individuals at risk (FTE)				

SERVICE AREA: Benefits & Council Tax Efficiency Review		Ref: R6		
Purpose of Service: Administration of Housing Benefits and Council Tax				
<p><u>Details of Proposed Reduction:</u></p> <p>A variety of efficiency savings are being sought including transfer of Fraud Team from RAD, income from increased summoning activity, reduction in cashiering charges, improved workflow and productivity.</p>				
<u>Type of Reduction (delete as appropriate)</u>				
Efficiency				
<u>Service Implications (including delivery of service plan)</u>				
Related Service Plan & Reference:				
Objective (including reference):				
<div style="border: 1px solid black; height: 80px; width: 100%;"></div>				
<u>Date of Implementation</u>				
				Date: <input type="text"/>
<u>Financial Implications of Proposal</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
		<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<u>One-Off Costs of Change</u>				
<u>Staff</u>				
Non Staff Costs				
Income				
<u>Effects of Changes on budget</u>				
		Existing Budget		
Staff		4,825		
Non Staff Costs		2,667		
Income		3,933		
Net Total		3,559	129	139
Staffing Implications		2006-07	2007-08	2008-09
Current service staffing (FTE)				
Post(s) deleted (FTE)				
Current vacancies (FTE)				
Individuals at risk (FTE)				

SERVICE AREA: Renewal Efficiency Review		Ref: R7			
Purpose of Service					
<p><u>Details of Proposed Reduction:</u></p> <p>Office movements and staff reductions.</p>					
<u>Type of Reduction (delete as appropriate)</u>					
Efficiency/Restructuring £100k & £13k					
<u>Service Implications (including delivery of service plan)</u>					
Related Service Plan & Reference:					
Objective (including reference):					
<u>Date of Implementation</u>					
				Date:	<input type="text"/>
<u>Financial Implications of Proposal</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	
		<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	
<u>One-Off Costs of Change</u>					
<u>Staff</u>					
Non Staff Costs					
Income					
<u>Effects of Changes on budget</u>					
		Existing Budget			
Staff		1,061			
Non Staff Costs		383			
Income		609			
Net Total		835	96	113	113
<u>Staffing Implications</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	
Current service staffing (FTE)		63.5			
Post(s) deleted (FTE)		6.5			
Current vacancies (FTE)		3.5			
Individuals at risk (FTE)		3			

SERVICE AREA: Energy Team		Ref: R9		
Purpose of Service To enable all households to have access to affordable warmth within a safe and healthy living environment.				
<u>Details of Proposed Reduction:</u> A one off grant which will help to offset costs in 2006/07.				
<u>Type of Reduction (delete as appropriate)</u> Decisions already taken, Efficiency/Restructuring, Service Reduction, Other				
<u>Service Implications (including delivery of service plan)</u>				
Related Service Plan & Reference:				
Objective (including reference):				
<u>Date of Implementation</u> Date: <input type="text"/>				
<u>Financial Implications of Proposal</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
		<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<u>One-Off Costs of Change</u>				
<u>Staff</u>				
Non Staff Costs				
Income				
<u>Effects of Changes on budget</u>		Existing Budget		
Staff	463			
Non Staff Costs	539			
Income	943	30	0	0
Net Total	59	30	0	0
<u>Staffing Implications</u>		2006-07	2007-08	2008-09
Current service staffing (FTE)				
Post(s) deleted (FTE)				
Current vacancies (FTE)				
Individuals at risk (FTE)				

SERVICE AREA: Asylum Seekers		Ref: R10			
Purpose of Service					
<p><u>Details of Proposed Reduction:</u></p> <p>From April 2006 the level of asylum seeker dispersal to Leicester will drop.</p>					
<u>Type of Reduction (delete as appropriate)</u>					
Other					
<u>Service Implications (including delivery of service plan)</u>					
Related Service Plan & Reference:					
Objective (including reference):					
<u>Date of Implementation</u>					
				Date:	<input type="text"/>
<u>Financial Implications of Proposal</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	
		<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	
<u>One-Off Costs of Change</u>					
<u>Staff</u>					
Non Staff Costs					
Income					
<u>Effects of Changes on budget</u>					
		Existing Budget			
Staff	72	72	72	72	
Non Staff Costs	2	2	2	2	
Income	11	11	11	11	
Net Total	63	63	63	63	
<u>Staffing Implications</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	
Current service staffing (FTE)		3			
Post(s) deleted (FTE)		3			
Current vacancies (FTE)		2			
Individuals at risk (FTE)		1			

SERVICE AREA: Supporting People Grant		Ref: R11			
Purpose of Service					
<p><u>Details of Proposed Reduction:</u></p> <p>The Government are expected to cut the council's SP Grant. Expenditure on SP will need to be cut accordingly.</p>					
<u>Type of Reduction (delete as appropriate)</u>					
Decisions already taken, Efficiency/Restructuring, Service Reduction, Other					
<u>Service Implications (including delivery of service plan)</u>					
Related Service Plan & Reference:					
Objective (including reference):					
<u>Date of Implementation</u>					
				Date:	April 06
<u>Financial Implications of Proposal</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	
		<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	
<u>One-Off Costs of Change</u>					
<u>Staff</u>					
Non Staff Costs					
Income					
<u>Effects of Changes on budget</u>					
Existing Budget					
Staff					
Non Staff Costs					
Income					
<u>Net Total</u>		0	0	0	
<u>Staffing Implications</u>		<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	
Current service staffing (FTE)					
Post(s) deleted (FTE)					
Current vacancies (FTE)					
Individuals at risk (FTE)					