



Housing Revenue Account Budget (including Capital Programme) 2020/21

Housing Scrutiny Commission: 13th January 2020
Full Council: 19th February 2020

Assistant Mayor for Housing: Cllr. Elly Cutkelvin
Lead director: Chris Burgin

Useful information

- Ward(s) affected: All
- Report authors: Chris Burgin, Director of Housing & Stuart McAvoy, Principal Accountant

1. Purpose

- 1.1 The purpose of this report is for Housing Scrutiny to consider the proposed Housing Revenue Account (HRA) budget for the 3 years from 2020/21 to 2022/23.

2. Summary

- 2.1 The financial landscape of the four-year period from 2016 to 2020 has been dominated by the government requirement that rents be reduced by 1% each year. Despite this pressure, the HRA delivered balanced budgets. The government announced in October 2017 that for the 5 years from 2020 rents can be increased by up to CPI+1%. Whilst this relaxation is welcome from the perspective of financing the HRA and investing in housing, a number of other external pressures and changes brought about by central government persist; these include the impact of increasing Right to Buy (RTB) sales, the rollout of Universal Credit and inflationary pressures.
- 2.2 This report recommends that the budget for 2020/21 is set as a balanced budget, continuing the approach of only drawing on reserves to fund time-limited or one-off schemes. The provisional budgets for 2021/22 and 2022/23 are also shown as balanced budgets.

3. Recommendations

- 3.1 The Housing Scrutiny Commission is asked to:
- i) Note the financial pressures on the HRA and comment on the proposals for delivering a balanced budget;
 - ii) Note the comments from the Tenants' & Leaseholders' Forum at Appendix G;
 - iii) Comment on the proposed changes to rent and service charges for 2020/21:
 - 2.7% increase to core rent
 - 2.7% increase to garage rent
 - 2.0% increase to hostel rent
 - 2.0% increase to service charges
 - no changes to sundry payments and charges.

4. Report

4.1 Rents & Service Charges

- 4.1.1 The HRA operates in a self-financing environment. Spending priorities are made in the context of needing 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 £220m.

4.1.2 The HRA budget is set by modelling future levels of income and expenditure. Following four years of mandatory 1% rent reductions, which reduced rental income by £3.1m p.a. by 2019/20, 2020/21 is the first of 5 years in which rents may be increased by up to CPI+1%. CPI as at the end of September 2019 was 1.7%, meaning that rental increases of up to 2.7% are permitted. The recommendation of this report is to apply a rental increase of the full 2.7%, based on the unavoidable pressures detailed in this report; had 4 years of rent reductions not taken place then such an increase may have been avoidable. Whilst any decision on rents for 2021 and 2022 will be taken by Council at the appropriate time, the planning assumption is that CPI will be 2% and that rents will increase by the full CPI+1%. Since a decision is not being sought for rents beyond 2020/21, the capital and revenue budgets for these years are provisional and are shown for information only.

4.1.3 Service charges and garage rents are set separately to core rent. This report proposes an increase in service charges for 2020/21 of 2% which will raise an additional £37k a year. It is proposed to increase garage rents by 2.7% (September CPI+1%) in line with the core rental increase, which would increase the average weekly rent to £9.43. It is proposed that the sundry payments and charges listed at Appendix C remain unchanged.

4.1.4 Hostels fall outside the policy statement on social housing rents; these are periodically re-set to ensure that they are aligned with the actual cost of running the service. This re-set is scheduled to take place during 2020/21. For the coming financial year it is proposed that Hostel rents are increased by 2%, in line with the assumption on staffing costs.

4.2 Revenue Cost Pressures

4.2.1 The primary external pressure on the HRA continues to be the reduced rental income due to loss of stock through RTB sales. Table 1, below, summarises the known pressures and budget growth requirements within the HRA:

Table 1: Revenue Cost Pressures	2020/21 £000	2021/22 £000	2022/23 £000
Rent Impact of RTB Stock Loss	1,544	3,079	4,558
Staffing Inflation	1,461	2,234	2,866
Other Inflation	691	1,261	1,846
Interest & Debt Repayment	1,184	1,754	2,312
Total Cost Pressures	4,880	8,328	11,582

Right to Buy

Sales of properties through Right to Buy can give discounts to tenants of up to 70% of the property value. From 2012 the government 'reinvigorated' the scheme by increasing the maximum discount, such that for Leicester it is now £82,800 compared with £24,000 in 2012. Sales have increased as a result, with a loss of over 1,275 properties in the last 3 years alone. The HRA loses rental income from properties sold in this way, and the economies of scale that come from managing a large portfolio are gradually being eroded. Over the next 3 years it is forecast that rental income will be £4.6m lower as a result of 1,200 Right to Buy sales.

Inflation

Employee costs are forecast to rise by £2.9m over the next 3 years based on assumed annual pay increases of 2%, and known increases to pension contributions. Material costs are expected to rise and provision is being made for increases of 2.5% per year, increasing annual spend by £0.5m. Inflation on running costs (including vehicle fleet) are expected to add a further £1.3m to total costs.

Interest & Debt Repayment

Countering the loss of stock through RTB, the HRA is undertaking a significant programme of acquiring and building properties. In November 2019, Council approved a £70m addition to the HRA capital programme for this investment. Part of this is being funded from borrowing, with interest payable on the debt. It is prudent to repay debt on an annual basis over the life of the assets being acquired and provision is being made for this. These costs will be fully funded from the additional income stream associated with the properties. In 2018 a tranche of Council debt was repaid leading to a significant reduction in the interest chargeable to the HRA.

4.3 Revenue Savings

4.3.1 The proposals within this report meet the identified budget gap of £4.9m in 2020/21 rising to £11.6m in 2022/23. Table 2, below, summarises the proposed budget reductions.

Table 2: Additional Income & Reductions in Expenditure	2020/21 £000	2021/22 £000	2022/23 £000
Dwelling Rent & Service Charges	(2,170)	(4,203)	(6,140)
New Build & Acquired Rental Income	(1,014)	(2,154)	(3,471)
Homelessness Management Review	(108)	(108)	(108)
Stores Streamlining	(92)	(92)	(92)
Capital Funded from Revenue	(846)	(1,121)	(1,121)
Savings to be Identified	(650)	(650)	(650)
Total Savings	(4,880)	(8,328)	(11,582)

Rent & Service Charges

As outlined in section 4.1, the additional income shown here reflects the recommendation that rents, including garage rents, be increased by CPI plus 1%. The working assumption is that this approach continues in 2021/22 and 2022/23. It is proposed that service charges and hostel rents be increased by 2%, in line with the assumed rate of increase in staff pay since the costs of these services are heavily driven by such costs.

Rental income on New Build and Acquired Properties

The HRA has embarked on an extensive programme of acquiring properties on the open market to increase the number of homes available at an affordable rent. In addition, a programme of building new properties on Council-owned land is underway. Additional rental income will accrue of £1m in 2020/21, rising to £3.5m by 2022/23.

Homelessness Management Review

The management structure within homelessness services was reviewed during 2019 to ensure that it best meets the revised statutory responsibilities set out in the Homelessness Reduction Act, as well as delivering the homelessness strategy. The financial effect of this review is to save the HRA £0.1m.

Stores Streamlining

The Stores function holds the materials required by craft operatives to undertake repairs to the Housing stock. The function is currently consolidating from 2 sites within the city to a single site, allowing for the deletion of 3 vacant posts. This will generate a saving of £0.1m.

Capital Expenditure Funded from Revenue

The default source of funding for the HRA capital programme is from revenue resources, which in 2019/20 amounted to £17.1m. In 2020/21 the figure falls to £16.2m and is then forecast to drop again to £15.9m from 2021/22, freeing up revenue resources to meet the identified pressures. These schemes are detailed in section 4.4, below.

Savings to be Identified

Changes to the way in which accommodation services are being delivered are currently being considered, and are expected to deliver savings in the order of £0.7m. Subject to timings, details will be included within the final report to Council.

4.3.2 In summary, the HRA revenue budget savings proposed for the next 3 years will meet the amount required to balance the revenue budget without drawing upon reserves. Appendix A shows a high-level breakdown of the proposed HRA revenue budgets for the next 3 years.

