

Leicester  
City Council

Democratic and Civic  
Support  
Town Hall  
Town Hall Square  
Leicester  
LE1 9BG

12 March 2014

Sir or Madam

I hereby summon you to a meeting of the LEICESTER CITY COUNCIL to be held at the Town Hall, on WEDNESDAY, 26 FEBRUARY 2014 at FIVE O'CLOCK in the afternoon, for the business hereunder mentioned.

**Monitoring Officer**

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**AGENDA**  
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- 1. LORD MAYOR'S ANNOUNCEMENTS**
- 2. DECLARATIONS OF INTEREST**
- 3. DECISIONS RESERVED TO COUNCIL**
  - 3.1 General Fund Revenue Budget 2014/15 to 2015/16
  - 3.2 Housing Revenue Account Budget (including Capital Programme) 2014/15
- 4. ANY OTHER URGENT BUSINESS**



Wednesday, 26 February 2014



## DECISIONS RESERVED TO COUNCIL

### **3.1 GENERAL FUND REVENUE BUDGET 2014/15 TO 2015/16**

The City Mayor's proposed budget is detailed in the attached report, subject to any further amendments he may wish to recommend following consultation on the draft proposals. The City Mayor's formal recommendations to Council will be presented to Council at its meeting on 26 February.

A copy of the report is attached. Also attached is the minute of the meeting of the Overview Select Committee held on 13 February 2014, along with the relevant minute extracts from Scrutiny Commissions which considered the proposals.

Trade Union responses to the budget are also attached.

Council is recommended to approve the recommendations in the report of the Director of Finance subject to any amendments recommended by the City Mayor.

### **3.2 HOUSING REVENUE ACCOUNT BUDGET (INCLUDING CAPITAL PROGRAMME) 2014/15**

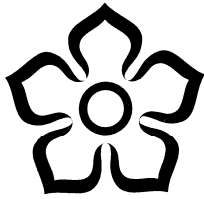
A copy of the report is attached.

The Council is recommended to:

- (i) To approve the Housing Revenue Account (HRA) budget for 2014/15 as given in Appendix A to the report, including the efficiency savings and growth items detailed in sections 5.1.9 and 5.1.10.
- (ii) To agree a rent increase of 3.2% and a service charge increase of 3% (excluding gas charges).
- (iii) To approve the HRA Capital Programme for 2014/15 and the draft programme for 2015/16 and 2016/17, as set out in Appendix E.
- (iv) To note the rules regarding scheme approvals and variations, detailed in section 5.1.14.

**Sir Peter Soulsby  
City Mayor**





Leicester  
City Council

Council

26<sup>th</sup> February 2014

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## General Fund Revenue Budget 2014/15 to 2015/16

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### Report of the Director of Finance

#### 1. Purpose

- 1.1 The purpose of this report is to request the Council to consider the Mayor's proposed budget for 2014/15 to 2015/16. The budget plan covers the same period as the Government's national spending plans but this report also identifies the subsequent impact.
- 1.2 The proposed budget is described in this report, subject to any amendments the Mayor may wish to recommend when he makes a firm proposal to the Council.
- 1.3 An earlier draft of this report was published on 20<sup>th</sup> December, 2013. This report now reflects the local government finance settlement for 2014/15.

#### 2. Summary

- 2.1 The budget for 2014/15 to 2015/16 is set in a context of the most severe Government funding cuts the Council has ever experienced.
- 2.2 Since the onset of funding cuts in 2011/12, the Council has approved plans to reduce its expenditure by £85m per year. Whilst there is no certainty beyond 2015/16, if the current trajectory of funding cuts continues, the Council will need to make reductions amounting to a further £60m per year by 2017/18. Indications from the Chancellor of the Exchequer are that the squeeze on public spending will in fact last until at least 2020.

- 2.3 It is difficult to calculate the total amount by which the Council's grant has been cut since 2010/11, due to changes both in local authorities' responsibilities and in the way funding is provided. However, on a like for like basis, cuts in the five years to 2015/16 exceed £90m, over one third of the grant received in 2010/11.
- 2.4 Budget planning in recent years has not been helped by the fact that the Government has increased the level of cuts previously announced, and extended the period over which cuts will be made. These decisions have been taken and announced incrementally.
- 2.5 Despite these challenges, the Council has sought to address budget reductions strategically, and to avoid having to make crisis cuts in services. This approach has a number of aspects:-
- (a) the budget approved in February 2013 included a "managed reserves strategy" under which monies will be contributed to reserves in 2013/14 and 2014/15; then drawn down in 2015/16 and 2016/17. This was designed to balance the budget in the years to 2015/16, and provide time to consider future cuts in a managed way;
  - (b) it is no longer sensible to see the budget as a "once a year" activity – spending needs to be managed continuously during the course of the year, and the City Mayor is taking decisions under delegated authority (where appropriate) which reduce recurrent spending and thus the future cuts required;
  - (c) the Executive has launched a Spending Review Programme, which will scrutinise a range of service areas over a period extending to the end of 2014. This makes use of the time bought by the managed reserves strategy to properly plan future savings. Once reviews have reported, spending reductions can be approved simultaneously, and the effect included in subsequent budgets.
- 2.6 Whilst the "goal posts" have moved since February 2013 due to subsequent Government announcements, particularly in relation to the very severe cuts proposed for 2015/16, the basic strategy has remained intact. This has meant that services have not been asked to find further savings in this budget round.
- 2.7 Consequently, the budget the Council is being asked to approve primarily reflects decisions which have already been taken.
- 2.8 The budget proposes a tax rise of 1.99% in 2014/15, and assumes a rise of 2% in 2015/16. The Government has offered money to freeze the tax in 2014/15, which would continue to be paid in 2015/16. However, the amount



received would be less than the amount raised by a tax rise; furthermore the position after 2015/16 cannot be assessed with certainty.

2.9 Given the fact that the budget reflects decisions already taken, consultation has been tailored to reflect the scope of this year's exercise. The underlying strategy agreed in 2012/13 and 2013/14 was, however, the subject of considerable public consultation. It is also noted that:-

- (a) where Executive decisions are still required to enable any service to live within its budget, formal consultation will be carried out where appropriate (as is usual);
- (b) formal consultation will be carried out on any proposals resulting from the Spending Review Programme, again where appropriate.

2.10 The Spending Review Programme is likely to generate significant savings as reviews are concluded. However, it is estimated that the programme will not save more than £35m, and it is clear that further cuts will be required once the next Government determines its spending plans from 2016/17 onwards. It is intended to carry out a substantial public engagement exercise during 2014, to determine public priorities – this will be carried out before budget proposals are developed.

2.11 In the exercise of its functions, the City Council (or City Mayor) must have due regard to the Council's duty to eliminate discrimination, and advance equality of opportunity for protected groups and foster good relations between protected groups and others. The budget under consideration is a continuation of the status quo in terms of main policy commitments, and instead of policy changes, identifies financial pressures on existing plans and policies. There are no proposals for decision on specific courses of action that could result in changes of provision that could have an impact on different groups of people. Therefore, there are no proposals to carry out an equality impact assessment on the budget per se (this is further explained in paragraph 10 and the legal implications at paragraph 20). Where necessary, the City Mayor has considered equality impact assessments for decisions affecting service quality. The Council is committed to promoting equality of opportunity for its residents; and regardless of where the legal duty 'bites', it is unarguable that huge cuts have had an impact, particularly on vulnerable residents. Consequently, at paragraph 10 below, an overview of the cumulative impacts is provided; together with some mitigating actions. These include setting aside £0.2m per annum in the budget to carry out further actions where necessary.

2.12 Government funding announced for 2014/15 and 2015/16 is a matter of particular concern, not solely because of the level of cuts, but also because of

the disproportionate impact of the cuts on deprived authorities. This is further discussed in paragraph 11 below.

### 3. **Recommendations**

3.1 Subject to any amendments recommended by the Mayor, the Council is asked to:-

- (a) approve the budget strategy described in this report, and the formal budget resolution for 2014/15 which will be circulated separately;
- (b) note the outcome of the local government finance settlement for 2014/15 to 2015/16;
- (c) note the comments received on the draft budget from scrutiny committees, trade unions and other partners;
- (d) approve the budget ceilings for each service, as shown at Appendix One to this report;
- (e) approve the scheme of virement described in Appendix Two to this report;
- (f) note my view that reserves are adequate and estimates made for pay, price and capital financing are robust;
- (g) authorise the Director of Finance to amend budget ceilings to reflect the allocation of provisions held for this purpose (see paragraph 6.6);
- (h) note the equality implications arising from the cumulative impact of service cuts in recent years, as described in paragraph 10;
- (i) approve the prudential indicators described in paragraph 17 of this report and Appendix Three;
- (j) approve the proposed policy on minimum revenue provision described in paragraph 18 of this report;
- (k) agree that finance procedure rules applicable to trading organisations (4.9 to 4.14) shall be applicable only to City Catering, operational transport, highway maintenance and fleet management functions;

#### 4. **Budget Overview**

4.1 The table below summarises the proposed budget, and shows the forecast position for the following two years:-

	<b><u>2014/15</u></b> £m	<b><u>2015/16</u></b> £m	<b><u>2016/17</u></b> £m	<b><u>2017/18</u></b> £m
<b><u>Service budget ceilings</u></b>	242.2	239.6	239.7	239.7
<b><u>Provisions to be allocated to services</u></b>	2.7	2.7	2.7	2.7
<b><u>Corporate Budgets</u></b>				
Capital Financing	13.5	14.1	14.1	14.3
Building Schools for the Future	1.0	1.0	1.0	1.0
Hardship awards	0.5	0.5	0.5	0.5
Miscellaneous	2.4	1.0	1.4	1.8
Contingency	3.0	3.0		
Energy cost reduction schemes	1.5			
Service transformation provisions	5.0			
<b><u>Future Provisions</u></b>				
Inflation		2.9	5.8	8.7
National Insurance increase			3.3	3.3
Severance			8.0	
Planning provision		3.0	6.0	9.0
<b><u>Managed reserves policy</u></b>	23.3	(0.4)	(32.4)	
<b>TOTAL SPENDING</b>	<b>295.2</b>	<b>267.5</b>	<b>250.0</b>	<b>280.9</b>
<b><u>Resources – Local Taxation</u></b>				
Council Tax	82.2	84.1	87.0	89.9
Business Rates	53.2	53.9	52.9	54.2
Collection Fund Surplus	1.4			
<b><u>Resources – Grant</u></b>				
Business rates top-up grant	43.5	44.7	46.1	47.8
Revenue Support Grant	108.7	76.9	50.9	27.1
New Homes Bonus	5.9	7.1	8.2	8.0
New Homes Bonus Adjustment	0.3	0.8		
<b>TOTAL RESOURCES</b>	<b>295.2</b>	<b>267.5</b>	<b>245.1</b>	<b>227.0</b>
Projected tax increase		2.0%	3.0%	3.0%
Gap in resources			4.8	54.0
Underlying gap in resources			37.2	54.0

- 4.2 Future forecasts, particularly beyond 2015/16, are volatile and will change.
- 4.3 The forecast gap in 2017/18 makes no allowance for inflation beyond 14/15 (see later) which would add a further £6m (making a funding gap of £60m in that year). Nor is allowance made for increasing demand on services.

5. **Council Tax**

- 5.1 The City Council’s proposed tax for 2014/15 is £1276.55, an increase of 1.99% on 2013/14.
- 5.2 The tax levied by the City Council constitutes only part of the tax Leicester citizens have to pay (albeit the major part). Separate taxes are raised by the police authority and the fire authority. These are added to the Council’s tax, to constitute the total tax charged.
- 5.3 The total tax bill in 2013/14 for a Band D property was as follows:-

	<b>£</b>
City Council	1251.65
Police	173.87
Fire	58.38
<b>Total tax</b>	<b>1483.90</b>

- 5.4 The actual amounts people are paying in 2013/14, however, depend upon the valuation band their property is in and their entitlement to any discounts, exemptions or benefit. 80% of properties in the city are in band A or band B.
- 5.5 The formal resolution sets out the precepts issued for 2014/15 by the police and fire authorities together with the total tax payable in the city.

6. **Construction of the Budget**

- 6.1 In addition to council tax, the Council is being asked to approve the budget ceilings for each service, which are shown at Appendix One to this report. The budget ceilings act as maximum amounts the City Mayor can spend on each service, subject to his power of virement.
- 6.2 It has been the Council’s past practice when preparing the budget to consult upon lists of specific growth and reduction proposals, which are subsequently approved at the annual budget meeting. This approach is no longer appropriate for the following reasons:-

- (a) continuous changes to our funding, and increasing grant cuts imposed by central government, mean it is not sensible to wait until February each year to agree a plan of spending reductions. The Spending Review Programme is a natural outworking of this principle;
- (b) the approach adopted in the 2013/14 budget has given departments a degree of budget certainty within which to manage – this approach has proved successful, and departments have dealt with many emerging budget pressures through management action during 2013/14;
- (c) as reported in the 2013/14 budget report, case law confirms that the role of Council is to approve the overall budget level and council tax; the City Mayor is responsible for determining actions to enable each service to live within its budget.

6.3 In essence, therefore, the budget is the means by which the Council sets a financial framework within which the City Mayor has authority to act; and sets limits on the amount he is entitled to spend on any given service. The actions which have been taken, or will be taken, to enable the Mayor to live within the budget ceilings (should the Council approve the ceilings) are described at paragraph 7 below.

6.4 The way the budget has been constructed also has implications for consultation with the public and partners. In practice, most of the service decisions that will enable the Council to spend within its means have already been taken, either as part of the budget for 2012/13 and 2013/14, or separately by means of Executive decision and management action. The 2012/13 budget saw substantial savings made; this budget was preceded by the most substantial budget consultation the authority has ever carried out with the public. Changes to service policy which have reduced spending have also been the subject of consultation in their own right, and Executive decisions published.

6.5 The ceilings for each service have been calculated as follows:-

- (a) the starting point is last year's budget, subject to any transfers of function between services within the Council;
- (b) to these, an allowance for inflation has been added amounting to 1.75% of spending on supplies and services, and a deduction made amounting to 1.75% of income;
- (c) the effect of any growth and reductions from previous years' budgets is taken into account;

6.6 After the start of the year, budget ceilings will be further adjusted:-

- (a) to reflect the eventual pay award for employees. An estimate of 1% has been included in the budget, together with an additional £80,000 to provide for an increase of 20p per hour in the “living wage”, which is paid to the Council’s lowest paid employees;
- (b) to allocate additional costs payable as a consequence of increases in employers’ pension contributions following the 2013 actuarial revaluation;
- (c) to reflect decisions taken under the Spending Review Programme.

6.7 Whilst the above exercise is essentially a mechanistic one, members are reminded that the 2013/14 budget for Education and Children’s Services included one-off support of £4m to provide time to manage cuts in Early Intervention Grant. Thus, this department has been required to make additional savings in order to deal with the fallout of Government money – this is described further in paragraph 7 of this report.

6.8 Budget ceilings have also been created for the first time in respect of public health functions, which transferred to the Council in 2013/14 (due to the timing of the announcements, these services were included in the 2013/14 budget at net nil cost).

## 7. **Spending Reductions**

7.1 The purpose of this section of the report is to explain action which has been, or is being, taken to enable departments to manage within the proposed budget ceilings for 2014/15.

### Adult Social Care

7.2 The key issues facing the service are as follows:-

- (a) the Government’s proposals for care reform, much of which is medium term, but for which preparations are taking place now. The proposals will result in new duties, to be met from new grant sources – the details of the new grant income remain largely uncertain;
- (b) the continuing pressure of increased need, particularly arising from demographic growth;
- (c) financial pressure on service providers, who are essential for service continuity.

7.3 The care reform agenda has a number of aspects:-

- (a) from 2016/17, there will be a cap on the amount individuals are required to contribute to their own care amounting to £72,000 per

lifetime for most people. This will require the Council to keep records for adults who currently fund their own social care and do not receive any publicly funded support. Government funding to support this will be received in 2015/16;

- (b) new duties to support carers will give rise to additional costs, estimated at £0.5m in 2015/16 rising to £1.3m by 2018/19. Funding to support this is being received via the NHS, and is already budgeted (but will be transferred into the new Better Care Fund from 2015/16 – see below);
- (c) new rights to defer payment of fees until the death of a service user, and extended means test support;
- (d) potential national changes in eligibility for social care. At present, each local authority sets its own threshold for eligibility. The Department of Health is currently consulting on the establishment of national criteria: whilst it is the Department’s intention that this will entitle people with ‘critical’ or ‘substantial’ need to a service (as now in Leicester), the draft criteria do not deliver this.

7.4 The Independent Living Fund is expected to close in April 2015 (although the Government’s plans have run into legal difficulties), and local authorities will be required to take on responsibility for people previously supported by the fund. It is expected that additional grant will be received from 2015/16 to meet this responsibility.

7.5 The forecast costs of these new responsibilities, and the anticipated new grant streams, are shown below:-

	<b>15/16</b>	<b>16/17</b>
	<b>£000</b>	<b>£000</b>
<u>New costs</u>		
Social Care Funding Reform	1,127	2,586
Independent Living Fund	1,233	1,233
Carers’ Support	527	914
<b>Total new costs</b>	<b>2,887</b>	<b>4,733</b>
New Grant Streams	(3,102)	(3,819)
<b>Net addition to budget</b>	<b>(215)</b>	<b>914</b>

7.6 The table below shows the new spending pressures being faced by Adult Social Care Services in addition to the new responsibilities described above:-

	<b>14/15 (£000)</b>	<b>15/16 (£000)</b>
Demographic Growth	545	1,324
Other pressures	5,060	3,355
Residential Care Fees, which are likely to need to increase by an amount in excess of inflation	560	960
Domiciliary Care Fees, which are likely to need to increase by an amount in excess of inflation		150
Deprivation of Liberty Safeguarding – demand for increased assessments	50	50
Additional support to direct payments users	200	300
<b>Total</b>	<b>6,415</b>	<b>6,139</b>

7.7 Of the items in the above table:-

- (a) Demographic growth pressures arise from a growing and ageing population which brings increased need and demand;
- (b) Other pressures include the temporary impact of slippage in the delivery of previous budget savings, additional growth in the cost of care packages, and some earlier years' planned savings which cannot now be achieved;
- (c) Above inflation increases in residential care fees will be needed, to reflect increases in the cost of care and the need to maintain a stable market. Likewise, domiciliary care costs will increase due to increases in the minimum wage and increasing overheads for providers;
- (d) Deprivation of Liberty Safeguarding is a statutory service with increasing levels of demand;
- (e) There are increasing numbers of people who are choosing to receive their personal budget for social care in the form of a direct payment in cash. This is a positive step because it enables people to have a greater choice in the support they receive as well as having direct control over their care arrangements. However these people frequently need help and guidance on how their needs can be met, and also help in directly employing personal assistants.

7.8 The Government has recognised the pressures on the adult social care system for some time, and additional support has been provided from within NHS budgets for a number of years. Implicitly, the Government is acknowledging that continuing cuts to local government are placing the sector



under huge strain. It is worth noting (and the Government recognises this) that if statutory services are protected at local level, a time will come when these services could consume the entire authority budget if cuts continue at the current trajectory.

7.9 Actions have already been taken and continue to be taken to improve the efficiency of adult social care services and to reduce costs, including:-

- (a) Re-assessment and review of packages of care, including reductions to personal budgets where this is appropriate;
- (b) Transferring people's care from high cost settings/services to more cost effective alternatives while continuing to meet the eligible needs;
- (c) Re-procurement of services using the competitive process to drive up quantity and quality of provision and/or to drive down costs (e.g. supported living);
- (d) Review of relatively expensive in-house provision of services where more cost effective equivalent services are available to meet people's assessed needs (e.g. elderly persons' homes and older persons' mental health day care);
- (e) Reshaping remaining in-house services (such as reablement) to improve efficiency;
- (f) Review of the "resource allocation system", which allocates funding for personal budgets;
- (g) Strengthening of checks and balances; with a quality assurance panel independently reviewing all high cost care packages, and all cases where a proposed care package is 10% above the indicative personal budget suggested by the resource allocation system; and
- (h) Additional support to informal family carers to improve resilience, including the provision of short breaks to enable carers to provide care.

7.10 Implementation of the above actions is subject to full due process as appropriate in terms of consultation, assessment of impacts and decision making.

7.11 In its June 2013 Spending Review, the Government announced the creation of a £3.8bn per annum Better Care Fund (BCF). This will be a pooled budget; to be created in 2015/16 from a number of existing funding streams, together with a further £1.9bn from the overall NHS budget. The money is intended to provide better integration between health and adult social care, but also to provide protection for adult social care services. Explicitly, the Government has recognised the need to use some of this money to help deal with demographic pressures in adult care. The pool is to receive £21.4m of revenue monies in 2015/16, which includes "new" money of £11.6m. Discussions on the use of this fund are continuing with NHS colleagues

locally, and we are required to submit a joint plan for Department of Health approval in April 2014. Appropriate planning for the future, including transformation supported by BCF monies, is clearly going to be key to delivering a sustainable financial future, and the Council's Spending Review Programme recognises this (the review of adult care is not being started until April 2014).

- 7.12 An addition of £2.2m has been made to the departmental budget for one year only in 2014/15. The balance of the pressures will be met by departmental reserves in that year. The position for 2015/16 needs to be resolved as part of BCF discussions.

### Children's Services

- 7.13 The Education and Children's Services portfolio has faced substantial spending reductions since 2010/11, largely as a consequence of specific grant streams ceasing or being cut back rapidly. Unlike other departments, the department has needed to make savings in the 2014/15 budget as a consequence of continuing grant cuts.

- 7.14 The key issues faced by the service in planning for 2014/15 and beyond are as follows:-

- (a) to meet the continuing impact of Government grant cuts, as stated. Total pressures amount to £5.1m in 2014/15, of which £4.38m arises from cuts in Early Intervention Grant made in 2013/14 (the Council's budget for that year provided temporary finance to the department, to enable the impact to be managed); £0.35m in Education Services Grant; and £0.4m in youth offending grants. Further cuts in Education Services Grant, in excess of £1m, are likely in 2015/16;
- (b) to cope with the rise in numbers of looked after children (for which budgetary provision has been provided in previous years), and increased responsibilities arising from young offenders now being classed as looked after children. These issues have placed social care budgets under pressures of £1.7m per annum;
- (c) delivery of some major budget challenges approved in previous budgets. These include reorganisation of children's centres, the review of service interventions for the 0-19 age group, and a review of management across various divisions (requiring savings of £3.6m to be achieved in total);

- 7.15 Actions are already in progress to tackle these issues, which include:-

- (a) a review of interventions across the 0-19 age range has been completed, reducing non-priority work and delivering savings;
- (b) specialist services at children's centres have already been reduced as a consequence of previous budget decisions. A decision was taken by the Executive in December to reorganise and further reduce the level of services provided from children's centres, whilst maintaining the full estate. This will save £3.3m, £1.7m more than the amount required in the 2013/14 budget, with the balance required to meet Early Intervention Grant cuts;
- (c) organisational reviews are taking place to combine teams providing similar services; and to rationalise the working hours of part time youth workers;
- (d) redesign of statutory social services based on the child's journey through the system, whilst securing better integration with locality based early help services. An organisational review is now nearing completion; and follows on from detailed work on referral taking, assessment practices and quality assurance activity undertaken by senior managers;
- (e) an organisational review of the Youth Offending Service is taking place, to enable it to live within its reduced grant. It is anticipated that the savings required will be achieved almost entirely from vacant posts.

7.16 Further action will be taken:-

- (a) to agree with the Schools' Forum to use Dedicated Schools' Grant to fund early years teachers;
- (b) to review support to adventure playgrounds, to provide wider access at reduced costs;
- (c) to make savings in the special educational needs service;
- (d) to review the school improvement service, reducing the core service whilst strengthening formal partnership structures;
- (e) to cease certain miscellaneous budgets (sports development and key stage 4 foundation learning, and discretionary budget for one-off initiatives);
- (f) combining teams where practical in localities, and utilising buildings more effectively.

7.17 Actions taken, or to be taken, are subject to full due process as appropriate including consultation as necessary, assessment of impacts and decision making.

7.18 To the extent that a full year saving cannot be achieved in 2014/15, the budget will be balanced using departmental reserves: it is anticipated that £1.8m will be required.

- 7.19 Further work will need to take place during 2014/15 to identify additional savings, if further cuts are made in Education Services Grant.
- 7.20 Children's services will be further reviewed as part of the Spending Review Programme, and a report will be prepared for the Executive.

