

Leicester  
City Council

Democratic and Civic  
Support  
City Hall  
115 Charles Street  
Leicester  
LE1 1FZ

13 February 2017

Sir or Madam

I hereby summon you to a meeting of the LEICESTER CITY COUNCIL to be held at the Town Hall, on WEDNESDAY, 22 FEBRUARY 2017 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. MATTERS RESERVED TO COUNCIL**
  - 3.1 General Fund Revenue Budget 2017/18 to 2019/20
  - 3.2 Housing Revenue Account 2017/18
- 4. ANY OTHER URGENT BUSINESS**

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- In the event of an emergency alarm sounding make your way to Town Hall Square and assemble on the far side of the fountain.
- Anyone who is unable to evacuate using stairs should speak to any of the Town Hall staff at the beginning of the meeting who will offer advice on evacuation arrangements.
- From the public gallery, exit via the way you came in, or via the Chamber as directed by Town Hall staff.

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- Please do not take food into the Council Chamber.
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consideration given to practicalities such as allocating appropriate space in the public gallery etc.

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- ✓ to respect the right of others to view and hear debates without interruption;
- ✓ to ensure that the sound on any device is fully muted and intrusive lighting avoided;
- ✓ where filming, to only focus on those people actively participating in the meeting;
- ✓ where filming, to (via the Chair of the meeting) ensure that those present are aware that they may be filmed and respect any requests to not be filmed.



## DECISIONS RESERVED TO COUNCIL

### 3.1 GENERAL FUND REVENUE BUDGET 2017/18 TO 2019/20

Council is requested to consider the City Mayor's proposed budget for 2017/18 to 2019/20. The technical recommendations to Council will be published ahead of the meeting on 22 February 2017.

A copy of the report is attached. Also attached are extracts from the following Scrutiny Committees and Commissions which considered the budget:

- Overview Select Committee – 2 February 2017
- Adult Social Care Scrutiny Commission – 24 January 2017
- Children, Young People and Schools Scrutiny Commission – 31 January 2017
- Health and Well-being Scrutiny Commission – 4 January 2017
- Heritage, Culture, Leisure and Sport Scrutiny Commission – 12 January 2017
- Neighbourhood Services and Community Involvement Scrutiny Commission – 25 January 2017

Trade Union responses to the budget are also attached.

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

### 3.2 HOUSING REVENUE ACCOUNT (HRA) BUDGET 2016/17

Council is asked to consider approval of the City Mayor's proposed Housing Revenue Account budget for 2016/17.

A copy of the report is attached. Also attached is a minute extract from the Housing Scrutiny Commission on 10 December 2016.

The Council is recommended to:

- i) Note the proposed approach set out in Appendix C to delivering savings required under Housing Transformation Programme Phase 3, as approved by the Executive on 6<sup>th</sup> October 2016;
- ii) Implement the 1% reduction in rent for tenants' and core rent hostel charges
- iii) Note the proposed increase in service charges and garage rent by 2% (September CPI+1%) (excluding heating and cleaning charges);
- iv) Agree the approach for the Executive to consider the outcome of work on the HRA Spending Review Phase 3 in the summer of 2017 to identify a total reduction in spending of c£11.8m pa by 2019/20, compared to the current business plan.

**Sir Peter Soulsby  
City Mayor**



Council

Date: 22<sup>nd</sup> February 2017

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## General Fund Revenue Budget 2017/18 to 2019/20

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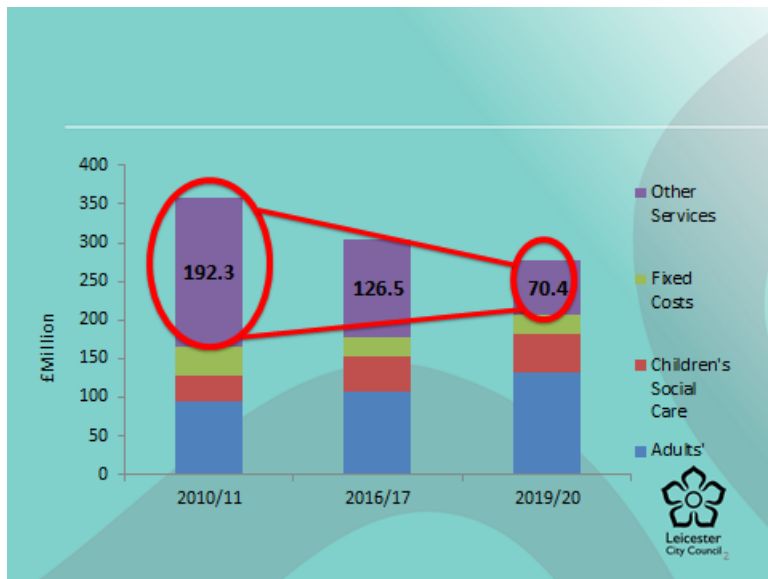
### Report of the Director of Finance

#### 1. Purpose

- 1.1 The purpose of this report is to ask the Council to consider the City Mayor's proposed budget for 2017/18 to 2019/20.
- 1.2 The proposed budget is described in this report, subject to any amendments the City Mayor may wish to recommend when he makes a firm proposal to the Council.

#### 2. Summary

- 2.1 The Council is in the middle of the most severe period of spending cuts we have ever experienced.
- 2.2 The independent Institute for Fiscal Studies has recently (October 2016) reported that local authority budgets have fallen by 26% in real terms since 2009/10. The 10% of authorities most dependent on grant (generally, the least affluent areas) have cut spending by an average of 33% in real terms. The 10% least dependent on grant have cut spending by only 9%. Our own estimates, comparing cuts to the Index of Multiple Deprivation, point very strongly to the same conclusions.
- 2.3 Our government grant has fallen, on a like for like basis, from £289m in 2010/11 to £174m in 2017/18; and is projected to fall further, to £166m by 2019/20. Grant will have fallen by over 50%, after allowing for inflation, over ten years.
- 2.4 This has resulted in the Council's budget, again on a like for like basis, falling from £358m to an equivalent £277m by 2019/20. These figures, however, mask the fact that additional funding has been required to manage pressures in statutory social care (both for adults and children). The amount available for all other services has consequently fallen by around 70% in real terms over the same period. This can be seen from the graph below:-



2.5 The Council’s approach to achieving these substantial budget reductions is based on the following approach:-

- (a) An in-depth review of discrete service areas (the “Spending Review Programme”);
- (b) The building up of reserves, in order to “buy time” to avoid crisis cuts and to manage the spending review programme effectively. This is termed the “Managed Reserves Strategy”.

2.6 The spending review programme is a continuous process. When individual reviews conclude, an Executive decision is taken and the budget is reduced in-year, without waiting for the next annual budget report. Executive decisions are informed by consultation with the public (where appropriate) and the scrutiny function.

2.7 Since the 2016/17 budget was approved last February, a number of spending reviews have reported and budget reductions consequently made. Some of these have saved money in 2016/17 as well as later years.

2.8 Last February, it was anticipated that all reserves set aside for the managed reserves strategy would be used by 2017/18. However, additional reserves have become available, enabling the strategy to be extended:-

- (a) Savings in 2016/17 arising from spending reviews approved after February have become available to support subsequent budgets;
- (b) A review of earmarked reserves held by departments has taken place, with the result that £5m has become available for general purposes.

2.9 These measures, plus reductions in the annual budget, mean that some reserves have now become available to support the 2018/19 budget. Spending reviews approved from now on will extend the strategy further.



- 2.10 Nonetheless, it is abundantly clear that the amount of work still required to achieve estimated savings of £40m by 2019/20 is enormous, notwithstanding the progress that has been made since last year. Even when the full spending review programme is complete, a gap will remain, and work will take place during 2017 to bridge this. Some extremely difficult decisions will inevitably be required.
- 2.11 The budget provides for a council tax increase of 5%, which is the maximum available to us without a referendum. 3% of this 5% is for the “social care precept” – the Government has permitted social care authorities to increase tax by more than the 2% available to other authorities, in order to help meet social care pressures. In practice, increasing our tax by 5% for 2 years will only meet a small proportion of the extra costs we are incurring.
- 2.12 In the exercise of its functions, the City Council (or City Mayor) must have due regard to the Council’s duty to eliminate discrimination, to advance equality of opportunity for protected groups and to foster good relations between protected groups and others. The budget is, in effect, a snap-shot of the Council’s current commitments and decisions taken during the course of 2016/17. There are no proposals for decisions on specific courses of action 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 itself, apart from the proposed council tax increase (this is further explained in paragraph 11 and the legal implications at paragraph 21). Where required, the City Mayor has considered the equalities implications of decisions when they have been taken and will continue to do so for future spending review decisions.

### 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 2017/18 which will be circulated separately;
  - (b) note comments received on the draft budget from scrutiny committees, trade unions and other partners;
  - (c) approve the budget ceilings for each service, as shown at Appendix One to this report;
  - (d) approve the scheme of virement described in Appendix Two to this report;
  - (e) note my view that reserves will be adequate during 2017/18, and that estimates used to prepare the budget are robust;

- (f) note the equality implications arising from the proposed tax increase, as described in paragraph 11;
- (g) approve the prudential indicators described in paragraph 18 of this report and Appendix Three;
- (h) approve the proposed policy on minimum revenue provision described in paragraph 19 of this report and Appendix Four;
- (i) emphasise the need for outstanding spending reviews to be delivered on time, after appropriate scrutiny;
- (j) agree that finance procedure rules applicable to trading organisations (4.9 to 4.14) shall be applicable only to City Catering, operational transport and highway maintenance.

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

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

	<b><u>2017/18</u></b> £m	<b><u>2018/19</u></b> £m	<b><u>2019/20</u></b> £m
<b><u>Service budget ceilings</u></b>	263.2	259.1	261.3
<b><u>Corporate Budgets</u></b>			
Capital Financing	13.8	13.7	13.4
Miscellaneous Central Budgets	(4.1)	(3.9)	(3.7)
<b><u>Future Provisions</u></b>			
Inflation		3.9	7.9
Education Funding Reform	3.0	3.0	3.0
Planning provision		3.0	6.0
<b><u>Managed reserves Strategy</u></b>	(17.7)	(7.8)	
<b>TOTAL SPENDING</b>	<b>258.2</b>	<b>271.0</b>	<b>287.9</b>
<b><u>Resources – Grant</u></b>			
Revenue Support Grant	48.1	38.4	28.4
Business rates top-up grant	42.8	44.1	45.6
New Homes Bonus	7.3	5.0	4.5
Social Care Grant	1.6		
<b><u>Resources – Local Taxation</u></b>			
Council Tax	100.7	106.5	109.3
Business Rates	57.2	58.7	60.3
Collection Fund Surplus	0.4		
<b>TOTAL RESOURCES</b>	<b>258.2</b>	<b>252.6</b>	<b>248.2</b>
Projected tax increase	5.0%	5.0%	2.0%
Gap in resources		18.5	39.7
Underlying gap in resources	17.7	26.2	39.7

- 4.2 Future forecasts are of course volatile and will change.
- 4.3 The forecast gap in 2019/20 makes no allowance for most inflation (other than for pay awards). In real terms, the gap for that year is some £5m higher.

## 5. **Council Tax**

- 5.1 The City Council's proposed tax for 2017/18 is £1,421.69 an increase of just below 5% compared to 2016/17.
- 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 2016/17 for a Band D property was as follows:-

	<b>£</b>
City Council	1,354.01
Police	183.58
Fire	61.62
<b>Total tax</b>	<b>1,599.21</b>

- 5.4 The actual amounts people are paying in 2016/17, 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 will set out the precepts issued for 2017/18 by the Police and Crime Commissioner and the fire authority, together with the total tax payable in the city.

## 6. **Construction of the Budget**

- 6.1 By law, the role of budget setting is for the Council to determine:-
- (a) The level of council tax;
  - (b) The limits on the amount the City Mayor is entitled to spend on any service ("budget ceilings").
- 6.2 The proposed budget ceilings are shown at Appendix One to this report.
- 6.3 The ceilings for each service have been calculated as follows:-
- (a) The starting point is last year's budget, subject to any changes made since then which are permitted by the constitution (e.g. virement);

- (b) Decisions taken by the Executive in respect of spending reviews which are now being implemented have been deducted from the ceilings;
- (c) Increases in pay costs, arising from the two year pay increase awarded in June 2016 (1% in each of 16/17 and 17/18).

6.4 Apart from the above, no inflation has been added to departments' budgets for running costs or income, except for an allowance for:-

- (a) Independent sector adult care (1.5%);
- (b) Foster care (1.5%);
- (c) Costs arising from the waste PFI contract (2% - RPI).

6.5 The following spending review decisions have been formally taken since February 2016, and budgets reduced accordingly:-

	<u>17/18</u> <u>£000</u>	<u>18/19</u> <u>£000</u>	<u>19/20</u> <u>£000</u>
Parks and Open Spaces	1,200	1,350	1,500
Substance Misuse	1,000	1,000	1,000
Transforming Neighbourhoods	505	721	721
Technical Services	3,407	5,870	6,970
Regulatory Services	150	150	150
Homelessness	486	486	486
Car parks & highways maintenance	654	760	760
Parks Standards & Development	96	175	200
Civic & Democratic Services (Link cessation)	20	20	20
Using Buildings Better	39	39	39
<b>Total</b>	<b><u>7,557</u></b>	<b><u>10,571</u></b>	<b><u>11,846</u></b>

6.6 Additionally, management savings of £400,000 per year have arisen from a review of management in City Development and Neighbourhoods, and have been built into the budget.

6.7 The budget ceiling of the Health and Wellbeing Division has been reduced to reflect savings achieved from a review of 0-19 services for children.

6.8 A full schedule of reviews included in the programme is provided at Appendix Eight.

## 7. How Departments will live within their Budgets

7.1 The role of the Council is to determine the financial envelopes within which the City Mayor has authority to act. In some cases, changes to past spending patterns are required to enable departments to live within their budgets. Actions taken, or proposed by the City Mayor, to live within these budgets is described below.

### Adult Social Care

7.2 In common with adult care services across the country, the department faces significant cost pressures. These principally arise from:-

- (a) Demographic growth – an ageing population means the number of older people requiring care is increasing (which has been the pattern for many years);
- (b) Increasing frailty and the impact of people having multiple health conditions that increase the level of care and support required (not just in older people, but also for adults of working age who are supported by the department);
- (c) The National Living Wage – this was introduced by the Government in April 2016, and is due to increase in stages to around £9 by 2020/21. These increases are creating substantial pressures for independent sector care providers, who are heavily dependent on a minimum wage workforce; and they will seek to pass on additional costs to local authorities.

7.3 The Government has partially recognised the difficulties facing adult social care, and has:-

- (a) Permitted social care authorities to increase council tax by 2% over and above the referendum limit in 16/17, and 3% in each of 17/18 and 18/19. In total, this will increase our total income by some £8m per year by 2019/20. This is well short of the sums required (as will be seen from the table below);
- (b) Announced a further tranche of Better Care Fund monies, which will amount to £1.5bn nationally by 2020. However, the amount available will be minimal in 2017/18. This is discussed further at paragraph 12 below;
- (c) Announced a new one-off social care grant of £1.6m, although this has been created simply by reducing our New Homes Bonus grant. There is no new money.

7.4 When the Council set the budget in February 2016, the budget for Adult Social Care had to be increased substantially to meet the cost of the living wage and increased need. Since then, in order to reduce the overall

pressures facing the Council, the department has reviewed its budgets. The current position is shown below (which slightly reduces the growth previously approved). Estimates of the cost of the living wage have also been revised since 2016/17:-

	<u>2016/17</u> <u>£000</u>	<u>2017/18</u> <u>£000</u>	<u>2018/19</u> <u>£000</u>	<u>2019/20</u> <u>£000</u>
National living wage	4,935	7,630	10,921	14,469
Other pressures	9,067	7,950	4,200	3,500
<b>Net increase</b>	<b>14,002</b>	<b>15,580</b>	<b>15,121</b>	<b>17,969</b>

7.5 Whilst the department believes it can live within these sums, the position is volatile. Key challenges facing the department are:-

- (a) Managing demand for the service;
- (b) The significant increase in costs of existing service users as their circumstances or conditions change. This is currently being analysed and monitored by the department.

7.6 The service also has to respond to a comparatively high level of working age adults requiring care due to problems of poor health, which have often built up over many years. The potential for prevention work in this area is being addressed by the Public Health Service (see below) and in joint working with the NHS, but the fruits of such work will not be seen for a considerable period of time.

7.7 Actions the department is taking to live within its resources include:-

- (a) On-going review of the cost of existing user packages;
- (b) Ensuring access to service is restricted to those with statutory entitlement;
- (c) Transferring service users from residential care to supported living where possible, which is both cost effective and more popular than residential care. However, the Government has placed the future of Supported Living schemes in jeopardy by the proposed implementation of a housing benefit cap: such a cap would make schemes financially unviable. The Government has subsequently announced that the cap will not apply to supported living schemes until 2019/20. From this date, additional ringfenced grant funding will be provided to local authorities to address the shortfall between the rent cap and the actual rent (and service charges) paid. It is unclear whether the level of funding will be sufficient. A consultation paper was received on 21<sup>st</sup> November but details on the funding model will not be available until spring this year. Local authority allocations are due to be announced in the autumn of 2017.

- (d) Substantial staffing savings which are designed to reduce our staffing complement to a level closer to that of comparative authorities (currently, our care staffing levels exceed those of similar authorities).

### Education and Children's Services

7.8 Like adult care, the budget for Education and Children's Services was increased in 2016/17. This reflected substantial cost increases arising from:-

- (a) Numbers of looked after children, where we had experienced significant growth in line with national trends;
- (b) Extra staffing, arising from a national shortage of qualified social workers (and consequent reliance on more expensive agency staff).

7.9 However, measures to address these problems ("growing our own" social workers, and intensive family intervention to divert children from care) were expected to reduce these pressures over time. Consequently, unlike adult social care, the additional money required by the department was expected to reduce in years subsequent to 2016/17. The table below shows the position:-

	<u>16/17</u> <u>£000</u>	<u>17/18</u> <u>£000</u>	<u>18/19</u> <u>£000</u>	<u>19/20</u> <u>£000</u>
New monies	10,170	7,900	6,300	6,300
Less use of reserves		<u>(6,962)</u>		
		<u>3,208</u>		

7.10 All the department's services (other than social care) are subject to review as part of the Council's Spending Review Programme. Proposals have been made to save £4m per annum from Early Help, children's centres and adventure playgrounds. This includes reducing numbers of children's centres from 23 to 12.

7.11 The department is planning the following actions, to ensure it can live within its resources:-

- (a) Continuing and expanding its new approach to preventing children being taken into care. There are currently 2 "Multi Systemic Therapy" (MST) teams – one predominantly for older children (11-17 years) with behavioural difficulties, and one for children aged 6-17 years who have suffered abuse and neglect. The former team has capacity to deal with 40-48 children per year, and the latter around 30 children per year. Subject to evaluation, it is planned to increase the size of the Child Abuse and Neglect Team. The department is also evaluating whether or not to expand the multi-systemic therapy interventions to include a team which will tackle those children already in care and try to return



them to their parents. Additional resources are being provided to support a range of pre-proceedings work which will reduce the number of children aged 0-5 coming into care (the MST approach is not suitable for this age range). Funding to implement these measures has been provided from the DfE, and the Council's own transformation fund;

- (b) Results so far suggest that the strategy to "grow our own" social workers (which involves supporting and training them through their first years of work) is succeeding, and reliance on agency staffing can therefore decline in the coming years;
- (c) Other areas of service are being considered in order to secure spending review savings of £5m in total (as the early help/children's centres/adventure playgrounds review is only targeting £4m). This includes the youth service;
- (d) It is not clear yet how many of the 3,000 unaccompanied children who are being allowed to enter the UK under the "Dubs amendment" will ultimately need to be placed by the Council, and at what cost. This is a critical issue given the potential costs involved: the Government is being asked to ensure these costs are fully funded.

7.12 As members will be aware, schools' funding is provided by the Dedicated Schools Grant (DSG), and is outside the scope of the general fund. Funding for individual schools is calculated by reference to a locally determined formula, which is approved by the Schools' Forum. There is also scope to provide some (tightly prescribed) services which support schools from DSG.

7.13 The Government is proposing sweeping changes to the arrangements for schools' funding. This will include replacement of the local funding formula with a national funding formula, and overhaul of the arrangements for using DSG on anything other than schools' individual budgets.

7.14 In addition to these proposals, the Government will substantially reduce the amount of Education Services Grant paid to local authorities in 2017/18. The reduction will be accompanied by certain changes in LEA duties, the main one being related to school improvement. From September 2017, local authorities will receive a new (separate) grant which will cover their statutory intervention functions and services, these being the monitoring of school performance and brokering of school improvement support. The grant is less than one third of what we currently spend on statutory school improvement.

7.15 These changes will have knock-on implications for the general fund, and for the time being a provision has been made in corporate budgets (see paragraph 9 below).

7.16 The DfE released a further consultation paper on the national school funding formula in December 2016, which includes indicative allocations for all primary and secondary schools. The figures show that the total funding for

Leicester's primary and secondary schools would eventually increase by 4.1%. However, transitional arrangements apply, and in the first year of implementation the increase would be limited to 1.8%.

- 7.17 Whilst the total funding received by city schools increases under these consultation proposals, at an individual school level the funding varies significantly. In the first year of implementation, 20 city schools would lose funding at an average rate of 1.2%, with the remaining 80 gaining by an average 2.6%. The variations arise because the proposed new funding formula uses different factors and unit rates compared to our current local formula, in order to distribute funding to schools.
- 7.18 The new school funding formula arrangements provide no flexibility for local discretion, particularly in making available extra funding for significant in year pupil growth which the city continues to experience. We will raise this issue as part of our response to the consultation.

#### City Development and Neighbourhoods

- 7.19 The department provides a wide range of statutory and non-statutory services which contribute to the well-being and civic life of the city. It brings together divisions responsible for local services in neighbourhoods and communities, economic strategy, tourism, regeneration, the environment, culture, heritage, libraries, housing and property management.
- 7.20 The department is able to live within its budget for 2017/18. It is also contributing to the savings required by the Council from the Spending Review Programme (in fact, the majority of reviews in the programme are the responsibility of this department). Projects include:-
- (a) Transforming Neighbourhood Services (TNS), which is reviewing local services in the city area by area. In the areas that have been reviewed to date, this has resulted in the relocation of services into a reduced number of buildings, thus saving money on maintaining facilities. Community engagement has been paramount throughout. TNS has also enabled staffing savings to be made, through our organisational review process. East and central are the two final areas, which are being reviewed concurrently. Consultation has just commenced for both;
  - (b) A review of technical services (facilities management, operational property services, traffic and transport, buildings repairs and maintenance, fleet, stores, energy and environment services). Savings of £10m per annum have been identified and approved, and are in the process of implementation;
  - (c) Using Buildings Better, which is an extension of TNS and is reviewing building use throughout the city. In addition to customer facing buildings reviewed by TNS, this programme is looking at operational

buildings such as offices and depots, and seeking to reduce the cost of customer contact by means of “channel shift”;

- (d) Reviews of Cleansing, Regulatory Services, Arts, Festivals and Museums.

7.21 The main budget pressures facing the department are:-

- (a) Delivering the savings arising from the Technical Services Review, which is a substantial remodelling exercise involving the rationalisation of both staffing structures and occupation of buildings. The savings from this review have already been built into the budget, but close monitoring will be required to ensure it achieves its aims and makes the intended savings;
- (b) Additional landfill tax, arising from a change in legislation relating to the organic content of sand;
- (c) Loss of car park income, arising from sale of the former Granby Halls site.

7.22 These pressures are being addressed through management action.

#### Corporate Resources and Support

7.23 The key challenge facing the department is to be as cost effective as possible, in order to maximise the amount of money available to run public facing services.

7.24 Two substantial spending reviews were completed prior to approval of the 2016/17 budget. These were:-

- (a) A review of support services, which is now saving £3.9m per year. Savings have principally come from the Finance Division; and the Delivery, Communications and Political Governance Division;
- (b) A review of IT, which has saved £1.2m in 2016/17. Further work is taking place to ensure the full savings of £2.4m per year will be achieved, on time, by 2017/18.

7.25 The department is able to manage within its budget ceilings for 2016/17, having absorbed new spending pressures. These pressures include reductions in the housing benefit administration grant, which now amount to £2m per year compared to 2010/11, despite a largely similar caseload.

7.26 The main budget pressures facing the department are:-

- (a) Pressures in the Revenues and Benefits Service, as benefit claimants are gradually transferred to Universal Credit. Universal Credit will replace a number of current benefits with a single monthly payment.

The new payment will be administered by the DWP, who have different systems to us, and transitional problems (and workload) are envisaged. The transfer is also likely to adversely affect our ability to collect overpaid housing benefit, as DWP will prioritise other debts when making deductions from continuing benefit;

- (b) Pressures arising from welfare reform, and an expected increase in numbers of residents requiring emergency support (this used to be funded by a DWP grant, which has now ceased);
- (c) Difficulties in recruiting and retaining qualified legal staff, in the face of additional workload arising from spending reviews and regeneration projects. In particular, there are concerns about our ability to recruit and retain experienced childcare lawyers;
- (d) An increasing number of cyber-attacks are being experienced by our IT network, requiring additional expenditure to safeguard our systems and data.

7.27 These pressures are being addressed through management action.

#### Health and Wellbeing

7.28 The approach to the Health and Wellbeing Division has been integrated with the spending review process applied to other general fund services.

7.29 Savings have been achieved in 16/17 through retendering of the 0-19 healthy child programme, and the department is able to live within its budget for 2017/18.

7.30 The department will manage the following spending reviews to achieve further savings:-

- (a) A review of sexual health services;
- (b) A review of lifestyle services to develop a single integrated service, focussing predominantly on high risk working age adults. NHS monies to co-fund this service are being sought.

7.31 Sports and leisure services now fall within the division, which will help maximise the links between health and wellbeing and these services. A review of sports and leisure provision is examining how these services can best be run in the future.

7.32 Public health grant is expected to fall by a further £0.7m in each of 2018/19 and 2019/20.

## 8. **Sums to be Allocated to Services**

- 8.1 Unusually this year, there are no sums which are required to be allocated to services during the course of the year.
- 8.2 The draft budget report (published in December) suggested that the cost of the apprentice levy remained to be allocated, but this has now taken place.