4.4 Capital Expenditure

4.4.1 The 2019/20 capital programme (excluding budgets slipped from previous years) is £48m, with more than half of this relating to the Council House Acquisition and New Build programmes. In addition, a further £70m has been added in November 2019 following Council approval to extend the programme of increasing affordable housing.

4.4.2 Appendix E outlines the way in which capital works are identified as being required in council dwellings. Appendix F provides wider details of the priorities which direct HRA expenditure, including achievements throughout 2019/20.

4.4.3 Appendix B shows the proposed capital programme for 2020/21 and provisional budgets for the 2 following years. Other than one-off schemes falling out of the programme, the following projects are those for which changes are proposed:

Kitchens and Bathrooms

It is proposed that the capital budget for kitchens and bathrooms be reduced by £0.4m. Budget monitoring throughout the year has identified a forecast underspend on this budget, and in part this reflects the number of properties lost to RTB.

Re-roofing

Analysis of the remaining life of roofs has identified that a greater number of properties will need to be re-roofed over coming years than the current budget allows for. The budget increased by £400k in 2019/20 with a further increase of £150k identified for 2021/22.

Property Conversions

Overcrowding can be an issue within some properties, so work will be undertaken in 2020/21 to deliver a mix of loft conversions and extensions at a cost of £0.5m. This

will create properties with the capacity to house larger families in a more cost-effective manner than purchasing such properties on the open market.

Sheltered Housing

Following visits to schemes in other council areas, it is envisaged that refurbishment of some Sheltered Housing blocks may be required. Introducing a budget of £250k will enable feasibility works to explore this in more detail.

Public Realm Works

Whilst the existing budget includes £750k for Communal and Environmental works, an injection of £5m over the next 3 years will allow for significant improvements to the appearance of low-rise flats, communal areas, and estates more generally. Provision of £1.2m is included for 2020/21, rising to £1.9m for 2021/22 and 2022/23. Reserves will be used fund the full amount in 2020/21, with a mix of reserves and revenue contributions planned for financing the following 2 years.

Maintenance of Non-Dwellings

It is anticipated that additional work will be required in relation to the maintenance of non-dwellings, and the creation of a policy provision of £0.7m will facilitate this.

Business Systems

A long-standing budget for making improvements to Housing IT systems, including the increasing use of mobile working solutions requires a top-up of £175k to provide sufficient budget for 2020/21. Budgets for 2021/22 onwards will be considered during the next 12 months, taking into account any procurement requirements.

4.4.4 The funding of the proposed capital programme is shown in the table below. This results in a reduction in funding from revenue of £846k in 2020/21 and £1,121k from 2021/22, reflecting the figures at paragraph 4.3.1. The table reflects the programme for which approval will be sought from Council in February 2020, and as such excludes the £70m affordable housing approval, which is largely funded from RTB receipts and borrowing.

Table 3: Funding of HRA Capital Programme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Funded From Revenue	17,081	16,235	15,960	15,960
Funded From Reserves	12,269	1,200	700	700
Funded From Right to Buy Receipts	8,430	0	0	0
Funded from Borrowing	10,250	0	0	0
	48,030	17,435	16,660	16,660

4.4.5 Authority for amendments to the HRA capital programme is in line with that for the corporate programme as set out in the report to Council on 30th November 2017.

4.5 HRA Reserves

4.5.1 Drawing down on reserves in an attempt to avoid the need to make savings is only viable as a short-term approach to meeting any budget shortfall. Reserves are better utilised in meeting one-off costs, to support the delivery of long-term efficiencies and in the replenishment of dwelling stock to increase the long-term financial viability of the HRA. In keeping with this approach, the only use of reserves in the proposed 2020/21 budget is for a time-limited enhancement of public realm works.

4.5.2 At the end of 2019/20, the total HRA unallocated reserves are forecast to be £1.1m. This is the amount available to support unplanned one-off expenditure or to meet in-year deficits.

5. Financial, legal and other implications

5.1 Financial implications

5.1.1 This report is exclusively concerned with financial issues.

Colin Sharpe, Deputy Director of Finance (37 4081)

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) – 37 1435

5.3 Climate Change and Carbon Reduction implications

5.3.1 Housing is responsible for a third of Leicester's overall carbon emissions. Following the council's declaration of a climate emergency in February 2019, addressing these emissions is vital to meeting our ambition to make Leicester a carbon neutral city.

5.3.2 Opportunities to reduce the energy use and carbon emissions of properties should be identified and implemented wherever possible. In the case of newly built or purchased dwellings this means meeting a high standard of energy efficiency, as provided in climate change implications for relevant reports. Additionally, the programme of maintenance for existing housing properties should provide opportunities to improve their energy efficiency, which should be investigated where practical.

5.3.3 Improving energy efficiency should also help to ensure that housing reaches a high standard and reduce energy bills for tenants.

Aidan Davis, Sustainability Officer, Ext 37 2284

6. Background information and other papers:

None

7. Summary of appendices:

Appendix A: Proposed HRA Budget 2020/21 to 2022/23

Appendix B: Proposed HRA Capital Programme 2020/21 to 2022/23

Appendix C: Other Service Charges and Payments 2020/21

Appendix D: Leicester Average Rents Comparison

Appendix E: Planning Capital Works in Council Dwellings

Appendix F: How Priorities are Assessed for HRA Expenditure

Appendix G: Feedback from Consultation with Tenants' and Leaseholders' Forum

Appendix H: 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 HRA Revenue Budget
2020/21 to 2022/23**

	2019/20 Current Budget £000	- 2020/21 -			- 2021/22 – Provisional – For Info			- 2022/23 – Provisional – For Info		
		2020/21 Budget Pressures £000	2020/21 Savings & Reductions £000	Proposed 2020/21 Budget £000	2021/22 Budget Pressures £000	2021/22 Savings & Reductions £000	Draft 2021/22 Budget £000	2022/23 Budget Pressures £000	2022/23 Savings & Reductions £000	Draft 2022/23 Budget £000
Income										
Dwelling & Non-Dwelling Rent	(72,961)	1,544	(3,147)	(74,564)	1,535	(3,133)	(76,162)	1,479	(3,213)	(77,896)
Service Charges	(5,671)	0	(37)	(5,708)	0	(40)	(5,748)	0	(41)	(5,789)
Total Income	(78,632)	1,544	(3,184)	(80,272)	1,535	(3,173)	(81,910)	1,479	(3,254)	(83,685)
Expenditure										
Management & Landlord Services	18,366	798	(484)	18,680	422	0	19,102	382	0	19,484
Repairs & Maintenance	24,795	1,272	(92)	25,975	838	0	26,813	750	0	27,563
Interest on Borrowing	7,766	1,184	0	8,950	570	0	9,520	558	0	10,078
Charges for Support Services	4,702	3	0	4,705	3	0	4,708	3	0	4,711
Contribution to GF Services	5,922	79	(274)	5,727	80	0	5,807	82	0	5,889
	61,551	3,336	(850)	64,037	1,913	0	65,950	1,775	0	67,725
Capital Funded From Revenue	17,081	0	(846)	16,235	0	(275)	15,960	0	0	15,960
(Surplus) / Deficit Before Reserves	0	4,880	(4,880)	0	3,448	(3,448)	0	3,254	(3,254)	0
Funding From Reserves	0	0	0	0	0	0	0	0	0	0
Contributions To Reserves	0	0	0	0	0	0	0	0	0	0
(Surplus) / Deficit	0	4,880	(4,880)	0	3,448	(3,448)	0	3,254	(3,254)	0

HRA Capital Programme 2020/21 to 2022/23

The table below shows the 2019/20 capital programme as at December 2019 (excluding budgets slipped from previous years' programmes and the £70m Council approval for affordable housing). Other than non-dwellings maintenance, all of the schemes listed for 20/21 are immediate starts.