#### City Development and Neighbourhoods

- 7.21 The department is delivering a major programme of strategic initiatives, including the market redevelopment, Connecting Leicester, and the Richard III Programme. It is able to manage within its overall budget for 2014/15 to 2015/16, and any new pressures arising are being (or will be) dealt with by management action. This is enabling the department (as the 2013/14 budget strategy intended) to focus its efforts on the Spending Review Programme. The main pressures arising in 2014/15 are as follows:-
- (a) real terms reduction in sports income of £0.5m per annum, as income has not kept pace with inflation. Compensating reductions in expenditure budgets of the service have been made;
  - (b) loss of £90,000 income to Community Services, due to falling usage by other City Council services – the service is making savings in its running costs, reflecting this reduced usage.
- 7.22 All management actions have been (or will be) assessed for equalities implications, and are not considered to present any at this stage.
- 7.23 After many years of growth in demand, it is pleasing to report that the cost of concessionary fares has now stabilised.
- 7.24 The department's services feature heavily in the Spending Review Programme. Key ones are:-
- (a) a review of neighbourhood services, seeking to co-locate and integrate services (area by area) against a background of needing to deliver cost reductions;
  - (b) review of sports and leisure provision;
  - (c) review of parks and open spaces, with particular reference to the sums spent on grounds maintenance;
  - (d) review of the Council's investment property portfolio, with a view to increasing net returns;
  - (e) review of technical services (encompassing highways maintenance, facilities management, property management and fleet management amongst the department's services).

7.25 It is anticipated that substantial savings will accrue from the above.

#### Housing Portfolio

7.26 This is a small portfolio with a net spend of £6m.

7.27 The key service, from a financial perspective, is prevention of homelessness, which has been subject to review as a consequence of 2012/13 budget decisions. The review is expected to save £2m per annum from 2014/15 (there will remain a small shortfall against the original budget, as shown below).

7.28 The portfolio has expenditure pressures which need to be managed if it is to live within its budget ceilings in 2014/15. These are shown below:-

	<u>2014/15</u> <u>£000</u>	<u>2015/16</u> <u>£000</u>	<u>2016/17</u> <u>£000</u>
Homelessness strategy	215	215	215
Hostel rents		165	165
	<hr/> 215	<hr/> 380	<hr/> 380

7.29 Council hostel dwellers are not currently exempt from the benefit cap, something which ministers did not intend, but are unlikely to rectify in the near future. In 2014/15, this can be managed with support from discretionary housing payments. However, it is also anticipated that (regardless of who the landlord is) there will be a cap on the amount of hostel rent which can be taken into account for universal credit purposes. It is expected, therefore, that hostel rents will not be fully reimbursed at current levels, which creates a budget pressure for the Housing portfolio.

7.30 One off departmental monies will be used to balance the budget in 2014/15. A full review of services will take place during 2014/15 to find the balance on a recurrent basis.

7.31 A follow-up to the homelessness review will report in September 2014 (part of the Council's Spending Review Programme).

#### Public Health

7.32 In 2013/14, the Council became responsible for the delivery of public health services, the purpose of which is:-

- (a) to improve the health of the population;
- (b) to ensure the health of the population is protected;
- (c) to support improvements in health and care services.

- 7.33 Some new responsibilities are mandatory, whilst others are to be applied in response to local need. In practice, the Council has wide discretion to discharge its duties as it sees fit.
- 7.34 To enable the Council to deliver its responsibilities, a ringfenced grant of £22m will be received in 2014/15.
- 7.35 The budget contains provision for the delivery of a number of new services which were the responsibility of the NHS prior to 2013/14. However, transfer of responsibilities to the Council has provided the opportunity to look more holistically at what the Council does to promote health, and this work will continue. Spending of this grant will not follow the same configuration as for inherited services, recognising it would be sensible to invest in or protect some existing services which demonstrably have a beneficial impact on public health. This underlines the Council's commitment to public health in its broadest sense, and determination to improve health outcomes. In future, the whole of the Drugs and Alcohol Action Team budget (which currently receives a £0.6m general fund subsidy) will be met from public health grant.
- 7.36 The public health services inherited from the NHS are gradually being re-commissioned, as contracts come up for renewal, and savings made.

#### Corporate Support and Resources

- 7.37 The key challenge facing the Corporate Resources and Support Department is to be as cost effective as possible, in order to maximise the amount of money available to run public facing services. In this context, the department has reduced staffing by around 200 in recent years, and made savings of some £12m per annum.
- 7.38 The department will continue to face significant challenge to be cost effective, and features strongly in the Spending Review Programme. In particular, services are gearing up to be more streamlined to match anticipated reduced activity elsewhere.
- 7.39 The department is able to manage within its budget ceilings for 2014/15, having absorbed new spending pressures (thus freeing up time to pursue the Spending Review activity). Cost pressures absorbed include:-

- (a) a small shortfall of £48,000 per annum in telephone savings anticipated from the Lync project, which is being met by efficiencies elsewhere in IT Services;
- (b) an additional £80,000 expected cost from job evaluation appeals in the Delivery, Communications and Political Governance Division, which has been met by securing additional savings in a review of corporate administration.

7.40 Additionally, there is risk to the budget in 2014/15 and 2015/16:-

- (a) continued reductions in the £3m grant received for benefit administration are envisaged, particularly as responsibility for universal credit transfers to DWP;
- (b) the introduction of a medical examiner service from 2015 will change the way in which all deaths are certified. This scheme is expected to be funded out of new fees levied on the next of kin. However, fee levels will be set by central government with the consequent risk of a shortfall (currently projected at up to £0.4m per annum);
- (c) the move out of New Walk Centre and the relocation of the data centre will put new pressures on IT support, particularly increases in mobile working.

7.41 Most of the department's services will be subject to periodic review during the period of the Spending Review Programme, with savings anticipated from continuing transformation as well as savings consequent to reductions elsewhere. The exception to this is IT Services, which will be subject to separate review and challenge from the perspective of what is currently available from modern IT offerings.

## 8. **Corporately Held Budgets**

8.1 In addition to the service budget ceilings, a number of budgets are held corporately. The key ones are described below (and shown in the table at paragraph 4).

8.2 The budget for **capital financing** represents interest and debt repayment costs on past years' capital spending and planned capital spending (mostly the former). This budget is not managed to a cash ceiling, and is effectively controlled by the Director of Finance. Costs which fall to be met by this budget are driven by the Council's approved treasury management strategy.

8.3 **Building Schools for the Future (BSF)** is a substantial programme of investment in secondary schools, partly funded by conventional finance and partly through the Private Finance Initiative (PFI). At the inception of the

programme, the Council agreed to share the additional costs arising from this scheme with schools. All contracts for BSF have now been signed, and the programme will be substantially complete by 2015/16. The sum remaining in corporate budgets represents the Council's contribution to costs for schools in the later phases of the programme. Over time, this money will be added to the budget of the Education and Children's Services Department.

- 8.4 £0.5m per annum has been set aside for the costs of **hardship awards** to council tax payers who find it difficult to pay. In 2013/14, Government welfare reforms required the Council to introduce a council tax reduction scheme; this has resulted in low income taxpayers being required to contribute to their council tax for the first time.
- 8.5 The 2013/14 budget also provided for two one-off provisions to be made in 2014/15:-
- (a) £5m for **service transformation**, making £6m in total between 2013 and 2015. This is intended to facilitate more radical options for service design which will enable us to reduce cost in later years, and is being used in conjunction with the Spending Review Programme;
  - (b) £1.5m (making £3m in total) to enable departments to invest in **energy reduction schemes**.
- 8.6 **Miscellaneous corporate budgets** include external audit fees, pensions costs of some former staff, levy payments to the Environment Agency, monies to mitigate the impact of budget reductions on protected groups under the Equality Act, bank charges, the carbon reduction levy and monies approved for the accommodation review. These budgets are offset by the effect of charges from the general fund to other statutory accounts of the Council, and remaining savings to be achieved through a review of employee terms and conditions (approved in earlier budgets). Charges to other statutory accounts have increased as a consequence of additional charges proposed to the HRA, as described in the report to Council on the HRA budget: this will help tenants to safeguard community services which the General Fund can no longer afford.
- 8.7 A **contingency** of £3m has been included in the budget for each of 2014/15 and 2015/16. This reflects the risk associated with the very substantial cost reduction programmes approved in earlier years' budgets which are still being implemented. Whilst this risk should largely crystallise in 2014/15, there remain substantial risks in 2015/16, particularly in respect of adult care funding, and departments' ability to fund problems from within their own resources is reducing. Nonetheless, the contingency will only be used as a very last resort.



## 9. **Future Provisions**

- 9.1 This section of the report describes the future provisions shown in the table at paragraph 4 above. These are all indicative figures – budgets for these years will be set in February prior to the year in question.
- 9.2 The provision for **inflation** includes money for:-
- (a) an assumed 1% pay award each year, in line with current Government guidelines;
  - (b) a contingency for inflation on running costs. Following approval of the Council's budget in February 2013, inflation provision will no longer be made on the generality of goods and services, with departments left to absorb this themselves. Exceptions have been made for the few services where this is not feasible: waste disposal, and independent sector residential and domiciliary care. Additionally, a small contingency of £250,000 per annum will be kept for individual departments to bid for in exceptional circumstances.
- 9.3 Provision has also been made for an increase in the costs of **national insurance** in 2016/17. This arises from the Government's decision to replace the state second pension with a single flat rate scheme. Organisations which have previously "opted out" of the state second pension have received a rebate in their national insurance contributions; this includes local authorities, who have their own occupational pension scheme. This rebate will cease in 2016/17, at an estimated cost of over £3m per annum.
- 9.4 Provision has been made for further **severance** costs (see paragraph 14 below).
- 9.5 No provision has been made for any increase in the cost of employers' pension contributions beyond 2014/15. It was agreed as part of the 2013/14 budget that these would cease to be funded with effect from 2015/16, with departments left to meet the cost themselves.
- 9.6 A **planning provision** has been provided in future years to reflect the severe difficulties in making accurate forecasts and to manage uncertainty. This is reviewed on an annual basis.

## 10. **Budget and Equalities**

- 10.1 The Council is committed to promoting equality of opportunity for its local residents; both through its policies aimed at reducing inequality of outcomes

experienced by local residents, and through its practices aimed at ensuring fair treatment for all and the provision of appropriate and culturally sensitive services that meet local people's needs.

- 10.2 Since April 2011, in accordance with section 149 of the Equality Act, the Council has been required by law to "have due regard" to the need to:-
- (a) eliminate discrimination;
  - (b) advance equality of opportunity between protected groups and others;
  - (c) foster good relations between protected groups and others.
- 10.3 Protected groups under the Equality Act 2010 are characterised by age, disability, gender re-assignment, pregnancy/maternity, race, religion or belief, sex and sexual orientation.
- 10.4 Advancing equality of opportunity under our public sector equality duty includes removing and minimising disadvantage, meeting the needs of protected groups which are different to others (particularly the disabled), and encouragement to participate in public life.
- 10.5 Consideration of equality implications is a continuing requirement under the duty, and this is reflected in the way that we approach equality impact assessments for service changes. At the start of each EIA process, service user profiles are identified (where the information is available), together with potential impacts on users with protected characteristics. As the development of proposals progresses, any additional implications are captured on the equality impact assessment template which officers are advised to complete. This includes any impacts identified through public consultation, where this has taken place. The main equality implications are summarised in reports to decision makers, in order to ensure that due regard is paid to them when decisions are taken. We also seek to understand the wider implications of decisions being taken, and periodically aggregate the equality impacts of individual decisions.
- 10.6 The approach in this budget is to set financial ceilings for each service which act as maxima above which the City Mayor cannot spend (subject to his power of virement). The ceilings set reflect the budget strategy approved by the Council in February 2013 – no additional savings targets have been allocated to services. Decisions to live within the ceilings have been, or are being, taken by managers or the City Mayor; and where necessary these decisions are subject to a full equality assessment. Hence, a specific impact assessment has not been done for the budget as a whole (because there are no specifically identifiable impacts).

- 10.7 However, the period of national spending restraint (and local spending cuts) that we are living through has, undoubtedly, had an impact on service users and city residents. Consequently, it is felt important that the cumulative impact of changes in recent years is summarised for members, and that mitigating measures for anticipated negative impacts are identified.
- 10.8 The impact of service changes over the last three years should be considered against the background of the socio-economic profile of the city's residents:-
- (a) the city's population is young compared to the rest of the country, and is increasing. 55% of the city's population is under the age of 34; the number of senior citizen households has declined from 23,000 in 2001 to 18,000 in 2011;
  - (b) the city has relatively low educational attainment and skills levels, particularly for disadvantaged children (notwithstanding improvements between 2001 and 2011). There remain 29% of adults in the city with no qualifications; and as of October 2013, there were 10,600 job seekers' allowance claimants;
  - (c) there is high and increasing ethnic diversity – 51% of residents classified themselves as white in the 2011 census, compared to 64% in the 2001 census;
  - (d) Leicester is a deprived city, ranking as the 25<sup>th</sup> most deprived in the country. However, unlike other cities in the country, there is no strong link between ethnicity and poverty. There are currently 34,000 people claiming housing benefit in the city, and 40,000 claiming council tax support. Whilst 44,000 people receive universal child benefit, 33,000 also receive income support in the form of child tax credit.
- 10.9 The effect of budget proposals on different groups of residents has been considered in each of the last three years. Since 2012/13, consideration has been informed by the public sector equality duty, which expanded the groups for which potential impacts had to be identified and assessed. In 2011/12, the only protected characteristics under the then current legislation were race, disability and gender.
- 10.10 Taking together all our budgets since 2011/12, there is a pattern in respect of how and which groups are affected. The focus of budget proposals has been to minimise frontline service impacts in general, and impacts on the most disadvantaged/deprived residents in particular. This includes:-
- (a) substantial reductions being made in management, administration and back office services;
  - (b) the generation of efficiency savings wherever possible;

- (c) in many cases, targeting of services where reductions have been made, moving away from universal models of provision;
- (d) service re-design.

10.11 Notwithstanding this, particular impacts have been seen in respect of **age (older people)** and **disability**. In part, these are transition issues arising from the programme of transforming adult social care, and reflect the fact that change is challenging for many service users. For instance, a move from direct, buildings based, service provision to personalised budgets (whilst a positive development) needs to be managed to minimise disruption to service users. Transition issues also include re-focusing of voluntary sector provision; and integration of community services. However, service users have also been affected by reviews of service charges, and by restricting service eligibility to a more strict assessment of statutory entitlement. Reductions are also being made in (non-statutory) housing related support services. Additionally, relocation of universal services to new premises, and reduced subsidies for some bus routes inevitably have the most significant negative impact on the least mobile.

10.12 Particular impacts have also been seen in respect of **age (children)**. This has been an impact of substantial reductions in Government specific grants which existed prior to 2011/12 and can be seen, for instance, in targeting of services at children's centres, changes to travel support, and reshaping of services commissioned for the 0-19 age group.

10.13 Part of the Council's approach to its equality duty is to consider mitigating actions where negative impacts have been identified. A recent review of these actions shows that many of the anticipated negative impacts have in fact been reduced, or even removed, as a consequence of mitigating actions suggested at the time the budget proposals were made. This includes, for instance, amending proposals to change library services following user consultation, which has resulted in successful implementation with satisfied users; the provision of targeted information and individual support to adult social care users; achievement of efficiency savings as an alternative to closing bowling greens; and the continued promotion of the Duke of Edinburgh Award (for which Council funding ceased) by a regional body.

10.14 In addition to the above protected groups, it is believed that reductions have disproportionately affected those who most rely on public services due to low levels of income, despite the increased targeting of services towards those who need them. Thus, proposals to charge (or increase charges) for leisure provision, reduction in some play activity, and reduction in activity at children's centres will have an impact on those who use them most. However, changes affecting people on lower income need to be seen in the context of the wider

impact of the economic downturn and the Government's welfare reforms; the latter has generally excluded older people from its remit, and had the most significant impact on the incomes of larger households in receipt of benefits. In Leicester:-

- (a) 13,000 council tax reduction scheme households have dependent children;
- (b) 15,300 housing benefit households have dependent children;
- (c) 1,300 households with children are subject to the 'bedroom tax';
- (d) 200 households with dependent children are subject to benefit income capping.

10.15 It is believed that the impact of these measures will be felt more keenly than the impact of Council budget reductions, and are of course beyond the Council's control. Nonetheless, it is important to understand the range and impacts of financial constraints currently being placed on our residents.

10.16 The Council is taking a number of steps to help mitigate the impact of its budgets, and wider changes, on its citizens. Given the likelihood of considerably more cuts in our funding, these will become all the more vital in the coming years. These include:-

- (a) the setting aside of a provision of £0.2m per year for the Executive to spend on measures to mitigate the most significant impacts, particularly where these are cumulative on any given group (whether protected or not);
- (b) a review of advice provision, as part of the Council's Spending Review Programme. It is recognised from the outset that there is not the same expectation of savings from this review as there is from the others, and one of its objectives is to develop (with partners) a 'core city advice framework';
- (c) the setting aside of £0.5m per annum in the budget to support people unable to pay increased council tax charges due to hardship;
- (d) a continued emphasis on supporting businesses who recruit apprentices to help promote employment and address skills levels. A key aim of the Economic Action Plan more generally is to improve employment opportunities and skills;
- (e) administration of a number of programmes of discretionary relief, including discretionary housing payments;
- (f) a rigorous approach to carrying out equality impact assessments for individual proposals affecting service provision (and the setting aside of a contingency in the budget to enable proposals to be modified if the impact on a protected group is too severe).

## 11. Government Grant

11.1 As can be seen from the table at paragraph 4, government grant is a major component of the Council's budget. Figures for 2014/15 and 2015/16 have been announced and will fall substantially (figures beyond 2015/16 have been estimated). Cuts over the next two years are amplified below:-

	2013/14 £m	2014/15 £m	2015/16 £m	Cuts 13/14 to 15/16
Revenue Support Grant	133.0	108.7	76.9	42.2%
Top-Up Grant	42.2	43.5	44.7	
New Homes Bonus	3.9	5.9	7.1	
New Homes Bonus Adjustment	0.8	0.3	0.8	
<b>Grant Total</b>	<b>179.9</b>	<b>158.4</b>	<b>129.5</b>	<b>28.0%</b>

11.2 The system of local government finance changed substantially in 2013/14. In place of formula grant, which was allocated by need, the Government introduced the business rates retention system. This meant that money previously allocated by formula grant was split two ways:-

- (a) an amount retained by local authorities from business rates collected locally;
- (b) an amount distributed by the Government as Revenue Support Grant (RSG).

11.3 Under business rates retention, 50% of rates income is retained by local government and 50% paid over to central government. However, the Government has recognised that some authorities receive much more in rates income than others. Consequently:-

- (a) deprived authorities (including us) receive a "top-up" grant;
- (b) affluent authorities make a "tariff" payment.

11.4 Nationally, top-up payments equal tariff payments – at aggregate level, therefore, 50% of business rates income remains with local authorities.

11.5 The amount which would otherwise have been distributed as formula grant, minus the Government's estimate of locally retained rates, is now distributed to local authorities as RSG.

- 11.6 In determining cuts, the Government curiously still sees retained business rates as central government funding. Thus, when it announces that local authority funding will be cut by a certain percentage, the Government is applying this to the sum of RSG and locally retained rates (now known as the “settlement funding assessment”). Because business rate poundages increase each year (as do top-up and tariff payments) this means that RSG bears the full brunt of the funding cuts calculated with reference to a much bigger figure. Hence the substantial percentage reductions seen above.
- 11.7 Furthermore, the way the Government is allocating RSG has a disproportionate impact on deprived authorities such as Leicester. This is because RSG is simply being scaled back from its 2013/14 levels. This, of course (and unlike the old formula grant), pays no regard to authorities’ different abilities to raise council tax. The Government uses a concept called “spending power” to measure the impact of cuts on the totality of an authority’s ability to spend. This includes all grants (including specific grants), council tax and business rates. The grants included in the definition are arguable. However, adopting the Government’s own definition, outcomes over the 2 years from 2013/14 to 2015/16 range from growth of 3.25% (Wokingham) and 3.0% (Surrey) to cuts of 11.3% (Knowsley) and 11.2% (Newham) amongst single purpose/upper tier authorities. Leicester, on this definition, loses 9.6%. A more appropriate definition produces a figure for Leicester of 15.3%.
- 11.8 In the 2013 Autumn Statement, the Government announced that increases in business rates would be limited to 2% (rather than the rate of inflation). Because top-ups and tariffs are an integral part of the business rates retention system, the Council’s top-up grant has also been limited to a 2% increase. This has led to a consequent loss of income to the Council, which has been compensated by a separate grant. The top-up grant shown in the table at paragraph 4 is, in fact, a combination of two grants:-

	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b><u>£m</u></b>	<b><u>£m</u></b>	<b><u>£m</u></b>	<b><u>£m</u></b>
Calculated top-up grant	43.0	44.2	45.6	47.3
Compensation grant	0.5	0.5	0.5	0.5
<b>Total top-up grant</b>	<b>43.5</b>	<b>44.7</b>	<b>46.1</b>	<b>47.8</b>

- 11.9 New Homes Bonus is a grant paid to authorities which roughly matches the council tax payable on new homes, and homes which have ceased to be empty on a long term basis. The grant is calculated with reference to a 2010/11 baseline, and will grow each year until 2016/17; in 2017/18, 2011/12

will be used as the baseline, and the baseline will roll forward in the following years.

- 11.10 The grant figures in this report are slightly higher than in the draft version published in December. This is because, nationally, New Homes Bonus has cost the Government less than expected. The difference has been paid to authorities through a combination of higher RSG and a separate “adjustment grant”.
- 11.11 We have no grant figures for years beyond 2015/16, and 2016/17 spending plans will be set after the general election. However, the current Government does anticipate national spending reductions to 2017/18 and beyond, and these are reflected in national spending plans (at aggregate level). The table at paragraph 4 assumes the national “settlement funding assessment” will fall by 12% in each of 2016/17 and 2017/18 (compared with 13% in 2015/16). Reality could be better or worse than this.

## 12. **Local Taxation Income**

12.1 Local tax income consists of three elements:-

- (a) the retained proportion of business rates;
- (b) council tax;
- (c) surpluses arising from previous collection of council tax and business rates.

### Business Rates

- 12.2 Local government now retains 50% of the rates collected, as discussed above. In Leicester, 1% is paid to the Fire Authority, and 49% is retained by the Council.
- 12.3 In the 2013 Autumn Statement, the Government made a number of announcements covering business rates:-
- (a) the increase in rate poundages for 2014/15 would not increase with inflation (as is usually the case) but be limited to 2%;
  - (b) the doubling of rate relief for small businesses, which was due to end in 2013/14, has been extended;
  - (c) certain additional reliefs have been made available, the most significant of which is a £1000 reduction for some small businesses.
- 12.4 Each of the above results in lost income to local authorities, which the Government is compensating under the “New Burdens” doctrine. The rates



figures quoted at paragraph 4 therefore consist of estimated rates plus a number of compensation grants (as discussed at paragraph 11, the need for compensation also applies to “top-up” grant). The full picture is shown below:-

	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b><u>£m</u></b>	<b><u>£m</u></b>	<b><u>£m</u></b>	<b><u>£m</u></b>
Forecast rates from business	49.6	50.2	52.4	53.7
Compensation for 2% increase	0.5	0.5	0.5	0.5
Small business relief compensation	1.9	2.0		
Compensation for other reliefs	1.2	1.2		
<b>Total “rates”</b>	<b>53.2</b>	<b>53.9</b>	<b>52.9</b>	<b>54.2</b>

12.5 Estimates of rates payable by businesses have been based upon:-

- (a) the existing rateable value;
- (b) changes in rateable value for known developments;
- (c) estimates of the cost of new reliefs;
- (d) provision for successful appeals; and
- (e) an assumed real terms decline in our rates base after 2014/15, of 0.7% per annum (consistent with recent years).

12.6 The compensatory grants have been estimated as equal to the estimated cost they are compensating. Members are asked to note that:-

- (a) the cost of the 2% cap on the rates increase will permanently diminish our rates income, and compensation has therefore been assumed on a permanent basis. If the Government limits increases in future years, the compensation payable can be expected to increase;
- (b) for purposes of estimating rates, it is assumed that the doubling of small business relief (which has now been in place for a number of years) will become permanent. We have, however, assumed that compensation will only be paid for the duration of the current Government Spending Review;
- (c) other reliefs have been explicitly stated to be for two years only, and the rates income and grant estimates have been adjusted accordingly from 2016/17.