## 9. **Corporately held Budgets**

- 9.1 In addition to the service budget ceilings, some budgets are held corporately. These are described below (and shown in the table at paragraph 4).
- 9.2 The budget for **capital financing** represents the cost of interest and debt repayment on past years' capital spending. This budget is not controlled to a cash ceiling, and is managed by the Director of Finance. Costs which fall to be met by this budget are driven by the Council's approved treasury management strategy, which will be approved by the Council in January. This budget is declining over time, as the Government now provides grant in support of capital expenditure instead of its previous practice of providing revenue funding to service debt.
- 9.3 **Miscellaneous central budgets** include external audit fees, pensions costs of some former staff, levy payments to the Environment Agency, bank charges, the carbon reduction levy, monies set aside to assist council taxpayers suffering hardship and other sums it is not appropriate to include in service budgets. These budgets are offset by the effect of charges from the general fund to other statutory accounts of the Council (which exceed the miscellaneous costs).

## 10. **Future Provisions**

- 10.1 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.
- 10.2 The provision for **inflation** includes money for:-
- (a) An assumed 1% pay award each year in 2018/19 and 19/20;
  - (b) A contingency for inflation on running costs for services unable to bear the costs themselves. These are: waste disposal, independent sector residential and domiciliary care, and foster payments.
- 10.3 Paragraph 7 above describes the Government's proposals for **education funding reform**. Whilst details remain unclear, and the major aspects will not be implemented until 2018/19, there will be knock on implications for general fund services: cuts will be made to Education Services Grant (ESG) and some services currently paid for by Dedicated Schools Grant will need to be traded with schools or cease altogether. The ESG cuts will take effect in

2017/18. Whilst the Education and Children's Services Department will make some cuts to mitigate these changes, there will be some resultant cost – the Government is unwinding the current framework which enables us to share some school support costs with the schools themselves. A provision has thus been made for any funding reductions which the department will be unable to mitigate.

- 10.4 A **planning provision** has been set aside to manage uncertainty. Our general policy is to set aside a cumulative £3m per year, each year for the duration of the strategy. This can then be removed in subsequent budget reports, to the extent that it has not been utilised elsewhere (the sum set aside in the 16/17 budget, for instance, has now been used as a provision for the costs of education funding reform).

## 11. **Budget and Equalities (Irene Kszyk)**

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

- 11.2 In accordance with section 149 of the Equality Act, the Council must "have due regard", when making decisions, to the need to meet the following aims of our Public Sector Equality Duty:-

- (a) eliminate discrimination;
- (b) advance equality of opportunity between protected groups and others;
- (c) foster good relations between protected groups and others.

- 11.3 Protected groups under the public sector equality duty are characterised by age, disability, gender re-assignment, pregnancy/maternity, race, religion or belief, sex and sexual orientation.

- 11.4 When making decisions, the Council (or City Mayor) must be clear about any equalities implications of the course of action proposed. In doing so, it must consider the likely impact on those likely to be affected by the recommendation; their protected characteristics; and (where negative impacts are anticipated) mitigating actions that can be taken to reduce or remove that negative impact.

- 11.5 This report seeks the Council's approval to the proposed budget strategy. The report sets out financial ceilings for each service which act as maxima above which the City Mayor cannot spend (subject to his power of virement). However, decisions on services to be provided within the budget ceilings are taken by managers or the City Mayor separately from the decision regarding the budget strategy. Therefore, the report does not contain details of specific service proposals. However, the budget strategy does recommend a proposed council tax increase for the city's residents. As the recommended increase could have an impact on those required to pay it, an assessment has

been carried out to inform decision makers of the potential equalities implications. This is provided at Appendix Five.

- 11.6 In a nutshell, the likely impact on a household depends on whether or not the household is reliant on social security benefits.
- 11.7 The assessment suggests a very limited impact on the household finances of council tax payers who are not dependent on social security benefits: the increase will be readily mitigated by increased levels of household discretionary income which have been seen nationally (assuming these levels continue). However, the country may face a more uncertain economic future as a result of the referendum to leave the European Union. Future negative impacts on household incomes could undermine the premise this equality impact assessment is based on. However, these are as yet unknown, and the EIA sets out the known potential impacts and the sources used to identify these.
- 11.8 Some households reliant on social security benefits are likely to be adversely affected. This follows from a forecast increase in inflation (2.7% according to the Bank of England) and further implementation of the Government's welfare reforms. That said, the increase in tax alone contributes only a small increase in weekly costs for many benefit dependent households. The Council also has a number of mitigating actions in place to provide support in instances of short term financial crisis.
- 11.9 Locally, Council services provide (or fund) a holistic safety net including the provision of advice, personal budgeting support, and signposting provision of necessary household items. It is important to note that these mitigating actions are now the sole form of safety net support available to households in the city. A House of Commons Works and Pensions Committee report in January ('The local welfare safety net') describes this devolution of discretionary support to those in short term financial crisis to local government. There is now no other source of Government support available.
- 11.10 Leicester is ranked as the 21<sup>st</sup> most deprived local authority in the country. In addition to provision of a 'local welfare safety net', council services seek to address inequalities of opportunity that contribute to this deprivation. They do this by seeking to improve equality of outcomes for those residents that we can directly support. The role of Adult Social Care is crucial in this context, and the approval of the additional 3% of council tax to maintain this service provision for a growing number of elderly people will directly contribute to improved outcomes related to health; personal safety; and personal identity, independence and participation in community life.
- 11.11 Our public sector equality duty is a continuing duty, even after decisions have been made and proposals have been implemented. Periodically we review the outcomes of earlier decisions to establish whether mitigating actions have been carried out and the impact they have had. The spending review programme enables us to assess our service provision from the perspective of the needs of individual residents. This "person centred" approach to our

decision making ensures that the way we meet residents' needs with reducing resources can be kept under continuous review – in keeping with our Public Sector Equality Duty.

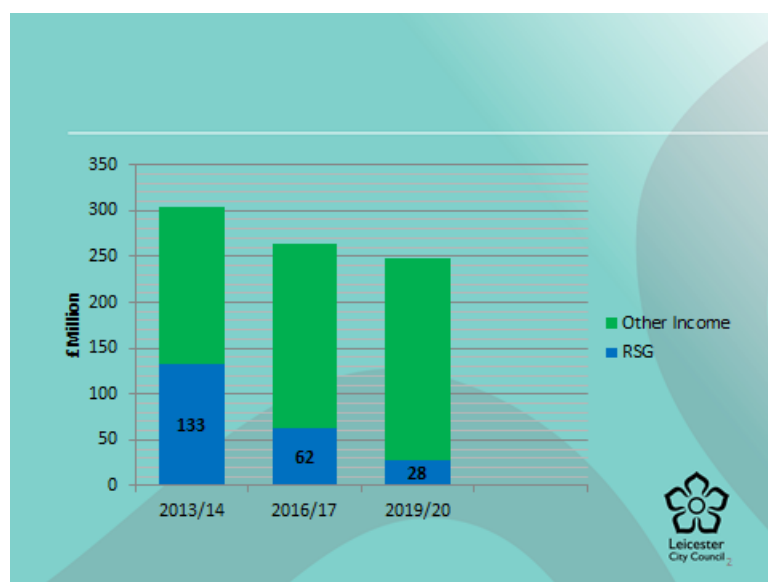
## 12. Government Grant

12.1 At the time of writing this report, the final finance settlement for 2017/18 had not been received. References to the finance settlement are references to the provisional settlement received in December.

12.2 As can be seen from the table at paragraph 4, Government grant is a major component of the Council's budget.

12.3 Funding of local authorities changed in 2013/14, when we started to keep 50% of business rates. (Prior to 2013/14, business rates were handed over in their entirety to the Government, and recycled to local authorities on the basis of a formula). Government grant support now principally consists of:-

(a) **Revenue Support Grant (RSG)**. This is the main grant which the Government has available to allocate at its own discretion. Consequently, cuts to local authority funding are substantially delivered through reductions in RSG (and the methodology for doing this has disproportionately disadvantaged deprived authorities). The impact on the city has been dramatic (RSG is reducing from £133m in 2013/14, to an estimated £28m in 2019/20) as can be seen from the chart below:-



(b) In 2016/17, the Government offered, and we accepted, a four year certainty deal which means the revenue support grant figures for 2018/19 and 2019/20 are fixed, "barring exceptional circumstances." As part of the four year certainty offer, the Council published an efficiency plan which can be found on the City Mayor's website;



- (c) A **top-up to local business rates**. The local authority sector keeps 50% of business rates collected, with the balance paid to the Government. In recognition of the fact that different authorities' ability to raise rates does not correspond to needs, a top-up is paid to less affluent authorities (authorities with substantial numbers of highly rated businesses pay a tariff into the system, which funds these top-ups). The amount of our top-up grant was first calculated in 2013/14, and has not changed since, except for inflation. This has now changed: as part of a regular cycle of revaluations, the rates of individual businesses have been re-assessed and will change with effect from April. The Government's intention is that local authorities should neither lose nor gain from the revaluation, and the top-up grant has been re-calculated as a consequence (the revaluation will see rates in Leicester increase by more than the national average, so our top-up grant is less than it would have been). The key concern is whether or not the total funding from business rates retention will be sufficient to cover the cost of successful appeals against the new rateable values;
- (d) **New Homes Bonus (NHB)**. This is a grant which roughly matches the council tax payable on new homes, and homes which have ceased to be empty on a long term basis. With effect from the 2017/18 finance settlement, New Homes Bonus is less generous than it was. The grant for each new home is payable for 4 years (previously 6) and the Government is considering changes such that if planning permission is granted on appeal, NHB will not be payable. These changes have been made to secure more resources for social care: in two tier areas, this transfers money from districts to counties; in our case, we are simply moving money from one pocket to another;
- (e) The Government has introduced a new (one-off) **Social Care Grant** in 2017/18, the amount of which almost exactly matches the reduction in the amount of NHB we were expecting.

12.4 The Government also controls **specific grants** which are given for specific rather than general purposes. These grants are not shown in the table at paragraph 4.1, as they are treated as income to departments (departmental budgets are consequently lower than they would have been).

12.5 Some specific grants are subject to change:-

- (a) The **Education Services Grant** is being cut as part of education funding reforms, as described at paragraphs 7 and 10 above;
- (b) The **Better Care Fund** is being increased by £1.5bn per year nationally. This increase is not new money: around half the cost is being met from the proposed cuts to New Homes Bonus (described above); the remainder is reflected in the amount available for Revenue Support Grant. Only £100m of this money is available in 2017/18. Unlike previous rounds of BCF, the new tranche will be made available as a grant to local government. It is vital that the full amount is made

available for adult social care, which we believe is the Government's intent (previous rounds have involved projects sponsored by both local authorities and the NHS). The city is expected to receive £1.5m in 2017/18.

- 12.6 The Institute for Fiscal Studies (IfS) has calculated the disproportionate impact of funding cuts on deprived authorities. Since 2009/10, the 10% of authorities most reliant on grant have seen budget cuts averaging 33% in real terms. The 10% of authorities least reliant on grant have seen cuts averaging 9%. This is a consequence of various changes in the funding regime which have had different impacts, and (to some extent) contravened the Government's stated intentions. The IfS states that "the overall impression is of rather confused, inconsistent and opaque policymaking."
- 12.7 Paradoxically, the local government finance settlement for 2016/17 provided some extra, transitional money to authorities who unexpectedly lost out from a change to the way RSG cuts were calculated in 2016/17. This transitional money has generally been made available to more affluent authorities, and the final payment will be made in 2017/18. The Government has refused requests for information on how these allocations have been calculated.

### 13. **Local Taxation Income**

13.1 Local tax income consists of three elements:-

- (a) The retained proportion of business rates;
- (b) Council tax;
- (c) Surpluses or deficits arising from previous collection of council tax and business rates (collection fund surpluses/deficits).

#### **Business Rates**

- 13.2 Local government retains 50% of the rates collected locally, with the other 50% being paid to central government. In Leicester, 1% is paid to the fire authority, and 49% is retained by the Council. This is known as the "Business Rate Retention Scheme".
- 13.3 Rates due from individual businesses are calculated with reference to "rateable value" (RV). This is a sum calculated for each business by the Valuation Office Agency (a government agency), and for most properties the main driver of RV is rental values. Rateable value is multiplied by a nationally set "multiplier", to calculate gross rates due from which any exemptions or reliefs are deducted.
- 13.4 The Government asks the Valuation Office Agency to recalculate RVs every five years (although the revaluation due in 2015 was deferred). A revaluation has recently taken place, and will take effect in 2017/18. Total RV in Leicester will increase by 17%, considerably higher than the national average

of 10% and the East Midlands average of 7%. To a large extent, this reflects changes in rental values arising from successful regeneration of the city – we are by this measure a victim of our own success.

- 13.5 Business rates payable by Leicester businesses will be based on the new rateable values, although the multiplier is lower than it otherwise would have been (the Government seeks to ensure that the total national yield does not increase as a result of revaluation). There is also a transitional scheme which will phase in increases and decreases over time. Nonetheless, many Leicester businesses will see substantial increases in due course.
- 13.6 Our estimates of rates income also take into account the amount of income we believe we will lose as a consequence of successful appeals: this is likely to be significant, and difficult to estimate (particularly given the scale of increases in RV). It remains to be seen whether or not the revaluation will cost us money (despite the Government's stated intent) – this is a risk for 18/19 onwards.
- 13.7 The Council is part of a "business rates pool" with 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 those areas. Conversely, if district councils' rates decline, this transfers risk to the pool authorities. (Oddly, our own rates do not affect the pool). In 2015/16, the pool made a substantial surplus of £2.7m: £0.7m of this was retained as a contingency, and £2m was paid to the LEP for area wide regeneration projects. A surplus of £4m is also forecast for 2016/17. Despite the uncertainty caused by revaluation, we believe it will still achieve a surplus in 2017/18 (there is a lot of leeway given the significant surpluses to date).
- 13.8 The Government is planning to introduce 100% business rates "by 2020" (which could be 19/20 or 20/21). 100% business rates retention means local government will keep 100% of rates, not just the current 50%. As a consequence, RSG will cease. By 2019/20, 50% of national rates will exceed forecast RSG. This does not, however, mean that authorities will be better off. The Government will ensure that the changes are "fiscally neutral" at national level by adding to the responsibilities which authorities must pay for. How the change will affect us locally is not known – the Government plans to carry out a re-assessment of need which may be to our benefit (depending on how it is done). The City Mayor has responded to a consultation on 100% business rates retention, which took place over the summer. The table at paragraph 4.1 shows forecast RSG in 2019/20, thereby assuming that 100% business rates retention (if implemented) will be neutral.

### Council Tax

- 13.9 Council tax income is estimated at £100.7m in 2017/18, based on a tax increase of just below 5%. For planning purposes, a tax increase of 5% has also been assumed in 2018/19, and 2% has been assumed in 2019/20.

- 13.10 Normally, the Council would be unable to increase tax by more than 2% without a referendum. However, in 2016/17, the Government allowed social care authorities to increase tax by up to 4%, and stated that this concession would apply until 2019/20.
- 13.11 In the finance settlement for 2017/18, a further change was made: social care authorities can now increase tax by up to 5% in each of 2017/18 and 2018/19 (but reverting to 2% in 2019/20). This is designed to help social care authorities mitigate the growing costs of social care (including the national living wage). The Government will also expect us to demonstrate that the money is being used for this purpose.
- 13.12 After 4 years, the extra income amounts to some £8m per year, which (as can be seen from paragraph 7 above) falls well short of meeting the estimated additional costs. The policy of allowing increases in council tax, as opposed to providing more central funding, also exacerbates the disproportionate impact Government policy has had on deprived authorities. The Government will partially address this in the way it distributes the proposed additional BCF monies.

#### Collection Fund Surpluses/Deficits

- 13.13 Collection fund surpluses arise when more tax is collected than assumed in previous budgets. Deficits arise when the converse is true.
- 13.14 The Council has a **council tax collection fund surplus** of £1.2m, after allowing for shares paid to the police and fire authorities. This has arisen because of growth in the number of homes liable to pay tax (which has been greater than was assumed when the budget was set) and a reduction in the costs of the council tax reduction scheme (linked to improvements in the local economy).
- 13.15 The Council has a **business rates collection fund deficit** of £0.8m, after allowing for shares paid to the Government and fire authority. This largely arises from an unexpected increase in empty property relief.

#### 14. General Reserves and the Managed Reserves Strategy

- 14.1 In the current climate, it is essential that the Council maintains reserves to deal with the unexpected. This might include continued spending pressures in demand led services, or further unexpected Government grant cuts.
- 14.2 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 discussed in section 15 below.
- 14.3 In the 2013/14 budget strategy, the Council approved the adoption of a managed reserves strategy. This involved contributing money to reserves in 2013/14 to 2015/16, and drawing down reserves in later years. This policy has bought time to more fully consider how to make the substantial cuts which

are necessary. The 2016/17 budget was heavily dependent on the use of reserves, although some remain to support 2017/18 and 2018/19.

14.4 The managed reserves strategy will be extended as far as we can:-

- (a) Following a review of earmarked reserves during 2016/17, £4.9m has been identified as no longer required and added to the monies set aside for the managed reserves strategy;
- (b) The rolling programme of spending reviews enables any in-year savings to extend the strategy. Additional money has been made available since the 2016/17 budget was set, and future reviews should enable further contributions to be made.

14.5 The table below shows the forecast reserves available to support the managed reserves strategy:-

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Brought forward	40.9	25.5	7.8
Additional spending review savings	3.5		
Earmarked reserves review	4.9		
Planned use	(23.9)	(17.7)	(7.8)
<b>Carried forward</b>	<b>25.5</b>	<b>7.8</b>	<b>NIL</b>

## 15. Earmarked Reserves

15.1 Appendix Six shows the Council's earmarked revenue reserves. These are set aside for specific purposes.

15.2 As stated above, departmental earmarked reserves have been reviewed; the purposes for which each was held have been challenged, and consequently £4.9m has been made available to support the managed reserves strategy. Appendix Six shows the estimated year end balances of departmental reserves as at period 6 in 2016/17.

15.3 Appendix Six also shows the Council's non-departmental earmarked reserves, and reserves which are ringfenced by law.

15.4 The appendix repeats the information shown in the Revenue Monitoring report for period 6, considered by Overview Select Committee in December, 2016.

16. **Risk Assessment and Adequacy of Estimates**

- 16.1 Best practice requires me to identify any risks associated with the budget, and section 25 of the Local Government Act 2003 requires me to report on the adequacy of reserves and the robustness of estimates.
- 16.2 In the current climate, it is inevitable that the budget carries significant risk.
- 16.3 In my view, although very difficult, the budget for 2017/18 is achievable subject to the risks and issues described below.
- 16.4 The most substantial risks are in social care, specifically the risks of further growth in the cost of care packages, and inability to contain the costs of looked after children. These risks are the ones which will require the most focussed management attention in 2017/18.
- 16.5 There are also risks in the 2017/18 budget arising from:-
- (a) Ensuring spending reviews which have already been approved, but not yet implemented, deliver the required savings. The most significant of these is the Technical Services review, which is discussed further at paragraph 7 above;
  - (b) Achievability of estimated rates income (although technically any shortfall will appear as a collection fund deficit in the 2018/19 budget). The key concern is the extent to which ratepayers will successfully appeal their new valuations, although there are still appeals outstanding from the previous revaluation which would result in backdated reductions if successful.
- 16.6 In the longer term, the risks to the budget strategy arise from:-
- (a) Non-achievement, or delayed achievement, of the remaining spending review savings;
  - (b) Failure to achieve sufficient savings over and above the spending review programme;
  - (c) Loss of future resources, particularly in the transition to 100% business rates retention;
  - (d) Costs arising from the education funding reforms, over and above those for which provision has already been made.
- 16.7 A further risk arises from the implementation of the National Living Wage. This has effectively removed bands 1 and 2 from our pay structure, meaning differentials have ceased to be meaningful at the lower ends of the pay scale. The LGA is currently reviewing the pay spine, with a view to making it fit for purpose again: recommendations have not yet been made, although it is hard

to see what could be recommended other than wage increases to pay bands just above the national living wage.

16.8 Further risk is economic downturn, nationally or locally. This could result in new cuts to Revenue Support Grant (the Government has reserved its position over 4 year certainty, in the event of a substantial downturn); falling business rate income; and increased cost of council tax reductions for taxpayers on low incomes. It could also lead to a growing need for council services and an increase in bad debts. The decision to leave the EU may have increased this risk.

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

- (a) A minimum balance of £15m reserves will be maintained;
- (b) A planning contingency is included in the budget from 2018/19 onwards (£3m per annum accumulating);
- (c) Savings from the Council's minimum revenue provision policy are being saved until they are required (see paragraph 19).

16.10 Subject to the above comments, I believe the Council's general and earmarked reserves to be adequate. I also believe estimates made in preparing the budget are robust. (Whilst no inflation is provided for the generality of running costs in 2017/18, some exceptions are made, and it is believed that services will be able to manage without an allocation).

## 17. **Consultation on the Draft Budget**

17.1 Comments on the draft budget have been sought from:-

- (a) The Council's scrutiny function;
- (b) Key partners and other representatives of communities of interest;
- (c) Business community representatives (a statutory consultee);
- (d) The Council's trade unions.

17.2 Scrutiny comments will be circulated with this agenda (in full).

17.3 Comments from partners and business representatives are summarised at Appendix Seven. The full comments are available from the report author.

17.4 A response was received from Unison on 9<sup>th</sup> February, which has been circulated with this agenda. The City Mayor is preparing a response. The two attachments referred to in the response can be found here <https://www.unison.org.uk/content/uploads/2013/06/On-line-Catalogue215683.pdf>;

and here: <https://www.unison.org.uk/content/uploads/2015/05/On-line-Catalogue23139.pdf>.

## 18. **Borrowing**

- 18.1 Local authority capital expenditure is self-regulated, based upon a code of practice (the “prudential code”).
- 18.2 The Council complies with the code of practice, which requires us to demonstrate that any borrowing is affordable, sustainable and prudent. To comply with the code, the Council must approve a set of indicators at the same time as it agrees the budget. The substance of the code pre-dates the recent huge cutbacks in public spending, and the indicators are of limited value.
- 18.3 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 and is therefore minimal.
- 18.4 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.
- 18.5 The Council will continue to use borrowing for “spend to save” investment which generates savings to meet borrowing costs.

## 19. **Minimum Revenue Provision**

- 19.1 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 Council approved a new approach in November, 2015, and the proposed policy for 2017/18 is shown at Appendix Four.
- 19.2 The proposed MRP policy results in revenue account savings when compared to the old approach, although these are paper rather than real savings – they result from a slower repayment of historic debt.
- 19.3 The proposed budget for 2017/18 would use the savings made in that year to set aside additional monies for debt repayment (voluntarily). This creates a “virtuous circle”, i.e. it increases the savings in later years when we will need them more.
- 19.4 The approach to savings in 2018/19 and later years will be considered when the budgets for those years are prepared. At present, the capital financing estimates assume that the previous policy continues to apply.
- 19.5 Members are asked to note that the extent of savings available from the policy change will tail off in the years after they are fully brought into account.



## 20. **Financial Implications**

- 20.1 This report is exclusively concerned with financial issues.
- 20.2 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.

## 21. **Legal Implications (Kamal Adatia/Emma Horton)**

- 21.1 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.
- 21.2 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. The Council can allocate more or less funds than are requested by the Mayor in his proposed budget.
- 21.3 As well as detailing the recommended council tax increase for 2017/18, 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.
- 21.4 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 no specific statutory requirements to consult residents, although in the preparation of this budget the Council has undertaken tailored consultation exercises with wider stakeholders.
- 21.5 As set out at paragraph 2.12, 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 paragraph 11. 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. 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. However, an analysis of equality impacts has been prepared in respect of the proposed increase in council tax, and this is set out in Appendix Five.

- 21.6 Judicial review is the mechanism by which the lawfulness of Council budget-setting exercises are most likely to be 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 with regard to due process and equality impacts is regarded by the City Barrister to be robust in law.

22. **Other Implications**

<b>Other Implications</b>	<b>Yes/No</b>	<b>Paragraph References within the report</b>
Equal Opportunities	Y	Paragraph 11
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 2016/17 budget reflects existing service policy.
Crime & Disorder	N	
Human Rights Act	N	
Elderly People/People on Low Income	N	

Background information relevant to this report is already in the public domain.