	2019/20 Capital Programme £000	Proposed 20/21 Programme £000	Provisional 21/22 Programme £000	Provisional 22/23 Programme £000
Kitchens & Bathrooms	4,000	3,600	3,600	3,600
Boilers	3,425	3,425	3,425	3,425
Re-wiring	1,760	1,760	1,760	1,760
Re-roofing	750	750	900	900
Soffits & Facia	350	350	350	350
Windows and Doors	150	150	150	150
Door Entry	150	150	150	150
District Heating Maintenance	725	725	725	725
Communal Improvements & Environmental Works	750	750	750	750
Disabled Adaptations	1,200	1,200	1,200	1,200
Fire Risk Works	1,000	1,000	1,000	1,000
Safety Works including Targeted Alarms	300	300	300	300
Loft Insulation	100	100	100	100
Waylighting	150	150	150	150
Sheltered Housing Improvements (ASC)	100	100	100	100
Concrete Paths Renewal	100	100	100	100
Sprinkler Systems	1,350	0	0	0
Goscote House Demolition	2,800	0	0	0
Parking - Spend to Save	250	0	0	0
Supporting Neighbourhood Hubs	550	0	0	0
New Build Housing	6,200	0	0	0
Property Acquisitions	21,180	0	0	0
Other Additions Within 2019/20	690	0	0	0
Property Conversions	0	500	0	0
Feasibility Study for Sheltered Housing	0	250	0	0
Public Realm Works	0	1,200	1,900	1,900
Maintenance of Non-Dwellings (policy provision)	0	700	0	0
Business Systems	0	175	0	0
Total Capital Programme	48,030	17,435	16,660	16,660

Other Service Charges and Payments

It is proposed that the payments and charges shown in the table below remain unchanged for 2020/21:

Service Charge	Details of Charges
Replacement Rent Swipe Cards	The charge for a replacement swipe card is £5.00.
Pre-sale questionnaires from solicitors and mortgage providers	Housing Services receive a large number of requests from mortgage providers and solicitors for information in connection with property type / condition and tenancy history. A charge is levied to recover the cost to the council of providing this information. The charge for this is £125 (Note that requests in connection with tenants' statutory rights under Right to Buy legislation are excluded from this charge).
Security Fob Replacements	Where tenants and leaseholders require a replacement security fob these are charged at £10 each.

Payments	Details of Payments																																
Disturbance Allowance	Disturbance allowances are paid when a full property electrical rewire is 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 £155 per dwelling.																																
Decorating Allowances	<p>Decorating allowances are paid to new tenants based on the condition of the property on a per room basis. The allowances are paid through a voucher scheme with a major DIY chain. Current allowances are set out below:</p> <table style="margin-left: 40px;"> <tr><td>Bathroom</td><td>£45.00</td></tr> <tr><td>Kitchen</td><td>£56.25</td></tr> <tr><td>Lounge</td><td>£67.50</td></tr> <tr><td>Dining Room</td><td>£67.50</td></tr> <tr><td>WC (where separate)</td><td>£22.50</td></tr> <tr><td>Halls (flats/bungalows)</td><td>£45.00</td></tr> <tr><td>Hall/Stairs/Landing</td><td>£78.75</td></tr> <tr><td>Large Bedroom</td><td>£67.50</td></tr> <tr><td>Middle Bedroom</td><td>£56.25</td></tr> <tr><td>Small Bedroom</td><td>£36.00</td></tr> </table> <p>The amount payable is capped as follows:</p> <table style="margin-left: 40px;"> <tr><td>3+ bed house / maisonette</td><td>£300</td></tr> <tr><td>3+ bed bungalow / flat</td><td>£250</td></tr> <tr><td>2 bed house / maisonette</td><td>£250</td></tr> <tr><td>2 bed flat / bungalow</td><td>£200</td></tr> <tr><td>1 bed flat / bungalow</td><td>£150</td></tr> <tr><td>Bedsit</td><td>£100</td></tr> </table>	Bathroom	£45.00	Kitchen	£56.25	Lounge	£67.50	Dining Room	£67.50	WC (where separate)	£22.50	Halls (flats/bungalows)	£45.00	Hall/Stairs/Landing	£78.75	Large Bedroom	£67.50	Middle Bedroom	£56.25	Small Bedroom	£36.00	3+ bed house / maisonette	£300	3+ bed bungalow / flat	£250	2 bed house / maisonette	£250	2 bed flat / bungalow	£200	1 bed flat / bungalow	£150	Bedsit	£100
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Average Rents Comparison

The table below compares the rent levels for different types of property in the HRA with rents for similar sized properties across the city.

Property Type	HRA 2019/20	Formula Rent 2019/20	Housing Assoc. 2018/19	Private Sector (LHA rate) 2019/20	Private Sector (city wide) 2018/19
Room only	-	-	-	£63.22	£84.69
Bedsit (studio)	£53.20	£62.75	£56.24	£86.30	£95.08
1 bed	£61.56	£66.99	£64.58	£86.30	£115.85
2 bed	£72.63	£77.20	£82.11	£109.32	£143.31
3 bed	£80.32	£85.76	£89.70	£130.38	£168.00
4 bed	£92.32	£96.99	£106.10	£163.16	£249.00
5 bed	£100.02	£104.77	£110.63		
6 bed	£115.32	£110.74	£123.90		

Planning Capital Works in Council Dwellings

Each defined element within a council property is upgraded or renewed in line with good practice, legislative requirements and the changing needs and expectations of our tenants. The table below identifies some of the main criteria for planning major works in council dwellings:

Component for replacement	Leicester's replacement condition criteria	Decent Homes Standard minimum age
Bathroom	All properties to have a bathroom for life by 2036	30 - 40 years
Central heating boiler	Based on assessed condition from annual service	15 years (future life expectancy of boilers is expected to be on average 12 years)
Chimney	Based on assessed condition from the Stock Condition Survey / Housing Health and Safety Rating System	50 years
Windows and Doors	Based on assessed condition from the Stock Condition Survey / Housing Health and Safety Rating System	40 years
Electrics	Every 30 years	30 years
Kitchen	All properties to have an upgraded kitchen by 2036	20 – 30 years
Roof	Based on assessed condition for the Stock Condition Survey / Housing Health and Safety Rating System	50 years (20 years for flat roofs)
Wall finish (external)	Based on assessed condition from the Stock Condition Survey / Housing Health and Safety Rating System	80 years
Wall structure	Based on assessed condition from the Stock Condition Survey / Housing Health and Safety Rating System	60 years

Asset data for all HRA stock is held on the Northgate IT system. This includes the age, construction type, number of bedrooms, type and age of boiler, the last time the lighting and heating circuits were rewired etc. Condition survey data is also held for certain external elements such as roofs and chimneys, external paths, windows and doors etc.

The 3-year plan outlined within this report is not purely based on life cycle and condition survey data; major elements are pre-inspected before they are added to the programme and the repairs history for the property is checked. For example, all roofs are pre-inspected before the order is sent to the contractor. Likewise, all electrical installations are tested at 30 years and a decision is made whether to carry out a full rewire or part upgrade of the circuits. Properties are not added to the kitchen programme if they have had major repair work carried out in the previous 5 years.

Requests for additions to the capital programme are also received from the Repairs Team if an element requires replacement rather than repair. For example, a roof repair may result in the property being added to the programme.

Some works are reactive such as Disabled Adaptations. There is a joint working protocol between Housing and Adult Social Care, which allocates priority points to each case.

How Priorities are Assessed for HRA Expenditure

1. Labour's Manifesto, For the Many not the Few, contains 12 main commitments that the Housing Division has primary responsibility for delivering. Most of the commitments sit under the Manifesto section Homes for all. These are to:
 - Provide 1,500 more council, social and extra care homes;
 - Use our Housing company to tackle housing shortages;
 - Reduce the number of families and individuals placed in temporary accommodation;
 - Ensure that no-one has to sleep rough on our streets;
 - Establish a residential facility for people experiencing multiple and complex needs, many of whom are rough sleeping;
 - Support further work to meet complex needs experienced by women and Black and Minority Ethnic communities who may not be sleeping on our streets but are homeless;
 - Make Leicester a place of refuge for those fleeing conflict across the world, with a comprehensive offer of housing, support and learning;
 - Maintain our existing adaptations service for all homeowners and undertake a programme of council housing adaptations to allow people with disabilities to remain or move into our properties;
 - Undertake an ongoing £80m council home improvement programme;
 - Continue our environmental investment programme on council land and estates;
 - Provide free Wi-Fi on estates;
 - Establish a home extension fund for council tenants to reduce overcrowding in council properties.