12.7 The figures shown for rates income are higher than those in the draft report, because it is now possible to quantify compensation grants which were previously only noted.

- 12.8 The most difficult element in estimating rates income is the effect of appeals by rate payers, which can result in refunds going back a number of years. 49% of any such refunds fall to be paid by the Council, even where they relate to periods prior to introduction of the Business Rate Retention Scheme. The difficulty has been compounded by significant backlogs at the Valuation Office Agency, who determine whether or not appeals are successful; and by Government delays in producing accounting regulations.
- 12.9 Any future academy conversions will have an impact on rates income, as academies are entitled to mandatory rate relief. Conversions to date have not had a significant impact (because voluntary aided schools were receiving relief prior to conversion). However, loss of any large schools in the future would cost the authority around £50,000 per school in lost rates. The figures do not allow for any change to the status of Rushey Mead Community College.
- 12.10 During 2013/14, the Council was part of a “business rates pool” with the other authorities in Leicestershire. Pools are beneficial in cases where shire district councils’ rates are expected to grow, as pooling increases the amount of rates which can be retained in these areas. Conversely, if district councils’ rates decline, this transfers risk to the pool authorities.
- 12.11 As is clear from the above, the business rates retention scheme has already become extremely complex. This, and delays in clarifying the impact of rates policy changes on the retention scheme, have contributed to a decision of the pool authorities to (regrettably) cease pooling in 2014/15. If the system now settles down, we may seek to pool again in 2015/16.

### Council Tax

- 12.12 Council tax income is estimated at £82.2m in 2014/15, based on a tax increase of 1.99%. For planning purposes, a tax increase of 2% has been assumed in 2015/16, and 3% thereafter.
- 12.13 For the fourth year running, the Government has offered the Council money to freeze its council tax:-
- (a) in 2011/12, the Government offered an annual grant, equivalent to a 2.5% increase, to freeze our tax. This was accepted, and the grant of £2.3m has been received ever since (although it has now been absorbed into the Business Rates Retention Scheme/Revenue Support Grant);

- (b) in 2012/13, the Government again offered a grant equivalent to a 2.5% increase, but payable in 2012/13 only. This was not accepted, as it would have resulted in a loss of income from 2013/14 onwards;
- (c) in 2013/14, the Government offered a more complicated deal, which would have resulted in money being received for a limited period (2013/14 and 2014/15). The period over which the money will be received has subsequently been extended;

12.14 In 2014/15, the Government is making another complicated offer. If we freeze council tax, we will receive £1.0m in each of 2014/15 and 2015/16. Beyond 2015/16, the position is not wholly clear. The Government has stated that it will “baseline” the grant into RSG, indicating that the funding will be recurrent. However:-

- (a) a new government after 2015/16 may choose not to adopt this approach;
- (b) unless new money is found, the Government may not be able to afford to pay this amount annually, and the grant may therefore reduce in line with reductions to the rest of RSG. Alternatively, it may be protected in cash terms at the expense of authorities generally.

12.15 The table below compares the estimated income which would be received by the Council through implementing a tax increase of 1.99% in 2014/15, and compares this with the grant income receivable from a tax increase of 0%. Future tax rises remain as assumed above:-

	<u>Tax increase in</u> <u>2014/15</u>	<u>Tax freeze in</u> <u>2014/15</u>
	<u>£000</u>	<u>£000</u>
2014/15	1,603	1,017
2015/16	1,641	1,017
2016/17	1,697	1,017?
2017/18	1,754	1,017?

12.16 A tax increase of 2% or more would require a local referendum.

#### Collection Fund Surplus

12.17 The budget for 2014/15 includes a collection fund surplus arising from previous years’ collection of council tax (£2.3m) offset by a deficit in the collection of business rates (£0.9m). The latter was not expected, and has arisen because of Government decisions on the treatment of backdated appeals (there is an offsetting impact on later years’ rates).

### 13. **General Reserves and the Managed Reserves Strategy**

13.1 It is essential that the Council has a minimum working balance of reserves in order to be able to deal with the unexpected. This might include:-

- (a) an unforeseen overspend;
- (b) a contractual claim;
- (c) an uninsured loss.

13.2 In the current climate, the Council also needs to guard against slippage in the achievement of budget savings.

13.3 The Council has agreed to maintain a minimum balance of £15m of reserves. The Council also has a number of earmarked reserves, which are further described in section 14 below.

13.4 In the 2013/14 budget strategy, the Council approved the adoption of a managed reserves strategy. This involved contributing monies to reserves in 2013/14 and 2014/15, and drawing down reserves in 2015/16 and 2016/17. In practice, this policy has “bought time” to more fully consider how we address the substantial cuts we are still facing.

13.5 As a consequence of the managed reserves strategy, the budget remains balanced until 2015/16. Forecast reserve balances are:-

	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Brought forward	24.4	47.7	47.3
Planned increases	23.3		
Planned reductions		(0.4)	(32.4)
<b>Carried forward</b>	<b>47.7</b>	<b>47.3</b>	<b>15.0</b>
Less minimum required balance			(15.0)
<b>Available balance</b>			<b>0.0</b>

13.6 Clearly these forecasts are volatile, accumulating as the do the risk inherent in every expenditure and income forecast in this budget report. Any savings made from the Spending Review Programme in advance of 2015/16 can be used to continue this policy, and further mitigate the impact of future cuts.

## 14. **Earmarked Reserves**

- 14.1 Appendix Four shows the Council's earmarked revenue reserves as they stood on 31<sup>st</sup> March 2013, and as projected by March 2014. These have been set aside, sometimes over a number of years, for specific purposes. Of the ringfenced reserves:-
- (a) school monies and public health monies are ringfenced by law, and cannot be spent on other purposes;
  - (b) NHS monies have been given for specific purposes by the NHS.
- 14.2 The capital reserve is committed to fund the capital programme, and the forecast balance will be used to fund slippage. The actual balance will depend upon year end financing decisions, and whether expenditure is financed by revenue or capital grant.
- 14.3 The balance on the BSF reserve is significant, and has accumulated over many years from Government grant. This is now starting to be spent, will decline substantially in 2014/15, and be almost entirely spent in 2015/16 (a small amount will remain for IT renewals).
- 14.4 In 2011/12, the Council set up an earmarked reserve to meet the costs of severance, which was topped up with further contributions in 2012/13 and 2013/14. The balance on this reserve is projected to be £14m at the end of 2013/14, and it is believed that this will be sufficient to meet costs of severance arising from actions required to deliver this budget, and the Spending Review Programme. There is not sufficient funding to meet any additional severance costs required to achieve savings of £60m per annum by 2017/18 and it is estimated that a further £8m will be required in 2016/17.
- 14.5 The insurance fund exists to meet claims against the Council for which we act as our own insurer (there is a further "provision" for actual known claims which stood at £5.8m in March 2013).

## 15. **Risk Assessment and Adequacy of Estimates**

- 15.1 Best practice requires me to identify any risks associated with the budget; and the Local Government Act 2003 requires me to report on the adequacy of reserves and the robustness of estimates.
- 15.2 In the current economic climate, it is inevitable that the budget carries significant risk.

- 15.3 In my view, whilst very difficult, the budget for 2014/15 is achievable subject to the risks and issues described below. For budgetary control purposes, the budget of the Council is split into departments, with a strategic director accountable for spending within budget. Inevitably, some individual service reductions will not achieve the full expected savings, and issues will surface during the course of the year which will unexpectedly cost money. The Council has always, however, operated flexible budget management rules which enable pressures to be dealt with as they arise.
- 15.4 The paragraphs below deal with what I believe to be the most significant risks in the budget.
- 15.5 There is a significant risk that budget savings are not delivered, or take longer to deliver than anticipated. The cumulative impact of budget savings agreed since 2011/12 means that some £13m of savings remain to be implemented in 2014/15, plus any slippage in savings expected in earlier years.
- 15.6 Slippage can, to an extent, be managed; but will affect the managed reserves strategy discussed above. Failure to implement the full required savings at all will, however, affect our longer-term position.
- 15.7 The second significant risk is economic downturn, nationally or locally. This could result in:-
- (a) further cuts to Revenue Support Grant in 2015/16 (despite the 2 year settlement); or Revenue Support Grant for later years being less than current projections (this may happen even in a period of economic recovery, if the recovery is less strong than current Treasury/OBR forecasts);
  - (b) falling business rate income due to business failures;
  - (c) increased cost of council tax reductions for low income taxpayers;
  - (d) growing need for Council services;
  - (e) an increase in bad debts.
- 15.8 We also continue to be responsible for substantial demand-led services such as adult care and concessionary travel. The former is particularly susceptible to the impact of any new, high cost clients. In the medium term there remains work to do to put the adult social care budget on a sustainable footing, and risk remains until this is resolved.
- 15.9 The growth of academies will lead to loss of income for the Education and Children's Services Department, which cannot be readily compensated by cost reductions unless a critical mass of schools seek to become academies. Each pupil brings £116 to the Council in Education Services Grant, which

would be lost when a school becomes an academy. Academy conversion will also lead to loss of business rates income. The possible conversion of Rushey Mead Secondary School is not factored in to the budget.

15.10 There has been speculation nationally regarding a potential increase to the national minimum wage. As the City Council pays the higher “living wage”, this would be unlikely to put pressure on the wage bill. It would, however, increase the cost of some contracted services.

15.11 The budget seeks to manage these risks as follows:-

- (a) a £3m contingency has been included in the 2014/15 budget and provisional 2015/16 budget. In addition to managing risk, this provides resource for the City Mayor to revisit any proposed service reductions, particularly if needed to satisfy our equality duties. Should the contingency prove insufficient, the managed reserves strategy will need to be revisited;
- (b) a minimum balance of £15m reserves will be maintained;
- (c) a planning contingency is included in the budget from 2015/16 onwards (£3m per annum accumulating).

15.12 Subject to the above comments, I believe the Council’s general and earmarked reserves to be adequate. I also believe estimates made for pay, price, and capital financing are robust. (Whilst no inflation is provided for the generality of running costs in 2015/16, some exceptions are made, and it is believed that services will be able to manage without an allocation).

15.13 Strategic directors, supported by their heads of finance, believe the financial estimates in their budget proposals are robust.

## 16. **Comments received on the Draft Budget**

16.1 The Council is committed to consulting the public and service users on significant decisions which affect them. Consultation took place on the budget strategies for 2012/13 and 2013/14, and takes place with those affected by proposed service changes when required.

16.2 Given the nature of this year’s budget, consultation has been tailored to reflect the scope of the decisions being taken. Thus, a public consultation exercise has not been carried out. Comments have been sought from:-

- (a) business community representatives (a statutory consultee);
- (b) the Council’s scrutiny function;
- (c) the Council’s trade unions;

(d) key partners and other representatives of communities of interest.

16.3 The views of scrutiny committees and trade unions have been circulated as separate documents with this report.

16.4 Other comments received have been summarised at Appendix Five. Members wishing to see the full responses are asked to contact the report author.

## 17. **Borrowing**

17.1 Local authority capital expenditure is based on a system of self-regulation, based upon a code of practice (the “prudential code”).

17.2 The Council complies with the code of practice, which requires us to agree a set of indicators to demonstrate that any borrowing is affordable, sustainable and prudent. To comply with the code, the Council must approve the indicators at the same time as it agrees the budget. The substance of the code pre-dates the recent huge cutbacks in public spending.

17.3 Since 2011/12, the Government has been supporting all new general fund capital schemes by grant. Consequently, any new borrowing has to be paid for ourselves.

17.4 Until 2012/13, the Council supplemented the national code with local indicators which measured the impact of unsupported borrowing. Changes to the system of local government finance, and to the way government supports capital schemes, has now rendered these obsolete.

17.5 Attached at Appendix Three are the prudential indicators which would result from the proposed budget. A limit on total borrowing, which the Council is required to set by law, is approved separately as part of the Council’s treasury strategy.

17.6 The Council will continue to use borrowing for “spend to save” investment which generates savings to meet borrowing costs.

## 18. **Minimum Revenue Provision**

18.1 By law, the Council is required to charge to its budget each year an amount for the repayment of debt. This is known as “minimum revenue provision” (MRP). The purpose of this section of the report is to propose a policy in respect of calculating MRP.



18.2 Historic supported borrowing will be charged to revenue at a rate equal to 4% of outstanding debt.

18.3 For other borrowing, the policy statement members are asked to endorse is as follows:-

- (a) **basis of charge** – where borrowing pays for an asset, the debt repayment calculation will be based on the life of the asset; where borrowing funds a grant or investment, the debt repayment will be based upon the length of the Council's interest in the asset financed (which may be the asset life, or may be lower if the grantee's interest is subject to time limited restrictions); where borrowing funds a loan to a third party, the basis of charge will normally be the period of the loan;
- (b) **commencement of charge** – debt repayment will normally commence in the year following the year in which the expenditure was incurred. However, in the case of expenditure incurred relating to the construction of an asset, the charge will commence in the year in which the asset becomes operational. The charge would normally be based on an equal instalment of principal, but could be set on an annuity basis where the Director of Finance deems appropriate;
- (c) **asset lives** – the following maximum asset lives are proposed:-
  - Land – 50 years;
  - Buildings – 50 years;
  - Infrastructure – 40 years;
  - Plant and equipment – 20 years;
  - Vehicles – 10 years;
  - Loan premia – the higher of the residual period of loan repaid and the period of the replacement loan;
- (d) **voluntary set-aside** – authority to be given to the Director of Finance to set-aside sums voluntarily for debt repayment, where she believes the standard depreciation charge to be insufficient, subject to such decisions being reported annually as part of the revenue outturn.

## 19. **Financial Implications**

19.1 This report is exclusively concerned with financial issues.

19.2 Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any member with arrears of council tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made unless the member concerned declares the arrears at the outset of the meeting and that as a result s/he will not be voting. The member can, however, still speak. The rules are more circumscribed for

the City Mayor and Executive. Any executive member who has arrears outstanding for 2 months or more cannot take part at all.

20. **Legal Implications (Kamal Adatia, City Barrister)**

- 20.1 The budget preparations have been in accordance with the Council's Budget and Policy Framework Procedure Rules – Council's Constitution – Part 4C. The decision with regard to the setting of the Council's budget is a function under the constitution which is the responsibility of the full Council.
- 20.2 At the budget-setting stage, Council is estimating, not determining, what will happen as a means to the end of setting the budget and therefore the council tax. Setting a budget is not the same as deciding what expenditure will be incurred. The Local Government Finance Act, 1992, requires an authority, through the full Council, to calculate the aggregate of various estimated amounts, in order to find the shortfall to which its council tax base has to be applied. Council can allocate more or less funds than are requested by the Mayor in his proposed budget.
- 20.3 As well as detailing the recommended council tax increase for 2014/15, the report also complies with the following statutory requirements:-
- (a) Robustness of the estimates made for the purposes of the calculations;
  - (b) Adequacy of reserves;
  - (c) The requirement to set a balanced budget.
- 20.4 Section 65 of the Local Government Finance Act, 1992, places upon local authorities a duty to consult representatives of non-domestic ratepayers before setting a budget. There are also no specific statutory requirements to consult residents, although in the preparation of this budget the Council has undertaken tailored consultation exercises with wider stakeholders.
- 20.5 As set out at paragraph 2.11 the discharge of the 'function' of setting a budget triggers the duty in s.149 of the Equality Act, 2010, for the Council to have "due regard" to its public sector equality duties. These are set out in section 10. There are considered to be no specific proposals within this year's budget that could result in new changes of provision that could affect different groups of people sharing protected characteristics. As a consequence, there are no service-specific 'impact assessments' that accompany the budget, and instead the Council has considered the cumulative impact of the budget proposals over time when applying "due regard" to approving this year's budget. There is no requirement in law to undertake equality impact assessments as the only means to discharge the s.149 duty to have "due regard". The discharge of the duty is not achieved by pointing to one

document looking at a snapshot in time, and the report evidences that the Council treats the duty as a live and enduring one. Indeed case law is clear that undertaking an EIA on an ‘envelope-setting’ budget is of limited value, and that it is at the point in time when policies are developed which reconfigure services to live within the budgetary constraint when impact is best assessed.

20.6 Judicial review is the mechanism by which the lawfulness of Council budget-setting exercises are most likely challenged. There is no sensible way to provide an assurance that a process of budget setting has been undertaken in a manner which is immune from challenge. Nevertheless the approach taken this year with regard to due process and equality impacts is regarded by the City Barrister to be robust in law.

21. **Other Implications**

<b>Other Implications</b>	<b>Yes/No</b>	<b>Paragraph References within the report</b>
Equal Opportunities	Y	Paragraph 10
Policy	Y	The budget sets financial envelopes within which Council policy is delivered
Sustainable and Environmental	N	The budget is a set of financial envelopes within which service policy decisions are taken. The proposed 2014/15 budget reflects existing service policy.
Crime & Disorder	N	
Human Rights Act	N	
Elderly People/People on Low Income	N	

22. **Background Papers**

Taxbase decision of the City Mayor, 13<sup>th</sup> January, 2014.  
 Draft budget reported to Overview Select Committee, 16<sup>th</sup> January, 2014.  
 Partners’ responses to budget consultation (held by report author).

23. **Report Author**

Mark Noble  
 Head of Financial Strategy  
 14<sup>th</sup> February 2014

## BUDGET CEILINGS 2014/15

Appendix One

	Budget 2013/14 (as amended)	Full Year Effects	Inflation	Technical & Other Changes	Real budget changes	Budget Ceiling 2014/15
	{000}	{000}	{000}	{000}	{000}	{000}
<b><u>1. City Development &amp; Neighbourhoods</u></b>						
<b><u>1.1 Environmental &amp; Enforcement Services</u></b>						
Divisional Management	640.4					640.4
Street Scene Enforcement	1,413.1	(90.0)	(6.0)			1,317.1
Business Regulation	1,358.5		(2.0)			1,356.5
Building Control	188.8	(20.0)	(9.0)			159.8
Licensing & Pollution	387.6		(15.0)			372.6
Cleansing & Waste Management	17,864.3	(100.0)	311.0	352.0		18,427.3
Parks & Open Spaces	3,668.6	(40.0)	(45.0)			3,583.6
Community Safety	1,174.4		21.0			1,195.4
Car Parks	(630.6)	(102.0)				(732.6)
<i>Divisional sub-total</i>	26,065.1	(352.0)	255.0	352.0	0.0	26,320.1
<b><u>1.2 Culture &amp; Neighbourhood Services</u></b>						
Arts & Museums	5,506.0	(321.0)	45.2			5,230.2
Library Services	3,334.4	(31.0)	18.0			3,321.4
Sports Services	2,860.2		(30.0)			2,830.2
Community Services	2,740.5	(450.0)	15.0			2,305.5
Divisional Management	1,657.9	(94.0)				1,563.9
<i>Divisional sub-total</i>	16,099.0	(896.0)	48.2	0.0	0.0	15,251.2
<b><u>1.3 Planning, Transportation &amp; Economic Development</u></b>						
Transport Strategy	9,865.7	20.0	130.0			10,015.7
Traffic Management	2,169.1					2,169.1
Highways Design & Maintenance	6,462.3		110.0			6,572.3
Planning	1,213.3		(18.0)			1,195.3
Economic Regeneration & Enterprise	503.3	(72.0)	23.1			454.4
Divisional Management	309.7	38.0				347.7
<i>Divisional sub-total</i>	20,523.4	(14.0)	245.1	0.0	0.0	20,754.5
<b><u>1.4 City Centre</u></b>	479.5		6.2			485.7
<b><u>1.5 Property Services</u></b>						
Property Management	7,506.8	(340.0)	109.1			7,275.9
Environment team	294.7		5.1			299.8
Markets	(409.2)					(409.2)
Energy Management	246.6					246.6
Fleet Management (Trading)	(250.0)	(50.0)				(300.0)
<i>Divisional sub-total</i>	7,388.9	(390.0)	114.2	0.0	0.0	7,113.1
<b><u>1.6 Departmental Overheads</u></b>	853.0		2.0			855.0
<b>DEPARTMENTAL TOTAL</b>	<b>71,408.9</b>	<b>(1,652.0)</b>	<b>670.7</b>	<b>352.0</b>	<b>0.0</b>	<b>70,779.6</b>

## BUDGET CEILINGS 2014/15

Appendix One

	Budget 2013/14 (as amended)	Full Year Effects	Inflation	Technical & Other Changes	Real budget changes	Budget Ceiling 2014/15
	{000}	{000}	{000}	{000}	{000}	{000}
<b><u>2. Adults &amp; Housing</u></b>						
<b><u>2.1 Adult Social Care &amp; Safeguarding</u></b>						
Management	600.7	(556.0)	0.9			45.6
Safeguarding & Emergency Duty Team	1,191.3		3.4			1,194.7
Independent Living	4,449.2	(450.0)	10.7			4,009.9
Assessments & Commissioning	59,729.4	(2,035.0)	812.8		2,200.0	60,707.2
<i>Divisional sub-total</i>	<u>65,970.6</u>	<u>(3,041.0)</u>	<u>827.8</u>	<u>0.0</u>	<u>2,200.0</u>	<u>65,957.4</u>
<b><u>2.2 Care Services &amp; Commissioning</u></b>						
Care Services Management	239.8		3.7			243.5
Residential Care (In-House)	4,842.7	(2,373.0)	(36.6)		(1,072.0)	1,361.1
Day Opportunities (In-House)	4,423.6	(548.0)	(12.9)		37.0	3,899.7
Commissioned Services	11,339.5	(353.0)	156.7		1,035.0	12,178.2
Drugs & Alcohol Action Team	640.1			5,644.0		6,284.1
Directorate	302.3		0.4			302.7
<i>Divisional sub-total</i>	<u>21,788.0</u>	<u>(3,274.0)</u>	<u>111.3</u>	<u>5,644.0</u>	<u>0.0</u>	<u>24,269.3</u>
<b><u>2.3 City Public Health &amp; Health Improvement (see note)</u></b>						
Sexual health	4,765.6				(573.0)	4,192.6
NHS Health Checks	981.0				120.0	1,101.0
Children 5-19	1,981.7				(180.0)	1,801.7
Smoking & tobacco	1,227.0					1,227.0
Substance Misuse	6,106.5			(5,644.0)		462.5
Physical Activity	667.5				325.0	992.5
Other public health	4,265.7				(590.0)	3,675.7
Grant income	(19,995.0)			19,995.0		0.0
<i>Divisional sub-total</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>14,351.0</u>	<u>(898.0)</u>	<u>13,453.0</u>
<b><u>2.4 Housing Services</u></b>	<b>6,659.4</b>	<b>(1,000.0)</b>	<b>(48.7)</b>			<b>5,610.7</b>
<b><u>2.5 Public Health grant income</u></b>	<b>0.0</b>			<b>(19,995.0)</b>	<b>(2,000.0)</b>	<b>(21,995.0)</b>
<b>DEPARTMENT TOTAL</b>	<b><u>94,418.0</u></b>	<b><u>(7,315.0)</u></b>	<b><u>890.4</u></b>	<b><u>0.0</u></b>	<b><u>(698.0)</u></b>	<b><u>87,295.4</u></b>

**Note:** For the 2013/14 budget process, Public Health funding was shown as a single line with a net nil spend (as all expenditure was covered by specific grant income); a notional split of expenditure was later added and is included above. For this year, the major areas of spend are shown separately. In addition, in-house service spend (of which the largest element is the Drugs & Alcohol Team) is shown under spending departments' budget lines to avoid double-counting of budgets.