23. **Report Author**

Mark Noble  
 Head of Financial Strategy  
 10<sup>th</sup> February 2017

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## Appendix One

### Budget Ceilings

	2016/17 budget £'000s	Spending Review savings £'000s	Social care pressures & other changes £'000s	Inflation £'000s	Budget 2017/18 £'000s
<b><u>1. City Development &amp; Neighbourhoods</u></b>					
<b><u>1.1 Neighbourhood Services and Enforcement</u></b>					
Divisional Management	202.7	0.0		2.3	205.0
Regulatory Services	4,398.5	(50.0)		76.5	4,425.0
Waste Management	15,248.4	0.0		287.4	15,535.8
Parks & Open Spaces	4,122.9	(526.0)		141.4	3,738.3
Neighbourhood Services	5,910.5	(129.6)		56.0	5,836.9
Standards & Development	715.9	0.0		15.7	731.6
<b><i>Divisional sub-total</i></b>	<b>30,598.9</b>	<b>(705.6)</b>	<b>0.0</b>	<b>579.3</b>	<b>30,472.6</b>
<b><u>1.2 Tourism, Culture &amp; Inward Investment</u></b>					
Arts & Museums	4,985.0	0.0		36.0	5,021.0
De Montfort Hall	969.7	0.0		26.7	996.4
City Centre	324.5	0.0		2.5	327.0
Inward Investment	192.7	0.0		2.6	195.3
Economic Development	457.2	0.0		14.7	471.9
Markets	(388.1)	0.0		9.2	(378.9)
Management - TCII	55.0	0.0		2.4	57.4
<b><i>Divisional sub-total</i></b>	<b>6,596.0</b>	<b>0.0</b>	<b>0.0</b>	<b>94.1</b>	<b>6,690.1</b>
<b><u>1.3 Planning, Transportation &amp; Economic Development</u></b>					
Transport Strategy	10,140.6	(60.0)		40.6	10,121.2
Traffic Management	(210.7)	0.0		48.7	(162.0)
Highways Design & Maintenance	6,199.5	(924.0)		3.0	5,278.5
Planning	1,057.1	(20.0)		29.8	1,066.9
Divisional Management	194.5	0.0		2.7	197.2
<b><i>Divisional sub-total</i></b>	<b>17,381.0</b>	<b>(1,004.0)</b>	<b>0.0</b>	<b>124.8</b>	<b>16,501.8</b>
<b><u>1.5 Investment</u></b>					
Property Management	8,001.5	(1,080.0)		95.3	7,016.8
Environment team	329.4	(101.5)		4.2	232.1
Energy Management	635.9	(101.5)		9.8	544.2
<b><i>Divisional sub-total</i></b>	<b>8,966.8</b>	<b>(1,283.0)</b>	<b>0.0</b>	<b>109.3</b>	<b>7,793.1</b>
<b><u>1.6 Housing Services</u></b>	<b>4,223.7</b>	<b>(295.0)</b>	<b>0.0</b>	<b>84.3</b>	<b>4,013.0</b>
<b><u>1.7 Departmental Overheads</u></b>	<b>657.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.3</b>	<b>659.3</b>
<b><u>1.8 Fleet Management</u></b>	<b>111.8</b>	<b>(103.0)</b>	<b>0.0</b>	<b>2.5</b>	<b>11.3</b>
<b>DEPARTMENTAL TOTAL</b>	<b>68,535.2</b>	<b>(3,390.6)</b>	<b>0.0</b>	<b>996.6</b>	<b>66,141.2</b>

	2016/17 budget £'000s	Spending Review savings £'000s	Social care pressures & other changes £'000s	Inflation £'000s	Budget 2017/18 £'000s
<b>2.Adults</b>					
<b>2.1 Adult Social Care &amp; Safeguarding</b>					
Other Management & support	1,691.3	0.0		19.2	1,710.5
Safeguarding	543.0	0.0		9.5	552.5
Preventative Services	7,914.0	0.0	(330.0)	101.2	7,685.2
Independent Sector Care Package Costs	75,522.0	0.0	4,400.0	1,179.8	81,101.8
Care Management (Localities)	7,274.2	0.0	(474.0)	102.7	6,902.9
<b>Divisional sub-total</b>	<b>92,944.5</b>	<b>0.0</b>	<b>3,596.0</b>	<b>1,412.4</b>	<b>97,952.9</b>
<b>2.2 Adult Social Care &amp; Commissioning</b>					
Enablement & Day Care	4,723.7	0.0	(200.0)	66.3	4,590.0
Care Management (LD & AMH)	5,460.4	0.0	(336.0)	73.9	5,198.3
Preventative Services	3,746.3	0.0	(200.0)	2.9	3,549.2
Contracts, Commissioning & Other Support	2,695.3	0.0		40.8	2,736.1
Substance Misuse	5,282.7	0.0		0.0	5,282.7
Departmental	(12,396.0)	0.0	(1,282.0)	6.5	(13,671.5)
<b>Divisional sub-total</b>	<b>9,512.4</b>	<b>0.0</b>	<b>(2,018.0)</b>	<b>190.4</b>	<b>7,684.8</b>
<b>2.3 Health and Wellbeing</b>					
Sexual Health	4,390.6	0.0		0.0	4,390.6
NHS Health Checks	521.0	(150.0)		0.0	371.0
Children 0-19	10,367.5	(850.0)		0.0	9,517.5
Smoking & Tobacco	972.0	0.0		0.0	972.0
Substance Misuse	327.0	0.0		0.0	327.0
Physical Activity	1,623.2	0.0		0.0	1,623.2
Health Protection	55.0	0.0		0.0	55.0
Public Mental Health	234.0	0.0		0.0	234.0
Public Health Advice & Intelligence	90.0	0.0		0.0	90.0
Staffing & Infrastructure	1,288.7	(100.0)		0.0	1,188.7
Sports Services	3,491.8	0.0		76.2	3,568.0
<b>Divisional sub-total</b>	<b>23,360.8</b>	<b>(1,100.0)</b>	<b>0.0</b>	<b>76.2</b>	<b>22,337.0</b>
<b>DEPARTMENT TOTAL</b>	<b>125,817.7</b>	<b>(1,100.0)</b>	<b>1,578.0</b>	<b>1,679.0</b>	<b>127,974.7</b>

	2016/17 budget £'000s	Spending Review savings £'000s	Social care pressures & other changes £'000s	Inflation £'000s	Budget 2017/18 £'000s
<b>3. Education &amp; Children's Services</b>					
<b>3.1 Strategic Commissioning &amp; Business Support</b>					
Divisional Budgets	763.2	0.0		10.0	773.2
Operational Transport	(111.6)	0.0		0.0	(111.6)
<b>Divisional sub-total</b>	<b>651.6</b>	<b>0.0</b>	<b>0.0</b>	<b>10.0</b>	<b>661.6</b>
<b>3.2 Learning Quality &amp; Performance</b>					
Raising Achievement	1,872.4	0.0	(518.0)	24.5	1,378.9
Adult Skills	(870.4)	0.0	0.0	0.0	(870.4)
School Organisation & Admissions	794.8	0.0	(260.0)	6.9	541.7
Special Education Needs and Disabilities	6,783.5	0.0	125.0	37.5	6,946.0
<b>Divisional sub-total</b>	<b>8,580.3</b>	<b>0.0</b>	<b>(653.0)</b>	<b>68.9</b>	<b>7,996.2</b>
<b>3.3 Children, Young People and Families</b>					
Children In Need	9,512.8	0.0	15.0	81.3	9,609.1
Looked After Children	33,448.7	0.0	(550.0)	260.3	33,159.0
Safeguarding & QA	2,105.8	0.0	155.0	29.0	2,289.8
Early Help Targeted Services	8,865.9	0.0	0.0	120.1	8,986.0
Early Help Specialist Services	5,226.9	0.0	(440.0)	78.4	4,865.3
<b>Divisional sub-total</b>	<b>59,160.1</b>	<b>0.0</b>	<b>(820.0)</b>	<b>569.1</b>	<b>58,909.2</b>
<b>3.4 Departmental Resources</b>					
Departmental Resources	(5,677.7)	0.0	6,165.0	9.2	496.5
Education Services Grant	(4,468.1)	0.0		0.0	(4,468.1)
<b>Divisional sub-total</b>	<b>(10,145.8)</b>	<b>0.0</b>	<b>6,165.0</b>	<b>9.2</b>	<b>(3,971.6)</b>
<b>DEPARTMENTAL TOTAL</b>	<b>58,246.2</b>	<b>0.0</b>	<b>4,692.0</b>	<b>657.2</b>	<b>63,595.4</b>
<b>4. Corporate Resources Department</b>					
<b>4.1 Delivery, Communications &amp; Political Gover</b>					
	<b>5,665.6</b>	<b>0.0</b>	<b>0.0</b>	<b>46.7</b>	<b>5,712.3</b>
<b>4.2 Financial Services</b>					
Financial Support	5,919.3	0.0		97.3	6,016.6
Revenues & Benefits	5,767.9	0.0		114.0	5,881.9
<b>Divisional sub-total</b>	<b>11,687.2</b>	<b>0.0</b>	<b>0.0</b>	<b>211.3</b>	<b>11,898.5</b>
<b>4.3 Human Resources</b>					
	<b>4,262.8</b>	<b>0.0</b>	<b>0.0</b>	<b>58.3</b>	<b>4,321.1</b>
<b>4.4 Information Services</b>					
	<b>10,084.6</b>	<b>(1,200.0)</b>	<b>0.0</b>	<b>87.9</b>	<b>8,972.5</b>
<b>4.5 Legal Services</b>					
	<b>2,017.1</b>	<b>0.0</b>	<b>0.0</b>	<b>52.3</b>	<b>2,069.4</b>
<b>DEPARTMENTAL TOTAL</b>	<b>33,717.3</b>	<b>(1,200.0)</b>	<b>0.0</b>	<b>456.5</b>	<b>32,973.8</b>
<b>TOTAL -Service Budget Ceilings</b>	<b>286,316.4</b>	<b>(5,690.6)</b>	<b>6,270.0</b>	<b>3,789.3</b>	<b>290,685.1</b>
<i>less public health grant</i>					<b>(27,519.0)</b>
<b>NET TOTAL</b>					<b>263,166.1</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 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;
  - (b) the City Mayor may determine the use of the provision for Education Funding reform.

### 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>2017/18 Estimate %</b>	<b>2018/19 Estimate %</b>	<b>2019/20 Estimate %</b>
General Fund	5.0	4.9	4.7
HRA	11.4	11.9	12.3

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>2017/18 Estimate £</b>	<b>2018/19 Estimate £</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 2016/17 and 2017/18 (based upon the Council capital programme, and the proposed budget and estimates for 2017/18) are:

Area of expenditure	2016/17 Estimate £000s	2017/18 Estimate £000s
Children's services	20,467	41,310
Young People	438	1,097
Resources ICT	951	1,880
Transport	15,271	45,333
Cultural & Neighbourhood Services	7,350	1,298
Environmental Services	2,375	284
Economic Regeneration	41,679	28,864
Adult Care	934	15,571
Public Health	390	120
Property	7,769	2,715
Vehicles	501	3,100
Housing Strategy & Options	2,121	3,600
Corporate Loans	1,000	-
<b>Total General Fund</b>	101,246	145,172
Housing Revenue Account	22,080	17,130
<b>Total</b>	123,326	162,302

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

	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
General Fund	364	347	330	313
HRA	213	212	211	211

### 4. Treasury Limits for 2017/2018

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

**Minimum Revenue Provision Policy**

**1. Introduction**

- 1.1 This policy sets out how the Council will calculate the minimum revenue provision chargeable to the General Fund in respect of previous years' capital expenditure, where such expenditure has been financed by borrowing.

**2. Basis of Charge**

- 2.1 Where borrowing pays for an asset, the debt repayment calculation will be based on the life of the asset.
- 2.2 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).
- 2.3 Where borrowing funds a loan to a third party, the basis of charge will normally be the period of the loan (and will never exceed this). 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.

**3. Commencement of Charge**

- 3.1 Debt repayment will normally commence in the year following the year in which the expenditure was incurred. However, in the case of expenditure relating to the construction of an asset, the charge will commence in the year in which the asset becomes operational. Where expenditure will be recouped from future income or capital receipt, and the receipt of that income can be forecast with reasonable certainty, the charge may commence when the income streams or receipt arise.

**4. Asset Lives**

- 4.1 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;

5. **Voluntary Set Aside**

- 5.1 Authority is given to the Director of Finance to set aside sums voluntarily for debt repayment, where she believes the standard depreciation charge to be insufficient, or in order to reduce the future debt burden to the authority.

6. **Other**

- 6.1 In circumstances where the treasury strategy permits use of investment balances to support investment projects which achieve a return, the Director of Finance may adopt a different approach to reflect the financing costs of such schemes. A different approach may also be adopted for other projects which aim to achieve a return.

**Equality Impact Assessment**

1. The purpose of this appendix is to present the equalities impact of the proposed 4.99% council tax increase.
2. **Purpose of the increase**
  - 2.1 There are two elements to the proposed tax increase:
    - (a) A 3% increase to address Adult Social Care funding needs outlined in the budget strategy;
    - (b) A 1.99% increase in council tax to enable the council to maintain its budgeted policy commitments.
3. **Who is affected by the proposal?**
  - 3.1 Since April 2013, as a consequence of the Government's welfare reforms, all working age households in Leicester have been required to contribute towards their council tax bill. Our current council tax reduction scheme (CTRS) requires working age households to pay at least 20% of their council tax bill, and sets out to ensure that the most vulnerable householders are given some relief in response to financial hardship they may experience.
  - 3.2 NOMIS<sup>1</sup> figures for the city's working age population (June 2016) indicated that there are 159,000 economically active residents in the city, of whom 6.6% are unemployed. As of February 2016, there were 32,000 working age benefit claimants (14.0% of the city's working age population of 229,000), with 25,000 of these in receipt of out of work benefits. The working age population is inclusive of all protected characteristics.
4. **How are they affected?**
  - 4.1 The chart below sets out the financial impact of the proposed council tax increase on different properties, before any discounts or reliefs are applied. It shows the weekly increase in each band, and the minimum weekly increase for those in receipt of a reduction under the CTRS.
  - 4.2 For band B properties (80% of the city's properties are in bands A or B), the proposed annual increase in council tax is £52.64; the minimum annual increase for households eligible under the CTRS would be £10.53.

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<sup>1</sup> NOMIS is an Office for National Statistics web based service that provides free UK labour market statistics from official sources.

<b>Band</b>	<b>No. of Households</b>	<b>Weekly Increase</b>	<b>Maximum Relief (80%)</b>	<b>Minimum Weekly Increase</b>
A-	251	£0.72	£0.58	£0.14
A	80,340	£0.87	£0.69	£0.17
B	26,248	£1.01	£0.81	£0.20
C	15,590	£1.16	£0.81	£0.35
D	6,766	£1.30	£0.81	£0.49
E	3,299	£1.59	£0.81	£0.78
F	1,463	£1.88	£0.81	£1.07
G	598	£2.17	£0.81	£1.36
H	39	£2.60	£0.81	£1.79
<b>Total</b>	<b>134,594</b>			

## 5. Risks over the coming year:

- 5.1 One of the main risks to household income over the coming year is increased inflation. The November 2016 forecast by the Bank of England anticipates a CPI inflation rate of 2.7% in the third quarter of 2018, arising from the drop in value of the pound. Some industry sources expect an increase of up to 5% in food prices over the next year. Because food takes up a larger proportion of low income household expenditure, and their income levels have been squeezed by the Government's welfare reforms (ASDA tracker, June 2016), increases in food prices will have the most significant impact on these households.
- 5.2 Another area of cost increase could be fuel and oil, as a result of the decision by OPEC to reduce its supplies to the energy markets. Costs rose by 6% in September 2016 as result of this decision alone. It is likely we will see increases in fuel and energy costs over time as a result of this OPEC decision.
- 5.3 Incomes of households reliant on social security benefits continue to be squeezed with the Government's continued implementation of the welfare reform programme. There are a range of specific reductions alongside the far ranging freeze in the level of benefits until 2020. This will reduce the ability of low income households to respond to the above anticipated inflationary

pressures, particularly in regard to the cost of food. The chart below gives an indication of anticipated decreases in household incomes by 2020/21, as a consequence of post 2015 welfare reforms:-

Couple – one dependent child	£900 p.a.
Couple – two or more dependent children	£1,450 p.a.
Lone parent – one dependent child	£1,400 p.a.
Lone parent – two or more dependent children	£1,750 p.a.
Single person working age household	£250 p.a.

*Source: Centre for Regional Economic and Social Research/Sheffield Hallam University report: “The uneven impact of welfare reform – the financial losses to places and people” (March 2016).*

## 6. **Offset by current trends:**

- 6.1 There has been a continuing decrease in the percentage of the working age population unemployed in Leicester (NOMIS): June 2016, 6.6%, (down from June 2015, 7.7%; June 2014, 11.8%; and June 2013, 13.9%).
- 6.2 The supermarket ASDA tracks household expenditure. The tracker for June 2016 indicated that the national increase in average household discretionary income was £10 per week compared to June 2015. However, the level of increase is starting to be affected by inflationary rises for essential household items. The tracker nonetheless found that wage growth remains well above the inflation rate.
- 6.3 The Joseph Rowntree Foundation’s annual “Minimum Income Standard” for 2016 highlighted the emerging trend of families seeking more economical ways of maintaining their standard of living, by shopping around and using the internet for price comparisons. They cited weekly savings of £7 in fuel costs for a family with children by switching suppliers. The Minimum Income Standard also observed that a significant proportion of childcare costs for families in receipt of Universal Credit and tax credits were being covered for them (by 85% and 70% respectively); and that the introduction by the Government of free childcare for 3 and 4 year olds will further ease pressures on household incomes for those with young children.

## 7. **Overall impact:**

- 7.1 Any increased costs will be a problem for some households with limited incomes, as they will be squeezed by the next round of welfare reforms alongside anticipated inflationary increases of many basic household items such as food and fuel.
- 7.2 The weekly increase in council tax, however, is small for many of these households, as can be seen from the table above.

**8. Mitigating actions:**

8.1 For residents likely to experience short term financial crises as a result of the cumulative impacts of the above risks, the Council has a range of mitigating actions. These include: funding through Discretionary Housing Payments; the council's work with voluntary and community sector organisations to provide food to local people where it is required – through the council's or partners' food banks; and through schemes which support people getting into work (and include cost reducing initiatives that address high transport costs such as providing recycled bicycles).

**9. What protected characteristics are affected?**

9.1 The chart below, describes how each protected characteristic is likely to be affected by the proposed council tax increase. The chart sets out known trends, anticipated impacts and risks; along with mitigating actions available to reduce negative impacts.

9.2 Some protected characteristics are not (as far as we can tell) disproportionately affected (as will be seen from the table) because there is no evidence to suggest they are affected differently from the population at large. They may, of course, be disadvantaged if they also have other protected characteristics that are likely to be affected, as indicated in the following analysis of impact based on protected characteristic.

## Analysis of impact based on protected characteristic

Protected characteristic	Impact of proposal:	Risk of negative impact:	Mitigating actions:
<b>Age</b>	<p>Older people are least affected – they receive protection from inflation in the uprating of state pensions; and 100% reductions are available under the CTRS.</p> <p>Working age people bear the impacts of welfare reform reductions – particularly those with children. Whilst an increasing proportion of working age residents are in work, national research indicates that those on low wages are failing to get the anticipated uplift of the National Living Wage. The tax increase could have an impact on such household incomes.</p>	<p>Working age households – incomes squeezed through low wages and reducing levels of benefit income, along with anticipated inflation.</p>	<p>Access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on better managing household budgets.</p>
<b>Disability</b>	<p>Disability benefits have been reduced over time as thresholds for support have increased. The tax increase could have an impact on such household incomes.</p>	<p>Further erode quality of life being experienced by disabled people as their household incomes are squeezed further by anticipated inflation.</p>	<p>Disability benefits are disregarded in the assessment of need for CTRS purposes. Access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on better managing budgets.</p>



<b>Protected characteristic</b>	<b>Impact of proposal:</b>	<b>Risk of negative impact:</b>	<b>Mitigating actions:</b>
<b>Gender Reassignment</b>	No disproportionate impact is attributable specifically to this characteristic.		
<b>Marriage and Civil Partnership</b>	Couples receive benefits if in need, irrespective of their legal marriage or civil partnership status. No disproportionate impact is attributable specifically to this characteristic.		
<b>Pregnancy and Maternity</b>	Maternity benefits will not be frozen and therefore kept in line with inflation. However, other social security benefits will be frozen, but without disproportionate impact arising for this protected characteristic.		
<b>Race</b>	Those with white backgrounds are disproportionately on low incomes (indices of multiple deprivation) and in receipt of social security benefits. Some BME are also low income and on benefits. The tax increase could have an impact on such household incomes.	Household income being further squeezed through low wages and reducing levels of benefit income, along with anticipated inflation.	Access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on better managing household budgets.

Protected characteristic	Impact of proposal:	Risk of negative impact:	Mitigating actions:
<b>Religion or Belief</b>	No disproportionate impact is attributable specifically to this characteristic.		
<b>Sex</b>	Disproportionate impact on women who tend to manage household budgets and are responsible for childcare costs. Women are disproportionately lone parents.	Incomes squeezed through low wages and reducing levels of benefit income, along with anticipated inflation.	If in receipt of Universal Credit or tax credits, a significant proportion of childcare costs are met by these sources. Access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on better managing household budgets.
<b>Sexual Orientation</b>	No disproportionate impact is attributable specifically to this characteristic.		

<b>Earmarked Reserves</b>		<b>Appendix Six</b>
<b>Earmarked Revenue Reserves-Departmental</b>	<b>Balance at 1st April 2016</b>	<b>Forecast Balance 31-3-2017</b>
	<i>{£000}</i>	<i>{£000}</i>
<b><u>Adult Care</u></b>		
Adult and Children's Social Care IT System (Liquidlogic)	354	193
Amount required to balance 16/17 budget	331	-
<b><u>Children's</u></b>		
Amount required to balance 16/17 budget	5,005	-
<b><u>City Development (excluding Housing)</u></b>		
Strategic Reserve	1,139	954
Central Maintenance Fund	436	-
On Street Parking - commitments	432	-
Other CDN	1,078	637
<b><u>Housing</u></b>		
Provision for Bed & Breakfast Costs	400	400
Other Housing	966	829
<b><u>Public Health</u></b>		
Outdoor Gyms Reserve	727	-
Provision for Severance Costs	910	410
Food Growing Hubs Initiative (17/18)	93	93
<b><u>Corporate Resources</u></b>		
Replacement of Finance System	1,250	1,250
Service Analysis Team	624	624
Channel Shift Reserve	1,702	1,702
ICT Development Fund	2,156	2,156
PC Replacement Fund	939	939
Surplus Property Disposal Costs	1,000	1,000
Electoral Services	619	619
Legal Services Divisional Reserve	521	521
Election Fund	1,020	1,020
Strategic Initiatives	500	500
Other Corporate Resources	2,339	1,800
<b>TOTAL DEPARTMENTAL RESERVES</b>	<b>24,541</b>	<b>15,647</b>

	<b>Balance at 1st April 2016</b> <i>{£000}</i>
<b>Corporate Reserves</b>	
Earmarked Reserves Declared Surplus	4,914
Managed Reserves Strategy	40,936
BSF Financing	24,812
Capital Programme Reserve	17,125
Severance Fund	8,094
Insurance Fund	11,121
Service Transformation Fund	6,135
Welfare Reform Reserve	4,533
Other Corporate Reserves	2,249
<b>Total Corporate Reserves</b>	<b>119,919</b>
<b>Ringfenced Monies</b>	
NHS Joint Working Projects	5,275
DSG not delegated to schools	16,705
School Capital Fund	2,829
Schools Buy Back	923
Primary PRU Year-End Balance	71
Secondary PRU Year-End Balance	175
Schools' Balances	19,583
<b>Total Ringfenced Monies</b>	<b>45,561</b>

Comments from Partners

1. The **Leicester Shire Business Council** has asked for the opportunity to comment on draft proposals for 3 reviews, as they are developed. Information will be supplied as it becomes available.
2. The budget was discussed at the **Learning Disability Partnership Board** on 11<sup>th</sup> January. A presentation and discussion took place in which questions were asked and answered. The board was very concerned about the inadequacy of government funding for social care, and the inadequacy of the 3% addition to council tax. A plan will be prepared to invite MPs to a future meeting and the need to challenge the Government was supported. Concern was also expressed that cuts to community services would impact the lives of those with learning disabilities.
3. The budget was discussed at the **Mental Health Partnership Board** on 25<sup>th</sup> January. Concerns were expressed about the impact of cuts on services other than adult social care, and the impact this could have on those with mental health needs.
4. **Healthwatch** comment that they fully understand our financial position and the measures needed to stay within financial limitations. They have committed to work closely with us to support us and scrutinise services facing cost pressures.
5. The **Preparing for Adulthood Board** understood the Council's financial position, but felt services for children and young adults with disabilities should be protected (recognising that savings could result in more cost in the long run).
6. A response was received from the **Washbrook Allotment Society** who recognise that self-managed allotments offer little scope for revenue savings. The budget was also discussed at the Allotment Users' Meeting in December, where it was confirmed there are no proposals to close any allotments.
7. **Friends of Evington** have made some detailed suggestions, principally about facilities and sites in Evington, the "Green Flag" scheme at parks and involving volunteers. These have been considered by officers and a response sent.
8. The **Carers' Centre** believe the Council has a near impossible task in deciding how to make unpalatable choices.
9. At the **Schools' Forum** on 2<sup>nd</sup> February, forum members expressed their empathy for Children's Services' staff having to make required cuts to budgets.

**Spending Review Programme**

	<b>Review</b>	<b>Summary</b>	<b>Savings Reported (£m)</b>	<b>Outstanding Savings (£m)</b>
1.	Corporate Resources	In implementation.	3.9	Nil
2.	Transforming Neighbourhood Services	Reviewing community use buildings on an area by area basis (libraries, community centres, adult skills, customer service centres).	1.0	0.7
3.	Voluntary and Community Services	Complete.	0.1	Nil
4.	HRA Charging	Complete (decisions taken).	4.0	Nil
5.	Sports and Leisure	Review of Council's direct sports provision and sports development.		2.0
6.	Parks and Open Spaces	In implementation.	1.5	Nil
7.	Park and Ride	Service expected to become self-financing.		0.2
8.	External Communications	Complete.	0.1	Nil
9.	Substance Misuse	Complete.	1.0	Nil
10.	Welfare Advice	Decision taken.	0.2	Nil
11.	Investment Property.	Review of property assets held for investment income.		0.6
12.	IT	Complete, in implementation.	2.4	Nil
13.	Homelessness Services	Review of services to prevent homelessness. Practically complete, small balance outstanding.	1.3	0.2
14.	Technical Services	Covers facilities management, operational property services, traffic and transport, repairs and maintenance of all buildings (including housing), fleet management, stores, energy, environment team. In implementation.	10.1	0
16.	Children's Services	All services provided by Education and Children's Services, other than schools and social care.		5.0
17.	Regulatory Services	Protective services including neighbourhood protection, business regulation, pest control, licensing and community safety.	0.2	0.8
18.	Cleansing and Waste	City and neighbourhood cleansing, litter disposal, waste collection and disposal (including PFI arrangements).		2.5
19.	City Centre	Services provided by City Centre Division, including tourism.	0.1	

	<b>Review</b>	<b>Summary</b>	<b>Savings Reported £m</b>	<b>Savings Outstanding (£m)</b>
20.	Using Buildings Better	Extends scope of Transforming Neighbourhoods to review other neighbourhood buildings (depots and local non-customer facing offices). Revenue savings will arise from channel shift and staff accommodation.		2.0
21.	Tourism, Culture & Inward Investment	Covers arts organisations, museums, support to festivals and other divisional services.		1.5
22.	Car Parking and Highways Maintenance	Complete.	0.8	NIL
23.	Community and Voluntary Organisations	Review support to a number of VCS bodies supported by Community Services.		TBD
24.	Parks standards and development	Efficiency savings.	0.2	NIL
25.	Community Capacity Building	Revisit current arrangements with Voluntary Action Leicester and other projects.		0.2
26.	Civic and Democratic Services	Democratic and civic functions.		0.2
27.	Departmental Administration	Review of departmental administrative services with view to rationalisation, automation, management of administration and removal of duplication.		1.0
28.	Adult Learning	Aim to increase the £0.8m currently contributing to Council support. Service is entirely grant funded, and grant conditions mean ongoing saving unlikely to be achieved.		0.4
29.	Advice Services (follow up)	Review of internal and external advice services provided by internal Welfare Rights Service, STAR service and external organisations. Aims to eliminate duplicate provision.		0.5

	<b>Review</b>	<b>Summary</b>	<b><u>Savings Reported</u></b> <b><u>£m</u></b>	<b><u>Savings Outstanding</u></b> <b><u>(£m)</u></b>
30.	Sexual Health Services	On demand sexual health and contraception services at St. Peter's Health Centre.		0.8
31.	Lifestyle Services	Services which support improved diet and physical activity, together with cessation of smoking. A single, integrated service with NHS support will be investigated.		1.4

**Total**

**26.8**

**19.9**





Leicester  
City Council

DRAFT MINUTE EXTRACT

Minutes of the Meeting of the  
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 2 FEBRUARY 2017 at 5:30 pm

P R E S E N T :

Councillor Singh (Chair)  
Councillor Malik (Vice Chair)

Councillor Bajaj  
Councillor Cleaver  
Councillor Cutkelvin

Councillor Dempster  
Councillor Grant  
Councillor Khote

Councillor Dr Moore  
Councillor Newcombe  
Councillor Porter

Also present:

Sir Peter Soulsby  
Councillor Kirk Master

City Mayor  
Assistant City Mayor - Neighbourhood  
Services

\* \* \* \* \*

**72. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**73. DECLARATIONS OF INTEREST**

No declarations of interest were made.