2. The overall aim of Leicester City Council's Housing Division is to provide a decent home within the reach of every citizen of Leicester. Under this aim the priorities for the HRA budget, incorporating support to deliver the Labour Manifesto commitments, are:
 - Providing Decent Homes;
 - Making our communities and neighbourhoods 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. This appendix sets out how we meet our five major priorities for investment in our 20,830 council homes and their neighbourhoods.

Priority One – Providing Decent Homes

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

4. Nearly one in six homes in Leicester is a council house, flat, maisonette or bungalow. It is crucially important that we look 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 three or four years. We must ensure we do not let the programmes for essential items with long life spans fall behind, for example roofs, boilers, wiring, kitchens and bathrooms.
5. 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.
6. The Government’s Decent Homes target was met in 2011/12. However, to meet the standard on an on-going basis further investment for major works is required.
7. 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. We have a bespoke software package that enables us to analysis stock condition and plan major work accordingly, when it is required.
8. The Governments current definition of a Decent Home was set in 2006. A Decent Home must meet the following four criteria:
 - It meets the current statutory minimum standard for housing;
 - It is in a reasonable repair;
 - It has reasonably modern facilities and services; and
 - It provides a reasonable degree of thermal comfort

The Governments green paper “A new deal for social housing” was published and consulted upon in 2018. This document stated the Government was considering a review of the Decent Homes Standard. To date no new update on the Decent Homes Standard has been made as a result of this green paper, but the wider housing sector anticipate changes to the current criteria at some point in the future, for which we will need to respond to.

9. As well as achieving the Decent Homes Standard we also address tenants’ priorities. The majority of tenants see improvements made within their home as a priority and the priority element for improvement is kitchens and bathrooms. Our current commitment is to refurbish all kitchens and bathrooms by 2036.
10. From time to time major refurbishment or redevelopment projects are required. The current ones are the kitchen and bathroom refurbishment programme, St Peters tower block refurbishment, St Leonards Court lift replacement and installation of a second lift,

demolition of Goscote House, central heating and boiler upgrades and the electrical improvement programme.

11. It is crucial we continue to repair and maintain homes. During 2019/20 90,039 repairs were completed and we anticipate a similar number for 2020/21. At the end of July 2019 737 responsive repairs were outstanding that were out of category and 205 jobs relating to gas repairs and district heating.
12. Work is taking place 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. During 2018/19 the average time to re-let a routine void property was 62.1 days. For the first 3 months of 2019/20 this had been reduced to 43.1 days.

Achievements in 2019/20 and Proposals for 2020/21

13. In 2019/20 approximately £25m has been invested in maintaining our homes and a further £17m for improvements through the Capital Programme.

Programmed element	Achievements and proposals
Kitchens and bathroom	We expect to have installed 710 kitchens / bathrooms in 2019/20. During 2020/21 we are expected to install a further 780 kitchens / bathrooms. As at the 1 st April 2019 75% of all council properties have had either a Leicester Standard kitchen or bathroom.
Rewiring	We expect to have rewired 810 homes in 2019/20 and a further 800 during 2020/21
Central heating boilers	Investment is calculated to replace boilers every 15 years based on condition data from the annual gas service. We expect to have replaced 1,148 boilers in 2019/20 and a further 1,150 2020/21
Roofing and chimneys	We expect to have installed 97 new roofs in 2019/20 and 100 in 2020/21. An additional £450k was invested in re-roofing activities during 2019/20 to enable the increased demand for this work to be undertaken.
Central heating systems	We have 143 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 and doors	Excluding properties in Conservation Areas where there are often restrictions on the use of UPVC, we have 49 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 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, fascia's and guttering	By replacing these items with UPVC we reduce long term maintenance costs. During 2019/20 we anticipate replacing 142 soffits, fascias and gutters and a further 150 in 2020/21.
Condensation works	Investment is required to target those properties that have been identified as being more susceptible to condensation related problems because of their construction type or location. A multi option approach is adopted along with the use of thermal imaging technology to produce property specific solutions. In 2019/20 we expect to complete work on 520 properties and a further 550 in 2020/21. Advice to tenants is also important as their actions can alleviate condensation problems, for example opening windows when cooking.
Safety and fire risk work	Investment is required to implement the planned programme of fire safety measures, as agreed with the Fire Service (see point 15 below.) During 2019/20 an additional £150k was allocated to install fire doors that required replacement.

14. Fire safety is of paramount importance to us as a landlord. We have policies and procedures in place to reduce the risk of fires, for example our Assistant Housing Officers carry out regular fire inspections to properties with communal areas such as flats, maisonettes and houses in multiple occupation. All these buildings have their own fire risk assessments and people are provided with a personal evacuation plan in case a fire starts. We have a no tolerance policy on items left in communal areas. If found these are removed so evacuation routes remain clear and combustible items are not left to encourage the spread of fire. Our fire safety work includes implementing recommendations made by the fire service. None of our 6 tower blocks contain external cladding, which contributed to the spread of the fire at Grenfell Tower in 2017, nor do they have gas supplies. 4 of the 5 tower blocks in St Peters have had passive fire protection upgraded as part of the refurbishment work taken place. This includes communal fire doors and emergency lighting. During 2018 a decision was made to draw up plans to demolish Goscote House. The reason for this is that, although it is currently safe to live in, the projected longer-term structural costs of keeping it safe would be unviable. This demolition work is to be progressed during 2020/21. St Leonards Court has passive fire protection measures in place. The installation of a second lift at St Leonards Court is scheduled for completion during 2019/20. We have agreed to fit sprinkler systems at our 5 high storey tower blocks. Work installing sprinklers at Maxwell House has been completed and work on the 4 other blocks has been programmed to be completed by 2021.
15. During 2019/20 £50k was invested from the Housing Division's Spend to Save budget to introduce a programme to remove asbestos from void bungalows. This ensures that the new tenant does not have the upheaval of moving out of their property for this work to be carried out at a later date.

16. During 2019/20 £150k was also invested to improve the racking in Operatives vans to enable them to have materials readily available to complete more repairs on first visit.
17. In February 2019 a new mobile working solution called Total Mobile was rolled out to over 180 repairs Operatives. This improved technology has the ability to assign a qualified Operative and material to a repair job automatically. It also has the function of sending text messages to tenants reminding them of appointments and informing them an Operative is on the way. As part of this new technology, customer satisfaction monitoring of repairs work has been introduced. Between July and September 2019 8,365 tenants who had repairs completed had been surveyed, 99.9% of these people stated they were satisfied with the work.

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 this?

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 deliver significant environmental improvements on estates, such as landscaping, new security measures, community facilities, pocket parks, fencing and communal area improvements. Tenants and ward councillors help decide where this money should be spent, based on their local needs and priorities. These schemes have helped improve the overall image, appearance and general quality of life within our estates.
20. As part of the council's Transforming Neighbourhood Services programme housing office services are now in shared buildings within local communities.