## BUDGET CEILINGS 2014/15

Appendix One

	Budget 2013/14 (as amended) {000}	Full Year Effects {000}	Inflation {000}	Technical & Other Changes {000}	Real budget changes {000}	Budget Ceiling 2014/15 {000}
<b>3. Education &amp; Children's Services</b>						
<b>3.1 Young People's Support</b>						
Early Prevention	13,791.5	(1,961.0)	72.6		(2,470.0)	9,433.1
Youth Service	3,554.7	(158.0)	29.2		(603.0)	2,822.9
Attendance Service	928.2		(0.3)		0.0	927.9
Youth Offending Service	1,342.1		(16.6)		0.0	1,325.5
Divisional Budgets	(1,464.9)		(20.5)		1,910.0	424.6
Operational Transport	(111.6)				0.0	(111.6)
School Support Services	4,895.5	(96.0)	69.8		(80.0)	4,789.3
<i>Divisional sub-total</i>	22,935.5	(2,215.0)	134.2	0.0	(1,243.0)	19,611.7
<b>3.2 Learning Services</b>						
School Improvement	2,863.2	(10.0)	7.4		(343.0)	2,517.6
Removing Barriers	2,934.5	(27.0)	6.0		(400.0)	2,513.5
<i>Divisional sub-total</i>	5,797.7	(37.0)	13.4	0.0	(743.0)	5,031.1
<b>3.3 Social Care &amp; Safeguarding</b>						
Fieldwork	8,209.7	(63.0)	28.4		(131.0)	8,044.1
Resources	26,899.9		269.2		(426.0)	26,743.1
Safeguarding Unit	1,807.8		1.9		(54.0)	1,755.7
<i>Divisional sub-total</i>	36,917.4	(63.0)	299.5	0.0	(611.0)	36,542.9
<b>3.4 Adult Skills &amp; Learning Service</b>	(890.5)	1.0	0.0			(889.5)
<b>3.5 Departmental Resources</b>						
Departmental Resources	1,582.3		24.0		(1,926.0)	(319.7)
Education Services Grant	(6,624.0)		0.0		350.4	(6,273.6)
Early Intervention Grant	(382.6)	(4,000.0)	0.0		4,382.6	0.0
<i>Divisional sub-total</i>	(5,424.3)	(4,000.0)	24.0	0.0	2,807.0	(6,593.3)
<b>DEPARTMENTAL TOTAL</b>	<b>59,335.8</b>	<b>(6,314.0)</b>	<b>471.1</b>	<b>0.0</b>	<b>210.0</b>	<b>53,702.9</b>

## BUDGET CEILINGS 2014/15

Appendix One

	Budget 2013/14 (as amended)	Full Year Effects	Inflation	Technical & Other Changes	Real budget changes	Budget Ceiling 2014/15
	{000}	{000}	{000}	{000}	{000}	{000}
<b><u>4. Corporate Resources Department</u></b>						
<u>4.1 Delivery, Communications &amp; Political Governance</u>	8,557.5	(45.0)	53.2			8,565.7
<u>4.2 Financial Services</u>						
Financial Support	5,871.1	(465.0)	(17.2)			5,388.9
Revenues & Benefits	2,980.6	233.0	14.1			3,227.7
<i>Divisional sub-total</i>	8,851.7	(232.0)	(3.1)	0.0	0.0	8,616.6
<u>4.3 Human Resources</u>	3,168.2	(149.0)	(20.1)			2,999.1
<u>4.4 Information Services</u>	9,375.9	(1,115.0)	(23.8)			8,237.1
<u>4.5 Legal Services</u>	2,076.1		(28.0)			2,048.1
<b>DEPARTMENTAL TOTAL</b>	<b>32,029.4</b>	<b>(1,541.0)</b>	<b>(21.8)</b>	<b>0.0</b>	<b>0.0</b>	<b>30,466.6</b>
<b>GRAND TOTAL</b>	<b>257,192.1</b>	<b>(16,822.0)</b>	<b>2,010.4</b>	<b>352.0</b>	<b>(488.0)</b>	<b>242,244.5</b>

**Scheme of Virement**

1. This appendix explains the scheme of virement which will apply to the budget, if it is approved by the Council.

**Budget Ceilings**

2. Strategic directors are authorised to vire sums within budget ceilings without limit, providing such virement does not give rise to a change of Council policy.
3. Strategic directors are authorised to vire money between any two budget ceilings within their departmental budgets, provided such virement does not give rise to a change of Council policy. The maximum amount by which any budget ceiling can be increased or reduced during the course of a year is £500,000. This money can be vired on a one-off or permanent basis.
4. Strategic directors are responsible, in consultation with the appropriate Assistant Mayor if necessary, for determining whether a proposed virement would give rise to a change of Council policy.
5. Movement of money between budget ceilings is not virement to the extent that it reflects changes in management responsibility for the delivery of services.
6. The City Mayor is authorised to increase or reduce any budget ceiling. The maximum amount by which any budget ceiling can be increased during the course of a year is £5m. Increases or reductions can be carried out on a one-off or permanent basis.
7. The Director of Finance may vire money between budget ceilings where such movements represent changes in accounting policy, or other changes which do not affect the amounts available for service provision.
8. Nothing above requires the City Mayor or any director to spend up to the budget ceiling for any service.

**Corporate Budgets**

9. The following authorities are granted in respect of corporate budgets:
  - (a) the City Mayor may commit sums set-aside for energy cost reduction schemes;



## Appendix Two

- (b) The City Mayor may commit sums set-aside as service transformation provisions;
- (c) the Director of Finance may commit the council tax hardship fund;
- (d) the Director of Finance may incur costs for which there is provision in miscellaneous corporate budgets, except that any policy decision requires the approval of the City Mayor;
- (e) the City Mayor may determine the use of the in-year budget contingency, including using it to supplement any budget ceilings (within the limit at paragraph 6 above) or corporate budgets;
- (f) the Director of Finance may allocate the sum held for BSF.

### Earmarked Reserves

- 10. Earmarked reserves may be created or dissolved by the City Mayor. In creating a reserve, the purpose of the reserve must be clear.
- 11. Strategic directors may add sums to an earmarked reserve, from:
  - (a) a budget ceiling, if the purposes of the reserve are within the scope of the service budget;
  - (b) a carry forward reserve, subject to the usual requirement for a business case.
- 12. Strategic directors may spend earmarked reserves on the purpose for which they have been created.
- 13. When an earmarked reserve is dissolved, the City Mayor shall determine the use of any remaining balance.

**Recommended Prudential Indicators**

**1. Introduction**

1.1 This appendix details the recommended prudential indicators for general fund borrowing and HRA borrowing.

**2. Proposed Indicators of Affordability**

2.1 The ratio of financing costs to net revenue budget:

	<b>2014/15</b>	<b>2015/16</b>
	<b>Estimate</b>	<b>Estimate</b>
	<b>%</b>	<b>%</b>
General Fund	4.6	5.2
HRA	10.5	10.3

2.2 The estimated incremental impact on council tax and average weekly rents of capital investment decisions proposed in the general fund budget and HRA budget reports over and above capital investment decisions that have previously been taken by the Council are:

	<b>2013/14</b>	<b>2014/15</b>
	<b>Estimate</b>	<b>Estimate</b>
	<b>£</b>	<b>£</b>
Band D council tax	0.0	0.0
HRA rent	0.0	0.0

**3. Indicators of Prudence**

3.1 The forecast level of capital expenditure to be incurred for the years 2013/14 and 2014/15 (based upon the Council capital programme, and the proposed budget and estimates for 2014/15) are:

Area of expenditure	<b>2013/14 Forecast £000s</b>	<b>2014/15 Estimate £000s</b>
Children's services	5,278	28,569
Young People	300	0
Social Care & Safeguarding	77	80
Learning Services	43	0
Early Prevention	150	643
BSF	82,357	54,537
Transport	13,688	10,238
Cultural & Neighbourhood Services	4,444	3,088
Environmental Services	910	3,230
Economic Regeneration	20,563	26,336
Adult Care	1,343	4,281
Property	15,251	7,941
Housing Strategy & Options	3,365	1,867
<b>Total General Fund</b>	<b>147,769</b>	<b>140,810</b>
Housing Revenue Account	26,075	25,513
<b>Total</b>	<b>173,844</b>	<b>166,323</b>

### **Appendix Three**

- 3.2 The capital financing requirement measures the authority's underlying need to borrow for a capital purpose and is shown below. This includes PFI recognised on the balance sheet.

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
General Fund	357,462	373,504	374,459
HRA	218,566	220,626	219,026

#### **4. Treasury Limits for 2013/2014**

- 4.1 The Treasury Strategy, which includes a number of prudential indicators required by CIPFA's prudential code for capital finance, has been submitted as a separate report to the Council.

Earmarked Reserves

	Year end balance 31st March 2013 £'000	Year end forecast 31st March 2014 £'000
<u>Ring-fenced Reserves</u>		
Schools Balances	24,651	24,651
DSG not delegated to schools	6,609	6,609
School Capital Fund	5,449	3,000
Schools Buy Back	1,136	900
NHS Joint Working Projects	12,957	7,355
Public Health	3,313	3,313
<b>Total ring-fenced</b>	<b>54,115</b>	<b>45,828</b>
<u>Corporate reserves</u>		
Capital Reserve	25,957	10,000
Building Schools for the Future - Financing	37,027	19,740
Severance	9,271	14,500
Insurance Fund	5,382	5,400
Job Evaluation (inc. Schools Catering)	1,225	1,225
<b>Total corporate</b>	<b>78,862</b>	<b>50,865</b>
<u>Other</u>		
IT Reserves	2,050	1,450
Connexions Closure	1,797	1,200
CDN departmental reserve	2,874	990
Strategic Initiatives	1,043	500
Social Care Replacement IT System	2,099	500
Hamilton Development - Bond	475	475
Housing-related Support reserve	609	348
Economic Action plan	1,129	328
Highways Maintenance	418	238
City Council Elections	100	200
Ward Committee funds	192	160
Corporate Governance divisional reserve	300	150
Childrens Services Funds	1,447	60
Cremator replacement fund	268	-
Preventing Homelessness	936	-
Adult Services departmental reserve	916	-
Community Cohesion Fund	92	-
HR Divisional Reserve	701	-
Other - Miscellaneous reserves	3,838	2,540
<b>Total other</b>	<b>21,284</b>	<b>9,139</b>
<b>Total General Fund Earmarked Reserves</b>	<b>154,261</b>	<b>105,832</b>

**Comments from Key Stakeholders**

**Comments from Partners**

A meeting with representatives of the **business sector** took place on 11<sup>th</sup> February. The budget was presented and explained, and discussion took place on various points. Representatives were broadly supportive of the managed reserves strategy. Assistance was offered to develop work related skills in schools.

The budget was discussed at the **Older People's Forum** on 12<sup>th</sup> February. There was a wide ranging discussion with questions and answers. Many forum members expressed concern about the impact of Government funding cuts.

A letter has been received from the interim chair of **Healthwatch, Leicester** recognising the impact of the national funding cuts, and supporting the Council's financial strategy. Issues raised include the impact cuts to the voluntary and community sector can have on vulnerable people; the difficult task facing the Council in respect of adult social care (and Healthwatch's commitment to playing an active part in making the Better Care Fund a success); and the need to ensure the review of neighbourhood services does not lead to deterioration in community cohesion. The Council's approach to equalities is commended.

Responses have been received from the **Race Equalities Centre** and **Leicester LGBT Centre**. Both address the way in which the Council assesses the equalities impact of proposals to cut spending, and the impact of reductions on specific protected groups. The report now includes further information on this process, and issues raised have been discussed with the two respondents by the Head of Equalities.

The budget was discussed at a meeting of the **Voluntary Sector/Public Sector Strategy Group** on 18<sup>th</sup> December. Following comments from the group, the City Mayor re-confirmed that the VCS sector is an important economic contributor to the city, and he was happy to involve the sector in service review and redesign processes.

A response has been received from the **Leicester Centre for Integrated Living**. Issues raised include the need to target EIAs on services which are changing, in order to allow for a more detailed understanding of cumulative impacts on disability, and perhaps particular disabilities. The letter also stressed the need to see social care funding as a form of social and economic investment; the benefit of partnership with the VCS to build on social capital and community resources; the impact of personalisation on independent/VCS providers; concerns about the impact of

ongoing work reviewing care packages; and the importance of meaningful consultation.

A response has been received from the chair of the governing body at **Babington Community College**. This is supportive of the overall budget strategy, and in agreement with the principle of maintaining statutory children's services. The respondent supports the principles of early intervention, but advises that this cannot be defined solely by age given the number of newcomers with considerable needs.

A letter has been received from the chair of **New Parks Community Panel**, agreeing with the difficulties local government faces; urging that the Council seeks ways to minimise front line service reductions, and ways to support local action. The community panel offers to contribute to future consultation and discussion.

Finally, comments have been received from two individual members of the **Tenants' Forum**. Comments made include concerns about closure of the Linwood Centre.

**Forecast Departmental Budgets**

	<b><u>2014/15</u></b> <b>£000s</b>	<b><u>2015/16</u></b> <b>£000s</b>
City Development and Neighbourhoods	70,780	70,380
Adult Social Care	87,295	85,244
Education and Children's Services	53,703	53,543
Corporate Resources	30,467	30,467
<b>TOTAL</b>	<b>242,244</b>	<b>239,634</b>





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## **UNISON'S BUDGET RESPONSE 2013/14**

UNISON was briefed on the budget proposals on 16<sup>th</sup> December 2013 and was told this year's budget is different. The City Mayor informed us that when they approved the budget for 2013/14 the council also approved strategy which also balanced the budget for 2014/15.

Then in early January 2014 we again met with the City Mayor regarding the budget for the next year and beyond and whilst he did not give us any specific proposals he did say that services and jobs will be cut. However our concern is there appears to be no debate about how Leicester is run and where the axe will fall. Instead we were told that the cuts will come from twenty planned reviews of the following areas;

*Corporate Support Services, Neighbourhood Services, Voluntary and Community Sector Infrastructure Contracts, Review of Housing Revenue Account Charging Policies, Sports and Leisure Services, Parks and Open Spaces, Park and Ride, External Communications, Substance Misuse Treatment, Welfare Advice and Customer Support Review, Investment Property, Information Technology, Homelessness Follow Up, Housing Related Support, Technical Services Facilities Management, Housing Management, Maintenance and Investment Spending, Adult Social Care, and Children's Services:*

This piecemeal approach to cuts essentially prevents the public from seeing the full picture. In essence this administration has presided over the biggest decimation of Social Care this city has ever known.

UNISON believe that Leicester City Council are hiding behind Organisational Change/Reviews and carrying out the coalition cuts by stealth, this is clear from the cuts carried out to date, some of which are listed below;

***Cuts to Learning Disabilities, Closure or the sell-off of Elderly Persons Homes in Social Care, The review and closure of Hostels in Housing, The review of Property Services, The Community Services Review resulting in redundancies and reduced opening hours, The review of Children's Social Care resulting in redundancies and big reductions in pay levels, The change to Terms & Conditions and removal of allowances (including the essential car user's allowance.***

We have now been briefed on the Children's Centre Redesign which is going to result in 133 (fte) jobs being lost and a reduction in opening hours. This of course will result in a much reduced service to many of the most vulnerable families in Leicester.

UNISON has been made aware that this is obviously only the beginning. It was confirmed to us that the total cuts agreed to date are £85m and an estimated £60m of cuts by 2017/18 making £145m in total; We understand that so far Leicester City Council have cut £45 million. However they have to be reminded that a huge proportion of the cuts have come from the reduction in use of consultants and the deletion of vacant posts, although consultant use is climbing again and the number of vacant posts has seriously diminished, therefore the savings will inevitably come from job losses and even by the councils figures there would be up to 1200 job losses for them to reach their target of cuts.

The council's approach also does not take into account that the staff left behind are left to pick up the slack when jobs go and vacant posts are deleted. This is having a massive impact on the health and wellbeing of Leicester City Council staff.

Despite being in the midst of what is often cited as 'the most severe government cutbacks in decades' there is a desire at the most senior levels within the council to perpetuate the myth that we are 'managing' within the available resources. From the perspective of UNISON members this is a dangerous myth to peddle.

We have seen an unprecedented level of redundancies over the last three years; coupled with the constant deletion of vacant posts Leicester City Council is staffed by an ever decreasing workforce. Far from this workforce 'managing' UNISON has gathered a significant amount of anecdotal evidence that they are in fact buckling under the strain.

We hear frequently from our members that they are accruing significant amounts of TOIL which can't be taken and further, in order to avoid the (often threatened) capability procedure, many of them are taking work home which they then don't record as working time. Unfortunately many staff, afraid of losing their jobs, is helping to conceal the fact that workloads are becoming unmanageable.

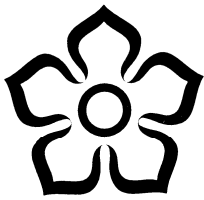
However we must not be under any illusions these figures quoted are likely to mean more job losses than Leicester City Council predict with also massive cuts to services as such we will be lobbying the public to make the people of Leicester aware of the consequences of the coalition governments unwarranted attack on local government services and the staff that deliver them.

Gary Garner

UNISON Branch Secretary







Leicester  
City Council

## MINUTE EXTRACT

### Minutes of the Meeting of the ADULT SOCIAL CARE SCRUTINY COMMISSION

Held: WEDNESDAY, 12 FEBRUARY 2014 at 5.30 pm

#### P R E S E N T:

Councillor Dr Moore – Chair  
Councillor Chaplin – Vice Chair

Councillor Alfonso  
Councillor Fonseca

Councillor Joshi  
Councillor Willmott

#### In Attendance:

Councillor Clayton  
Councillor Kitterick  
Councillor Senior  
Sir Peter Soulsby – City Mayor

#### Also present:

Susan Iammantouni – Healthwatch Leicester  
Philip Parkinson – Interim Chair, Healthwatch Leicester (Standing Invitee)

\* \* \* \* \*

#### **88. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

#### **89. DECLARATIONS OF INTEREST**

Councillor Joshi declared an Other Disclosable Interest in agenda item 9, “General Fund Budget 2014/15 to 2015/16”, in that his sister was a Council tenant.

Councillor Joshi then declared an Other Disclosable Interest in the general business of the meeting in that he worked for a voluntary organisation with people with mental health problems. He also declared an Other Disclosable Interest in the general business of the meeting in that his wife worked for the City Council’s Adult Social Care Reablement service.

As a standing invitee to Commission meetings Philip Parkinson, Interim Chair of Healthwatch Leicester, declared an Other Disclosable Interest in the general business of the meeting in that he had a relative who was in receipt of a social care package from the City Council.

In accordance with the Council's Code of Conduct, these interests were not considered so significant that they were likely to prejudice the respective people's judgement of the public interest. They were not, therefore, required to withdraw from the meeting.

## **96. GENERAL FUND BUDGET 2014/15 TO 2015/16**

The Director of Adult Social Care submitted a report outlining the General Fund Budget draft budget proposals for 2014/15 to 2015/16 for the Adult Social Care portfolio.

The City Mayor reminded the Commission that the format of the budget was different this year. In previous years, the General Fund Budget had been prepared annually, but the scale of the financial cuts that the authority needed to make made it more appropriate for the budget to be managed continuously during the course of the year. This was done in various ways, including through a series of reviews of services, which meant that full scrutiny of the Council's services could be undertaken.

Philip Parkinson, Interim Chair of Healthwatch Leicester, addressed the Commission at the invitation of the Chair, advising Members that Healthwatch Leicester had submitted a response to the overall budget.

The Commission noted that, when residential care provision moved beyond Band 5, it became a health care need. However, reports had been received from residents that Clinical Commissioning Groups were reluctant to approve funding for this care. It therefore was questioned whether the Council had to meet the cost in these situations.

In reply, the Director of Adult Social Care and Safeguarding advised the Commission that there were different aspects to nursing care funding, which were costs met by the National Health Service via Clinical Commissioning Groups. The Council was part of the decision-making process on such funding and it was very rare that there was any formal dispute over decisions. As a result, the Director did not feel that the Council had experienced any generalised problems in obtaining the funding. This view was supported by the fact that Leicester City had the third highest number of people in the East Midlands attracting health funding.

The Commission was reminded that some of the Council's new health care responsibilities included work on prevention. The need for this work to be more co-ordinated across the Council was stressed, as this would enable decision-making to be more cohesive and therefore of greater benefit to residents. An example of this was the work being done on Winter Care Planning, which brought together various services and agencies. The City Mayor confirmed

that the work of the Health and Wellbeing Board was developing, with more opportunities being found to participate in cross-cutting issues, which would assist in achieving this.

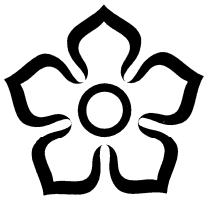
In reply to a question, the City Mayor advised that work was underway in establishing the membership of the new Elderly Persons' Commission and undertook to advise Members of when it was anticipated the Commission would be formally instituted.

RESOLVED:

- 1) That the draft General Fund Budget proposals for 2014/15 to 2015/16 for the Adult Social Care portfolio be noted;
- 2) That the Chair of this Commission advise the Overview Select Committee that the Commission is concerned that the Adult Social Care budget is facing large cuts, despite the services falling within this portfolio working with some of the city's most vulnerable people;
- 3) That the Chair of this Commission inform the Overview Select Committee of this Commission's view that greater co-ordination of health care work is needed across the Council, in order to facilitate greater cohesion in decision-making processes and ensure that such decisions are of maximum benefit for residents; and
- 4) That the City Mayor be asked to keep the Commission informed of progress in establishing the new Elderly Persons' Commission.







Leicester  
City Council

Minutes of the Meeting of the  
CHILDREN, YOUNG PEOPLE AND SCHOOLS SCRUTINY COMMISSION

Held: TUESDAY, 4 FEBRUARY 2014 at 5.30 pm

P R E S E N T:

Councillor Willmott (Chair)  
Councillor Unsworth (Vice-Chair)

Councillor Cole	Councillor Potter
Councillor Dawood	Councillor Senior
Councillor Naylor	

Standing Invitees (Non-Voting):

Peter Flack – Teaching Unions  
Anu Kapur – Leicester Secular Society

In Attendance:

Councillor Dempster – Assistant Mayor (Children, Young People and Schools)

Also present:

Councillor Chaplin  
Councillor Kitterick

\* \* \* \* \*

**177. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Rabiha Hannan (Faith Representative) and Bernard Monaghan (Roman Catholic Diocese).

**178. DECLARATIONS OF INTEREST**

Councillor Senior declared an Other Disclosable interest in agenda item 6, “General Fund Budget 2014/15 to 2015/16”, in that her partner was a Council employee in the Transport Strategy service.

Although not a member of the Commission, Peter Flack, a Standing Invitee to the meeting as a representative of teaching unions, declared an Other Disclosable interest in agenda item 6, "General Fund Budget 2014/15 to 2015/16", in that his partner worked in the Early Years Intervention service.

Councillors Dawood, Naylor, Senior and Unsworth each declared an Other Disclosable Interest in agenda item 10, "Adventure Playgrounds Task Group", as they each had an adventure playground in the Wards they represented.

Councillor Cole declared an Other Disclosable Interest in the general business of the meeting, as his wife was a teacher.

Councillor Potter declared an Other Disclosable Interest in the general business of the meeting, as she was a former Looked After Child and was the Chair of the Safeguarding Children Panel.

Councillor Senior declared an Other Disclosable interest in the general business of the meeting as she was a member of Unison.

In accordance with the Council's Code of Conduct, these interests were not considered so significant that they were likely to prejudice the Councillors' judgement of the public interest. They were not, therefore, required to withdraw from the meeting.

## **182. GENERAL FUND BUDGET 2014/15 TO 2015/16**

The Strategic Director for Children's Services submitted a report setting out the draft budget proposals for 2014/15 to 2015/16 for the Education and Children's Services departmental portfolio. The Commission was asked to make comments to the Overview Select Committee. These comments would be considered by that Committee at its meeting on 13 February 2014 and its views reported views to the City Mayor prior to the City Mayor making his final proposals to the Council.

Councillor Dempster, Assistant Mayor with responsibility for Children, Young People and Schools, reminded the Commission that this was difficult budget, as the service was funded by various grants, as well as the General Fund. Substantial cuts to the service already had been made, but more would be needed.

At the invitation of the Chair, Peter Flack, representing the teaching unions, made the following comments:-

- The government had particularly targeted children's services for financial cuts. For example, the budget for Early Prevention had been reduced by approximately 30% and the budget for Moving Barriers had been reduced by approximately 10%. The children with the greatest need should be the top priority, so the Council should do whatever it could to maintain services;

- The reduction in the School Improvement Service was a great concern. This needed to develop an effective trading service outside of Leicester, and needed to be in a strong position to do this; and
- It was questioned whether children of pre-school age could be supported through Dedicated Schools' Grant (DSG) and therefore whether it was possible to fund Early Years teachers through this. Although there was a small element of grant left over from previous years, this would only provide funding for one or two years.