**81. GENERAL FUND REVENUE BUDGET 2017/18 TO 2019/20**

Members were asked to comment on the draft General Fund Revenue budget 2017/18 to 2019/20 prior to its consideration at the meeting of the Council on 22 February 2017.

The Chair commented on the seriousness of the situation following the cuts in the Government's Revenue Support Grant to Local Authorities. He said that it was fortunate that the Council had embarked early on a strategy of managed reserves to help with the budgetary situation, but these were now being drawn

upon and it was forecast that they would be used up before 2020. The budget report gave details of all of the different service areas and each Scrutiny Commission had been given the opportunity to consider and comment.

Draft budget minute extracts from a number of different Scrutiny Commissions had been circulated and Members were invited to add any further comments to those in the minutes of their meetings.

Councillor Cleaver, Chair of the Adult Social Care Scrutiny Commission asked the City Mayor about the Better Care Fund. Concerns were expressed that this was said by the Government to be extra money given to the Local Authorities, but this had previously not been the case. Councillor Cleaver added that the Council had experienced delays in receiving the money and asked if any action could be taken to improve the situation. The City Mayor agreed that the fund had not provided new money and only provided a small portion of what was required to meet demand. The Director of Finance added that the Council had lost money from the New Homes Bonus and gained some through the new Social Care Grant but overall the total loss and gain in unitary authorities such as Leicester, in balance remained about equal in 2017/18. The new round of Better Care Fund, however is being paid to the Council.

Councillor Cleaver asked that the Council lobbied the Government further on funding for adult social care. The City Mayor agreed and stated that they would add their voice to the voices of the Local Government Association and Councils of all political parties because the financial burden on providing Adult Social Care was such that other services were being put in jeopardy.

Councillor Dempster, Chair of the Health and Wellbeing Scrutiny Commission commented that it was recognised that the budget had to be managed in a different way because of the reduction in the Government's Revenue Support Grant. Timeliness was important to enable meaningful scrutiny to take place and she requested earlier work in future between the Executive and Scrutiny.

Councillor Dempster made reference to the Council's reserves and stated that she hoped that the Council would be cautious and only use them where no other option was available. The City Mayor confirmed the need for caution and added that the budget was now amended throughout the year (rather than just once a year) and the review process needed to be transparent. Scrutiny did therefore need to be aware of what was happening, so subject to checking with Members of the Executive, he intended to make a pro-forma based document available to Scrutiny Chairs, with details of reviews including timings, required savings etc. This would be put in the public domain on the Council's website and kept up to date so that people would know what reviews were happening and when.

Councillor Porter stated that there was under £10m in reserves when the City Mayor was elected, but these had increased to £50m. He said that there were people in the public gallery who would be interested to know how the reserves had been built up and why the reserves had not been used to avoid cutting public services.

The City Mayor responded that the managed reserves policy had been debated many times over the last four or five years and there were details of the reserves on page 22 of the draft Revenue budget. It had been agreed that efficiencies would be implemented at the earliest possible moment, in order to smooth the situation arising from the cuts in the Revenue Support Grant. The strategy had been very successful, but the reserves were being used at a significant rate and would be coming to an end by 2018/19.

Councillor Bajaj, Chair of the Heritage, Leisure and Sport Scrutiny Commission said that the investment to the New Walk and Jewry Wall Museum and the Abbey Pumping Station was welcomed and these improvements would encourage more tourists to Leicester.

Councillor Cutkelvin, Chair of the Neighbourhood Services and Community Involvement Scrutiny Commission thanked officers for their support to the Commission during the year. Information on service reviews were coming to the Commission in a timely manner. She welcomed the pro-forma that the City Mayor had referred to which would provide information, such as dates and savings on reviews, as this was something that the Commission had talked about. Councillor Cutkelvin also thanked officers for the comprehensive information given to the Commission on the welfare reform agenda. She said that this subject had been explored alongside the Government spending cuts and it was good to hear that the Council were maintaining support for the most vulnerable residents in the city.

Councillor Dr Moore, Chair of the Children's, Young People and Schools Scrutiny Commission stated that it had been difficult to scrutinise the budget in this particular service area, because of the serious position arising from the cuts in the Government Revenue Support Grant. Scrutiny of the budget would continue until March because there was a special meeting to consider the outcome of Early Help Re-modelling and there was also to be a review of the Youth Services.

There were concerns about the budget because children, particularly those in need of safeguarding were one of the most vulnerable groups and those numbers were growing. Innovative measures were being implemented to tackle this issue. There was a concern that the budget did not prioritise children's needs as much as it should and the Commission would like an opportunity to compare, like for like, the situation in other service areas. Councillor Dr Moore then drew Members' attention to the recommendations that the Scrutiny Commission had made during their budget discussion.

The Director of Finance responded that during 2016/17, £10.1m of new money had been made available to Education and Children's Services. This figure was in response to the pressures of the service, partially in relation to the use of agency staff however that injection of new money would decline over the next three years. By comparison therefore, the revenue budget for social care services in children's and adults services had seen a growth, whilst other services had seen a reduction in their revenue budget.

The Director of Finance also referred Members to the Spending Review Programme and stated that there were savings of £19.4m on that programme still to be delivered, but even after that, the budget would still be short by £25m in 2020.

Councillor Khote, Chair of the Economic Development, Transport and Tourism Scrutiny Commission stated that there were no issues to report on.

Councillor Newcombe, Chair of the Housing Scrutiny Commission informed the Committee that that the Commission had been very busy and had been dealing with sensitive issues around homelessness.

Councillor Cutkelvin referred to the issue around changing terms and conditions for staff and asked how this work was progressing. The Committee was advised that the Director of Delivery, Communications and Political Governance was currently involved in discussions with the trade unions.

The Chair asked if Members would note the recommendations within the report, which would then go to the Budget Council to be ratified. Councillor Dempster asked for an additional recommendation regarding the scrutiny review process, to ensure the Commissions were engaged with meaningfully, in time for them to make a difference. The City Mayor commented that Councillor Dempster had a valid point as it was the job of Scrutiny to review the process but this was not always straightforward if the timetable was not made known to them as early as it could be. Councillor Dempster reiterated that in relation to the process, it was important that there was the opportunity for meaningful scrutiny.

The City Mayor confirmed that he had taken on board the points made by Councillor Dempster and he gave his assurance that when the report came to Council, he would seek to add something that incorporated the spirit of what had been discussed relating to timely and meaningful scrutiny.

AGREED:

that the Overview Select Committee endorse the recommendations set out in the General Fund Revenue Budget 2017/18 to 2019/20



Leicester  
City Council

Minutes of the Meeting of the  
ADULT SOCIAL CARE SCRUTINY COMMISSION

Held: TUESDAY, 24 JANUARY 2017 at 5:30 pm

P R E S E N T :

Councillor Cleaver (Chair)

Councillor Dempster  
Councillor Khote

Councillor Riyait  
Councillor Thalukdar

\* \* \* \* \*

**54. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Chaplin (Vice Chair), Councillor Hunter, David Henson (Healthwatch Representative) and Councillor Palmer, Assistant City Mayor for Adult Social Care, Health Integration and Wellbeing.

**56. DECLARATIONS OF INTEREST**

No declarations of interest were made.

**60. ADULT SOCIAL CARE ELEMENTS OF THE GENERAL FUND REVENUE BUDGET 2017-18**

Members were asked to consider the Adult Social Care elements of the General Fund Revenue Budget 2017 -18. Comments made by the Commission would be considered by the Overview Select Committee at their meeting on 2 February 2017, prior to the budget being approved by Council on 22 February 2017.

The Strategic Director, Adult Social Care presented the Adult Social Care element of the budget and stated that the future of Adult Social Care funding was challenging both locally as it was nationally. There was a continued growth in demand for the service as a result of an ageing population and increasing frailty; these factors along with the impact of people with multiple health conditions placed significant cost pressures on the service.

The Chair stated that she was pleased that the budget would be increased to deal with the pressures facing Adult Social Care but the situation was still volatile. She questioned whether the Strategic Director was comfortable that the budget would be sufficient to meet demand. The Chair and Members sought assurance that there would be an opportunity for meaningful scrutiny if any changes to the service or to the budget were being proposed.

The Strategic Director responded that Adult Social Care was a demand led service and needs had to be responded to. The budget had been based on what was known at the time, but a relatively modest increase in demand could incur additional significant costs. It was hoped however that the service would remain within budget.

A Member referred to the actions that the department was taking to live within its resources (para 7.7d) and concerns were expressed about any potential risks that may arise from reducing staffing levels to make savings. The Strategic Director responded that the Council's staffing levels were above regional comparatives with other authorities, but to enable a reduction in staffing, the work load needed to be reduced and risk managed effectively. There were ongoing projects to look at ways of reducing workload pressures; these included for example a system to manage care reviews more efficiently.

A Member referred to the issue of staff stability and stated that when staff knew that a review was forthcoming, they often resigned in order to work elsewhere. Concerns were raised around the difficulties in recruiting social workers. A suggestion was made that it would be useful for the Commission to receive a report with data on staffing levels, such as starters and leavers.

A Member commented that one of the problems faced by Leicester City Council, as opposed to Leicestershire and Rutland authorities, was that the City generally had had a low wage economy which meant that pensioners were often unable to save money towards their care support. The Strategic Director acknowledged that the demographics in Leicester presented budget pressures as there was a lower proportion of those self-funding their care and support and subsequently seeking statutory funding support from the Council.

Members commented that more money was needed from the government to fund the costs of providing adult social care. It was noted that the Government allowed Councils to increase council tax to raise funds for Adult Social Care and concerns were expressed that this was a tax on the poor and placed the blame for the situation local authorities. Views were expressed that the Council and Members needed to be more proactive in explaining to the public that because of the Government's spending cuts, there was a crisis in funding adult social care.

The Strategic Director stated that Adult Social Care locally and across the sector in England had been efficient in making savings but now fundamental efficiencies were having to be made because of the budget cuts. The service was now under extreme pressure and in Leicester for example, the

demographic pressures had not been addressed through the funding arrangements made available by the Government.

At the suggestion of a Member, it was agreed that the minutes of the discussion on this item should be sent to the Labour Members of Parliament for Leicester, with a request for them to raise the concerns expressed in the House of Commons.

A number of questions were submitted on behalf of the Vice Chair who had submitted her apologies:

The Vice Chair questioned whether any provision had been made for any overspend (if there was one) in 2016/17 or 2017/18. The Strategic Director responded that an overspend for 2016/17 was not predicted; if there was an overspend in 2017/18, this would either be met by underspends in other service areas or by reserves.

The Vice Chair also submitted some questions for the Executive. These related to reducing corporate reserves and/or asking people if they would be willing to pay more in council tax in order to increase funds available for Adult Social Care.

In a further question, the Vice Chair stated that the Executive had promised to carry out some work on the mental health impact of the budget and she questioned when this would be available. The Vice Chair also asked for details of the proposed savings from the review of Community and Voluntary Organisations and the groups that might be affected. It was agreed that these questions would be forwarded to the Deputy City Mayor as Lead Member for Adult Social Care, Health Integration and Wellbeing as he was unable to be present at the meeting.

Concerns were expressed as to the risks to the service if savings could not be made on time; and the need for early engagement with Scrutiny was reiterated.

A Member also expressed concerns about drawing on reserves to deliver the service; she expressed a view that it was preferable to manage the budget in such a way that reserves were kept for emergencies. The Strategic Director responded that efficiencies would be delivered and that it was not expected to have to draw on the reserves during the current year and where possible, if savings could be delivered earlier than originally planned and in an effectively managed way, then this would likely ease the use of reserves.

AGREED:

- 1) that the Adult Social Care element of the General Fund Revenue Budget 2017-18 be noted; and
- 2) that a minute extract of the Commission's discussion on the budget be forwarded to the Labour Members of Parliament for Leicester, with a request for them to raise the concerns in the House of Commons.







Leicester  
City Council

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

Held: TUESDAY, 31 JANUARY 2017 at 5:30 pm

P R E S E N T :

Councillor Dr Moore (Chair)  
Councillor Aldred (Vice-Chair)

Councillor Malik

Councillor Grant

Councillor Senior  
Councillor Willmott

In Attendance:

Councillor Russell – Assistant City Mayor, Children Young People & Schools

Standing Invitees (non-voting):

Peter Flack, Teaching Unions  
Ms Anu Kapur, Leicester Secular Society  
Kulsum Hafeji, Youth Representative

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**57. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Gerry Hirst (co-opted member), Carolyn Lewis (co-opted member), Councillor Cole, Mohammed Al-Azad (co-opted member) and Rabiha Hanan (standing invitee)

**58. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**64. DRAFT BUDGET 2017/18**

The Director of Finance submitted a report setting out the City Mayor's proposed budget for 2017/18 to 2019/20.

The Chair commented that it had been difficult to scrutinise the report and referred to her email to Commission Members (26/1/17).

Councillor Russell, the Assistant City Mayor for Children, Young People and Schools introduced the budget relating to the Children's Services area, explaining the budget was presented in the same way as the last 3 years noting that because of the level of cuts imposed by the government a once a year approach was no-longer viable, the council had to make savings and consideration was being given to how this could be achieved through reviews in services. The two areas being focused on in relation to the general fund were Early Help Services and Youth Services.

In terms of the Early Help Remodelling review Councillor Russell explained why it had taken longer to report on the outcomes it was noted that the responses received included more than 500 suggestions within which there were more than 40 themes that the service had to fully consider and determine whether they were viable and feasible.

Commission Members were informed that the Youth Services consultation had also begun and that consultation period was live until April 2017.

Councillor Russell noted that because of the changes to education funding there was also a need to pay due regard to that budget.

The Chair reminded commission members that a special meeting had been scheduled on Monday 6<sup>th</sup> March 2017 to receive the Early Help Remodelling outcomes.

Concern was expressed regarding the £4million target saving to be made in Early Help services that the details of that were not available at this meeting and Commission Members wanted to know the responses to the consultation and what if any changes would be made. Commission Members expressed their frustration with the process and in particular that all details were not brought to this meeting, before budget council, so that backbenchers could fully scrutinise the proposals.

Commission Members felt that in relation to the Early Help Remodelling consultation whilst it was appreciated that there were difficulties and a need to consider all of the suggestions and proposals it was a concern that scrutiny was not part of the consideration process.

Councillor Russell advised that the data was still being worked through and gave some of the headline figures to show the scale of responses that officers were dealing with. Councillor Russell indicated that there was potential for 12 changes arising from the responses and the full analysis currently ran to 70 pages. As there was still more to go through this would be reported fully to the March meeting. The commission noted this response and suggested that if the council could find funds to meet the concerns of the responders then the council should look to do that.

In relation to the education services grant Martin Judson, Head of Finance (Investing in Children) confirmed that there was a contingency sum of £3million

to balance the reduction in the education services grant.

Referring to the report (page 20-21) and the spending reviews, Commission Members stressed that children's services were a priority especially with regard to the circumstances of the child population in the City, children's services was an area that should be looked at very carefully before taking any money out of its budget and there were other areas of the council's budget that could be looked at again to take money from. In terms of this budget for example it was felt that money could be taken from Highways maintenance and put into children's services as a general point.

Concerns were expressed that the budget process had become unclear, the figures could not be triangulated, there was no forecast impact and Commission Members could not compare like for like.

It was suggested that education had been cut back and reduced more than any other service in the council and Commission Members asked if there was a comparative between education and for example neighbourhood services or social care.

Councillor Russell replied that it would take time to provide a response to that point and assured Commission Members that there was still a strong focus on education within the division, however there was a cross over between social care and education and there was strength in looking at children services holistically.

Referring to 7.3 of the report, Commission Members expressed concern that they were being told that the number of children needing social care services was vastly increasing however that was not being reported or attracting the same level of publicity as Adult Social Care. Councillor Russell agreed that there was a focus on adults and that had been raised as an issue with the Secretary of State and at the Local Government Association, it was likely that because adult's social care had more impact on the NHS it became more of a focus because of the national funding situation.

A member commented that there were a large number of working groups across the council, and it was suggested that was an area that should be scrutinised to look at attendance, whether the group was necessary, whether it could be done differently, how often the group met and whether it was necessary to meet that often, what cost was involved and the level of support being given by the council whether it be provision of support staff, officer time or just a room in a council building.

Councillor Russell indicated that some work had commenced to look at working groups in children's services as there were a whole range of different meetings taking place and the service were looking at those structures, the support given and how they could be more efficient.

In relation to the impact of previous reviews and where savings had been made Councillor Russell advised that in children's social care the department had

expanded its use of Multi Systemic Therapy (MST) to try and reduce LAC numbers. There had also been changes in the education services grant and the general fund was being used to offset some of the reduction in that grant. Specific grants to children's services had been taken away by the government and a lot of work in the department had been done to manage that.

It was proposed and duly seconded that in light of the need and importance of early help and youth work the commission requests that in the budget setting 17/18 consideration be given by the executive to reduce savings targets in spending reviews for children services.

It was also proposed and duly seconded that information be presented to council to show the comparative savings between departments.

It was further proposed that it be recommended to OSC that each scrutiny commission should look at all of the working groups within their remits across the council to scrutinise attendance, whether the group was necessary, whether it could be done differently, how often the group met and whether it was necessary to meet that often, what cost was involved and the level of support being given by the council whether it be provision of a room, support staff, officer time and how they could be more efficient.

Upon being put to the vote Commission Members agreed the three proposals outlined above.

**AGREED:**

1. That the Children Services element of the General Fund Revenue Budget 2017-18 be noted;
2. That in light of the need and importance of early help and youth work services the commission requests that in the budget setting 17/18, consideration be given by the executive to reduce savings targets in spending reviews for Children Services;
3. That information be presented to council to show the comparative savings between departments;
4. That it be recommended to OSC that each scrutiny commission should look at all of the working groups within their remits across the council to scrutinise attendance, whether the group was necessary, whether it could be done differently, how often the group met and whether it was necessary to meet that often, what cost was involved and the level of support being given by the council whether it be provision of a room, support staff, officer time and how they could be more efficient.



Leicester  
City Council

Minutes of the Meeting of the  
HEALTH AND WELLBEING SCRUTINY COMMISSION

Held: WEDNESDAY, 4 JANUARY 2017 at 5:30 pm

P R E S E N T :

Councillor Dempster (Chair)  
Councillor Fonseca (Vice-Chair)

Councillor Cassidy  
Councillor Chaplin  
Councillor Unsworth  
Councillor Cleaver  
Councillor Sangster

In Attendance:

Councillor Palmer – Deputy City Mayor

Also Present:

David Henson      Healthwatch Leicester  
Prof Azhar Farooqi      Co-Chair, Leicester City Clinical Commissioning Group  
Richard Morris      Director of Corporate Affairs, Leicester City Clinical  
                                 Commissioning Group  
Dr Peter Miller      Chief Executive, Leicestershire Partnership NHS Trust

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**51. DECLARATIONS OF INTEREST**

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

**56. PUBLIC HEALTH BUDGET**

The Commission received the draft General Revenue Budget 2017-18. The Commission was asked to consider the Public Health elements of the budget. Comments made by the Commission would be considered by the Overview Select Committee on 2nd February 2017 prior to budget being approved by the Council on 22nd February 2017.

The Deputy City Mayor introduced the report and commented that all areas of

the spending within and use of Public Health Budgets were being reviewed. The Public Health Budgets were currently ring-fenced and grants had been reduced in recent years. These reductions were expected to continue in future years before the ring-fence of the budget was eventually removed altogether and the public health budget became part of the Council's overall budget framework. The Government had required savings of £2 million since May 2015 and there were a number of spending reviews underway to identify further savings in the budget which would report to the Commission in due course. The current budget details for public health were, therefore, lacking detail and this detail would appear through the spending review process. The direction of travel for the future was however clear that public health services would be delivered very differently to the current situation. The provision of public health services was far wider than those currently provided by the ring fenced public health budget. There were health implications and benefits from a wide variety of services provided by all departments and services.

The Chair welcomed the opportunity for the Commission to comment upon the spending reviews as they progressed as this would give the Commission an opportunity to help shape future service provision based upon service outputs and value for money.

Members of the Commission made the following observations and comments:-

- a) The current report format did not provide sufficient detail on the breakdown the public health expenditure and the impact of other services on public health. It was, therefore, difficult for the Commission to make any detailed comment on this aspect of the budget.
- b) There were only 3 references to public health expenditure in the draft report and there was no reference to the impact that the Sustainability Transformation Plan (STP) would have in future service provision.
- c) It would be helpful to have an analysis of health outcomes compared to budget spend and how these compared to other comparator local authorities.
- d) All Council budgets impacted upon health and wellbeing and mental health wellbeing and there was insufficient information in the report to specific health issues to be able to make any meaningful comment. The report also lacked any meaningful comments in relation to equality impact assessments on protected groups (protected characteristics).
- e) It would be helpful for Scrutiny Commissions to receive a short 2 page report identifying specific budget issues and implications for service delivery rather than the current general report.

In summary, the Deputy City Mayor commented on Members' observations and answered their questions as follows:-

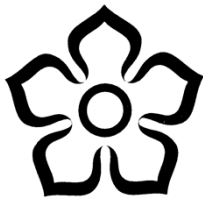
- a) Precise details of financial implications and the impact of the STP on council services were still emerging as the STP continued to develop. This, added to the uncertainty facing future local authority budgets, added to the complexity and uncertainty for planning future service delivery.
- b) The Public Health Team were looking at models used elsewhere in the country to assess impacts upon mental health and wellbeing, but if this was to have real value it needed to encompass services both inside and outside of the council's control.
- c) The current budget process, adopted in recent years, focused on budget ceilings for each department rather than specific budget levels for each individual service within a department's area of responsibility. This reflected the budgetary pressures currently faced by local authorities and provided a greater opportunity for the scrutiny function to help shape priorities and services. The Substance Abuse Review process had been a good example of this.
- d) The Equality Impact Assessment (EIA) statement in the report was appropriate for the general nature of the draft budget report. However, when the individual service reviews were considered by the Commission, the EIA statement would be far more detailed and specific to the impact of any proposed changes on the service users.
- e) The reference to a budget reduction of £0.7 million in 2017/18 (paragraph 7.26) and the saving of an estimated £1.3 million consolidating a range of children's public health services into a single contract (paragraph 7.27) did not mean that too many savings had been achieved. The budget strategy extends to 19/20, and the saving anticipates future cuts in funding for public health which are expected in 2018/19 and 2019/20. Some monies were also being reinvested in other areas which make a significant contribution to public health.

AGREED:

That the draft budget report be received and the Commission's comments be reported to the Overview Select Committee.







Leicester  
City Council

**DRAFT MINUTE EXTRACT**

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

Held: THURSDAY, 12 JANUARY 2017 at 5:30 pm

**P R E S E N T :**

**Councillor Bajaj (Chair)**  
**Councillor Unsworth (Vice-Chair)**

Councillor Dr Barton  
Councillor Dawood

Councillor Shelton  
Councillor Singh-Johal

**In Attendance:**

Councillor Clair, Assistant City Mayor - Culture, Leisure and Sport

\* \* \* \* \*

**46. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Govind.

**47. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**56. GENERAL FUND REVENUE BUDGET 2017/18 TO 2019/20**

The Director of Finance submitted a report setting out the City Mayor's proposed budget for 2017/18 to 2019/20.

The Director of Tourism, Culture and Inward Investment introduced the elements of the report relating to his service area, explaining that savings of approximately £1.5 million needed to be made by 2020 from across the Tourism, Culture and Inward Investment division.

Consideration was being given to how this would be achieved, but it was hoped that increased income, rather than reduced expenditure, would help the division meet this target. For example, things such as increased sponsorships, the transfer of the management of assets, income generation throughout the

service and revenue savings at De Montfort Hall following recent capital investment there could be used.

The Assistant City Mayor for Culture, Leisure and Sport noted that savings also needed to be made in relation to Parks and Open Spaces, which it was hoped could be achieved largely through remodelling the grounds maintenance budget. In addition, a review of Sports Services was being undertaken, which needed to identify £2 million of savings. No decisions on where the savings would be made had been taken to date.

Concern was expressed that it was proposed that Western Park would no longer be entered for a Green Flag award. As well as impacting on the standard to which the park was maintained, the loss of Green Flag status could restrict the ability to apply for certain funding, (such as Heritage Lottery grants).