Achievements in 2019/20 and Proposals for 2020/21

21. In 2019/20 the budget for environmental and communal works was £750,000. It was shared across the city in all neighbourhood housing areas. Works included parking improvements, resurfacing courtyards, improving the security of estates by the installation of gates and removal of bushes. Specific examples include:
 - Painting of communal areas of flats on Bridlespur Way, Modbury Avenue, Jersey Road, Hipwell Crescent and Millwood Close, Mowmacre;
 - The fitting of bird spikes on blocks of flats in Mowmacre to deter pigeons;
 - Removal of shrubs and slabs on Wymar Close, Beaumont Leys to improve the look of the area;
 - Removing tamac from the existing path of Collett Road, Beaumont Leys, to improve the appearance of the area and to create a clear pathway for residents;

- Demolition of garages on Beatty Avenue and Rowlatts Hill Road that are in poor condition, to create new parking spaces;
 - Footpath refurbishment to The Crossway, Saffron, where these are in disrepair and a trip hazard;
 - Creation of external bin storage areas for the flats on Neston Gardens and Heathcott Road, Saffron;
 - Carrying out a pilot project to steam clean the communal flooring to flats on Edmonton Road, St Matthews;
 - A joint project with Highways to remove overgrown trees/bushes and resolve parking congestion around Oak Street flats in Humberstone;
 - Re-configuring the entrance to Framland House on St Peters to improve security.
22. A further £250k has been invested from the Housing Division's Spend to Save scheme to introduce a pro-active programme to repair and maintain our 1,035 communal areas on estates.
23. During 2019/20 the HRA contributed £114k to the General Fund for investigating and enforcement work, such as fly tipping on estates, undertaken by City Wardens.
24. The Leicester to Work scheme (see also priority 5) carries out painting, clearing of alleyways, removal of graffiti and other works to improve the look of the local environment.
25. The Housing Division works closely with the Probation Service through the Community Payback scheme. During 2018/19 240 days of work was provide by people undertaking tasks such as litter picking and painting.
26. The programme of upgrading door entrance schemes will continue based on condition surveys. We expect to upgrade 10 door entrance schemes during 2019/20 and a further 12 in 2020/21.
27. We continue to provide our housing management service with local teams so that our staff know the neighbourhoods and communities in which they work. Housing Officers are out and about on their 'patches' and our craft workforce is fully mobile. During 2019 we have revised and consulted on our Conditions of Tenancy.
28. 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.
29. We publish an Annual Report to Tenants and information is also communicated through the Your Leicester electronic newsletter and the Council's Twitter and Facebook accounts.
30. The Customer Services Centre runs a telephone advice line during 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 Service Centre received 206,900 calls

during the working day on the tenants' advice line. 119,556 of these calls were about repairs. A further 13,857 calls were made out of hours.

31. We are now working on a programme to provide greater on-line access to our services, through a portal on the Council's website. We have already set up the facility for tenants to view and download rent statements, register for direct debit rent payments, view repairs and send us an enquiry related to a repair they have reported. Further on-line developments we are working on include the ability for tenants to request a repair and select an appointment slot. Work has also started to look at providing free Wi-Fi on estates.
32. We respond vigorously to reports of anti-social behaviour and have CCTV on many parts of our estates. We also offer security packages to tenants who are victims of anti-social behaviour, such as secure letter boxes and alarms, to help them feel safe in their homes, whilst reports are investigated. In 2018/19 we received 1,322 reports of anti-social behaviour that were investigated and, where necessary, action was taken against perpetrators. This was 476 more reports than the previous year. In the first 3 months of 2019/20 we had received a total of 422 reports. During 2019/20 the HRA contributed £32k to the Council's Crime and Anti-Social Behaviour Team to support the resolution of serious anti-social behaviour cases.
33. We work closely with the Tenants' and Leaseholders' Forum which has representatives from across the city. During 2019/20 the topics the Tenants and Leaseholders' Forum have discussed include:
 - The voids management process
 - The supply of new council housing
 - Free Wi-Fi on council estates
 - The Tenancy Management Service
 - The Housing Register and Homelessness service
 - Customer Services
 - Fire safety
 - The Repairs Service
 - Rent collection

The action log from the Tenants' and Leaseholders' Forum is attached to the documents for each Housing Scrutiny meeting. The Chair and/or Vice Chair of the Tenants' and Leaseholders' Forum will also attend Housing Scrutiny meetings to provide an update on the work of the Forum. The Tenants' and Leaseholders' Forum have also been consulted on this year's HRA budget proposals.

34. To address the needs of leaseholders we have established a Leaseholders Liaison Team who are responsible for responding to leaseholder queries and improving services to meet their needs. Quarterly Leaseholder Forums now take place, to which all leaseholders are invited. Some of the topics discussed at these meetings during 2019 has included parking, grounds maintenance and trees and service expectations for leaseholders.

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?

35. The 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 approximately 16% of all residential housing in the city. Therefore, its pro rata contribution towards carbon reduction target is 20,268 tonnes. Through the Housing Capital Programme CO2 emissions from council houses reduced by 58,523 tonnes between 2005 and March 2017. This means that we have already exceeded our target by 180%.
36. 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.
37. 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.
38. There are three areas of energy efficiency work to prioritise as funds become available. These are:
- Completing external wall insulation on all suitable properties.
 - Installing individual meters for tenants on district heating schemes.
 - Doing specialist work on the hardest to heat houses. For example, those properties with small wall cavities which are not suitable for typical wall installation programmes.

Achievements in 2019/20 and proposals for 2020/21

39. During 2019/20 we continued our programme of installing more efficient boilers as boilers need replacing, increasing loft insulation to 250 mm and putting in double glazed windows and doors as demand arises. This work will continue in 2020/21.
40. Approximately 2,900 properties 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 and hot water they use. A pilot scheme of installing 50 meters showed that, on average, tenants saved 33% when they could see the link between their heating and hot water consumption and the bill they pay.
41. We have been installing heat meters to our homes as part of the St Peters tower block scheme. 340 properties have been fitted with meters under this scheme. heating.
42. During 2019/20 £750k has been invested in the district heating scheme to upgrade pumps and heating exchanges in sub stations.

Priority Four – Providing appropriate housing to match people’s changing needs

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

43. 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. In October 2019 there were 6,178 households on the Housing Register.
44. Right to Buy sales reduce the number of council homes available at an affordable rent. In 2018/19 we sold 424 homes. It is estimated that we will have sold a similar number by the end of 2019/20.
45. The most recent Housing and Economic Development Needs Assessment in 2017 identified that Leicester’s net affordable housing need is 786 additional affordable housing homes per year to meet current and future demand from households who cannot afford to enter the private housing market. The city’s average annual new supply of affordable homes has been less than a quarter of this need over the past 10 years.
46. Issues affecting our ability to provide new affordable housing include:
 - The limited land available in the city for residential development (including for Affordable Housing). The council has been reviewing its landholdings and, as part of its new Local Plans process, inviting others to put forward sites in any ownership which might be suitable for development.
 - The Government’s requirement that funds available to invest in the new supply of Affordable Housing from either Homes England’s programme or from Right to Buy receipts can only meet a portion of the total costs of new supply. Homes England funds and Right to Buy receipts cannot be used together towards the funding of any dwelling. The balance of the costs must be funded by other means.
47. Despite these constraints the Council has embarked on a new council house acquisition and building programme to help address housing need.
48. When a property, sold under Right to Buy, is placed back onto the market the council has the first opportunity to buy this property back before it goes onto the open market. We are increasingly taking this option to increase our supply of affordable housing.
49. Each year the Capital Programme funds the adaptations of tenants existing homes where Adult Social Care and Children’s Services identify the current tenant or family members needs those adaptations.
50. The service also works closely with Children’s Services to help looked after children, foster families, children leaving care and other vulnerable families.

51. During 2019 the Housing Allocations Policy was reviewed to strengthen the re-housing priority for people experiencing overcrowding and to address other needs, many of which can have an impact on health and mental health.
52. The Supporting Tenants and Residents (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 been previously homeless and those who have other problems which means they are not coping or complying with tenancy conditions.
53. Housing Officers undertake a programme of Welfare Visits to tenants who may be vulnerable. This is an opportunity for us to check whether the tenant is coping in their home and where appropriate we signpost or refer people to support services. This is a preventative measure to help sustain tenancies, ensure people are safe, well and enables us to act before a crisis point is reached

What will we achieve in 2019/20 and what are we proposing for 2020/21?