The following points were then made by the Commission during discussion on the draft budget proposals:-

- Residents should be made aware of the severity of the cuts that needed to be made;
- The proposal to combine teams where practical in localities and utilise buildings more efficiently was welcomed;
- More information was needed on the cuts proposed to the Special Educational Needs service and the miscellaneous budgets that were scheduled to cease;
- A discussion previously had been held on whether savings could be achieved by changing the policy on how often checks should be made through the Disclosing and Barring Service (DBS), (minute 174, "Proposed Changes to the Adventure Playgrounds Service", 6 January 2014 referred). Following this, it had been established that projected annual expenditure on re-checks was £101,000 over the coming year. As re-checks were not required by the government, a change in the policy could result in a financial saving to the Council;
- Was the number of Looked After Children declining? They needed to be offered the same opportunities as other children, so care should be taken to ensure that sufficient funding was available to enable this to happen; and
- Individual elements of the budget could not be considered in isolation. The whole budget for the portfolio needed to be considered, as reducing funding for any part of the children's services budget could put children at risk.

In reply, Councillor Dempster advised that:-

- It was recognised that duplication needed to be reduced and the best use possible made of Council buildings;
- The Schools Forum could be asked to endorse expenditure on Early Years teachers from the DSG, as it would come from the Higher Needs block;
- The cost to schools of making DBS checks was met from DSG funding, so reducing the number of checks made would not achieve the savings being

sought. In addition, there could be a deterrent effect of making regular DBS checks, as people could be encouraged to make disclosures themselves if they knew that regular checks were made;

- A lot of the funding for the Special Educational Needs Service was through the DSG, so further work was needed on how savings could be achieved. However, at present it was anticipated that a saving of approximately 10% of this year's budget would be sought;
- The Council considered that it was very important that the School Improvement service did not decline. A pro-active approach therefore was being taken to reconfigure the service and build on partnerships that already had been established. Discussions would be held with schools as soon as possible about what form the service should take in the future;
- Further details could be provided on the miscellaneous budgets that it was proposed should cease. For example, the government had changed the way that the Key Stage 4 Foundation Learning budget was distributed, so that it would go direct to schools, rather than the local authority;
- The number of Looked After Children in the city generally was stable, although there had been a slight drop recently. However, the number fluctuated over time. Nationally, there was an upward trend in their number, but the work undertaken by the authority meant that there was some confidence that the number locally would continue to decline; and
- The Council's corporate parenting responsibilities were taken very seriously and it was hoped that the work being done, (for example, through the Safeguarding Children Panel), would enable the downward movement to continue. It was recognised that funding had to be available to support this and that services across the Council needed to consider what the implications of their provision were for Looked After Children.

Peter Flack recognised the reasons for combining teams where practical in localities and use buildings more effectively. However, staff working in children's centres believed that locating social services staff in those centres would discourage parents from attending, as they would view the centres as having a very different purpose to their current one. Councillor Dempster acknowledged this and confirmed that a wide range of factors needed to be taken in to account to ensure that services located together complemented each other.

**RESOLVED:**

That the Overview Select Committee be requested to consider the points raised above and in particular to be advised that:-

- a) This Commission is dismayed at the level of cuts proposed for the Education and Children's Services departmental portfolio;
- b) This Commission requests that the Executive be asked to review the Council's current Disclosing and Barring Service

checking policy to see if savings can be achieved;

- c) This Commission supports the identification of genuine efficiency savings;
- d) This Commission requests that the Executive support this Commission in its concern that School Improvement services should not be reduced to the extent that they can no longer operate, especially in view of their successful work to date; and
- e) This Commission requests that the issues raised during its consideration of the findings of the Adventure Playgrounds Task Group be taken in to consideration during consideration of the budget proposals, (see minute 186, "Adventure Playgrounds Task Group", below).

## **186. ADVENTURE PLAYGROUNDS TASK GROUP**

The Chair thanked everyone who had been involved in the review of Adventure Playgrounds for their work. He then gave a presentation on the findings of the review, a copy of which is attached at the end of these minutes for information.

During this presentation, the Chair drew particular attention to the following points:-

- The added value of volunteer time had been calculated as the volunteer hours given multiplied by the current minimum wage, (slide 3);
- Written evidence also had been considered when evaluating the impact of adventure playgrounds, (slide 4);
- The "Commissioning and Procurement" approach to funding organisations required very specific contract specifications and therefore established low trust relationships between the Council and the organisations concerned. However, funding organisations through "Funding Agreements" created high trust relationships between the Council and the organisations concerned, (slide 12);
- The Council expected to spend approximately £100,000 during the 2014/15 financial year on Disclosing and Barring Service (DBS) checks. Approximately £36,000 of this would be spent on checks for organisations outside of the Council. This suggested that changing the policy would not result in a large saving for adventure playgrounds (slide 16);
- Although it would be preferred that adventure playgrounds did not have to make any savings, if they had to it was suggested that this be limited to 10%, spread over two years, in order to give those associated with the playgrounds the chance to raise funding elsewhere. However, it was

recognised that not all of the playgrounds had the capacity to do this (slide 17); and

- The reports of visits made by Councillors to adventure playgrounds would be included in the final report of the review.

The Chair advised the Commission that he had been asked to present the findings of this review to the Executive on 13 February 2014. He would report back to the Commission after this.

Representatives of the adventure playgrounds thanked all concerned for their work on this review.

Members noted that, although some adventure playgrounds made successful bids for alternative funding, they did not all have the resources to prepare and submit such bids. It therefore was suggested that a recommendation could be included in the final report of the review that Council officers support adventure playgrounds through helping them to prepare funding bids.

The Commission recognised and welcomed the work that adventure playgrounds were able to do in engaging young people who could otherwise not get the chance to take part in the sort of activities offered at the playgrounds. This had been recognised through Pledge 33 of the City Mayor's 100 Days Programme, which sought to establish a programme of capital investment to support and improve Leicester's adventure playgrounds. However, this had to be considered in the context of the Council's overall budget and its current financial situation, but it was hoped that the effect on adventure playgrounds could be minimised.

At the invitation of the Chair, Councillor Kitterick addressed the Commission, making the following comments:-

- The Watershed was a very good building, but the Council did not have the resources to keep it open. It therefore could be let to an external organisation, which would then take on its running costs. This would be an alternative way of achieving savings while still providing more outward facing services;
- All of the staff currently based at the Collegiate House complex were peripatetic, so savings could be achieved if they were based elsewhere and the complex disposed of. For example, some children's centres currently were under-used; and
- It could be argued that funding for adventure playgrounds could be found from the Dedicated Schools' Grant.

At the invitation of the Chair, Peter Flack, representing the teaching unions, made the following comments:-

- One of the easiest ways of achieving savings would be to remove the requirement for repeat DBS checks to be made on staff;

- The Collegiate House complex was not suitable for its current use, so disposing of it was a sensible option. Relocating the displaced staff to one or more under-used children's centres would help make better use of existing facilities; and
- DSG was mainly delegated to schools and they needed to use it to meet statutory responsibilities, so it was not very likely that funding could be found from this source for adventure playgrounds.

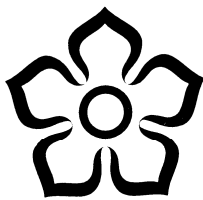
In reply, Councillor Dempster, Assistant Mayor with responsibility for Children, Young People and Schools, thanked Members for the work that had been done on this review. She confirmed that the work done by adventure playgrounds was highly valued, but difficult choices had to be made in how children's services would be funded in the future. The level of saving and the future funding model therefore were the main issues that needed to be considered.

RESOLVED:

- 1) That the presentation on the findings of the Adventure Playgrounds Task Group be received and welcomed;
- 2) That the Scrutiny Support Manager be asked to prepare a full report on the findings of the Adventure Playgrounds Task Group, this to include the comments recorded above, the reports of visits made by Councillors to adventure playgrounds and the following additional recommendations:-
  - a) That Council officers share expertise in obtaining funding from sources external to the Council through helping adventure playgrounds to prepare funding bids;
  - b) That the whole budget be considered, to see where cuts can be made that do not affect front line services;
  - c) That consideration be given to the future use or disposal of the Watershed and the Collegiate House complex; and
  - d) That consideration be given to whether savings can be made through removing the requirement for repeat Disclosing and Barring Service checks to be made on staff, (see also minute 182, "General fund Budget 2014/15 to 2015/16", above); and
- 3) That a report on the outcome of the presentation of the findings of the Adventure Playgrounds Task Group to the Executive be made to the Commission.







Leicester  
City Council

MINUTE EXTRACT

Minutes of the Meeting of the  
ECONOMIC DEVELOPMENT, TRANSPORT AND TOURISM SCRUTINY  
COMMISSION

Held: WEDNESDAY, 5 FEBRUARY 2014 at 5.30pm

P R E S E N T :

Councillor Waddington (Chair)

Councillor Joshi (Vice-Chair)

Councillor Bhavsar	Councillor Cassidy
Councillor Dr Chowdhury	Councillor Fonseca
Councillor Porter	Councillor Riyait
Councillor Sandhu	

In attendance :

Sir Peter Soulsby – City Mayor

\* \* \* \* \*

**83. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**84. DECLARATIONS OF INTEREST**

Councillors Joshi declared he worked for an organisation in the voluntary sector that received Council funding, being the subject of discussions concerning the “General Fund Budget 2014/15 to 2015/16” (Agenda Item 6).

Councillors Dr Chowdhury declared that he worked for an organisation in the voluntary sector that received Council funding, being the subject of discussions

concerning the “General Fund Budget 2014/15 to 2015/16” (Agenda Item 6).

Councillor Cassidy declared that he was a member of the Board of Leicester Shire Promotions Limited, being the subject of discussions concerning the “General Fund Budget 2014/15 to 2015/16” (Agenda Item 6).

The above declarations were not considered to be ‘direct pecuniary interests’ (DPI) but were considered to be ‘other disclosable interests’ (ODI) and therefore did not preclude the Members from debating the items.

## **88. GENERAL FUND BUDGET 2014/15 TO 2015/16**

The Director of Planning, Transportation and Economic Development, Director of Investment and the City Centre Director presented a report that requested the Commission’s consideration of the Draft Budget Proposals for 2014/15 to 2015/16. It was noted that the report had been prepared following the decision of Overview Select Committee on 16 January 2014 and the report to that Committee meeting was submitted.

It was reported that the Commission’s comments would be forwarded to the next meeting of Overview Select Committee to be held on 13 February 2014 in order that the views of that Committee could be considered by the City Mayor, prior to final proposals being submitted to Council on 26 February 2014.

The Commission considered the budget strategy generally, prior to consideration of the budget of the Economic Development, Transport and Tourism portfolio.

In discussing the budget strategy it was noted that the budget had been balanced until 2015/16 under the “managed reserves strategy”. The strategy had been implemented as part of the approved budget in 2013 which meant that the budget was no longer a ‘once a year’ activity. Consequently no spending reductions had been requested as part of the current budget proposals.

The report appended budget variances relevant to the Commission, together with budget ceiling information for 2014/15.

Commission members noted that some items in the remit of the Commission were not included within the information in the appendices, including information about LASALS.

In response it was clarified that detailed information had been included within the report under wider budget headings. In response to a question from a Commission member it was confirmed that the funds from sale of the Council land and property were not included within the strategy which focussed on revenue and not capital spend.

The City Mayor confirmed that any specific detailed information could be

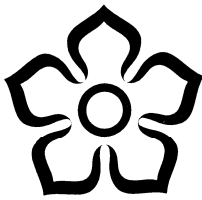
provided separately as part of the budget consideration.

Commission members also commented on the calculation of government grant, and that the Government's policies were having a detrimental impact on authorities such as Leicester. The Commission noted that retained business rates were defined as central government funding, thereby increasing the cuts made to Revenue Support Grant. The negative implications on the Council's overall budget of this definition were recognised.

In reply to a question it was confirmed that budget ceilings identified in the appendices had been calculated taking into account inflation forecasts. The Council's position in borrowing and offering finance through economic development strategies and schemes such as the 'Growing Places Fund' was debated. It was noted that such arrangements often accelerated redevelopment schemes.

In conclusion, it was reported that those items within the remit of the Commission and included in the managed budget reviews programme would be submitted to future meetings for consideration in due course. It was confirmed that those items included both 'Park and Ride' and 'Highways Maintenance'.





Leicester  
City Council

Minutes of the Meeting of the  
HERITAGE, CULTURE, LEISURE AND SPORT SCRUTINY COMMISSION

Held: TUESDAY, 28 JANUARY 2014 at 5:30 pm

P R E S E N T :

Councillor Osman (Chair)  
Councillor Clarke (Vice Chair)

Councillor Bajaj  
Councillor Naylor

Councillor Dr Barton  
Councillor Willmott

Also in Attendance

Councillor Piara Singh Clair Asst. City Mayor of Culture, Heritage, Leisure and Sport

\* \* \* \* \*

**62. GENERAL FUND REVENUE BUDGET 2014/15 TO 2015/16**

The Director of Culture and Neighbourhoods Services submitted a report outlining items from the revenue budget affecting this Commission related to "Sports Facilities" and "Parks and Open Spaces".

The Finance Manager advised that the savings proposed in these areas had been delivered and were on target so there were no issues for this Commission in that regard.

A query was raised regarding the City of Culture Bid and any commitments made as part of the bid.

The Director of Culture and Neighbourhoods Services confirmed that no financial commitments had been made, informal discussions would be taking place between the City Mayor and Assistant City Mayor for Culture, Leisure and Sport to consider what elements of the bid would continue and any decisions arising from that would be relayed to the Commission as appropriate.

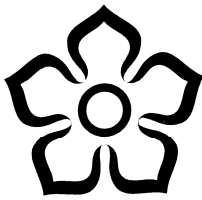
A further query was raised regarding the financial implications arising from being a host city for the Rugby World Cup taking place in Leicester in 2015.

The Director of Culture and Neighbourhoods Services indicated that money had been set aside in previous budget approval to cover that and the Council would be working with the Rugby World Cup organisers nationally and with other partners in the City.

Clarity was sought on the reductions this portfolio was facing, compared to others. The Commission was informed that in comparison to other portfolios the reduction was 5% which was a reasonable proportion and this budget was being well managed. It was noted that services such as museums had been protected, but contributions from all service areas would need to be made.

RESOLVED:

That the commission noted and reviewed the report.



Leicester  
City Council

MINUTE EXTRACT

Minutes of the Meeting of the  
NEIGHBOURHOOD SERVICES AND COMMUNITY INVOLVEMENT SCRUTINY  
COMMISSION

Held: THURSDAY, 6 FEBRUARY 2014 at 5.30pm.

P R E S E N T :

Councillor Cutkelvin (Chair)  
Councillor Gugnani (Vice-Chair)

Councillor Bhatti  
Councillor Corral  
Councillor Grant

Councillor Cleaver  
Councillor Desai  
Councillor Naylor

Also present:

Councillor Russell – Assistant City Mayor (Neighbourhood Services)  
Councillor Sood – Assistant City Mayor (Community Involvement, Partnerships and  
Equalities)

\* \* \* \* \*

**87. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**88. DECLARATIONS OF INTEREST**

Councillor Gugnani declared an Other Disclosable Interest in that he was secretary of the Leicester Council of Faiths.

Councillor Sood also declared an Other Disclosable Interest in that she was Chair of the Leicester Council of Faiths.

**92. GENERAL FUND BUDGET 2014/15 TO 2015/16**

The Director of Culture and Neighbourhood Services and the Director of Environmental Services submitted a report that requested the scrutiny commission to consider the draft budget proposals for 2014/15 to 2015/16.

Members heard that the budget approved in February 2013 had included a managed reserve strategy, which was designed to help balance the budget in future years. Councillor Russell, Assistant City Mayor for Neighbourhood Services explained that the managed reserves were in place to help manage the process when deeper cuts were required. There would be further savings to make and these could be taken a step at a time by the managed reviews.

Members raised various questions relating to the budget which were answered by officers and the Assistant Mayor. The following comments were made:

- How certain could people be about the cuts that were forecast going forward after this current budget, and how did the strategy support these?
- Strong concerns were expressed at the level of cuts that were necessary because of the government spending cuts and at how they would affect some of the most deprived families in the city.
- There was a concern that there might be an increase in charges for current services delivered through the Neighbourhood Services Portfolio to cover the budget savings. It was hoped that this could be avoided.

The Assistant Mayor explained that she had considered the charges within the Neighbourhood Services portfolio; there had been small increases in some of the services charges, such as libraries and the green waste scheme, whilst trying to ensure that the universal services such as rat control remained free of charge. There was a fine balance between increasing service charges to offset the need for further reductions and raising them to a level which might prevent people from using the service altogether.

- It was recognised that a lot of the savings in the portfolio had already been accomplished.
- Concerns were expressed that the details relating to the planned reviews were as yet unclear.

The Assistant Mayor responded that the scale of the cuts required were such that it was not possible to make all the savings at the same time. Managed reviews with consultation were needed so that the reviews could be tackled in an engaged way. The reviews were listed in the report, details would be brought to scrutiny and members would have an opportunity to make suggestions. Concern was expressed from a member of the commission that the only vote that members had was at



the budget debate at council. The Assistant Mayor responded that all member views were taken into account. She noted that because of the spending cuts, it might be necessary to make changes to the budget during the course of the year.

The Chair raised a query that there was no reference in the budget to the Infrastructure Voluntary and Community Sector (VCS) and Ward Community Meetings and asked that they be included in the budget in future.

The Chair concluded the discussion and commented that the steps taken in managing the reserves and not only addressing the budget once a year was a sensible approach in light of the scale of the spending cuts that were necessary.

The reviews that the commission were most concerned about related to the Infrastructure Voluntary and Community Sector and Transforming Neighbourhood Services Review (TNSR) and the commission would continue to monitor those through update reports.

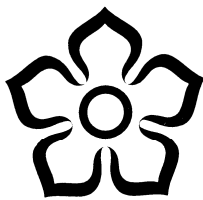
**RESOLVED:**

- 1) that the commission note the report;
- 2) that the commission consider that the approach taken relating to managed reviews and in year budgeting to be wise and sensible;
- 3) that future reports on the budget include costs relating to the Community Involvement portfolio; including both the Infrastructure VCS and Community Ward Funds, and
- 4) that the commission continue to receive reports relating to the VCS and TNSR.

**98. CLOSE OF MEETING**

The meeting closed at 7.45 pm





Leicester  
City Council

MINUTE EXTRACT

Minutes of the Meeting of the  
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 13 FEBRUARY 2014 at 5.30pm

P R E S E N T:

Councillor Dawood (Chair)  
Councillor Singh (Vice-Chair)

Councillor Cooke	Councillor Cutkelvin
Councillor Grant	Councillor Kitterick
Councillor Dr Moore	Councillor Newcombe
Councillor Porter	Councillor Waddington
Councillor Westley	Councillor Willmott

Councillor Clarke

Also present:

Sir Peter Soulsby	City Mayor
Councillor Rory Palmer	Deputy City Mayor

\* \* \* \* \*

**118. APOLOGIES FOR ABSENCE**

Apologies for absence were submitted by Councillor Thomas and Councillor Osman. Councillor Clarke was Councillor Osman's Substitute for the meeting.

**119. DECLARATIONS OF INTEREST**

Members were asked to declare any interests they might have in the business on the agenda. No declarations of interest were made.

## 129. GENERAL FUND REVENUE BUDGET 2014/15 - 2015/16

The Director of Finance submitted a report which detailed the City Mayor's draft proposed budget for 2014/15 to 2015/16. The City Mayor presented the report and explained that the budget was a reflection of the scale of the funding cuts. Service reductions were not proposed in the budget, but would arise from a series of spending reviews. These reviews would include engagement and consultation with service users, ward councillors and stakeholders.

The committee gave due consideration to the report and the following comments were made:

- Strong concerns were expressed at the level of funding cuts that were being faced by the council as a result of the reductions in the Government Revenue Support Grant.
- A suggestion was made that all sectors should be required to make 2% efficiency savings as an alternative to the planned spending reviews.

The City Mayor responded that taking a percentage approach to making funding cuts was in effect a crude way of dealing with sensitive issues, would require far more than 2%, and that a process of spending reviews with engagement and consultation was a preferable option.

- It was noted in the report that strategic directors had the authority to make virements and it was questioned as to how these were monitored and reported.

The City Mayor explained that virements were detailed in every quarterly budget report to the committee and were therefore open to questions and scrutiny.

- A member of the committee raised a query in relation to the cumulative budget cuts and it was agreed that the Director of Finance would brief the member outside of the meeting.
- A comment was made that the spending review process was a way of dealing with the budget cuts that provided time for the budget to be considered carefully, but there were dangers of delays and slippage with that approach.
- A query was raised as to the process when a scrutiny commission disagreed with the executive over the recommendations of a spending review. In such circumstances, it was suggested that the proposals be brought to the Overview Select Committee to allow members to re-examine the issue.

The City Mayor responded that the executive were sympathetic to the differences in opinions between scrutiny and the executive and there

were protocols in place for such eventualities.

- The meeting was asked to note that the Children, Young People and Schools Scrutiny Commission had considered the costs of adventure playgrounds and had put forward suggestions as to how efficiency savings could be made.

The City Mayor responded that the suggestions put forward could be explored.

- A comment was made that the government had offered increased funding to councils where they agreed not to increase council tax. The City Mayor was questioned as to whether he thought the council should have accepted these offers.

The City Mayor replied that these offers had generally been time limited. They had not been accepted because they would have led to a permanent loss of income.

The Vice Chair proposed the following resolution:

- 1) that the General Fund Budget proposals for 2014/15 to 2015/16 be noted pending the additions as per para 3.1 of the report;
- 2) that the Overview Select Committee express serious concerns at the level of cuts facing service sectors as a direct result of the loss of the Government Revenue Support Grant;
- 3) that the Overview Select Committee will continue to monitor the outcomes of the current and future Council Spending Review Programme and request the City Mayor to work with the relevant service scrutiny commissions as part of the consultation process.

Councillor Willmott moved that in addition to the above, a process should be established for resolving differences between scrutiny and the executive.

Councillor Waddington seconded the proposals and upon being put to the vote, the motion was carried.

RESOLVED:

- 1) that the General Fund Budget proposals for 2014/15 to 2015/16 be noted pending the additions as per para 3.1 of the report;
- 2) that the Overview Select Committee express serious concerns at the level of cuts facing service sectors as a direct result of the loss of the Government Revenue Support Grant;

- 3) that the Overview Select Committee will continue to monitor the outcomes of the current and future Council Spending Review Programme and request the City Mayor to work with the relevant service scrutiny commissions as part of the consultation process.
- 4) that the Overview Select Committee request that a process be established for resolving differences between scrutiny commissions and the executive.

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**Housing Revenue Account Budget  
(including Capital Programme) 2014/15**

Report to Council February 26<sup>th</sup> 2014  
Report of Assistant Mayor for Housing

Lead director: Ann Branson

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**Useful information**

■ Ward(s) affected: All

■ Report authors: Ann Branson Director of Housing - 375101

Pete Coles Principal Accountant Housing - 374077

**1. Recommendations to Council**

- 1.1 To approve the Housing Revenue Account (HRA) budget for 2014/15 as given in Appendix A, including the efficiency savings and growth items detailed in sections 5.1.9 and 5.1.10.
- 1.2 To agree a rent increase of 3.2% and a service charge increase of 3% (excluding gas charges).
- 1.3 To approve the HRA Capital Programme for 2014/15 and the draft programme for 2015/16 and 2016/17, as set out in Appendix E.
- 1.4 To note the rules regarding scheme approvals and variations, detailed in section 5.1.14.



## **2. Why it is needed**

- 2.1 Members are required to approve the increase to rents and service charges to be applied from 1st April 2014 so the authority can comply with the statutory requirement to give tenants at least a month's notice of any variation in their rents and service charges.
- 2.2 The HRA funds capital work to meet the following key priorities :-
  - a. provide quality rented homes;
  - b. create thriving safe communities so neighbourhoods are attractive and safe places where people want to live;
  - c. make Leicester a low carbon city and reduce fuel poverty;
  - d. provide appropriate housing to meet peoples' changing needs; and
  - e. make Leicester a place to do business.

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

## **3. Options:**

- 3.1 Two options for rent increases are set out in Appendix B together with the impact on the revenue raised: a 3.2% increase (RPI); or, a 4.7% increase (formula rent).
- 3.2 In 2011/12 the Housing Revenue Account moved to the 'self-financing' regime and Government subsidy ended. As part of the transition the government considered the HRA Business Plan which extrapolated the costs associated with the management and maintenance of the stock over 30 years. Assumptions were made about right to buy sales and the income that would come from rents, which was assumed would rise in line with a formula. The HRA debt was then set accordingly. The 'formula' rent for 2014/15 year would require a rise of 4.7%.
- 3.3 Rent rises below formula could result in under funding of the 30 year Business Plan subject to changes in other assumptions within the model. The HRA Business Plan will be refreshed during 2014/15.