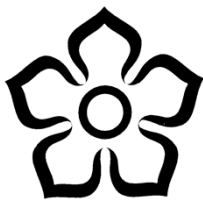
In reply, the Assistant City Mayor for Culture, Leisure and Sport advised the Commission that the costs of retaining Green Flag status included an entry fee of approximately £4,000 per park, plus an assessment fee and maintenance costs. In addition, maintaining the records of the Green Flag parks took a lot of officer time. Three parks would continue to be entered for Green Flag status. These included Abbey Park, which was felt to be a “city park”, due to the number of events held there throughout the year.

The Commission noted this response, but stressed that, where investment was being made, care needed to be taken to ensure that it was spread evenly across the city and not focussed in segregated areas, which could lead to some areas receiving more investment than others.

The Assistant City Mayor for Culture, Leisure and Sport offered to keep the Commission advised of progress with spending reviews and to keep Members updated on identified issues of concern.

AGREED:

- 1) That the report be noted;
- 2) That the Overview Select Committee be asked to take account of the comments made by this Commission in its consideration of the General Fund revenue budget for 2017/18 to 2019/20; and
- 3) That the Assistant City Mayor for Culture, Leisure and Sport be asked to keep the Commission advised of progress with spending reviews of services falling within the Commission’s remit.



Leicester  
City Council

**DRAFT MINUTE EXTRACT**

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

Held: WEDNESDAY, 25 JANUARY 2017 at 5:30 pm

P R E S E N T :

Councillor Cutkelvin (Chair)

Councillor Aldred  
Councillor Dr Chowdhury

Councillor Fonseca  
Councillor Hunter

In Attendance:

Councillor Master, Assistant City Mayor - Neighbourhood Services  
Councillor Waddington, Assistant City Mayor - Jobs & Skills

\* \* \* \* \*

**62. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Gugnani and Councillor Halford.

**63. DECLARATIONS OF INTEREST**

Councillor Dr Chowdhury declared Other Disclosable Interests in the following agenda items:

- Agenda item 8, "Community Asset Transfer Update", in that he worked in a voluntary organisation that could be involved in asset transfer in the future;
- Agenda item 10, "Citywide Voluntary and Community Sector Support", in that he had received support under the contract discussed in the report and the organisation he worked for was a delivery partner for a project funded through the European Social Fund and the Lottery Fund; and
- Agenda item 11, "Response to the Leicester Advice Sector: A Report Outlining the Risk and Demands in the City", in that his employer received

some funding from the Council and HMRC to provide advice to city residents.

Councillor Fonseca declared Other Disclosable Interests in the following agenda items:

- Agenda item 10, “Citywide Voluntary and Community Sector Support”, in that he was a member of a voluntary organisation affiliated to Voluntary Action LeicesterShire (VAL) that had received assistance from VAL some years previously to frame a constitution; and
- Agenda item 11, “Response to the Leicester Advice Sector: A Report Outlining the Risk and Demands in the City”, in that he had done some voluntary work with the Citizens Advice Bureau, (now Citizens Advice Leicestershire), approximately three years ago.

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 during consideration of the relevant items.

### **73. GENERAL FUND REVENUE BUDGET 2017/18 TO 2019/20**

The Director of Finance submitted a report setting out the City Mayor’s proposed budget for 2017/18 to 2019/20.

The Director of Neighbourhood and Environmental Services introduced the report, explaining that the report did not contain a lot of detail, as this was scrutinised through the various spending reviews being undertaken in service areas. The Commission noted this, but expressed some disappointment that it was not included in the report, as this would have facilitated consideration of issues such as alternative ways of releasing funds.

The Commission welcomed the increase in managed reserves, but felt that it would have been useful to know which service areas had made the savings discussed in the report.

It was noted that the report made reference to anticipated financial difficulties in coming years, but did not contain information on the approach that would be taken to these challenges, (for example, what would be prioritised). This was felt to be an omission, as it made it difficult to comment on the proposed budget.

**AGREED:**

- 1) That the report be noted; and
- 2) That the Overview Select Committee be asked to take account of the comments made by this Commission in its consideration of the General Fund revenue budget for 2017/18 to 2019/20, particularly noting the Commission’s disappointment at the lack of detail contained in the report.







# **“No Cuts” Budget Proposal**

*A Report produced by UNISON Leicester City's Branch Executive Committee,  
February 2017*

## **Cuts Are Unacceptable**

*As a democratic union that comprises over 1.3 million members, UNISON are determined opponents of the Government's austerity measures. What cannot be in doubt is that there is no credible evidence that forcing the working poor to pay for a financial crisis caused by greedy bankers will solve any of society's problems. So, although we are the fifth richest country in the world, the government is overseeing catastrophic attacks on the very idea of public services. This is not to mention the anti-democratic attacks on trade union rights that were enshrined in the Trade Union Bill.*

*In May 2015 UNISON released their Austerity Audit, which demonstrated that 37% has been cut from the budget of councils across England since May 2010, or losses in monetary terms of £12.5 billion. At the same time, the report noted, local authorities are "being handed extra responsibilities but without the funds to pay for them." Just focusing on the national effects of cuts on the elderly, the Audit pointed out how over the last five years the number of older people receiving home care has fallen by 32%; day care places have plummeted by 66.9%; the number receiving meals on wheels has plunged by 64%; and spending on day care has fallen by 30%.*

*Other local NHS reports have also demonstrated how life expectancy for Leicester residents is already below the national average, and the health gap between affluent and more deprived areas within the city is significant. In concrete terms, there can be a difference of more than nine years life expectancy across our city. Further cuts to Council funding will only intensify such health inequalities. It is for such reasons that UNISON Leicester City's Branch Secretary, Gary Garner, wrote to City Mayor Sir Peter Soulsby and the Labour Group in May 2015 to demand a commensurate political response. "It is not good enough to simply*



*announce cuts to services and jobs and blame the Tories,” Gary said, “our members and the citizens of Leicester expect more.”*

*Yet so far, in the face of this all-out attack upon the people of Leicester, our city’s Labour-run Council (with Labour holding 52 of the 54 available ward seats) continue to blame the Tories and then carry through cuts. In the Council’s latest “draft” Budget they, therefore, propose to cut the Council’s annual budget by a further £24 million by 2019/20, although they say more cuts will have to be found to enable £41 million to be cut!*

*UNISON members and the citizens of Leicester expect and deserve more from our Labour Council. As profits for the Conservative’s corporate friends steadily climb as a result of handy tax breaks, even reports produced by the Tories themselves have demonstrated that low-income working families will be left £2,500 worse off by 2020.*

*More people are in debt than ever before, more and more food banks are being set up in Leicester, and tens of thousands of children are growing up in poverty.*

*If we just considered the direct employees of the City Council: since 2011 between 900 and 1,000 council posts have been made redundant, and presently the Council are attacking the pay and conditions of their remaining workers. Moreover, early last year the City Mayor had already “indicated a further 700 jobs would be axed from a remaining workforce of 7,000 excluding school staff” (February 18, Leicester Mercury).*

*So while the Local Authority has so far avoided making significant compulsory redundancies, even the voluntary redundancies have been to the detriment of the health and wellbeing our members and other employees who remain in work. Our members and other council employees are working harder for less. On top of this our members and other employees have the real fear of losing their jobs if councillors vote for cuts.*

*This simply cannot continue, As Gary Garner has made clear in the local newspaper last December: "We all know the Tories are to blame but it is a Labour council that is attacking the terms and conditions of our members. It is a Labour council making our members redundant and decimating services and we know there is more coming." Gary added: "The City Mayor keeps talking about slowing the pace of the cuts but however quickly you do it you end up in the same place - with important services wrecked and abandoned."*

*This is why UNISON City Branch, which represents thousands of public sector workers across Leicester, is now calling upon Leicester City Council to do everything in their power to stop ongoing Tory cuts. Tory cuts are have a major negative impact on services, jobs and quality of life for people living in Leicester and something must be done.*

### **Working Together: Uniting Against Cuts**

*UNISON are proud of the financial and political support that our members provide to the Labour Party, and in recognition of this support we believe that elected Labour councillors should, when they have the opportunity, do their best to support the livelihoods of their electorate (which includes many of our members).*

*At present the best way in which the local Labour Group can support the people of Leicester is to refuse to carry through further Tory cuts by setting a legal "no cuts" budget for the duration of the next three years.*

*If Labour wants to show to the people of Leicester that they are better than the Tories, then they should do everything in their power to prevent further attacks on our city. If Leicester's Labour Council choose to fight Tory cuts they can be assured that they will have the full support of UNISON Leicester City Branch, and no doubt that of the rest of the city's many trade unionists. This will enable us to work together, not against one another, in building the necessary grassroots movement which can*

*only serve to help to bring a Labour government to power (sooner rather than later).*

*Unfortunately, so far, because Leicester's Labour Group have chosen (albeit reluctantly) to carry through the Tories cuts, they are seen by the public and their employees to be the politicians at fault who are cutting vital public services.*

*On this score, Labour should be honest about what they are doing, they are not making "savings," they are making "cuts." In their latest draft Budget they mention the so-called "savings" they hope to make at least 40 times. But let us be clear about this, what the Council are proposing are cuts. Cuts to the very jobs and services that allow Leicester to care for some of our most vulnerable residents, whether they be the young, the elderly, or the ill.*

*If Leicester City Council implements the planned £41 million annual cuts over the next three years, this will seriously erode services to a point where they will no longer be viable or they will be lost. If these cuts are implemented and continue at the current rate, Leicester City will become a purchaser of services from the private/third sector or will have outsourced services. This will bring to an end the idea of the local authority being a provider of services in-house that are accountable to the public through the ballot box.*

*With ongoing reductions in the size of the public sector, the question has to be asked: how long can a smaller workforce continue to do the work carried out by many more in the past? Already stress is the biggest single cause of sickness absence, and this seems only likely to get worse in the future. Further cuts will only create a more unequal and more poverty stricken city.*

*The terminal threat presently facing the Labour movement and the very idea of public services cannot be understated. As a report in The Observer*

*(February 5) recently surmised: "The local government finance bill, currently in committee stage in the Commons, abolishes the annual local government finance settlement, which is approved by Parliament every year."*

*Let there be no doubt, by removing the Revenue Support Grant, the Tories are planning to destroy effective local government. Leicester City Council is well aware of this plan, and in their draft Budget acknowledge that their "government grant has fallen, on a like for like basis, from £289m in 2010/11 to £174m in 2017/18; and is projected to fall further, to £166m by 2019/20." Such cuts are merely the start, not the end of the matter, if such Tory attacks are not resisted in actions not just words.*

### **Time to Make a Stand**

*Surely no councillor can be satisfied with the present state of affairs where they are seen to be voting to carry through Tory austerity? But as far as the government are concerned the most desirable position for them is having Labour councils act as their agents in imposing cuts on local communities.*

*To bring a swift end to this problematic state of affairs, Leicester City Council should stop hiding behind their council officers and stop repeating the mantra that a "no cuts" budget is illegal – this is not the case. They should be telling council officers what to do and instruct them to implement a "no cuts" budget that would protect jobs and services for at least the next three years.*

*Sir Peter Soulsby has made a variety of excuses for why his Council will not, and apparently cannot, fight the cuts. One of his most regularly cited excuses relates to the threat of Government Commissioners being sent in to take over any Council who defy the government. But let's be realistic about this risk, it only applies to Councils that set illegal budgets, which is not what is being suggested here.*

*Councillors should call upon other Local Authorities to join them in refusing to vote for cuts and build an opposition along with the trade unions and community organisations that can defeat the cuts. This is entirely possible, but it would take an effort to build. Leicester UNISON City branch would support any councillor all the way if they adopted this fighting stance of taking the side of employees, trade union members and the people of Leicester against the cuts.*

### **UNISON City Branch's "No Cuts" Budget Proposal**

*We call on the City Mayor, his Executive Team, and for all other city councillors, to instruct council officers to provide the figures to enable a "no cuts" budget to be set. UNISON's proposal would more than fill the £41 million shortfall in funding and, therefore, abrogates the need for any cuts or the need to increase the Council Tax over the rate of inflation or the need for any increased charges, etc.*

*In proposing this "no cuts" budget we acknowledge that this would be a one-off budget that could not be repeated in three years' time as the monies will not be available to use then. We advocate this budget as an emergency measure for an emergency situation. We believe it is critical that the Labour City Council acts alongside UNISON in fighting to defend all jobs and services. The budget we are proposing will give the councillors time to build and mobilise a mass campaign to stop the cuts. We call upon all present councillors to vote against cuts and implement a "no cuts" budget. For three examples of how this can be achieved, see below.*

### **Spending General Reserves**

*Councillors should, for a start, work out ways to free up money presently stowed away in the Leicester City Council's "Usable Reserves" so they can commit to using it to prevent further cuts. Such a course of action seems not to pose any serious problems when areas overspend their budgets.*

*When Adult Social Care overspent their budget by £3.5 million this gap "was covered by corporate contingency funds."*

*At present the Council has £40.9 million in their "Managed Reserves" fund, which they say "will start to be used from 2016/17 onwards." The Council describes this defeatist "Managed Reserves Strategy" as a means of buying "time to implement future reductions in a planned way." This strategy, of course, does not free up nearly enough money to prevent cuts to services that gather apace by the day. So where should additional money come from?*

*Well to start with we should recognise that whilst the "total authority reserve" funds for Leicester are £1.45 billion (as of 31 March 2016), most of this money cannot be used to oppose service cuts. This is because most of this money is legally ring-fenced for funding projects like building schools or for covering pensions, etc. Importantly, the level of reserves that are maintained by the Council is a political decision. Thus a recent parliamentary briefing paper (["Local government in England: capital finance"](#)) explains:*

*"Under section 32 of the Local Government Finance Act 1992, local authorities are required to maintain an appropriate level of reserve funding. As with prudential borrowing, the judgement as to an appropriate level of reserves lies with local authorities: there is no formula to arrive at the 'correct' level."*

*Leicester City Council's latest "Statement of Accounts" report (2015-16) highlights how the Council actually has enough money in their reserves to enable them to make no further service cuts for the next three years. Presently, the Council has £15 million of "unallocated general reserves", and £190 million of "earmarked [allocated] general reserves". Unallocated reserves can be used by the City Council to prevent service cuts, but it is important to recognise that most of the reserves categorised as*

*"earmarked" can also be used to buy the Council time in any potential fight against Tory cuts. Only one third (£63 million) of the £190 million of allocated general reserves is ring-fenced for projects associated with schools and the NHS, which the City Council is legally obligated to provide. The remainder of these reserves (£127 million) can legally be used to stop cuts.*

*That earmarked (allocated) reserves can be used is also confirmed by council officers' guidance which states that most Earmarked Reserves "may also be used on a short-term temporary basis for other purposes provided the funding is replaced in future years." (Source: Liverpool council budget document, 2013-17 Medium Term Financial Strategy, Section D. Working Balances and Earmarked Reserves, paragraph 14.1, 6 March 2013.) This is important as it means that we can ask that Labour councillors instruct the council's finance officers to investigate utilising a total of £142 million of our city's general reserves (£190 million minus £63 million plus £15 million) to temporarily stop cutbacks, in order to launch a mass campaign to win the money back from central government.*

*The Council continue to argue that their earmarked reserves are being retained to manage future unforeseen risks, but the current risk posed by needless cuts and austerity surely represents a colossal risk. This is why all available money in general reserves should be channelled into building a campaign against further cuts. This is needed right now: not when it is too late!*

### **Increasing Borrowing for Capital Projects**

*We call upon Leicester City Council to investigate borrowing millions from the Government to finance capital projects. The primary source for such loans is a body called the Public Works Loan Board (PWLB), and currently Leicester City Council has long-term loans from the PWLB that are worth*

*£136 million. On the issue of PWLB loans, Leicester's recent "Statement of Accounts" report points out:*

*"The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments."*

*The parliamentary report, "Local Government in England: Capital Finance," makes it clear that PWLB funds can only be used to finance capital expenditure, that is, things like "new roads, school buildings, libraries or residential homes... Such expenditure implies that the object of expenditure has a long life: it is an asset." Nevertheless, these are all things that would benefit the people of Leicester, and investment in useful capital projects will help demonstrate to the voters that our Council is putting their interests before the need of big business.*

*In terms of determining how much any give Council can borrow from the PWLB: "Each authority must set a total borrowing limit for itself in accordance with the principles of the Prudential Code." Moreover, "There is some flexibility in exactly how individual local authorities set these limits. The Prudential Code does not prescribe formulae allowing the exact calculation of prudential limits, relying instead on the judgement of the local authority chief finance officer, and on 'generally accepted accounting practices'."*

*Unfortunately, since 2010 the government had consistently meddled with the nature of PWLB loans. Thus:*

*"In recent years, the PWLB has tended to offer an interest rate only 0.15-0.20% above the Government's borrowing costs, but in October 2010 this differential was raised to 1%. As a result, a number of larger local authorities began to investigate whether a bond issue*



*could achieve a more favourable interest rate. However, in the 2012 Budget, the Government introduced a discount for borrowing from the PWLB for local authorities which provided information requested on long-term borrowing and capital spending. This took the form of a new 'certainty rate', a discount from 1% to 0.80%, available from 1 November 2012. A further discount to 0.60% for borrowing regarding an infrastructure project nominated by a Local Enterprise Partnership was introduced in November 2013."*

*Since 2010, Government changes to PWLB provision was reported on only once in our local newspaper, the Leicester Mercury, in the article "Fears over loans after rates raised" (October 28, 2010). Furthermore, under the cover of reducing paper-work and bureaucracy, the Government is presently in the process of trying to abolish the PWLB altogether. Although similar capital loans will of course still be available, the loss of the PWLB would raise serious problems for local councils and so this abolition should be opposed.*

### **Income generation**

*UNISON believe that to date insufficient consideration has been given to income generation but there are a number of avenues open to Leicester City Council to use its charging powers to generate income. Obviously we are not privy to what extent LCC currently uses income generation; however, below are some suggestions:*

- *Local Authorities (Goods and Services) Act 1970*
- *Environment Protection Act 1990 s45 (Commercial Waste)*
- *Local Government (Miscellaneous Provisions) Act 1976 s11 (Renewables), s19 (Leisure), s38 (Surplus Computer Capacity)*
- *Local Government Act 1972 s145 (Entertainments)*
- *Local Government Act 2003 s12 (Powers to Invest)*

- *Local Government Act 1972; Town and Country Planning Act 1990 and the Housing Act 1985 (in relation to the buying and selling of land)*
- *Local Authorities (Land) Act 1963 (Development)*
- *Local Government Act 1988 (Privately Let Housing)*
- *Building Act 1984 s97 (Works)*
- *Local Government (Miscellaneous Provisions) Act 1976 s32*
- *Civic Restaurants Act 1947*
- *Local Government Act 1972 s139 (acceptance of gifts and incidental works)*
- *Localism Act 2011 (General Power of Competence)*
- *Road Traffic Act 1988 s45 (MOT)*

### **Summary**

*We would expect elected members to have explored all the possibilities outlined above before making cuts to services or to our members' terms and conditions. We believe it would be wrong for a Labour Council to take a perverse pride in being able to make huge cuts and still balance the books. It is time for elected members to speak out against cuts and attacks on local democracy.*

***UNISON Leicester City  
February 2017***

### **Attachments**

***The Cuts: UK's Damaged Future  
The Damage Austerity report on cuts since 2010***



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## **Housing Revenue Budget 2017/18**

**Full Council: 22<sup>nd</sup> February 2017**

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*Assistant Mayor for Housing: Cllr Andy Connelly*

Lead officer: Chris Burgin

## Useful information

■ Ward(s) affected: All

■ Report authors: Chris Burgin, Interim Director of Housing and Peter Coles, Principal Accountant Housing

### 1. Purpose

- 1.1 The 2017/18 budget will be set by full Council in the context of the government requirement that rents are reduced by 1% p.a. for the four year period 2016-2020.
- 1.2 This report informs Executive of the views of Housing Scrutiny Commission and the Tenants and Leaseholders Forum on the proposals and options agreed by the Executive as the basis for consultation.

### 2. Summary

- 2.1 The Housing Revenue Account (HRA) budget will be set in the context of the government requirement that rents are reduced by 1% p.a. for the four year period from 2016 to 2020.
- 2.2 This report recommends that the second of four Rent Reduction Budgets is set as a balanced budget with no use of reserves and that the Executive will receive further reports on the outcome of work on HRA Spending Review Phase 3 to identify a total reduction in spending of c£11.4m pa by 2019/20.
- 2.3 The government's decision to implement a 1% p.a. rent reduction over a four year period has placed the HRA under significant pressure to deliver a balanced budget. A number of other external pressures and changes also brought about by central government place the HRA at further risk including the introduction of Universal Credit, Local Housing Allowance Cap, High Value Vacant Homes Levy and the impact of increasing Right to Buy Sales. (A decision was taken by Central Government on the 20<sup>th</sup> November 2016 not to proceed with plans to implement Pay to Stay). All of these changes create a period of significant uncertainty in setting the budget for the Housing Revenue Account. It is therefore proposed that this report focuses on the budget setting for the HRA for 2017/18.
- 2.4 Consultation has now taken place with the Housing Scrutiny Commission and the Tenants and Leaseholder Forum and feedback has been incorporated into this final report to the Executive. Consideration of Spending Review Phase 3 will then enable Executive and Full Council in February 2017 to agree the annual budget for 2017/18 and to have an overview of a further 2 year framework for future annual budgets up to and including 2019/20.

### 3. Recommendations

- 3.1 Taking into account the views of Housing Scrutiny Commission and the Tenants' and Leaseholders' Forum it is proposed;
- i) Note the proposed approach set out in Appendix C to delivering savings required under Housing Transformation Programme Phase 3, as approved by the Executive on 6<sup>th</sup> October 2016;
  - ii) Implement the 1% reduction in rent for tenants' and core rent hostel charges
  - iii) Note the proposed increase in service charges and garage rent by 2% (September CPI+1%) (excluding heating and cleaning charges);
  - iv) Agree the approach for the Executive to consider the outcome of work on the HRA Spending Review Phase 3 in the summer of 2017 to identify a total reduction in spending of c£11.8m pa by 2019/20, compared to the current business plan.

### 4. Report

- 4.1 The HRA operates in a self-financing environment. Spending priorities are made in the context of a 30 year business plan and need to achieve the right balance between investing in maintaining and improving the housing stock, providing landlord services to tenants, building new homes and supporting and repaying housing debt of £198m.
- 4.2 The 30 year business plan models future levels of income and expenditure. The Government's summer budget statement in July 2015 had a profound impact on assumptions about future rent increases. All housing associations and councils are required to decrease rents by 1% each year for 4 years, compared to the previous national policy of increasing rents by CPI + 1%. The combined impact of rent reductions and reducing stock will result in £2.96m less income in 2017/18 compared to the previous year, rising to £11.4m a year in 2019/20. By 2019/20 annual income will be reduced by 14.2% p.a.
- 4.3 The overall impact of four years of rent and stock reductions is that income from rent is expected to fall by £11.4m from £80.9m in 2015/16 to £69.3m in 2019/20. It is unclear how rents may change from 2020/21, although this rent income is certain to be lost to the baseline for ever, as any future increases will be from the lower rent levels. Table 1 below shows the overall impact on the HRA.

Table 1:	2016/17	2017/18	2018/19	2019/20
<b>Rent Loss:</b>				
1% rent reduction	£0.81m	£0.75m	£0.72m	£0.70m
Right To Buys	£1.85m	£1.83m	£1.81m	£1.43m
High Value Homes Levy	£0.39m	£0.38m	£0.36m	£0.35m
<b>Total rent loss</b>	<b>£3.05m</b>	<b>£2.96m</b>	<b>£2.89m</b>	<b>£2.48m</b>

Forecast income from rent	£77.86m	£74.89m	£72.01m	£69.37m
<b>Total rent loss compared to 2015/16</b>	<b>£3.05m</b>	<b>£6.01m</b>	<b>£8.92m</b>	<b>£11.41m</b>

4.4 Central Government's decision to reduce rent by 1% over a four year period places the HRA under significant pressure to deliver a balanced budget. A number of other external pressures and changes also brought about by central government place the HRA at further risk (see 4.4.1 to 4.4.4) and it is proposed to set a one year budget for 2017/18.;

4.4.1 Universal Credit:

The Department of Work & Pensions has commenced the roll out of Universal Credit in Leicester which combines all benefits into a single monthly amount paid directly to the claimant. It is still in the very early stages with only 118 tenants so far on Universal Credit. The current collection rate is excellent and exceeds 99%. Approximately £50m of housing benefit is currently paid direct to the HRA will now have to be collected individually from each tenant. Over 13,000 tenants (60% of all tenants) who are in receipt of housing benefit will receive one monthly benefit payment and will have to manage their housing benefit alongside other benefits they received. Rent arrears are expected to rise which will increase the cost of collection. A fall in the collection rate will directly impact on the funding available to operate services and would require further savings to achieve a balance budget.

4.4.2 Local Housing Allowance Cap:

In the Comprehensive Spending Review in November 2015, the Government outlined plans to extend Local Housing Allowance (LHA) to social landlords. The Government will limit housing benefit to LHA rates. The change will have the biggest impact on single under 35's who will see their housing benefit limited to the shared room rate will not be sufficient to cover rent on a one-bed property. Families in larger properties are unlikely to be affected as rents are below the LHA rate. The timetable for implementation has been extended and will apply from April 2019 to all Universal Credit claimants.

4.4.3 High Value Vacant Homes Levy:

Central Government has confirmed as part of the Autumn Budget Statement that plans to introduce a high value vacant homes levy have been postponed to 2018/19. This will require some properties to be sold when they become vacant in order to fund payment of the levy. It is not yet known how much the levy will be or how many homes may have to be sold. Reserves will be required to pay the levy before receipts from any sales have been received. This places further pressure on falling rent income and stock numbers declining further. Although the levy payable for 2018/19 is not yet known £0.5m has been set aside from the 2017/18 budget.