54. The Affordable Housing Programme delivered 224 new homes in 2018/19 and it is predicted that 302 will be delivered by the end of 2019/20.
55. During the first phase of council housebuilding 29 properties will be built on Ambassador Road, Selby Avenue, Maplin Road, Brocklesby Way, Felstead Road and Rosehill Crescent at a cost of £3.8m. These developments are due for completion in July 2020. Phase 2 of house building is also being planned, with potential sites at The Velodrome and Austin Rise being considered. In addition to this 2 Adult Social Care extra care schemes are in development which will provide an additional 155 units.
56. In 2018 a decision was made to set up a Housing Company, to further enable the supply of new affordable housing in the city. Although owned by the council, this is a private company. A Housing Company provides opportunities to build new accommodation for social or affordable housing, for market price sale and private sector rent. Whilst the focus is on council house building within the HRA at the present time the Housing Company may be used to develop further housing in the city in the future.
57. In 2018/19 the council bought back 33 homes that had previously been sold through the Right to Buy scheme. Between April and October, a further 23 had been purchased with offers made and accepted on 64 that were progressing through to completion.
58. During 2018/19 474 minor adaptations took place in tenants' homes, such as ramps and door widening. There were also 100 major adaptations, such as level access showers, stair lifts and through floor lifts. This work will continue in 2020/21 in response to assessments by Adult Social Care. To supplement this, a £3m programme of Disabled Facilities Grants (DFGs) will support homeowners and those renting properties to continue living in their homes; this is a £1m increase on previous years' programmes.
59. Work has started on looking at a scheme to undertake extension work at properties where households are experiencing overcrowding, rather than them having to move through the Housing Register. We are currently reviewing our properties where there is over crowding to establish the feasibility of carrying out this work.

60. Vacant council and housing association properties are advertised through Leicester HomeChoice. Last year 194 council tenants transferred within the stock to homes better suited to their need and 704 households became new council tenants. A further 327 households obtained housing association tenancies. In the first 6 months of 2019/20 142 tenants had transferred properties, there were 343 new tenants and 178 had obtained housing association tenancies.
61. We subscribe to the national Home Swapper Scheme that enables tenants to identify mutual exchanges. This is particularly important for those tenants who want to move, but have a low priority on the Housing Register,
62. The Income Management Team continues to ensure rent is paid and tenants with arrears are given support to clear their debt. In 2018/19 99.46% of rent was collected, slightly less than 2017/18 due to the direct impact of the introduction of Universal Credit in Leicester. Total rent arrears, at the end of 2018/19, stood at £1,627,034. The team works closely with the Housing Benefits service and makes referrals for Discretionary Housing Benefit. In 2017/18 £234k in Discretionary Housing Benefit payments were made to council tenants. Only 43 tenants were evicted for rent arrears in 2018/19, the lowest number in the last 4 years. There are now greater challenges to collect rental income with the introduction of Universal Credit in Leicester in June 2018. The rent costs of the new benefit are now paid directly to the claimant and therefore tenants will be responsible for paying the rent themselves, unlike having their housing benefit paid directly to the council. At the end of 2018/19 1,879 tenants had made a new claim for Universal Credit. The council has taken steps to mitigate the risk of increasing rent arrears by recruiting to 4 new posts, Rent Management Advisors, to support tenants apply for Universal Credit, manage their claim and pay their rent. By the end of 2018/19 these officers had provided support to 798 tenants. The Department of Work and Pensions has granted the council Trusted Partner status. One of the benefits of this is that we can automatically apply for managed rent payments directly to us, for those tenants that are vulnerable or are likely not to pay their rent.
63. 89.8% of tenancies were sustained in 2018/19. This means that 89.8% of people who became new tenants in 2017/18 remained in their tenancy 12 months later. For the first quarter of 2019/20 this sustainment had increased to 90.6%. During 2018/19 STAR provided short term support to 1,759 tenants and longer-term support to 513. In the first quarter of 2019/20 the STAR service was providing longer term support for 509 tenants and provided short term support for 365 tenants. The STAR service also provides an intensive package of support to help Syrian refugees settled into their new homes and improve pathways into employment.

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

What is our planned approach for achieving this?

64. Contracts are placed through the corporate procurement team which takes steps to use council spending to stimulate the local economy. All contracts have local labour and social value clauses.
65. 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 Ethnic and Minority backgrounds to join the craft workforce.
66. The Council's Leicester to Work initiative provides opportunities to the long term unemployed and work experience for school students, graduates and ex-offenders.

Achievements in 2019/20 and proposals for 2020/21

67. The total value of our contracts, funded through the HRA, is £132m in 2019/20. The Housing Division employs a workforce of over 850 staff funded through the HRA.
68. 11 Apprentice Maintenance Technicians completed their apprenticeships in 2019/20 and 7 of these successfully achieved permanent employment with the Repairs Service, 1 person moved within the Council to a follow-on apprenticeship and 1 person gained full time employment outside of the Council. 15 people started new Maintenance Technician Apprenticeships in September 2019. This scheme will be reviewed regularly to ensure it meets the needs of the service and the apprentices.
69. In addition to the apprentices in the Repairs Service we employed 5 people as apprentice Admin and Business Support Officers in 2018/19. This has increased to 13 in 2019/20.
70. Housing's Neighbourhood Improvement scheme continues to help the long term unemployed by giving pre-employment training and a period of work experience. During 2019/20 10 people completed 6-month fixed employment contracts as Neighbourhood Improvement Officers and a further 10 people have started employment with the Council under this scheme. Their work on our estates includes painting, clearing overgrown areas, tidying unsightly spots, cleaning UPVC windows and removing rubbish.

Feedback from Consultation with Tenants' and Leaseholders' Forum

On December 5th, 2019 the Tenants' and Leaseholders' Forum was presented with an overview of how housing services were performing, and the key proposals contained within the HRA rent setting and budget report for 2020/21. The forum was consulted on the proposals and provided the following feedback.

The Forum agreed that the Housing Division should have a balanced budget; members felt it was important that Housing Services live within their means.

The Forum members raised concerns about Right to Buy and they felt that this should be abolished. Members also felt that monies from Right to Buy should not be returned to the government but instead used to build more affordable housing locally. They did not think it was fair that the discount transferred with the tenant when the tenant moved property. Forum members also felt that the number of years discounted should be limited. One member of the forum felt that if Right to Buy was to carry on, it should be allowed for Housing Association tenants too. Members of the Forum stated that they were going to approach local MPs about their concerns around Right to Buy.

Feedback on rent and service charge proposals:

- **Increase rents by 2.7%.** Although members of the Forum understood the need for a balanced budget, they thought this increase was too high and suggested that rents were increased by 2.5%.
- **Increase service charges by 2%.** Members of the Forum stated that they preferred service charges to be increased by 1.7%.
- **Increase garage rents by 2.7%.** Forum members agreed with this increase, but stated that they thought the garages were too small for most cars to be parked in.
- **Increase hostel rents by 2%.** Members did not agree with this rent rise in case it discouraged homeless people from going into a hostel.

Feedback on Capital Programme proposals:

- **£0.4m reduction in the kitchen and bathroom programme.** All forum members strongly disagreed with any reduction in this programme and felt that it should be a priority for the Housing Division to replace kitchens and bathrooms in all properties that required them.
- **Increasing the budget for re-roofing by £150k.** The forum agreed with this proposal and they recognised that roofs did need replacing. It was suggested by some Forum members that the Council should be replacing roofs rather than patching them up.
- **Budget of £0.5m to carry out property conversions.** Forum members agreed with increasing the property size to deal with overcrowding. Members of the Forum also suggested that the council build more three-bedroom houses. To address the housing shortage Forum members suggested that we buy Hospital Close and the 6000 empty student properties in the City.

- **Budget of £250k to enable feasibility work to take place on Sheltered Housing Blocks.** There were mixed views on this, some Forum members wanted to know exactly how many council owned sheltered schemes there were in the City. One member of the Forum agreed with this proposal.
- **Budget of £1.2m to carry out Public Realm works.** The Forum agreed with this spend as long as it did not leave the reserves significantly depleted. The Forum would like more information about how much money would be left in the reserves.
- **£0.7m for additional maintenance work on non-dwellings.** The Forum agreed that if this work was required then they agreed with this spend. One Forum member did state that they did not want any more money spent on dishwashers for St Marks.
- **Additional £175k for IT Systems.** The Forum members said that they did not agree with this spend as the Council's IT systems were unreliable and the Council should stop changing the systems.