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

- 4.1 The proposals have been discussed with the Tenants Forum and Housing Scrutiny Commission, both support the proposals. See Appendix G.

## 5. Financial, legal and other implications

### 5.1 Financial implications - Rod Pearson - Head of Finance, Adult Social Care and Housing

#### 2014/15 Rent Increase

- 5.1.1 The Government commenced 'rent restructuring' in 2002/03. Under the formula rents system HRA rents are intended to rise at a faster rate than Housing Association rents with the aim of achieving a conversion in rent levels by 2015/16.
- 5.1.2 There is no statutory obligation for the HRA to comply with rent restructuring, however there is a 'limit rent' (or rent cap) imposed by the Government to restrict rent increases greater than the formula rent. The rent cap is imposed through the award of housing benefit whereby housing benefit is not paid on rents which exceed the rent cap.
- 5.1.3 The Government's expectation, when setting Leicester's debt under self-financing, was that rents would increase by RPI + 0.5% + the convergence factor. For 2014/15 the convergence factor is 1%. Lower rent increases will reduce the funding available to the HRA and unless expenditure is also cut accordingly this could affect the sustainability of the HRA including the Council's ability to continue to meet the Decent Homes Standard.
- 5.1.4 Appendix B shows the impact of different rent increases for different types of property. It also shows the additional income generated for each 0.5% increase in rent. Two options for rent increases are shown: 3.2% (September 2013 RPI) and 4.7% (rent restructure formula rent – September 2013 RPI + 0.5% + 1%).
- 5.1.5 The maximum rent increase before the rent cap is reached is RPI + 0.5% + £2. If applied to average rent this would increase the weekly rent from £71.16 to £75.79, a rise of 6.51%. Each 0.5% increase would bring in an additional £379k to the HRA.
- 5.1.6 Appendix C gives comparative information on rent levels in different rental sectors in the Leicester area including housing associations and the private rented sector. HRA rents are below comparable housing association rents and are considerably lower than the lowest 30% of the private rented sector.

#### Impact on HRA of Welfare Reform

- 5.1.7 Currently 60% of the HRA's rent and service charge income is paid directly to the HRA in housing benefit. During 2013/14 two welfare reform measures were introduced: the weekly benefit cap on households (£350 per week for singles or £500 per week for couples and families) and; the under-occupancy penalty for working-age tenants (also called the 'bedroom tax'). The 2014/15 budget increases the amount set aside to cover the rise in rent arrears and write-offs that is expected to occur as a result of these welfare reform changes.
- 5.1.8 In October 2013 Universal Credits commenced (direct payment of housing benefit to tenants) for a small number of new tenants. The proportion of tenants on Universal Credit will increase over the next four years as it is rolled out to all tenants. Under Universal Credit the Council will no longer receive housing benefit directly and the Council will have to recover all rent and service

charges directly from tenants. The Council currently receives £49m directly in housing benefits and collects £34m directly from tenants. Once Universal Credit is completely rolled out the Council will need to collect all £83m directly from tenants.

#### 5.1.9 Efficiency savings

- (i) To fund the proposed 2014/15 growth items a number of efficiency savings have been identified. These are set out in the table below and are included in the draft budget presented in Appendix A.

	<b>14/15 £k</b>
<b>Capital Programme</b>	<b>1,100</b>
<b>Repairs and maintenance:</b>	
Responsive Repairs (budget £9m)	890
Voids (budget £6m)	400
Housing support services (budget £2.5m)	100
	<b>1,390</b>
<b>Tenancy Management</b>	<b>90</b>
<b>Total savings identified to date</b>	<b>2,580</b>

- (ii) Savings identified to date are as a result of efficiency savings and have not resulted in any reductions in staff or a reduction in services to tenants.
- (iii) Further savings of £1m still need to be identified to balance the budget in 2014/15 and a further £2m in 2015/16. These are included in the draft budget at Appendix A and are shown as savings anticipated after review. A programme of review is now underway to identify these savings.
- (iv) The Council faces a continued period of substantial funding reductions. As part of the council's budget strategy a programme of spending reviews is to be carried out across the Council to identify the potential for further savings. Housing Revenue Account services will be included in the review programme

#### 5.1.10 Growth items

- (i) Approval is sought for the inclusion of the following growth items in 2014/15 which are included in the draft budget presented in Appendix A:

<b>2014/15 £k</b>
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<b>Revenue</b>	
Painting Programme	250
Grounds maintenance - overhaul of outside spaces	250
	<b>500</b>

<b>Capital</b>	
Conversion of Lower Hastings St hostel & flats	500
CCTV renewal (analogue to digital)	300
Concrete Paths (new programme)	100
Elevated walkways	100
Braunstone - conversion of 3 bed homes to 2 bed	300
External wall insulation	250
New door entry systems	100
	<b>1,650</b>

<b>Total</b>	<b>2,150</b>
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- (ii) The draft budget proposes increased payments for other city council services, amounting to £1.6m per year. £0.7m of this relates to a fairer share of the costs of the STAR service (which have increased) and costs of running the city council as a whole. A further £0.9m is a contribution to the costs of supporting neighbourhood services which are located on housing estates. The city council as a whole is under huge pressure as a consequence of government cuts, and needs to find savings of around £60m by 2017/18.
- (iii) Like many authorities, the Council is looking at areas where the HRA can legitimately make a fair contribution to costs which were previously funded by Government grant. In this way, it is hoped that some measure of protection can be given to services that tenants value. The city council is having to look at the cost of all its service provision, and in particular is looking at providing services more efficiently: should the cost of services for which tenants contribute be reduced, the amount charged to the HRA will be reduced correspondingly.

#### 5.1.11 Gas Charges

- (i) Heating and hot water is provided to 2,800 tenants through the Leicester District Energy Company (LDEC). Gas service charges will be reviewed during

2014/15.

#### 5.1.12 Other Rents and Service Charges (excluding gas)

- (i) The cost of maintaining communal areas, waylighting and door-entry systems is recovered from tenants through service charges. This mostly affects tenants in flats. The HRA receives additional rent income from garages. The increase in these charges is at the discretion of the Council; however Government guidelines are that increases should not exceed RPI plus 0.5%. Using September 2013 RPI this would give an increase of 3.7%. The recommended increase for 2014/15 is 3%. This is reflected in the draft budget 2014/15 at Appendix A. A 3% increase would produce additional income of £82k from service charges and £10k from garages rents.
- (ii) The recommendations for the levels of other charges and payments to be applied in 2014/15 are given in Appendix D.

#### 5.1.13 Debt Repayment and the HRA Capital Programme

- (i) There is no statutory requirement for the HRA to repay its debt, however prudent accounting practice requires an appropriate annual charge to be made to the HRA for the 'consumption' of assets. This requirement is satisfied as the proposed level of annual capital investment funded directly from revenue (over £23m) is substantially in excess of what would be regarded as a prudent charge to revenue for either debt repayment or depreciation (e.g. 4% of the HRA 'borrowing cap' of £224.2m is about £9m); therefore there is no necessity to allow for any debt repayment in 2014/15. This maximises the funding available for the HRA Capital Programme (subject to HRA balances remaining at a minimum of £5m to cover unforeseen expenditure or shortfalls in income).
- (ii) Appendix F gives details of how priorities were assessed for HRA expenditure. Appendix E gives the proposed HRA Capital Programme for 2014/15 and draft programmes for 2015/16 and 2016/17.

#### 5.1.14 Scheme starts and approvals

- (i) The HRA capital programme will be subject to the same rules regarding scheme approvals and variations as the rest of the Council's capital programme. The programme is split into two parts:
  - (a) "immediate starts", being schemes which have authority to commence once Council has approved the programme;
  - (b) "policy provisions", where the purpose of funding is defined but money will not be released until specific spending proposals have been approved by the Executive.

### 5.2 Legal implications

5.2.1 The Council is obliged to set a budget for an accounting year that will not show

a deficit (s76 Local Government and Housing Act 1989). There is discretion as to the amount of rent set but this is constrained by this requirement to balance the budget. Under the new self-financing system there are limits placed upon the amount the Council can borrow for the HRA. These are set out in determinations made by the Secretary of State pursuant to s171 Localism Act. The limit is termed borrowing headroom.

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

### 5.3 Climate Change and Carbon Reduction implications

The growth item for solid wall insulation will have a positive impact on the city-wide carbon target, as it will enable more properties to be done whatever level of matched funding is attracted under Eco. For example, the Braunstone housing scheme is for 450 homes to have solid wall insulation which could deliver a saving of 16,000 tonnes of carbon dioxide. Solid wall insulation is identified as a key measure in Climate Change- Leicester's Programme of Action.  
Carol Brass Environment Manager

### 5.4 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

The equality impact assessment is shown in Appendix H.

#### **Equality Impact Assessment**

The HRA budget proposes a rent increase of 3.2% and as the report sets out, there are a number of positive outcomes that will arise as a result of this increase: targeted improvements for disabled (home adaptations), elderly (LeicesterCare alarms) and young residents (new play equipment), and a continued programme of works to improve the quality/environment of the council's housing stock that could benefit all protected characteristics.

The main negative impact of the proposed increase is a potential financial one for those tenants whose rent is not fully covered by housing benefit, whereby their ability to pay this increased rent and maintain their housing tenancy is dependent on their financial circumstances, family circumstances, and whether they are subject to bedroom occupancy rates (the 'bedroom tax'). This potential negative impact could affect all protected characteristics.

For tenants likely to be negatively affected financially, there are a number of mitigating actions in place to assist them in ensuring that their housing tenure is not jeopardised: direct support and guidance on how to maintain their tenancy (tenancy management services and support services such as STAR); changes to the Allocations Policy enabling tenants to move to more suitable accommodation in terms of affordability; adapting 3 to 2 bed property in highest affected areas to increase available supply of more suitable accommodation in terms of bedrooms required. Tenants experiencing

financial hardship as a result of welfare reforms are also able to apply for discretionary housing payments available from Revenues and Benefits.

Irene Kszyk, Corporate Equalities Lead

**6. Background information and other papers:**

Files held by Director of Housing and Director of Finance

**7. Summary of appendices:**

Appendix A: Proposed HRA budget

Appendix B: Impact of rent increase proposals by property type

Appendix C: Comparison of average rents in Leicester

Appendix D: Recommendations for other charges and payments 2014/15

Appendix E: Proposed Housing Capital Programme

Appendix F: How priorities were assessed for Expenditure

Appendix G: Summary of Tenants views.

Appendix H: Equality Impact Assessment

**8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

**9. Is this a “key decision”?**

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

**Housing Revenue Account - 2014-16 Budget**  
**Rent increase 3.2%, Service Charge increase 3%**

	2013/14 Forecast	2014/15 Budget	2015/16 Budget
<b>Expenditure</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>
<u>Repairs &amp; Maintenance</u>	29,063	29,479	29,884
Less savings identified to date		(1,390)	(1,390)
Savings anticipated after review		(500)	(1,400)
Growth items		250	250
	<b>29,063</b>	<b>27,839</b>	<b>27,344</b>
<u>Tenancy Management</u>	11,480	11,634	11,761
Less savings identified to date		(90)	(140)
Savings anticipated after review		(500)	(1,300)
Growth items		250	250
	<b>11,480</b>	<b>11,294</b>	<b>10,571</b>
<u>Capital Programme (revenue financed)</u>	23,669	22,753	24,564
Less savings identified to date		(1,100)	(1,100)
Savings anticipated after review			(250)
Growth items		1,650	3,750
	<b>23,669</b>	<b>23,303</b>	<b>26,964</b>
<b>Other Expenditure</b>			
Bad debt provision	800	1,200	1,400
Interest Charges	9,833	9,010	8,827
Other services to tenants	10,552	12,337	12,525
	<b>21,185</b>	<b>22,547</b>	<b>22,752</b>
<b>Total HRA Expenditure</b>	<b>85,397</b>	<b>84,982</b>	<b>87,630</b>
Rents and service charges	82,886	85,059	87,814
Financing from reserves for capital programme	2,511	0	0
<b>Total Income</b>	<b>85,397</b>	<b>85,059</b>	<b>87,814</b>
<b>Overall surplus/(deficit)</b>	<b>0</b>	<b>77</b>	<b>183</b>
Working balance b/fwd	5,000	5,000	5,077
Working balance c/fwd	5,000	5,077	5,260



**Impact of rent increase by property type**

Property Type	2013/14 Average weekly Rent	3.20%		4.70%		Difference in weekly rent 3.2% vs 4.7%
		Average rent increase	New average rent	Average rent increase	New average rent	
	£	£	£	£	£	£
<b>Bedsit</b>	52.50	1.68	54.18	2.47	54.97	0.79
<b>1 bed flat</b>	58.95	1.89	60.84	2.77	61.72	0.88
<b>1 bed house</b>	63.80	2.04	65.84	3.00	66.80	0.96
<b>2 bed flat</b>	69.76	2.23	71.99	3.28	73.04	1.05
<b>2 bed house</b>	73.26	2.34	75.60	3.44	76.70	1.10
<b>3 bed flat</b>	77.37	2.48	79.84	3.64	81.00	1.16
<b>3 bed house</b>	79.45	2.54	81.99	3.73	83.18	1.19
<b>4+ bed house</b>	92.41	2.96	95.37	4.34	96.75	1.39

<b>All Stock</b>	71.16	2.28	73.44	3.34	74.51	1.07
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Based on 50 week rent year

**Rent scenarios - additional income generated**

Rent rise	Increase in rental income £m	Additional income received £m
3.2%	2.112	-
3.7%	2.491	0.379
4.2%	2.870	0.758
4.7%	3.249	1.137
5.2%	3.628	1.516
5.7%	4.007	1.895
6.2%	4.386	2.274

**Comparison of 2013/14 Average Rents in Leicester**

Property Type	HRA £	Housing Association £	Private Sector (LHA rate) £
Bedsit	52.50	59.00	
1 bed flat	58.95	71.41	91.98
1 bed House	63.80		
2 bed flat	69.76	84.27	114.00
2 bed house	73.26		
3 bed flat	77.37	92.59	131.04
3 bed house	79.45		
4+ bed house	92.41	105.95	166.77
All stock	71.16		

**Notes:**

- All rents are shown on a 50 week basis.
- The Private Sector rents are from the current 'Local Housing Allowances' for Housing Benefit purposes (April 2013). They show rents at the lower-end of the private market, since they are based on a survey of all local private sector rents and are then set at a level which is 30% up from the lowest rent.
- Council housing is the cheapest in the city.
- All council housing now reaches the 'Decent Homes Standard' while 41% of private rented homes in the city fail to meet this standard (source: 2009/10 Private Sector Stock Survey).
- Leicester City Council's homes have an energy efficiency ("SAP") rating of 83.1 as at 1<sup>st</sup> April 2011. This compares to a private sector equivalent rating of 42.0 (source: 2009/10 Private Sector Stock Survey).
- The housing association rents are from the Housing Association Statistical Data Return 2013 to the Homes and Communities Agency. They are an average of the average rents for each house type from each housing association in Leicester.

## **Other Service Charges and Payments – proposed 2014/15 charges**

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

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

The current charge for use of the guest room at Sheltered Housing Schemes is £9.30 per night. It is recommended this is increased to £10.00 per night.

(ii) Replacement Rent Swipe Cards

The current charge for a replacement swipe card is £3.00. It is recommended this is increased to £5.00 to better reflect the cost to the council of replacing the card.

(iii) Pre-sale questionnaires from solicitors and mortgage providers.

The Housing Division receives a large number of requests from mortgage providers and solicitors for information in connection with property type/condition and tenancy history. An appropriate charge is levied to recover the cost to the council of providing this information. Requests in connection with tenants' statutory rights under Right to Buy legislation is excluded from this charge. The charge is currently £106 and it is proposed this remains the same.

(v) Other HRA Properties

There are 8 properties in the HRA that have a protected rent. In these cases it is proposed to increase their rents by 3.2% in line with September 2013 RPI.

(vi) Other Charges

This includes garages, cleaning of communal areas, waylighting, concierge/door entry and cable television services. It is proposed to increase all other charges by 3%.

## **Payments**

(vi) Disturbance Allowance

Disturbance allowances are paid when a full property electrical rewire is required and carried out to an occupied LCC-owned property. A disturbance allowance can also be paid where it is necessary to undertake major works in an occupied property. The disturbance allowance is currently £155 per dwelling. This was increased by 25% in 2011/12. For 2014/15 it is proposed that no increase is applied, but to review the amounts paid to reflect the size of the dwelling.

(vii) Decorating Allowances

Decorating allowances are paid to new tenants. The amount paid is based on the condition of the property in relation to decoration and is paid on a per-room basis. The allowances are paid through a voucher scheme with a major DIY chain. Current charges are set out below. They were increased by 25% in 2011/12 and it is proposed that no increase is applied in 2014/15.

Allowance amounts:-

Bathroom	£50
Kitchen	£62.50
Lounge	£75
Dining Room	£75
WC (where separate)	£25
Halls (flats/bungalows)	£50
Hall/Stairs/Landing	£87.50
Large Bedroom	£75
Middle Bedroom	£62.50
Small Bedroom	£40

## HRA Capital Programme 2014-17

	2014-15	2015-16	2016-17
	£k	£k	£k
<b><u>Decent Homes</u></b>			
	6,300	6,000	6,700
	3,500	4,500	4,200
	2,400	2,600	2,300
	295	475	243
	400	400	400
	500	500	500
	200	200	200
	400	425	425
	250	250	250
	350	350	350
<i>New</i>	100	0	0
	<b>14,695</b>	<b>15,700</b>	<b>15,568</b>
<b><u>Business Investment</u></b>			
	230	100	0
	0	0	0
	100	200	200
<i>New</i>	300	0	0
	<b>630</b>	<b>300</b>	<b>200</b>
<b><u>Environmental and Improvement Works</u></b>			
	1,320	1,320	1,320
	1,028	1,242	1,242
	1,400	1,200	1,200
	100	100	100
	10	10	10
	520	520	520
	400	950	400
	200	200	0
	150	150	150
<i>Growth</i>	250	150	150
	100	100	0
	50	50	50
	50	50	50
<i>New</i>	100	100	100
<i>New</i>	300	0	0
	500	550	550
	150	150	150
	<b>6,628</b>	<b>6,842</b>	<b>5,992</b>
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>

	£k	£k	£k	
<b><u>Increasing Affordable Housing</u></b>				
	Affordable Housing Programme 2013-16	2,210	0	0
<i>New</i>	Lower Hastings Street hostel conversion	500	0	0
		<b>2,710</b>	<b>0</b>	<b>0</b>
<b>Total Immediate Starts</b>				
		<b>24,663</b>	<b>22,842</b>	<b>21,760</b>
<b><u>Policy provisions</u></b>				
	Additional Environmental Works	500	0	0
<i>Growth</i>	Match Funding for ECO (External Wall Insulation)	350	500	500
		<b>850</b>	<b>500</b>	<b>500</b>
<b>Total Policy Provisions</b>				
		<b>25,513</b>	<b>23,342</b>	<b>22,260</b>
<b>Total Capital Expenditure</b>				
<b>Financed by:</b>				
	Revenue	<b>23,303</b>	<b>23,342</b>	<b>22,260</b>
	Borrowing (Affordable Housing Prog 2013-16)	<b>2,210</b>		
		<b>25,513</b>	<b>23,342</b>	<b>22,260</b>

## How priorities were assessed for HRA Expenditure

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

The priorities are:

- Providing Decent Homes
- Making our communities and neighbourhoods into places where people want to live and keeping in touch with our tenants
- Making Leicester a low carbon city by improving the energy efficiency of homes
- Providing appropriate housing to match people's changing needs
- Making Leicester a place to do business, by creating jobs and supporting the local economy.

We have also made a commitment to our tenants to provide our services in an economic and effective way. As part of the City Mayor's Spending Review, we will challenge ourselves on all areas of expenditure, seeking comparisons with best practice across the country. The first priority is to consider responsive repairs, voids and planned maintenance. Next year the focus will be on looking at tenancy management, rent collection, Home Choice, grounds maintenance and other services provided to tenants. We will be involved in reviews being carried out in other parts of the Council to look for cross council efficiencies, e.g. with our fleet and stores. A review of the charges made to the HRA for services to tenants has identified increased costs of £1.6m. Efficiencies of £2.5m have already been identified with no loss of service to tenants.

<b>Growth Proposals</b>	<b>2014/15 £k</b>
<b>Revenue</b>	
Painting Programme	250
Grounds maintenance - overhaul of outside spaces	250
	<b>500</b>
<b>Capital</b>	
Conversion of Lower Hastings St hostel & flats	500
CCTV renewal (analogue to digital)	300
Concrete Paths (new programme)	100
Elevated walkways	100
Braunstone - conversion of 3 bed homes to 2 bed	300
External wall insulation	250
New door entry systems	100
	<b>1,650</b>
<b>Total</b>	<b>2,150</b>

Leicester's Housing Service has a long history of delivering continuous improvement and has a national reputation as being at the forefront of innovation and service delivery. Strong partnership and consultative working with tenants and other organisations has been the key to the improvement and progress achieved to date.

## **Priority One – Providing Decent Homes**

### **Why is this a priority and what will we achieve in 2013/14**

2. Nearly one in six homes in Leicester is a council house, flat or maisonette. It is crucially important that the City looks after these assets, not just for current tenants but for those who will live in them for many years to come. When we plan the Housing Capital Programme we must consider what investment will be needed over at least the next 40 years, not just the next 3 or 4 years and not let the programmes for essential items with long life spans fall behind, e.g. boilers, wiring, kitchens and bathrooms.
3. Providing quality homes is not just about 'bricks and mortar' it can also lead to improvements in educational achievement and health, help tackle poverty and reduce crime.
4. The Government's decent homes target was met in 2011/12, however, to meet the standard on an on-going basis future investment for major works is required.
5. Major works are planned for all Council properties following an assessment of condition, age, tenant priorities and other criteria set as part of the Decent Homes Standard.
6. The Governments definition of a decent home is one that satisfies all of the following four criteria:
  - it meets the current statutory minimum standard for housing;
  - it is in a reasonable state of repair;
  - it has reasonably modern facilities and services; and
  - it provides a reasonable degree of thermal comfort.
7. As well as achieving the Decent Homes Standard we also take on board tenants priorities. The majority of tenants see improvements made within their home as their priority and the priority element for improvement is kitchens and bathrooms. As of October 2013, 12,701 (58 %) of all council properties have had either a 'Leicester standard' kitchen or bathroom.



8. Below are some of the main criteria we use to plan major works in Council properties:

<b>Component for Replacement</b>	<b>Leicester's Replacement Condition Criteria</b>	<b>Decent Homes Standard Minimum Age</b>
Bathroom	All properties to have a bathroom for life by 2030	40 years / 30 years
Central Heating Boiler	Based on assessed condition (from annual service)	15 years (future life span of new boilers is expected to be on average 12 years)
Chimney	Based on assessed condition (from Stock Condition Survey/HHSRS)	50 years
Windows & Doors	Based on assessed condition (from Stock Condition Survey/HHSRS)	40 years
Electrics	Every 30 years	30 years
Kitchen	All properties to have an upgraded kitchen by 2030	30 years / 20 years
Roof	Based on assessed condition (from Stock Condition Survey/HHSRS)	50 years (20 years for flat roofs)
Wall finish (external)	Based on assessed condition (from Stock Condition Survey/HHSRS)	80 years
Wall structure	Based on assessed condition (from Stock Condition Survey/HHSRS)	60 years

9. We have a total of 322 Craft operatives (out of which 131 work primarily on Day to Day Responsive Repairs) & 75 Apprentices. In 2012/13 we completed a total of 99,496 repair jobs.
10. In 2012/13 over 75% of repairs had been completed within the time agreed with the tenant and over 80% had been completed on the first visit.
11. 86.6% of tenants rated their satisfaction with the Repairs & Maintenance Service as positive (as at September 2013).