- 4.4 Supported Housing:  
Rents were exempt from the 1% rent reduction for 2016/17. Rents on 400 warden assisted flats were frozen and kept at 2015/16 levels. Rent for 103 bed spaces in the Dawn Centre and Border House were increased by 0.9%. The government has confirmed that the 1% rent reduction will apply to supported housing rents for 3 years from 2017/18. Therefore warden assisted accommodation rent and hostel core rent will decrease by 1% in 2017/18. Government has begun consulting on reforming the funding of supported housing. Changes are expected to be implemented from April 2019 which could see an LHA cap on rents, a top-up fund replacing lost income and the council potentially undertaking a commissioning role for all supported housing services in the area.
- 4.5 The 1% rent reduction also does not apply to service charges and garage rents. It is proposed to increase service charges (excluding heating and cleaning charges) by 2% (September CPI+1%) which will raise an extra £32k a year. It is proposed to increase garage rents by 2% (September CPI+1%) which would increase the average weekly rent to £8.48. This would bring in an additional £5.5k per year. District Heating charges are reviewed annually in September. Cleaning charges were reviewed by Housing Scrutiny in 2016.
- 4.6 The Housing Transformation Programme began a programme of efficiency savings in 2013 and has so far reduced expenditure by £6m a year. Spending Review Phases 1 and 2 achieved revenue savings of £3.4m and capital savings of £1.1m which have financed the effects of changes made in the amounts charged between the HRA and General Fund to reflect service levels provided (reported in previous years' budgets). Phase 2 of the Housing Transformation Programme almost complete with the implementation of the new organisational structure on 31<sup>st</sup> October with savings of £1.5m. Although significant savings have been have already been delivered the key driver for these savings has been through service improvement and efficiencies. Moving into Phase 3 due to the significant financial pressures service reductions will be inevitable.
- 4.7 Unavoidable additional costs in 2016/17 are set out in table 2 below. The second year of the 1% rent reduction will reduce income from rent by £750k. A review of the business plan has revised assumptions about the loss of council houses through Right to Buy and to fund the High Value vacant homes levy. The in-year impact in 2017/18 will be £2.25m. Due to the accelerated decline in the number of council homes a one off adjustment is needed to realign the budget to reflect the business plan forecasts. Pay inflation of £620k includes the anticipated 1% pay award, a 5% increase in employer pension contributions and government's new apprenticeship levy. Materials and contract inflation is expected to cost an additional £450k. There continues to be significant challenges to collect income as direct payments to tenants are made as part of Universal Credit, as detailed above. This may require additional resources in the Income Management Team. An allowance is already made for bad debt, but the overall impact of this pressure is being considered and any recommended adjustments will be put forward for the 2018/19 budget.

<b>Table 2: Unavoidable Costs Pressures</b>	
1% rent reduction	£0.75m
Effect of 17/18 stock reductions	£2.25m
Effect of 16/17 stock reductions (realign base budget)	£1.19m
Employee costs	£0.62m
Material & Contract costs	£0.45m
<b>Total Additional Costs</b>	<b>£5.26m</b>

4.8 The capital financing requirement in 2016/17 is £20.3m. The existing capital financing requirement for 2017/18 is £18.8m and before the impact of the 1% rent reduction was intended to be sustainable from in-year rent income. However if all capital expenditure proposals are approved the capital financing requirement reduces to £17.1m. If all revenue proposals are approved there will be an overall surplus of £0.5m. It is proposed to set this aside as a contribution towards the first payment of the high value vacant home levy due from April 2018. Section 4.13.2 and appendix C provides more detail on the impact of the 2016/17 capital reductions.

4.9 Table 3 below summarises the 2016/17 proposed budget.

	2016/17	Inflation	Growth	Savings & Reductions	2017/18
	£k	£k	£k	£k	£k
<b>Income:</b>	<b>(86,254)</b>		<b>4,190</b>		<b>(82,064)</b>
<b>Expenditure:</b>	<b>65,953</b>	<b>620</b>	<b>450</b>	<b>(2,618)</b>	<b>64,405</b>
<b>Capital Expenditure Requirement</b>	<b>20,301</b>				<b>17,131</b>
Set aside for High Value Vacant Homes Levy					528
<b>(Surplus)/Deficit</b>	<b>0</b>				<b>0</b>



4.10 At the end of 2016/17, in addition to the minimum £5m working balance, the expected available revenue reserves are set out in table 4 below. Available borrowing is restricted by the debt cap, however available borrowing for capital investment is forecast to reach £15m over the next 5 years.

Future Schemes Fund	£1.6m
Major Repairs Fund	£3.8m
Forecast 2016/17 surplus	£0.6m
<b>Total available reserves</b>	<b>£6.0m</b>

#### 4.11 Proposals for savings

The following sets out the proposed potential areas for savings for 17/18; the following proposals relate to options put forward for consideration for savings. This generates potential ongoing savings of £4,200,000

#### 4.12 Tenancy Management

- It is proposed that the savings could be delivered as follows  
CCTV-£100,000 Proposal to reduce the concierge and CCTV services across Housing Estates, in conjunction with the Corporate review of CCTV currently being undertaken to review existing CCTV provision and required future investment to upgrade aged and life expiring equipment. The original CCTV was put in to Housing estates during early 1990's and times of significant Anti-Social Behaviour, higher crime levels and significant estate and property challenges. An enhanced targeted approach to the placement of fixed and the increased use of mobile CCTV units to address localised issues is expected to maintain service levels and meet future need. The removal of broken, unused and low usage units will also remove the risk and additional capital replacement cost to the authority.
- STAR review £100,000, there was a temporary reduction of budget agreed in last year's budget to reflect three on-going vacant posts. The posts remain vacant and it is proposed to permanently reduce the service by three posts. The deletion will not represent a reduction in the service offer to tenants who will not notice a change in service. Further work is proposed to be undertaken to review existing STAR service arrangements in the light of ongoing Welfare Benefit changes to challenge the existing service focus to help those most in need.
- Estate Warden Service Reconfiguration- £200,000- this could potentially be released through a reconfiguration in the way this service is provided. The Estate Warden service was introduced originally in the early 1990s to address significant estate management issues including a major issue with fly tipping. The provision of this service in exclusively Council owned stock estates creates a two tier system of highway and cleansing service which while recognising the need to maintain a focussed service to address ongoing estate management issues the service can be rationalised to support existing budgetary pressures while minimising service impact.

- Realign Anti-Social Behaviour services-- £80,000- this could potentially be achieved through partnership working with Regulatory Services and the future delivery of a corporate offer for anti-social behaviour. This would potentially involve an increase in the use of channel shift of services online for low level anti-social behaviour advice and assistance. This is linked to the Regulatory Services review and would represent an increase in the amount of funding Housing provides LASBU with this for their service whilst reducing the overall costs to housing.

#### **4.13 Capital**

- Environmental & Communal Improvements Budget £250,000, this potential saving would represent an overall reduction in the budget down to £750,000. The budget has increased in recent years to its current level of £1m to achieve additional investment and improvement in localised schemes from a budget in 2010/11 of £900,000. This budget continues to be driven by tenant choice and provides ongoing significant investment to local estates while supporting existing budget reductions.
- Reconfiguration of kitchen and bathroom programme- £1,100,000, this adjustment to the budget for kitchen and bathroom refurbishment/installations will ensure we continue to meet Decent Homes Standard but will mean we undertake fewer installations
- Rewires/ Electrical upgrades- £300,000, current programme has had an increased budget to deal with a backlog of rewires and electrical upgrades which is now complete. The remaining budget will continue to meet the condition led programme.

#### **4.14 Transforming Neighbourhood Services**

- Approved TNS projects in the North West and South West of the City with Housing services moving in to localised hubs. To date have generated £110,000 in savings. Future TNS consultation involving the East of the City is expected to achieve further HRA revenue savings.. A future report will be brought to Executive setting out proposals for consideration and consultation arrangements under the TNS project.

#### **4.15 Voids and Property Lettings**

- Reconfigured kitchen replacement programme in Voids £250,000, this would represent a move from replacement to repairing kitchens where feasible in order to generate these savings.

#### **4.16 Repairs**

- Increased productivity achieved through the HTP Phase 2 staffing structural and operating arrangements would enable capacity to undertake some capital work currently undertaken by external contractors.
- Reconfiguring the Apprenticeship programme which continues to maintain an intake of 15 new apprentices per year will achieve savings of £170,000

#### **4.17 Charging to Housing Revenue Account**

- Revision to existing corporate charges to the HRA from Corporate service following reductions in stock levels across Housing estates is expected to lead to budget reductions. The review will begin during 2017/18 but it is not expected to achieve a saving until 2018/19.

#### **4.18 Cross Service**

- In addition a further saving of a potential £30,000 can be saved relating to support services to the Senior Management Team
- A further £20,000 could be offered up in relation to savings attributed to postage through improved use of channel shift in Income Management.

4.19 In addition whilst this report focuses on the delivery of savings options for consideration in the 2017/18 budget further work is ongoing to identify the significant further savings required to meet the overall budget shortfall up to 2019/2020. Heads of Service are undertaking a detailed review of all areas of budget cost centre management and a further report will be brought to the Executive in 2017/18 setting out proposals for 2018/19 and 2019/20.

### **5. Financial, legal and other implications**

#### 5.1 Financial implications

5.1.1 This report is exclusively concerned with financial implications.

**Pete Coles, Principal Accountant Housing, ext 37 4077**

#### 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).

5.2.2 The Council is also required to ring-fence the HRA to ensure that only monies received and spent for obligations and powers under the Housing Act 1985 can be paid into and out of the HRA (S75 and Schedule 4 Local Government and Housing Act 1989).

**Jeremy Rainbow - Principal Lawyer (Litigation) - x371435**

#### 5.3 Climate Change and Carbon Reduction implications

5.3.1 Leicester City Council has a corporate target to reduce city wide carbon dioxide emissions to 50% of the 1990 level by 2025 and Housing Services play a significant role in meeting this. A reduction of capital investment in any scheme that would otherwise improve the energy efficiency of the council housing stock, e.g. boiler or window replacements, will reduce the carbon savings originally expected from these initiatives.

5.3.2 For other schemes that the actual investment will not being lowered, but the timeframe is to be extended, e.g. Hard to Heat homes, there will be no significant implication for carbon in the long term as the 1096 remaining homes will still be upgraded to the same standard, just over a longer 2 year timeframe.

5.3.3 The programme of building new council housing will also have implications for city wide emissions, and these will be considered in future reports.

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

None

**7. Summary of appendices:**

Appendix A: Proposed HRA Budget 2016/17

Appendix B: Proposed HRA capital Programme

Appendix C: Table of Revenue & Capital Reductions

Appendix D: Rents by property type 2016/17

Appendix E: Leicester average rents comparison

Appendix F: Other charges and payments 2015/16

Appendix G: How priorities were assessed for Expenditure

Appendix H: Feedback from consultation with Tenants Forum

Appendix I: Minutes of the Housing Scrutiny Commission

Appendix J: Equality Impact Assessment (EIA)

**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”?**

No, as the decision will be taken by full Council.

**Proposed Housing Revenue Account Budget 2017-18**  
**Year 2 Rent Reduction**

	2016/17	Inflation	Growth	Savings & Reductions	2017/18
	£k	£k	£k	£k	£k
<b>Income:</b>					
Rent	(79,233)		4,232		(75,001)
Service charges and other income	(7,021)		(42)		(7,062)
	<b>(86,254)</b>		<b>4,190</b>		<b>(82,064)</b>
<b>Expenditure:</b>					
Management & Landlord Services	15,234	190	250	(1,065)	14,609
Repairs & Maintenance	27,865	430	200	(1,282)	27,213
Interest on borrowings	9,628			(271)	9,357
Bad Debt Provision	1,400				1,400
Charges for support services	6,189				6,189
Contributions for General Fund services	5,637				5,637
	<b>65,953</b>	<b>620</b>	<b>450</b>	<b>(2,618)</b>	<b>64,405</b>
<b>Capital Expenditure Requirement</b>	<b>20,301</b>				<b>17,131</b>
Set aside for High Value Vacant Homes Levy					528
<b>(Surplus)/Deficit</b>	<b>0</b>				<b>0</b>

<b>HRA Capital Programme 2017-18</b>			
<b>Year 2 Rent Reduction</b>			
	Original	Proposed Reductions	Revised
<b>Scheme</b>	<b>2017/18</b>		<b>2017/18</b>
<b>Investment in Council Housing</b>			
Kitchens & Bathrooms	5,100,000	(1,100,000)	4,000,000
Boilers	3,500,000		3,500,000
Electrical Upgrades & Rewires	2,500,000	(300,000)	2,200,000
Re-roofing	300,000		300,000
Soffits & Facia	350,000		350,000
Condensation Initiatives	400,000		400,000
Windows & Doors	150,000		150,000
Structural improvements & DPC	450,000		450,000
Door Entry	150,000		150,000
Tower Block Redevelopment	500,000		500,000
	<b>13,400,000</b>	<b>(1,400,000)</b>	<b>12,000,000</b>
<b>Business Investment</b>			
Northgate Phase 2	300,000		300,000
IT Hardware	100,000		100,000
	<b>400,000</b>	<b>0</b>	<b>400,000</b>
<b>Environmental and Communal Works</b>			
Communal Improvements & Environmental Works	1,000,000	(250,000)	750,000
Disabled adaptations	1,200,000		1,200,000
Fire Risk Works	850,000		850,000
Safety Works	300,000		300,000
Loft Insulation	100,000		100,000
Waylighting	150,000		150,000
Sheltered housing improvements (ASC)	100,000		100,000
Supporting Neighbourhood Hubs	100,000		100,000
Concrete Paths Renewal	100,000		100,000
Exchange Demolition	80,000		80,000
	<b>3,980,000</b>	<b>(250,000)</b>	<b>3,730,000</b>
<b>Policy Provisions:</b>			
Building New Council Homes	1,000,000		1,000,000
<b>Total Capital Programme</b>	<b>18,780,000</b>	<b>(1,650,000)</b>	<b>17,130,000</b>

## Proposed Revenue and Capital Reductions 2017/18

Proposed revenue reductions:	Service description	Proposed reduction
CCTV	Reduction in the concierge and CCTV services across Housing Estate in conjunction with the Corporate offer	£100k
STAR review	Saving could be achieved through deletion of 3 vacant posts (temporary reduction reflected in 2016/17)	£100k
Estate Warden Service Reconfiguration	Reconfiguration of estate warden service to align services to need more effectively	£200k
Realign Anti-Social Behaviour Services	Reconfiguration of services to the delivery of a corporate offer and more low level ASB dealt with through channel shift	£80k
Repairs	Reconfiguration of Apprenticeship Programme and expansion of repairs service	£170k
Cross service	Additional savings achieved through channel shift and reduction in admin support	£50k
Reconfigured kitchen replacement service in Voids	Move from replacements of kitchens to repairing kitchens where appropriate	£250k
		<b>£950k</b>
<b>Proposed capital reductions:</b>		
Environmental and Communal Improvements Budget	Reduction in the environmental and communal improvement budget	£250k
Reconfiguration of kitchen and bathroom service	Fewer installations whilst still meeting the Decent Homes Standard	£1,100k
Rewires/ electrical upgrades	Reduction in budget as current programme is now up to date	£300k
		<b>£1,650k</b>
	<b>Total</b>	<b>£2,600k</b>

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**2017/18 HRA average rents by property size (50 weeks)**

<b>No. of Beds</b>	<b>2016/17</b>	<b>2017/18</b>
0	55.05	£54.50
1	62.94	£62.31
2	74.46	£73.72
3	82.46	£81.64
4	94.26	£93.32
5+	100.95	£99.95

## Leicester average rents comparison

Property type	HRA 2016/17	Housing Association 2016/17	Private sector 2014/15
	£	£	£
<b>Bedsit</b>	52.93	61.12	66.92
<b>1 bed</b>	60.52	72.60	76.38
<b>2 bed</b>	71.60	86.87	97.61
<b>3 bed</b>	79.29	94.37	117.46
<b>4 bed</b>	90.63	108.57	134.30
<b>5+ bed</b>	97.07	113.26	201.46

**Notes:**

1. All rents are shown on a **52 week basis**.
2. All council housing meets 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 *latest data available*).
3. Leicester City Council's homes had an average energy efficiency ("SAP") rating of 83.1 as at 1st April 2011. This compares to a private sector equivalent rating of 42.0 (source: 2009/10 Private Sector Stock Survey *latest data available*).
4. The housing association rents are based on the Housing Association Statistical Data Return 2015 to the Homes and Communities Agency; excluding all service charges, the 1% rent reduction has then been applied to provide estimated rents for 2016/17.
5. Council tenancies are secure tenancies while private sector tenancies are almost all assured shorthold tenancies, which give less security.
6. Private sector (city wide) rents taken from the government's Private Rental Market Statistics recorded between 1.4.2014 and 31.3.2015.

## **Other Service Charges and Payments – proposed 2016/17 charges**

There are a number of charges associated with providing services to tenants as part of their rent.

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

The current charge for use of the guest room at Sheltered Housing Schemes is £10 per night and it is proposed this remains the same.

(ii) Replacement Rent Swipe Cards

The current charge for a replacement swipe card is £5.00 and it is proposed this remains the same.

(iii) Other HRA Properties

There are 8 properties in the HRA that have a protected rent. In line with the requirement to reduce rents the rents will be reduced by 1%.

### **Payments**

(iv) 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 and it is proposed this remains the same.

(v) 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 allowances are set out below. They were last increased by 25% in 2011/12 and it is proposed the payments remain the same.

<u>Allowance amounts:-</u>	
Bathroom	£50.00
Kitchen	£62.50
Lounge	£75.00
Dining Room	£75.00
WC (where separate)	£25.00
Halls (flats/bungalows)	£50.00
Hall/Stairs/Landing	£87.50
Large Bedroom	£75.00
Middle Bedroom	£62.50
Small Bedroom	£40.00

**How priorities are assessed for HRA Expenditure**

1. 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 21,193 council homes and their neighbourhoods. These plans support the City Mayor's manifesto commitment of building pride in our neighbourhoods and stronger communities. They have been discussed with our tenants.
2. The priorities are:
  - Providing Decent Homes
  - Making our communities and neighbourhoods 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
3. We have also made a commitment to our tenants to provide our services in an economic and effective way. One of the City Mayor's programme of Spending Reviews therefore covers the Housing Revenue Account. The Housing Transformation Programme began a programme of efficiency savings in 2013 which is expected to achieve £6m p.a. of savings by 2018. To date, Spending Reviews Phases 1 and 2 have achieved £4.3m p.a. of savings. Phase 2 of the Spending Review will continue to deliver savings in future years as efficiency measures are implemented. However, since the Programme started all housing associations and council owned housing providers are now required to decrease rents by 1% each year for 4 years. Given the significant reductions in income now expected, to deliver a balanced budget each year until the end of 2019/20, service reductions will also be required. It is proposed that the Executive consider the outcome of work on the HRA Spending Review Phase 3 in the summer of 2016 to identify a total reduction in spending of £11.4m p.a. by 2019/20. Where this work proposes changes to services to tenants then the Tenants and Leaseholders Forum is consulted and the proposals are considered by the Housing Scrutiny Commission.
4. The Technical Service Programme is looking at how the council maintains and manages our buildings. The aim is to create a joined up maintenance and management service which will save money, bring in additional income and deliver a better experience for staff and for external customers.

The programme will also be reviewing our network of depots, workshops and stores to see how we can make these services more effective and cost efficient. This work is due to finish in 2019.

Technical Services is one important strand of Using Buildings Better, the council's overall review of our buildings and how we use them.

5. Leicester's Housing Service has a long history of delivering continuous improvement. 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 is our planned approach to achieving it?**

6. 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. roofs, boilers, wiring, kitchens and bathrooms.
7. Providing decent 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.
8. 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.
9. Major works are planned for all council housing following an assessment of condition, age, tenant priorities and other criteria set as part of the Decent Homes Standard.
10. The Government's 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
11. As well as achieving the Decent Homes Standard we also address 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. We have made a commitment to refurbish all kitchens and bathrooms by 2030.
12. From time to time major refurbishment or redevelopment projects are required. The current ones are St Peter's Tower Blocks and the demolition and re-development of The Exchange in Eyres Monsell.
13. It is crucial we continue to repair and maintain homes. The Responsive and Planned Repairs Improvement Programme has identified more effective ways to provide a day-to-day repairs service and deal with emergencies. Changes to the service offer and response timescales have been implemented. As a result of this there has been a reduction in the number of outstanding jobs that are out of category, from 8,825 in March

2013 to 1240 in August 2016. The number of complaints received about the Repairs Service has also reduced. Staffing and structural changes were implemented in October 2016 to improve the Repairs Service further, which is part of the Housing Transformation Programme. Some responsive repairs are now batched into programmes of area based work. Improvements have also taken place around improving communication with tenants and flexibility with appointments. This includes a more structured approach for receiving satisfaction information on repairs completed. Going forward the focus will be developing on line facilities for tenants and other methods of communication. The balance between cost effective use of our own craft work force and seeking tenders from contractors is also kept under review.

14. A review of the repair and improvement work undertaken when properties become vacant has taken place as part of the Housing Transformation Programme. Improvements have been made to our processes to reduce the length of time homes are vacant to ensure that new tenants are rehoused into suitable accommodation as quickly as possible and loss of income is minimised. This work has included the development of a Letting Standard to increase the consistency of repairs carried out on vacant properties and to provide clear information for new tenants about what work will be completed before they move in.
15. Below are some of the main criteria used 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

## Achievements in 2016/17 and proposals for 2017/18

16. In 2016/17 £29.4m has been invested in maintaining and improving our homes.

<b>Programmed Element</b>	<b>2016/17</b>
Kitchen & Bathroom	We plan to install 1,050 kitchens / bathrooms in 2016/17. During 2017/18 we are expected to install another 800 kitchens / bathrooms. As of 1st July 2016, 70% of all council properties have had either a 'Leicester Standard' kitchen or bathroom.
Rewiring	We plan to rewire or electrically upgrade 950 homes in 2017/18.
Central Heating Boiler	Investment is calculated to replace central heating boilers every 15 years based on condition data from the annual gas service. We plan to replace 1,364 boilers in 2016/17 and a similar number in 2017/18.
Roofing and Chimneys	We plan to install 65 roofs in 2016/17 and a similar number in 2017/18.
Central Heating	We have 198 properties without any form of central heating. In these cases tenants have refused to have central heating installed. Provision is made in the programme to install central heating on tenant request or when these properties become vacant.
Windows & Doors	Excluding properties in Conservation Areas, we have less than 60 properties that do not have uPVC double glazed windows. In these cases tenants have refused our previous offers of installing double glazing. Provision is made in the programme to install windows/doors on tenant request or when these properties become vacant. Future investment will be targeted at installing secondary doubled glazing to properties in Conservation Areas.
Structural Works	Investment is required to address any structural works identified each year. As well as dealing with structural problems such as subsidence, issues such as woodwork treatment and failed damp proof courses are also dealt with when identified
Soffits, fascias & guttering	By replacing these items with uPVC we reduce long term maintenance costs. We now have a planned 13 year programme. We plan to complete 133 properties in 2016/17 and propose a similar number in 2017/18
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. In 2016/17 we completed work to 1,300 properties and in



	2017/18 we expect to do a similar number. Advice to tenants is also an important part of dealing with this issue and our approach has been improved.
Safety works and Fire risk works	Investment is required to implement the planned programme of fire safety measures as agreed with the Fire Service. In 2016/17 we completed a significant amount of work but we still have an ongoing programme of works that we still need to complete
St Peters Tower Block refurbishment including lifts	A major programme of work on four tower blocks in St Peters will provide new bathrooms and kitchens, install individual heat meter meters to give tenants more control over their heating bills, remove asbestos, upgrade pipework and risers for district heating and provide new lifts . The total cost of this project is £9.98m and it will be carried out over 4 years. 340 properties will benefit from this project which will be completed by April 2018.
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.

17. We expect to carry out approximately 100,000 responsive repairs during 2016/17.

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

### **Why is this a priority and what is our planned approach to achieving it?**

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. We base staff in local area offices so they can understand local issues and be involved with local stakeholder groups. As part of the Council's Transforming Neighbourhood Services Programme housing offices are now in shared buildings in Saffron, Eyres Monsell and St Matthews. Work is currently underway to also provide shared services from the New Parks and Beaumont Leys libraries.

### **Achievements in 2016/17 and proposals for 2017/18**

21. In 2016/17 the budget for Environmental and Communal Works was £1m. The proposed budget for 2017/18 is £750,000. It was shared across the city in all Neighbourhood

HRA budget 2017/18

Housing Areas. Works included parking improvements, resurfacing courtyards to improve the appearance, improving the security of estates by the installation of gates and door-entry systems, upgrades to lighting, car parking schemes and removal of overgrown bushes. Specific examples are:

- Renewing fencing and gates at Rona Gardens, Rowlatts Hill to increase security and privacy for residents.
  - Improvements to the courtyards at Redwing Walk, Humberstone
  - Replacement of shed doors and windows to properties on Glen Hills Boulevard.
  - Installing recycling bins for tenants at the Aikman Avenue flats, New Parks
  - Car parking improvements on Bateman Road, New Parks; Ontario Close in the Centre area; Fowler Close, Beaumont Leys and Acer Close, Mowmacre
  - Completion of communal area painting at Willow Close and Calgary Close in the Centre area
  - Building of scooter sheds and storage at Bowder House, Braunstone
  - Fitting knee high rails along Netherhall Road, Humberstone to protect the green areas from vehicles.
22. The Leicester at Work Scheme (see also priority 5) carries out painting, cleaning of alleyways, removal of graffiti and other works to improve the look and feel of the local environment, on schemes identified locally.
23. Demolition of the East Wing of The Exchange, Eyres Monsell (Phase 2) is due to take place towards the end of the 2016/17 financial year.
24. The programme of upgrading door entrance schemes will continue based on conditions surveys and fire risk assessments. The proposals for 2017/18 are to upgrade locations citywide.
25. We will continue to provide our Housing Management service with local teams so that our staff know the neighbourhoods and communities in which they work. Neighbourhood Housing Officers are out and about on their 'patches' and our craft workers are fully mobile.
26. District Managers attend Ward Community Meetings and other local forums. We work closely with the police and are involved in the local Joint Action Groups.
27. We published an Annual Report to tenants.
28. Information to tenants is also communicated through the Your Leicester e mail newsletter.
29. The Customer Service Centre runs a telephone advice line in working hours where tenants can report repairs and tenancy issues. Out of hours emergency calls are taken by an external provider. Last year the Customer Services Centre received 269,643 calls during the working day, an increase of 12,817 from the previous year. A further 10,371 calls were made out of hours, a reduction of 4,415 on the previous year.
30. We respond vigorously to reports of anti-social behaviour and have CCTV on many parts of our estates. In 2015/16 we received 836 reports of anti-social behaviour that were then investigated and where necessary appropriate action was taken against perpetrators. In the first 3 months of 2016/17 we have received a total of 137 reports.