Comments on capital budgets with no proposals for change:

- **Boiler replacements** - £3,425k – Tenant's Forum agreed with this spend.
- **Re-wiring** - £1,760k – Forum members were not sure about this, they wanted to know how many properties still required rewiring.
- **Soffits and fascias** - £350k – Forum members agreed with this spend.
- **Windows and doors** - £150k – Forum members agreed with this spend.
- **Door entry** - £150k - Forum members agreed with this spend.
- **District heating maintenance** – Forum members agreed with this spend.
- **Communal and environmental works** - £750k – Forum members agreed with this spend
- **Fire risk work** - £1m - Forum members agreed with this spend and thought this area of work should be a priority.
- **Safety works including targeted alarms** - £300k – Forum members agreed with this spend. Members wanted to know what the Council policy was on chains being fitted on doors for extra security.
- **Loft insulation** - £100k – Forum members agreed with this spend
- **Waylighting** - £150k - Forum members agreed with this spend
- **Concrete path renewal** - £100k – Forum members agreed with this spend. Members particularly highlighted the need for this work in the St Matthews and Neston Garden areas of the City.

Equality Impact Assessment (EIA) Service Reviews/Service Changes

Title of spending review/service change/proposal	Housing Revenue Account Budget (including Capital Programme 2020/21)
Name of division/service	Housing
Name of lead officer completing this assessment	Helen McGarry, Business Change Manager, Ext 454 5129 helen.mcgarry@leicester.gov.uk
Date EIA assessment completed	
Decision maker	Full Council
Date decision taken	19th February 2020

EIA sign off on completion:	Signature	Date
Lead officer		
Equalities officer		
Divisional director		

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.

<p>1. Setting the context</p> <p>Describe the proposal, the reasons it is being made, and the intended change or outcome. Will current service users' needs continue to be met?</p> <p>The financial landscape of the four-year period from 2016 to 2020 has been dominated by the government requirement that rents be reduced by 1% each year. For the 5 years from 2020 rents can be increased by up to CPI+1%. Whilst this relaxation is welcome, a number of other external pressures and changes brought about by central government persist; these include the impact of increasing Right to Buy sales (where it is predicted £4.6m rental income will be lost over the next 3 years, leaving a gap in the budget), the rollout of Universal Credit and inflationary pressures. The Housing Revenue Account budget report recommends that the budget for 2020 / 21 is set as a balanced budget, continuing the approach of only drawing on reserves to fund time-limited or one-off schemes.</p> <p>The Housing Revenue Account Budget report is proposing a 2.7% increase to the core rents of Council homes, which is the maximum increase allowed under the government's new criteria. As well as this rent increase for 2020/21 the report is recommending:</p> <ul style="list-style-type: none"> • Increasing service charges by 2% • Increasing hostel rent by 2% • Increasing garage rents by 2.7%

In terms of spend, the Housing Revenue Account budget report is proposing an:

- Increase to the annual spend on employee costs (£0.5m) as a result of assumed pay increases and increased pension contributions
- Increase to spend on running costs by £1.3m (over the next 3 years) due to inflation
- A spend of £1,184k for interest and debt repayment
- It is proposed the £4.9m budget gap in 2020 / 21 will be addressed through:
 - Additional income from the increased rents and service charges mentioned above - £2m
 - Rental income from new build properties - £1m
 - Ongoing savings as a result of the Homelessness Management Review in 2019 - £0.1m
 - Reducing the amount given to the Capital Expenditure Fund - £950k
 - Expected savings from changes to the way accommodation services are delivered - £0.7m
 - Consolidation of the Stores facilities into one site to save £0.1m.
 - A further £600k savings to be identified

Apart for capital spend already agreed for new build properties a budget of £17,435k is proposed for the Capital Programme Fund. The following projects are those where it is proposed that changes will be made to the allocation of funding through this fund:

- As result of a predicted underspend during 2020/21 and to reflect the number of properties reduced through Right to Buy it is proposed that funding for kitchens and bathrooms is reduced by £0.4m.
- An increased budget of £150k for re-roofing to ensure this work takes place on the greater number of properties requiring this work during 2020/21.
- The allocation of £0.5m to carry out property conversions to create more space for households living in overcrowded conditions.
- Introduction of a £250k budget to enable feasibility work to be carried out in relation to the refurbishment of sheltered housing schemes
- In addition to the current Communal and Environmental works budget it is proposed an additional £1.2m from reserves, increasing to a total of £5m over the next 3 years, to improve the appearance of low-rise flats, communal areas and estates.
- £0.7m is added to support the work required to non-dwellings.
- The £175k allocated to improve IT systems will require a top up with the increase in mobile working solutions. Budgets for 2021/22 onwards will be considered during the next 12 months, taking into account any procurement requirements.

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 with the recommendations being made.

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.

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.
<p>The proposal to increase rents will affect all Leicester City Council tenants across the city. Approximately 27% of tenants are in receipt of full housing benefit at present and will continue to have any rent payable covered by their benefit entitlement. We currently have over 2000 tenants in receipt of Universal Credit. These tenants will have their housing costs covered by the new benefit, even though the majority will be responsible for paying the full rent themselves. The negative impact of having to pay more rent will affect approximately 64% of tenants who are in receipt of partial or no housing benefit or Universal Credit. The impact of the rent increase will be dependent on the tenants' financial situation rather than any protected characteristic.</p> <p>Service charges are added to rent when improvement work has been completed in a property or extra services are provided, for example, new central heating systems. All tenants who pay these charges will need to pay 2% more each week for these. The charge will depend on 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 27% of tenants are in receipt of full housing benefit and they will continue to have the majority of service charge payable covered by their benefit entitlement. Tenants in receipt of Universal Credit will also continue to have the cost of service charges included in their housing cost element of the benefit. The negative impact of having to pay more for service charges will affect approximately 64% of tenants who are in receipt of partial or no housing benefit or Universal</p>

Credit. The impact of the service charge increase will in general be dependent on tenants' financial situations rather than any protected characteristic. The exception is the service charge for district heating, which is not covered by Housing Benefit or Universal Credit. All tenants will have to pay this charge and any increase proposed. A high number of properties that are provided with district heating are located within the Centre area. We know a higher proportion of BME households live in this area. However, the impact of the district heating charge will still be dependent on a person's financial situation rather than their protected characteristic.

The impact of the proposed 2% increase to hostel rents will impact upon all homeless households currently living in temporary accommodation provided by the Council, and those who become homeless in the future and use these services. Our records show the majority of people accommodated receive full entitlement to Housing Benefit or Universal Credit and therefore this additional charge will be covered by these benefits. The impact of having to pay more will be for those people on partial or no Housing Benefit or Universal Credit. However, we know there are low numbers of people in this situation using the services. As with the proposed increase in Council core rents the impact will be determined as a result of a person's financial situation and not as a result of a particular protected characteristic.

Council owned garages are rented out to members of the public generally, not just council tenants. The charge is not covered by housing benefit or Universal Credit. We currently have around 1300 garages available for rent, so the proposed 2.7% increase could impact upon 1300 people, dependant on how many garages are actually let at any one time. Our protected characteristic profiling information in relation to people renting garages is currently limited, so it is not known whether there will be a bigger impact on a particular group. However, the impact is more likely to be as a result of a person's financial situation and ability to pay the extra rent rather than as a result of having a particular protected characteristic.

The Housing Capital Programme generally benefits all tenants in the city. Projects to improve individual properties are decided on their condition 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 to be replaced and health and safety regulations. The impact for tenants will generally be positive as properties and areas are improved.

- £0.4m reduction in the kitchens and bathroom budget – Decisions to replace kitchens and bathrooms are made on the condition and age of a property, not on the particular circumstances of tenants. Despite the reduction, the proposed budget allocation is £3.6m which will ensure funding is still available to carry out work where this is required.
- Increased funding for re-roofing - this proposal relates to properties across the city to meet health and safety requirements, all tenants effected will benefit from this work, not just those with a protected characteristic
- £0.5m budget allocation for property conversions to address overcrowding - This proposal is to address individual overcrowding situations of tenants irrespective of their protected characteristic. The properties where this work is to take place will largely be determined by the suitability of properties to be converted.