#### **What do we want to achieve in future?**

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

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

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

<b>Programmed Element</b>	<b>Investment Required</b>
Kitchen & Bathroom	Investment is calculated to ensure all council homes have a new kitchen and bathroom by 2030. We plan to install 1,120 in 2014/15.
Rewiring	Investment is calculated to ensure that by 2020 all wiring is less than 30 years old. All current wiring is tested for safety. We plan to rewire 1,650 homes in 2014/15.
Central Heating Boiler	Investment is calculated to target 600 energy inefficient back boilers in the next 3 years.
Roofing / Chimneys	Investment is calculated at a level to maintain the decent homes standard. We estimate we will deal with 70 properties in 2014/15.
Central Heating	We have 320 tenants who have chosen not to have central heating installed. Provision is made in the programme so when these properties become vacant or tenants choose to have central heating we can install. We will also connect individual properties in St Matthews to the District Heating system.
Windows & Doors	Investment is required to replace any windows and doors that are not yet uPVC double glazed and also there are 2,000 windows that were fitted before our own window factory was operating that have some quality issues and may need to be replaced. We calculate we will work on 75 properties in 2014/15.
Structural Works	Investment is required to address any structural works identified each year. We estimate that the effects of climate change could increase the number of structural works required by up to 350 properties a year.
Soffits, fascias & guttering	By replacing these items with uPVC ones there will be no items that require painting, thus reducing long term maintenance costs. We now have a planned 13 year programme. We will work on 400 properties in 2014/15.
Condensation Works	Investment is required to target those properties that have been identified as being more susceptible to condensation related problems as a result of their construction type or location. A multi option approach is being adopted along with the use of thermal imaging technology to produce property specific solutions. We calculate we will work on 450 properties in 2014/15.
Safety works and Fire risk works	Investment is required to respond to newly identified needs. A planned programme of fire safety work has commenced, based on fire assessments carried out jointly with the Fire Service.

For 2014/15 onwards it is proposed to increase the budget for investing in full refurbishment of elevated walkways to reduce maintenance costs.

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

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

### **How can revenue spending support this priority in the future?**

- Provide a cost effective repairs service that completes repairs right first time.
  - Reduce the number of responsive repairs undertaken and increase planned maintenance.
15. Responsive day to day repairs are a priority for tenants and so we are always looking for ways to improve performance and capacity. Our aim is to provide a quicker and more responsive service that reduces complaints and expenditure on out of hours services and overtime.
  16. A two year Responsive Repairs improvement programme commenced in March 2013. This is aimed at improving the service to our customers and improve the efficiency of the service. To date this programme has delivered savings of almost £250,000 in 2013/14 and identified further efficiencies of £890,000 for 2014/15. Major changes to the way we provide the Repairs Service will be considered during 2014/15.
  17. For next year it is proposed to begin a small painting programme of high priority internal and external work.

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

#### **Why is this a priority and what will we achieve in 2013/14?**

18. Creating sustainable communities is about more than housing – it means cleaner, safer, greener neighbourhoods in which people have confidence and pride.
19. The Environmental Works and Communal Areas Fund helps to deliver significant environmental improvements on estates such as landscaping, new security measures, community facilities, pocket parks, fencing and communal area improvements. Tenants and Tenant Group representatives and Ward Councillors help decide where this money should be spent, based on their local needs and priorities. These schemes have helped to improve the overall image, appearance and general quality of life within our estates
20. In 2012/13 £1.020M will be spent shared equally between all 6 Management areas. In Braunstone, local representatives, Tenant Associations and councillors chose to invest in

the remodelling of stock, changing a small number of 3 bed houses to 2 and also 4 bed houses to 3 in order to address poor layout property design and small cramped bathrooms. The fund also invested in the creation of front walls along key arterial routes around the City, enhancing the visual perception of the area.

21. Parking schemes are being developed to address local parking issues in St Matthews and Humberstone areas
22. Bike Shelters are being installed for tenants living in the West Court area of the City with pushchair shelters being installed in St Peters.
23. Further work is being undertaken to externally clad a number of flatted blocks in the Beaumont Leys area
24. Environmental works are using the new Leicester at Work Scheme (see priority 5) including painting, cleaning of alleyways, removal of graffiti and other works to improve the look and feel of the local environment.
25. New equipment is being installed at four playgrounds, at Ashthorpe Road Braunstone, Cedar Wood Close Northfields, Hillsborough Road Eyres Monsell, and Montrose Road Aylestone.

#### **What do we want to achieve in future?**

- Continue to make all our housing estates attractive and safe places, where people want to live.
- Continue to prevent and reduce Anti-Social Behaviour in local neighbourhoods.
- Continue to invest in neighbourhood services and look for efficiencies in delivery of local services

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

26. Area Plans are developed in partnership with tenants to identify local environmental and communal areas improvements. The total environmental works budget will continue to be allocated pro-rata on the number of properties within each area and will be approved by the Director of Housing in consultation with the Assistant City Mayor for Housing. Plans will also be developed to link to employment opportunities and skills enhancement opportunities in the local area (see priority 5).
27. Demolition of phase 1 of The Exchange is due to occur early in 2014 with the west wing being demolished first. The new Eyres Monsell retail centre is due for completion very soon. Demolition of the East Wing is dependent on all retail leases being terminated. The latest that the demolition will occur is 2017.
28. The programme of upgrading door entrance schemes will continue based on our conditions surveys. In 2013/14 we will upgrade properties in Rowlatt's Hill, Saffron, St Matthews and St Marks. For next year it is proposed to increase the budget for installing door entry systems in blocks that don't currently have them.

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

29. We will continue to provide our services with locally configured teams so that our staff know the neighbourhoods and communities in which they work. Estate Management

officers are out and about on their 'patches' and craft workers are also based locally. This will be reviewed in 2014/15 as part of the HRA Spending Review.

30. We will continue to invest in new neighbourhood services around the City. Public consultation is helping define what needs to be done.
31. For next year it is proposed to introduce a programme of changing planting areas from bushes and shrubs to more attractive grass bulbs and trees. As well as being more attractive, the annual maintenance costs will reduce slightly.
32. We publish an Annual Report to tenants.
33. We run a telephone advice line in working hours where tenants can report repairs and tenancy issues and an out of hours emergency line. Each year the telephone service received over 250,000 calls during the working day with a further 25,000 calls taken by the out of hours telephone service
34. We respond vigorously to reports of anti-social behaviour and have CCTV on many parts of our estates. Last year Housing received a total of 1,124 reports of Anti Social Behaviour that were then investigated and where necessary appropriate action taken against perpetrators.
35. We support local Tenants and Residents Associations and the Tenants Forum.

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

#### **Why is this a priority and what have we achieved in 2013/14?**

36. Leicester City Council and its partners have committed to cut carbon emissions by 50%, relative to 1990 levels by 2025. Part of this target is to reduce residential CO2 emissions from 651,000 tonnes in 2006 to 530,000 tonnes by 2012, this is a reduction of 121,000 tonnes. Council Housing accounts for 18% of all residential housing in the city therefore its pro-rata contribution towards the carbon reduction target is 21,780 tonnes. Through the Housing Capital Programme CO2 emissions from council houses has reduced by 44,146 tonnes between 2006 and March 2013, exceeding its pro-rata contribution two-years ahead of target.
37. This has been achieved by window replacements, new central heating installations, new energy efficient boilers and controls, internal and external wall and roof insulation and solar panels.
38. The most cost-effective opportunities for carbon savings in the Council Stock are diminishing now that all properties have double glazed uPVC windows and all cavity walls have been insulated. However, any further reductions will help towards the City target and will improve energy efficiency for individual tenants and reduce fuel poverty.
39. We are also concerned about fuel poverty. The national Standard Assessment Procedure (SAP) is used to rate the overall energy efficiency of homes. The higher the SAP rating the more energy efficient a home is, resulting in potentially lower fuel bills. Leicester City Council's homes have an average SAP rating of 85.3 as of 31<sup>st</sup> March 2013. This level is within the top quartile for all unitary authorities and compares with an average SAP rating in private sector residential properties of 42 (2009/10 Private Sector Stock Survey). In the Midlands the recommended SAP rating for affordability is 74 . We have therefore been

making additional investments to tackle the 3,391 homes that were below this because these will be more difficult to heat homes. The number of properties below SAP 75 is now 2,370 a reduction of 1,021 .

40. 2,800 tenants and leaseholders have district heating. This year the Leicester District Energy Company have installed combined heat and power boilers in existing boiler houses and laid pipes to link them together. Other Council buildings near the pipework will link in. Combined heat and power boilers generate electricity with heat as a by-product and help the scheme to provide significant carbon reductions of 12,000 tonnes per annum by the end of 2014.
41. Because the gas for the district heating boilers is bought in bulk on the wholesale market, district heating tenants enjoy lower gas prices.

### **What do we want to achieve in future?**

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

### **How can housing investment support this priority in the future?**

42. We will continue to invest funds in basic efficiency measures across all stock, for example by installing more efficient boilers, increasing loft insulation to a minimum of 250mm and putting in double glazed doors and windows in all properties. We will continue the planned programme of work on the 2370 council properties with a SAP rating below 75.
43. We will continue to seek new ECO funded schemes to continue the very popular external wall insulation work. Braunstone is the next priority area. This work came to halt this year when government changed the details of the scheme for getting contributions from utility companies.
44. For 2014/15 it is proposed to increase the budget for external wall insulation so that more properties can be done whatever level of matched funding is attracted.
45. Where capital works have been undertaken to improve energy efficiency and reduce carbon we propose to offer energy advice to Council tenants. A project by a social landlord in Worthing showed that where tenants also receive energy efficiency training tenants saw an additional 25% reduction in their fuel bills compared with only relying on the impact of the capital works. A post of Tenants Energy Adviser is being recruited. The results of the metering pilot for 50 tenants on the District Heating Scheme will be available during the year.

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

### **Why is this a priority and what will we achieved in 2012/13?**

46. Leicester is a city with relatively low household incomes. For many, renting from the Council or a Housing Association is the only hope of a decent home. As at 5<sup>th</sup> November 2013 there were 9,912 households on the Housing Register. The main issue for

households applying for social housing is overcrowding, there are 3,194 households (32%) on the Housing Register living in overcrowded conditions. This includes 620 households who are severely overcrowded i.e. needing 2 or more extra bedrooms to meet their needs.

47. Right to Buy reduces the amount of social rented housing and in April 2012 the government greatly increased the discount for sales to tenants. Over the last five years we lost an average of 90 houses a year. The estimated loss for the next five is 170 pa.
48. The Strategic Housing Market Assessment Update 2010 identified that Leicester's net affordable housing shortfall is 1,055 homes per year for the next 7 years to meet current and future demand from households who cannot afford to enter the private housing market.
49. Over the last 5 years the Council has enabled the development of 963 new social rented and affordable rented homes, mostly built by Housing Associations, but including 146 Council houses. These are 1, 2, 3, 4 bedroom and larger houses, to meet the needs identified in the Housing Market Assessment. The Housing Development team are working to achieve the target of 393 new homes between 2013 to 2015 which forms part of the City Mayor's plan.
50. All relets of adapted housing from both the Council and the Housing Associations are matched to applicants on the Housing Register who need adapted housing and in 2013/14 we allocated 18 wheelchair adapted Council properties of which 13 were our newly built stock. Currently there are 106 such applicants on the Housing Register with 80 cases having been awarded the highest priority. 42 of these cases have been waiting in excess of 2 years. To address this, when a suitable property becomes vacant that may meet the needs of the applicant, it is considered for adaptation.
51. Each year the Capital Programme funds the adaptation of tenants existing homes where Adult Social Care identify that the current tenant needs those adaptations. Unlike in the private sector, (Disabled Facilities Grants) there is no backlog of work. In 2013/14, £1.4m was allocated for this work.
52. 71 dwellings within the Council stock are designated for letting to people nominated by Adult Social Care, who arrange additional support. We also have 394 Sheltered Housing flats which are let to people over 50. Further suitable properties are being identified with ASC officers as part of the programme of work of the Supported Living Programme Board. Where alterations are needed these are jointly funded by ASC and the HRA.
53. In addition, we make provision to enable redevelopment and new build schemes (e.g. at Eyres Monsell, The Exchange redevelopment), or provide affordable rent grants to HomeCome or Housing Associations or selling land at a discount.
54. The introduction of the 'bedroom tax' has highlighted the shortage of 2 bedroom council houses.

### **What do we want to achieve in future?**

- Aim to ensure there are sufficient wheelchair adapted homes to meet demand from the Housing Register.
- Provide a timely response to requests for adaptations of existing homes as assessed by Adult Social Care.

- Provide suitable supported and general needs housing to meet the need for housing for people identified by Adult Social Care's Supported Living Programme (people with physical disabilities, mental health problems, learning difficulties and older people).
- Reduce severe overcrowding.
- Find the best way for the HRA to enable new affordable housing.
- Support our tenants to keep their tenancies.
- Increase the number of 2 bedroom homes

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

55. Leicester's Affordable Housing Strategy sets out the ways in which the Council can continue to enable new affordable housing to be built in the City. The HCA's funding programme for the Leicester and Leicestershire Housing Market Area for 2011-2015 does not include sufficient funds for us to achieve the same amount of new supply of affordable housing as we have managed to deliver over the last few years so other ways of working have been identified. .
56. The HRA will use borrowing headroom of £5m over the next 3 years to fund new Council housing. A proportion of right to buy receipts will be reinvested in new housing, either by the council or through housing associations. Council land is made available. Further new Council housing is due to start in 2014 and will produce 93 new homes on the sites of the old Saffron Depot, Hamelin Road garages and at Laburnum Road allotments.
57. £1m of HRA investment, using RTB receipts and council land can provide 12 houses. Identification of efficiency savings in the HRA Spending Review may make more investment in new houses possible.
58. The Capital Programme will continue to fund small scale work to support the conversion of general needs housing to low level supported housing and fund Disabled Adaptations where recommended by Adults Social Care for existing tenants.
59. For 2014/15 it is proposed to increase the investment in converting homes in Braunstone from 3 bedroom to 2 bedroom where this will also improve bathroom layout.
60. Goscote House is being used to house tenants whilst the tower blocks in St Peters are being refurbished to complete in March 2016. Major investment will be need in Goscote House after this. It is proposed to look at the feasibility of converting existing bedsits on the lower floors to 2 bed flats.

### **How can revenue spending support this priority in the future?**

61. We will continue to advertise our vacant properties on Leicester Homechoice. All areas of the City and dwelling types continue to attract great demand. We provide debt advice to tenants and offer other sorts of support through our locally based STAR service.
62. We will continue to work with those tenants who will be affected by the new housing benefit and council tax systems and other welfare reforms, to help them to afford to stay in their homes or move to somewhere smaller. The Income Management Team was increased last year and STAR work with tenants had been refocused to give high priority to those at most risk of losing their home due to debt

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



## **Why is this a priority and what will we achieved in 2012/13?**

63. A workforce of over 800 staff is funded by the HRA. We also employ contractors to undertake a large amount of capital work, who in turn create employment. On all new contracts we include local labour clauses.
64. The Housing Division has been creating apprenticeships for 25 years; originally in single trades and for the last 8 years the multi-skilled apprentice maintenance technician (AMT). We have achieved national recognition in improving representation in the construction field. There are currently 80 apprentices working and training in Housing Services. In 2012/13 we expect to spend £1.85 million on the apprenticeship scheme.
65. The Housing Neighbourhood Improvement project was established last year, as part of the Council's Leicester to Work initiative. This involved setting up a Sector Based Work Academy (SBWA) in partnership with Leicester College and the Job Centre Plus. SBWAs are one of the Government's 'Get Britain Working' programmes, designed to help those who are ready for work and receiving benefits into secure employment. The scheme provides pre-employment training, a period of work experience and a guaranteed job interview with the Housing Division. So far we have successfully employed 41 people through this scheme, each undertaking a six month fixed term employment contract as Neighbourhood Improvement Operative. Their work involves grounds maintenance based duties, which improve the look and feel of our estates. We also support them to apply for jobs within the Council, with one person successfully starting their 5 year AMT apprenticeship with Housing this year. We plan to continue funding this successful work, creating 30-40 fixed term contracts per year and continually improving the local areas where our tenants live.
66. The Division also currently works in partnership with InTraining and Job Centre Plus to provide work experience opportunities for unemployed people. This involves clients undertaking neighbourhood improvement work for 8 weeks, whilst still in receipt of Job Seekers Allowance (JSA). We are able to have up to 10 clients with us at any one time. We also take on graduates for up to 1 year to provide work experience.
67. The Division has worked with the Probation Service for several years, providing work experience for their referrals, usually grounds maintenance work on housing estates. We also work with the Leicester Youth Offending Service to create work experience opportunities for young people who are required to undertake reparation work.
68. All HRA shops were offered the opportunity to be painted during the year. The shopping parade at Netherhall is currently being refurbished.

## **What do we want to achieve in future?**

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

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

69. Across all departments, the Council is currently updating the way we communicate with local suppliers, and actively encouraging dialogue with local small and medium businesses (known as SME's). The council procurement rules have recently been

revised specifically to stimulate the local economy with the hope that this has a positive impact on local employment.

70. We will ensure our shop premises for local businesses are well maintained and explore opportunities for new facilities and employment. For example, the current redevelopment at The Exchange includes work with a private developer to provide 6 new modern shops. It is proposed to refurbish shops at Home Farm Square Beaumont Leys, Bewcastle Grove and Marwood Road Mowmacre Hill.

### **How can revenue spending support this priority in the future?**

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

## **Priority Six – Operational Investment**

### **Why is this a priority?**

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

### **What do we want to achieve?**

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

### **How can capital investment achieve this priority in the future?**

75. We are retendering our IT system, the existing Open Housing System contract expires in 2014 with development work commencing in 2012 and implementation during 2013/14. The total cost of the scheme is £1.4m. The current system contains data relating to all the activities of the Housing Division e.g. Housing Stock Repairs & Maintenance, Rent accounts etc. The new system aims to make the department more efficient and remove peripheral systems.
76. We are investing in alterations and IT to improve operational efficiency at both Central and Leycroft Road Stores.
77. Changeover to digital reception has meant installing new digital receiving aerials across the city. The programme will be completed next year.
78. In 2014/15 it will be necessary to contribute to the renewal of the Council's CCTV recording equipment.

Summary of Tenants views: after consultation

### **Tenants and Leaseholders Forum Feedback**

The Tenants and Leaseholders Forum made up of 13 tenant and 2 leaseholder representatives has been regularly consulted on the draft proposals for the Housing Revenue Account and Capital Programme for 2014/15.

The propositions were initially presented to the Forum in December 2013 with the opportunity given to scrutinise the propositions within Forum meetings and on invite to the Council Scrutiny hearing on 10 December 2013.

Forum members then had the Christmas and New Year period to present and discuss the budget proposals with their local areas and to provide final feedback to Cllr Andy Connelly (Assistant Mayor for Housing) and Ann Branson (Director of Housing) during the Forum's meeting on 09 January 2014.

At the meeting on 09 January 2014, attended by representatives covering 9 areas of the City, feedback from Forum members on the proposed rent rise was supported by most representatives. Two representatives expressed concern that tenants also had other financial pressures, but did not oppose the proposed rise. Members of the forum were supportive of the Capital Programme proposals and welcomed the growth proposals and appreciated the ongoing effort being made to make efficiencies within the Division

# Equality Impact Assessment for Service changes / Budget proposals

## WHAT IS AN EIA?

An EIA is a tool which will help you assess whether there are any positive or negative equality impacts on people affected by proposed changes. This EIA form is for use in two circumstances (service changes and budget proposals):-

- (a) Service change involves redesigning or reshaping, (and in some cases the removal of) current service provision – whether directly provided by Council officers or commissioned by the Council for provision by an external provider.
- (b) Budget proposals should arise from service changes that you are considering throughout the year in light of the current financial climate. The EIA for budget proposals should cover the same issues as considered for service changes.

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

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

The EIA template has a series of questions that you need to answer in order to identify any positive or negative equality impacts arising from the work you are doing. If there are negative impacts, this does not mean we cannot go ahead. Decision makers must have “due regard” to the findings and consider (if they do decide to go ahead) whether any mitigating actions can be taken to address negative impacts.

## WHY IS AN EIA REQUIRED?

An EIA helps us assess whether we are meeting our public sector equality duty: eliminating discrimination and promoting equality of opportunity.

For example: Providing equality of access to services or other opportunities (such as employment related issues) because of barriers some groups may experience which may not be in place for others (language, information, or location).

The action plan identifies what steps we can reasonably take as a consequence of the EIA findings.

An EIA also enables us to identify where we do not have the data or information necessary to equality impact a decision. The EIA action plan enables us to map out how and when this data gap will be addressed.

## WHEN DO WE NEED AN EIA?

The first thing to do is to assess whether there is any equality impact. This can be done by filling in a **screening questionnaire** as soon as you start your project/report. Answer the screening questions in order to determine whether an EIA is needed.

## HOW IS AN EIA CARRIED OUT?

**Before you start:** If you are not sure whether you need to do an EIA, fill in the screening questionnaire to determine whether you need to complete one. The screening questionnaire is not obligatory, but will help.

**What to do:** When an EIA is required:

### Step 1 The proposal

This part is at the start of the planning process. It sets out the service user profile, the proposed change to the service, and potential equality impacts arising as a result of the proposal.

### Step 2 Consultation

This part highlights the outcome of consultation with service stakeholders about the service change proposal and likely equality impacts.

### Step 3 The recommendation

The final part of the EIA identifies any changes made to the original proposal in Step 2 as a result of consultation and further consideration.

Completing the form requires you to consider the impact on **service users**, with the exception of a single question about staff. In order to assess the equality impact of staffing changes, complete the separate **EIA template for organisational reviews** which presents the 'before' and 'after' staff profiles of services affected.

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

## Equality Impact Assessment for service changes / budget proposals

<b>Name of service</b>	<b>Housing</b>
<b>Lead officer and Contact details</b>	<b>Chris Burgin, head of Service, Ext 296102 e-mail chris.burgin@leicester.gov.uk</b>
<b>List of other(s) involved</b>	<b>Equality officer: Finance officer:</b>

### What is this EIA about?

(Please tick✓)

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

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

#### Question 1:

<b>What is the proposal/proposed change?</b>
<p>The Housing Revenue Account (HRA) budget report is proposing a 3.2% average rent increase for council tenants across the city for 2014/15. This will contribute towards a total income of £85.3m to the HRA budget. The income will be spent on:</p> <ul style="list-style-type: none"> <li>• Repairs and maintenance</li> <li>• Tenancy management</li> <li>• Funding for the HRA Capital Programme</li> <li>• Support Services/Central Charges</li> <li>• Interest charges &amp; bad debt provision</li> </ul> <p>The report is also proposing a 3% general increase in service charges, which will impact upon council tenants and approximately 660 leaseholders across the city. It is proposed that £22,753,000 will be invested in Leicester Council homes and estates during 2013/14, through the Capital Programme.</p>
<b>Who will it affect and how will they likely be affected?</b>
<p>Question 2 gives a demographic breakdown of Leicester City Council tenants. The proposals will affect all Leicester City Council tenants across the city. With the proposed budget, the repairs and maintenance and tenancy management services will be maintained for all tenants. A capital programme will be resourced to meet our service priorities, agreed by the Tenants' and Leaseholders'.</p> <p>Most tenants in receipt of full housing benefit will continue to have any rent increase covered by their benefit entitlement. Therefore, there will be no requirement for them to pay any more. We know that 37% of tenants receive full housing benefit. The negative impact of having to pay more rent will affect 63% of tenants who are in receipt of partial housing benefit or none at all.</p>

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

In addition to this we know that just under 2300 tenants are affected by the Welfare Reforms that has been implemented since April 2013. These people previously receiving full, partial or no Housing Benefit. For these people any rent increase may not be covered by their Housing Benefit entitlement. This will particularly affect people of a working age, those that are under occupying properties and larger families. This could disproportionately affect households from some BME backgrounds where larger families are more likely.

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

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

The Housing Capital Programme generally benefits all tenants and residents in the city. Projects to improve individual properties are decided on their condition or to meet health and safety regulations, rather than a protected characteristic of a tenant.

Over the next 3 years we are proposing that a substantial amount of money is invested in the refurbishment of the 5 St Peter's tower blocks. This will affect 440 properties in this area of the city. We know that about 50% of tenants in the Centre area of the city are of a BME background and therefore this project will have the greatest impact on this protected group. The proposed £50 000 investment on play equipment will benefit children living on our estates.