31. We work closely with the Tenants' and Leaseholders' Forum which has representatives from across the city. During 2016/17 the Tenants' and Leaseholders' Forum have been consulted on:
- The Responsive and Planned Repairs Improvement Programme;
  - The Transforming Neighbourhood Services Programme;
  - The Tenancy Management Improvement Programme;
  - The Voids Improvement Programme and Lettings Standard;
  - This proposed 2017/18 budget proposal and capital programme

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

#### **Why is this a priority and what is our planned approach to achieving it?**

32. Leicester City Council and its partners have committed to cut carbon emissions by 50%, relative to 1990 levels by 2025. Part of this target was to reduce residential CO2 emissions from 651,000 tonnes in 2006 to 530,000 tonnes by 2012, a reduction of 121,000 tonnes. Council Housing accounts for 16.75% of all residential housing in the city therefore its pro-rata contribution towards the carbon reduction target *is 20,268 tonnes*. Through the Housing Capital Programme CO2 emissions from council houses reduced by 44,586 tonnes between 2005 and March 2012, exceeding its pro-rata contribution two-years ahead of target.
33. 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.
34. 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.
35. There are three areas of energy efficiency work to prioritise as funds become available. These are:
- Completing external wall insulation on all suitable properties (1,350 homes left to do)
  - Installing individual meters for tenants on district heating schemes, (2800 from April 2015 onwards).
  - Doing specialist work on the most hard-to-heat houses. For example, those properties with small wall cavities which are not suitable for typical cavity wall installation programmes. There are 1,309 properties of this type.

#### **Achievements in 2016/17 and proposals for 2017/18**

36. During 2016/17 we continued our programme of installing more efficient boilers as boilers needed replacing, increasing loft insulation to 250mm and putting in double glazed windows and doors as demand arises. This work will continue in 2017/18.

37. In 2017/18 we will continue to assess the opportunities for installing external wall insulation to our remaining solid wall properties. The number of properties tackled will be dependent on the level of match funding received from our partner organisations
38. Approximately 2,800 tenants are on our district heating scheme. These tenants can control the heat in their radiators. However, without individual heat meters, they cannot be charged exactly for the heating / hot water they use. A pilot scheme of installing 50 meters showed that on average tenants saved 33.35% when they could see the link between their heating / hot water consumption and the bill they pay.
39. We have been installing heat meters to our homes as part of the St Peters Tower Block Scheme. By the end of 2016/17 we expect to have installed 255 individual heat meters. During 2017/18 we plan to complete the remaining 85 homes. Future consideration will be given to extending this scheme to the remaining properties using district heating.

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

### **Why is this a priority and what is our planned approach to achieving it?**

40. 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 and settled home. As at 1<sup>st</sup> April 2016 there were 11165 households on the Housing Register
41. Right to Buy sales reduce the number of council houses available at social rent. Since April 2012 when the government increased the maximum discount and reduced the qualifying period Right to Buy sales have increased. In 2015/16 we sold 244 homes, an increase of 38 on the previous year. Up until August 2016 we have sold 189 homes. It is estimated that we will have sold between 500 and 600 homes by the end of 2016/17, a vast increase on previous years. With the introduction of flexible tenancies and Pay to Stay, through the Housing Planning Act 2016, it is likely these sales will continue to rise.
42. The Leicester and Leicestershire Strategic Housing Market Assessment 2014 identified that Leicester’s net affordable housing need is 496 additional homes per year for the next 25 years to meet current and future demand from households who cannot afford to enter the private housing market. Planning Authorities across Leicestershire are currently in the process of seeking an update on housing needs within a Housing and Economic Development Needs Assessment.
43. The Home and Community Agency’s (HCA) Shared Ownership and Affordable Housing Programme 2016-21 will predominantly fund new supply of home ownership products such as Shared Ownership and Rent To Buy. There is a relatively small amount of funding available from the HCA for rent and that is exclusively for supported and older people’s accommodation. There is no HCA funding available for new general needs housing. We are exploring other ways of working to provide affordable homes. Regular monitoring reports to show progress are taken to the Affordable Housing Programme Board.

44. 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.
45. The service works closely with Adult Social Care to provide supported and general needs housing for people identified by Adult Social Care's Supported Living Programme (for people with physical disabilities, mental health problems, learning difficulties and older people).
46. Work to bring forward new Extra Care schemes and other new supported housing is currently stalled because of the uncertainty around the government's proposal to cap the amount of Housing Benefit payable to residents of supported housing.
47. The service works closely with Children's Services to help Looked After Children, foster families, children leaving care and other vulnerable families.
48. By giving priority through the Housing Register the council continues to seek to reduce overcrowding and address other priority needs many of which can have an impact on health and mental health.
49. The STAR Service provides one-to-one support for council tenants who might otherwise lose their homes. Priority is given to support those in rent arrears, those who have previously been homeless and those who have other problems which may mean they are not coping or not complying with tenancy conditions.

**What will we achieve in 2016/17 and what are we proposing for 2017/18?**

50. The Affordable Housing Programme will deliver 104 new Affordable completions.
51. We are exploring ways to increase the supply of new housing in Leicester, including the possibility of setting up a Housing Company to build more homes in the city.
52. During 2016/17 Housing Associations will create 12 more wheelchair adapted homes for people on the Housing Register.
53. During 2016/17, a Housing Association, working with a community group, will complete a Passive-haus development of 68 Affordable Housing homes
54. This year it is expected that work will be done in 750 homes to make them more suitable for existing council tenants with disabilities or for those who have waited a long time on the Housing Register. This work will continue in 2017/18 in response to assessments by Adult Social Care.
55. Vacant Council and Housing Association houses are advertised on Leicester Home Choice. The Home Choice website has recently been reviewed and improved as a result of the introduction of the new IT system "Northgate". In the first four months of 2016/17 57 council tenants transferred within the stock to homes better suited to their need and 307 households become new council tenants. A further 12 tenants obtained Housing Association tenancies.

56. The Income Management Team continues to ensure rent is paid and tenants with arrears are given support to clear their debt. The team works closely with Housing Benefit and makes referrals for Discretionary Housing Benefit. There will be greater challenges ahead to collect rental income as direct payments to tenants are now made to new benefit claimants and those with a change of circumstances. Further challenges lie ahead for the Income Management Team with Pay to Stay, this is where rent levels need to be set according to a tenant's income.

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

### **What is our planned approach to achieving this?**

57. Contracts are placed through the Corporate Procurement unit which takes steps to use council spending to stimulate the local economy. All contracts have local labour clauses.
58. The service will continue the excellent record of training craft apprentices so they can develop the skills and knowledge to join the workforce and help maintain the stock. Many steps are taken to encourage women and people from an ethnic minority background to join the craft workforce.
59. The Council's Leicester to Work initiative provides opportunities to the long term unemployed and work experience for school students, graduates and ex-offenders.

### **Achievement in 2016/17 and proposals for 2017/18**

60. During 2016/17 £18m worth of external contracts were funded by HRA. The Housing Division employs a workforce of over 850 staff funded through the HRA.
61. 69 people are on maintenance technicians apprenticeships (AMT). 12 AMT's successfully completed their apprenticeships in 2016. The scheme will continue to be reviewed regularly to ensure it meets the needs of the service and the apprentices.
62. The Housing Neighbourhood Improvement Project continues to help the long term unemployed by giving pre-employment training, a period of work experience and a job interview in the division. Between February and July 2016 20 people have been successfully employed on 6 month fixed contracts as Neighbourhood Improvement Operatives. Their work involves grounds maintenance which improves the look and feel of the estates. Local tenants help decide what work should be done. It is proposed to continue this scheme in 2017/18, with 10 new Operatives starting employment with us every 3 months.
63. 3 graduates / undergraduates have been employed during 2016/17 for up to 11 months in different parts of the Division.

## Appendix H

### Tenants' and Leaseholders' Forum meeting

1<sup>st</sup> December 2016

#### Feedback on the proposed HRA Rent Setting and Budget for 2017/18

On the 1<sup>st</sup> December, the Tenants' & Leaseholders' Forum were consulted on the proposed HRA Rent Setting and Capital Programme Budget for 2017/18.

Members of the forum appreciate and understand the difficult financial situation the council are in at present and the key challenges facing them over the next few years.

In context of the proposals offered by the Housing Division, the forum group have mutually welcomed the 2017/18 budget as a balanced budget, with the use of no reserves.

Overall, to their knowledge and understanding, the proposed capital programme is acceptable and they welcome the fact that services will be delivered and completed as set out from last year's programme.

However, the forum has raised some recommendations and comments for the Division to consider (please see below table), and would like to be kept informed of the following;

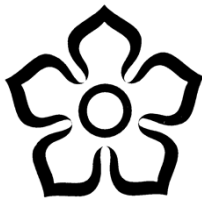
<b>Proposal</b>	<b>Recommendations/Comments</b>
<b>Reduce concierge and CCTV services</b>	<p>Whilst there is a need to monitor our estates, especially with the present ASB cases and other related crimes within the city. The LCC should get the Police to contribute funds towards these savings, as they too use our systems to help support them to detect crime.</p> <p>We feel that some of the surveillance activity taking place in our estates is quite poor. We know children living on our estates, are aware that these cameras don't work, which allows them to misbehave, partake in drug and alcohol abuse and cause nuisance in our areas. We want to see effective use of camera monitoring.</p>
<b>Permanent deletion of 3 vacant STAR posts</b>	<p>With the 3 posts being vacant over the last year, we want to know what the current position of this service is, with regards to; morale of the team, what is the success rate of cases, are they working under pressure, is there high sickness within the team?</p>

	How will STAR cope, when Universal Credit is implemented next year? No doubt, we will see an increase of visits to the Citizens Advice Bureau and other agencies. Have we started working with them yet?
<b>Re-configure Estate Warden service</b>	<p>We were told that apprentices may be used to support the estate wardens, how committed will they be, if they are there for only some months.</p> <p>We have no issues with re-configuration of this service, as long as the performance in the estate is maintained ie. kept cleaned.</p>
<b>Re-align anti social behaviour cases</b>	<p>We welcome the Channel Shift approach, but we need to cut the red tape and get LASBU to take action quickly, as it is sometimes too slow to act upon ASB cases. We may need to review policy or our procedures.</p> <p>The landlords must have a responsibility to sort out their tenants and firm action should be taken immediately.</p>
<b>Reduce the Environmental and Communal Improvements budget by £250,000</b>	<p>This budget should not be reduced at all.</p> <p>We have this budget to keep our environment safe, clean and modernised, this helps with remaining an attractive site. If this budget is reduced, we will see neglect, and as a result, this will raise a negative profile of our estate within the city.</p>
<b>Reconfigure kitchen and bathroom scheme</b>	Agrees with the reconfiguration, if it's saving money, but we need to look in more detail. Do not replace kitchens if there is no need to replace.
<b>Reconfigure kitchen and bathroom scheme in void properties</b>	We feel that there are far too many approvals given for kitchen and bathrooms, when we should really be repairing it. How will these be assessed in future?
<b>Re-configure the Apprentice scheme</b>	<p>Would like to see how long the apprentices remain in service for?</p> <p>Do we employ them soon after they complete their apprentice scheme and if so, how many have we kept on over the last few years?</p>

We understand that several service reviews are currently underway across the council. The Forum would like to be kept informed about progress on these and consulted on any recommendations, prior to any decisions being made.



We would like the council to continue to prioritise services to the most vulnerable people living in the city and those who are in need of housing. Whilst the council has many challenges ahead of them, they still need to be accountable for delivering a quality service to their tenants.



Leicester  
City Council

Minutes of the Meeting of the  
HOUSING SCRUTINY COMMISSION

Held: MONDAY, 19 DECEMBER 2016 at 6:15 pm

P R E S E N T:

Councillor Newcombe (Chair)  
Councillor Alfonso (Vice Chair)

Councillor Aqbany

In Attendance

Councillor Connelly – Assistant City Mayor, Housing

\* \* \* \* \*

**57. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Byrne, Dawood and Joshi.

**58. DECLARATIONS OF INTEREST**

Members were asked to declare any interests they might have in the business to be discussed.

Councillor Aqbany declared an Other Disclosable Interest in the general business of the meeting in that family members were council tenants.

Councillor Newcombe declared an Other Disclosable Interest in the general business of the meeting as family members were council tenants.

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

**59. PETITIONS**

HRA budget 2017/18

In accordance with the Council procedures, it was reported that no petitions had been received by the Monitoring Officer.

## **60. QUESTIONS, REPRESENTATIONS OR STATEMENTS OF CASE**

In accordance with the Council procedures, it was reported that no questions, representations or statements of case had been received by the Monitoring Officer.

## **61. HOUSING REVENUE BUDGET 2017/18**

The Acting Director of Housing presented a report which sought the views of the Commission on proposals for setting the Housing Revenue Account (HRA) budget for 2017/18, before being taken to Executive and then Full Council.

It was noted that the budget would be set in the context of the government's decision to implement a 1% per annum rent reduction for the four year period from 2016 to 2020, and had placed the HRA under significant pressure to deliver a balanced budget, and it was proposed to set a one year budget for 2017/18. Total rent loss for 2017/18 was forecast to be £2.96million.

The Chair commented that almost £30million had been taken out of the HRA by the rent cuts imposed by the Government, which would have an enormous impact on the Council's ability to improve existing homes, provide estate environmental improvements and build new homes at a time when the housing crisis in the city was becoming more serious. He added the cuts had made it impossible to follow the 30-year business plan for the Housing Department to maintain, improve and add to social housing in the city.

It was noted that the Tenants' and Leaseholders' Forum were highly supportive of the proposed HRA Rent Setting and Capital Programme Budget for 2017/18 as outlined at Appendix H to the report, but did not support the proposed reduction to the Environmental and Communal Improvements budget by £250k.

Arising from Members' questions it was noted that:

- a) Current CCTV units were 20 years old and would require upgrading to digital at a cost. CCTV pod cameras and mobile units enabled the authority to be more responsive.
- b) The authority had a planned programme of cleaning, including shop fronts. The Estate Warden Service only operated from Monday to Friday and proposals to slightly reconfigure the service did not incorporate weekend cleaning.
- c) The reference to the council's potential commissioning role for supported housing services related to the homelessness strategy, and the proposal to remove 60 units as part of the homelessness review change, and any procurement of supported housing, would be done in conjunction with the Homelessness Strategy review in
- d) Additional proposals under Phase 3 of the Housing Transformation Programme in addition to those presented at the commission on the 19<sup>th</sup>

December to deliver service improvement and efficiencies would be brought to the Commission for consideration.

- e) Under Right to Buy the Authority had lost, on average between 200-250 homes a year. For 2017 it was anticipated that 600 homes would be lost.
- f) Universal Credit (UC) had not yet been fully rolled out (currently to less than 150 people) though it was acknowledged there would be future challenges in collecting rents from tenants. A future report would be brought to the Commission when UC was fully implemented.
- g) Members requested that the charge for providing information to mortgage providers and solicitors (currently £125) be increased as a recommendation of the Commission to bring in more income and relieve the burden in other areas. The Acting Director of Housing said any increase would have to be reasonable but that he was happy to consider further to increase the amount.
- h) Further information on the eight properties in the HRA that had protected rent would be provided to the Commission at the request of Members.
- i) Private Sector (city wide) rents were taken from the Government's Private Rental Market Statistics for 2014/15 as detailed in the report. Members requested more recent figures when available.
- j) Decorating allowances for new tenants were paid through a voucher scheme, redeemable at B&Q. The contract with B&Q would run for one more year.

The Chair made reference to Appendix G in the report, and the five major priorities for investment listed. Members of the Scrutiny Commission agreed to support the objectives. Members made observations on the priorities, and received the following responses:

- a) Members endorsed the Department's approach to meeting tenants' priorities, included kitchen and bathroom standards.
- b) If possible, information on how many repairs-related calls were repeat calls would be provided to Members of the Commission.
- c) Members asked that future proposals and achievements in maintaining and improving homes be broken down to Ward level. The Acting Director reported that the Annual Capital programme broken down by Ward would be provided after approval of the 17/18 budget.
- d) A pilot scheme on installing individual heat meters on the district heating scheme had showed tenants saved on average 33.35% on heating / hot water bills. Tower blocks in the St Peter's area had heat meter points installed for meters to be added. The Department would look to introduce to further properties where feasible, the Housing Division was investigating and considering the roll out to meet legislative requirements
- e) Detailed guidance on flexible tenancies under the Housing and Planning Act 2016 were awaited, and would see the phasing out of 'lifetime' tenancies, and the introduction of fixed-term tenancies, which would be introduced to new tenants. Due regard would be given to the protection of children up to the age of 19, end of life, and extensions to tenancies.

The Chair welcomed the comments and observations made by the Tenant's and Leaseholders' Forum at Appendix H to the report, including comments about CCTV and the need to both upgrade and integrate existing systems, and

potentially for other agencies to share the costs of upgrading and running them. The Commission also shared the same concerns as tenants about the reduced posts in STAR, and would look at the service in a few months to see how it was coping following the implementation of Universal Credit.

The comments at Appendix H to the report about tenants who behaved in an antisocial way were referred to and it was asked that quicker action be taken against them. The Interim Director of Housing said the Department had a policy for working proactively and incrementally on antisocial behaviour issues, and said it was a complex issue and needed to be certain when looking to evict someone that it was beyond reasonable doubt that antisocial behaviour had occurred and a court would agree to this being a reasonable action. He added that people could have health / mental health issues, and the Department had to be satisfied that at every step, assistance had been given to help save a tenancy, and that this had to be evidenced in court. Each case was thoroughly investigated and given due consideration, he stressed.

The Chair then asked the Commission to endorse the summary of proposals at Appendix I to the report, and each proposal was agreed. In response to Members' questions it was stated that:

- a) The specific rent figures for proposed 0.9% rent increase at Border House and the Dawn Centre were requested.
- b) The reduced spend on CCTV by £100k could potentially be linked to staffing numbers but this would be determined by the CCTV review
- c) The Anti-Social Behaviour service would be adjusted through the Channel Shift programme, and by working corporately and with LASBU to ensure the service was provided more holistically.

Councillor Connelly, Assistant Mayor for Housing stated the report outlined the budget savings and cuts that the authority would ideally not have to make, but the impact of the 1% rent reduction and increase in Right to Buy properties being bought had made cuts necessary. He thanked the Housing Scrutiny Commission for its constructive approach to the budget, and the Interim Director of Housing for the confident report and constructive way he had responded to Members of the Housing Scrutiny Commission.

The Chair thanked all those present at the meeting for their contributions.

AGREED:

1. That the report be received and the Commission support the proposals for the HRA budget for 2017/18, and that the proposals for budget reductions be noted subject to the comments made by Members.
2. The Commission asked that the charge for information to mortgage providers and solicitors (currently £125) be increased as a recommendation of the Commission to bring in more income and relieve the burden in other areas.
3. The Commission be updated on future progress of the budget as it progresses.

**62. ANY URGENT BUSINESS**

No other items of urgent business had been brought to the attention of the Chair.

## Equality Impact Assessment (EIA) Template: Service Reviews/Service Changes

### Appendix J

Title of spending review/service change/proposal	Housing Revenue Account rent setting and budget 2017/18
Name of division/service	Housing
Name of lead officer completing this assessment	Helen McGarry, Service Improvement Manager, Ext. 5129 <a href="mailto:helen.mcgarry@leicester.gov.uk">helen.mcgarry@leicester.gov.uk</a>
Date EIA assessment completed	28 <sup>th</sup> October 2016
Decision maker	Full Council
Date decision taken	

EIA sign off on completion:	Signature	Date
Lead officer	Charlotte McGraw	
Equalities officer	Irene Kszyk	
Divisional director	Chris Burgin	

**Please ensure the following:**

- (a) That the document is understandable to a reader who has not read any other documents, and explains (on its own) how the Public Sector Equality Duty is met. This does not need to be lengthy, but must be complete.
- (b) That available support information and data is identified and where it can be found. Also be clear about highlighting gaps in existing data or evidence that you hold, and how you have sought to address these knowledge gaps.
- (c) That the equality impacts are capable of aggregation with those of other EIAs to identify the cumulative impact of all service changes made by the council on different groups of people.

[Type text]

## 1. Setting the context

Describe the proposal, the reasons it is being made, and the intended change or outcome. Will current service users' needs continue to be met?

The Housing Revenue Account budget report is proposing a 1% reduction in council house rents for 2017/18. The budget is being proposed in the context of the government requirement that rents are reduced by 1% p.a. for a four year period from 2016 to 2020. Due to the reduction in income during 2017/18, savings of £4.2m need to be made through a combination of revenue savings and adjustments to the capital programme. It is recommended that the balanced budget is set with no use of reserves. The following options are being put forward for the 2017/18 budget:

- Increase service charges and garage rents by 2%, excluding heating and communal cleaning charges
- Keep the rent for warden assisted accommodation at the same rent as 2016/17
- Increase rent at Border House and the Dawn Centre by 0.9%
- Reduce the spend on CCTV by £100,000 by removing broken, unused and low usage units
- Reduce the Environmental and Communal Improvements budget by £250,000 to £750,000
- Save £100,000 from the STAR service by permanently deleting 2 vacant posts
- Undertake a review of the existing STAR service arrangements in light of the ongoing Welfare Benefit changes to challenge the existing service to help those most in need
- Save £200,000 from the estate warden service by re-configuring the service
- Save £80,000 from dealing with anti social behaviour by realigning the anti social behaviour service
- Save £300,000 from energy efficiency schemes by not proceeding with additional schemes
- Save £1,100,000 from the kitchens and bathrooms refurbishment programme
- Save £300,000 from the rewire and electrical upgrade programme
- Save £67,000 from installing new play equipment but continue to maintain existing sites at a cost of £44,000 per year
- Move to repairing kitchens in empty properties rather than replacing these, where feasible, saving £250,000
- Save £170,000 from re-configuring the apprenticeship programme
- Expand the repairs service to deliver Home Maintenance Advice and Handyperson scheme generating a potential saving of £122,000



[Type text]

The main service need of tenants is that they have a suitably sized, Decent Home, maintained through an effective repairs service with quality tenancy and estate management services. Current service user needs will continue to be met, however, some non-urgent schemes and services will need to be re-prioritised resulting in longer waiting times for services.

## 2. Equality implications/obligations

Which aims of the Public Sector Equality Duty (PSED) are likely be relevant to the proposal? In this question, consider both the current service and the proposed changes.

**Is this a relevant consideration? What issues could arise?**

### **Eliminate unlawful discrimination, harassment and victimisation**

How does the proposal/service ensure that there is no barrier or disproportionate impact for anyone with a particular protected characteristic

From this equality impact assessment no significant impacts have been identified.

### **Advance equality of opportunity between different groups**

How does the proposal/service ensure that its intended outcomes promote equality of opportunity for users? Identify inequalities faced by those with specific protected characteristic(s).

The proposals continue to commit to the provision of decent homes to council tenants and equality of opportunity for people to have decent homes to live in. The standard of accommodation in council owned properties is higher than in some areas of the private sector.

### **Foster good relations between different groups**

Does the service contribute to good relations or to broader community cohesion objectives? How does it achieve this aim?

Maintaining properties and making improvements on estates creates an environment where people are satisfied with their homes and the area they live in, reducing the likelihood of anti social behaviour and community tensions.

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### **3. Who is affected?**

Outline who could be affected, and how they could be affected by the proposal/service change. Include current service users and those who could benefit from but do not currently access the service.

The proposals to reduce rents will affect all Leicester City Council tenants across the city. Approximately 30% of tenants are in receipt of full housing benefit at present will continue to have any rent payable covered by their benefit entitlement. The positive impact of having to pay less rent will affect approximately 70% of tenants who are in receipt of partial housing benefit or none at all. The impact of the rent reduction will be dependent on tenants' financial situations rather than any protected characteristic.

There are 400 warden assisted flats across the city which house tenants over the age of 50. As there is no proposal to increase or decrease these rents there will be no impact on these tenants, irrespective of whether they are in receipt of housing benefit or not.

Services charges are added to a property when improvement work has been completed in a property, for example new central heating. All tenants who have received improvement work for which a service charge has been applied will need to pay 2% more each week for these. The charge will depend of what improvement work has taken place over time at each property. Work is carried out as a result of the condition of a property through the capital programme and is therefore not based on a persons protected characteristic. Approximately 30% of tenants are in receipt of full housing benefit at present will continue to have any service charge payable covered by their benefit entitlement. The negative impact of having to pay more for service charges will affect approximately 70% of tenants who are in receipt of partial housing benefit or none at all. The impact of the service charge increase will be dependent on tenants' financial situations rather than any protected characteristic.

A proposed 0.9% increase in rents will impact on homeless families who are provided with temporary accommodation at Border House and single people and couples at the Dawn Centre. On the whole these people are in receipt of benefit, therefore any increase in rent will be covered by this so they will not be directly impacted upon.

Council owned garages are rented out to members of the public generally, not just council tenants and the charge is not applicable for housing benefit. There are currently 652 garages rented out. Therefore, the 2% increase in rent will impact on all

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those people currently renting garages and those that want to in the future.

There is a proposal within the HRA budget report to realign anti social behaviour services to achieve an £80,000 saving. This potentially involves an increase in the use of channel shift of services online for low level anti social behaviour advice and assistance. If and when this proposal is taken forward a separate equality impact assessment would need to be completed to assess the impact when further details are available. Data available shows that of the people who complain about anti social behaviour 53% are female, 42% are between 25 and 44 years old, 2.8% have a disability and 55 are from a white British background. An EIA is particularly required if more services are to be provided on line to ensure people with a protected characteristic will still be able to access services.

Budgets available for communal and environmental improvements and estate warden services are allocated on the condition of an area and is not related to people with a protected characteristic.

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. Decisions on the Capital programme are based on the age of properties, the predicted lifespan of when items will need replacing and health and safety regulations. The decisions are not area or tenant based.

Reducing funding to the STAR service will impact on those tenants who require support to maintain their tenancies. This may impact more on people needing low level support.