- £250k budget to undertake feasibility work to refurbishment of sheltered housing schemes - In general this accommodation is available to tenants over the age of 50. These people will benefit from the changes made but may be disrupted whilst the work is taking place.
- Additional £5m (over the next 3 years) to improve the appearance of low-rise flats, communal areas and estates – This work will be determined as a result of the condition of flats and communal areas and the appearance and safety of our estates. The work will not be determined as a result of the protected characteristic of a particular group or groups. Where improvements are made the benefits will be felt by all tenants living in the area.
- Potential increased budget to improve IT systems – This is internal funding to improve IT systems to enable increased mobile working opportunities for staff. However, the spend will have a knock-on benefit for all tenants, irrespective of their protected characteristic, providing a more flexible and responsive service to meet people’s needs.

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 Northgate IT system (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 limited information collected specifically about disabilities. An action within Housing’s Equality Action Plan is to increase the monitoring data we collect 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?

A meeting of the Tenants’ and Leaseholders’ Forum took place on the 5th December 2019 and they were presented with the proposals for the Housing Revenue Account rent setting and capital programme for 2020 / 21. The feedback the Forum provided is contained within Appendix G of the budget report.

Two particular areas identified that are important to Forum members regarding the current service is the availability of social housing in the city and property improvements through the kitchens and bathrooms scheme.

Forum members felt the Right to Buy scheme, which is resulting in the reduction of properties owned by the City Council, is a barrier to those people in housing need, which in turn is reducing their access to social housing. Also, it was felt increasing hostel rents may impact upon homeless people in terms of them accessing temporary accommodation, due to affordability issues. Although these barriers were raised, no potential impacts were identified for any particular group with a protected characteristic.

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).

Protected characteristic	Impact of proposal: 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?	Risk of negative impact: 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?	Mitigating actions: 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.
Age¹	People living in sheltered housing are generally over the age of 50 and therefore	People over 50 may be disrupted whilst improvements to	Effective communication as to changes taking place and interim changes to

¹ 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

	any improvements to this type of accommodation will benefit these people	sheltered housing is taking place	service provision, if required. Some tenants may need to be temporary re-housed whilst the work is being carried out.
Disability²	No potential impact	No group will be proportionally impacted upon by this proposal	Not applicable
Gender Reassignment³	No potential impact	No group will be proportionally impacted upon by this proposal	Not applicable
Marriage and Civil Partnership	No potential impact	No group will be proportionally impacted upon by this proposal	Not applicable
Pregnancy and Maternity	No potential impact	No group will be proportionally impacted upon by this proposal	Not applicable
Race⁴	Tenants from a BME background in the Centre area of the City may be more impacted upon by the increased service charges for district heating	No group will be proportionally impacted upon by this proposal	The Income Management Team to continue to monitor rent arrears and provide support for those people struggling to pay as a result of the increased charges.

² 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.

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

⁴ 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.

Religion or Belief⁵	No potential impact	No group will be proportionally impacted upon by this proposal	Not applicable
Sex⁶	No potential impact	No group will be proportionally impacted upon by this proposal	Not applicable
Sexual Orientation⁷	No potential impact	No group will be proportionally impacted upon by this proposal	Not applicable

Summarise why the protected characteristics you have commented on, are relevant to the proposal?

All protected characteristics have been commented on because work to improve the condition of properties and the environment of estates impact on all tenants.

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

Other groups	Impact of proposal: 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	Risk of negative impact: 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?	Mitigating actions: 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.
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⁵ 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.

⁶ Sex: Indicate whether this has potential impact on either males or females

⁷ 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.

	their needs/address inequalities they face?		
Children in poverty	Children living in over-crowded conditions may benefit from the proposals to convert properties to address overcrowding.	There may be disruption in the home whilst conversion work is taking place	Provide temporary accommodation whilst conversion work is taking place, if necessary.
Other vulnerable groups			
Other (describe)			

7. Other sources of potential negative impacts
 Are there any other potential negative impacts external to the service that could further disadvantage service users over the next three years that should be considered? For example, these could include: other proposed changes to council services that would affect the same group of service users; Government policies or proposed changes to current provision by public agencies (such as new benefit arrangements) that would negatively affect residents; external economic impacts such as an economic downturn.

8. Human Rights Implications
 Are there any human rights implications which need to be considered (please see the list at the end of the template), if so please complete the Human Rights Template and list the main implications below:
 The budget proposals continue to support the Human Right of protection of property / peaceful enjoyment

9. Monitoring Impact
 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:

- monitor impact (positive and negative, intended and unintended) for different groups
- monitor barriers for different groups
- enable open feedback and suggestions from different communities
- ensure that the EIA action plan (below) is delivered.

Monitoring systems in place include:

- Monitoring and analysing complaints received
- Feedback received from Tenants and Residents Associations and the Tenants' and Leaseholders' Forum
- Progress on actions resulting from the equality impact assessment will be monitored and reviewed by the Senior Management Team within Housing.

10. 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
Actions are progressed to mitigate the potential negative impacts that are associated with the budget proposals	Effectively communicate proposed improvements to Sheltered Housing tenants. Provide temporary accommodation whilst improvement work is taking place, if necessary	Suki Supria	TBC
	Provide temporary accommodation to households where conversion work is taking place to address overcrowding, if necessary.	Suki Supria	TBC
	The Income Management Team to continue to monitor rent arrears and provide support for people struggling to pay rent / service charges as a result of any increase.	Charlotte McGraw	Ongoing

Human Rights Articles:

Part 1: The Convention Rights and Freedoms

- Article 2:** Right to Life
- Article 3:** Right not to be tortured or treated in an inhuman or degrading way
- Article 4:** Right not to be subjected to slavery/forced labour
- Article 5:** Right to liberty and security
- Article 6:** Right to a fair trial
- Article 7:** No punishment without law
- Article 8:** Right to respect for private and family life
- Article 9:** Right to freedom of thought, conscience and religion
- Article 10:** Right to freedom of expression
- Article 11:** Right to freedom of assembly and association
- Article 12:** Right to marry
- Article 14:** Right not to be discriminated against

Part 2: First Protocol

- Article 1:** Protection of property/peaceful enjoyment
- Article 2:** Right to education
- Article 3:** Right to free elections

Profiling Information – Council Tenants

Breakdown by age band

Age of Applicant	Number of Tenants	Percentage of Tenants
16 to 19	116	0.58%
20 to 24	411	2.05%
25 to 34	2,465	12.32%
35 to 44	4,049	20.24%
45 to 54	4,168	20.83%
55 to 64	3,642	18.20%
65 to 74	2,685	13.42%
75+	2,173	10.86%
Not known	300	1.50%

Breakdown by disability

Disabled	Number of Tenants	Percentage of Tenants
Yes	167	0.83%
No / Not Recorded	19,842	99.17%

Breakdown by ethnic origin

Ethnicity	Number of Tenants	Percentage of Tenants
White British	9,436	47.16%
White – Irish	147	0.73%
Other Ethnic Group – Gypsy/Romany/Irish Traveller	14	0.07%
White – Other white background	486	2.43%
White – European	361	1.80%
Dual Heritage	415	2.07%
Asian	2,332	11.65%
Chinese	25	0.12%
Black	2,130	10.65%
Any other ethnic group	335	1.67%
Prefer not to say	501	2.50%
Not Recorded	3,827	19.13%

Breakdown by religion

Religion	Number of Tenants	Percentage of Tenants
Atheist	250	1.25%
Buddhist	14	0.07%
Christian	2,054	10.27%
Hindu	326	1.63%
Muslim	1,555	7.77%
Sikh	75	0.37%
No Religion	2,027	10.13%
Other	290	1.45%
Prefer not to say	709	3.54%
Not known / specified	12,709	63.52%

Breakdown by sexuality

Sexuality	Number of Tenants	Percentage of Tenants
Bisexual	139	0.69%
Gay female / lesbian	30	0.15%
Gay male	34	0.17%
Heterosexual / straight	5,951	29.74%
Other	173	0.86%
Prefer not to say	964	4.82%
Not known / specified	12,718	63.56%

Breakdown by Gender

Gender	Number of Tenants	Percentage of Tenants
Male	8,620	43.08%
Female	11,159	55.77%
Not Known	230	1.14%