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

The budget proposes an ongoing investment of £10,000 in Leicestercare Alarms. These alarms help and support vulnerable and older people to remain safely in their homes. We know that 39% of our tenants are over the age of 55, therefore, this proposal could impact on over a third of our tenants.

## Question 2:

### What is the equality profile of current service users?

#### Age

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

#### Ethnic Origin

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

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

**Disability**

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

**Sexuality**

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

**Religion**

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

**Do you anticipate any changes to your service user profile as a result of your proposal/proposed change? If yes, how will it change?**

No

**What are the main service needs and/or issues for those receiving the service because of their protected characteristic?**

	Service needs and/or issues by protected characteristic
<b>Age</b>	<p>The principle provision is that of a suitably sized and located decent home, maintained through effective and a timely repairs service along with quality tenancy and estate management services and supporting advice services.</p> <p>Some older people require help and support such as an alarm system to enable them to remain safely in their homes.</p>
<b>Disability</b>	<p>The principle provision is that of a suitably sized and located decent home, maintained through effective and a timely repairs service along with quality tenancy and estate management services and supporting advice services.</p>

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.



	<p>Some disabled people may require adaptations to their properties to enable them to live more independently in their homes.</p> <p>Some disabled people may experience harassment or discrimination because of their disability and may need to access appropriate support and advice from Tenancy Management Officers and Floating Support services such as STAR.</p>
<b>Gender reassignment</b>	<p>The principle provision is that of a suitably sized and located decent home, maintained through effective and a timely repairs service along with quality tenancy and estate management services and supporting advice services.</p> <p>Some people may experience harassment or discrimination because they are transgender and will need to access appropriate support and advice from Tenancy Management Officers.</p>
<b>Pregnancy and maternity</b>	<p>The principle provision is that of a suitably sized and located decent home, maintained through effective and a timely repairs service along with quality tenancy and estate management services and supporting advice services.</p>
<b>Race</b>	<p>The principle provision is that of a suitably sized and located decent home, maintained through effective and a timely repairs service along with quality tenancy and estate management services and supporting advice services.</p> <p>Some people may experience racial harassment or discrimination and may need to access appropriate support and advice from Tenancy Management Officers.</p> <p>Welfare Benefit reforms may have a disproportionate effect on households from some BME communities where larger families are more likely and therefore make any increases in rent or charges less affordable.</p> <p>50% of tenants in the Centre area of the City are of a BME background and properties in this area are more likely to have service charges attached to them. It could be that people in receipt of partial or no housing benefit in this area of the city will be negatively impacted upon the greatest.</p> <p>Some people may struggle to understand the changes proposed and access appropriate support, particularly where their first language is not English</p>
<b>Religion or belief</b>	<p>The principle provision is that of a suitably sized and located decent home, maintained through effective and a timely repairs service along with quality tenancy and estate management services and supporting advice services.</p> <p>Some people may experience harassment or discrimination because of their religion and may need to access appropriate support and advice from Tenancy Management Officers.</p>

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

<b>Sex (gender)</b>	<p>The principle provision is that of a suitably sized and located decent home, maintained through effective and a timely repairs service and quality tenancy and estate management services and supporting advice services.</p> <p>Some people may experience harassment or discrimination because of their gender and may need to access appropriate support and advice from Tenancy Management Officers.</p>
<b>Sexual orientation</b>	<p>The principle provision is that of a suitably sized and located decent home, maintained through effective and a timely repairs service along with quality tenancy and estate management services and supporting advice services.</p> <p>Some people may experience harassment or discrimination because of their sexual orientation and may need to access appropriate support and advice from Tenancy Management Officers.</p>

### Question 3:

**Will the proposal have an impact on people because of their protected characteristic? Tick the anticipated impact for those likely to be affected and describe that impact in the questions 4 & 5 below.**

	No impact <sup>1</sup>	Positive impact <sup>2</sup>	Negative impact <sup>3</sup>	Impact not known <sup>4</sup>
<b>Age</b>		√	√	
<b>Disability</b>		√	√	
<b>Gender reassignment</b>		√	√	
<b>Pregnancy and maternity</b>		√	√	
<b>Race</b>		√	√	
<b>Religion or belief</b>		√	√	
<b>Sex (gender)</b>		√	√	
<b>Sexual orientation</b>		√	√	

### Question 4:

**Where there is a positive impact, describe the impact for each group sharing a protected characteristic. How many people are likely to be affected?**

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

The proposals will have a positive impact for those tenants in receipt of full Housing Benefit, who will not be impacted upon by Welfare Reforms (up to 37% of tenants). The proposed

<sup>1</sup> The proposal has no impact (positive or negative) on the group sharing a protected characteristic.

<sup>2</sup> The proposal addresses an existing inequality experienced by the group sharing a protected characteristic (related to provision of services or facilities).

<sup>3</sup> The proposal disadvantages one or more of the group sharing a protected characteristic.

<sup>4</sup> There is insufficient information available to identify if the group sharing a protected characteristic will be affected by the proposal.

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

rent increase will be covered by their housing benefit entitlement, so these tenants will not need to pay anything extra.

The HRA budget report proposes an additional spend of £300,000 to convert under occupied properties from 3 to 2 bedroom. This will have a potential positive impact on potentially vulnerable tenants in the Braunstone area (12% of our housing stock) of the city impacted by the Welfare reform changes, by reducing any personal Housing Benefit eligibility gap due to under occupation.

The budget proposes an ongoing investment of £10,000 in Leicestercare Alarms. These alarms help and support vulnerable and older people to remain safely in their homes. We know that 39% of our tenants are over the age of 55, therefore, this proposal could impact on over a third of our tenants.

The budget also proposes funding to support Green Energy initiatives both to improve the energy efficiency of the stock by installing further external wall insulation and by taking advantage of new green technologies where available. This investment will positively impact across all protected groups.

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

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

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

#### **Question 5:**

**Where there is a negative impact, describe the adverse impact for each group sharing a protected characteristic. How many people are likely to be affected?**

The negative impact of having to pay more rent will affect 60% of tenants who are in receipt of partial housing benefit or none at all.

In addition to this we know that just under 2300 tenants are affected by the Welfare Reforms that has been implemented since April 2013. These people previously receiving full, partial or no Housing Benefit. For these people any rent increase may not be covered by their Housing Benefit entitlement. This will particularly affect people of a working age, those that are under occupying properties and larger families. This could disproportionately affect households from some BME backgrounds where larger families are more likely.

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

**How can the negative impact for each group sharing a protected characteristic be reduced or removed?**

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

Ensure relevant information is provided and publicised.

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

Targetted use of Council support services (including STAR) in the early approach to supporting vulnerable and impacted tenants specifically around advice options, income collection and income maximisation.

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

Targetted use of the capital funding of £300,000 adapting 3 to 2 bed property in the highest affected areas and to those vulnerable and most adversely affected by budget changes and

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

wider Benefits changes.

**Question 6:**

**Which relevant stakeholders were involved in proposing the actions recommended for reducing or removing adverse impacts arising from the proposal?**

Leicester City Council staff

**What data/information/analysis have you used to inform your equality impact findings?**

Analysis of Registered Social Landlords and private landlords rents 2012

Statistical information and reports contained within Housing Services IBS computer system

**Supplementary information**

**Question 7:**

**Is there other alternative or comparable provision available in the city? Who provides it and where is it provided?**

Yes, properties can be rented across the city from Registered Social Landlords and private landlords.

**Can this alternative or comparable provision help reduce or remove the negative impacts identified in Question 5? If not, why not?**

No, our research shows that despite the proposed rent increase Leicester City Council rents remain lower than Registered Social Landlords and private sector rents. Tenants will also be affected by Welfare Reforms in other tenure types.

**Would service users negatively affected by the proposal be eligible to use this alternative or comparable provision? Would it meet their identified needs?**

People are eligible to apply for Registered Social Landlords or private rented accommodation. However, as their rents are higher than Leicester City Council they may be in a worse financial situation.

**Question 8:**

**Will any particular area of the city be more affected by the proposal than other parts of the city? What area and why?**

Properties in the Centre area of the city tend to have proportionally more services charges attached to their properties, due to their design, 50% of tenants in the Centre area of the City are of a BME background. It could be that people in receipt of partial or no housing benefit in this area of the city will be negatively impacted upon the greatest, needing to pay all or part of the proposed service charge increase.

**Question 9:**

**Is it likely that there may be other sources of negative impacts affecting service users over the next three years that need to be considered? What might compound the negative effects of this proposal? Describe any additional negative impacts over time that could realistically occur.**

More tenants could be affected by Welfare Reform as these are fully implemented and Universal Credit is introduced. This could mean more tenants find themselves in a position where their housing benefit does not cover future rent increases.

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

**Question 10:**

<b>Will staff providing the service be affected by the proposal/proposed changes? If yes, which posts and in what way?</b>
--

All existing budget proposals incorporate service efficiencies with no current direct impact upon permanent staff.
--

**Date completed** .....

## Step 2: Consultation on the proposal

### Question1:

<b>What consultation on the final proposal has taken place? When, where and who with?</b>
---

Consultation has taken place with the Tenant & Leaseholder Forum on the 7<sup>th</sup> November 2013. The Tenants Forum is the formal elected representative body for tenants and leaseholders. This group is presently made-up of 11 tenants and 1 leaseholder representative from across the city being Chaired and vice Chaired by two of the Tenant members. This is made up of 7 females and 5 males. The ethnicity breakdown of the group is 4 Black, 2 Asian, 6 White, Three representatives represent the areas of, Rowlatts Hill & Humberstone and two representatives cover the areas of, Beaumont Leys & Mowmacre, New Parks, Braunstone, Saffron and Centre.

Further consultation events considering the HRA Budget have taken place on the 21<sup>st</sup> November 2013 at which the group considered the HRA budget generally following a detailed presentation about the budget from Senior Management this then followed a round table workshop considering the prioritisation areas of the HRA budget. This information was then used by Senior Management to shape and finalise the Draft HRA budget proposal for 2014/15.

This finalised proposal was then posted to all Tenant Forum representatives on the 2<sup>nd</sup> December for individual consideration in advance of a further meeting that took place on the 5<sup>th</sup> December. At this meeting the proposal was presented by the Director of Housing and the Assistant Mayor Councillor Connelly. Tenant Forum representatives had the opportunity to question the Director and the Assistant Mayor. Representatives were then asked to consult locally with tenants, tenant representatives and leaseholders in their own geographical areas. They were then asked to reconvene on the 9<sup>th</sup> January 2014 to feedback their own and collective opinions they have received throughout the consultation period.

The Draft HRA Budget was made publically available as part of the presentation of this report to the Housing Scrutiny Commission on the 10<sup>th</sup> December 2013. At this the Assistant Mayor Councillor Connelly presented the key aspects of the budget to the commission representatives (made up of several Councillors that represent the electorate across a number of geographical areas that include Council Housing). This meeting is held in front of public that wish to attend and documentation presented at the Commission is made public on the Leicester City Council website and this information is available to all members of the public and tenants.

On the 9<sup>th</sup> January 2014 the Tenant Forum provided feedback to the Director and the Assistant Mayor on the Budget proposal. This information was then collated and considered by the Director and Assistant Mayor. This information was also then presented to the

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

Housing Scrutiny Commission on the 14<sup>th</sup> January as part of Leicester City Council's political scrutiny process.

The Draft HRA Budget is then to be submitted to Full Council for consideration and sign off.

## Question 2:

### What potential impacts did consultation stakeholders identify?

- Potential inability of tenants being able to afford to pay their rent, linked to the rent increase and other general financial pressures (including the bedroom tax and welfare benefit changes)
- The ongoing need for investment in Adaptations in Council properties to support older people living in their own homes
- The need for more targeted Investments in Housing stock to ensure all tenants and leaseholders including those with protected characteristics have quality housing
- The need for more Energy Efficiency improvements to stock to ensure all tenants and leaseholders including those with protected characteristics have energy efficient properties
- The need for more investment in estate environments to ensure all tenants and leaseholders including those with protected characteristics nice environments in which to live
- Targetted assistance from Floating Support teams to those in most need, including those with protected characteristics
- 

### What positive equality impacts were identified? For people with which protected characteristics?

- Investments in Housing stock through Capital Programme investment on Roofing, Central Heating, Boilers, Tenant Adaptations . This will have a positive impact on all protected groups and non protected groups
- Investments in Housing through individual projects including the Tower Block improvement project (£3m), 50% of tenants in the Centre area of the city are of a BME background and therefore this project will have the greatest impact on this protected group
- Investment in Energy Efficiency (including external wall insulation) of our Council Housing stock again ensuring that energy bills are positively impacted by these measures. This will have a positive impact on all protected groups and non protected groups
- Investment in Council estates through the ongoing investment/budget of Environmental budget of over £1m improving the condition and look of the estates will have a positive impact on all protected groups and non protected groups
- Building New Homes. This will have a positive impact on all protected groups and non protected groups
- Ongoing targeted provision of Individual Floating support to vulnerable people will have a positive impact on all protected groups and non protected groups. The HRA budget report also proposes a spend of £1.4m towards supporting vulnerable tenants via Supporting Tenants and Residents (STAR). This will have a positive impact on all vulnerable tenants across the city, by providing support to live independently, particularly those within the protected characteristic groups.

### What negative equality impacts were identified? For people with which protected characteristics?

- Rent increase will place additional pressures on tenants and leaseholders that are required to pay (ie/ not in receipt of full Housing benefit) this will apply equally to all

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

tenants and leaseholders. The negative impacts are not based on a persons' protected characteristics, but on their property type and financial situation. Although some tenants will have to pay more rent during 2014/15 this is balanced by the benefit of services being maintained, funding for STAR and investment in the capital programme.

- Government Welfare Reforms – The introduction of the 'Bedroom tax' and the pending introduction of further welfare reforms and potential reduction in benefit incomes

**Question 3:**

**Did stakeholders indicate how positive impacts could be further promoted? How?**

- Positive promotion of the Capital Investment programme, Energy Saving projects , Environmental improvement schemes through the City Housing News that is published 3 times a year and sent to all tenants and Leaseholders

**Did stakeholders indicate how negative impacts could be reduced or removed? How?**

- Keep the rent increase to a minimum
- Continue to invest in the Income Management Team who are able to practically assist anyone getting behind with their rent, ensuring that the person gets appropriate money and debt advice, advice on maximising their income and are supported to timely apply for benefits they are eligible for including Housing Benefit and Discretionary Housing Benefit and personal benefits.
- Continue to invest in the STAR Floating support service to enable vulnerable people to be supported. Ensure that a very targetted approach is adopted ensuring those in most need of support and help are prioritised
- Support Tenants to be able to move where they decide to do this both through the use of Mutual Exchange (paying for and across LCC housing stock (Leicester Homechoice) and in to private accommodation when appropriate
- Continue to invest in Energy Efficient measures in the Capital Programme that improve the Housing stock and help negate raising fuel costs and bills

**Date completed** .....

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

#### Question 1:

Has your recommended proposal changed from the proposal in Step 1 as a result of consultation and further consideration?

Yes  No  If 'no', go to Question 2.

<b>If yes, describe the revised proposal and how it will affect current service users?</b>
Original consideration was given to the extent of the rent increase. Two main proposals were drawn up, increasing the rent in line with the 'formula' rent for 2014/15 year which would require a rise of 4.7% and also 3.2% in line with RPI (as at September). The final proposal after consultation with all stakeholders was to recommend the lower increase of 3.2%. This is in line with the negative impacts identified by tenants
<b>What are the equality implications of these changes? Identify the likely positive and negative impacts of the final proposal and the protected characteristic affected.</b>
Rent increase will place additional pressures on tenants and leaseholders that are required to pay (ie/ not in receipt of full Housing benefit) this will apply equally to all tenants and leaseholders.
<b>How can any negative impacts be reduced or removed?</b>
By taking the decision to recommend the lower rent increase this should reduce the negative impact identified for all tenants and leaseholders

#### Question 2:

Are there any actions<sup>5</sup> required as a result of this EIA?

Yes  No

If yes, complete the action plan on the next page.

Date completed .....7<sup>th</sup> January 2014.....

### Step 4: Sign-off

This EIA completed by	Name	Signature	Date
Lead officer	Chris Burgin		15/1/14
Countersigned by Equalities Officer	Irene Kszyk		14/1/14
Signed off by Divisional Director	Ann Branson		15/1/14

**Completion** - Keep a copy for your records, and send an electronic copy of the completed and signed form to the [Corporate Equalities Lead](#) for audit purposes

<sup>5</sup> Actions could include improving equality information collected or identifying the actions required to mitigate adverse impacts identified in the EIA.

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.



## EIA Action Plan

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

Equality Objective	Action required	Target	Officer responsible	By when?
Example: To know equality profile of all service users.	Example: collect monitoring data on disabled users (currently not being provided)	Example: To have data for first performance review	Example: Joe Smith	Example: Start collection of data in April 2013
Tenants are supported at an early stage to maximise income and reduce expenditure	Income Management Team who are responsible for the collection of the rent receive up to date training on existing benefit entitlements	Updated Benefits training is completed for all Tenancy Management Officers working in IMT	Mike Watson	April 2014
	An up to date list of Money Advice Services in the County available to tenants is created for tenants and is distributed where necessary	Leaflet is produced and available for distribution	Mike Watson	March 2014
	An up to date contact list of appropriate and available Floating Support services is distributed to IMT staff	Criteria evaluated	Mike Watson	April 2014
Vulnerable tenants and	Floating Support service	Criteria evaluated	Mike Watson/Cath Lewis	April 2014

tenants impacted by proposals receive appropriate support	referral mechanisms are checked to ensure criteria is appropriate to targeted support for those most in need			
Positive promotion of the Capital Investment Programme	A summary and highlights article is written and distributed to tenants and leaseholders using available mechanisms including through the City Mayor, Press release, City Housing News and Link	Article is completed and issued for possible inclusion	Simon Nicholls	April 2014
Tenants living in properties where they are not under occupying.	Promotion of the Free Mutual Exchange Service that LCC pay for on behalf of tenants to assist them find a suitable sized property	Article run in City Housing News promoting the Mutual Exchange service	Suzanne Collins	April 2014

## Summary Equality Impact

### Equality Impact Assessment

The HRA budget proposes a rent increase of 3.2% and as the report sets out, there are a number of positive outcomes that will arise as a result of this increase: targeted improvements for disabled (home adaptations), elderly (LeicesterCare alarms) and young residents (new play equipment), and a continued programme of works to improve the quality/environment of the council's housing stock that could benefit all protected characteristics.

The main negative impact of the proposed increase is a potential financial one for those tenants whose rent is not fully covered by housing benefit, whereby their ability to pay this increased rent and maintain their housing tenancy is dependent on their financial circumstances, family circumstances, and whether they are subject to bedroom occupancy rates (the 'bedroom tax'). This potential negative impact could affect all protected characteristics.

For tenants likely to be negatively affected financially, there are a number of mitigating actions in place to assist them in ensuring that their housing tenure is not jeopardised: direct support and guidance on how to maintain their tenancy (tenancy management services and support services such as STAR); changes to the Allocations Policy enabling tenants to move to more suitable accommodation in terms of affordability; adapting 3 to 2 bed property in highest affected areas to increase available supply of more suitable accommodation in terms of bedrooms required. Tenants experiencing financial hardship as a result of welfare reforms are also able to apply for discretionary housing payments available from Revenues and Benefits.

Irene Kszyk, Corporate Equalities Lead



## Appendix A

<b>Councillor</b>	<b>Description of Interest</b>
Councillor Alfonso	No further declarations in addition to that listed on the Register of Interests
Councillor Aqbany	No further declarations in addition to that listed on the Register of Interests
Councillor Bajaj	No further declarations in addition to that listed on the Register of Interests
Councillor Barton	No further declarations in addition to that listed on the Register of Interests
Councillor Bhatti	I am a holder of a concessionary fare card Residential house where I live is built on land within the Council area (address given) Wife disabled badge holder
Councillor Bhavsar	No further declarations in addition to that listed on the Register of Interests
Councillor Byrne	No further declarations in addition to that listed on the Register of Interests
Councillor Cassidy	No further declarations in addition to that listed on the Register of Interests
Councillor Chaplin	No further declarations in addition to that listed on the Register of Interests
Councillor Chowdhury	<ul style="list-style-type: none"> <li>- I work full-time for Bangladesh Youth &amp; Cultural Shomiti which receives some funding from Leicester City Council</li> <li>- My son and daughter-in-law work as a teacher in Judgemeadow Community College and Montrose Primary School respectively</li> <li>- My wife also works part-time for Bangladesh Youth and Cultural Shomiti</li> <li>- I am a Director of Overseas Qualification Development Services</li> <li>- I hold a Leicester City Council Concessionary Bus Pass</li> </ul>
Councillor Clair	My parents are in receipt of a social care package.
Councillor Clarke	No further declarations in addition to that listed on the Register of Interests
Councillor Clayton	No further declarations in addition to that listed on the Register of Interests
Councillor Cleaver	No further declarations in addition to that listed on the Register of Interests
Councillor Cole	No further declarations in addition to that listed on the Register of Interests
Councillor Connelly	No further declarations in addition to that listed on the Register of Interests
Councillor Cooke	I represent the City Council on the Braunstone Foundation Board. The Foundation benefits from financial support from the Council for:

	<ul style="list-style-type: none"> <li>▪ the Multi Access Centre</li> <li>▪ NLDC grants</li> <li>▪ Ad hoc funds secured as a consequence of successful bids for Council services that are being recommissioned – none currently.</li> </ul>
Councillor Corral	No further declarations in addition to that listed on the Register of Interests
Councillor Cutkelvin	No further declarations in addition to that listed on the Register of Interests
Councillor Dawood	No further declarations in addition to that listed on the Register of Interests
Councillor Dempster	No further declarations in addition to that listed on the Register of Interests
Councillor Desai	No further declarations in addition to that listed on the Register of Interests
Councillor Fonseca	Sister in law Council tenant, brother in law Housing Association tenant, brother in law holds a single allotment plot, son works for Bradgate Mental Health Unit
Councillor Glover	No further declarations in addition to that listed on the Register of Interests
Councillor Grant	No further declarations in addition to that listed on the Register of Interests
Councillor Gugnani	Member of Federation of Sikh Organisations, wife holds a Blue Badge Scheme permit
Councillor Joshi	I work for a voluntary organisation, my wife works for Reablement Team in Adult Social Care, sister is a Council tenant
Councillor Kamal	No further declarations in addition to that listed on the Register of Interests
Councillor Kitterick	No further declarations in addition to that listed on the Register of Interests
Councillor Mayat	Family member lives in a Council property
Councillor Meghani	No further declarations in addition to that listed on the Register of Interests
Councillor Moore	No further declarations in addition to that listed on the Register of Interests
Councillor Naylor	No further declarations in addition to that listed on the Register of Interests
Councillor Newcombe	No further declarations in addition to that listed on the Register of Interests
Councillor Osman	No further declarations in addition to that listed on the Register of Interests
Councillor Palmer	No further declarations in addition to that listed on the Register of Interests
Councillor V Patel	No further declarations in addition to that listed on the Register of Interests
Councillor Porter	No further declarations in addition to that listed on the Register of Interests
Councillor Potter	No further declarations in addition to that listed on

	the Register of Interests
Councillor Riyait	No further declarations in addition to that listed on the Register of Interests
Councillor Russell	No further declarations in addition to that listed on the Register of Interests
Councillor Sandhu	Father is living with me and last year he applied for Disabled Facilities Grant last year but has yet to receive approval, member of UNISON
Councillor Sangster	No further declarations in addition to that listed on the Register of Interests
Councillor Senior	Council tax payer in Leicester no further declarations in addition to that listed on the Register of Interests
Councillor Shelton	No further declarations in addition to that listed on the Register of Interests
Councillor Singh	I am a member of Unison apart from this no further declarations in addition to that listed on the Register of Interests
Councillor Mrs Sood	Police Independent Advisory Group member, Chair Leicester Council of Faiths, Patron CLASP, mother in receipt of social care package, Sport England East Midlands Champion, Blue Badge holder, concessionary bus pass holder, carer's support, Fibromylgia – honourable member, St Martins Guild – patron, Special Olympics – community patron, LE1 strategic board member on behalf of Council of Faiths, patron GNG girls football team, Girl Guides ambassador,
Sir Peter Soulsby	No further declarations in addition to that listed on the Register of Interests
Councillor Unsworth	No further declarations in addition to that listed on the Register of Interests
Councillor Waddington	No further declarations in addition to that listed on the Register of Interests
Councillor Westley	Member Unite union Family members Council tenants