The Handy Person service can be accessed by all members of the public, not just council tenants. Small home improvement jobs are carried out at a low cost for people over 60, those with a disability, single parents and people on a low income. With proposals to expand this service these groups of people will benefit with an increased service available.

Although there are reductions in the proposed budgets no services are being stopped altogether. The impact of this on tenants and residents is that they may have to wait longer for non-urgent work to be completed or access to the STAR services for non-priority cases. Also, the services people receive may be delivered in a different way.

[Type text]

#### 4. Information used to inform the equality impact assessment

What **data, research, or trend analysis** have you used? Describe how you have got your information and what it tells you. Are there any gaps or limitations in the information you currently hold, and how you have sought to address this, e.g. proxy data, national trends, etc.

Tenant profiling information has been collected and analysed from the Open Housing and Northgate IT systems. (Appendix 1) .) This includes information on ages, ethnic origin, disability, gender, sexuality and religion. There are gaps in data in relation to gender re-assignment, marriage and civil partnership, pregnancy and maternity and sexual orientation. There is also little information collected specific about disability impairments. Improved systems to collect monitoring data is taking place with the introduction of Northgate, the new IT system for Housing and over time the profiling information available will increase.

#### 5. Consultation

What **consultation** have you undertaken about the proposal with current service users, potential users and other stakeholders? What did they say about:

- What is important to them regarding the current service?
- How does (or could) the service meet their needs?
- How will they be affected by the proposal? What potential impacts did they identify because of their protected characteristic(s)?
- Did they identify any potential barriers they may face in accessing services/other opportunities that meet their needs?

Initial consultation took place with the Tenants' and Leaseholders' Forum on the 13<sup>th</sup> October 2016 to establish their priorities for spend and where savings could be made. This group represents tenants and leaseholders across the city and acts as the councils' consultative group on key decisions effecting council tenants and leaseholders. The results from this initial consultation can be found in appendix 1. However , the key priorities for the Forum were:

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- Dealing with anti social behaviour
- Supporting vulnerable tenants
- Work to properties that was needed due to health and safety requirements
- Fitting new kitchens and bathrooms
- Maintaining communal areas and the environment of estates

Further consultation on the proposals within the HRA budget report will take place with the Tenants' and Leaseholders' Forum on the 1<sup>st</sup> December 2016.

## 6. Potential equality Impact

Based on your understanding of the service area, any specific evidence you may have on service users and potential service users, and the findings of any consultation you have undertaken, use the table below to explain which individuals or community groups are likely to be affected by the proposal because of their protected characteristic(s). Describe what the impact is likely to be, how significant that impact is for individual or group well-being, and what mitigating actions can be taken to reduce or remove negative impacts.

Looking at potential impacts from a different perspective, this section also asks you to consider whether any other particular groups, especially vulnerable groups, are likely to be affected by the proposal. List the relevant that may be affected, along with their likely impact, potential risks and mitigating actions that would reduce or remove any negative impacts. These groups do not have to be defined by their protected characteristic(s).

**Impact of proposal:**

**Risk of negative impact:**

**Mitigating actions:**

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<p><b>Protected characteristics</b></p>	<p>Describe the likely impact of the proposal on people because of their protected characteristic and how they may be affected. Why is this protected characteristic relevant to the proposal? How does the protected characteristic determine/shape the potential impact of the proposal?</p>	<p>How likely is it that people with this protected characteristic will be negatively affected? How great will that impact be on their well-being? What will determine who will be negatively affected?</p>	<p>For negative impacts, what mitigating actions can be taken to reduce or remove this impact? These should be included in the action plan at the end of this EIA.</p>
<p><b>Age<sup>1</sup></b></p>	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed. 47.2% of tenants receiving STAR services in 2015 / 16 were between 25 and 44 years old so the proposals could have the greatest impact to this age group.</p>	<p>Unlikely, low risk</p> <p>No age group will be proportionally impacted upon by this proposals</p> <p>An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these. Estate improvement work is based on the condition of an area not an individual or group.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of</p>

<sup>1</sup> Age: Indicate which age group is most affected, either specify general age group - children, young people working age people or older people or specific age bands

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	<p>37% of garages currently rented are to people in the 55 – 74 age bracket so the 2% proposed rent increase could have the greatest impact on this age group. People may not be able to afford the new rent</p>	<p>need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person’s need for support.</p>	<p>homelessness is available through Housing Options when STAR offices are closed.</p> <p>Parking spaces can be offered for rent, which are generally cheaper than garage rents</p>
<p><b>Disability<sup>2</sup></b></p>	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed. 2.3% of tenants receiving STAR services in 2015 / 16 said they had a disability.</p>	<p>Unlikely, low risk</p> <p>People with a disability will not be proportionally impacted upon by this proposal</p> <p>An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary.</p>

<sup>2</sup> Disability: if specific impairments are affected by the proposal, specify which these are. Our standard categories are on our equality monitoring form – physical impairment, sensory impairment, mental health condition, learning disability, long standing illness or health condition.

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	<p>There is limited information about how many people who rent a garage have a disability. Of the 814 people who rent a garage 6 state they have a disability, no data is available for 646 of these people. It is therefore unclear whether the proposal to increase garage rents will have a disproportionate impact on people with a disability. People may not be able to afford the new rent</p>	<p>be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p> <p>The impact will depend on an individual's financial situation as to whether they can afford the increased rent, rather than any particular protected characteristic</p>	<p>Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p> <p>Parking spaces can be offered for rent, which are generally cheaper than garage rents</p>
<b>Gender Reassignment<sup>3</sup></b>	<p>We have no gender re-assessment data available to assess the impact of the proposals against. However, the</p>	<p>Unlikely, low risk</p>	

<sup>3</sup> Gender reassignment: indicate whether the proposal has potential impact on trans men or trans women, and if so, which group is affected.



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	<p>impact is likely to be:</p> <p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed.</p> <p>May not be able to afford the new garage rents</p>	<p>People with a gender reassignment will not be proportionally impacted upon by this proposal</p> <p>An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p> <p>The impact will depend on an individual's financial situation as to whether they can afford the increased rent, rather than any particular protected characteristic</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p> <p>Parking spaces can be offered for rent, which are generally cheaper than garage rents</p>
<p><b>Marriage and Civil Partnership</b></p>	<p>We do not have marriage or civil</p>	<p>Unlikely, low risk</p>	

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	<p>partnership data available to assess the impact of the proposals against. However, the impact is likely to be:</p> <p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed.</p> <p>May not be able to afford the new garage rents</p>	<p>People will not be proportionally impacted upon by this proposal</p> <p>An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p> <p>The impact will depend on an individual's financial situation as to whether they can afford the increased rent, rather than any particular protected characteristic</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p> <p>Parking spaces can be offered for rent, which are generally cheaper than garage rents</p>
<b>Pregnancy and</b>	We do not have pregnancy and	Unlikely, low risk	

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<b>Maternity</b>	<p>maternity data available to assess the impact on this particular group. However, possible impacts may be :</p> <p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed.</p> <p>May not be able to afford the new garage rents</p>	<p>People will not be proportionally impacted upon by this proposal</p> <p>STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p> <p>The impact will depend on an individual's financial situation as to whether they can afford the increased rent, rather than any particular protected characteristic</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p> <p>Parking spaces can be offered for rent, which are generally cheaper than garage rents</p>
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<b>Race<sup>4</sup></b>	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed. 59% of tenants receiving STAR services in 2015 / 16 were of a white background so the proposals could have the greatest impact on people with this background</p> <p>10% of people renting a garage are from a white background. However, we do not have data for 302 people related to their race.</p>	<p>Unlikely, low risk</p> <p>People will not be proportionally impacted upon by this proposal</p> <p>An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p> <p>The impact will depend on an individual's financial situation as to whether they can afford the increased rent, rather than any</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p> <p>Parking spaces can be offered for rent, which are generally cheaper than garage rents</p>
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<sup>4</sup> Race: given the city's racial diversity it is useful that we collect information on which racial groups are affected by the proposal. Our equalities monitoring form follows ONS general census categories and uses broad categories in the first instance with the opportunity to identify more specific racial groups such as Gypsies/Travellers. Use the most relevant classification for the proposal.

[Type text]

	<p>It is therefore difficult to conclude what the impact will be of the proposed 2% rent increase on garages. However, it might be that some people will no longer be able to afford the garage rent.</p>	<p>particular protected characteristic</p>	
<p><b>Religion or Belief</b> 5</p>	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed. 16.6% of tenants receiving STAR services in 2015 / 16 were Christian and 17.2% stated they had no religion so the proposals could have the greatest impact to these groups.</p>	<p>Unlikely, low risk</p> <p>People will not be proportionally impacted upon by this proposal</p> <p>An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p>

<sup>5</sup> Religion or Belief: If specific religious or faith groups are affected by the proposal, our equalities monitoring form sets out categories reflective of the city's population. Given the diversity of the city there is always scope to include any group that is not listed.

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	<p>The impact of the proposal to increase garage rents by 2% as a result of a person's religion or belief is inconclusive as we do not know this for 565 people who are currently renting a garage. However, the impact could be that some people can no longer afford to rent a garage</p>	<p>support.</p> <p>The impact will depend on an individual's financial situation as to whether they can afford the increased rent, rather than any particular protected characteristic</p>	<p>Parking spaces can be offered for rent, which are generally cheaper than garage rents</p>
<p><b>Sex<sup>6</sup></b></p>	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed. 57% of tenants receiving STAR services in 2015 / 16 were female so the proposals could have the greatest impact on women</p>	<p>Unlikely, low risk</p> <p>People will not be proportionally impacted upon by this proposal</p> <p>An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed.</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary. Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p>

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<sup>6</sup> Sex: Indicate whether this has potential impact on either males or females

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	<p>67% of people that rent a garage from the council are men, so this group may be disproportionately affected by the proposals to increase rents by 2%. Some people may no longer be able to afford to the new rents</p>	<p>There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p> <p>The impact will depend on an individual's financial situation as to whether they can afford the increased rent, rather than any particular protected characteristic</p>	<p>Parking spaces can be offered for rent, which are generally cheaper than garage rents</p>
<b>Sexual Orientation<sup>7</sup></b>	<p>Minor impact that non urgent repairs and estate improvement work may be delayed.</p> <p>Support for non urgent STAR cases may be delayed. The impact of the proposals is inconclusive because we don't know the sexual orientation of 42% of the clients STAR</p>	<p>Unlikely, low risk</p> <p>People will not be proportionally impacted upon by this proposal</p> <p>An eligibility criteria for accessing STAR services is in place so that those most vulnerable and threatened with homelessness are provided with support. This eligibility criteria will continue to</p>	<p>Capital programme work is prioritised based on the condition of the property, irrespective of the tenant who lives in these.</p> <p>STAR have an eligibility criteria that ensures those most vulnerable are prioritised for support. Signposting to other appropriate services can take place for non-urgent cases, if necessary.</p>

<sup>7</sup> Sexual Orientation: It is important to remember when considering the potential impact of the proposal on LGBT communities, that they are each separate communities with differing needs. Lesbian, gay, bisexual and transgender people should be considered separately and not as one group. The gender reassignment category above considers the needs of trans men and trans women.

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	<p>supported in 2015 / 16.</p> <p>The impact of the proposals to increase garage rents by 2% is inconclusive because we don't know the sexual orientation of 88% of the clients STAR supported in 2015 / 16. However, it is likely that some people will no longer be able to afford the new rents</p>	<p>be used. It is therefore likely that those less vulnerable or in less need will be impacted by the proposals and access to the STAR service may be delayed. There is a risk that a delay in low level support could, over time, escalate a person's need for support.</p> <p>The impact will depend on an individual's financial situation as to whether they can afford the increased rent, rather than any particular protected characteristic</p>	<p>Emergency access to services for those in immediate threat of homelessness is available through Housing Options when STAR offices are closed.</p> <p>Parking spaces can be offered for rent, which are generally cheaper than garage rents</p>
<p><b>Summarise why the protected characteristics you have commented on, are relevant to the proposal?</b></p> <p>All protected characteristics have been commented on because the Capital programme proposals and work to improve the environment of the estates will have an impact on all tenants. However, for these there is no disproportionate impact on any group. Work will continue to be prioritised on the conditions of properties and estates, irrespective of tenants living in our properties. There may be delays for non-urgent work and services but no particular group will be disadvantaged more than another. All urgent and priority services will continue to be provided.</p> <p>Analysis of STAR client profile information for 2015 / 16 shows that some groups with protected characteristics access STAR services more than others. These are people between the ages of 25 and 44, those with no disability, people from a white</p>			



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background and females. People from these groups, requiring non urgent support may experience a delay in receiving support as a result of the proposals.

The protected characteristics of those people renting garages has been commented on because the proposed rent increase could impact on people's ability to pay the increased charge. However, this is more likely due to an individuals financial situation rather than their protected characteristic

**Summarise why the protected characteristics you have not commented on, are not relevant to the proposal?**

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	<b>Impact of proposal:</b> Describe the likely impact of the proposal on children in poverty or any other people who we consider to be vulnerable. List any vulnerable groups likely to be affected. Will their needs continue to be met? What issues will affect their take up of services/other opportunities that meet their needs/address inequalities they face?	<b>Risk of negative impact:</b> How likely is it that this group of people will be negatively affected? How great will that impact be on their well-being? What will determine who will be negatively affected?	<b>Mitigating actions:</b> For negative impacts, what mitigating actions can be taken to reduce or remove this impact for this vulnerable group of people? These should be included in the action plan at the end of this EIA.
<b>Other groups</b>			
<b>Children in poverty</b>	Children in poverty may be impacted upon by the proposal not to fund new play equipment on estates. However, we do not have data available to tell us how many children this would affect but it could restrict where children can play	This would have a minimal impact and is low risk because there are 67 pay areas on our estates as well as the larger parks in the city to play	A budget is being made available to maintain the existing play areas on our estates so the provision for children will not be reduced.

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<b>Vulnerable people at a lower risk of homelessness</b>	Tenants threatened with homelessness may be impacted by the budget savings to the STAR service. The overall STAR case load may need to be reduced to reflect the reduced budget. This may lead to people requiring low level support not being able to access this immediately. Delays in accessing support may lead to an escalated risk of homelessness	The impact of increased homelessness is low because the STAR service already has an eligibility criteria where those most in need can access support. Instead some people needing lower levels of support or advice may need to wait longer for this or seek help from other agencies.	Signpost tenants with lower level support needs to other services, where appropriate.
<b>7. Monitoring Impact</b> You will need to ensure that monitoring systems are established to check for impact on the protected characteristics and human rights after the decision has been implemented. Describe the systems which are set up to: <ul style="list-style-type: none"><li>▪ monitor impact (positive and negative, intended and unintended) for different groups</li><li>▪ monitor barriers for different groups</li><li>▪ enable open feedback and suggestions from different communities</li><li>▪ ensure that the EIA action plan (below) is delivered.</li></ul>			
Monitoring systems in place include: <ul style="list-style-type: none"><li>• Complaints received</li><li>• Feedback from Tenants and Residents Associations and the Tenants and Leaseholders Forum</li><li>• Access to STAR services – number of tenants supported in each eligibility criteria</li><li>• STAR and Income Management Team records – income maximised for those families living in hard to heat homes and supported by STAR</li></ul>			

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- Income Management Team - rent arrears of people renting garages

### 8. EIA action plan

Please list all the equality objectives, actions and targets that result from this Assessment (continue on separate sheets as necessary). These now need to be included in the relevant service plan for mainstreaming and performance management purposes.

Equality Outcome	Action	Officer Responsible	Completion date
Identify worsening situations for tenants as a result of the implementation of proposals	Analyse the monitoring information above to see if the proposals have had an impact on any particular group	Heads of Service	Quarterly monitoring

## Equality Impact Assessment (EIA) Template: Service Reviews/Service Changes

### Profiling information

#### All Council Tenants

#### Breakdown by Age Band

Age of Applicant	Number of Tenants	Percentage of Tenants
18 and under	15	0.1%
19 to 24	537	2.6%
25 to 44	7351	35.0%
45 to 54	4338	20.7%
55 to 74	6188	29.5%
75+	2445	11.7%
Unknown	110	0.5%
<b>Total</b>	<b>20984</b>	

#### Breakdown by Disability

Disabled	Number of Tenants	Percentage of Tenants
YES	280	1.3%
No / Not Recorded	20704	98.7%
<b>Total</b>	<b>20984</b>	

[Type text]

### Breakdown by Type of Disability

Type of Disability	Number of Tenants	Percentage of Tenants
Physical Impairment	112	40.0%
Sensory Impairment	52	18.6%
Mental Health Condition	46	16.4%
Learning Difficulties	11	3.9%
Long Standing Illness	6	2.1%
Multiple	53	18.9%
<b>Total</b>	<b>280</b>	

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### Breakdown by Ethnic Origin

Ethnicity	Number of Tenants	Percentage of Tenants
Asian	2484	11.8%
Black	1978	9.4%
Chinese	21	0.1%
Mixed / Dual Heritage	385	1.8%
White	10853	51.7%
Gypsy / Romany / Irish Trav	16	0.1%
Other Ethnic Origin	257	1.2%
Prefer not to say	577	2.7%
Not Given / Unknown	4413	21.0%
<b>Total</b>	<b>20984</b>	

[Type text]

### Breakdown by Religion

Religion	Number of Tenants	Percentage of Tenants
Atheist	187	0.9%
Bahai	0	0.0%
Buddhist	5	0.0%
Christian	1580	7.5%
Hindu	227	1.1%
Jain	3	0.0%
Jewish	1	0.0%
Muslim	1119	5.3%
No Religion	1562	7.4%
Other	245	1.2%
Prefer not to say	555	2.6%
Sikh	53	0.3%
Unknown	15447	73.6%
<b>Total</b>	<b>20984</b>	

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### Breakdown by Sexuality

Sexuality	Number of Tenants	Percentage of Tenants
Bisexual	94	0.4%
GAY (FEMALE)/LESBIAN	25	0.1%
Gay (male)	30	0.1%
Heterosexual/straight	4485	21.4%
Other	137	0.7%
Prefer not to say	752	3.6%

[Type text]

Unknown	15461	73.7%
Gender Re-assignment	0	0.0%
<b>Total</b>	<b>20984</b>	

### Breakdown by Gender

Gender	Number of Tenants	Percentage of Tenants
Male	9280	44.2%
Female	11673	55.6%
Unknown	31	0.1%
<b>Total</b>	<b>20984</b>	

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### Garage rentals – October 2016

### Breakdown by Age Band

Age of Applicant	Number of Tenants	Percentage of Tenants
18 and under	0	0.0%
19 to 24	2	0.1%
25 to 44	136	9.3%
45 to 54	131	8.9%
55 to 74	240	16.4%
75+	51	3.5%
Unknown	92	6.3%
Void	814	55.5%
<b>Total</b>	<b>1466</b>	

[Type text]

### Breakdown by Disability

Disabled	Number of Tenants	Percentage of Tenants
YES	6	0.4%
No / Not Recorded	646	44.1%
Void	814	55.5%
<b>Total</b>	<b>1466</b>	

### Breakdown by Type of Disability

Type of Disability	Number of Tenants	Percentage of Tenants
Physical Impairment	1	16.7%
Sensory Impairment	0	0.0%
Mental Health Condition	3	50.0%
Learning Difficulties	0	0.0%
Long Standing Illness	0	0.0%
Multiple	2	33.3%
<b>Total</b>	<b>6</b>	



[Type text]

### Breakdown by Ethnic Origin

Ethnicity	Number of Tenants	Percentage of Tenants
Asian	107	7.3%
Black	51	3.5%
Chinese	0	0.0%
Mixed / Dual Heritage	9	0.6%
White	158	10.8%
Gypsy / Romany / Irish Trav	1	0.1%
Other Ethnic Origin	13	0.9%
Prefer not to say	11	0.8%
Not Given / Unknown	302	20.6%
Void	814	55.5%
<b>Total</b>	<b>1466</b>	

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### Breakdown by Religion

Religion	Number of Tenants	Percentage of Tenants
Atheist	2	0.1%
Bahai	0	0.0%
Buddhist	0	0.0%
Christian	21	1.4%
Hindu	4	0.3%
Jain	0	0.0%
Jewish	1	0.1%
Muslim	35	2.4%
No Religion	11	0.8%

[Type text]

Other	3	0.2%
Prefer not to say	10	0.7%
Sikh	0	0.0%
Unknown	565	38.5%
Void	814	55.5%
<b>Total</b>	<b>1466</b>	

### Breakdown by Sexuality

Sexuality	Number of Tenants	Percentage of Tenants
Bisexual	0	0.0%
GAY (FEMALE)/LESBIAN	1	0.1%
Gay (male)	0	0.0%
Heterosexual/straight	59	4.0%
Other	3	0.2%
Prefer not to say	15	1.0%
Unknown	574	39.2%
Gender Re-assignment	0	0.0%
Void	814	55.5%
<b>Total</b>	<b>1466</b>	

[Type text]

### Breakdown by Gender

Gender	Number of Tenants	Percentage of Tenants
Male	438	29.9%
Female	214	14.6%
Unknown	0	0.0%
Void	814	55.5%
<b>Total</b>	<b>1466</b>	

### Complainants of anti social behaviour – October 2016

#### Breakdown by Age Band

Age of Applicant	Number of Tenants	Percentage of Tenants
18 and under	0	0.0%
19 to 24	97	10.6%
25 to 44	388	42.3%
45 to 54	172	18.8%
55 to 74	174	19.0%
75 and over	35	3.8%
Unknown	51	5.6%
<b>Total</b>	<b>917</b>	

[Type text]

### Breakdown by Disability

Disabled	Number of Tenants	Percentage of Tenants
YES	26	2.8%
NO / UNKNOWN	891	97.2%
<b>Total</b>	<b>917</b>	

### Breakdown by Type of Disability

Type of Disability	Number of Tenants	Percentage of Tenants
Physical Impairment	9	34.6%
Sensory Impairment	2	7.7%
Mental Health Condition	12	46.2%
Learning Difficulties	2	7.7%
Long Standing Illness	0	0.0%
Multiple	1	3.8%
<b>Total</b>	<b>26</b>	

### Breakdown by Ethnic Origin

Ethnicity	Number of Tenants	Percentage of Tenants
Asian	62	6.8%
Black	87	9.5%
Chinese	0	0.0%
Mixed / Dual Heritage	22	2.4%

[Type text]

White	510	55.6%
Gypsy / Romany / Irish Trav	0	0.0%
Other Ethnic Origin	6	0.7%
Prefer not to say	0	0.0%
Not Given / Unknown	230	25.1%
<b>Total</b>	<b>917</b>	

### Breakdown by Religion

Religion	Number of Tenants	Percentage of Tenants
Atheist	11	1.2%
Bahai	0	0.0%
Buddhist	0	0.0%
Christian	85	9.3%
Hindu	7	0.8%
Jain	0	0.0%
Jewish	0	0.0%
Muslim	40	4.4%
No Religion	125	13.6%
Other	22	2.4%
Prefer not to say	53	5.8%
Sikh	3	0.3%
Unknown	571	62.3%
<b>Total</b>	<b>917</b>	

[Type text]

### Breakdown by Sexuality

Sexuality	Number of Tenants	Percentage of Tenants
Bisexual	3	0.3%
Gay (female / lesbian)	1	0.1%
Gay (male)	5	0.5%
Heterosexual / straight	270	29.4%
Other	7	0.8%
Prefer not to say	61	6.7%
Unknown	570	62.2%
Gender Re-assignment	0	0.0%
<b>Total</b>	<b>917</b>	

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### Breakdown by Gender

Gender	Number of Tenants	Percentage of Tenants
Male	378	41.2%
Female	491	53.5%
Unknown	48	5.2%
<b>Total</b>	<b>917</b>	

[Type text]

**STAR service users – 2015 /16**

**Breakdown by Age Band**

Age of Applicant	Number of Tenants	Percentage of Tenants
18 and under	1	0.1%
19 to 24	93	11.1%
25 to 44	395	47.2%
45 to 54	171	20.4%
55 to 74	145	17.3%
75+	31	3.7%
Unknown	1	0.1%
<b>Total</b>	<b>837</b>	

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**Breakdown by Disability**

Disabled	Number of Tenants	Percentage of Tenants
YES	19	2.3%
No / Not Recorded	818	97.7%
<b>Total</b>	<b>837</b>	

[Type text]

### Breakdown by Type of Disability

Type of Disability	Number of Tenants	Percentage of Tenants
Physical Impairment	4	21.1%
Sensory Impairment	0	0.0%
Mental Health Condition	8	42.1%
Learning Difficulties	3	15.8%
Long Standing Illness	0	0.0%
Multiple	4	21.1%
<b>Total</b>	<b>19</b>	

### Breakdown by Ethnic Origin

Ethnicity	Number of Tenants	Percentage of Tenants
Asian	68	8.1%
Black	75	9.0%
Chinese	0	0.0%
Mixed / Dual Heritage	34	4.1%
White	494	59.0%
Gypsy / Romany / Irish Trav	1	0.1%
Other Ethnic Origin	6	0.7%
Prefer not to say	21	2.5%
Not Given / Unknown	138	16.5%
<b>Total</b>	<b>837</b>	



[Type text]

### Breakdown by Religion (2015-16 only)

Religion	Number of Tenants	Percentage of Tenants
Atheist	11	1.3%
Bahai	0	0.0%
Buddhist	0	0.0%
Christian	139	16.6%
Hindu	11	1.3%
Jain	0	0.0%
Jewish	0	0.0%
Muslim	60	7.2%
No Religion	144	17.2%
Other	33	3.9%
Prefer not to say	79	9.4%
Sikh	5	0.6%
Unknown	355	42.4%
<b>Total</b>	<b>837</b>	

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### Breakdown by Sexuality

Sexuality	Number of Tenants	Percentage of Tenants
Bisexual	2	0.2%
GAY (FEMALE)/LESBIAN	4	0.5%
Gay (male)	1	0.1%
Heterosexual/straight	392	46.8%
Other	14	1.7%
Prefer not to say	70	8.4%

[Type text]

Unknown	354	42.3%
Gender Re-assignment	0	0.0%
<b>Total</b>	<b>837</b>	

### Breakdown by Gender

Gender	Number of Tenants	Percentage of Tenants
Male	357	42.7%
Female	479	57.2%
Unknown	0	0.0%
<b>Total</b>	<b>837</b>	

[Type text]

[Type text]